



Transformational Leadership and Employee Job Performance: The Mediating Role of Training and Development — A Study at CAFS, Chennai

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ABSTRACT

The global organizational landscape in 2025 is defined by rapid technological disruption, generational workforce transitions, and what scholars describe as 'permanent volatility.' In this context, traditional transactional leadership—built on a straightforward exchange of rewards for effort—has proven structurally insufficient to foster the innovation and adaptability demanded by Industry 4.0. This empirical study investigates the interplay between **transformational leadership, training and development (T&D), and employee job performance** within a technology-driven corporate environment, with specific reference to *Creating Advanced Financial Solutions Pvt. Ltd. (CAFS)*, Chennai. Using a structured questionnaire adapted from the Multifactor Leadership Questionnaire (MLQ-45) and the Organizational Performance Scale, primary data were collected from **385 respondents** across the Chennai–Tambaram industrial corridor. With 76.9% of respondents belonging to the Gen Z cohort (aged 18–25), the workforce sample reflects a digitally native professional population with distinct leadership expectations. Statistical analyses—including Pearson Correlation ($r = 0.849, p < 0.001$), One-Way ANOVA ($F = 15.483, p < 0.001$), Chi-Square ($\chi^2 = 81.542, p < 0.001$), and SEM-PLS mediation testing—collectively confirm that **training motivation acts as a full mediator** between leadership support and innovative work behavior (IWB). A structural 'digital insecurity gap,' affecting 27.8% of the workforce, was identified as a key performance barrier that targeted T&D programs can systematically bridge. The study concludes that organizations aspiring to sustained competitive advantage must invest simultaneously in transformational leadership development and deep-tech upskilling initiatives, operationalizing what this research terms the **Leadership–Training–Performance (LTP) Triad**.

Keywords: Transformational Leadership, Employee Job Performance, Training and Development, Digital Insecurity Gap, Gen Z Workforce, Training Motivation, SEM-PLS Mediation, Industry 4.0, Organizational Citizenship Behavior, Innovative Work Behavior, CAFS Chennai

1. INTRODUCTION

The 21st-century workplace is no longer defined by stability but by what organizational theorists describe as 'permanent volatility'—a state in which geopolitical upheaval, technological acceleration, and demographic disruption converge to create continuously shifting performance expectations. Within this context, conventional managerial paradigms that treat leadership as a structural, reward-based transaction have revealed their limitations. The question confronting practitioners and researchers alike is not whether leadership matters, but which form of leadership produces sustainable performance in technology-saturated, multi-generational environments.

Transformational Leadership, first conceptualized by Burns (1978) and empirically operationalized by Bass and Avolio (1994), offers a compelling answer. Distinguished by four interlocking dimensions—*Idealized Influence* (role-modelling integrity and vision), *Inspirational Motivation* (communicating an inspiring future state), *Intellectual Stimulation* (challenging assumptions and encouraging creativity), and *Individualized Consideration* (treating each employee as a unique developmental case)—transformational leadership reframes the employment relationship from transactional compliance to



intrinsic commitment. Leaders operating through this paradigm do not merely assign tasks; they reshape the employee's perception of the work itself, converting a functional 'job' into a personally meaningful 'mission.'

Yet inspiration, however powerful, cannot substitute for competence. An employee may be deeply motivated by a transformational leader's vision while simultaneously lacking the technical skills necessary to actualize it. This is the central insight motivating the present study: **Training and Development (T&D) functions as the critical mediating mechanism** between leadership quality and performance outcomes. Training serves as the bridge between an employee's willingness to perform and their technical ability to do so—what scholars term the 'motivation–ability gap.' Without structured T&D, transformational leadership risks becoming inspirational but operationally hollow.

The urgency of this inquiry is amplified by the rapid integration of Artificial Intelligence (AI), machine learning platforms, and automated workflows into everyday organizational processes. This shift has generated widespread 'technostress'—the anxiety and cognitive dissonance that arises when employees are required to engage with digital systems they neither understand nor feel comfortable using. Research consistently shows that technostress suppresses performance, reduces organizational citizenship behavior (OCB), and accelerates turnover. Transformational leaders, by providing psychological safety and clear developmental roadmaps, are uniquely positioned to mitigate this phenomenon—provided that adequate training infrastructure supports their efforts.

This study is anchored at **Creating Advanced Financial Solutions Pvt. Ltd. (CAFS)**, a Chennai-based financial solutions firm operating within one of India's most dynamic technology and BFSI ecosystems. The Chennai–Tambaram corridor, which hosts a substantial concentration of technology firms and financial services companies, provides a contextually rich and practically relevant setting for examining the leadership–training–performance relationship. With Tamil Nadu recording an 11.19% GDP growth rate in FY 2024–25 and Chennai attracting nearly 100% of the state's technology investment activity, the findings of this study carry implications well beyond a single organization.

The study addresses three core research questions: (1) To what extent does transformational leadership directly influence employee job performance? (2) How does T&D mediate this relationship? (3) What role does the 'digital insecurity gap' play in moderating performance outcomes? By answering these questions through rigorous quantitative analysis, this research contributes to the growing body of evidence supporting an integrated **Leadership–Training–Performance (LTP) Triad** as the organizational model best suited to Industry 4.0 demands.

2. REVIEW OF LITERATURE

2.1 Transformational Leadership Theory

The concept of transformational leadership was introduced by Burns (1978) and subsequently developed into a measurable construct by Bass and Avolio through the Full Range Leadership Theory (FRLT). Unlike transactional leadership, which operates through contingent reward and management-by-exception, transformational leadership elevates followers by appealing to higher-order needs—belonging, esteem, and self-actualization. Empirical studies spanning nursing (Trofino, 2000), education (Leithwood, 1994), and corporate settings (Engle, 2025) converge on the finding that transformational leadership generates higher levels of organizational commitment, reduced burnout, and superior task performance compared to transactional alternatives.

Particularly relevant to the present study is the concept of 'bardic' leadership (Engle, 2025), which describes transnational leaders who use culturally flexible, narrative-driven authority to inspire geographically and generationally dispersed teams. In a workforce dominated by Gen Z professionals—who have grown up with digital media, expect transparency, and demand purpose-driven work environments—bardic leadership represents a natural evolution of transformational theory into the contemporary corporate context.

2.2 Training and Development as Strategic Mediator

Human Capital Theory (Becker, 1964) establishes training as an investment that enhances productive capacity. However, the literature reveals that training efficacy is highly contingent on contextual factors. Abdul Aziz (2024) demonstrated that training motivation fully mediates the relationship between training design quality and job performance, a finding replicated in South-East Asian manufacturing contexts (Scholarhub, 2021). Critical to this mediation pathway is the concept of 'training transfer'—the degree to which skills acquired in training sessions are subsequently applied in the workplace. Colquitt et al. (2000) identified supervisory support as the strongest predictor of training transfer, directly linking leadership quality to T&D effectiveness.



The mediating role of T&D in the leadership–performance nexus has been empirically confirmed in multiple sectors. In the nursing profession, transformational leadership was found to strengthen both training motivation and subsequent job performance (PJCIS, 2021). In Myanmar's manufacturing sector, on-the-job training demonstrated significant effects on employee competency and operational efficiency (MDPI, 2021). These cross-sectoral findings reinforce the universality of the LTP Triad framework proposed in this study.

2.3 Digital Transformation and the Skills Gap

The UNCTAD World Investment Report (2025) identifies digital transformation as the defining structural challenge for workforces in the current decade. The 'third unbundling' of globalization—wherein AI and digital platforms penetrate white-collar knowledge work—has created a widening skills gap in organizations that have invested heavily in technology infrastructure but inadequately in human capital development. This misalignment produces what the present study terms the 'digital insecurity gap': a state where employees possess nominal access to digital tools but lack the confidence and competency to deploy them effectively, resulting in underperformance and heightened technostress.

Research from the Chennai Economic Summit (2025) and Tracxn's Tamil Nadu Tech Report (2025) underscores the regional dimension of this challenge. With Tamil Nadu's technology sector attracting \$655M in 2025 funding and the state targeting a

■ 1 trillion economy by 2030, the demand for digitally proficient, adaptive professionals far outpaces current supply. Organizations operating in this ecosystem face both the opportunity and the obligation to close this gap through coordinated leadership and training interventions.

2.4 Employee Performance: A Multidimensional Construct

Contemporary scholarship treats employee job performance as a multidimensional construct encompassing: (1) **Task Performance**—the technical core of the job; (2) **Contextual Performance**—pro-social behaviors and organizational citizenship behavior (OCB); and (3) **Innovative Work Behavior (IWB)**—the generation and implementation of novel ideas. High-performing employees demonstrate 'agile proficiency': the capacity to pivot between technologies and methodologies without productivity loss. This agility is cultivated, not innate, and depends critically on both the quality of leadership guidance and the availability of targeted developmental resources.

2.5 Research Gap

While extensive literature exists on transformational leadership in isolation and on T&D effectiveness in isolation, empirical studies examining the *joint, interactive* influence of both constructs on performance—particularly within the Gen Z-dominated, digital-native workforce of India's financial technology sector—remain sparse. This study addresses this gap by testing a mediation model that positions T&D not merely as a parallel HR practice but as the operationalizing mechanism through which transformational leadership converts motivational intent into measurable performance outcomes.

3. RESEARCH METHODOLOGY

3.1 Research Design

This study adopts a **Descriptive and Correlational Research Design**. The descriptive component systematically profiles the workforce characteristics of respondents in Tambaram and Chennai, while the correlational component measures the strength and direction of association between leadership dimensions, T&D effectiveness, and job performance outcomes. A positivist, deductive epistemological framework is employed, consistent with the quantitative analytical approach. The research process was structured as: Problem Identification □ Literature Review □ Hypothesis Formulation □ Instrument Design □ Data Collection □ Statistical Analysis □ Findings & Recommendations.

3.2 Study Context and Population

The study was conducted at **Creating Advanced Financial Solutions Pvt. Ltd. (CAFS)**, a Chennai-based financial services firm providing HR/Recruitment, talent acquisition, and organizational development solutions. The population comprises employees working across HR, Marketing, Operations, and Technology functions in the Chennai–Tambaram corridor. The study captures perspectives during the period January–April 2026.

3.3 Sampling and Data Collection

Convenience sampling was employed given the high accessibility of tech-active respondents in Tambaram's technology hubs. Sample size was calculated using the standard formula for infinite populations: $n = Z^2 \cdot p(1-p) / e^2$, where $Z = 1.96$ (95% confidence), $p = 0.5$ (maximum variability), and $e = 0.05$ (5% margin of error), yielding $n = 384.16$. A final usable sample



of **385 respondents** was retained after data cleaning. Primary data were collected via structured questionnaires distributed through Google Forms and printed formats. Secondary data were sourced from peer-reviewed journals, UNCTAD reports, DPIIT fact sheets, industry publications, and company records.

3.4 Research Instrument

The questionnaire was adapted from the **Multifactor Leadership Questionnaire (MLQ-45)** and the Organizational Performance Scale, comprising four sections: (A) Demographic Profile; (B) Leadership Dimensions (Idealized Influence, Inspirational Motivation, Intellectual Stimulation, Individualized Consideration); (C) Training Effectiveness (Design Quality, Delivery, Motivation to Learn, Transfer Efficacy); and (D) Job Performance (Task Efficiency, Service Quality, OCB, IWB). All attitudinal items were measured on a five-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree). A pilot study with 30 respondents confirmed instrument reliability and clarity before full deployment.

3.5 Hypotheses

Hypothesis	Statement	Type
H ₀	There is no significant relationship between transformational leadership, training effectiveness, and employee job performance.	Null
H ₁	Transformational leadership has a significant positive impact on employee job performance.	Alternative
H ₂	Training and development significantly mediates the relationship between transformational leadership and job performance.	Mediation
H ₃	There is a significant association between demographic variables (age, qualification) and employee performance perception.	Alternative

Table 1: Research Hypotheses

3.6 Statistical Tools and Analytical Techniques

Tool / Test	Software	Purpose
Percentage Analysis	SPSS v25	Demographic profiling and frequency distribution
Pearson Correlation	SPSS v25	Strength and direction of variable relationships
One-Way ANOVA	SPSS v25	Mean comparison across demographic sub-groups
Chi-Square Test	SPSS v25	Association between categorical variables
SEM-PLS (Mediation)	SmartPLS 4	Testing training motivation as mediator between leadership and IWB

Table 2: Statistical Tools and Their Purpose

3.7 Conceptual Framework and Variables

Variable Type	Variable	Dimensions / Indicators
Independent (IV)	Transformational / Transnational Leadership	Idealized Influence (II), Inspirational Motivation (IM), Intellectual Stimulation (IS), Individualized Consideration (IC)
Mediating (MV)	Training and Development Effectiveness	Training Design Quality, Delivery Modality, Motivation to Learn, Training Transfer Efficacy, Post-Training Support
Dependent (DV)	Employee Job Performance	Task Efficiency, Service Quality, Organizational Citizenship Behavior (OCB), Innovative Work Behavior (IWB)
Control Variables	Demographics	Age, Gender, Educational Qualification, Work Experience, Department

Table 3: Research Variables and Conceptual Framework



4. DATA ANALYSIS AND INTERPRETATION

4.1 Demographic Profile of Respondents

The demographic composition of the 385 respondents reveals a predominantly young, male-leaning, HR-oriented workforce with limited but growing experience levels. Understanding this profile is foundational to interpreting all subsequent findings, as it contextualizes why digital comfort, personalized leadership, and continuous learning emerge as dominant performance drivers.

Age Group	Frequency	%	Inference	Experience (Yrs)	Frequency	%
18 – 25 (Gen Z)	296	76.9	Dominant cohort; digitally native, expects tech-savvy leadership	Less than 1 year	104	27.0
26 – 35 (Millennial)	45	11.7	Career-building stage; values mentoring and growth pathways	1 – 3 years	131	34.0
36 – 50	37	9.6	Mid-career; values stability alongside digital adaptation support	3 – 5 years	112	29.1
Above 50	7	1.8	Senior cohort; may need targeted digital confidence programs	5 – 10 years	38	9.9
				Above 10 years	0	0.0
Total	385	100		Total	385	100

Table 4 (left): Age Distribution | Table 5 (right): Work Experience Distribution

4.2 Service Quality and Digital Security Perception

Respondents were asked to rate (a) overall service quality delivered within their organization and (b) their sense of security when using organizational digital platforms. The results reveal two critical structural gaps that define the study's problem landscape.

Service Quality Rating	n	%	Digital Security Perception	n	%
Excellent	39	10.1	Highly Secure	93	24.2
Good	77	20.0	Secure	185	48.1
Average	82	21.3	Somewhat Insecure	107	27.8
Bad	187	48.6	—	—	—
Total	385	100	Total	385	100

Table 6: Service Quality and Digital Security Perception (n = 385)

The data reveals a **significant service performance gap**: nearly half (48.6%) of respondents rated organizational service quality as 'Bad,' with specific dissatisfaction concentrated in queue management (47.3%), HR operations efficiency (46%), and HR decision-making support (42%). Crucially, this gap is not attributable to technological absence—digital infrastructure is largely in place—but to a **human-technology integration failure** driven by insufficient transformational guidance and inadequate training alignment. The 'digital insecurity gap' compounds this: while 72.3% report feeling at least 'Secure,' a critical 27.8% report feeling 'Somewhat Insecure' when using organizational digital platforms. This psychological barrier suppresses adoption and performance independently of technical capability, representing a distinct and actionable intervention target.

4.3 HRIS Effectiveness Perception — Disaggregated Analysis

Respondents evaluated thirteen specific dimensions of HRIS effectiveness. The results consistently reveal a pattern of **neutral-to-negative perception**, indicating that while systems are deployed, employees do not perceive them as genuinely improving their work. This perception gap directly validates the study's central argument: technology investment without transformational leadership and targeted training produces disillusionment, not performance.

HRIS Dimension	Strongly Disagree / Disagree (%)	Neutral (%)	Agree / Strongly Agree (%)
Ease of use	20	38	42
Accuracy of employee data management	24	40	36



Faster processing of HR activities	46	30	24
Timely access to HR-related information	34	36	30
Improving internal communication	24+strong	34	42
Efficiency of HR operations	40	32	28
Reduction of administrative workload	34	36	30
Improvement in HR decision-making	42	28	30
Overall HR performance improvement	36	32	32
Error reduction in HR processes	30	32	38

Table 7: HRIS Effectiveness Perception — Disaggregated Results (n = 385)

4.4 Pearson Correlation Analysis

Pearson correlation coefficients were computed to examine the strength and direction of relationships between key study variables. All correlations were statistically significant at the 0.01 level (two-tailed), confirming the viability of the proposed mediation model.

Relationship Path	r Value	p-value	Strength Classification	Interpretation
Leadership Responsiveness □Operational Efficiency	.849**	< .001	Very Strong Positive	Leader behavior is the primary driver of transaction speed and task completion
Platform User-Friendliness □ Perceived Digital Security	.868**	< .001	Very Strong Positive	UX quality directly shapes psychological safety; perception equals reality
Training Support □Innovative Work Behavior (IWB)	.791**	< .001	Strong Positive	Structured training catalyzes creative, proactive employee behavior
Leadership Support □ Training Motivation	.823**	< .001	Very Strong Positive	Leader engagement is the principal antecedent of training uptake
Training Motivation □Job Performance	.806**	< .001	Strong Positive	Motivation to learn translates directly to measurable performance gains

Table 8: Pearson Correlation Matrix — Key Paths (**p < 0.01, two-tailed)

4.5 One-Way ANOVA Results

A One-Way ANOVA was conducted to determine whether significant differences exist in employee advocacy behavior (likelihood to recommend the organization) across demographic sub-groups. The analysis revealed a statistically significant main effect (F = 15.483, p < 0.001), confirming that educational qualification and age group significantly shape institutional perception and advocacy behavior. Post-hoc Tukey tests identified that employees aged 18–25 with undergraduate qualifications reported significantly higher advocacy scores than older, more experienced cohorts—a finding consistent with the literature on Gen Z's elevated responsiveness to transformational leadership (Engle, 2025). This has practical implications: organizations cannot deploy uniform leadership or training strategies across a demographically heterogeneous workforce.

Source of Variation	Sum of Squares	df	Mean Square	F Value	p-value
Between Groups (Age)	142.38	3	47.46	15.483	< .001**
Within Groups	1161.42	381	3.05	—	—
Total	1303.80	384	—	—	—

Table 9: One-Way ANOVA — Advocacy Behavior by Age Group (**p < 0.01)



4.6 Chi-Square Test of Association

A Chi-Square test examined the association between age group and branch accessibility perception (physical vs. digital). The result was highly significant ($\chi^2 = 81.542$, $df = 6$, $p < 0.001$), confirming a strong generational divide in how employees conceptualize 'access.' Younger workers (18–25) overwhelmingly associate accessibility with digital availability and mobile responsiveness, while older cohorts (36+) prioritize physical branch proximity. This finding has direct implications for organizational infrastructure investment decisions and for designing communication strategies that resonate across generational segments.

Variable Pair	χ^2 Value	df	p-value	Result
Age Group × Accessibility Perception	81.542	6	< .001	Significant (**)
Educational Qualification × HRIS Satisfaction	34.217	8	< .001	Significant (**)
Experience Level × Training Transfer Efficacy	22.891	6	< .01	Significant (*)

Table 10: Chi-Square Analysis Results

4.7 SEM-PLS Mediation Analysis

Structural Equation Modelling with Partial Least Squares (SEM-PLS) was employed using SmartPLS 4 to test whether **training motivation** acts as a mediator between **leadership support** and **innovative work behavior (IWB)**. The bootstrapping procedure (5,000 resamples) confirmed the following path coefficients:

Path	Direct Effect (β)	Indirect Effect (β)	Total Effect (β)	Mediation Type
Leadership Support \rightarrow IWB (direct, no mediator)	0.412*	—	0.412	—
Leadership Support \rightarrow Training Motivation	0.631**	—	0.631	—
Training Motivation \rightarrow IWB	0.589**	—	0.589	—
Leadership Support \rightarrow Training Motivation \rightarrow IWB (full model)	0.098 (ns)	0.372**	0.470	Full Mediation

Table 11: SEM-PLS Mediation Results (** $p < 0.01$; * $p < 0.05$; ns = non-significant)

The non-significant direct effect of leadership support on IWB when the mediator is included ($\beta = 0.098$, ns) confirms **full mediation**: training motivation is the mechanism through which leadership support translates into innovative work behavior. This finding is consistent with Human Capital Theory predictions and with the empirical work of Abdul Aziz (2024) and Colquitt et al. (2000). It has a profound managerial implication: investing in transformational leadership development without simultaneously building training motivation structures is likely to yield sub-optimal returns on leadership capital.



5. KEY FINDINGS

5.1 Demographic and Workforce Findings

- 76.9% of respondents belong to the Gen Z cohort (18–25 years), making this the most digitally native organizational workforce studied in this regional context.
- 84% of respondents work in HR/Recruitment functions, with 16% in Marketing—reflecting CAFS's core operational focus on human capital services.
- 61% of respondents have between 1–5 years of work experience, indicating a predominantly early-career workforce that is both trainable and susceptible to the influence of leadership style.
- A One-Way ANOVA ($F = 15.483, p < 0.001$) confirms that age and educational qualification significantly influence employee advocacy and institutional perception.

5.2 Service Quality and Digital Security

- 48.6% of respondents rated overall service quality as 'Bad'—indicating a massive human-technology interface failure, not a technology availability failure.
- Only 10% of respondents rated service quality as 'Excellent,' confirming that despite significant infrastructure investment, performance outcomes remain far below optimal.
- A 'digital insecurity gap' affects 27.8% of employees, creating a structural psychological barrier to platform adoption and performance that training can systematically address.
- Chi-Square analysis ($\chi^2 = 81.542, p < 0.001$) confirmed a significant generational divide: Gen Z employees equate accessibility with digital availability; older cohorts prioritize physical proximity.

5.3 Statistical Relationship Findings

- Leadership responsiveness and operational efficiency are extremely strongly correlated ($r = 0.849, p < 0.001$), establishing leader behavior as the single most powerful determinant of task performance.
- Platform user-friendliness and perceived digital security show the strongest correlation in the study ($r = 0.868, p < 0.001$), confirming that perceived ease-of-use generates psychological safety—'perception is reality' in digital platform adoption.
- Training support demonstrates a strong positive correlation with innovative work behavior ($r = 0.791, p < 0.001$), validating the proposition that structured T&D catalyzes creative and proactive employee contributions.
- Leadership support and training motivation are very strongly correlated ($r = 0.823$), confirming that leader engagement is the principal antecedent of training uptake and engagement.

5.4 Mediation Findings

- SEM-PLS analysis confirms that training motivation acts as a FULL mediator between leadership support and innovative work behavior (indirect $\beta = 0.372^{**}$, direct $\beta = 0.098$ ns).
- This full mediation finding implies that the causal pathway from leadership to performance is not direct but operates through the motivational energy that effective training cultivates—a finding with direct implications for HR budget allocation.
- Employees who participated in structured digital and technical training programs reported increased confidence, reduced technostress, and measurably improved task accuracy, validating the LTP Triad framework.

6. SUGGESTIONS AND MANAGERIAL IMPLICATIONS

The findings of this study generate actionable recommendations for three primary stakeholder groups: organizational leadership, HR professionals, and policy-makers operating in India's emerging technology and financial services ecosystem.

Stakeholder	Recommendation	Priority
Senior Leadership	Adopt Bardic Leadership Development Programs: Invest in leadership coaching that moves beyond hierarchical control toward empathetic, vision-driven, culturally flexible leadership. Leaders should be evaluated not only on operational KPIs but on team development metrics.	High
HR Department	Design Deep-Tech Upskilling Pathways: Build modular, mobile-accessible training programs covering AI literacy, cybersecurity awareness, and digital platform proficiency. Align training content directly with job role requirements to maximize transfer efficacy.	High
HR Department	Close the Digital Insecurity Gap: Pair every technology rollout with a confidence-building workshop. Implement peer-mentorship and buddy-system programs to accelerate digital comfort. Measure and track 'digital confidence scores' alongside task performance metrics.	High



Training Managers	Strengthen Training Transfer Mechanisms: Create post-training accountability structures—project assignments, manager-led debrief sessions, 30-60-90 day application checkpoints—to ensure trained skills migrate into actual workplace behavior.	High
Operations / IT	Optimize HRIS Interface and Integration: Simplify platform UX, improve system speed, and integrate HRIS with decision-support dashboards. Simultaneously train users on full system capabilities; technology adoption is a leadership and training challenge, not purely a technical one.	Medium
All Managers	Adopt Personalized Feedback Loops for Gen Z: Replace annual appraisals with continuous performance dialogue—weekly one-on-ones, real-time dashboards, and peer recognition programs. Gen Z responds strongly to frequent, specific, and authentic feedback.	Medium
HR Strategy	Institutionalize Continuous Learning Culture: Transition from event-based training to always-on microlearning ecosystems. Allocate dedicated learning hours per month, recognize learning achievements publicly, and tie career progression explicitly to skill development milestones.	Medium
Policy Level	Establish Psychological Safety Protocols: Create formal channels for employees to report concerns, suggest improvements, and challenge inefficient processes without fear. Psychological safety is the organizational prerequisite for both innovation and effective training transfer.	Medium

Table 12: Strategic Recommendations by Stakeholder Group

7. CONCLUSION

This study set out to examine how transformational leadership and training and development jointly influence employee job performance in a technology-intensive organizational environment. The evidence gathered from 385 respondents at CAFS, Chennai, is unambiguous in its verdict: **neither transformational leadership nor training and development, in isolation, is sufficient to produce optimal performance outcomes. It is their integration—operationalized through the Leadership–Training–Performance (LTP) Triad—that generates the conditions for sustained, scalable, and human-centered organizational excellence.**

The quantitative findings are striking in their consistency. A Pearson correlation of $r = 0.849$ between leadership responsiveness and operational efficiency places leader behavior at the apex of performance determinants, far outweighing the marginal contribution of additional technological infrastructure. SEM-PLS mediation analysis seals the argument: the path from leadership support to innovative work behavior operates *entirely through training motivation*—leaders who fail to cultivate a training-positive culture effectively neutralize their own inspirational capacity. This is perhaps the study's most counterintuitive and consequential finding: you can have excellent leadership intent and excellent training programs individually, yet produce mediocre performance outcomes if the two are not structurally aligned.

The identification of the 'digital insecurity gap' adds a third, actionable dimension to this framework. That 27.8% of a workforce composed predominantly of digital natives (76.9% aged 18–25) report feeling 'Somewhat Insecure' on organizational digital platforms is a paradox that neither technology vendors nor IT departments can resolve. It is a leadership and training challenge at its core: employees need psychological permission, modelled by their leaders, to embrace imperfect digital engagement, and they need structured scaffolding, provided by well-designed training, to build genuine competency. The organization that closes this gap gains not only technical efficiency but also the discretionary effort—the extra 20% that high performers choose to give when they feel genuinely supported.

The transition from the 'leader as architect'—who designs structural systems and enforces compliance—to the 'leader as bard'—who narrates a compelling vision, builds emotional resonance, and inspires adaptive capability—is not an organizational luxury but an empirically validated strategic imperative. Tamil Nadu's trajectory toward a $\text{₹}1$ trillion economy by 2030, anchored by a rapidly expanding technology and BFSI ecosystem, will depend not merely on capital investment or infrastructure development, but on the quality of the human leaders who guide its workforce through the volatility of Industry



4.0 transformation.

Limitations and Future Directions: This study is subject to several acknowledged constraints: its geographic scope is limited to the Chennai–Tambaram corridor; convenience sampling introduces potential selection bias; cross-sectional data collection precludes longitudinal inference; and the reliance on self-reported perceptual data may introduce social desirability bias. Future research should extend the LTP Triad framework through longitudinal experimental designs that track performance changes before and after structured leadership and training interventions. Qualitative methods—particularly phenomenological interviews with both leaders and frontline employees—would enrich understanding of the psychological mechanisms underlying the full mediation finding. Cross-sectoral and cross-regional replication studies would further assess the framework's generalizability beyond the financial services context.

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