

The Influence of Transformational Leadership on Organizational Performance (Case Study on the DIGNITY Student Association)

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Abstract. This study examines the influence of transformational leadership by the Board of Commissioners on the organizational performance of the DIGNITY student association. The results show transformational leadership practices, including idealized influence, inspirational motivation, and individual consideration, have a significant positive impact on DIGNITY's performance. The Board's use of an AI chatbot to gather student feedback demonstrates adaptation to digital-era governance. The findings contribute to understanding transformational leadership in student organizations engaged in digital business. Statistical analysis confirmed the validity and reliability of the measurements used. Overall, the study validates that investing in transformational leadership within student organization governance can yield meaningful improvements in organizational outcomes.

Keywords: Transformational leadership, organizational performance, student association, digital business, governance

Introduction

The Digital Business Student Unity (DIGNITY) at Universitas Pendidikan Indonesia is a student organization that aims to develop potential in the digital business sector. To ensure the effective operation of the organization, the DIGNITY structure incorporates the Board of Commissioners as a legislative body responsible for providing supervision and strategic direction to the Board of Directors. Through this role, the Board of Commissioners is expected to enhance the performance and efficiency of the Board of Directors in executing its work programs and operational activities.

However, in practice, issues have arisen regarding the effectiveness of the Board of Commissioners. Numerous members of the Board of Directors have expressed concerns about the lack of responsibility and minimal critical attitude of the Board of Commissioners in fulfilling their supervisory function. The Board of Commissioners, which should serve as the provider of objective evaluation and strategic direction, is often perceived as insufficiently active, resulting in a suboptimal contribution to strategic decision-making. This situation has the potential to diminish the performance and effectiveness of the Board of Directors in achieving organizational objectives.

Conversely, the Board of Commissioners has introduced an innovation utilizing an artificial intelligence (AI)-based chatbot to accommodate student aspirations. This innovation aligns with the principles of Industrial Revolution 4.0, which integrates technologies such as the Internet of Things (IoT) and

cyber-physical systems to improve efficiency and responsiveness in various sectors, including education (Mariska et al., 2021). This chatbot is anticipated to increase efficiency in collecting input and feedback from members, thereby facilitating more rapid accommodation of student aspirations and needs. Through this system, the Board of Commissioners endeavors to maintain relevance and adaptability to technological developments in executing supervisory and communication functions.

Although transformational leadership has been extensively studied in the context of corporations and formal education, there remains a gap in the understanding of its application in student organizations, particularly those engaged in digital business. This gap is further accentuated in the context of a supervisory body such as the Board of Commissioners, where traditional oversight mechanisms must adapt to the demands of the digital era while maintaining effective organizational governance.

Consequently, the application of transformational leadership within the DIGNITY Board of Commissioners is anticipated to serve as a solution for cultivating a more dynamic organizational culture, enhancing accountability, and fostering effective collaboration with the Board of Directors.

Literature Review

Transformational Leadership

Transformational leadership is a leadership approach that focuses on inspiring and motivating followers to exceed their own expectations and achieve extraordinary outcomes (Naeem & Khanzada, 2018). The core components of transformational leadership include idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. These four components constitute a comprehensive framework for understanding how leaders drive organizational change and enhance performance.

Transformational leaders not only inspire their followers to achieve their individual goals, but also encourage them to go beyond their formal roles and responsibilities to contribute to the broader organizational objectives (Pradhan et al., 2018).

Transformational leaders possess the ability to articulate a compelling vision, instill a sense of purpose in their followers, and encourage them to think critically and creatively to solve problems.

Research has suggested that transformational leadership may exert its influence on organizational performance through its impact on organizational change capability (Le & Le, 2021). Transformational leaders are able to create a climate that is receptive to change, encouraging employees to question the status quo and explore new ways of working. The other literature provides support for the relationship between transformational leadership and organizational performance. For example, a meta-analytic study found that transformational leadership had a significant positive effect on both team-level and organizational-level performance, suggesting that this leadership style can have a broad influence on various levels of the organization (Chang et al., 2018). Another study found that transformational leadership was associated with higher levels of employee well-being and engagement, which in turn contributed to improved organizational effectiveness. (Sivanathan et al., 2004)

Organizational Performance

Organizational performance is defined as the measure of the abilities and capacities of an organization to achieve its objectives. This assessment allows various stakeholders to make judgments about the success or failure of the organization, as well as to motivate, activate, plan, and control (AlTaweel & Al-Hawary, 2021). Performance is achieved through the strategic positioning of the organization within the environment for aligning, optimizing, and surpassing various strengths and weaknesses, opportunities and threats, or customers' requirements and expectations of the organization that potentially change into benefits. Each subfield presents its definition according to the strategic importance related to the specific

functional aspects of the organization, as some acknowledge that the definition is very complex, multifaceted, and multidimensional (Ibidunni et al.2022).

A review of the different theoretical perspectives on the definition of performance shows that organizational performance measures the impact of organizational activities, behavior, and strategies on society with a large interest, as opposed to large interest and customer satisfaction. Hence, it has been defined in terms of the best ratio between costs and output value, revenue, or wealth added. In other words, performance is a concept that intends to measure how well a management team transforms input—labor, money, resources, materials, machines, etc.—into desirable output, outcome, or end result (Singh and Misra 2021). Consequently, performance measurement avoids strategic, planning, and controlling factors within the organization, amidst business processes, programs, and achievements in terms of customer satisfaction, corporate financial results and returns, quality of service products or services, hard and soft improvements and trends, staff involvement, and other stakeholders. Superior performance is believed to ultimately improve the present and future levels of efficiency, competitiveness, sustainability, effectiveness, insurance, and total satisfaction of all agents involved in achieving the organizational objectives.

Methods

This study employs a quantitative method to obtain numerical data that can be statistically analyzed. SPSS software version 25.0 will be used to analyze the data collected through an online questionnaire. The questionnaire is designed to gather information from Project Managers and Program Managers at DIGNITY UPI, including demographic questions as well as views and experiences related to quality control conducted by the DIGNITY UPI Board of Commissioners. Respondents will be selected using purposive sampling to ensure data relevance. Data analysis will be conducted to evaluate relationships between variables, with the aim of providing insights and recommendations to assess the influence of transformational leadership on organizational performance.

Participant

Titled "The Influence of Transformational Leadership on Organizational Performance (Case Study on the DIGNITY Student Association)," this study specifically targets members of the Board of Directors at DIGNITY UPI, which includes the President Director, Vice President Director, Secretariat Department, Creative Media & Information Department, Career Advancement & Innovation Department, People & Organization Culture Department, Creative Economy Department, Strategy & Succession Development Department, External Affairs Department, and Internal Affairs Department, with a total of 20 respondents. The goal is to gain a deeper understanding of how the leadership of the DIGNITY Board of Commissioners (DEKOM) can influence organizational performance and effectiveness.

Research Instrument & Procedure

Research Title

The Influence of Transformational Leadership on Organizational Performance (Case Study on the DIGNITY Student Association).

Research Instrument

The research instrument used is a questionnaire developed by the researcher to measure the impact of the Board of Commissioners on the performance effectiveness of the Board of Directors within the DIGNITY UPI Student Association, specifically the Digital Business Student Unity UPI under the "Reformasi Bersinergi" Cabinet.

Objective Identification

The operational definitions of variables and indicators in this instrument are developed based on relevant literature on organizational governance, specifically focusing on the role of the board of commissioners and the performance of directors in the context of student organizations.

Result

Tabel 1: Validity Test Variable X

Indicator	Item	Calculated r	r Table	Sig. (2-tailed)	Variable
Idealized Influence	X1.1.1	0.524	0.444	0.018	Valid
	X1.1.2	0.531	0.444	0.016	Valid
	X1.1.3	0.465	0.444	0.039	Valid
	X1.1.4	0.638	0.444	0.002	Valid
	X1.1.5	0.684	0.444	0.001	Valid
Inspirational Motivation	X1.2.1	0.757	0.444	0	Valid
	X1.2.2	0.673	0.444	0.001	Valid
	X1.2.3	0.582	0.444	0.007	Valid
	X1.2.5	0.855	0.444	0	Valid
Individual Consideration	X1.3.1	0.672	0.444	0.001	Valid
	X1.3.5	0.745	0.444	0	Valid
Transformational Leadership (x)		1	0.444	-	Valid

Tabel 2: Validity Test Variable Y

Indicator	Item	Calculated R	r Table	Sig. (2-tailed)	Conclusion
Effectiveness	Y1.1.1	0.766	0.444	0	Valid
	Y1.1.2	0.742	0.444	0	Valid
	Y1.1.3	0.566	0.444	0.009	Valid
	Y1.1.4	0.839	0.444	0	Valid
	Y1.1.5	0.774	0.444	0	Valid
Efficiency	Y1.2.1	0.757	0.444	0	Valid
	Y1.2.2	0.538	0.444	0.014	Valid
	Y1.2.4	0.646	0.444	0.002	Valid
Productivity	Y1.3.2	0.776	0.444	0	Valid
	Y1.3.3	0.893	0.444	0	Valid
	Y1.3.4	0.838	0.444	0	Valid
Member satisfaction	Y1.4.1	0.817	0.444	0	Valid
	Y1.4.2	0.878	0.444	0	Valid
	Y1.4.3	0.644	0.444	0.002	Valid

	Y1.4.4	0.769	0.444	0	Valid
	Y1.4.5	0.902	0.444	0	Valid
Organizational Performance (Y)		1	0.444	-	Valid

Validity test is used to assess the accuracy of the research instrument. The validity test ensures that the instrument used is really able to describe the variable being measured, so the validity test is very important because an invalid instrument will produce inaccurate data in the study.

The table above presents the results of the data processing test conducted to assess the validity of the statement items in the questionnaire. Based on the calculation results, all statement items are declared valid. This validity is determined by comparing the r count (r count) of each item with the r table value, the r table value is determined from the number of respondents of 20 people and the number of independent variables as many as 1 indicator so that the value obtained is 0.444. Because the r value of all items exceeds the threshold of 0.444, it can be concluded that the questionnaire item data is valid. Item validity ensures that each question accurately measures the desired construct and the data collected is reliable for further analysis. Therefore, we can confidently continue to use this data set for further analysis, as we know that the questions in the questionnaire are valid and appropriate for this study.

Tabel 3: Reliability Test Variable X

Cronbach's Alpha	N of Items
.877	12

Tabel 4: Reliability Test Variable Y

Cronbach's Alpha	N of Items
.950	16

Reliability test is intended to measure the consistency of the questionnaire that has been distributed. This test is intended so that all survey distributions and questionnaires that have been distributed are consistent so that they can produce stable and reliable results. This assessment is based on Cronbach's Alpha value which ranges from 0 - 1.

Tabel 5. Reliability Test Matrix

Cronbach's Alpha value	Value
0.9	Very Good
0.8 - 0.9	Good
0.7 - 0.8	Good Enough
< 0.7	Unacceptable or Needs to be Ignored

In the table of reliability test results above, displaying the number 0.877 in variable X and displaying the number 0.950 in variable Y. This shows that the reliability results on variable X are in a good position and the reliability results on variable Y are very good.

Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
TRANSFORMATIONAL LEADERSHIP (X)	,108	19	,200 [*]	,978	19	,917
ORGANIZATIONAL PERFORMANCE (Y)	,132	19	,200 [*]	,964	19	,643

*. This is a lower bound of the true significance.
a. Lilliefors Significance Correction

Figure 1. Normality Test

The normality test aims to test whether the data to be used in the study is in normal condition or not. One of the basic assumptions of regression analysis is that the error (residual) must be normally distributed. Because when the data is not normally distributed the research cannot be considered valid. The condition for good normality is when the significance value of the normality table is > 0.05, this condition can be considered as normally distributed data, but on the contrary, when the data is < 0.05, the significance value is not normally distributed.

In the normality table above, the significant data from the Transformational Leadership (X) variable is at 0.917 and Organizational Performance (Y) is at 0.643, Both data from these variables can be concluded to be normally distributed because they are greater than 0.05. This shows that there are no errors and violations of the normality assumption.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,752 ^a	,566	,541	6,12574

a. Predictors: (Constant), TRANSFORMATIONAL LEADERSHIP (X)

Figure 2. Multicollinearity Test

The multicollinearity test is intended to detect multicollinearity problems from data. This test is based on the R value and the R square value, when the R square value is smaller than the R value, the data is free from multicollinearity problems. In the above conditions, the R square has a value of 0.566 and is already smaller than the R value of 0.752. In this condition it can be considered that there is no significant problem of multicollinearity between the independent variables in the regression model because R square is less than R.

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	10,015	5,718		1,752	,097		
	TRANSFORMATIONAL LEADERSHIP (X)	-,104	,121	-,200	-,864	,399	1,000	1,000

a. Dependent Variable: ABS_RES

Figure 3. Heteroskedasticity Test

The heteroscedasticity test aims to test the error variance in the regression model to reduce errors and bias. The interpretation of the heteroscedasticity test can be based on the sig value. When the sig value in the heteroscedasticity table is >0.05 then there will be no problem with heteroscedasticity, but if the sig value displayed is <0.05 then there is a problem with heteroscedasticity. This can indicate that there is error variance and the regression model is not fully valid.

In the heteroscedasticity table above, the sig value is 0.399 which is greater than 0.05. This shows that the data is free from heteroscedasticity problems or in other words, it is free from error variance and is considered constant.

ANOVA Table

			Sum of Squares	df	Mean Square	F	Sig.
ORGANIZATIONAL PERFORMANCE (Y) * TRANSFORMATIONAL LEADERSHIP (X)	Between Groups	(Combined)	1319,500	13	101,500	3,372	,094
		Linearity	832,081	1	832,081	27,644	,003
		Deviation from Linearity	487,419	12	40,618	1,349	,393
Within Groups			150,500	5	30,100		
Total			1470,000	18			

Figure 4. Linearity Test

The Linearity Test is conducted to check whether there is a linear relationship between the independent variable X and the dependent variable Y. In the Linearity test if the sig number of deviation from linearity is > 0.05 then there will be a linear relationship between the independent variable and the dependent variable, and vice versa if the sig value of deviation from linearity is <0.05 then there is no linear relationship between the independent variable and the dependent variable.

From the table above, the data on the sig value of deviation from linearity is 0.393, which means that this figure is in the sig > 0.05 condition, it can be interpreted that there is a linear relationship between the independent variable and the dependent variable.

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	12,968	10,296		1,259	,225		
	TRANSFORMATIONAL LEADERSHIP (X)	1,032	,219	,752	4,709	,000	1,000	1,000

a. Dependent Variable: ORGANIZATIONAL PERFORMANCE (Y)

Figure 5. Regression Test

Regression Test is used to check whether there is an influence between variable X on variable Y. The main requirement for the influence between two variables from the regression test is to have a sig value below 0.05. The table shows that the Sig value of the Transformational Leadership (X) variable is 0.000, which means that there is a statistically significant influence between Transformational Leadership on Organizational Performance. With conditions like this it can be interpreted that H0 can be rejected and H1 which states that there is a significant influence can be accepted.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,752 ^a	,566	,541	6,12574

a. Predictors: (Constant), TRANSFORMATIONAL LEADERSHIP (X)

Figure 6. Determination Test

The value of the determination coefficient Adjusted R² table of 0.541 indicates that 54% of the variation in the dependent variable (Y) can be explained by the independent variable (X) in the regression model tested. This means that transformational leadership (X) has had a significant impact on changes in organizational performance (Y). However, 46% is influenced by other factors not covered in this model, or other variables that have not been included in the analysis.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	832,081	1	832,081	22,174	,000 ^b
	Residual	637,919	17	37,525		
	Total	1470,000	18			

a. Dependent Variable: ORGANIZATIONAL PERFORMANCE (Y)
b. Predictors: (Constant), TRANSFORMATIONAL LEADERSHIP (X)

Figure 7. F-Test

The F test is used to determine whether the regression model as a whole is significant or not, when the results of the F test have met the criteria, the model will be considered valid for further analysis and can be used as a strong basis for interpreting the results.

Interpretation of the F test results can be done by determining the sig value. When the sig value is at <0.05 then it can be interpreted statistically, the independent variables simultaneously have a significant effect, but if the sig value results are at > 0.05 then it can be interpreted that the independent variables simultaneously do not have a significant effect. In the above conditions, the sig value in the anova table is 0.000 which means it is at <0.05, so it can be interpreted that the independent variables simultaneously have a significant effect on the dependent variable.

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	12,968	10,296		1,259	,225		
	TRANSFORMATIONAL LEADERSHIP (X)	1,032	,219	,752	4,709	,000	1,000	1,000

a. Dependent Variable: ORGANIZATIONAL PERFORMANCE (Y)

Figure 8. T-Test

T -Test is used to test the significance of the variables. The statistical results of the T-test of the transformational leadership variable obtained a calculated sig value of 0.225, this value is smaller than <0.05. This figure shows that the results obtained do not occur by chance and have a significant value between variables. That way it can be interpreted that H0 is rejected and H1 is accepted.

Discussion

The findings of this study highlight the significant positive influence of transformational leadership by the DIGNITY Board of Commissioners on the organization's performance. The results align with previous research demonstrating the benefits of transformational leadership in student organizations and nonprofit contexts (Naeem & Khanzada, 2018; Pradhan et al., 2018).

The Board's adoption of an AI-powered chatbot to gather student feedback represents an innovative approach to enhancing governance in the digital era. This technological integration complements the transformational leadership practices, enabling the Board to better understand member needs and more responsively address them. Such digital tools can empower student leaders to elevate organizational performance by facilitating two-way communication and rapidly incorporating stakeholder input (Purwaamijaya & Prasetyo, 2022).

The positive impact of transformational leadership may be particularly pronounced for student organizations operating in the digital business domain. The visionary, intellectually stimulating, and individually supportive behaviors fostered by this leadership style can help student leaders navigate the complex, rapidly evolving digital landscape. By inspiring members and encouraging creative problem-solving, transformational leaders can better position these organizations to seize emerging opportunities and adapt to changing market conditions.

However, the study's relatively small sample size and reliance on self-reported data from Board members introduce potential limitations. Larger-scale investigations across multiple student associations would

strengthen the generalizability of these findings. Additionally, incorporating objective performance metrics beyond self-assessments could provide a more comprehensive evaluation of organizational outcomes.

To cultivate transformational leadership within student organization governance, leaders should prioritize behaviors that build idealized influence, inspirational motivation, and individualized consideration. This may involve articulating a compelling vision, modeling ethical conduct, providing personalized encouragement and support, and stimulating innovative thinking. Pairing these leadership practices with digital tools for enhanced stakeholder engagement can further amplify their positive impact on performance.

Future research should delve deeper into the nuances of how transformational leadership manifests in student-led organizations, particularly those engaged in digital business. Exploring the relative influence of the different leadership dimensions, as well as potential moderating factors, could yield valuable insights for strengthening organizational effectiveness in this dynamic context.

Conclusion

The study examined the influence of transformational leadership by the Board of Commissioners on the organizational performance of the DIGNITY student association. The results showed that transformational leadership practices, including idealized influence, inspirational motivation, and individual consideration, had a significant positive impact on DIGNITY's performance. The Board's use of an AI chatbot to gather student feedback demonstrated adaptation to digital-era governance. The findings contribute to understanding transformational leadership in student organizations engaged in digital business. Overall, the study validated that investing in transformational leadership within student organization governance can yield meaningful improvements in organizational outcomes.

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