**Journal Transnational Universal Studies**

# Transformational Leadership for Millennials in the Era of Industrial Revolution 4.0

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**Abstract**
Generational differences significantly impact leadership styles, work culture, and employee engagement, particularly for millennials in the era of Industry 4.0. As digital transformation reshapes industries, organizations must adapt their leadership strategies to meet the unique needs of this tech-savvy workforce. This study aims to evaluate how transformational leadership influences millennial performance and job satisfaction in the context of Industry 4.0. A systematic literature review (SLR) was conducted, analyzing recent research on transformational leadership, millennial preferences, and the effects of digital transformation on organizations. The results indicate that transformational leadership enhances millennial performance and satisfaction by fostering innovation, creativity, and providing a supportive work environment. Leaders who offer positive feedback, growth opportunities, and flexibility were found to be most effective in motivating millennials. The implications suggest that organizations must adopt adaptive leadership practices to meet the expectations of millennials, improving engagement and success in the digital era. This study contributes to the literature by exploring the specific effects of transformational leadership on millennials and offers insights for future research and practical leadership strategies.

**Keywords:** Transformational Leadership, Millennials, Industry 4.0.

## INTRODUCTION

Generational differences have a significant impact on mindset, character, and even the formation of personal paradigms, which in turn influences leadership styles, communication, and work culture  (Ismail & Lu, 2014). These generational differences make it necessary for organizations to adapt and transform their work culture to stay competitive and attract human resources that align with the changing demands of the workforce  (Luthans et al., 2015). In particular, the millennial generation, which is now a significant part of the workforce, has unique characteristics that require organizations to adjust their strategies to meet their needs and expectations. In this context, transformational leadership has been identified as a vital factor in leading millennials effectively (Lineker et al., 2016).

The fourth industrial revolution, characterized by the rapid advancement of digital technologies, automation, artificial intelligence (AI), and data analytics, has added a layer of complexity to leadership. This era of Volatility, Uncertainty, Complexity, and Ambiguity (VUCA)

presents challenges for leaders who must navigate organizational change and innovation while maintaining a motivated and productive workforce (Zahari et al., 2022). For millennials, who are often seen as more tech-savvy and adaptable to change, leadership that inspires and motivates them to engage in creative problem-solving is crucial. In this environment, transformational leadership, with its focus on inspiring, motivating, and fostering an innovative work culture, becomes even more critical in achieving organizational success.

Factual evidence suggests that the workforce is becoming increasingly diverse, with millennials now making up a large portion of employees globally. According to recent studies, millennials seek more than just a job; they desire meaningful work, opportunities for personal and professional growth, and work environments that value collaboration, innovation, and flexibility (Muktamar et al., 2023). The unique traits of millennials, such as their high level of digital engagement, strong desire for work-life balance, and preference for workplaces that align with their values, demand leadership styles that are adaptive and forward-thinking (Rasulong et al., 2024). This is particularly important in the context of the ongoing digital transformation that is redefining industries and reshaping organizational structures.

Several studies have explored the relationship between transformational leadership and millennial engagement. For instance, research by (Coleman, 2018) demonstrated that transformational leadership positively influences employee motivation, job satisfaction, and performance, particularly in environments characterized by rapid change. Additionally, a study by (Mburu et al., 2024) highlighted how transformational leaders could cultivate an innovative organizational culture by aligning the organization's vision with the values and expectations of employees, especially millennials. Moreover, a study by (Morrissette Jr, 2023) confirmed that transformational leadership promotes the development of leaders within organizations by fostering trust, respect, and collaboration, which are essential for motivating millennials to perform at their best.

The urgency of this research lies in understanding the implications of transformational leadership in guiding millennials through the challenges of Industry 4.0. As organizations increasingly rely on digital tools and technologies to drive growth and innovation, it becomes essential for leaders to understand how to engage millennials in this transformation process. Millennials' expectations of leadership are shaped by their experiences with digital technologies and the internet, making it necessary for organizations to adapt their leadership strategies to align with these evolving expectations.

This study brings novelty by focusing specifically on the millennial generation and how transformational leadership can be leveraged to enhance their performance and satisfaction in the context of Industry 4.0. While previous studies have addressed transformational leadership in general, few have focused on how this leadership style impacts millennials in the digital era. By filling this gap, the research aims to provide actionable insights for organizations seeking to better engage and retain millennial talent during a period of profound technological change.

Based on the above background, the main objective of this study is to evaluate the impact of transformational leadership on the performance and job satisfaction of millennials in the Industry 4.0 era. The potential benefits of this study include academic and practical fields. For academics, these findings will contribute to the literature on leadership styles, especially transformational leadership, in the context of the millennial workforce. For practitioners, this research offers practical insights into how organizations can improve their leadership practices to better engage millennials, drive innovation, and improve overall performance in the era of Industry 4.0.

**METHOD**

This research method was used to conduct a thorough search of articles over the past five years. The purpose of this search was to gather information using Google Scholar using specific keywords such as "leadership transformation", "millennial generation", and "industrial revolution 4.0". The inclusion criteria were free downloadable and complete research articles or journals in English or Indonesian. VOSviewer, CASP, and Publish or Perish 8 were used to analyze each research article. The figure provides information about the research articles found, including author name and year, title, location, research type, data collection method, sample size, results, recommendations, and related journals. The table also describes the research materials and methods, subjects and materials, tools, and experimental design.
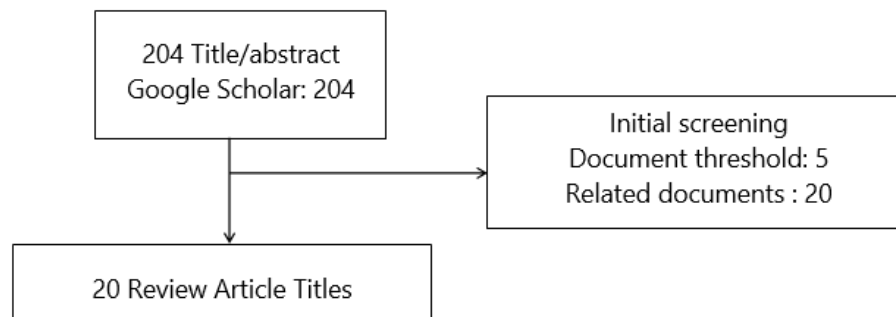


**Figure 1. Research Prism Chart**

**RESULTS AND DISCUSSION**

The results of the review of research articles on Transformational Leadership for Millennials in the Era of the Industrial Revolution 4.0 are as follows:

**Table 1. Transformational Leadership for Millennials
in the Era of Industrial Revolution 4.0**

| Item | Characteristics | n | % |
|------|-----------------|---|---|
| Research Design | Cross-Sectional | 4 | 20 |
| | Literature Review | 16 | 80 |
| Data collection | Questionnaire | 4 | 20 |
| | Literature Study | 16 | 80 |

| Item | Characteristics | n | % |
|---|---|---|---|
| Results | Transformational leadership improves millennial performance | 12 | 60 |
| | Transformational leadership has a positive effect on millennial satisfaction | 8 | 40 |

The result of Transformational Leadership for Millennials in the Era of Industrial Revolution 4.0 is:

1. Millennials must be encouraged to increase innovation, creativity, and entrepreneurial spirit through transformational leadership (Sembiring et al., 2024). Everything must be planned well and clearly, involving not only discussions but processes that millennials enjoy to develop themselves. One example is that millennial leaders should build creative spaces such as workshops equipped with the latest technology and equipment so that millennials' ideas can be shared.

2. Improving the performance of millennial employees is strongly influenced by strong transformational leadership. Millennial employees are usually eager to learn and try new things. They need individuals who can provide inspiration and knowledge to them. Those who want to be role models are leaders. Millennial performance improvement is influenced by a manager's leadership(Garingging & Saluy, 2020).

3. Millennials tend to look for leaders who can lead, support, and provide positive feedback at work. They also look for leaders who give them freedom and growth opportunities on the job (Palupi, 2024).

4. Leaders must build a responsive and flexible leadership style to meet the needs of the millennial generation and increase job satisfaction (Setiawati, 2022).

5. In research (Mustomi & Reptiningsih, 2020), the majority of millennials choose a democratic style as the best choice for leadership. Of the 150 people surveyed, 42 people chose a democratic leadership style.

6. leadership that can reduce negative attitudes and capitalize on millennial potential, such as technological savvy, speed, thirst for knowledge, and publications.

7. Research by (Hayati et al., 2021) shows transformational leadership, organizational culture, and work environment have a significant positive effect on job satisfaction of millennial generation employees.

**CONCLUSION**

The conclusion of this study shows that transformational leadership significantly improves the performance and job satisfaction of millennials in the Industry 4.0 era. Transformational leaders inspire creativity, innovation, and entrepreneurial spirit, which are highly valued by millennials. Leaders who provide support, positive feedback, and opportunities for growth can increase job satisfaction, while adapting their leadership style to meet the unique needs of millennials. The study also emphasizes that a democratic leadership style is preferred by

millennials, which further highlights the importance of creating a responsive and flexible organizational culture that encourages learning and technological innovation.

These findings contribute to the literature by specifically exploring the relationship between transformational leadership and millennials in the digital age, an under-researched area in previous studies. Future research could explore the impact of other leadership styles and investigate the long-term effects on millennial retention and career development. For practitioners, this research offers insights into how organizations can adopt leadership strategies that engage millennials, leading to improved performance, job satisfaction, and organizational success in the digital age. Transformational leadership plays a key role in unlocking the potential of millennials and ensuring their success in an ever-evolving work environment.

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