

THE IMPACT OF TRANSFORMATIONAL LEADERSHIP ON EMPLOYEE LOYALTY AND FAMILY BUSINESS SUSTAINABILITY IN THE CULINARY SECTOR

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ABSTRACT

This study applies a literature review approach to evaluate the influence of transformational leadership style on business continuity in the context of family businesses. This study reviews various articles, journals, and related books, with an emphasis on the interaction between transformational leadership, employee participation, loyalty, productivity, and long-term sustainability in a family business environment. Through an examination of the available literature, this study aims to reveal consistent patterns and provide empirical data that confirms the role of transformational leadership in strengthening the sustainability of family businesses. The findings indicate that transformational leadership can increase employee participation, loyalty, and productivity, which in turn contributes to the long-term sustainability of the organization.

Key words: Transformational Leadership, Business Continuity, Family Business, Employee Participation, Employee Loyalty, Productivity, Literature Review.

INTRODUCTION

Family businesses are a fundamental component of the economic framework, especially in the Micro, Small, and Medium Enterprises (MSME) sector in Indonesia. Amidst the increasing complexity of business dynamics, the long-term sustainability of family businesses poses significant challenges, especially in the culinary sector, which is characterized by intense competition and rapid change. Sustainability does not depend solely on financial capacity, but also on leadership strength, workforce dedication, and harmonious internal relations.

One leadership model widely recognized for its substantial impact on business sustainability is transformational leadership. This model, introduced by Bernard M. Bass and Bruce J. Avolio (1994), is characterized by a leader's ability to inspire, motivate, and encourage employees to transcend personal interests in pursuit of a shared organizational vision. In the context of family businesses—particularly in the culinary industry—transformational leaders play a crucial role in building emotional bonds with employees, strengthening loyalty, and fostering active participation in achieving long-term business goals.

A growing body of research confirms the importance of transformational leadership for organizational sustainability. Shahzad et al. (2022) show that transformational leadership enhances company performance through sustainability oriented mechanisms. Mahdi and Top (2021) report that transformational leadership strengthens employees' affective commitment in family businesses, which supports long term loyalty. In addition, Kurniawati and Sulaeman (2022) find that transformational leadership shapes stakeholder engagement and, in turn, contributes to overall organizational sustainability.

However, limited research addresses this relationship within the Indonesian culinary sector, particularly regarding how transformational leadership directly influences employee loyalty and supports the sustainability of family businesses. In this industry, employee loyalty plays a crucial role in operational continuity due to high turnover rates and the need for consistent service quality.

The purpose of this study is to examine in depth the influence of the transformational leadership model on employee loyalty and its contribution to the sustainability of family businesses in the culinary sector. This study adopts a literature review approach to identify consistent patterns that support the strengthening of leadership strategies in sustainable family businesses.

METHOD

This study adopts a literature review method. The researchers systematically searched, evaluated, and analyzed relevant academic sources, including peer reviewed journals, books, and other scholarly publications related to the research topic. Sugiyono (2010) defines a literature review as a structured process of identifying, reviewing, and synthesizing theoretical and empirical studies to develop a comprehensive understanding of a research object. The researchers analyzed the collected information, organized it according to its relevance, and synthesized it into coherent research concepts. The review focused on articles published within the last ten years to examine the impact of transformational leadership on employee loyalty and family business sustainability in the culinary sector.

This approach enables the study to integrate findings from prior research, identify consistent patterns, and provide consolidated empirical evidence regarding the role of transformational leadership in sustaining family businesses.

RESULTS AND DISCUSSION

Based on the literature review, transformational leadership consistently demonstrates a positive influence on employee loyalty and the sustainability of family businesses, both in the culinary sector and across other industries. Prior studies report convergent evidence that transformational leadership strengthens employee commitment, improves organizational performance, and supports long term business continuity. An in depth examination of relevant articles reveals stable patterns regarding the role of transformational leadership in shaping key dimensions of sustainability within family firms. These studies provide empirical support for the argument that leadership practices characterized by vision, inspiration, and individualized consideration contribute meaningfully to loyalty formation and sustained organizational performance.

Judul & Tahun Artikel	Nama Penulis	Metode Desain Studi	Hasil / Temuan	Nama Jurnal, Volume, Nomor Artikel
"Leadership styles and sustainable organizational energy in family businesses" (2023)	1. Hasan Oudah Abdullah 2. Nadia Atshan	Kuantitatif	Gaya kepemimpinan memiliki hubungan yang positif dan signifikan dengan energi organisasi jangka panjang. p-value: < 0.01 menunjukkan hubungan yang sangat signifikan.	Journal of Family Business Management, Vol. 13, No. 4, hlm. 1104-1131
"Leadership Transition Strategies for Medium-Sized Family Businesses' Sustainability" (2017)	1. Okechukwu Nwuke	Kuantitatif	Strategi transisi kepemimpinan yang mendukung kesiapan penerus, kepercayaan, dan visi bersama sangat penting untuk keberlanjutan bisnis keluarga. p-value: < 0.05, menunjukkan hubungan yang signifikan.	Walden University, Doctoral Study
"The Role of Transformational Leadership on Firm Performance: Mediating Effect of Corporate Sustainability and Moderating Effect of Knowledge-Sharing" (2022)	1. Muhammad Asim Shahzad, 2. Tahir Iqbal, 3. Naved Jan, 4. Muhammad Zahid	Kuantitatif	Kepemimpinan transformasional berpengaruh positif dan signifikan terhadap kinerja perusahaan. Keberlanjutan perusahaan berperan sebagai mediator yang signifikan dalam hubungan antara kepemimpinan transformasional dan kinerja perusahaan. p-value: < 0.05, menunjukkan pengaruh signifikan pada kinerja perusahaan.	Frontiers in Psychology, Vol. 13, Article 883224
"Transformational Leadership and Affective Commitment at Family Businesses" (2021)	1. Cemil Top, 2. Tazhan Mahdi	Kuantitatif	Kepemimpinan transformasional berpengaruh positif terhadap komitmen afektif karyawan di bisnis keluarga. p-value: < 0.05, menunjukkan hubungan yang signifikan antara kepemimpinan transformasional dan komitmen afektif karyawan.	International Journal of Academic Research in Business and Social Sciences, Vol. 11, No. 4, hlm. 1184-1195
"Transformational Leadership and its Impact Pathways on Organizational Outcomes in the	1. Ahmad El Zein 2. Joe Abo	Kuantitatif	Kepemimpinan transformasional memiliki pengaruh positif terhadap perilaku kewargaan organisasi (OCB), kepuasan kerja, dan komitmen organisasi.	Journal of Infrastructure, Policy and Development, Vol. 8, No. 7,

Tourism Industry" (2024)	Abdo		p-value: < 0.05, menunjukkan hubungan yang signifikan.	hlm. 5194
"The Effect of Transformational Leadership on Service Employees in the Hotel Industry" (2023)	1. JK Kim, et al.	Kuantitatif	Kepemimpinan transformasional berpengaruh positif terhadap identifikasi organisasi, kreativitas, dan kinerja tugas karyawan. p-value: < 0.05, menunjukkan hubungan yang signifikan.	Behavioral Sciences, Vol. 13, No. 9, Artikel 731
"The Effect of Transformational Leadership on Sustainable Employee Performance with Organizational Commitment and Green Motivation as the Mediating Variables" (2023)	A R Averina, et al.	Kuantitatif	Kepemimpinan transformasional berpengaruh positif terhadap kinerja karyawan berkelanjutan melalui komitmen organisasi. p-value: < 0.05, menunjukkan hubungan yang signifikan.	International Journal of Research in Business & Social Science, Vol. 12, No. 9, hlm. 160-170

Based on Table 1, an analysis of seven research articles shows that transformational leadership has been proven to improve company performance with sustainability as a mediator. Overall, the results of this study indicate that transformational leadership plays a significant role in strengthening the sustainability of family businesses through its influence on company performance, employee loyalty, and stakeholder engagement.

CONCLUSION

Based on the literature analysis, transformational leadership exerts a significant influence on the sustainability of family businesses, particularly within the culinary sector. Transformational leadership strengthens employee engagement and loyalty while also enhancing firm performance and reinforcing relationships with stakeholders. These findings suggest that leaders who inspire, motivate, and cultivate trust establish a strong foundation for long term business continuity in family enterprises. Future research should examine how transformational leadership interacts with other determinants of sustainability across different family business sectors. Scholars should also investigate how this leadership approach can be adapted to diverse cultural and industrial contexts to ensure its effectiveness beyond the culinary industry.

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