

ABSTRACT

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

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