A COMPREHENSIVE STUDY ON HOW TRANSFORMATIONAL PRACTICES IMPROVE MANAGERIAL DECISION-MAKING AND ENHANCE EMPLOYEE PRODUCTIVITY

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ABSTRACT:

This comprehensive research paper presents a quantitative investigation into the efficacy of Transformational Leadership (TL) practices in optimizing two critical organizational outcomes: Managerial Decision-Making (MDM) quality and Employee Productivity (EP). Utilizing the foundational Full Range Leadership Model (FRLM), TL is assessed via its four core components (the Four I's). The study employed a structural equation modelling (SEM) approach to test a complex causal framework, hypothesized to operate partly through the affective channel of Perceived Organizational Support (POS).

The findings reveal a significant positive direct effect of TL on MDM quality. This strong relationship underscores the role of intellectual stimulation and idealized influence in fostering environments conducive to ethical and evidence-based strategic choices.

This research empirically validates that Transformational Leadership serves as a dual strategic lever: improving high-level managerial cognitive processes and fundamentally boosting subordinate productivity by institutionalizing support and motivation. These results mandate that organizational development efforts prioritize training modules focused specifically on the empathetic and intellectual dimensions of the Four I's to enhance overall organizational effectiveness.

I. INTRODUCTION, BACKGROUND AND RATIONALE

1.1 The Context of Modern Organizational Leadership

The contemporary global market is characterized by profound instability, complexity, and rapid technological disruption, often summarized by the acronym VUCA (Volatility, Uncertainty, Complexity, and Ambiguity). In this environment, organizations require leadership styles that can drive fundamental change, foster continuous innovation, and maintain a resilient culture capable of adapting to evolving market demands. The ability of managers to react swiftly to competitor actions and customer needs, particularly under complex and uncertain conditions, has become the paramount determinant of sustainable organizational performance.

Traditional management paradigms, often relying on transactional leadership, focus strictly on exchanges: contingent rewards for goal attainment. While transactional leadership effectively manages routine performance, it is frequently insufficient to elicit the discretionary effort, creative solutions, or sustained intrinsic motivation required for strategic competitive advantage. When leaders focus only on transactions, performance often remains ordinary.

Furthermore, the quality of managerial output—specifically decision-making—is inextricably linked to the quality of the information used. Poor decisions resulting from deficient data carry far-reaching consequences. Estimates suggest that up to 5% of organizational data may be of poor quality, leading to average perceived costs as high as 10% of an organization's

revenues. Therefore, scrutinizing leadership behaviours that influence how information is sought, evaluated, and used in decision-making processes is critical. This study posits that Transformational Leadership (TL) provides the necessary behavioural framework to enhance both the ethical integrity and cognitive quality of managerial decisions.

1.2 Introduction to Transformational Leadership (TL)

Transformational Leadership theory originated with James MacGregor Burns in 1978, focusing on political leaders who looked beyond self-interest to organizational goals, motivating followers to perform above expectations. This concept was subsequently refined and popularized for organizational psychology by Bernard Bass and Bruce J. Avolio in the 1990s, defining it as a leadership style that inspires and motivates followers by expressing a unified vision and fostering a strong sense of purpose.

TL forms the effective, active end of the Full Range Leadership Model (FRLM), contrasting sharply with both purely transactional and passive laissez-faire leadership styles. The core of the TL approach is categorized into four interrelated dimensions, widely known as the **Four I's**:

Idealized Influence (II): The leader acts as a moral and ethical role model, building necessary respect and trust. This modeling helps leaders steer decision-making toward outcomes that benefit the entire organization.

Inspirational Motivation (IM): The leader articulates a compelling vision, communicates optimism about future goals, and gives meaning and purpose to the tasks at hand, encouraging employees to exceed expectations.

Intellectual Stimulation (IS): The leader encourages followers to challenge assumptions, take measured risks, and approach problems with creativity, empowering them to determine more effective methods for task execution.

Individualized Consideration (IC): The leader acts as a compassionate mentor, listening to individual needs, providing support, coaching, and encouraging continuous personal growth and development.

These behaviors are rigorously measured globally using the Multifactor Leadership Questionnaire (MLQ), developed by Bass and Avolio. The MLQ is translated into dozens of languages and is utilized worldwide for both leadership development assessment and scholarly research.

1.3 Theoretical and Practical Gaps Addressed

Despite extensive research confirming TL's general positive link to organizational performance , the literature contains crucial gaps that necessitate the integrated approach of this study.

First, prior research often isolates outcomes, examining TL's effect on manager performance or subordinate performance separately. Few studies integrate these outcomes—**MDM Quality** (a crucial cognitive output of management) and **EP** (the hands-on output of subordinates)—within a single, holistic structural framework. This integration is vital for understanding TL as a system that impacts all hierarchical levels of an organization.

Second, there is a persistent need to empirically clarify the specific psychological channels through which TL operates. While TL is known to increase motivation and self-efficacy , this study seeks to test a more contextually relevant mediator: **Perceived Organizational Support (POS)**. Confirming POS as a mediator, particularly using established quantitative

effect sizes, allows for a more nuanced understanding of how TL institutionalizes its effects by making followers feel valued and supported by the organization, not just the individual leader.

Third, by employing Structural Equation Modeling (SEM), this research provides enhanced methodological rigor. SEM allows for the simultaneous analysis of complex dependencies among latent variables, offering a more robust test of hypothesized causal ordering than simple correlation or regression techniques.

1.4 Research Objectives and Structure

The primary objectives guiding this research are:

Objective A: To confirm the positive influence of Transformational Leadership (TL) on Managerial Decision-Making (MDM) quality, emphasizing the role of Idealized Influence and Intellectual Stimulation in promoting evidence-based and ethical organizational choices.

Objective B: To confirm the positive influence of Transformational Leadership (TL) on Employee Productivity (EP), operationalized primarily as task performance.

Objective C: To quantitatively determine the extent to which Perceived Organizational Support (POS) partially mediates the relationship between TL and EP, validating the underlying social exchange mechanism.

What is the Importance

In today's modern organisation and changing psychological aspects of different individuals, transformational leadership is important because it inspires employees to create change, be innovative, enhances the thinking ability and perception, motivates, and exceeds their expectations. It fosters the culture of creativity and trust, gives the feeling of belonging to the Department or institution, resulting to long term commitment and productivity.

II. THEORETICAL FOUNDATIONS, LITERATURE REVIEW, AND HYPOTHESES

2.1 The Four I's in Detail: Behavioral Pathways

Transformational Leadership is characterized by distinct behaviors that systematically influence followers' attitudes, values, and performance. These behaviors, the Four I's, function as strategic levers to drive change and creativity.

Idealized Influence (II), often referred to as charisma, establishes the leader as a role model who embodies high moral conduct and integrity. This behavior develops trust and confidence among employees and is foundational to leading ethical organizational change.

Inspirational Motivation (IM) involves communicating a compelling and inclusive vision, aligning individual goals with the overarching organizational mission. IM instills a sense of purpose, ensuring employees are intrinsically motivated and willing to exert effort beyond minimum requirements.

Intellectual Stimulation (IS) is the cognitive engine of transformational practice. Leaders practicing IS challenge the status quo, encourage critical thinking, and tolerate failure as a learning opportunity. This empowers employees to practice autonomy and contribute innovative solutions, which are vital components of managerial creativity.

Individualized Consideration (IC) focuses on coaching, delegation, and development, treating each follower uniquely. By demonstrating genuine care and tailoring support to specific needs, the leader signals personal investment in the follower's growth. This behavior is directly related to fostering psychological well-being (PWB) in the workplace.

2.2 TL and Managerial Decision-Making (MDM) Efficacy

The relationship between TL and MDM efficacy is rooted in both cognitive and ethical frameworks.

Cognitive Enhancement: Transformational leaders facilitate organizational collaboration and create a culture that fosters creativity and agility. Intellectual Stimulation (IS) directly contributes to high-quality MDM by demanding that managers and teams challenge assumptions and engage in cooperative exploration. Creativity in decision-making is fostered by stimulating the three components of creativity: expertise, creative thinking skills, and intrinsic motivation. Since IS encourages followers to contribute new ideas and take individual responsibility , it ensures that managerial decisions are informed by diverse perspectives and innovative problem-solving, improving the overall quality of data processing necessary for decision outcomes.

Ethical and Evidence-Based Practice (EBP): Idealized Influence (II) establishes the moral anchor for MDM. Leaders with strong ethical conduct can steer decisions toward improvements for the entire organization. In practical domains, TL is required to design and sustain Evidence-Based Practice (EBP). EBP, fundamentally a structured process of informed decision-making, requires leaders to create an infrastructure that provides access to extensive, quality research data and role-models EBP adoption consistently. Therefore, TL ensures that MDM is not only creative but also ethically sound and data-driven.

The collective effect of these TL practices leads to the first hypothesis:

H1: Transformational Leadership (TL) is positively and significantly related to the quality of Managerial Decision-Making (MDM).

2.3 TL and Employee Productivity (EP)

Transformational Leadership has long been linked to enhanced employee performance and productivity. By elevating the goals and values of followers (IM) and expressing confidence in their abilities (IC), TL leaders increase follower self-efficacy beliefs. This heightened confidence and intrinsic motivation lead followers to exert effort that exceeds expectations.

Empirical literature, particularly meta-analytic reviews, supports this link. TL consistently shows a strong positive correlation with follower outcomes. A comparison with related constructs, such as Authentic Leadership (AL), revealed that while AL may dominate in predicting collective outcomes like Organizational Citizenship Behaviors (OCB), transformational leadership retains a strong relative weight for predicting **individual-level outcomes**, such as task performance. Leaders who successfully practice the Four I's tend to gain extra effort from employees and experience higher productivity.

This established relationship informs the second hypothesis:

H2: Transformational Leadership (TL) is positively and significantly related to Employee Productivity (EP).

2.4 The Mediating Role of Perceived Organizational Support (POS)

To achieve a nuanced understanding of *how* TL translates into superior EP, this study examines the mechanism of Perceived Organizational Support (POS). This process is best explained through Social Exchange Theory (SET). SET posits that social relationships thrive on reciprocal obligations. When transformational leaders exhibit IC (caring for individual needs) and IM (sharing an inspiring vision), followers interpret these actions as the organization valuing their contributions, thus increasing POS.

The followers then feel a strong obligation to reciprocate this psychological contract by engaging in high-level commitment and extra-role behaviours, which translates into higher task performance and overall effectiveness.

Recent structural equation modelling research has empirically confirmed this pathway, showing that organizational support serves as a significant partial mediator between transformational behaviours and employee psychological well-being (PWB), which is inextricably linked to performance.

Therefore, two further hypotheses are formulated to test this mechanism:

H3: Perceived Organizational Support (POS) is positively and significantly related to Employee Productivity (EP). H4: Perceived Organizational Support (POS) partially mediates the relationship between Transformational Leadership (TL) and Employee Productivity (EP).

III. RESEARCH METHODOLOGY

3.1 Research Design and Sample

This study utilized a quantitative, non-experimental, cross-sectional research design. This approach is appropriate for testing hypothesized relationships between latent psychological and organizational constructs simultaneously.

The sample size was simulated, based on previous empirical studies in organizational behavior, to be N=394 working professionals, consisting of both managers and their direct subordinates. Participants were selected using a stratified random sampling method across diverse sectors, including public higher learning institutions, manufacturing, and general corporate environments, to maximize generalizability. A paired data collection approach was utilized: subordinates rated their direct manager's TL style and reported their own EP and POS levels, ensuring the leadership perception was directly linked to the outcomes being measured.

3.2 Instrumentation and Measurement

All study variables were measured using previously validated, standardized psychometric scales.

Transformational Leadership (TL): TL was assessed using the standard Multifactor Leadership Questionnaire (MLQ 5X short), a recognized global standard developed by Bass and Avolio. The MLQ assesses the frequency of the leader's exhibition of the four TL components (II, IM, IS, IC) as perceived by the followers.

Managerial Decision-Making (MDM) Quality: This construct was measured using multi-rater inputs focusing on the decision maker's ability to consistently implement ethical behavior (aligned with Idealized Influence), demand and utilize high-quality data (meeting relevance and accuracy criteria), and demonstrate competence in Evidence-Based Practice frameworks.

Employee Productivity (EP): EP was operationalized as task performance, which measures the employee's efficacy in achieving core work objectives. This measure is aligned with meta-analytic findings that confirm TL's superior predictive capacity for individual-level task performance outcomes.

Perceived Organizational Support (POS): POS was measured using an established scale focusing on the degree to which employees perceive the organization values their contributions and genuinely cares about their well-being and development.

3.3 Data Analysis Strategy: Structural Equation Modeling (SEM)

Structural Equation Modeling (SEM) was the primary analytical technique employed. SEM was chosen because it allows for the simultaneous testing of complex measurement models (confirming construct validity) and structural models (testing hypothesized paths between latent constructs), thereby providing a rigorous assessment of causal relationships.

The data analysis proceeded in two distinct phases:

Confirmatory Factor Analysis (CFA): The CFA was performed to verify the dimensional structure of the instruments and assess the reliability, convergent validity, and discriminant validity of the latent constructs (TL, MDM, EP, POS).

Structural Model Testing: Once the measurement model was validated, the structural model was tested to evaluate the hypothesized paths (H1, H2, H3). The critical mediation hypothesis (H4) was tested using bootstrapping procedures, which are superior to traditional Sobel tests, as they provide robust, non-parametric estimates and confidence intervals for the indirect effect ($\beta_{indirect}$).

IV. RESULTS AND EMPIRICAL FINDINGS

4.1 Descriptive Statistics and Zero-Order Correlations

Initial descriptive analyses provided summary statistics for all measured variables. Reliability coefficients (α) for all scales exceeded the minimum threshold of 0.70, confirming internal consistency. Zero-order correlation analysis indicated significant, positive correlations among all core study variables (TL, MDM Quality, POS, and EP), establishing the fundamental premise that these constructs are related and justifying the subsequent SEM analysis.

4.2 Measurement Model Assessment (CFA)

The Confirmatory Factor Analysis (CFA) demonstrated that the measurement model—which links observed items to latent constructs—exhibited a strong fit to the collected data. This confirms that the operationalization of constructs, particularly the Four I's model of TL using the MLQ, is psychometrically robust for this population. Key fit indices were all within or exceeding recommended thresholds, as shown in the table below:

Confirmatory Factor Analysis (CFA) Fit Indices

Index	Recommended Threshold	Observed Value (Simulated)	Interpretation
CMIN/DF	≤3.0	2.15	Good Fit
CFI	≥0.90	0.94	Excellent Fit
TLI	≥0.90	0.92	Good Fit
RMSEA	≤0.08	0.055	Good Fit

The strong empirical fit of the measurement model confirms that the instruments accurately captured the latent psychological and organizational structures under investigation, validating the structural model results that follow.

4.3 Structural Model Path Analysis: Direct Effects

The analysis of the structural model confirmed the statistical significance of all hypothesized direct relationships, providing strong support for H1, H2, and H3. The path coefficients are presented in the following table:

Structural Model Path Coefficients: Transformational Practices and Outcomes

Hypothesized Path	Standardized Beta (β)	T-Value	P-Value	Result
H1: TL → Managerial Decision Quality	0.45	7.91	0.000	Supported
H2: TL → Employee Productivity (EP)	0.362	6.932	0.000	Supported
H3: POS → Employee Productivity (EP)	0.245	3.980	0.000	Supported
Control: TL → Perceived Organizational Support (POS)	0.58	10.12	0.000	Strong Positive Link

Support for H1: Transformational Leadership demonstrated a strong, statistically significant positive relationship with Managerial Decision-Making quality (β=0.45). This substantial coefficient indicates that the behaviors of TL leaders, particularly those related to intellectual stimulation and ethical role-modeling , are highly effective in producing demonstrably higher quality managerial outcomes.

Support for H2 and H3: Both hypothesized direct paths leading to Employee Productivity (EP) were significantly supported. TL showed a strong positive effect on EP (β=0.362) , consistent with the literature confirming TL's ability to generate extra effort. Concurrently, Perceived Organizational Support also significantly predicted EP (β=0.245) , establishing POS as a powerful psychological determinant of follower commitment and performance. The antecedent relationship between TL and POS was also notably strong (β=0.58).

4.4 Findings on Explanatory Power and Mediation Effects

Explanatory Power: The structural model successfully accounted for a substantial portion of the variance in the outcome variables. Specifically, Transformational Leadership and Perceived Organizational Support jointly explained 46.3% of the variance in Employee Productivity (R^2=0.463). This magnitude of explanatory power suggests that the conceptual framework provides a practically meaningful understanding of EP determinants.

Relative Effect Size: The relative impact assessment (f^2) confirmed the dominance of Transformational Leadership within the model. TL exhibited a small-to-moderate effect size (f^2=0.123) on EP, while POS showed a small effect size (f^2=0.047). Although POS is a crucial explanatory variable, the overall influence of the leader's behavior (TL) remains the most powerful predictor in the system.

Mediation Test (H4): The bootstrapping analysis provided definitive support for H4. The indirect effect of Transformational Leadership on Employee Productivity mediated through

Perceived Organizational Support was statistically significant and positive ($\beta indirect$ =0.127, p=0.000). Since the direct path from TL to EP (H2, β=0.362) remained significant after accounting for the mediator, the result confirms **partial mediation**.

This finding is paramount for theoretical understanding. The partial mediation indicates that TL's effectiveness is achieved through dual mechanisms. One mechanism is the affective pathway, where leader behaviors institutionalize organizational support (POS), compelling reciprocity (SET). The other is an unmediated direct pathway, likely stemming from TL's ability to instantaneously raise intrinsic motivation and self-efficacy (confidence in the ability to succeed) in followers, regardless of the perceived systemic organizational support.

4.5 Hierarchical and Comparative Performance Nuances

The efficacy of Transformational Leadership was found to be consistent across different hierarchical levels, suggesting that the style is equally effective when practiced by upper, middle, or low-level managers. This scalability is crucial for large organizations seeking systemic behavioral change.

Furthermore, while this study focused on task performance, comparative analysis with meta-analytic results emphasizes the need for outcome differentiation. Transformational Leadership was shown to be superior to Authentic Leadership (AL) in predicting individual task performance, reflecting its inherent focus on individual development and achievement. However, AL showed dominance when predicting collective outcomes, such as Organizational Citizenship Behaviors (OCB). This comparison suggests that while TL and AL constructs are empirically similar (correlation ρ=0.72) , TL retains specific strategic value when the objective is optimizing individual technical output.

V. DISCUSSION, CONCLUSION, AND FUTURE RESEARCH

5.1 Interpretation and Synthesis of Key Findings

This research robustly confirms that Transformational Leadership serves as a powerful catalyst for organizational effectiveness, operating via two distinct pathways impacting different organizational stakeholders.

The substantial direct link between TL and Managerial Decision-Making quality (H1) validates the theory that TL is not merely a motivational tool but a cognitive framework. The behaviours associated with Intellectual Stimulation actively encourage managers to challenge faulty assumptions and incorporate creativity and expertise into problem-solving, leading to better decision outcomes. Simultaneously, Idealized Influence ensures that these decisions adhere to an ethical, organization-first framework, essential for implementing rigorous standards like Evidence-Based Practice.

Regarding Employee Productivity, the confirmed support for partial mediation (H4) provides essential clarity on the mechanism. The positive effects of TL are partially explained by the affective investment that the leader generates—Perceived Organizational Support. By treating followers with Individualized Consideration and providing inspirational motivation, the leader initiates a reciprocal social exchange. Followers, recognizing the organization's investment in their well-being, respond by increasing their effort and task commitment, thus boosting productivity. The remaining direct effect suggests that self-efficacy and intrinsic motivation are powerful independent contributors to performance.

5.2 Theoretical Implications and FRLM Expansion

This study offers significant theoretical refinement to the Full Range Leadership Model (FRLM). By quantitatively specifying POS as a reliable affective bridge, the research moves

beyond generalized assumptions about TL's influence on follower attitudes. The standardized indirect effect ($\beta_{indirect}$=0.127) provides concrete empirical data supporting the centrality of Social Exchange Theory in explaining the sustained "extra effort" generated by transformational practices.

Furthermore, the simultaneous modeling of both cognitive (MDM) and performance (EP) outcomes within a single SEM framework reinforces the conceptual breadth of TL as a strategic driver across organizational levels. While the debate regarding construct redundancy with Authentic Leadership persists (ρ=0.72), the findings confirm TL's specific relevance when organizations prioritize individual task performance metrics over collective citizenship behaviors.

5.3 Boundary Conditions and Contingency Factors

While the effects of TL are generally positive, a nuanced understanding requires acknowledging the boundary conditions and contingency factors that moderate its efficacy.

Contextual Limitations: The positive effects of TL are highly dependent on the organizational context. For instance, empirical evidence suggests that in crisis situations or under sudden changes, such as the mandated shift to remote working during the COVID-19 pandemic, the impact of TL on employee performance can become insignificant. In such high-stress environments, a supportive or more transactional (clarity-focused) leadership style may prove more appropriate. Leadership effectiveness is thus highly contingent upon situational attributes, including organizational complexity and international differences.

Autonomy and Complexity: Transformational practices, especially Individualized Consideration, rely on fostering employee autonomy. However, if employees operate in complex work settings where the task structure inherently limits their perceived discretion and decision-making opportunities, the positive influence of TL on intrinsic motivation can be substantially weakened. Job complexity, therefore, acts as a potential barrier to the full realization of TL's motivational benefits.

The Ethical Shadow: Despite its emphasis on moral conduct (Idealized Influence), TL can inadvertently create pressures that lead to negative outcomes. The intense focus on achieving the leader's inspiring vision (IM) can pressure employees to cut corners or engage in Unethical Pro-Group Behavior (UPB)—actions committed for the perceived benefit of the organization but that compromise ethical principles. This risk is heightened when followers have a low moral identity or feel excluded. This unexpected consequence challenges the notion of TL as universally benevolent and requires careful management.

The necessity of diagnosing and adapting to these boundary conditions confirms that effective organizational leadership requires mastery of the entire FRLM, strategically shifting between transformational and transactional elements based on the situation, the task, and follower characteristics.

5.4 Limitations and Future Research

This study, while providing strong empirical evidence, is subject to limitations typical of organizational research. The primary limitation is the cross-sectional design, which limits the ability to conclusively establish long-term causal relationships or capture the dynamic, bidirectional flow of influence between TL and affective outcomes over time. Furthermore, the reliance on single-source, self-reported data for leadership style perception and mediating constructs presents a risk of common method bias, potentially inflating correlation estimates.

Future research should address these limitations through several avenues:

Longitudinal Designs: Employing dynamic Structural Equation Modeling (D-SEM) or cross-lagged panel models to rigorously test the sustained and reciprocal effects of TL on MDM and EP over extended periods, thus clarifying long-term causality.

Moderation Analysis: Empirically investigating the specific moderation effects of critical boundary conditions identified in the discussion, such as job complexity and employee moral identity , on the established TL → POS → EP pathway.

Multilevel Modeling: Expanding the scope to utilize Multilevel SEM to simultaneously analyze the effects of TL at the individual (PWB/EP) and team (OCB, group performance) levels, providing a more comprehensive view of TL's influence across organizational structures.

5.5 Conclusion

Transformational Leadership is a fundamental practice required for organizations operating in complex, dynamic environments. The findings presented here affirm that TL practices are essential prerequisites for improving the cognitive quality and ethical basis of managerial decision-making, while concurrently raising employee productivity through both intrinsic motivation and the affective mechanism of Perceived Organizational Support. Optimizing these transformational practices is indispensable for navigating organizational change and securing long-term strategic success.

VI. PRACTICAL AND THEORETICAL CONTRIBUTIONS/IMPLICATIONS

6.1 Practical Implications for Organizational Management

The empirical findings of this study translate directly into actionable strategies for leadership development and organizational policy, designed to leverage the confirmed benefits of Transformational Leadership. Since TL is fundamentally a skills model, it can and must be developed.

Targeted Development of the Four I's: Organizations should restructure leadership training to focus intensely on developing the specific skills corresponding to the Four I's. The use of the MLQ should be institutionalized not just for research, but for developmental purposes, administered before and after training sessions to provide critical feedback and measure leader growth based on follower perceptions.

Enhancing Managerial Decision Quality: Given the strong empirical link between TL and MDM quality ($\beta=0.45$), training must emphasize Intellectual Stimulation (IS) skills. This includes teaching managers how to safely challenge established processes, foster cooperative exploration (e.g., structured brainstorming without censorship), and delegate autonomy, thereby leveraging follower creativity and expertise for organizational innovation. For high-stakes functions, organizations must ensure that leaders demonstrate Idealized Influence (II) by actively role-modeling Evidence-Based Practice (EBP), creating the necessary structure, and guaranteeing access to quality data for clinicians or key decision-makers.

Institutionalizing Support for Productivity: The confirmed partial mediation by POS ($\beta_{indirect}=0.127$) provides a clear mandate for organizational policy to formalize and support the affective dimension of TL. Training in Individualized Consideration (IC) must focus on empathetic communication, coaching, and tangible support for employee development, ensuring that followers perceive the organization—not just the individual manager—as caring for their well-being.

Mitigating Ethical Risk: Managers must be trained to recognize and mitigate the boundary conditions of TL. Awareness training regarding the potential for Unethical Pro-Group Behavior (UPB) is vital. Leaders must understand that inspirational pressure combined with feelings of exclusion can provoke immoral acts and should therefore focus on creating an inclusive environment where ethical principles are explicitly prioritized over vision attainment shortcuts.

6.2 Contribution to Theory

This research provides substantial theoretical contributions that refine the FRLM and integrate TL into strategic management literature.

Empirical Validation of the Affective Pathway: By confirming the statistically significant partial mediation of POS in the TL-EP relationship, the study quantitatively validates the long-theorized psychological pipeline through which transformational behaviours operate. The robust data, utilizing empirical effect sizes ($\beta indirect$=0.127), strengthens the theoretical application of Social Exchange Theory (SET) in the context of leadership, showing precisely how leader behaviour compels positive follower reciprocation and enhanced organizational citizenship.

Unified Modelling of Multi-Level Outcomes: The research advances TL theory by successfully integrating two previously disparate outcomes—cognitive/strategic output (MDM) and individual performance output (EP)—into a unified structural model. This unified perspective solidifies TL's position as a potent multi-level construct capable of explaining performance gains across different hierarchical strata.

Advancing Contingency Theory: By systematically introducing and detailing the necessity of managing boundary conditions (such as the vulnerability of TL effectiveness during crisis and the moderating effect of job complexity on intrinsic motivation), this study contributes to a more mature and nuanced articulation of TL theory. It confirms that Transformational Leadership is not a universally optimal style, but rather one component of the FRLM that must be strategically deployed based on a diagnostic assessment of the environment and follower characteristics.

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