

ABSTRACT

The main purpose of this research is to develop a basic theoretical model and empirical research model to fill the research gap on the relationship between transformational leadership and employee performance in continual changing companies. This gap filled by building new concept Continual Change Adaptability. This model was tested at Indonesian Agriculture State-Owned Enterprise-PT Perkebunan Nusantara III (Persero) Holding Perkebunan Nusantara which consists of 14 agriculture companies around Indonesia.

This research was conducted by distributing questionnaires to 573 respondents in middle management level (BOD-2). Probability sampling used with disproportionate stratified random sampling technique. AMOS Software used in structural equation model for testing the research model.

The result of the study found that transformational leadership has positive significant effect to continual change adaptability, transformational leadership has positive significant effect to employee performance. Continual Change adaptability proved to be partial mediator variabel on the relationship between transformational leadership on employee performance, and full mediator on the relationship between organizational commitmen on employee performance. Thus Continual Change Adaptability is a solution for Transformational Leadership to affect on Employee Performance in continual changing company..

Keywords: *transformational leadership, organizational commitment, continual change adaptability, employee performance, change readiness, adaptability, change.*

