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THE ROLE OF TRANSFORMATIONAL LEADERSHIP STYLE IN PSYCHOLOGICAL EMPOWERMENT OF EMPLOYEES: LITERATURE REVIEW

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ABSTRACT

Leadership is closely related to the existing human resources in the organization as a key success factor. Therefore, companies need skilled leaders, who can serve as role models for their subordinates, and are able to make changes for the better in the future. The importance of employees in determining the success of the organization, the company pays attention to performance constraints. This study aims to examine the role of transformational leadership style on employee psychological empowerment. This type of research uses a literature review with secondary data. The data is obtained through a search on Google Scholar with the search limited from 2016 to 2022 which can be accessed in full text. The role of transformational leadership style on employee psychological empowerment can be applied. Leaders with this leadership style can provide encouragement to employees in their psychological empowerment. So that leadership has a significant influence on the psychology and welfare of its employees. Through empowerment, it will motivate employees to participate more in the company's internal decision making, thereby increasing the sense of responsibility and improving performance, which also affects employees and increases employee job satisfaction.

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INTRODUCTION

The organization's sustainability in achieving its goals for success is determined by human resources who have high commitment and integrity as well as professional attitude and character at work. Organizational systems will not be able to run without human resources (Sista & Utama, 2019). Human resources are an important part of the company so that their development is needed in order to get maximum performance results to achieve organizational goals together. According to Inceoglu, Thomas, Chu, Plans, and Gerbasi, (2018) behind the success of employees is strongly influenced by

the attitude, behavior and character of a leader. Leadership has a significant influence on the psychology and welfare of its employees. Because leadership has a great responsibility to plan, coordinate, direct and supervise its employees so that performance is in accordance with the expected organizational goals (Mahmud & Sopiah, 2022).

Through appropriate leadership behavior, the Company can empower employees to increase employee job satisfaction, high employee loyalty, and willingness to innovate at work. Job satisfaction is still related to the desire of employees to be able to develop skills at work which causes them to feel their presence is cared for by the company. Therefore, empowerment of employees that occurs within the company's leadership will provide opportunities for employees to develop their potential. The treatment of leaders and empowerment of employees is one of the important things and can have a positive impact on employees. One way that can be applied so that employees feel comfortable, feel there is meaning in their work, and feel the benefits is to use psychological empowerment (Putri & Ratnaningsih, 2020).

One of the leadership styles that can have an impact on employee job satisfaction in performing psychological empowerment of employees is transformational leadership. One of the characteristics of transformational leaders must be able to empower employees well. Through empowerment, it will motivate employees to participate more in the company's internal decision making, thereby increasing the sense of responsibility and improving performance, which also affects employees and increases employee job satisfaction (Aidina Rahmma Nabila & Prihatsanti Unika, 2017).

This transformational leadership can face increasingly fierce and complex organizational competition, making it possible to change the management pattern strategy in this changing business competition. In addition, the importance of employees in determining the success of the organization, the company pays attention to performance constraints. Various obstacles that occur can be in the form of feeling unmotivated at work so that it has an impact on the operational activities of the organization. Therefore, it takes a leader who is able to change the performance environment. Based on these problems, this study aims to examine the role of transformational leadership style on employee psychological empowerment through literature review.

Psychological empowerment has a good influence on employee performance (Astutik & Surjanti, 2018). The data is obtained through a search on Google Schoolar with rich variable keys that have been determined. The articles that have been collected are studied to see whether the articles meet the criteria as literature in this study. Search is limited from 2016 to 2022 which can be accessed full text. The source

becomes a reference in writing the role of transformational leadership style on the psychological development of employees in the organization (Khumaira & Muhid, 2022).

METHOD

This research uses a literature review with secondary data. Literature review is the process of placing, obtaining, reading and evaluating (Saidah & Muhid, 2021). The data is obtained through a search on Google Scholar with rich variable keys that have been determined. The articles that have been collected are studied to see whether the articles meet the criteria as literature in this study. Search is limited in 2016 to 2022 which can be accessed full text. The source becomes a reference in writing the role of transformational leadership style on the psychological development of employees in the organization.

RESULT AND DISCUSSION

Leadership is closely related to the existing human resources in the organization as a key success factor. Therefore, companies need skilled leaders, who can serve as role models for their subordinates, and are able to make changes for the better in the future. Leaders must also be able to establish bonds with employees so that they support and motivate each other. According to (Saputro, 2021) Motivation is a powerful support for achieving company goals in understanding behavior, foresight, directing, changing, and even controlling behavior in all organizations is a necessary prerequisite for effective leadership goals to achieve company goals, mission and vision.

Motivating employee development carried out by company leaders aims to create an effective work climate so that work can be more efficient is a process in the psychological development of employees (Martono, 2016). Through psychological empowerment, proactive behavior patterns can be formed and are more optimal because in the implementation process they can develop existing principles, one of which is related to full awareness of employees in the work process (Saifullah, Tarigan, & Nurendah, 2019). Psychological empowerment provides confidence and encouragement in individual employees in doing their jobs. Someone who is psychologically empowered will have positive feelings about his work and do it more than expected (Kurniawan & Daeli, 2021).

Psychological empowerment is carried out to increase individual self-confidence and positive feelings among employees. Psychological empowerment affects employees to have competence, resilience, and responsibility for their work.

Empowerment is a variable that enables employees to set work goals, make decisions, and solve problems on the responsibility and authority that is decentralized by superiors. That empowerment is a process carried out by leaders in utilizing and

developing employee potential to improve individual performance which in the aggregate leads to the achievement of organizational goals with indicators of granting autonomy, utilizing resources, and increasing participation (Maulina, Sulistyani, & Suharmanto, 2018).

Bass in (Mangundjaya & Ratnaningsih, 2017) mentions how transformational leaders inspire followers to achieve more than usual by making them realize their true potential. Transformational leaders always pay attention to the self-development needs of their subordinates, guide their subordinates to see and solve problems with new perspectives, and can motivate their subordinates to achieve common organizational goals by working hard (Juniartha, Wardana, & Putra, 2017).

The role of transformational leadership style on employee psychological empowerment can be applied. This transformational leadership can face increasingly fierce and complex organizational competition, making it possible to change the management pattern strategy in this changing business competition. (Mohammadi & Boroumand, 2016) see more components in transformational leadership which include (1) the influence of idealized leaders as role models that followers can rely on, (2) inspirational motivation, which represents leaders who talk about high expectations and motivate them through vision, (3) intellectual stimulation, namely trying new innovative approaches, and (4) individual considerations that describe leaders who build a supportive climate by listening to the needs of their followers and becoming new mentors to actualize their followers.

Leaders with this leadership style can provide encouragement to employees in their psychological empowerment. So leadership has a significant influence on the psychology and welfare of its employees. Leaders who can empower employees to the maximum will determine the success of employee performance above the abilities they have. So that the leader must have the characteristics of a transformational leader who can empower employees well. Through empowerment, it will motivate employees to participate more in the company's internal decision-making, thereby increasing the sense of responsibility and improving performance, which also affects employees and increases employee job satisfaction.

CONCLUSION

Leadership is closely related to the existing human resources in the organization as a key success factor. Therefore, companies need skilled leaders, who can serve as role models for their subordinates, and are able to make changes for the better in the future. The importance of employees in determining the success of the organization, the company pays attention to performance constraints. This study examines the role of transformational leadership style on employee psychological empowerment.

The effect of transformational leadership style on employee psychological empowerment can be applied. The components of transformational leadership include (1) idealistic leaders as reliable role models for their employees (2) inspirational motivation, which represents leaders who talk about high expectations and inspire them through vision, (3) intellectual stimulation, i.e. experimenting with new approaches, innovations, and (4) personal consideration, describing a leader building a supportive atmosphere by listening to the needs of his followers and becoming a new mentor for the fulfillment of his followers.

Leaders with this leadership style can provide encouragement to employees in their psychological empowerment. Thus leadership has a significant influence on the psychology and welfare of its employees. Through empowerment, it will motivate employees to participate more in the company's internal decision-making, thereby increasing the sense of responsibility and improving performance, which also affects employees and increases employee job satisfaction.

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