Abstract:
The purpose of this paper is to examine the relationship between Transformational Leadership and employees’ Affective Commitment and Individual Performance. Transformational Leadership consists in four components: (1) idealized influence (charisma); (2) inspirational motivation; (3) intellectual stimulation; and (4) individualized consideration. The transformational leader is a positive reference, a role model, and a source of inspiration for employees. Transformational leaders promote a high level of employees’ commitment in order to do more effort and achieve high levels of performance, as well as high moral and ethical standards.
The study includes a sample of 149 employees of an international Group, from functions as Sales Assistant and Store Manager, in Portugal. The results reveal that the Transformational Leadership explains 12% of the Affective Commitment and 19% of the Individual Performance and the Affective Commitment explains 14% of the Individual Performance.
This research may be relevant to leaders by providing insights regarding the impact that Transformational Leadership has on affective commitment and individual performance, and examining how affective commitment potentially increase the individual performance.
From this research it can be concluded that the Transformational Leadership promotes the employees’ involvement, produce great changes and high performance, thus contributing to the sustainable growth of the organization.

Keywords:
Transformational Leadership; Affective Commitment; Individual Performance

JEL Classification: D23, J24, M12