

ABSTRACT

The purpose of this study is to analyze the effect of and transformational leadership style on employee performance with psychological capital as mediators. The study uses transformational leadership style as independent variable, employee performance as dependent variable, and psychological capital as mediating variable.

The population, were employees of KSPPS Tamzis Bina Utama, Wonosobo. The sample, were 80 people selected using simple random sampling. Data obtained from the questioners were processed and analyzed using the SPSS and Smart PLS program.

The result showed transformational leadership style has a positive and significant influence on psychological capital, transformational leadership style has a positive and significant influence on employee performance, and psychological capital has a positive and significant influence on employee performance. The result of mediation testing show, that psychological capital is able to be the mediating variable in this research.

Keywords: Transformational Leadership Style, Psychological Capital, Employee Performance.