

Transformational Leadership's Impact on Enhancing Employee Performance in Medan MSME Sector

Leadership
Enhancing Employee
Performance

4005

Amirulsyah

Universitas Muhammadiyah Sumatera Utara; Medan, Indonesia
E-mail: amirulsyah@umsu.ac.id

Safrida

Universitas Islam Sumatera Utara; Medan, Indonesia
E-mail: safrida@fe.uisu.ac.id

Muhammad Endang Asmara

Universitas Deli Sumatera; Medan, Indonesia
E-mail: adiasmara6@gmail.com

Submitted:
JULY 2025

Accepted:
SEPTEMBER 2025

ABSTRACT

As the backbone of Medan's economy, Micro, Small, and Medium Enterprises (MSMEs) play a central role in sustaining livelihoods and driving regional growth. However, to overcome persistent challenges such as limited capital, market access, and human resource constraints, effective leadership becomes a critical factor for ensuring resilience and long-term sustainability. This study aims to analyze the role of transformational leadership in improving employee performance in the MSMEs sector in Medan City. Using a qualitative approach through case studies on several MSMEs such as Serumpun Deli, Animers Craft, Dian Kitchen, and Gallery Fika, this study found that the four main dimensions of transformational leadership, ideal influence, inspirational motivation, intellectual stimulation, and individual attention are able to increase employee loyalty, motivation, and productivity. These findings reinforce the theories of Bass and Avolio and show that the application of transformational leadership is effective in building an innovative and collaborative work culture. This study recommends strengthening leadership capacity in MSME actors as a strategy to increase competitiveness in the era of digital transformation.

Keywords: Employee Performance, Medan, MSMEs, Transformational Leadership.

ABSTRAK

Sebagai tulang punggung perekonomian Medan, Usaha Mikro, Kecil, dan Menengah (UMKM) memainkan peran sentral dalam mempertahankan mata pencaharian dan mendorong pertumbuhan daerah. Namun, untuk mengatasi tantangan yang terus-menerus seperti keterbatasan modal, akses pasar, dan kendala sumber daya manusia, kepemimpinan yang efektif menjadi faktor penting untuk memastikan ketahanan dan keberlanjutan jangka panjang. Penelitian ini bertujuan untuk menganalisis peran kepemimpinan transformasional dalam meningkatkan kinerja karyawan pada sektor UMKM di Kota Medan. Menggunakan pendekatan kualitatif melalui studi kasus pada beberapa UMKM seperti Serumpun Deli, Animers Craft, Dian Kitchen, dan Gallery Fika, penelitian ini menemukan bahwa empat dimensi utama kepemimpinan transformasional, pengaruh ideal, motivasi inspirasional, stimulasi intelektual, dan perhatian individual mampu meningkatkan loyalitas, motivasi, dan produktivitas karyawan. Temuan ini memperkuat teori Bass dan Avolio dan menunjukkan bahwa penerapan kepemimpinan transformasional efektif dalam membangun budaya kerja yang inovatif dan kolaboratif. Penelitian ini merekomendasikan

JIMKES

Jurnal Ilmiah Manajemen
Kesatuan
Vol. 13 No. 5, 2025
pp. 4005-4014
IBI Kesatuan
ISSN 2337 – 7860
E-ISSN 2721 – 169X
DOI: 10.37641/jimkes.v13i5.3990

INTRODUCTION

Medan, the largest city outside Java with a population of 2.47 million (mid-2023) and a metropolitan reach of 4.76 million, is a major economic hub in North Sumatra. In this setting, Micro, Small, and Medium Enterprises (MSMEs) play a vital role in job creation and local economic growth (Yolanda, 2024), yet face challenges such as limited capital, market access, and human resource quality. Nationally, MSMEs contribute 60%–65% of Indonesia's GDP and absorb much of the workforce, underscoring the importance of leadership (Utari & Hutasuhut, 2024). Transformational leadership, which inspires followers to exceed expectations and emphasizes collective vision, is increasingly relevant for enhancing employee performance and MSME sustainability.

Bernard Bass identified four dimensions of transformational leadership: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Bass & Avolio, 1994). These elements foster loyalty, commitment, and performance by making employees feel valued and empowered. In Indonesian perspectives, transformational leadership is seen as the leader's ability to collaborate, mobilize resources, and build shared vision and values (Abdi & Rohmah, 2020). Leaders who articulate and model inspiring visions help employees understand goals and roles (Amaludin et al., 2025). For MSMEs, such practices, rewards, empowerment, and individual attention boost motivation, commitment, and productivity, strengthening employee attachment to the business.

In addition to Western theories, local concepts such as "*ing ngarso sung tulodo... Tut Wuri Handayani*" reflects leaders who set an example, motivate from behind, and gather strength together (Wardani et al., 2024). This is especially relevant in the context of Medan's local culture to build a collaborative work climate. Further (Luthans et al., 2006) call transformational leaders agents of change who are visionary, courageous, trusting others, and the motor of organizational values. In MSMEs, it requires a leader who not only directs but also builds employee capabilities.

Medan's highly diverse culture consists of Malay, Batak, Javanese, Chinese, Indian, and other ethnicities, creating a complex social environment. However, this also opens up innovation opportunities in MSMEs. Transformational leadership needs to be adaptive and inclusive in the midst of such diversity. MSMEs in Medan face external challenges such as late client payments, interference from mass organizations, and weak market pressure, making transformational leadership vital to sustain employee motivation through support and security. The "open mind, open heart, open will" framework highlights openness, empathy, and readiness for change, requiring leaders to foster dialogue, understand needs, and build shared visions. Transformational leadership enhances innovation by encouraging experimentation and creative thinking (Mondiani, 2012), which is crucial in Medan's dynamic market. Meta-analyses confirm its impact on job satisfaction, commitment, productivity, and loyalty, showing relevance even in smaller, flexible MSMEs. Unlike transactional leadership, it emphasizes shared ideals, inspiration, and role modeling, with "individualized consideration" and "intellectual stimulation" as key dimensions (Pasaribu et al., 2025). Given that most MSMEs lack structured management and leadership training (Firanda et al., 2024), transformational leadership can serve as a strategic lever to strengthen managerial capacity and maximize employee potential.

Empirically, MSMEs in North Sumatra absorb more than 97% of the workforce in the informal-provincial sector, showing a great contribution to the local economy. This confirms the urgency of strengthening their role so that their performance also improves. This introduction highlights the importance of MSMEs in Medan's economy, the HR

performance challenges they face, and the role of transformational leadership as a solution. The study emphasizes how leaders can motivate, inspire, and empower employees, showing that transformational leadership remains relevant for MSMEs despite limited resources and high innovation needs. Medan is chosen as a case study due to its multicultural context, dynamic MSME sector, and demand for adaptive leadership, supported by demographic and economic data. The discussion continues with Bass' "Four I's" and their application in small organizations, alongside local approaches and cultural values. The proposed methodology includes in-depth interviews and surveys to MSME owners and employees in Medan. Performance indicators will include productivity, motivation, retention, and work innovation as outcomes of transformational leadership. This study aims to analyze the role of transformational leadership in improving employee performance in the MSMEs sector.

LITERATURE REVIEW

Transformational Leadership in the Context of MSMEs in Indonesia

Transformational leadership, as formulated by Bass and Avolio (1993), is grounded in four fundamental dimensions: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. This leadership style is widely recognized for its ability to elevate employee motivation, strengthen commitment, and enhance performance by inspiring and empowering individuals within an organization. Rather than relying solely on authority, transformational leaders engage their employees by building trust, fostering shared goals, and encouraging innovative thinking (Shelton, 2012). Such qualities are particularly relevant in the context of micro, small, and medium enterprises (MSMEs), where adaptability and employee involvement often determine the sustainability and growth of the business (Parent et al., 2018).

Several empirical studies in Indonesia provide evidence of the effectiveness of transformational leadership in strengthening MSMEs. For instance, research conducted in East Java shows that when transformational leadership is combined with innovation, it significantly improves the performance of both MSMEs and the banks that support them (Maharani, 2023). In the food MSME sector in the same region, similar findings reveal that transformational leadership has a positive and significant impact on innovation and overall business performance, demonstrating its role in helping enterprises remain competitive in dynamic markets. Further evidence from Kupang highlights that in food and beverage MSMEs, transformational leadership indirectly drives creativity by fostering stronger organizational commitment and cultivating an innovative climate (Klau, 2021).

Personality Dimension in Organizational Context

Transformational leadership cannot be separated from the personality dimensions of the leader, as these traits shape how leadership is practiced and perceived within organizations. According to Mukhtar (2025), attributes such as openness to new experiences, conscientiousness, extroversion, agreeableness, and emotional stability, commonly referred to as the OCEAN model, play a crucial role in determining the effectiveness of transformational leadership styles. Leaders who demonstrate these characteristics are more likely to inspire trust, communicate a clear vision, and create a work environment where employees feel valued and motivated (Raziq et al., 2025). Beyond personality, the continuity of leadership and the support received from peers also strengthen the leader's influence, particularly in ensuring clarity of employee roles and sustaining long-term commitment to organizational goals (Reniaty et al., 2025).

The organizational context further reinforces the impact of transformational leadership in the MSME sector. Quantitative research in Indonesia's multicultural MSME environment shows that transformational leadership has a significant positive relationship with job satisfaction, organizational citizenship behavior (OCB), and overall employee performance (Islam et al., 2024; Rafsanjani et al., 2025). OCB, in this case, even serves as a partial mediator between job satisfaction and performance, meaning that employees

who experience satisfaction are more likely to go beyond formal job requirements when guided by transformational leaders. Similarly, a study in Subang Regency (West Java) reveals that transformational leadership, when combined with psychological safety, has a stronger effect on employee performance. Importantly, Information And Communication Technology (ICT) competence acts as a mediator, showing that digital skills are essential for employees to fully leverage the benefits of visionary leadership (Ismindari, 2024; Sunarso et al., 2025). These findings underline that both leader personality and organizational context shape the extent to which transformational leadership can enhance employee outcomes, innovation, and the long-term competitiveness of MSMEs.

Knowledge Sharing and Digital Adaptation in Indonesian MSMEs

Knowledge sharing and digital adaptation have become critical components for the sustainability and competitiveness of MSMEs in Indonesia, and transformational leadership plays a decisive role in advancing both (Rizkita et al., 2025). A study by Yin et al. (2020) found that intellectual stimulation on knowledge sharing, and team efficacy fully mediated the impact of inspirational motivation on knowledge sharing among employees. This indicates that when leaders show genuine concern for the personal growth of their employees and inspire them with a clear, motivating vision, workers are more willing to exchange ideas, experiences, and expertise. Interestingly, other dimensions such as intellectual stimulation and inspirational motivation were found to be less significant in this context, suggesting that personalized attention and direct inspiration may carry greater weight in local MSME environments where interpersonal trust and close-knit relationships often define workplace dynamics.

Beyond knowledge sharing, digital transformation is another area where transformational leadership demonstrates strong influence. A recent systematic literature review on Indonesian MSMEs emphasizes that transformational leaders are pivotal in shaping digital visions, supporting innovation, and fostering organizational cultures that embrace digital technology (Nugraha et al., 2024). Leaders who adopt this style not only encourage employees to utilize digital tools but also guide businesses toward long-term digital readiness, enabling them to compete in increasingly technology-driven markets. By aligning digital adoption with a shared organizational vision, transformational leaders create an environment where employees feel both capable and motivated to adapt. Thus, leadership that combines inspiration with practical support can accelerate knowledge transfer and digital integration, positioning MSMEs as resilient and innovative contributors to Indonesia's evolving economy (Persada et al., 2025)

RESEARCH METHODS

This study employs a qualitative approach with a case study design to examine the role of transformational leadership in improving employee performance within Micro, Small, and Medium Enterprises (MSMEs) in Medan City (Assyakurrohim et al., 2023). A qualitative approach was chosen because it enables the researcher to explore the meanings, perspectives, and lived experiences of leaders and employees in their organizational context. The case study design is particularly suitable for gaining a holistic understanding of leadership phenomena in real-life business settings, especially in MSMEs that face unique structural and cultural challenges.

The research was conducted in several MSMEs in Medan, with emphasis on businesses that have adopted or are in the process of adopting digital transformation. These enterprises were selected because they highlight the dynamic role of leadership in managing change and sustaining competitiveness. The focus was placed on how transformational leadership is practiced by MSME leaders and how employees perceive its impact on performance.

Informants were selected using purposive sampling with clear criteria: MSME leaders must have led the business for at least two years, employ more than three active staff members, and be willing to share information openly. Employees were also included to capture their perspectives on leadership practices. The number of informants was

determined by the principle of data saturation, meaning data collection ceased once no new information emerged.

Data were collected through three complementary techniques (Hartono, 2018). First, semi-structured interviews were conducted with leaders and employees to explore experiences, practices, and performance changes. Second, direct observation at the workplace captured leadership styles, communication patterns, and the work atmosphere. Third, documentation such as business profiles, organizational structures, and reports was gathered to strengthen data triangulation.

Data analysis followed Miles and Huberman’s (1994) interactive model, consisting of data reduction, data presentation, and conclusion drawing. During reduction, information from interviews, observations, and documents was sorted and simplified to highlight key themes. Findings were then presented in narrative form and categorized to facilitate interpretation. Conclusions were drawn by identifying patterns of transformational leadership and linking them to employee performance, with verification carried out through cross-checks with informants and supporting evidence.

To ensure validity, several strategies were applied. Triangulation combined interviews, observations, and documentation to enhance credibility. Member checks were conducted by confirming interpretations with informants. A trail audit was also maintained by systematically recording the research process. These steps ensured that the findings accurately reflect the realities of MSMEs in Medan and provide trustworthy insights into transformational leadership.

RESULTS

This research was conducted on five MSMEs in the city of Medan engaged in the culinary, fashion, and handicraft sectors, with a focus on transformational leadership applied by business owners or managers. The informants consist of five MSME owners and ten employees who work under their leadership.

One of the central aspects of transformational leadership in MSMEs is the ability of leaders to articulate a clear vision and inspire employees to work toward it. In Medan, many MSME owners consistently communicate their business goals, whether shifting to digital platforms, expanding into online markets, or strengthening their presence in souvenir shops, so that employees feel directly involved in the journey. This approach creates a sense of ownership, where employees see themselves as integral contributors rather than passive workers. Table 1 shows the employee perception of the leader’s vision on MSMEs.

Table 1. Employee Perception of the Leader's Vision

MSMEs	Business Vision	Frequency of Leaders Sharing Visions	Impact on loyalty
Serumpun Deli	Maintain traditional Malay cuisine & enter famous souvenir shops	Routine (especially ahead of big moments like Eid al-Fitr)	High
Animers Craft	Penetrating the export market and digital market	Frequent in BRI training & expo	High
Dian Kitchen	Expansion of online catering and ordering	Periodical via social media & bazaar	High
Gallery Fika	Expand network to Aceh & Padang	Routine through online media and personal order	High

The results of the study show that MSME leaders in Medan consistently communicate their visions in ways that strengthen employee loyalty, with tangible impacts on business growth. At *Serumpun Deli*, for instance, the owner’s growth-oriented vision has motivated employees to increase production up to 200 kilograms per day during Eid al-Fitr, with products now entering well-known souvenir shops in the city. Similarly, *Animers Craft* frequently emphasizes its goal of penetrating export and digital markets, particularly through participation in the BRI MSME Expo(RT) 2025, inspiring employees to view themselves as part of a business with global reach. A similar pattern emerges in *Dian*

Kitchen, where the emphasis on digitalization and diverse sales strategies, through online platforms, pre-orders, bazaars, and agency networks, has enabled the business to achieve a turnover of up to IDR 20 million per month, while also motivating employees to embrace adaptability and innovation. Meanwhile, *Gallery Fika* reflects how visionary leadership extends impact beyond local markets, as routine communication of expansion goals has resulted in orders from Aceh and Padang, creating pride and commitment among employees.

These cases demonstrate that consistent sharing of a clear and inspiring vision by MSME leaders builds not only strong employee loyalty but also measurable business achievements. Through transformational leadership, where visions are routinely conveyed, employees feel empowered, and contributions are recognized, MSMEs in Medan prove themselves capable of sustaining growth, adapting to challenges, and remaining competitive in broader markets. This reinforces the finding that vision-driven leadership is a crucial factor in enhancing both employee commitment and organizational resilience.

Table 2. Leader's Treatment of Individual Development

MSMEs	Employee Support	Support Type	Retention Rate
Serumpun Deli	Overtime help ahead of big moments	Individual awards	High
Animers Craft	Coaching through BRI & export workshop	Formal training and networking	High
Dian Kitchen	Neighbor involvement & teamwork opportunities	Social support and flexibility	High
Gallery Fika	Creative ideas award for bouquet design	Creative support and appreciation	High

Table 2 shows that the findings also highlight that MSME leaders in Medan pay close attention to individual employee development, which significantly strengthens retention. At *Serumpun Deli*, for example, employees receive personal recognition, such as individual awards for their overtime contributions during peak seasons, making them feel valued and appreciated. *Animers Craft* emphasizes formal capacity-building by providing coaching through BRI programs and export workshops, giving employees access to both training and wider professional networks. Similarly, *Dian Kitchen* fosters loyalty through social support and flexibility by involving neighbors in the business and creating opportunities for teamwork, which strengthens a sense of belonging. Meanwhile, *Gallery Fika* appreciates creativity by rewarding employees' innovative bouquet designs, motivating them to contribute fresh ideas while feeling recognized for their skills. These practices show that when leaders offer personal support, whether through recognition, training, social involvement, or creative appreciation, employees feel respected and encouraged to grow. This approach not only improves performance but also ensures high retention, underscoring the role of individualized consideration as a core element of transformational leadership in MSMEs.

Table 3. Encouragement of Innovation from Leaders

MSMEs	Leaders' Policies on New Ideas	Innovation Results	Employee Response
Serumpun Deli	Experimenting with new recipes ahead of the holiday season	Special cake variants and interesting finishes	Positive
Animers Craft	Creative design and export market	Unique knitting & export products start running	Positive
Dian Kitchen	New menus and packaging during the bazaar	Snack boxes and creative catering	Positive
Gallery Fika	Co-approved bouquet design	Bouquet plus unique snacks & entrees	Positive

Table 3 shows that the role of intellectual stimulation in MSMEs is reflected in the way leaders consistently encourage innovation and value employee ideas, resulting in creative products and stronger engagement. At Serumpun Deli, for instance, leaders actively invite employees to experiment with new recipes ahead of festive seasons, leading to the creation of special cake variants with attractive finishes that resonate well with customers. Similarly, Animers Craft places strong emphasis on design creativity and the pursuit of export opportunities, producing unique knitted products that are beginning to reach international markets.

This same spirit of innovation can be seen at Dian Kitchen, where the introduction of new menus and creative packaging during bazaars has given rise to popular snack boxes and flexible catering options. Meanwhile, Gallery Fika promotes collaboration by approving employees' fresh bouquet ideas, which are further enriched with unique snack and entrée combinations. In all cases, employees respond positively, showing that when leaders provide space for experimentation and creative expression, workers feel motivated, empowered, and proud of their contributions. This dynamic not only strengthens employee commitment but also positions MSMEs as agile businesses capable of adapting to market demands through innovation.

Table 4. The Impact of Leadership Style on Employee Performance

MSMEs	Leadership Style	Productivity or Turnover	Employee Attendance (%)	Innovation per Year
Serumpun Deli	Full transformational	Production up to 200 kg/day in season	95 %	Some variant products
Animers Craft	Transformational + export	Penetrating exports & nationally known	93 %	Unique knitting new products
Dian Kitchen	Adaptive transformational	Turnover ~Rp 20 million/month	90 %	Snack box & creative catering
Gallery Fika	Creative & communicative	Order from out of town	92 %	Innovative bouquet models

Table 4 shows that the influence of transformational leadership on employee performance in MSMEs is evident in their productivity, attendance, and innovation outcomes. At Serumpun Deli, the adoption of a fully transformational style has enabled employees to consistently achieve high production levels, up to 200 kilograms per day during festive seasons, while maintaining strong attendance rates at 95%. Innovation is also apparent, with several new product variants created to meet customer demand. Similarly, Animers Craft combines transformational leadership with an export-oriented vision, successfully positioning its products in national and international markets. This approach has driven consistent employee attendance (93%) and supported the development of unique knitted items that expand the business's product line.

The same pattern is seen in Dian Kitchen, where adaptive transformational leadership has resulted in steady monthly turnovers of around Rp20 million, coupled with a 90% employee attendance rate. Innovation thrives as the business continues to diversify through creative catering concepts and snack box packages. Meanwhile, Gallery Fika emphasizes creativity and open communication, which has led to a strong order base extending beyond Medan to other regions such as Aceh and Padang. Employees maintain a high attendance rate of 92% while contributing to the creation of innovative bouquet models. These cases highlight that transformational leadership not only improves productivity and employee discipline but also nurtures continuous innovation, making MSMEs more resilient and competitive.

DISCUSSION

The results show that MSME leaders such as Serumpun Deli and Animers Craft actively convey their business vision to all team members, which has an impact on increasing employee loyalty and engagement. This is in accordance with the theory about the Inspirational Motivation dimension in transformational leadership, which states that

leaders are able to communicate future expectations and goals in a way that inspires and motivates their subordinates (Bass & Avolio, 1994). In the case of MSMEs, employees feel more valued and have a sense of belonging because they know where the organization is going. According to Yukl et al. (2013) and Zanabazar et al. (2023), when leaders share their vision in a clear and motivating way, employees tend to increase loyalty and performance because they feel a moral responsibility to achieve a common goal.

MSMEs such as Dian Kitchen and Gallery Fika show great attention to the personal needs and individual development of their employees, both through informal training, involvement in decision-making, and the provision of innovation opportunities. This is in line with the dimension of individualized consideration in transformational leadership, according to Northouse (2013), explaining that transformational leaders act as personal coaches and mentors to their subordinates. This kind of support has been proven to increase job satisfaction, intrinsic motivation, and employee retention. Based on theory of Judge and Robbins (2013), attention to individual needs will strengthen the emotional bond between employees and the organization, thus creating a more collaborative and stable work environment.

MSME leaders who encourage innovation and creative thinking, such as at Animers Craft and Gallery Fika, create a work culture that is open to new ideas. This shows the real practice of the intellectual stimulation dimension in transformational leadership. Bass and Avolio (1994) emphasize that transformational leaders are able to challenge old assumptions, encourage the exploration of new ideas, and support the creative thinking process in the face of changing business environments. In the context of MSMEs in Medan, innovative encouragement from leaders not only increases productivity but also responds to increasingly dynamic market needs, such as taking advantage of digitalization opportunities, unique product variants, and new marketing approaches. These findings also support a study by Podsakoff et al. (1996), Kuncoro and Suriani (2018), and Rezeki et al. (2025), which states that leaders who drive innovation will create a sustainable competitive advantage.

The results of the study show that transformational leadership significantly improves employee performance in MSMEs. This is reflected in high productivity, stable attendance levels, and innovative contributions from employees. A leadership style that focuses on inspiration, emotional connection, and personal employee development contributes greatly to improving organizational performance (Goleman 2024; Reyaz 2024; Chakkaravathy & Bhaumik, 2025). The study also corroborates the findings of Tims et al. (2011), which states that transformational leadership influences employees' perceptions of their work environment, including perceptions of organizational support and autonomy, which in turn increases productivity and work commitment.

CONCLUSION

This research highlights the pivotal role of transformational leadership in enhancing employee performance within the MSME sector in Medan City. The four core dimensions, such as idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration, are effectively applied by MSME leaders, fostering a work environment that boosts loyalty, motivation, and productivity. Through clear vision communication, personalized support, and encouragement of innovation, leaders in businesses like Serumpun Deli, Animers Craft, Dian Kitchen, and Gallery Fika create a collaborative and innovative culture. This approach not only drives measurable outcomes, such as increased production and turnover, but also strengthens employee engagement and commitment, enabling MSMEs to thrive in a competitive market.

The findings have significant implications for MSME leaders, emphasizing the need to adopt transformational leadership to enhance workforce performance and business resilience, particularly in the context of digital transformation. However, the study is limited by its focus on a small sample of MSMEs in Medan, which may not fully represent the diversity of Indonesia's MSME sector. Additionally, the qualitative approach, while insightful, lacks quantitative metrics to measure long-term impacts. Future research

should explore larger and more diverse samples across different regions, incorporate quantitative methods to assess performance outcomes, and investigate the role of digital tools in amplifying transformational leadership's effectiveness.

REFERENCES

- [1] Abdi, A., & Rohmah, I. Y. (2020). Kepemimpinan tranformasional: Faktor determinan kinerja karyawan restoran pada hotel Marcure Nexa Pettarani kota Makassar. *Publik (Jurnal Ilmu Administrasi)*, 9(1), 34–45.
- [2] Amaludin, A., Wuryanti, L., Nursari, A., Alfredo, H. K., Setiyarini, E. Y., Rosdyanti, T., & Pustaka, D. (2025). *Leadership (kekuatan kepemimpinan: mengubah visi menjadi tindakan) 14 Dilihat*. Jombang: Detak Pustaka.
- [3] Assyakurrohim, D., Ikhrum, D., Sirodj, R. A., & Afgani, M. W. (2023). Metode studi kasus dalam penelitian kualitatif. *Jurnal Pendidikan Sains dan Komputer*, 3(01), 1–9.
- [4] Bass, B. M., & Avolio, B. J. (1993). Transformational leadership and organizational culture. *Public Administration Quarterly*, 1(1), 112–121.
- [5] Bass, B. M., & Avolio, B. J. (1994). *Improving organizational effectiveness through transformational leadership*. Thousand Oaks, CA: Sage Publications.
- [6] Chakkaravarthy, M., & Bhaumik, A. (2025). Impact of emotional intelligence and leadership styles on employees' job performance: a review paper. *Journal of Multidisciplinary Research for SMET (JMR-SMET)*, 1(1), 40-57.
- [7] Firanda, C., Siburian, F. W., & Barasa, R. R. (2024). Tantangan dan solusi pengelolaan SDM dalam bisnis keluarga: Kasus UMKM kuliner di Medan. *Jurnal Intelek Insan Cendikia*, 1(10), 6395–6401.
- [8] Goleman, D. (2024). *Kecerdasan emosional*. Jakarta: Gramedia Pustaka Utama.
- [9] Hartono, J. M. (2018). *Metoda pengumpulan dan teknik analisis data*. Yogyakarta: Penerbit Andi.
- [10] Islam, S., Hari, P., Suliyanto, S., Setyanto, R., Suroso, A., Bahauddin, K. M., & Iftakhar, N. (2024). Transformational leadership in Indonesian diversified-cultural sme sector: an investigation of the settlement criteria of job performance. *Studia Universitatis Vasile Goldis Arad – Economics Series*, 34(3), 79–107.
- [11] Isminarti, S. (2024). *Kepemimpinan tranformasional, komitmen profesional, dan emotional stability terhadap kinerja karyawan dengan kepuasan kerja sebagai pemediasi*. Semarang: Universitas Islam Sultan Agung (Bachelor's Thesis).
- [12] Judge, T., & Robbins, S. (2013). Motivation concepts. *Organizational Behavior*, 1(1), 201–238.
- [13] Klau, A. D. (2021). Pengaruh transformational leadership terhadap creativity melalui organizational commitment dan innovative climates pada UMKM food and beverage di Kupang. *Agora*, 9(2), 498-513.
- [14] Kuncoro, W., & Suriani, W. O. (2018). Achieving sustainable competitive advantage through product innovation and market driving. *Asia pacific management review*, 23(3), 186-192.
- [15] Luthans, F., Vogelgesang, G. R., & Lester, P. B. (2006). Developing the psychological capital of resiliency. *Human Resource Development Review*, 5(1), 25–44.
- [16] Maharani, Y. W. (2023). Transformational leadership and performance in bank UMKM Jawa Timur. *RSF Conference Series Business Management and Social Sciences*, 3(3), 120–129.
- [17] Miles, M. B., & Huberman, A. M. (1994). *Qualitative data analysis: an expanded sourcebook (2nd ed.)*. California: Sage.
- [18] Mondiani, T. (2012). Pengaruh kepemimpinan tranformasional dan kompensasi terhadap kinerja karyawan PT. PLN (PERSERO) UPJ Semarang. *Jurnal Administrasi Bisnis*, 1(1), 46–54.
- [19] Muktamar, A. (2025). *Psikologi kepemimpinan*. Bandung: Dira Media Kreasindo.
- [20] Northouse, P. G. (2013). *Kepemimpinan*. Jakarta: PT. Indeks.
- [21] Nugraha, M. F., Santosa, H., & Fitriani, L. K. (2024). Systematic literature review pengaruh tranformasional leadership terhadap adaptasi digital UMKM Indonesia: Tinjauan literatur sistematis. *Jurnal Humaniora*, 8(7), 18–35.
- [22] Parent, J. D., & Lovelace, K. J. (2018). Employee engagement, positive organizational culture and individual adaptability. *On the Horizon*, 26(3), 206-214.
- [23] Pasaribu, S. P. A., Sembiring, V., Sianturi, R., & Yus, A. (2025). Gaya kepemimpinan tranformasional kepala sekolah dalam membangun kinerja guru sd. *Edu Society: Jurnal Pendidikan, Ilmu Sosial Dan Pengabdian Kepada Masyarakat*, 5(2), 347–355.
- [24] Persada, A. R., Mulyadi, H., Mahri, A. J. W., & Furqon, C. (2025). Digital transformation and business incubation on SME performance in Indonesia. *Jurnal Ilmiah Manajemen Kesatuan*, 13(4), 2183–2194.
- [25] Podsakoff, P. M., MacKenzie, S. B., & Bommer, W. H. (1996). Transformational leader behaviors and substitutes for leadership as determinants of employee satisfaction, commitment, trust, and organizational citizenship. *Journal of Management*, 22(2), 259–298.

- [26] Rafsanjani, A., Sunaryo, W., & Herdiyana, H. (2025). Strategy to improve organizational citizenship behavior (OCB) through strengthening organizational culture, transformational leadership, and job satisfaction of non-ASN employees in state junior high schools in the Bogor City Education Office. *Indonesian Interdisciplinary Journal of Sharia Economics (IIJSE)*, 8(3), 649-665.
- [27] Raziq, M. M., Wazir, R., Memon, M. A., Rice, J. L., & Moazzam, M. (2025). Empowering leadership, employee organizational commitment, and organizational citizenship behavior: the roles of leader authenticity and trust. *International Journal of Productivity and Performance Management*, 74(1), 81-106.
- [28] Reniati, R., Susantyo, B., Irmayani, N. R., Sabri, F., & Widiastuti, W. (2025). The influence of leadership strategies and social capital on the business performance and resilience of Indonesian MSMEs. *Journal of the Knowledge Economy*, 16(2), 932-971.
- [29] Reyaz, S. (2024). The influence of leadership styles on employee motivation and job satisfaction. *International Research Journal on Advanced Engineering and Management (IRJAEM)*, 2(3), 339-344.
- [30] Rezeki, S., Pristyono, & Kanchanawongpaisan, S. (2025). Contribution of e-business success to achieving competitive advantage in MSMEs. *Jurnal Ilmiah Manajemen Kesatuan*, 13(4), 2219–2232.
- [31] Rizkita, M. A., Winarno, A., Suwono, H., & Malek, N. A. N. N. (2025). Integrating cultural adaptation in digital marketing strategies: enhancing competitiveness and sustainability in MSMEs of Java, Indonesia. *Journal of Open Innovation: Technology, Market, and Complexity*, 100609.
- [32] Shelton, E. J. (2012). *Transformational leadership: Trust, motivation and engagement*. Bloomington: Trafford Publishing.
- [33] Sunarso, B., Ausat, A. M. A., Wanof, M. I., Al Hidayat, R., & Raharjo, I. B. (2025). The Impact of transformational leadership and ICT Utilization on MSMEs Performance: exploring the mediating role of digital literacy. *Indonesian Journal of Business and Entrepreneurship (IJBE)*, 11(2).
- [34] Tims, M., Bakker, A. B., & Xanthopoulou, D. (2011). Do transformational leaders enhance their followers' daily work engagement? *The Leadership Quarterly*, 22(1), 121–131.
- [35] Utari, W., & Hutasuhut, S. (2024). Pengaruh pengembangan UMKM Terhadap kesejahteraan masyarakat di Kota Medan. *Innovative: Journal Of Social Science Research*, 4(5), 7645–7652.
- [36] Wardani, I. K., Nugroho, A. C., Sabekti, M., Sutopo, A., & Anif, S. (2024). Kepemimpinan berbasis trilogi pendidikan Ki Hajar Dewantara “Ing Ngarso Sun Tuladha Ing Madya Mangun Karsa Tut Wuri Handayani” Untuk menunjang pelaksanaan Kurikulum Merdeka Belajar di Sekolah Dasar. *Didaktika: Jurnal Kependidikan*, 13(2), 2491–2502.
- [37] Yin, J., Ma, Z., Yu, H., Jia, M., & Liao, G. (2020). Transformational leadership and employee knowledge sharing: Explore the mediating roles of psychological safety and team efficacy. *Journal of Knowledge Management*, 24(2), 150-171.
- [38] Yolanda, C. (2024). Peran Usaha Mikro, Kecil dan Menengah (UMKM) dalam pengembangan ekonomi Indonesia. *Jurnal Manajemen Dan Bisnis*, 2(3), 170–186.
- [39] Yukl, G., Mahsud, R., Hassan, S., & Prussia, G. E. (2013). An improved measure of ethical leadership. *Journal of Leadership & Organizational Studies*, 20(1), 38–48.
- [40] Zanabazar, A., Yondonrenchin, M., & Baljinyam, E. (2023). The impact of leadership styles on employee loyalty and engagement. *European Journal of Business and Management Research*, 8(4), 94-100.