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# MILLENNIAL EMPLOYEES PERCEPTION OF THE INFLUENCE OF TRANSFORMATIONAL LEADERSHIP ON ORGANIZATIONAL PERFORMANCE THROUGH THE IMPLEMENTATION OF TOTAL QUALITY MANAGEMENT (TQM) EMPIRICAL STUDY AT PT ASABRI (PERSERO) BRANCH OFFICES

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### **ABSTRACT**

This study aims to analyze the influence of transformational leadership on organizational performance through the implementation of TQM according to the perception of millennial employees at PT ASABRI (Persero) Branch Offices. Organizational performance is a characteristic that describes the quality of the organization that can be achieved with invaluable results. In achieving optimal organizational performance, the role of a leader is needed. Transformational leadership is considered capable of motivating team members to perform above average. In addition, a system such as total quality management (TQM) is also needed that is well implemented so that organizational performance is consistent with the goals that have been set. Organizational performance is measured by a balanced scorecard (BSC) approach, TQM implementation is measured by criteria contained in The Malcolm Baldrige National Quality Improvement Act and transformational leadership is measured by The Multifactor Leadership Questionnaire (MLQ). The population in this study is millennial employees in 33 Branch Offices of PT ASABRI (Persero) spread throughout Indonesia. Samples were taken using purposive sampling techniques so that as many as 134 millennial employees were selected as respondents to represent work units. The analysis technique used in the research is Structural Equation Modeling (SEM) with SmartPLS.3.0 software. The results showed that transformational leadership did not have a significant positive effect on organizational performance, transformational leadership had a significant positive effect on TQM implementation, and TQM implementation had a significant positive effect on organizational performance. In this study, it was also found that the implementation of TQM mediates the indirect influence between transformational leadership on organizational performance at PT ASABRI (Persero) Branch Offices. The results of this study contribute on the literary and practical side by providing a new understanding of the influence of transformational leadership on Organizational Performance through TQM Implementation in service companies.

Keywords: Transformational Leadership, Total Quality Management (TQM), Organizational Performance, Millennial Generation, State-Owned Enterprises

## **INTRODUCTION**

PT ASABRI (Persero) is a state-owned enterprise in the insurance and pension fund cluster in charge of managing social insurance for Indonesian Soldiers (TNI), Police Members and government employees (ASN) within the Ministry of Defense and Polri. In order to ensure excellent service is achieved in each branch office of PT ASABRI (Persero), management sets Key Performance Indicator (KPI) as an indicator to assess organizational performance which is a form of balanced scorecard (BSC) approach. In terms of human resource management, PT ASABRI (Persero) has a policy to rotate the position of head of branch office with a duration of every 3 years. This policy affects the performance achievement of branch offices with an assessment period once a year through key performance indicators (KPIs) which are possible due to differences in leadership styles (Anderson et al., 2017).

PT ASABRI (Persero) compiles key performance indicators (KPI) of branch offices by prioritizing service quality. So that quality policy becomes an important thing in carrying out the company's operational activities. Based on KPI assessment report data, it is known that there are fluctuations in the organizational performance of each branch office in the period 2018 to 2020 caused by the increase in the number of millennial employees in 2019, employee rotation and mutation policies, and the implementation of a good quality management system.



One of quality management systems that can be applied in branch offices as a quality control system is total quality management (TQM) (Al-Qahtani et al., 2015). Based on the interviews results with branch office representatives of type A, type B and type C, it is known that the implementation of TQM as a quality management system has not been fully understood by the management in the branch office. This can be seen from the TQM dimension that has not been implemented thoroughly in branch offices which is possible due to the differences in leadership styles (Al-Dhaafri & Alosani, 2021). Organizational performance is a characteristic that describes the essential qualities of an organization that can be achieved with valuable results (Alsughayir, 2014; Androwis et al., 2018). In carrying out performance evaluations, non-financial measurements also have tremendous importance, particularly for the long-term operations of the organization, including product quality and employee performance (Nazarian et al., 2017). According to Wang, et.al. (2010), performance measurement should cover a wider spectrum of performance measurements such as customer satisfaction and service quality as non-financial indicators, as no single performance indicator fully represents all aspects. Kaplan and Norton (Kaplan, 1992; Kaplan & Norton, 1996) suggests using a balanced scorecard (BSC) approach so that managers can track financial and operational metrics to measure organizational performance that are not measurable by financial indicators.

In achieving optimal organizational performance, the role of a leader is needed (Nazarian et al., 2017). Differences in leadership styles that can be positively or negatively correlated with organizational performance (Agle et al., 2006). Using the right leadership style such as transformational leadership style can bring organizations to achieve above average standard performance by maximizing individual capabilities. Transformational leaders are able to motivate subordinates to achieve personal goals and organizational goals, by aligning individual needs and organizational needs through clear shared vision. In addition, transformational leaders also encourage critical thinking, innovation and creativity in problem-solving and group decision-making situations (Khalfallah et al., 2021). Bass and Avolio (1994) absorbed the concept of transformational leadership into quantitative measures by developing The Multifactor Leadership Questionnaire (MLQ). Based on several studies, idealized influence, inspirational motivation, intellectual stimulation and individual consideration were identified as four key characteristics of transformational leaders (B. M. Bass, 1999).

The latest generation to enter the workforce is the millennial generation. Millennials are emerging as a unique workforce group that requires leadership that understands and motivates them to realize organizational goals and personal aspirations (Davids et al., 2021). The choice of leadership style must also consider the generation led at this time. To understand leadership expectations in millennials, managerial and intuitive skills must be leveraged to explore how leadership expectations can be applied in line with this generation's ambitions.

### RESEARCH METHOD

This study used primary data obtained from millennial employees at PT ASABRI (Persero) Branch Offices through interviews and questionnaires. The questionnaire uses questions that are translated by the back translation method, which is a method of translating a foreign language (English) into Indonesian which is then translated back into the foreign language. This method has been considered the best verification and validation technique to ensure the accuracy of translations based on the original source. Likert scales with intervals of 1 to 5 were used in the study questionnaire. The number 1 is a representation of strongly disagree and the number 5 is a representation of strongly agree. This scale is used because it is considered more reliable and can provide a larger volume of data compared to other scales (Cooper & Schindler, 2006). In addition, this study also used secondary data obtained from the company.

The population in this study is employees working in 1 main branch office and 32 branch offices of PT ASABRI (Persero) with a total of 508 employees. Samples are taken using non-probability sampling techniques (purposive sampling) which is a sampling technique limited to certain types of people who meet the criteria set by researchers (Sekaran & Bougie, 2016). The sample criteria in this study are millennial employees (born in 1982 to 2000) who work in 1 main

branch office and 32 branch offices of PT ASABRI (Persero) in staff and managerial positions totaling 134 employees. These sample criteria were selected in order to represent the level of position in the branch office.

Structural Equation Modelling (SEM) was used as an analytical technique in this study. This technique was measured using the SmartPLS.3.0 program. Research using SEM makes it easier for researchers to obtain answers to questions that have regression or dimensional properties (Ferdinand, 2014). Partial Least Square (PLS)-based Structural Equation Modeling (SEM) analysis was used in this study because it did not demand a large number of samples. The minimum recommended sample is 30 to 100 respondents (Ghozali, 2014).

This study uses three variables in the form of one dependent variable, one independent variable and one mediation variable which can be described as follows:

**Table 1 Variable Operational Definition** 

Variable	Operational Definition	Indicator
Transformational leadership	Transformational leadership is a style of leadership by emphasizing the importance of a leader creating positive changes in the attitudes of his employees. This leadership focuses on generating innovative change within the institution through its followers who are willing to commit to the organization's vision and long-term goals (Qarrilow, 2012; Sullivan & Decker, 2009)	<ul> <li>Idealized influence;</li> <li>Inspirational motivation;</li> <li>Intellectual stimulation; and</li> <li>Individual consideration.</li> </ul> (Bass dan Avolio, 1995; B. Bass & Avolio, 2004; Bouranta, 2020; Putra et 1, 2000)
Total quality management practices (TQM)	Total quality management (TQM) is a method used to increase competitiveness, efficiency and flexibility throughout the organization (Oackland, 1989)	<ul> <li>al., 2020)</li> <li>Strategic planning;</li> <li>Customer focus;</li> <li>Process management;</li> <li>Human resource focus; and</li> <li>Information and analysis.</li> </ul> (Bouranta, 2020; Sik Cho & Y. Jung, 2014)
Organizational performance	Organizational performance is the achievement of the organization at the end of the period whose measurement is based on the goals and objectives that have been set (Nancy, 2013).	<ul> <li>Learning and growth perspectives;</li> <li>Internal business process perspective;</li> <li>Customer perspective; and</li> <li>Financial perspective.</li> </ul> (Kaplan & Norton, 2005; Putra et al., 2020)

### **RESULT AND DISCUSSION**

The data analysis method used in this study is Structural Equation Modeling (SEM) analysis using SmartPLS.3.0 software. Before being tested with SEM, aggregation data was tested to determine the level of reliability between groups.

### **Aggregation Data Testing**

The variables of transformational leadership, TQM implementation and organizational performance in this study used an assessment of 1 to 17 employees from the work unit. Therefore the aggregation process is carried out to obtain justification from the consensus of the employee's

assessment on the variables of transformational leadership, TQM implementation and organizational performance (Ejere & Abasilim, 2013).

**Table 2 IRRVariabel Testing** 

Variable	Number items	of ICC(1)	ICC(2)	Sig.
Transformational	16	0,607	0,961	0,000
Leadership				
TQM	22	0,636	0,975	0,000
implementation				
Organizational	13	0,554	0,942	0,000
Performance				

Source: Results of data processing through SPSS 26

IRR testing on transformational leadership variables indexed ICC(1) of 0.607 or in the range of 0.51 to 0.75, which is moderate indexed (Portney & Watkins, 2009). The ICC(1) Index explains that there is within-group variance in scores in assessing transformational leadership variables. The variance of scores between work unit members on transformational leadership variables is in fair to good territory, so it is feasible to proceed to the next test. The ICC(2) index of transformational leadership variables shows an index of 0.961 or is at a vulnerability of 0.91 to 1, which is an excellent index, which explains that there is between-group variance in assessing transformational leadership. Thus, the data used for this study is feasible to use at a later stage.

IRR testing on the TQM implementation variable indexed ICC(1) of 0.636 or in the range of 0.51 to 0.75, which is moderate indexed (Portney & Watkins, 2009). The ICC(1) Index explains that there is within-group variance in scores in assessing TQM implementation variables. The variance of scores between members of the work unit on the TQM implementation variable is in the fair to good area, so it is feasible to proceed to the next test. The ICC(2) index of the TQM implementation variable shows an index of 0.975 or is at a vulnerability of 0.91 to 1, which is an excellent index, which explains that there is between-group variance in assessing TQM implementation. Thus, the data used for this study is feasible to use at a later stage.

IRR testing on organizational performance variables indexed ICC(1) of 0.554 or in the range of 0.51 to 0.75, which is moderate indexed (Portney & Watkins, 2009). The ICC(1) Index explains that there is a within-group variance in scores in assessing organizational performance variables. The variance of scores between members of the work unit on organizational performance variables is in the moderate area, so it continues to the next test. The ICC Index (2) of organizational performance variables shows an index of 0.942 or is at a vulnerability of 0.91 to 1, which is an excellent index, which explains that there is between-group variance in assessing organizational performance. Thus, the data used for this study is worth using at a later stage.

### Structural Equation Analysis (SEM) Analysis

- 1. Measurement Model Evaluation (Outer Model)
  - a. Convergent Validity Testing

Convergent validity testing aims to test whether the indicator variables used are really significant in terms of reflecting constructive or latent variables. The convergent validity test is carried out by looking at the outer loading or loading factor value of each indicator against its construct where the indicator is declared valid if the loading factor value > 0.7. Testing the convergent validity of this study was carried out twice. The first validity test resulted in 1 invalid indicator as shown below:

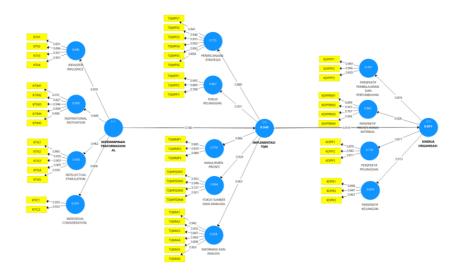


Figure 1 Path Diagram Loading Factor Measurement Model

Source: SmartPLS.3.0 Data Processing Results

Furthermore, the indicator is removed and tested again with the results of all indicators declared valid according to the following figure:

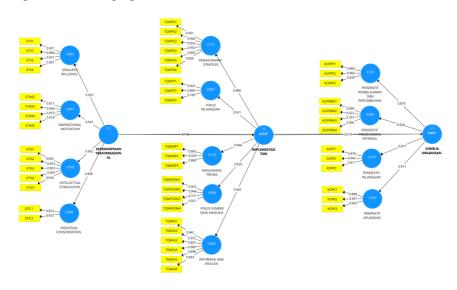


Figure 2 Path Diagram Loading Factor Measurement Model Without KTIM1 Indicator

Source: SmartPLS.3.0 Data Processing Results

In addition, when viewed from the value of the average variance inflation factor (AVE) in Table 3 below, it shows that each variable and dimension has an AVE value greater than 0.5. Thus, all indicators used (without the KTIM1 indicator) have met convergent validity.

**Table 3 Average Variance Inflation Factor Value (AVE)** 

Variable	Dimension	Average Variance Extracted (AVE)
Traformational Leadership		0,668
	Idealized Influence	0,788
	Inspirational Motivation	0,835
	Intellectual Stimulation	0,832
	Individual Consideration	0,891
TQM impl	ementation	0,682
	Perencanaan Strategis	0,854
	Fokus Pelanggan	0,727
	Manajemen Proses	0,801
	Fokus Sumber Daya Manusia	0,794
	Informasi dan Analisa	0,839
Organizati	onal Performance	0,660
	Learning and Growth Perspectives	0,859
	Internal Business Process Perspectives	0,767
	Customer Perspective	0,771
	Financial Perspectives	0,877

Source: SmartPLS.3.0 Data Processing Results

## b. Discriminant Validity Testing

The discriminant validity test can be seen through the Fornell-Lacker Criterian test, where the model has good discriminant validity if the square value of the Average Variance Extracted of each exogenous construct (value on the diagonal) exceeds the correlation between the construct and other constructs (values below the diagonal), (Henseler et al., 2015). The results of the fornell larcker criterion test were obtained as follows:

**Table 4 Dicriminant Validity Test Results Through Fornell Larcker Test** 

	Customer Focus	Human Resource s Focus	Idealized Influence	Individu al Consider ation	Informat ion and analysis	Inspirational Motivation	Intellect ual Stimulati on	Process Manage ment	Strategic Planning	Financial Perspectiv es	Customer Perspectiv e	Learning and Growth Perspectiv es	Internal Business Process Perspectiv es
Customer Focus	0,853												
Human Resources Focus	0,868	0,891											
Idealized Influence	0,675	0,767	0,888										
Individual Consideration	0,52	0,595	0,711	0,944									
Information and analysis	0,893	0,861	0,7	0,671	0,916								
Inspirational Motivation	0,65	0,603	0,828	0,662	0,569	0,914							
Intellectual Stimulation	0,658	0,624	0,816	0,734	0,668	0,906	0,912						
Process Management	0,893	0,832	0,669	0,485	0,83	0,597	0,562	0,895					
Strategic Planning	0,741	0,747	0,719	0,675	0,796	0,527	0,527	0,606	0,924				
Financial Perspectives	0,753	0,838	0,677	0,444	0,792	0,524	0,552	0,783	0,663	0,936			
Customer Perspective	0,731	0,69	0,552	0,352	0,703	0,488	0,488	0,713	0,513	0,739	0,878		

Learning and Growth Perspectives	0,787	0,787	0,687	0,618	0,854	0,512	0,525	0,753	0,874	0,768	0,654	0,927	
Internal Business Process Perspectives	0,84	0,871	0,727	0,481	0,83	0,599	0,644	0,834	0,643	0,775	0,798	0,729	0,876

Source: SmartPLS 3.0 Data Management results

Based on the results of the fornell larcker criterion test Table 4 shows that the square root of the Average Variance Extracted of each construct (except the customer focus dimension) is greater than the correlation value between constructs and other constructs in the model. Although the square root of the Average Variance Extracted customer focus dimension is smaller between other constructs, the analysis continues because the Customer Focus dimension has met convergent validity.

### c. Reliability Testing

Reliability tests are carried out to determine the level of internal consistency of indicators in measuring certain latent constructs or variables. Good reliability or questionnaires are used as reliable and consistent research tools if Cronbach's alpha value is more than 0.7 and composite reliability value is more than 0.70. The statistical results of reliability tests can be seen in the following table:

Variable	Dimension	Composite Reliability
Transform	ational Leadership	0,969
	Idealized Influence	0,937
	Inspirational Motivation	0,953
	Intellectual Stimulation	0,961
	Individual Consideration	0,942
TQM imp	lementation	0,979
	Strategic Planning	0,972
	Customer Focus	0,888
	Process Management	0,923
	Human Resources Focus	0,938
	Information and Analysis	0,969
Organizati	onal Performance	0,962
	Learning and Growth Perspectives	0,948
	Internal Business Process Perspectives	0,929
	Customer Perspective	0,910
	Financial Perspectives	0,955

### 2. Structural Model Evaluation (Inner Model)

Structural model testing (inner model) used to test research hypotheses is bootstrapping technique. Bootstrapping aims to find out the direction of the relationship and the significance of the relationship of each latent variable. Decision making in PLS-SEM analysis is an accepted hypothesis if |t-statistic| The resulting bootstrapping test is greater than the one tail t-table which is 1.645 for a standard error of 5% or the resulting p value is small from 0.05. The following results of structural model testing or hypothesis testing of this research are contained in the table as follows:

Table 5 R-squared value (R2)

Endogenous Variables	R-squared (R <sup>2</sup> )	Criterion
TQM implementation	0,547	Moderate
Organizational Performance	0,851	Tall

Source: SmartPLS.3.0 Data Processing Results

Based on Table 6, the R-squared value of the TQM Implementation variable is 0.547 or in other words, the magnitude of the variability of the TQM implementation variable which can be explained by the transformational leadership variable is 54.7%, while the remaining 46.3% is by other factors outside the model. The R-squared value of the organizational performance variable is 0.851 or in other words the magnitude of the variability of the organizational performance variable that can be explained by transformational leadership variables and TQM implementation is 85.1% while the rest is explained by other factors that are not in the model.

### 3. Test Hypothesis and Discussion

Structural model testing (inner model) used to test research hypotheses is bootstrapping technique. Bootstrapping aims to find out the direction of the relationship and the significance of the relationship of each latent variable. Decision making in PLS-SEM analysis is an accepted hypothesis if |t-statistic| The resulting bootstrapping test is greater than the one tail t-table which is 1.645 for a standard error of 5% or the resulting p value is small from 0.05. The following are the results of structural model testing or hypothesis testing of this study:

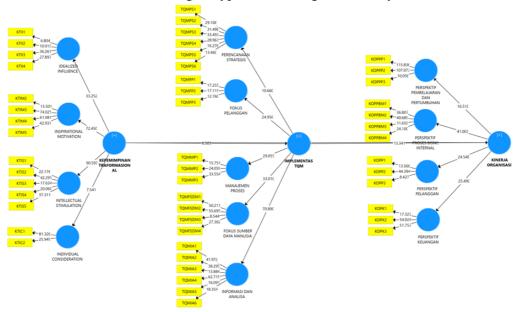


Figure 3 Path Diagram t-Statistics Structural Model

**Table 6 Hypothesis Testing Results** 

Нурс	othesis	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values	Conclusion
H1	Transformational Leadership →	0,005	0,044	0,095	0,057	0,477	Rejected
	Organizational Performance						
H2	Transformational Leadership →	0,740	0,692	0,114	6,503	0,000	Accepted
	Total Quality Management						
	(TQM)						
Н3	Total Quality Management	0,919	0,889	0,069	13,341	0,000	Accepted
	(TQM) → Kinerja Organisasi						
H4	Transformational Leadership →	0,680	0,618	0,118	5,741	0,000	Accepted
	Total Quality Management						-
	(TQM) → Organizational						
	Performance						

Source: SmartPLS.3.0 Data Processing Results

The first hypothesis is that transformational leadership has a significant positive effect on organizational performance, Rejected. This is because based on Table 7 the value of the path coefficient or original sample is positive 0.005, the t-statistics value is  $0.057 \le 1.645$  and the p-value is  $0.477 \ge 0.05$ . The results of this study in accordance with the research of Ogbonna, et.al (2000) and Putra I.A., et.al (2020) which state that transformational leadership style is not a strong direct predictor of organizational performance. The application of transformational leadership at the PT ASABRI (Persero) Branch Office has no effect on organizational performance, especially

those produced by the millennial generation. This is because the PT ASABRI (Persero) Branch Office has contextual factors from the nature of the SOEs organizational structure, namely the existence of bureaucratic administration. Therefore, the rigidity of the bureaucratic routine restrains the influence of effective SOEs leaders through a performance perspective. Some of the transformational leadership characters have been found in PT ASABRI (Persero). However, the character that is not implemented by the leaders thoroughly at the PT ASABRI (Persero) Branch Office resulting a fluctuations in the performance of millennial employees which affect organizational performance. Based on their unique criteria, this generation needs leaders who are able to understand and motivate them to realize organizational goals and personal aspirations simultaneously.

The second hypothesis, namely transformational leadership, has a significant positive effect on the implementation of total quality management (TQM), accepted. This is because based on Table 7 the value of the path coefficient or original sample is positive 0.740, the t-statistics value is 6.503 > 1.645 and the p-value is 0.000 < 0.05. The results of this study are in accordance with the research Cho, et.al. (2014), (Bouranta, 2020; Wagimin et al., 2019) which states that the effectiveness of the leadership style used can affect the implementation of TQM. The application of transformational leadership at the PT ASABRI (Persero) Branch Office can motivate millennial employees by realizing the importance of work results, encouraging to prioritize the organization over personal interests and positioning their needs over the organization at a higher level. On an ongoing basis, this can support the overall implementation of TQM for employees of its main branch offices in the millennial generation. Transformational leaders at the PT ASABRI (Persero) Branch Office who are able to provide recognition and support to employees can optimize the implementation of TOM within the organization. Transformational leadership characters in the form of inspirational motivation and idealized influence are the main factors that influence the millennial generation in implementing TQM optimally. So that the millennial generation's perception of the importance of implementing TQM make them work according to quality standards.

The third hypothesis is that the implementation of total quality management (TOM) has a significant positive effect on organizational performance, Accepted. This is because based on Table 7 the value of the path coefficient or original sample is positive 0.919, the t-statistics value is 13.341 > 1.645 and the p-value is 0.000 < 0.05. The results of this study are in accordance with the research (Abbas & Kumari, 2021; Bhaskar, 2020; Demirbag et al., 2006; Dwiantoro, 2017; Murdianto et al., 2016; Singh et al., 2018; Terziovski & Samson, 1999; Valmohammadi, 2011) which states that effective TQM implementation can significantly improve both financial and operational performance. The implementation of TOM at PT ASABRI (Persero) Branch Offices plays a role in improving organizational performance. The influence is not only in improving service quality, but also the use of information obtained from customers to increase customer satisfaction. In addition, the results of this study also support the statement of Bhaskar, H. L. (2020) that companies that adopt TQM can perform better than their competitors. The millennial generation's perception of the importance of implementing TQM encourages them to work to achieve organizational performance according to the KPIs set by management for each branch office. The positive influence of TQM implementation on organizational performance can also motivate the company's top management to engage in better organizational goal planning in managing its resources to achieve improvements in overall quality, employees, and company performance.

The fourth hypothesis, namely the implementation of total quality management (TQM) mediates the indirect influence of transformational leadership on organizational performance, is accepted. This is because based on Table 7, the path coefficient or original sample value is positive 0.680, the t-statistics value is 5.741 > 1.645 and the p-value is 0.000 < 0.05. The results of this study are in accordance with Dwiantoro's (2017) research which states that the application of TQM practices supported by the right leadership style will be able to improve organizational performance. The application of good transformational leadership has great potential in encouraging employees to make more efforts to achieve organizational performance. It is proven

by the indirect effect of transformational leadership on organizational performance through the implementation of TQM. The perception of millennial employees in implementing TQM will influence their performance improvement to achieve organizational goals with quality according to company standards. Although there is no direct influence of transformational leadership on organizational performance, with the implementation of TQM, the role of transformational leaders is able to improve organizational performance.

#### **CONCLUSION**

The variables used in this study are transformational leadership variables as independent variables, organizational performance as dependent variables and *total quality management (TQM)* as intervening variables. This study uses secondary data obtained from the Human Resources Strategy Division and primary data obtained through interview and the distribution of online questionnaires with *google form media* to millennial employees at PT ASABRI (Persero) Branch Offices throughout Indonesia. The first hypothesis is that transformational leadership has a significant positive effect on organizational performance, Rejected. The second hypothesis, namely transformational leadership, has a significant positive effect on the implementation of total quality management (TQM) has a significant positive effect on organizational performance, Accepted. The implementation of TQM at PT ASABRI (Persero) Branch Offices plays a role in improving organizational performance. The influence is not only in improving service quality, but also the use of information obtained from customers to increase customer satisfaction. The fourth hypothesis, namely the implementation of total quality management (TQM) mediates the indirect influence of transformational leadership on organizational performance, is accepted.

Based on the research that has been done, it is expected to provide benefits for PT ASABRI (Persero) in the form of policy implications. This study confirms that transformational leadership is not a leadership model that reflects leaders at PT ASABRI (Persero) Branch Offices. This can be seen from the existence of elements of transformational leadership character which are still not fully implemented by Branch Office Leaders so that employees, especially millennial employees, are able to achieve the expected organizational performance even without support from leaders. Although transformational leadership is not a leadership model that reflects leaders ASABRI (Persero) Branch Offices, the optimization transformational leadership application is still needed to encourage innovation, especially those originating from millennial employees in order to achieve continuous improvement through improving service quality by optimizing available resources.

The implementation of total quality management (TQM) is proven to mediate the effect of transformational leadership on organizational performance. This means that TQM has become a quality management control tool at the PT ASABRI (Persero) Branch Office and needs to be applied consistently. The millennial generation is aware of the importance of implementing TQM to ensure the service quality of each branch office is in accordance with quality standards. To achieve continuous improvement, companies need to facilitate employees with leadershipcharacteristics who are able to become role models in order to encourage innovation at the branch office level.

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