

# Transformational Leadership and Employee Performance: A Proposed Conceptual Model and Discussion in Healthcare Services

Rika Hijrina, Saimara A.M Sebayang, Muhammad Toyib Daulay

## Abstract

Employee performance has become an important issue in healthcare organizations due to increasing demands for service quality and organizational effectiveness. In healthcare services, transformational leadership is considered an effective leadership approach because it encourages employees through inspiration, support, and motivation. However, the relationship between transformational leadership and employee performance is often influenced by psychological factors, particularly work motivation. This conceptual paper aims to discuss the influence of transformational leadership on employee performance through the mediating role of work motivation in healthcare services. The study adopts the Ability–Motivation–Opportunity (AMO) Theory as the underlying theoretical framework. Using a conceptual approach, this paper reviews and synthesizes recent literature related to transformational leadership, work motivation, and employee performance in healthcare organizations. The conceptual findings indicate that transformational leadership can strengthen employee motivation, which subsequently improves employee performance. This paper contributes theoretically by providing an integrated conceptual model linking transformational leadership, motivation, and employee performance in healthcare settings. Practically, the study offers insights for healthcare organizations in developing leadership strategies to enhance employee performance and service quality.

**Keywords:** Transformational Leadership, Employee Performance, Work Motivation, Healthcare Services, AMO Theory

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2nd International Conference on Islamic Community Studies (ICICS)

Theme: History of Malay Civilisation and Islamic Human Capacity and Halal Hub in the Globalization Era

<https://proceeding.pancabudi.ac.id/index.php/ICIE/index>

## Introduction

The healthcare industry is currently facing substantial challenges due to rapid organizational transformation, technological advancement, increasing patient expectations, and the growing complexity of healthcare services. Hospitals are required to continuously improve service quality, operational efficiency, and patient satisfaction while maintaining sustainable organizational performance. In this context, employee performance has become one of the most important determinants of healthcare organizational success because healthcare services are highly dependent on the effectiveness of human resources. Recent studies indicate that employee performance in healthcare organizations directly influences service quality, teamwork effectiveness, and patient outcomes [1].

Employee performance refers to employees' ability to accomplish work responsibilities effectively and efficiently according to organizational standards and objectives. In healthcare settings, employee performance encompasses not only task accomplishment but also contextual behaviors such as teamwork, communication, responsiveness, and organizational commitment. Healthcare employees are expected to maintain high levels of professionalism and service quality despite operating in demanding and stressful work environments. Research in healthcare organizations demonstrates that improving employee performance significantly contributes to better organizational effectiveness and healthcare service delivery[1].

One of the most important factors influencing employee performance is leadership. Among various leadership approaches, transformational leadership has received significant attention in organizational and healthcare research because of its ability to inspire and motivate employees to achieve organizational goals beyond formal expectations. According to [2], transformational leaders encourage employees through vision, inspiration, intellectual stimulation, and individualized consideration. In healthcare organizations, transformational leadership is particularly important because healthcare employees frequently experience emotional exhaustion, work overload, and high service pressure.

Several recent empirical studies have demonstrated that transformational leadership positively influences employee performance in healthcare organizations. Research conducted in hospital environments revealed that transformational leadership significantly improves teamwork effectiveness, employee engagement, work motivation, and contextual performance among healthcare employees [3]. Furthermore, transformational leadership has been recognized as a critical leadership strategy for improving nurses' job performance and retaining skilled healthcare workers in high-pressure clinical settings [4].

Despite extensive studies examining transformational leadership and employee performance, previous findings remain fragmented and inconsistent, particularly within healthcare organizations. Most prior studies primarily focused on the direct influence of transformational leadership on employee performance, while limited attention has been given to the underlying psychological mechanisms explaining how leadership practices translate into improved employee outcomes in healthcare settings. Several empirical studies reported positive relationships between transformational leadership and employee performance [3], [5], whereas other studies suggested that leadership effectiveness may vary depending on employees' psychological conditions, organizational context, and work environment complexity.

Work motivation represents the internal and external forces that influence employees' direction, intensity, and persistence in performing their work. Motivated employees tend to demonstrate higher enthusiasm, organizational commitment, productivity, and service effectiveness. In hospital settings, motivation becomes highly important because healthcare employees are required to maintain professional performance under emotionally demanding and stressful working conditions. Studies in healthcare organizations have confirmed that work motivation significantly contributes to employee contextual performance and service quality improvement [6].

Although numerous studies have investigated transformational leadership and employee performance, limited conceptual studies specifically focus on healthcare services by emphasizing

the mediating role of work motivation. Most previous studies primarily examined direct relationships without deeply exploring the psychological mechanisms through which transformational leadership improves employee performance in hospital environments. This indicates a research gap requiring further conceptual exploration, particularly in healthcare organizations characterized by service complexity, emotional demands, and workforce challenges.

Another important gap is related to the limited application of the Ability–Motivation–Opportunity (AMO) Theory in explaining transformational leadership and employee performance relationships in healthcare contexts. Although the AMO framework has been widely applied in human resource management research [7], few conceptual studies have integrated transformational leadership, work motivation, and employee performance simultaneously within healthcare service organizations. This indicates the need for a more comprehensive conceptual framework capable of explaining the interaction between leadership practices and employee motivational processes in improving healthcare employee performance.

Therefore, the novelty of this conceptual paper lies in the integration of transformational leadership, work motivation, and employee performance within the AMO theoretical framework specifically in healthcare services. Unlike previous studies that mainly examined direct relationships, this paper proposes a conceptual model emphasizing the mediating role of work motivation as a psychological mechanism linking transformational leadership and employee performance. In addition, this study contributes by contextualizing the discussion within healthcare organizations characterized by high emotional demands, service complexity, and workforce pressure. Thus, this paper offers a more comprehensive conceptual perspective for understanding leadership effectiveness and employee performance improvement in healthcare services.

## **Literature Review and Hypothesis Development**

### **Transformational Leadership**

Transformational leadership is a leadership approach that emphasizes leaders' ability to inspire, motivate, and encourage employees to exceed organizational expectations through vision, support, and emotional engagement. According to [8], transformational leaders influence employees through inspirational motivation, intellectual stimulation, individualized consideration, and idealized influence. This leadership style is considered highly relevant in healthcare organizations because hospital employees often face complex work situations, emotional exhaustion, and high service demands.

In healthcare settings, transformational leadership contributes to creating positive work environments that improve employee confidence, engagement, and service effectiveness. Leaders who demonstrate transformational behaviors are capable of motivating employees to perform beyond formal job requirements and enhancing organizational commitment. Research by [9] found that transformational leadership positively influences nurses' job satisfaction and employee performance in healthcare organizations. Similarly, [10] and [11] revealed that transformational leadership significantly improves employee performance through motivational mechanisms and organizational citizenship behavior.

Furthermore, transformational leadership has been empirically linked to employees' intrinsic motivation and work engagement. [12] found that transformational leadership positively affects employees' intrinsic motivation, which subsequently improves creativity and work effectiveness. In hospital environments, transformational leadership becomes increasingly important because emotionally supportive leadership can reduce work stress and improve employees' psychological well-being. Therefore, the following hypotheses are proposed:

H1: Transformational leadership positively and significantly influences employee performance.

H2: Transformational leadership positively and significantly influences work motivation.

### **Employee Performance**

Employee performance refers to the extent to which employees successfully perform their assigned tasks and responsibilities according to organizational standards and objectives. Employee performance refers to the work accomplished by an individual or group of individuals in line with their authority or duty as an employee during a certain period of time [13]. Employee performance includes task performance and contextual performance, such as teamwork, cooperation, discipline, and organizational commitment. In healthcare organizations, employee performance is closely related to healthcare service quality, patient satisfaction, and organizational effectiveness.

According to [14], job performance in healthcare organizations is influenced by both organizational and psychological factors, including leadership, motivation, work engagement, and organizational support. Employees with high performance tend to demonstrate better service responsiveness, collaboration, and responsibility toward patient care activities.

Research in healthcare organizations also indicates that employee performance is highly influenced by motivational factors. Motivated healthcare employees generally show greater work enthusiasm, productivity, and service quality. [1] emphasized that contextual performance among healthcare employees increases when organizations successfully improve work engagement and employee motivation.

Employee performance is influenced by employees' motivational conditions [15]. Employees with higher motivation tend to demonstrate stronger commitment, higher productivity, and better service quality. [16] found that work motivation positively and significantly influences employee performance through enhanced engagement and workplace behavior. Similarly, [17] and [18] reported that motivated employees achieve better organizational performance outcomes compared to less motivated employees. Therefore, the following hypothesis is proposed:

H3: Work motivation positively and significantly influences employee performance.

### **Work Motivation**

Work motivation refers to internal and external forces that determine employees' direction, intensity, and persistence in performing work-related activities. According to [19] and [20], motivation explains why individuals exert effort and maintain persistence in achieving organizational goals. In healthcare organizations, motivation becomes a critical factor because healthcare employees are required to maintain professional performance under emotionally demanding and stressful conditions.

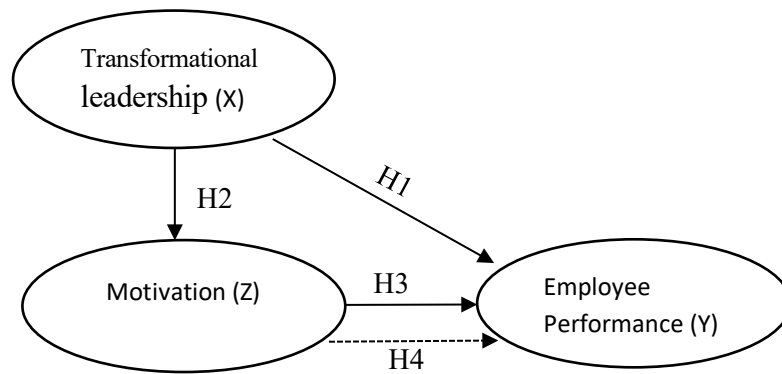
Motivated employees generally demonstrate stronger organizational commitment, higher work enthusiasm, and improved service quality. [6] stated that healthcare professionals' motivation significantly affects healthcare service quality and employee behavior in hospital settings. Additionally, [21] explained that motivation among healthcare workers is influenced by recognition, work support, achievement, and organizational encouragement.

Several studies also confirm that transformational leadership positively influences work motivation. Leaders who provide inspiration, emotional support, and recognition can improve employees' intrinsic and extrinsic motivation. Consequently, motivated employees tend to perform better and demonstrate greater organizational involvement.

Transformational leadership improves employees' work motivation through inspiration, support, and individualized consideration. [12] found that transformational leadership significantly strengthens employees' intrinsic motivation, leading to improved work effectiveness. Likewise, [22] demonstrated that transformational leadership and employee motivation jointly contribute to positive workplace behavior and performance outcomes.

Moreover, motivated employees are more likely to perform effectively and contribute positively to organizational goals. Previous studies have consistently shown that work motivation acts as a psychological mechanism connecting leadership and employee performance outcomes. Therefore, the following hypothesis is proposed:

H4: Work motivation mediates the relationship between transformational leadership and employee performance.



**Figure 1.** Conceptual Framework

## Research Methodology

### Research Design

This study uses a conceptual research design with a quantitative literature review approach. The purpose of this study is to develop a theoretical understanding of the relationship between transformational leadership, work motivation, and employee performance in healthcare organizations. According to [23], literature review studies are useful for identifying theoretical relationships, research gaps, and future research directions.

This study adopts the Ability–Motivation–Opportunity (AMO) Theory as the grand theoretical foundation to explain how transformational leadership influences employee motivation and employee performance.

### Research Approach

This study applies a quantitative conceptual approach through literature analysis. The approach allows researchers to critically examine theories and empirical findings related to transformational leadership, work motivation, and employee performance in healthcare services [24], [25].

### Data Sources

The study uses secondary data obtained from scientific literature such as Scopus-indexed journal articles, books, and reputable academic publications related to leadership, motivation, and healthcare employee performance. The literature mainly consists of recent publications from 2020–2025, supported by several foundational theories.

### Data Collection Technique

Data were collected through documentation and literature exploration using academic databases such as Scopus, ScienceDirect, SpringerLink, Emerald Insight, and Google Scholar. Keywords used in the search process included transformational leadership, employee performance, “work motivation, healthcare services, and AMO Theory.

### Data Analysis Technique

The study uses qualitative content analysis and conceptual synthesis techniques. The selected literature was analyzed to identify theoretical relationships, empirical findings, and research gaps regarding transformational leadership, work motivation, and employee performance.

The analysis process involved classifying the literature, synthesizing previous findings, and developing a conceptual framework explaining the mediating role of work motivation in improving employee performance within healthcare organizations.

## Research Contribution

This study contributes theoretically by strengthening the integration between transformational leadership and AMO Theory in explaining employee performance in healthcare organizations. Practically, the study provides insights for hospital management regarding leadership strategies that can improve employee motivation and healthcare service performance.

## Results and Conceptual Discussion

This conceptual paper proposes that transformational leadership plays a strategic role in improving employee performance in healthcare organizations through the mediating role of work motivation. Based on the synthesis of leadership, motivation, and employee performance literature, transformational leadership is conceptually positioned as a leadership approach capable of encouraging employees through inspiration, intellectual stimulation, emotional support, and individualized consideration.

Within healthcare services, transformational leadership is expected to strengthen employees' psychological attachment to their work, which subsequently enhances their motivation to perform effectively. Motivated healthcare employees are conceptually more likely to demonstrate better service quality, stronger teamwork, higher responsibility, and improved organizational commitment in delivering healthcare services.

This paper also emphasizes the relevance of the Ability–Motivation–Opportunity (AMO) Theory in explaining the relationship between transformational leadership and employee performance. The AMO framework suggests that employee motivation serves as an important psychological mechanism through which leadership practices influence employee outcomes. In this context, transformational leadership is conceptually expected to improve employee performance both directly and indirectly through motivational processes.

Furthermore, the proposed conceptual model contributes to healthcare management literature by integrating transformational leadership, work motivation, and employee performance within healthcare service organizations characterized by emotional demands, work pressure, and service complexity. The model provides a conceptual perspective explaining how leadership effectiveness can strengthen employee motivation and improve organizational performance in healthcare settings.

## Conclusion

This conceptual study concludes that transformational leadership is an important factor in enhancing employee performance in healthcare organizations. Transformational leaders can improve employee effectiveness by providing inspiration, emotional support, motivation, and opportunities for employee development.

The study also concludes that work motivation plays a mediating role in the relationship between transformational leadership and employee performance. Employees with higher motivation tend to demonstrate stronger commitment, better service quality, and improved work effectiveness in healthcare services.

Furthermore, the Ability–Motivation–Opportunity (AMO) Theory provides a relevant theoretical foundation for explaining how transformational leadership influences employee performance through motivational mechanisms. This study emphasizes that healthcare organizations should strengthen transformational leadership practices and employee motivational strategies to improve organizational performance and healthcare service quality.

Finally, this conceptual paper contributes to the development of leadership and healthcare management literature by providing an integrated understanding of the relationship between transformational leadership, work motivation, and employee performance in healthcare services.

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