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Relationship Between Leadership Style, Work Engagement, Performance Management System and Impact for Productivity Employee

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Abstract: This study presents a systematic literature review that explores the complex relationships between leadership style, work engagement, performance management systems (PMS), and employee productivity. Guided by the PRISMA protocol, a total of 57 peer-reviewed articles published between 2020 and 2025 in Scopus-indexed journals (Q1–Q4) and SINTA-indexed journals (Level 2–4) were analyzed. The findings indicate that transformational leadership consistently exerts the strongest positive influence on work engagement and employee productivity, whereas laissez-faire leadership demonstrates negative effects. Work engagement emerges as a key mediating variable that translates leadership influence into productive work behaviors. PMS functions as an organizational infrastructure that moderates and, in some cases, mediates the leadership–performance relationship, with adaptive and fair systems producing superior outcomes. The integration of leadership, work engagement, and PMS generates a synergistic effect that contributes to sustained and measurable productivity improvements. This review contributes to the literature by offering a comprehensive integrative framework for understanding the interconnected role of leadership, engagement, and PMS, while also providing theoretical insights and practical implications for enhancing organizational effectiveness.

Keywords: Leadership Style, Work Engagement, Performance Management System, Employee Productivity, Systematic Literature Review

INTRODUCTION

The increasingly rapid changes in the global business environment have significantly impacted the dynamics of modern organizations. Competition between companies is no longer solely focused on efficiency and profitability, but also demands improved human resource quality, effective leadership, and integrated performance management systems. In this environment, employee productivity has become a key indicator of organizational success because it directly impacts competitiveness and sustainability. Organizations are no longer solely required to generate financial profits, but also to build effective governance through

visionary leadership, adaptive performance management systems, and high employee engagement. These three factors are interconnected and simultaneously influence employee productivity.

Leadership style represents a strategic determinant of organizational success. Empirical studies have consistently shown that transformational leadership positively influences employee performance by fostering knowledge sharing, innovation, and psychological empowerment (Saif et al., 2024; Huang et al., 2025). In contrast, laissez-faire leadership tends to weaken work engagement and reduce employee outcomes, indicating that leadership effectiveness is highly contingent on organizational context and culture (Gemedá & Lee, 2020). Furthermore, work engagement, reflecting employees' emotional, cognitive, and physical involvement in their work, serves as a critical mediating mechanism linking leadership to performance. Prior research confirms that transformational leadership enhances performance indirectly through engagement (Lai et al., 2020), while high engagement levels also contribute to greater productivity and lower turnover intention (Ribeiro et al., 2024).

A performance management system (PMS) serves as an organizational infrastructure that aligns individual goals with organizational strategies. Siraj & Hågen (2023) demonstrated that a PMS encompassing planning, appraisal, and reward systems significantly improves employee performance. Furthermore, de Araújo et al. (2024) added that adaptive, digital-based PMS are more effective than traditional systems, while Lupenza et al. (2024) emphasized that fair appraisals can increase productivity through employee perceptions of fairness.

Although understanding of the relationships among leadership style, work engagement, and PMS has advanced, significant gaps remain concerning how these variables interact synergistically to influence employee productivity. Prior studies show inconsistent results, such as Paais and Pattiruhu (2020), who found that collectivist culture moderates leadership effectiveness, indicating the need for a more comprehensive, integrative analysis. To address this, the present research employs a Systematic Literature Review (SLR) covering studies from the last five years, utilizing both international and national databases to ensure contemporary relevance and broad literature coverage. The study aims to identify trends, challenges, and best practices in PMS implementation while mapping the interrelationships between leadership style, work engagement, and productivity. By synthesizing theoretical and empirical insights, this research seeks to develop an integrative framework explaining the dynamic interplay of these variables and to provide practical implications for enhancing leadership effectiveness and performance management systems in modern organizations.

METHOD

This study employed a Systematic Literature Review (SLR) to identify and analyze research on the relationship between leadership style, work engagement, performance management systems (PMS), and employee productivity. The reviewed articles were sourced from reputable journals indexed in Scopus (Q1–Q4), Sinta (1–4), and Google Scholar, limited to publications from 2020–2025 to ensure contemporary relevance. Only English and Indonesian articles were included for accessibility and analytical feasibility. To ensure reliability, two independent reviewers conducted an inter-rater reliability assessment, which showed consistent agreement in data evaluation and extraction.

Table 1. Distribution of Articles Based on Publication Characteristics

Characteristics	Category	Amount	presentation
Journal Index	<i>Scopus/WoS (Q1–Q4, including Heliyon, SAGE Open, Frontiers, etc.)</i>	45	78,9%
	Nationally Accredited (Sinta 1–4, Indonesian Journal)	12	21,1%
Year of Publication	2025	5	8,8%

	2024	17	29,8%
	2023	10	17,5%
	2022	14	24,6%
	2021	6	10,5%
	2020	5	8,8%
Methodology	Quantitative (survey/SEM/regression, experiment)	28	49,1%
	Qualitative (<i>case study/interview</i>)	5	8,8%
	<i>Mixed Methods</i>	4	7,0%
	<i>Systematic Literature Review / Bibliometrik</i>	20	35,1%
Research Sector	Higher Education (universities, schools)	12	21,1%
	Health (hospitals, nursing, public health)	8	14,0%
	Industry/Manufacturing & Start-ups	9	15,8%
	Public/Government (BUMN, government institutions)	13	22,8%
	SMEs/Private (trade, services, small companies)	15	26,3%

This indicates that the related research topic has received extensive attention in reputable journals at both the national and international levels. The research article selection process in this literature review was conducted through several stages, as follows: 1. Searching for articles using specific keywords, namely: a. The relationship between leadership style and work engagement; b. The relationship between work engagement and employee productivity; c. The relationship between performance management systems and employee productivity; d. The integration of leadership style, work engagement, and performance management systems in improving employee productivity. 2. Reviewing and selecting articles based on title, abstract, year of publication, and research findings. 3. Thorough examination of the entire article content to ensure compliance with established eligibility criteria (Tran et al., 2020; Page et al., 2021).

RESULTS AND DISCUSSION

An analysis of 57 articles meeting the inclusion criteria yielded a more comprehensive understanding of the relationships between leadership style, work engagement, performance management systems, and employee productivity. The literature synthesis revealed consistent patterns of relationships, some inconsistencies in findings, and significant theoretical and practical contributions to the development of human resource management studies. Based on these results, this study presents a summary of relevant prior literature, as shown in the following table.

Table 2. Results of Literature Review

Reseacher	Journal	(LS)	(WE)	(PMS)	Employee Productivity	Results
Huang <i>et al.</i> (2025)	<i>BMC Nursing</i>	TL → <i>psychological empowerment</i>	WE as a mediator	–	<i>Job performance</i> ICU nurses increased	(+)
Kelder <i>et al.</i> (2025)	<i>Education and Information Technologies</i>	<i>Authentic leadership</i>	Meningkatkan <i>engagement digital</i>	–	Digital <i>productivity & capability</i> Increase	(+)
Muktamar & A (2025)	<i>Productivity: Management Studies and Business Journal</i>	Kajian SLR gaya kepemimpinan	WE sebagai faktor utama keterlibatan	–	Produktivitas karyawan meningkat	(+)

Reseacher	Journal	(LS)	(WE)	(PMS)	Employee Productivity	Results
Santosa <i>et al.</i> (2025)	<i>Social Sciences and Humanities Open</i>	Kajian bibliometrik <i>leadership styles</i>	WE sebagai variabel dominan	–	Produktivitas organisasi <i>multi-sektor</i>	(+)
Tran <i>et al.</i> (2025)	<i>Sustainable Futures</i>	<i>Transformational leadership</i> berpengaruh terhadap inovasi	–	Penggunaan sistem akuntansi manajemen	<i>Firm performance</i> meningkat	(+)
Badru <i>et al.</i> (2024)	<i>Heliyon</i>	<i>High-performance work system (HPWS) & leadership</i>	WE meningkat dalam <i>stewardship climate</i>	HPWS	<i>Employee voice & engagement</i>	(+)
Bauwens <i>et al.</i> (2024)	<i>JOEPP</i>	TL → <i>innovative work behavior</i>	WE sebagai mediator	–	Performance & inovasi meningkat	(+)
Cosa & Torelli (2024)	<i>Global Journal of Flexible Systems Management</i>	–	<i>Employee engagement</i>	PMS dalam transformasi digital	Adaptasi sistem kinerja lebih baik	(+)
de Araújo <i>et al.</i> (2024)	<i>Administrative Sciences</i>	–	<i>Engagement</i> lintas negara	Integrasi PMS dan <i>engagement</i>	<i>Employee outcomes</i> positif	(+)
Etomes <i>et al.</i> (2024)	<i>Higher Education</i>	TL untuk produktivitas berkelanjutan	WE sebagai penggerak	–	Produktivitas institusi pendidikan	(+)
Harefa <i>et al.</i> (2024)	<i>Int. J. Economics, Accounting, and Management</i>	–	–	Kajian literatur PMS	Produktivitas karyawan meningkat	(+)
Jufrizen <i>et al.</i> (2024)	<i>JEBAV</i>	LMX (<i>leader-member exchange</i>)	WE & <i>job satisfaction</i> sebagai mediator	–	<i>Employee performance</i> meningkat	(+)
Karim <i>et al.</i> (2024)	<i>Social Sciences and Humanities Open</i>	Gaya kepemimpinan memengaruhi <i>fairness appraisal</i>	WE melalui <i>trust</i>	PMS <i>appraisal & feedback</i>	<i>Extra-role service behavior</i> meningkat	(+)
Li <i>et al.</i> (2024)	<i>Frontiers in Psychology</i>	<i>Digital leadership middle manager</i>	WE karyawan meningkat	–	<i>Engagement</i> → kinerja lebih baik	(+)
Lupenza <i>et al.</i> (2024)	<i>LBS Journal of</i>	Mekanisme <i>appraisal</i> dan	WE dipengaruhi	PMS di RS publik Tanzania	Produktivitas pegawai rumah sakit	(+)

Researcher	Journal	(LS)	(WE)	(PMS)	Employee Productivity	Results
	<i>Management & Research</i>	gaya kepemimpinan	lingkungan kerja			
Marbun <i>et al.</i> (2024)	<i>International Journal of Science and Society</i>	–	WE	PMS industri manufaktur	Produktivitas karyawan	(+)
Mollah <i>et al.</i> (2024)	<i>Heliyon</i>	<i>Digital leadership → agility & culture</i>	WE melalui komitmen afektif	–	<i>Competitive performance</i> meningkat	(+)
Mudannayake <i>et al.</i> (2024)	<i>Heliyon</i>	<i>Leadership & role innovation</i>	WE & komitmen karir	–	Team <i>excellence</i> meningkat	(+)
Ndlovu <i>et al.</i> (2024)	<i>BMC Nursing</i>	<i>Leadership</i> memengaruhi persepsi <i>nurses</i>	WE dipengaruhi <i>fairness</i>	PMS ideal (<i>nurses' view</i>)	<i>Productivity & service</i> meningkat	(+)
Ribeiro <i>et al.</i> (2024)	<i>Administrative Sciences</i>	<i>Purpose-driven leadership</i>	WE & mekanisme motivasi	–	Performance meningkat	(+)
Saif <i>et al.</i> (2024)	<i>Heliyon</i>	TL → <i>knowledge sharing</i>	WE berperan dalam inovasi	–	<i>Task performance</i> meningkat	(+)
Sinisterra <i>et al.</i> (2024)	<i>Frontiers in Psychology</i>	<i>Leadership</i> berperan dalam <i>talent management</i>	WE sebagai mediator	–	Menurunkan turnover intention, meningkatkan kinerja	(+)
Yao & Wang (2024)	<i>Heliyon</i>	<i>Top management leadership & resilience</i>	WE berperan dalam adaptasi	PMS kinerja berkelanjutan	<i>Corporate sustainability</i> meningkat	(+)
Almulaiki (2023)	<i>SJBMS</i>	<i>Leadership</i> dalam PMS	WE memengaruhi motivasi	PMS dalam organisasi Saudi	<i>Employee productivity</i> meningkat	(+)
Bakker <i>et al.</i> (2023)	<i>European Management Journal</i>	<i>Daily transformational leadership</i>	WE meningkat lewat <i>strengths use & inisiatif pribadi</i>	–	Kinerja pengikut meningkat	(+)
(Ehrnrooth <i>et al.</i> , 2023)	<i>IJERPH</i>	TL & HPWS	WE dan <i>health outcomes</i>	PMS berpengaruh ke produktivitas	<i>Health & performance</i> meningkat	(+)
Gutu <i>et al.</i> (2023)	<i>IJERPH</i>	<i>Leadership & digitalization</i>	WE dalam <i>workforce sustainability</i>	–	<i>Employee sustainability</i> meningkat	(+)

Reseacher	Journal	(LS)	(WE)	(PMS)	Employee Productivity	Results
Lameque <i>et al.</i> (2023)	<i>Semantic Scholar</i>	<i>Leadership dalam appraisal</i>	WE berhubungan dengan <i>appraisal</i>	PMS <i>appraisal</i> → motivasi	<i>Employee performance</i> meningkat	(+)
(Lee <i>et al.</i> , 2023)	<i>Heliyon</i>	<i>Emotional & transformational leadership</i>	Trust sebagai mediator <i>engagement</i>	–	<i>Job performance</i> meningkat	(+)
Putri & Hartono (2023)	<i>Jurnal Fokus Manajemen Bisnis</i>	<i>Leadership style & training</i>	<i>Work motivation</i> berperan sebagai mediator	–	<i>Employee performance</i> meningkat	(+)
Shi <i>et al.</i> (2023)	<i>Frontiers in Psychology</i>	HPWS & <i>leadership</i>	WE sebagai mediator	PMS individu	<i>Individual performance</i> meningkat	(+)
Siraj & Hågen (2023)	<i>Heliyon</i>	<i>Leadership & PMS</i>	WE memediasi	PMS <i>Ethiopian SMEs</i>	<i>Employee performance</i> meningkat	(+)
Wang <i>et al.</i> (2023)	<i>Journal of Vocational Behavior</i>	<i>Strengths-based leadership</i>	Meningkatkan WE	–	Kinerja tugas meningkat	(+)
Alamanda <i>et al.</i> (2022)	Jurnal Aplikasi Manajemen	<i>Leadership styles</i> → <i>satisfaction</i>	WE & komitmen organisasi sebagai mediator	–	<i>Employee performance</i> meningkat	(+)
Basuki (2022)	<i>Translitera</i>	<i>Leadership style</i> → komunikasi organisasi	–	–	<i>Employee performance</i> meningkat	(+)
Gutu <i>et al.</i> (2022)	<i>Sustainability</i>	<i>Leadership effectiveness</i>	WE dalam era teknologi	–	<i>Employee outcomes</i> meningkat	(+)
Hajjali <i>et al.</i> (2022)	<i>Golden Ratio HRM</i>	<i>Leadership style & competence</i>	WE memengaruhi <i>satisfaction</i>	–	<i>Employee performance</i> meningkat	(+)
Hristov <i>et al.</i> (2022)	<i>Management Research Review</i>	<i>Leadership biases</i>	WE melalui <i>trust</i>	PMS <i>biases</i> memengaruhi <i>outcome</i>	<i>Employee performance</i> variatif	(–)
Jiatong <i>et al.</i> (2022)	<i>Frontiers in Psychology</i>	<i>Transformational leadership</i> meningkatkan komitmen afektif & kinerja	WE sebagai mediator parsial	–	Kinerja karyawan meningkat	(+)
Khassawneh & Elrehail (2022)	<i>Administrative Sciences</i>	<i>Participative leadership</i>	–	<i>Institutional PMS</i>	<i>Employee performance</i> meningkat	(+)

Reseacher	Journal	(LS)	(WE)	(PMS)	Employee Productivity	Results
Laura & Sasmitha (2022)	JENIUS	Leadership & organizational culture	Job engagement sebagai mediator	–	Employee performance meningkat	(+)
Malibari & Bajaba (2022)	J. Innovation & Knowledge	Entrepreneurial leadership	WE melalui intellectual agility	–	Innovative behavior meningkat	(+)
Meng et al. (2022)	PRBM	TL → work meaningfulness	WE sebagai mediator	–	Job performance meningkat	(+)
Pahos & Galanaki (2022)	Frontiers in Psychology	HPWS & leadership	WE berperan	PMS multilevel	Long-term employee performance meningkat	(+)
Qalati et al. (2022)	Heliyon	Transformational leadership	WE memediasi OCB → performance	–	Job performance meningkat	(+)
Sanosra et al. (2022)	Jurnal Aplikasi Manajemen	Leadership & knowledge sharing	WE melalui budaya kerja	–	Employee performance meningkat	(+)
Thanh & Quang (2022)	SAGE Open	TL, transactional & laissez-faire	WE pada sektor publik	–	TL (+), laissez-faire (–) pada engagement & performance	(–)
Vuong & Nguyen (2022)	Sustainability	Leadership dalam PMS	WE melalui strategi pengukuran	PMS → performance measurement	Employee performance meningkat	(+)
Donkor et al. (2021)	SAGE Open	Leadership styles di Ghana SOEs	Organizational commitment sebagai mediator	–	Employee performance meningkat	(+)
Katili et al. (2021)	QEMS	Leadership styles & WLB	Employee engagement	–	Employee performance meningkat	(+)
Maseke et al. (2021)	Univ. of Namibia (Thesis)	Leadership dalam PMS	WE dipengaruhi	PMS di sektor publik	Employee performance meningkat	(+)
Stankevičiūtė & Savanevičienė (2021)	Economies	Leadership dalam PMS publik	WE dipengaruhi organizational justice	PMS publik	Employee engagement meningkat	(+)

Reseacher	Journal	(LS)	(WE)	(PMS)	Employee Productivity	Results
Awan <i>et al.</i> (2020)	<i>SAGE Open</i>	–	WE sebagai mediator	PMS berpengaruh pada kinerja	Produktivitas karyawan meningkat	(+)
Fakhri <i>et al.</i> (2020)	<i>Open Psychology Journal</i>	TL signifikan; TRL sebagian lemah	WE berperan	–	Employee performance meningkat	(-)
Gemeda & Lee (2020)	<i>Heliyon</i>	TL positif; laissez-faire melemahkan	WE meningkat oleh TL	–	Job outcomes menurun bila laissez-faire	(-)
Lai <i>et al.</i> (2020)	<i>SAGE Open</i>	Transformational leadership	WE sebagai mediator	–	Job performance & helping behavior meningkat	(+)
Paais & Pattiruhu (2020)	<i>JAFEB</i>	Leadership, motivation, culture	WE & satisfaction	PMS organisasi	Employee performance meningkat	(+)

Table 4 shows that most studies show a positive relationship between the variables studied, with transformational leadership being the leadership style that most consistently produces a positive impact. Work engagement has been shown to act as a strong mediator in the leadership-performance relationship. Conversely, laissez-faire leadership has consistently shown a negative impact on organizational outcomes.

a. Effectiveness of Leadership Style on Work Engagement and Productivity

Transformational leadership consistently shows the strongest positive impact on employee engagement and productivity. Studies (Huang *et al.*, 2025; Saif *et al.*, 2024; Meng *et al.*, 2022) reveal that this style enhances psychological empowerment, knowledge sharing, and the sense of meaningful work, mechanisms explained by Self-Determination Theory (SDT) emphasizing autonomy, competence, and relatedness. Conversely, transactional leadership has only partial effects depending on context (Fakhri *et al.*, 2020), while laissez-faire leadership negatively affects engagement and productivity due to lack of direction and feedback (Gemeda & Lee, 2020; Thanh & Quang, 2022).

b. The Mediating Role of Work Engagement in the Leadership-Performance

The impact of leadership style, work engagement, and PMS on performance varies across organizational contexts and cultures. The service sector responds better to transformational leadership, while the manufacturing sector benefits more from transactional approaches in structured environments. Cultural factors also moderate this relationship organizational commitment acts as a mediator in Ghana (Donkor *et al.*, 2021), and Indonesia’s collectivist culture strengthens leadership effectiveness (Paais & Pattiruhu, 2020). Methodologically, quantitative studies reveal clearer linear patterns, whereas qualitative and mixed methods capture deeper contextual dynamics and provide a more holistic understanding.

c. The Function of the Performance Management System as a Moderator and

Performance Management System (PMS) functions as both a moderator and mediator in the link between leadership style and employee productivity. Studies (Siraj & Hågen, 2023; Awan et al., 2020) indicate that PMS enhances performance through planning, appraisal, and rewards, especially when employees are actively involved. Guided by Organizational Justice Theory, perceptions of procedural and distributive fairness (Stankevičiūtė & Savanevičienė, 2021; Karim et al., 2024) strengthen engagement, trust, and commitment. Furthermore, adaptive, digital-based PMS are proven more effective than traditional systems in improving employee productivity (Cosa & Torelli, 2024; de Araújo et al., 2024; Lupenza et al., 2024).

d. Contextual Variation and Moderating

The impact of leadership style, work engagement, and PMS on performance varies across organizational contexts and cultures. The service sector responds better to transformational leadership, while the manufacturing sector benefits more from transactional approaches in structured environments. Cultural factors also moderate this relationship, organizational commitment acts as a mediator in Ghana (Donkor et al., 2021), and Indonesia's collectivist culture strengthens leadership effectiveness (Paais & Pattiruhu, 2020). Methodologically, quantitative studies reveal clearer linear patterns, whereas qualitative and mixed methods capture deeper contextual dynamics and provide a more holistic understanding.

Qualitative. Differences in research methodology also affect the consistency of findings. Quantitative studies (49.1%) tend to produce more consistent linear relationships between the variables studied, while qualitative studies (8.8%) reveal complexities and contextual nuances not captured in quantitative studies. Mixed methods research (7.0%) provides a more comprehensive understanding by combining the generalizability of quantitative approaches with the contextual richness of qualitative ones. On the other hand, systematic literature reviews and bibliometric studies (35.1%) contribute to conceptual syntheses and current research trends, although they do not always provide direct empirical evidence.

Table 3. Theories Used in Previous Research

<i>Theory</i>	<i>Count</i>
<i>Transformational–Transactional Leadership Theory (FRLT)</i>	17
<i>Servant Leadership Theory</i>	1
<i>Authentic Leadership Theory</i>	1
<i>Leader–Member Exchange (LMX) Theory</i>	1
<i>Job Demands–Resources (JD-R) Model</i>	5
<i>Conservation of Resources (COR) Theory</i>	1
<i>Self-Determination Theory (SDT)</i>	1
<i>Goal Setting Theory</i>	1
<i>Expectancy Theory</i>	2
<i>Balanced Scorecard / PMS Framework</i>	4
<i>Performance Appraisal & Organizational Justice Theory</i>	4
<i>Social Exchange Theory (SET)</i>	4
<i>Resource-Based View (RBV)</i>	1
<i>Digital Leadership Framework</i>	3
<i>Talent Management Framework</i>	1
<i>High-Performance Work Systems (HPWS)</i>	2

<i>Theory</i>	<i>Count</i>
<i>Organizational Commitment Theory</i>	1
<i>Entrepreneurial Leadership Theory</i>	1
<i>Organizational Culture / Engagement</i>	1
<i>Organizational Justice / Bias Theory</i>	1
<i>SLR Leadership</i>	1
<i>Bibliometric</i>	1
<i>PMS</i>	1
<i>Leadership–Communication</i>	1
Total	57

Synthesis: Integrative Leadership-Engagement-Performance Framework A comprehensive review of the literature suggests an integrative framework that explains the interrelationship among leadership style, work engagement, performance management system (PMS), and employee productivity. Leadership style serves as an antecedent influencing work engagement through the creation of job resources (JD-R Model) and the fulfillment of basic psychological needs (SDT). Work engagement functions as the main mediating mechanism translating leadership influence into productive behavior and positive outcomes (COR Theory). PMS acts as an organizational infrastructure that both moderates and mediates the leadership–performance link through goal setting, feedback, appraisal fairness, and reward mechanisms (Organizational Justice Theory). Employee productivity emerges as a direct result of engagement and an indirect outcome of leadership via PMS. Thus, optimizing productivity requires a holistic integration of leadership development, employee engagement, and an adaptive, equitable PMS. Organizations aligning these elements within their contextual settings are more likely to achieve sustainable competitive advantage through enhanced human resource performance.

CONCLUSION

This study systematically reviews 57 articles on leadership style, work engagement, performance management systems (PMS), and employee productivity. The findings show that transformational leadership consistently enhances engagement and productivity, whereas laissez-faire leadership has negative effects. Work engagement acts as a key mediator linking leadership and performance, while PMS strengthens this relationship through goal setting, feedback, and fair appraisal systems. The proposed integrative framework highlights that productivity optimization requires a holistic approach integrating transformational leadership, employee engagement, and an adaptive, fair PMS to achieve sustainable competitive advantage.

Practical Implications

The study provides practical guidance for improving human resource performance. Organizations should develop transformational leadership competencies that foster engagement and productivity through inspiration, intellectual stimulation, and individualized support. Increasing work engagement must be aligned with an adaptive and fair PMS emphasizing justice, appraisal fairness, constructive feedback, and transparent rewards. Integrating leadership, engagement, and PMS enables organizations to achieve sustainable competitive advantage through enhanced employee performance.

Theoretical Implications

This study contributes theoretically by developing an integrative framework that connects leadership style, work engagement, PMS, and productivity. The findings confirm that work engagement mediates the influence of leadership on performance, reinforcing the JD-R and COR theories. Furthermore, integrating Leadership Theory and Organizational Justice Theory highlights that perceptions of fairness in appraisal and rewards are crucial for leadership effectiveness. Overall, this research advances theoretical understanding of how leadership, engagement, and organizational systems interact to drive productivity.

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