



## Transformational leadership, employee performance, and counterproductive work behaviour: A systematic literature review

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### Abstract

**Background:** Transformational leadership is increasingly recognised as a key determinant of employee outcomes in organisational settings. Despite growing interest, a systematic synthesis of its concurrent effects on employee performance and counterproductive work behaviour (CWB) remains limited.

**Objective:** This review examines how transformational leadership influences employee performance and CWB, and identifies key mediating and moderating factors. **Methods:** Following PRISMA 2020 guidelines, three databases (SciSpace, Google Scholar, PubMed) were searched. After screening 611 records, 152 studies met inclusion criteria.

**Results:** Evidence consistently shows that transformational leadership positively predicts employee performance and negatively predicts CWB. Psychological empowerment, job satisfaction, organisational commitment, and trust are prominent mediators.

**Conclusions:** Transformational leaders enhance performance and curb deviant behaviour through multiple psychological and social pathways. Future research should address cultural variation and longitudinal designs.

**Keywords:** Transformational leadership, employee performance, counterproductive work behaviour, CWB, organisational behaviour

### Introduction

Transformational leadership — characterised by idealised influence, inspirational motivation, intellectual stimulation, and individualised consideration — has become one of the most studied leadership paradigms in organisational psychology (Bass & Riggio, 2006) [3]. Leaders who operate transformationally inspire followers to exceed personal interests in service of collective goals, fostering environments of trust, innovation, and commitment.

Two employee outcomes that have attracted sustained research attention are employee performance and counterproductive work behaviour (CWB). Employee performance encompasses task, contextual, and adaptive dimensions (Campbell *et al.*, 1993) [5], while CWB refers to intentional behaviours that harm organisational or individual interests, including absenteeism, theft, sabotage, and interpersonal aggression (Spector & Fox, 2005) [17]. Although both constructs are central to organisational effectiveness, they are typically studied in isolation. A systematic synthesis of how transformational leadership shapes both outcomes simultaneously — and what mechanisms mediate or moderate these effects — is needed. This review addresses three questions: (1) How does transformational leadership relate to employee performance? (2) How does transformational leadership relate to CWB? (3) What factors mediate or moderate these relationships?

### Methods

#### 1. Search Strategy

A systematic search was conducted in October 2026 across SciSpace, Google Scholar, and PubMed. Boolean search strings combined terms such as "transformational leadership" AND ("employee performance" OR "job performance") and "transformational leadership" AND ("counterproductive work behaviour" OR "CWB" OR

"deviant behaviour"). No date restriction was applied to maximise coverage.

#### 2. Eligibility Criteria

**Inclusion:** (1) peer-reviewed empirical studies; (2) examined transformational leadership as a predictor; (3) measured employee performance and/or CWB as outcomes; (4) published in English; (5) reported quantitative or mixed-method data.

**Exclusion:** (1) purely theoretical papers without empirical data; (2) conference abstracts without full text; (3) studies examining only other leadership styles with no transformational component.

#### 3. Screening and Selection

Records were screened in two stages. Abstract screening applied a threshold score of 4.0/7 on predefined relevance criteria; full-text screening applied a threshold of 4.5/7. Two independent reviewers resolved disagreements through discussion. The PRISMA flow is summarised in Table 1.

Table 1: PRISMA Flow Summary

| Stage                           | Records |
|---------------------------------|---------|
| Initial records identified      | 611     |
| Duplicates removed              | 111     |
| Records after deduplication     | 500     |
| Excluded at abstract screening  | 279     |
| Full-text assessed              | 221     |
| Excluded at full-text screening | 69      |
| Studies included                | 152     |

### Results

#### 1. Study Characteristics

The 152 included studies span diverse sectors — education, healthcare, banking, manufacturing, and hospitality —

across Asia, Africa, Europe, and the Americas. Sample sizes ranged from 78 to over 1,200 participants. Cross-sectional surveys were the dominant design (approximately 74%), with a minority using longitudinal or experimental approaches. Most studies employed validated scales: the Multifactor Leadership Questionnaire (MLQ) for transformational leadership, and Spector *et al.*'s (2006) [3] CWB checklist or Campbell *et al.*'s (1993) [5] task performance scale for outcomes.

## 2. Transformational Leadership and Employee Performance

The preponderance of evidence confirms a significant positive association between transformational leadership and employee performance. Huang *et al.* (2021) [9] demonstrated that transformational leaders promote task performance by cultivating psychological safety and intrinsic motivation among employees in financial technology firms. Kura *et al.* (2020) [14] conducted a meta-analysis and found a medium-to-large pooled effect size ( $r = .38$ ) between transformational leadership and job performance across 47 studies. Similarly, Kindy *et al.* (2016) [13] found that individualised consideration and inspirational motivation were the strongest dimensional predictors of work performance in Omani civil service organisations.

Studies consistently highlight that transformational leadership elevates performance via motivational pathways. When leaders articulate a compelling vision and express confidence in followers' abilities, employees report higher self-efficacy, greater goal commitment, and ultimately superior task and contextual performance (Indriasari *et al.*, 2023; Arimbawa & Satrya, 2025) [1, 11]. Job satisfaction and organisational commitment emerged as the most frequently identified mediators between transformational leadership and performance (Ghani *et al.*, 2025; Lutfi & Siswanto, 2018) [7, 15].

Notably, Chen *et al.* (2018) [6] introduced a curvilinear qualification: very high levels of transformational leadership may paradoxically reduce performance by creating excessive pressure or dependency among followers — a finding that challenges the prevailing linear consensus and warrants further investigation.

## 3. Transformational Leadership and Counterproductive Work Behaviour

Evidence consistently indicates that transformational leadership is negatively associated with CWB. Huang *et al.* (2021) [9] found that transformational leadership significantly reduced both organisationally directed (CWB-O) and interpersonally directed (CWB-I) behaviours in Taiwanese fintech firms, outperforming ethical and participative leadership styles in this regard. Kessler *et al.* (2013) [12] demonstrated that effective leadership reduces interpersonal conflict — a key stressor-strain pathway through which CWB is enacted.

Uddin *et al.* (2017) [18] provided direct evidence from Bangladeshi organisations: transformational leadership significantly predicted lower deviant workplace behaviour, including production deviance and property deviance, even after controlling for personality and job characteristics. Howladar *et al.* (2018) [8] further showed that transformational leadership moderated the relationship

between deviant behaviour and job performance, buffering the performance cost of incidental CWB.

The theoretical mechanism is rooted in Social Learning Theory (Bandura, 1977) [2]: transformational leaders model ethical conduct and prosocial norms, which followers internalise and replicate. Additionally, Social Exchange Theory (Blau, 1964) [4] suggests that employees reciprocate leader support and fairness with compliant, constructive behaviour, reducing the likelihood of deviant acts.

## 4. Mediating and Moderating Factors

Several mechanisms were identified across studies. Key mediators and moderators are summarised below.

### Mediators

**Job Satisfaction:** The most frequently cited mediator; transformational leaders enhance satisfaction, which in turn reduces CWB and boosts performance (Ghani *et al.*, 2025) [7].

**Psychological Empowerment:** Transformational leadership increases felt competence and autonomy, raising performance and lowering the frustration that drives CWB (Zhi & Qibo, 2015) [20].

**Organisational commitment:** Employees under transformational leaders report stronger affective commitment, correlating with performance gains and fewer deviant acts (Indriasari *et al.*, 2023) [11].

**Employee Engagement:** Yeshitila (2019) [19] showed engagement fully mediates the TL-performance link in Ethiopian banking.

### Moderators

**Organisational Culture:** the TL-performance relationship was stronger in adhocracy and clan cultures than in hierarchical settings (Pham *et al.*, 2025) [16].

**Gender:** Uddin *et al.* (2017) [18] reported gender as a significant moderator; the protective effect of TL against CWB was stronger among female employees.

**Trust in Leader:** high trust amplified the positive performance effects of transformational leadership (Hussein & Yessiltas, 2020) [10].

### Discussion

The findings of this review reinforce transformational leadership as a robust positive predictor of employee performance and a protective factor against CWB. These effects operate through multiple psychological (empowerment, satisfaction, commitment) and social (trust, fairness, norm modelling) pathways. The diversity of contexts across which these relationships hold — from Ethiopian banks to Taiwanese fintech firms to Omani public agencies — suggests meaningful cross-cultural generalisability, though context-specific moderators still play important roles.

A critical gap is the dominance of cross-sectional designs, which prevent causal inference. Most studies rely on self-report measures, raising concerns about common method bias. The curvilinear finding by Chen *et al.* (2018) [6] is underexplored; future work should test non-linear thresholds

of transformational leadership intensity. Research on CWB remains underdeveloped relative to performance.

### Limitations

This review has several limitations. First, the reliance on English-language publications may introduce publication bias. Second, heterogeneity in how CWB and performance are operationalised across studies complicates direct comparison. Third, the predominance of cross-sectional data limits conclusions about causality and temporal dynamics.

### Conclusion

This review synthesises evidence that transformational leadership positively influences employee performance and reduces CWB, mediated by job satisfaction, psychological empowerment, and organisational commitment. Organisations should invest in transformational leadership development and enabling cultural conditions.

Future research should prioritise longitudinal and experimental designs, explore curvilinear and threshold effects, and extend investigations into non-Western and collectivist cultural contexts where leadership dynamics may differ substantially from Western-derived models.

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