

Does Employee Gender Matter? A Quantitative Study of Transformational Leadership and Employee Performance

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ABSTRACT:

Leadership is widely recognized as a key driver of organizational effectiveness; however, existing research often assumes leadership behaviors influence all employees uniformly. This study addresses this limitation by examining the relationship between transformational leadership and employee performance, focusing on the moderating role of employee gender. Drawing on Transformational Leadership Theory, Expectation States Theory, and Role Congruity Theory, the research challenges the universalistic view of leadership effectiveness and emphasizes follower characteristics. A quantitative, cross-sectional design was employed, with data collected from 250 employees in Small and Medium Enterprises (SMEs) across South India. Transformational leadership was assessed through its four dimensions: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. Employee performance was measured using task, contextual, and adaptive indicators. Structural equation modelling tested moderation effects. Results show that transformational leadership positively relates to employee performance; however, this relationship is significantly moderated by gender. A full moderation effect was found, with strong positive effects for male employees but no significant effect for female. The findings emphasize that leadership effectiveness is contingent and require gender-sensitive, inclusive management practices.

Keywords: Transformational leadership; Employee performance; Employee gender; Leadership effectiveness; Gender moderation; Organizational behavior; Inclusive leadership

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Introduction

Leadership remains one of the most extensively studied and debated constructs in organizational research due to its profound influence on employee behavior, organizational performance, and long-term sustainability. As organizations navigate increasingly complex environments marked by globalization, technological disruption, and demographic diversity, the need for leadership approaches that foster adaptability, engagement, and high performance has become more pronounced. Traditional leadership models emphasizing authority, control, and transactional exchanges are often insufficient in addressing the motivational and relational demands of modern work settings. Consequently, transformational leadership has gained prominence as a leadership style capable of addressing both performance and human development objectives (Bass, 1999).

Transformational leadership focuses on the ability of leaders to inspire followers by articulating a compelling vision, encouraging intellectual stimulation, acting as ethical role models, and attending to individual employee needs. Unlike transactional leadership, which relies on contingent rewards and corrective actions, transformational leadership seeks to elevate employees' values, aspirations, and intrinsic motivation. Through this process, employees are encouraged to transcend self-interest and contribute meaningfully to collective organizational goals. Empirical research consistently demonstrates that transformational leadership is associated with higher levels of motivation, job satisfaction, organizational commitment, creativity, and performance (Bass, 1999; Boerner et al., 2007).

Employee performance is a central outcome of leadership effectiveness and a critical determinant of organizational success. Organizational performance ultimately depends on how effectively individual employees perform their roles, adapt to changing demands, and engage in discretionary behaviors that support organizational functioning. Koontz and Donnell (1993) emphasize that managerial effectiveness is inseparable from employee performance, as organizational objectives can only be realized through coordinated individual effort. Consequently, understanding the factors that

enhance employee performance remains a priority for both scholars and practitioners.

However, leadership effectiveness is not uniform across all employees. Leadership processes are embedded within social structures that shape expectations, evaluations, and interactions. One such structure is gender. Gender is not merely a biological or demographic attribute but a socially constructed status characteristic that influences authority relations, competence expectations, and interpersonal dynamics within organizations (Ridgeway, 2001). These gendered dynamics shape how leadership behaviors are perceived and how they translate into employee outcomes such as motivation and performance.

Historically, leadership research has privileged leader-centric perspectives, often overlooking the role of follower characteristics. In many empirical studies, employee gender is included only as a control variable, implicitly assuming that leadership behaviors affect all employees similarly. This assumption has increasingly been challenged by scholars who argue that leadership effectiveness may vary depending on employee gender due to differences in socialization, workplace experiences, and evaluative standards (Dastane, 2020).

Recent empirical evidence supports this contention. Studies examining human resource practices and performance evaluation systems demonstrate that organizational processes produce gender-differentiated outcomes even when formal policies emphasize equality. Frederiksen and Kato (2008) show that performance evaluations and career outcomes are influenced by gendered organizational processes, while Shin et al. (2020) demonstrate that employee gender moderates the relationship between HRM systems and affective commitment. These findings suggest that leadership behaviors, which are inherently interpersonal and symbolic, are also likely to interact with employee gender.

Transformational leadership is particularly relevant in this regard because it emphasizes relational behaviors such as empowerment, individualized consideration, and emotional engagement. These behaviors may be interpreted differently by male and female employees depending on prevailing gender norms and

organizational contexts. For example, autonomy granted by leaders may be perceived as trust and competence recognition by some employees, while others may experience it as increased performance pressure. Such differences highlight the importance of examining employee gender as a moderator rather than assuming uniform leadership effects.

Against this backdrop, the present study examines whether employee gender moderates the relationship between transformational leadership and employee performance. By adopting a quantitative research design, the study seeks to provide empirical evidence on whether transformational leadership influences male and female employees differently, thereby contributing to more inclusive and context-sensitive leadership theory.

Statement of the Problem

Leadership is widely acknowledged as a critical determinant of employee performance and organizational effectiveness. Among contemporary leadership approaches, transformational leadership has been extensively studied and consistently associated with positive employee outcomes such as motivation, job satisfaction, commitment, and performance. Despite this substantial body of research, a fundamental problem persists in leadership scholarship: the assumption that leadership behaviors exert uniform effects across diverse employee groups.

In particular, employee gender has received limited theoretical and empirical attention in studies examining leadership–performance relationships. Although gender is frequently included as a demographic control variable, it is rarely conceptualized as a meaningful moderating factor that shapes how leadership behaviors are perceived, interpreted, and translated into performance outcomes. This oversight is problematic because gender operates as a socially constructed status characteristic that influences workplace interactions, competence expectations, and performance evaluations.

Existing research suggests that organizational systems, leadership practices, and performance appraisal processes are not gender-neutral. Gender-based status beliefs and role expectations can influence how employees respond

to leadership behaviors and how their contributions are recognized and rewarded. Consequently, transformational leadership behaviors such as empowerment, individualized consideration, and inspirational motivation may not produce equivalent performance outcomes for male and female employees. Moreover, empirical findings regarding gender differences in leadership effectiveness remain inconsistent, with studies reporting mixed results and limited theoretical explanation for these variations. The lack of integrated theoretical frameworks and rigorous quantitative testing has hindered the development of a coherent understanding of when and why employee gender matters in leadership effectiveness.

Therefore, the central problem addressed by this study is the insufficient understanding of how employee gender moderates the relationship between transformational leadership and employee performance. Addressing this problem is essential for advancing leadership theory, improving the design of leadership development programs, and promoting inclusive and effective organizational practices that recognize and respond to workforce diversity.

Research Objectives

1. To examine the effect of transformational leadership on employee performance.
2. To examine the effect of employee gender on employee performance.
3. To analyze the moderating role of employee gender in the relationship between transformational leadership and employee performance.

Review of Literature

Transformational leadership was initially conceptualized as a process through which leaders and followers engage in a mutual exchange that elevates both parties to higher levels of motivation and morality. Bass (1999) expanded this concept by introducing the Full Range Leadership Model, positioning transformational leadership as a superior approach for achieving sustained organizational performance. According to this model, transformational leadership comprises four

dimensions: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration.

Idealized influence refers to leaders acting as role models who demonstrate ethical conduct, integrity, and commitment. Inspirational motivation involves articulating a compelling vision that energizes and motivates employees. Intellectual stimulation encourages employees to question assumptions, explore new ideas, and engage in creative problem-solving. Individualized consideration focuses on mentoring, coaching, and attending to individual employee needs and development. Empirical research consistently supports the positive effects of transformational leadership on employee attitudes and behaviors. Employees working under transformational leaders report higher levels of motivation, job satisfaction, organizational commitment, and performance (Bass, 1999). Boerner et al. (2007) provide robust evidence that transformational leadership enhances both follower performance and creativity by fostering learning-oriented climates and encouraging autonomy.

Transformational leadership also influences performance indirectly through psychological mechanisms such as empowerment, trust, and perceived organizational support. Employees who trust their leaders and perceive their work as meaningful are more likely to exert discretionary effort and persist in the face of challenges. These mechanisms are particularly relevant in knowledge-intensive and dynamic work environments where adaptability and innovation are critical. In contrast, transactional leadership relies on structured exchanges, performance monitoring, and contingent rewards. Boleman (2008) argues that transactional leadership can produce effective performance outcomes in stable and rule-bound environments. However, this leadership style may limit intrinsic motivation and discretionary behavior, making it less effective in contexts requiring creativity and adaptability. As organizations increasingly value innovation and employee engagement, transformational leadership is often regarded as more effective in promoting sustained performance.

Employee performance itself is a multidimensional construct encompassing task performance, contextual performance, and

adaptive performance. Task performance refers to the execution of core job responsibilities, while contextual performance includes behaviors that support the organizational environment, such as cooperation, initiative, and organizational citizenship. Adaptive performance reflects an employee's ability to respond effectively to change. Leadership plays a critical role in shaping employee performance by influencing motivation, role clarity, and psychological empowerment. Transformational leaders align individual goals with organizational vision, provide meaningful feedback, and create supportive work environments. These behaviors enhance both in-role and extra-role performance, contributing to organizational effectiveness (Bass, 1999).

However, performance is not assessed in a neutral manner. Frederiksen and Kato (2008) demonstrate that performance evaluations and career outcomes are embedded within organizational systems that reflect implicit biases and power relations. Using linked employer–employee data, they show that gender differences persist in performance-related outcomes even after controlling for human capital variables. This suggests that performance evaluations are influenced by gendered expectations and supervisory discretion.

Gender has long been recognized as a key factor shaping organizational behavior. Ridgeway (2001) conceptualizes gender as a status characteristic that influences competence expectations and authority relations. According to expectation states theory, gender-based assumptions operate implicitly, shaping how individuals are evaluated and how leadership behaviors are interpreted. Stoker et al. (2012) further argue that managerial stereotypes continue to influence organizational cultures, reinforcing gendered expectations of leadership and performance. Even in organizations that promote gender equality, deeply embedded norms may shape employee responses to leadership behaviors. Employee gender has increasingly been examined as a moderating variable in leadership research. Moderation occurs when the strength or direction of a relationship varies across levels of another variable. Dastane (2020) provides empirical evidence that employee gender moderates the relationship between leadership styles and employee performance, indicating that leadership

effectiveness is contingent upon follower characteristics.

Shin et al. (2020) extend this argument by demonstrating that employee gender moderates the effects of HRM systems on affective commitment. Their findings suggest that organizational practices emphasizing support, development, and fairness produce differentiated outcomes across gender groups. These insights are directly applicable to transformational leadership, which similarly relies on relational and developmental behaviors. Taken together, the literature suggests that transformational leadership positively influences employee performance, but these effects may not be uniform across gender groups. Gender-based differences in socialization, workplace experiences, and evaluation systems may shape how leadership behaviors are perceived and translated into performance outcomes.

Research Gap

Despite the extensive body of literature on transformational leadership and employee performance, the existing research exhibits several critical theoretical, methodological, and contextual limitations. First, much of the transformational leadership literature assumes a universalistic perspective, implicitly suggesting that leadership behaviors exert similar effects across diverse employee groups. This assumption overlooks the socially embedded nature of leadership processes and ignores how social identities such as gender shape workplace interactions and performance evaluations (Ridgeway, 2001; Eagly & Karau, 2002).

Second, employee gender has predominantly been treated as a control variable rather than as a theoretically grounded moderator. While controlling for gender may eliminate spurious effects, it simultaneously obscures meaningful interaction mechanisms that explain *how* and *why* leadership effectiveness varies across employees (Shin et al., 2020). This practice has limited the explanatory power of leadership models and contributed to inconsistent empirical findings.

Third, existing studies examining gender and leadership outcomes have produced mixed results, with some reporting stronger transformational leadership effects for female

employees and others reporting stronger effects for male employees (Dastane, 2020). These inconsistencies suggest that leadership effectiveness is contingent upon contextual and relational factors that have not been sufficiently theorized or empirically tested.

Fourth, leadership research has rarely integrated insights from labor economics and performance evaluation literature. Studies such as Frederiksen and Kato (2008) demonstrate that performance outcomes are shaped by organizational evaluation systems and supervisory discretion, which are themselves gendered. However, leadership research has largely ignored how these evaluation processes interact with leadership behaviors to influence performance.

Fifth, methodological limitations persist in the literature. Many studies rely on single-source data and fail to test moderation effects rigorously using interaction terms or structural equation modeling. Additionally, few studies examine measurement invariance across gender groups, raising concerns about whether leadership and performance constructs are interpreted similarly by male and female employees.

Finally, there is a lack of integrative quantitative frameworks that simultaneously examine transformational leadership, employee performance, and employee gender using strong theoretical grounding. Addressing these gaps is essential for advancing leadership theory and informing inclusive leadership practices. The present study responds to these gaps by explicitly modeling employee gender as a moderating variable within a theoretically integrated and methodologically rigorous framework.

Theoretical Framework

The theoretical framework of this study adopts an integrative, multi-theoretical approach to explain how transformational leadership influences employee performance and why this relationship may vary by employee gender. At the core of the framework is Transformational Leadership Theory (Bass, 1999), which posits that leaders influence followers by shaping values, self-concepts, and intrinsic motivation. Transformational leaders elevate employee performance by fostering identification with organizational goals, enhancing self-efficacy, and encouraging discretionary effort.

However, transformational leadership theory alone does not fully account for variation in leadership effectiveness across employee groups. To address this limitation, the present study incorporates Expectation States Theory (Ridgeway, 2001), which explains how social status characteristics such as gender shape competence expectations and influence evaluation processes in group settings. According to this theory, gender-based status beliefs operate implicitly, affecting how employees interpret leadership behaviors and how their performance is assessed.

Role Congruity Theory (Eagly & Karau, 2002; Stoker et al., 2012) further strengthens the framework by explaining how alignment—or misalignment—between gender norms and workplace expectations influences employee responses. When leadership behaviors align with socially prescribed gender roles, they are more likely to be positively received. Conversely, misalignment may result in reduced legitimacy or increased performance scrutiny. In addition, gendered organizational systems perspectives (Shin et al., 2020) emphasize that leadership behaviors operate within broader institutional contexts that shape access to resources, feedback, and recognition. These systems influence how transformational leadership behaviors are translated into tangible performance outcomes.

By integrating these theoretical perspectives, the framework conceptualizes employee gender as a moderating variable that conditions the transformational leadership–employee performance relationship. This integrative approach enables a more nuanced understanding of leadership effectiveness that accounts for social structure, organizational context, and individual identity..

Conceptual Model

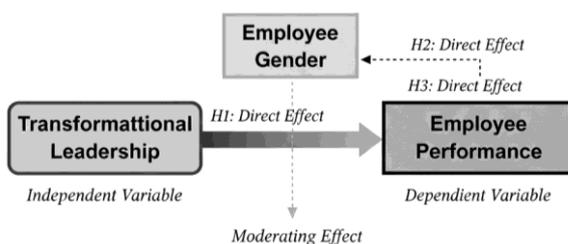


Fig 1. Conceptual Model

The conceptual model proposed in this study illustrates the hypothesized relationships among transformational leadership, employee performance, and employee gender. Transformational leadership is positioned as the independent variable, reflecting its role in shaping employee motivation, engagement, and behavior. Employee performance is positioned as the dependent variable, encompassing task, contextual, and adaptive performance dimensions.

Employee gender is conceptualized as a moderating variable that influences the strength and direction of the transformational leadership–performance relationship. The model assumes that transformational leadership behaviors do not operate in isolation but are interpreted through gendered expectations and organizational norms. As a result, the same leadership behavior may produce different performance outcomes for male and female employees.

The model also implicitly acknowledges that leadership behaviors influence performance through psychological mechanisms such as empowerment, trust, and perceived organizational support. While these mediating variables are not explicitly tested in the present study, they provide a conceptual basis for understanding how transformational leadership translates into performance outcomes. By explicitly incorporating employee gender as a moderator, the conceptual model advances leadership research beyond linear cause–effect assumptions and highlights the contingent nature of leadership effectiveness.

Research Methodology

Transformational leadership will be measured using the Multifactor Leadership Questionnaire (MLQ), which has been widely validated across organizational contexts and cultures (Bass, 1999). The MLQ captures the four dimensions of transformational leadership and demonstrates strong psychometric properties. Employee performance will be measured using standardized, multidimensional scales that capture task, contextual, and adaptive performance (Koopmans et al., 2011). Data will be collected from 350 employees across various regions of South India in the SME organizational settings. A stratified sampling approach may be employed to ensure adequate representation of male and female

employees. Data analysis will proceed in multiple stages. First, descriptive statistics will be used to summarize sample characteristics. Second, reliability analysis using Cronbach's alpha will assess internal consistency. Fourth, moderation analysis will be performed using structural equation modeling (Aiken & West, 1991).

Hypotheses of the study

H1: Transformational leadership has a significant positive effect on employee performance.

H2: Employee gender has a significant effect on employee performance.

H3: Employee gender moderates the relationship between transformational leadership and employee performance.

Data Analysis

Characteristics	Frequency	Percentage (%)
Gender		
Male	185.5	53
Female	164.5	47
Monthly Income		
RM 2000 or below	80.5	23
RM 2001 to RM 4000	112	32
RM 4001 to RM 6000	87.5	25
RM 6001 to RM 8000	42	12
RM 8001 or above	28	8
Age		
18 or below	7	2
19 to 30	129.5	37
31 to 40	147	42
41 to 50	35	10
51 or above	31.5	9
Total Respondents	350	100
Employee's Current Position		
Junior Executive	77	22
Senior Executive	49	14
Supervisor	31.5	9
Assistant Manager	59.5	17
Manager	133	38

Table 1: Demographic profile

Table 1 shows that a majority of the respondents (53%) are male. Meanwhile, the respondents were mostly of the moderate-income group (32%) and had a household monthly income range of RM

2001 and 4000. This was followed by the high-income group (25%), with a monthly household income ranging between RM 4001 and RM 6000; and the low-income group (23%), with a monthly household income ranging between RM 2000 or below. Besides, a majority of the respondents (42%) were aged between 31 until 40 years, namely of generation X and they (38 %) were mostly holding a managerial position level in their company. Therefore, this majority was at a higher management level and was in the position of leading their subordinates and being led by a higher management level. As a result, the leadership style might be influenced by the top higher management

Reliability

Cronbach's alpha is typically utilized to measure internal consistency and coefficient reliability of questionnaires consisting of multiple questions, as emphasized on the Likert scale (Field, 2005). Therefore, Cronbach's alpha reliability test was chosen as the best method to assess the suitability and consistency of the collected data (Trochim et al., 2006). Here, the alpha value increased as the test variable correlations improved, whereby a reliable alpha value was above 0.70 (Kline, 2000). Table 2 below shows that Cronbach's alpha for all variables (i.e., Transformational leadership, Autocratic Leadership, Laissez-Faire Leadership, Democratic Leadership, Employee Performance) is higher than 0.7. Hence, it could be concluded that these variables were reliable and suitable for further analysis.

Reliability Test

Variables	Cronbach's Alpha
Transformational Leadership	0.907
Laissez-Faire Leadership	0.817
Autocratic Leadership	0.834
Democratic Leadership	0.917
Employee Performance	0.883
Overall Instrument	0.866

Table 2: Reliability Test

Hypothesis Testing

Table 3: Hypothesis testing results

	Independent Variables	Dependent Variable	Standards Regression	P	Comment
H1	Transformational Leadership	Employee Performance	0.254	0.006	Significant
H2	Laissez Faire Leadership	Employee Performance	0.216	0.001	Significant
H3	Democratic Leadership	Employee Performance	0.356	0.000	Significant
H4	Autocratic Leadership	Employee Performance	-0.127	0.054	Not Significant

Table 3: Hypothesis testing results

Table 3 reveals that hypotheses H1, H2, and H3 are supported and validated as the leadership styles (i.e., Transformational, Laissez-Faire, and Democratic) have a significant and positive impact on employee performance ($\beta = 0.254, p < 0.006$; $\beta = 0.216, p < 0.001$; and $\beta = 0.356, p < 0.000$, respectively). Furthermore, the beta (β) coefficient was positive and statistically significant. However, H4 was rejected as autocratic leadership yielded a negative and insignificant impact on employee performance ($\beta = -0.127, p > 0.054$).

The results indicate that democratic leadership has a positive and significant impact on employee performance, which supports Iqbal et al.'s (2015) opinion that under the influence of such leadership, the employees have discretionary power to undertake their work to a certain extent, thus leading to better performance. In contrast, the negative but significant impact of autocratic leadership on employee performance obtained in this work is in line with Jayasingam and Cheng's (2009) opinion, stating that such leaders dominate all actions and decisions, while restricting employee innovativeness and creativity. Meanwhile, the results show that Laissez-Faire leadership has a positive and significant impact on employee performance, paralleling Sougui et al.'s (2016) argument that such leaders allow infinite freedom for the employees to do their work, leaving them to perform with no leadership barriers

Table 4: Hypothesis testing results

Leadership Style	Female	P	Remarks	Male	P	Decision
Transformational Leadership	-0.220	0.841	Not Significant	0.422	0.001	Significant
LaissezFaire Leadership	0.491	0.000	Significant	0.086	0.279	Not Significant
Democratic Leadership	0.38	0.007	Significant	0.344	0.007	Significant
Autocratic Leadership	0.029	0.742	Not Significant	-0.134	0.102	Not Significant

Table 4: Hypothesis testing results

For variable 1 (i.e., transformational leadership), the standardized parameter estimate for the 'female' group was -0.220, while the 'male' group obtained 0.422. Thus, one can conclude that the effect of transformational leadership on employee performance is more pronounced in males compared to females. Now, the type of moderation that occurred in the relationship should be investigated, whereby the results showed that the type of moderation was full moderation. This is due to the standardized estimate for 'female' being deemed as not significant, while the standardized estimate for the males is substantial.

For variable 2 (i.e., Laissez-Faire leadership), the standardized parameter estimate for the 'female' group was 0.491, while the same estimate for the 'male' group was 0.086. Thus, one can conclude that the effect of Laissez-Faire leadership on employee performance is more pronounced in females compared to males. Now, the type of moderation that occurred in the relationship should be investigated, whereby the results showed that the type of moderation was full moderation. This is attributable to the significant standardized estimate for the female being perceived as significant, while the standardized estimate for the male was not substantial.

For variable 3 (i.e., democratic leadership), the standardized parameter estimate for the 'female' group was 0.380, while the same estimate for the 'male' group was 0.344. Thus, one can conclude that the effect of democratic leadership on employee performance is more pronounced in 'female' compared to 'male'. Now, the type of moderation in the relationship should be investigated, and the results showed that the type of moderation was partial, as the standardized estimate for females and males was significant.

For variable 4 (i.e., autocratic leadership), the standardized parameter estimates for 'female' and 'male' groups were statistically insignificant to establish any relationship among the variables, including the moderating effect.

Discussions

The findings of this study demonstrate that transformational leadership is a vital driver of

employee performance within the SME sector of South India, yet its impact is not as universal as traditionally assumed. While the initial analysis confirmed a significant positive correlation between transformational behaviors and performance, a deeper investigation into the moderating role of gender revealed a full moderation effect. This indicates that the effectiveness of a transformational leader—one who motivates through vision and individualized care—is fundamentally contingent upon the gender of the follower. Specifically, the relationship was found to be strong and statistically significant for male employees, whereas it was statistically insignificant for female employees. This suggests that the "agentic" and visionary nature of transformational leadership may align more closely with the professional expectations or social roles of men in this specific cultural context, thereby activating a higher performance response that is not mirrored in their female counterparts.

Theoretical frameworks such as Role Congruity Theory and Expectation States Theory provide a lens through which to interpret these divergent results. In many traditional organizational structures, leadership behaviors are filtered through gendered status beliefs, where male employees might perceive transformational tactics as a standard for professional excellence, responding with increased engagement. Conversely, the lack of a significant relationship among female employees indicates a potential disconnect, suggesting that transformational leadership as currently practiced may not address the unique motivational drivers or workplace challenges faced by women in South Indian SMEs. This discovery challenges the conventional "one-size-fits-all" approach to leadership development and underscores a critical research gap regarding how gendered identities interact with management styles to influence productivity.

Furthermore, the lack of responsiveness among female followers to transformational paradigms may be attributed to the "double burden" or different social pressures prevalent in South Indian regional contexts. If leadership styles are perceived as demanding high levels of extra-role effort without corresponding support for work-life integration, the inspirational appeal of a transformational leader might be met with skepticism or fatigue rather than increased performance. This highlights the necessity of

expanding the definition of "Individualized Consideration" to include a deeper understanding of the socio-cultural barriers that different genders face. By failing to account for these nuances, leaders risk marginalizing the potential of female employees, even when acting with the best transformational intentions.

Ultimately, these insights have profound practical implications for human resource management and leadership training. For organizations to optimize the performance of a diverse workforce, they must move toward gender-sensitive leadership models that recognize the varied ways employees interpret and respond to authority. The study suggests that leadership behaviors must be more deeply tailored to ensure they resonate with female employees as effectively as they do with males. By acknowledging that leadership effectiveness is a social process shaped by the identity of the follower, practitioners can develop more inclusive strategies that drive performance across the entire organization rather than just a single demographic segment. This transition toward gender-aware management not only fosters equity but also ensures that the intellectual and creative capital of all employees is fully leveraged for organizational success.

Suggestions and implications

The findings of this study offer significant theoretical and practical insights into the intersection of leadership and gender within the South Indian SME sector. From a theoretical perspective, this research challenges the universalistic assumptions of Transformational Leadership Theory by demonstrating that leadership effectiveness is not a static trait but a social process moderated by the follower's identity. By identifying a full moderation effect, the study enriches Expectation States Theory and Role Congruity Theory, suggesting that in this regional context, transformational behaviors—often perceived as agentic and visionary—may align more closely with masculine-typed professional archetypes. This alignment likely explains the strong performance response in male employees, while the lack of significance among female employees highlights a critical "theoretical blind spot" where current transformational models may fail to resonate with the specific motivational drivers or socio-cultural challenges faced by women.

Practically, these results provide a clear mandate for HR practitioners and organizational leaders in South India to move away from "one-size-fits-all" leadership development programs. Since transformational leadership as currently practiced appears to be "gender-blind" rather than "gender-inclusive," managers must be trained to diversify their behavioral repertoire. Specifically, the core dimension of "Individualized Consideration" should be expanded to incorporate gender-sensitive support systems. For instance, while male employees might respond well to intellectual stimulation and visionary goal-setting, female employees may require a leadership style that places greater emphasis on empathetic communication, relational trust, and support for work-life integration. By tailoring leadership approaches to meet the varied needs of a diverse workforce, SMEs can ensure that the potential of all employees—regardless of gender—is fully leveraged for organizational success.

Furthermore, the study suggests that organizations should foster a culture of "versatile leadership" that combines transformational vision with collaborative or democratic elements. Given that the female segment of the workforce showed no measurable performance gain under a purely transformational paradigm, future research should adopt qualitative methods, such as focus groups or interviews, to explore the underlying reasons for this disconnect. Investigating whether this stems from systemic organizational barriers, deep-seated regional gender norms, or a preference for alternative leadership styles would provide the necessary nuance to refine existing management theories. Ultimately, recognizing that leadership is a boundary-contingent process allows South Indian SMEs to build more inclusive and high-performing workplaces that reflect the complexities of their human capital.

Conclusion

This research provides a nuanced understanding of the relationship between transformational leadership and employee performance, specifically within the Small and Medium Enterprise (SME) sector of South India. By moving beyond simple cause-and-effect models, the study successfully demonstrated that the "transformational" effect is not a universal constant but is significantly shaped

by the gender of the follower. The findings indicate that while transformational leadership acts as a powerful catalyst for performance among male employees, its impact on female employees in this specific regional context is statistically negligible. The theoretical implications of these results underscore the importance of integrating social identity theories, such as Role Congruity Theory and Expectation States Theory, into mainstream leadership research. Practically, the study offers vital guidance for organizational leaders and HR practitioners. The evidence suggests that a "one-size-fits-all" approach to leadership development is insufficient for optimizing the performance of a diverse team. Organizations must prioritize the development of "versatile leadership" capabilities, training managers to calibrate their motivational strategies according to the individual needs and social contexts of their subordinates. While transformational leadership remains a gold standard in management theory, its true power lies in its ability to adapt. By acknowledging and addressing the moderating influence of gender, organizations can ensure that their leadership efforts are not only visionary but also equitable, effectively unlocking the full potential of every employee.

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