



The Effect of Transformational Leadership and Remote Working on Employee Performance During COVID-19 Pandemic

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Specialty section:

This article was submitted to
Organizational Psychology,
a section of the journal
Frontiers in Psychology

Received: 13 April 2022

Accepted: 20 May 2022

Published: 12 August 2022

Citation:

Meiryani, Nelviana, Koh Y,
Soepriyanto G, Aljuaid M and
Hasan F (2022) The Effect of
Transformational Leadership and
Remote Working on Employee
Performance During COVID-19
Pandemic.
Front. Psychol. 13:919631.
doi: 10.3389/fpsyg.2022.919631

The COVID-19 outbreak has emphasized the importance of leadership style in achieving organizational performance. It also implies changes in administrative processes to remote working, impacting employee activities, and performance. Employee performance is one of the aspects that might influence a company's success. If employees are productive and provide high-quality work, the company's performance will increase. This study aims to analyze the effect of Transformational Leadership and Remote Working on Employee Performance during the COVID-19 pandemic. This study was conducted by performing a questionnaire distribution survey and acquiring 136 respondents. The research was conducted on a Jakarta area company that had implemented Remote Working. The number of samples in this study was determined using a simple random sampling procedure, in which the sampling was done at random without consideration for the population's existing strata. This study uses a quantitative approach method based on factual data and research data in statistical figures related to concluding research problems. The source of data in this study is primary data that was directly obtained from sources without going through intermediaries. This study shows that Transformational Leadership has no significant impact on Employee Performance during the COVID-19 pandemic, and Remote Working has a significant impact on Employee Performance during the COVID-19 pandemic.

Keywords: COVID-19, transformational leadership, remote working, employee performance, leadership style

INTRODUCTION

The spread of SARS-CoV-2, better known as COVID-19, was declared a pandemic by World Health Organizations (2020). The COVID-19 pandemic has forced many businesses to close and caused unprecedented trade disruptions in most industrial sectors. All organizational functions had to prioritize spending and delaying tasks that would not bring value to the environment (Donthu and Gustafsson, 2020). Due to COVID-19, most workers and companies have to do remote work even though they have little experience and are not ready to work remotely (Kniffin et al., 2021).

The COVID-19 pandemic has given us a valuable lesson. During this pandemic, governments worldwide imposed lockdown conditions, which resulted in a significant shift in daily activity

from industrial and office locations to homes in a relatively short period (Kylili et al., 2020). Because team members work flexibly, remote work can lead to irregular work patterns. However, everyone has other commitments and priorities to prioritize, such as taking care of children or caring for relatives. Remote work can develop empathy in a team because it allows everyone to understand each other's situation and avoid possible hatred and guilt over perceived inequalities (Phillips, 2020).

Many things changed when the COVID-19 pandemic struck, one of which was leadership practices. The PSBB (Large-Scale Social Restrictions) policy and the implementation of health protocols require leaders to adopt a new style of guarding the organization. Lenovo's President in the Asia Pacific, Ken Wong, stated that COVID-19 was a catalyst for many companies to accelerate digital transformation. Almost all companies during the pandemic changed their communication patterns where they opened several communication channels, both digital and traditional. So leaders are required to master various communication channels, mainly digital media. However, the implementation of digital or remote work is also accompanied by an increasing workload. When it comes to working from home, there is work to be done, and 37 percent of the world's workers feel that employers demand more from them. So company leaders also need to pay attention to the mental health problems of workers. During the COVID-19 period, some employees were laid off or lowered their salaries to keep the company afloat (Compass, 2021).

COVID-19 pandemic has a significant impact on the decline in employee performance and overall affects the achievement of company targets. According to Communication and National Motivator Aqua Dwipayana, many employees felt bored during the COVID-19 pandemic. With the change in the workplace, where everything is usually organized and done together in the office to working from their respective homes because they are prohibited from entering the office, communication and coordination become more challenging to implement. Moreover, this significantly affects employee results and performance (Solopos, 2021).

The transformational leadership style has begun to consider its usefulness in dealing with organizational changes. Empirical evidence shows that transformational leadership affects organizational effectiveness and employee performance (Keller, 1992). Research also shows that companies that provide a better work life balance through remote working pave the way for the workforce to be more productive because employees feel more motivated (Stevens, 2019). Graves and Karabayeva (2020) state that remote work gives employees more flexibility, more time availability because they are not spent on the road, and access to more excellent talent throughout the world, all of which help boost the average individual's performance.

Based on this description, this study aims to analyze whether transformational leadership has a significant effect on the performance of company employees and whether remote working has a significant effect on the performance of company employees. The topic of this research has been carried out in several previous studies. Still, no research has been conducted simultaneously using transformational leadership and remote

working variables. This study has a research gap in using transformational leadership and remote working as independent variables and testing their effect on the dependent variable, employee performance.

The expected contribution of this research is to provide empirical evidence of the effect of transformational leadership and remote working on employee performance. The results showed that transformational leadership had no significant effect on employee performance. It is hoped that it will be taken into consideration for leaders to change their leadership style to a more appropriate style, namely, a supportive leadership style, which directs employees to achieve organizational goals, not an authoritarian leadership style. The results of this study indicate that remote work has a significant effect on employee performance. So that it can be a reference for decision makers/companies who are still undecided in implementing remote work arrangements for their employees.

LITERATURE REVIEW

Employee performance is the results and accomplishments obtained at work. "Performance" refers to sticking to a plan while aiming toward a specific outcome, even though performance evaluation is at the core of performance management (Cardy, 2004). Employee performance refers to an employee's financial or non-financial outcome directly related to the organization's performance and success (Anitha, 2013).

Transformational leadership is leadership that actively considers the needs and aspirations of followers. Leaders try to motivate subordinates and other stakeholders, to focus on the organization's vision and mission, make group interests a priority, and motivate followers to go beyond personal interests (Raffo and Williams, 2018). Transformational leaders have high expectations for their followers and believe in their abilities. They inspire, empower, and stimulate followers to perform above and beyond their normal levels, and transformational leaders are also concerned with their followers' personal needs and development (Bernard and Ronald, 2005). *Transformational leadership* is a process in which leaders and followers jointly enhance and develop their morality and motivation. Leaders who apply a transformational leadership style make their followers see that achieving goals are more than just their interests (Yukl, 2010). According to Bass and Riggio (2006), the transformational leadership dimension is divided into idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. The most critical dimension of transformational leadership is idealized influence, which inspires and motivates subordinates (emotionally) to put aside personal interests to attain collective goals (Sabaruddinsah and Asiah, 2022). Transformational leadership style can bring changes that will impact the emergence of employee motivation to make extra efforts in achieving the expected performance. So that having a transformational leader will improve the performance of company employees better.

This statement is supported by the research of Sabaruddinsah and Asiah (2022), which shows that transformational leadership

