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How Transformational Leadership Enhances Employee Performance: The Mediating Effects of Motivation, Innovative Work Behavior, and Adhocracy Culture

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ABSTRACT

Objectives*: This study examines the relationship between transformational leadership and employee performance through three theoretically distinct parallel mediators: work motivation, innovative work behavior, and adhocracy culture.*
Methodology*: The study is described as a quantitative cross-sectional survey analyzed using partial least squares structural equation modeling (PLS-SEM), with 250 employee respondents. The organizational setting, sampling frame and procedure, eligibility criteria, data-collection dates and mode, missing-data treatment, informed-consent procedure, and bootstrap settings were not documented in the supplied manuscript and must be verified against the original study records.*
Findings*: The manuscript reports significant direct paths from transformational leadership to employee performance (β = 0.35), motivation (β = 0.82), innovative work behavior (β = 0.79), and adhocracy culture (β = 0.77), as well as significant paths from each mediator to employee performance. The reported indirect coefficients are 0.18, 0.22, and 0.19. These estimates are provisional because the supplied manuscript contains inconsistencies among path coefficients, correlations, and R^2 values. HTMT, VIF, f^2, Q^2, and bootstrapped confidence intervals were not available in the supplied file.*
Conclusion*: The proposed contribution is the simultaneous examination of psychological, behavioral, and organizational-context pathways in a parallel mediation model. The empirical conclusions should be finalized only after the original SmartPLS output and study-procedure records have been verified.*

Keywords*: Transformational Leadership; Employee Performance; Motivation; Innovative Work Behavior; Adhocracy Culture.*

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INTRODUCTION

Organizations operating in dynamic technological and competitive environments face continuing pressure to improve employee performance while remaining adaptive and innovative. Employee performance reflects not only individual capability but may also be associated with leadership practices, motivation, work behavior, and organizational context. Transformational leadership is a relevant explanatory construct; however, the organizational setting in which its relationship with performance is examined must be identified clearly to establish the empirical boundaries of the study. The present manuscript addresses the theoretical relationship among these constructs, but the specific organization represented by the 250 respondents is not identified in the supplied study file (Muhammad Khizzir*, Amri, 2025).

Transformational leadership is commonly conceptualized through idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Kevin Adriel Sitanaya, 2024). These dimensions provide a theoretical basis for explaining how leaders may influence employees' motivation, encourage experimentation and idea implementation, and shape organizational norms. Contemporary evidence also links transformational leadership with innovative behavior and employee outcomes, although the magnitude and mechanisms of these relationships vary across organizational settings (Nilasari et al., 2024; Nilasari et al., 2024; (Fildzah Amalina*, 2025).

The empirical problem addressed in this study is therefore not simply whether transformational leadership is associated with performance, but how that association may operate through mechanisms located at different analytical levels (Siallagan, 2024). Motivation represents a psychological mechanism because it concerns the direction and persistence of individual effort. Innovative work behavior represents a behavioral mechanism because it concerns idea generation, promotion, and implementation (Abedrabu et al., 2025). Adhocracy culture represents an organizational-context mechanism because it emphasizes flexibility, creativity, experimentation, and risk taking. Treating these mechanisms simultaneously allows the study to examine whether the leadership–performance relationship operates through distinct pathways rather than through one undifferentiated mediator (Jawaria Nasir, et.al, 2022).

Prior research has frequently examined one mediator at a time or has focused on combinations that do not distinguish psychological, behavioral, and organizational-context mechanisms. Recent studies provide evidence for the separate roles of motivation, innovative work behavior, and organizational culture, but the simultaneous model requires a clearer theoretical explanation of what is learned by putting the mechanisms together (Anom & Gustomo, 2023; Lukitasari & Etikariena, 2024; Sulastri et al., 2025).

The research gap is therefore the limited empirical examination of these three mechanisms in one parallel mediation framework and the absence of an explicit explanation for why relationships among the mediators are not modeled as causal paths.

Accordingly, this study asks: (1) Does transformational leadership relate to employee performance? (2) Does transformational leadership relate to motivation, innovative work behavior, and adhocracy culture? (3) Do the three mediators relate to employee performance? and (4) Do motivation, innovative work behavior, and adhocracy culture mediate the relationship between transformational leadership and employee performance?

The objective is to test these direct and indirect relationships and to clarify the theoretical meaning of the three pathways. The principal contribution is not merely the addition of three mediators, but the simultaneous examination of three mechanisms that occupy different levels of explanation. This structure permits the discussion to distinguish psychological, behavioral,

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and contextual routes through which transformational leadership may be associated with employee performance.

LITERATURE REVIEW

Transformational Leadership Theory

Transformational leadership provides the main theoretical foundation of the model. In the foundational formulation, transformational leadership concerns leaders' ability to elevate followers' motivation and align individual effort with broader organizational purposes. The four commonly discussed dimensions are idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. These dimensions explain why transformational leadership can operate beyond direct supervision: leaders communicate purpose, stimulate new ways of thinking, and attend to individual development (Bernard M. Bass, 2006).

The theory is complemented by motivation theory and organizational-culture perspectives. Self-determination theory distinguishes autonomous or intrinsic forms of motivation from controlled or extrinsic regulation and emphasizes the importance of conditions that support autonomy, competence, and relatedness (Ryan & Deci, 2020). The organizational-culture perspective explains how shared values and norms shape the conditions under which employees behave and innovate. Adhocracy culture is particularly relevant because flexibility and experimentation can create a context in which new ideas are generated and implemented (Bernard M. Bass, 2006).

Transformational Leadership and Employee Performance

Transformational leaders may influence performance by communicating meaningful goals, providing individualized support, and stimulating employees to exceed routine expectations. Empirical studies have reported positive relationships between transformational leadership and employee performance, including in dynamic and innovation-oriented settings (Jawaria Nasir, et.al, 2022; Nilasari et al., 2024).

H1: Transformational leadership has a positive effect on employee performance.

Transformational Leadership and Motivation

Transformational leadership can strengthen motivation when leaders provide a meaningful vision, recognition, developmental support, and opportunities for employees to experience competence and purpose. From a self-determination perspective, leadership behaviors may create conditions that support autonomous motivation (Ryan & Deci, 2020).

H2: Transformational leadership has a positive effect on work motivation.

Transformational Leadership and Innovative Work Behavior

Intellectual stimulation and openness to new ideas provide a direct theoretical bridge between transformational leadership and innovative work behavior. Innovative work behavior involves idea generation, promotion, and implementation. Leadership that supports experimentation can reduce barriers to proposing and implementing new approaches (Alheet et al., 2021; Lukitasari & Etikariena, 2024; Sulastri et al., 2025).

H3: Transformational leadership has a positive effect on innovative work behavior.

Transformational Leadership and Adhocracy Culture

Organizational culture provides a contextual mechanism through which leadership may shape behavioral expectations and shared values. Adhocracy emphasizes flexibility, creativity,

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experimentation, and responsiveness to change. Transformational leaders may reinforce these values through vision, empowerment, and support for change (Jannah et al., 2025).
H4: Transformational leadership has a positive effect on adhocracy culture.

Mediators and Employee Performance

Motivation can contribute to performance by directing effort and sustaining persistence. Innovative work behavior can contribute to performance when employees generate, promote, and implement improvements in processes or work practices. Adhocracy culture can provide contextual support for experimentation and adaptation. These mechanisms are conceptually distinct, although they may be empirically related.
H5: Work motivation has a positive effect on employee performance.
H6: Innovative work behavior has a positive effect on employee performance.
H7: Adhocracy culture has a positive effect on employee performance.

Parallel Mediation Logic

The three mediators are modeled as parallel mediators rather than as sequential mediators. This decision is theoretical and methodological. Motivation, innovative work behavior, and adhocracy culture operate at different levels and are not assumed to form a causal chain in the present cross-sectional design. An adhocracy culture may plausibly create conditions for innovative work behavior, and motivation may be associated with innovative behavior, but testing such paths would require additional theoretical assumptions and empirical evidence (Ibrahim Alshawabkeh, et.al, 2024). The present model therefore estimates the unique indirect association through each mediator while controlling for the other mediators.

H8: Transformational leadership has a positive indirect effect on employee performance through work motivation.
H9: Transformational leadership has a positive indirect effect on employee performance through innovative work behavior.
H10: Transformational leadership has a positive indirect effect on employee performance through adhocracy culture.

Conceptual Model

Figure 1. Conceptual model

Pathway	Theoretical mechanism
Transformational Leadership → Employee Performance	Direct leadership-performance pathway
Transformational Leadership → Motivation → Employee Performance	Psychological pathway
Transformational Leadership → Innovative Work Behavior → Employee Performance	Behavioral pathway
Transformational Leadership → Adhocracy Culture → Employee Performance	Organizational-context pathway

Transformational leadership is the exogenous construct; employee performance is the endogenous outcome; motivation, innovative work behavior, and adhocracy culture are parallel mediators. The model does not assume causal relations among the three mediators

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METHOD

This study adopts a quantitative, explanatory, cross-sectional survey design to examine the hypothesized relationships among transformational leadership, work motivation, innovative work behavior, adhocracy culture, and employee performance. PLS-SEM is used to estimate the measurement and structural models involving multiple latent constructs and direct and indirect relationships. Because the design is cross-sectional, estimated paths are interpreted as associations consistent with the hypothesized model rather than definitive evidence of temporal causation.

Population All permanent employees of PT. Tiga Mitracon Indonesia. The sample in this study was 250 employee respondents and permanent PT. Tiga Mitracon Indonesia. Sampling techniques are *Proportionate Stratified Random Sampling.* Transformational leadership was operationalized through idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. Employee performance was assessed in terms of work quality, quantity, timeliness, and effectiveness; motivation covered intrinsic and extrinsic aspects; innovative work behavior covered idea generation, idea promotion, and idea implementation; and adhocracy culture covered flexibility, creativity, innovation orientation, and risk-taking. The manuscript states that constructs were measured using a five-point Likert scale. The manuscript reports assessing indicator loadings, Cronbach's alpha, composite reliability, and AVE; the reported thresholds were 0.70 for loadings and reliability and 0.50 for AVE.

The analysis was intended to include measurement-model assessment and structural-model assessment. The measurement model should report indicator loadings, Cronbach's alpha, composite reliability, AVE, Fornell–Larcker results, and the heterotrait–monotrait ratio (HTMT). The structural model should report path coefficients, t statistics, p values, confidence intervals, R^2, effect sizes (f^2), predictive relevance (Q^2, where methodologically applicable), and inner-model collinearity (VIF). Indirect effects should be evaluated using bootstrapped confidence intervals. The supplied manuscript does not include the underlying SmartPLS output, the number of bootstrap subsamples, the confidence-interval method, or the missing diagnostics; these values must be retrieved from the same verified model run and must not be estimated from rounded coefficients.

RESULTS AND DISCUSSION

Results

Respondent Profile

The respondents in this study were permanent employees of PT. Tiga Mitracon Indonesia. Based on the information contained in the manuscript, the number of research samples was 250 employees. The respondent profile is needed to provide an overview of the characteristics of individuals participating in the study on the influence of transformational leadership on employee performance, with work motivation, innovative work behavior, and adhocratic culture as the mediating variables, as follows:

Table 1. Demographic and Professional Profile of Respondents

Features	Category	Frequency	Percentage (%)
Gender	Male	135	54,0%
	Women	115	46,0%
Age (Years)	< 25	40	16,0%
	25 – 35	110	44,0%
	36 – 45	75	30,0%

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Features	Category	Frequency	Percentage (%)
	> 45	25	10,0%
Final Education	Diploma (D3)	30	12,0%
	Bachelor (S1)	185	74,0%
	Postgraduate (S2/S3)	35	14,0%
Tenure	< 2 years	50	20,0%
	2 – 5 years	120	48,0%
	> 5 years	80	32,0%
Organizational Units	Marketing & Sales	70	28,0%
	Operations & Production	95	38,0%
	Finance & HR	45	18,0%
	Information Technology	40	16,0%
Total		**250**	**100,0%**

Based on Table 1, from the aspect of gender, male respondents amounted to 135 people (54.0%), while female respondents amounted to 115 people (46.0%). This composition shows that male respondents have a slightly larger proportion than female respondents. Judging from the age group, the majority of respondents are in the age range of 25–35 years, which is as many as 110 people (44.0%). Furthermore, 75 people (30.0%) are aged 36–45 years, 40 people (16.0%) are less than 25 years old, and 25 people (10.0%) are over 45 years old. This distribution shows that the age group of 25–35 years is the largest group in the study sample.

Based on the last education, the majority of respondents had a bachelor's education (S1), which was 185 people (74.0%). Respondents with Postgraduate education (S2/S3) amounted to 35 people (14.0%), while Diploma (D3) graduates amounted to 30 people (12.0%). Thus, most of the respondents in the sample had a bachelor's education background. In terms of working period, as many as 120 respondents (48.0%) had worked for 2–5 years. A total of 80 respondents (32.0%) had a working period of more than 5 years, while 50 respondents (20.0%) had a working period of less than 2 years. The composition shows that the group with a working period of 2–5 years is the largest group in this study.

In the organizational unit, the most respondents came from the Operations and Production section, namely 95 people (38.0%). Next, 70 people (28.0%) came from the Marketing and Sales section, 45 people (18.0%) from the Finance and Human Resources (HR) section, and 40 people (16.0%) from the Information Technology section. The profile describes the diversity of demographic and professional characteristics of the 250 research respondents. This information provides context to understand the results of the analysis regarding the relationship between transformational leadership, work motivation, innovative work behavior, administrative culture, and employee performance at PT. Tiga Mitracon Indonesia.

Measurement Model

After the demographic and professional characteristics of the respondents are explained, the next stage is to evaluate the measurement model to ensure that the research instrument meets the criteria of validity and reliability before structural relationship testing is carried out. In the study of 250 permanent employees of PT. Tiga Mitracon Indonesia, the measurement model was used to evaluate five main constructs, namely transformational leadership, work motivation, innovative work behavior, adhocracy culture, and employee performance.

Evaluation of the measurement model includes convergent validity, internal consistency reliability, and discriminant validity. Convergent validity is assessed through outer loading and average variance extracted (AVE) values. An outer loading value of 0.70 or greater generally indicates that the indicator has an adequate relationship with the measured construct, while an AVE value of at least 0.50 indicates that the construct is able to explain at least 50% of the indicator's variance. The reliability of internal consistency is evaluated using Cronbach's alpha

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and composite reliability (CR), with a value of 0.70 as a general reference to indicate adequate consistency.

In addition, the validity of the discriminant needs to be checked to ensure that each construct is completely empirically different from the others. This check can be performed using the Fornell–Larcker criteria and the heterotrait–monotrait ratio (HTMT). The evaluation results should be based on the actual PLS-SEM or SmartPLS analysis outputs. Since the full indicator values and diagnostic results have not been provided in the available information, the following table is compiled as a reporting format that needs to be completed using the original analysis results.

Table 2. Reliability and AVE

Construct	Cronbach's α	Composite Reliability	AVE
Transformational Leadership	0.88	0.91	0.73
Motivation	0.86	0.90	0.70
Innovative Work Behavior	0.87	0.91	0.72
Adhocracy Culture	0.85	0.89	0.69
Employee Performance	0.89	0.92	0.75

The manuscript reports Cronbach's alpha values from 0.85 to 0.89, composite reliability values from 0.89 to 0.92, AVE values from 0.69 to 0.75, and indicator loadings from 0.79 to 0.88. These reported values exceed commonly used thresholds for internal consistency and convergent validity. They should nevertheless be checked against the original measurement-model output. Discriminant validity cannot be fully evaluated from the supplied file because the HTMT matrix is absent; the Fornell–Larcker criterion alone is not sufficient to address the reviewer's request.

Convergent validity indicates the extent to which the indicators in one construct have an adequate relationship in measuring the same concept. In this study, the test was carried out by paying attention to the outer loading value of each indicator and the AVE value of each construct. An outer loading value of 0.70 or more generally indicates that the indicator has adequate validity. Meanwhile, an AVE value of at least 0.50 indicates that the construct is able to explain at least 50% of the variance of the indicators.

Table 2. Convergent Validity Test Results

Construct	Outer Loading	AVE	AVE Criteria	Remarks
Transformational Leadership	0,79–0,88*	0,73	≥ 0,50	Meet
Work Motivation	0,79–0,88*	0,70	≥ 0,50	Meet
Innovative Work Behavior	0,79–0,88*	0,72	≥ 0,50	Meet
Culture of Democracy	0,79–0,88*	0,69	≥ 0,50	Meet
Employee Performance	0,79–0,88*	0,75	≥ 0,50	Meet

Meanwhile, the evaluation of the validity of the measurement model includes convergent validity and discriminant validity. Convergent validity was assessed based on outer loading values and Average Variance Extracted (AVE), while discriminant validity was assessed using Fornell–Larcker criteria and Heterotrait–Monotrait ratio (HTMT).

Table 3. Discriminant Validity Based on HTMT

Discriminant validity test	Status in current manuscript	Required revision
Fornell–Larcker	Reported	Retain, but interpret alongside HTMT
HTMT	Not reported	Insert actual SmartPLS HTMT matrix
VIF/collinearity	Not reported	Insert inner-model VIF values

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Based on the values reported in the manuscript, the entire construct has met the initial criteria of convergent validity as the AVE value is above 0.50 and the reported outer loading range is above 0.70. However, the final conclusion regarding the validity of the measurement model still requires verification of the outer loading value of each indicator as well as the results of the discriminant validity test based on Fornell–Larcker and HTMT.

Structural Model and Hypothesis Testing

Structural models are used to test the relationship between latent variables based on research hypotheses. In a study on permanent employees of PT. Tiga Mitracon Indonesia, this analysis aims to test the influence of transformational leadership on employee performance, both directly and indirectly through three mediating variables, namely work motivation, innovative work behavior, and adhocratic culture.

Structural model testing was carried out using Partial Least Squares Structural Equation Modeling (PLS-SEM). Model evaluation included path coefficients, statistical value t, p-value, confidence interval, determination coefficient (R^2), effect size (f^2), predictive relevance (Q^2), and corlinearity between predictive variables based on Variance Inflation Factor (VIF). Mediation effect testing was carried out through a bootstrapping procedure to determine whether the indirect influence of transformational leadership on employee performance through each mediator variable was statistically significant. Direct influence testing was performed to determine the relationship between independent variables, mediating variables, and dependent variables. Based on the numbers reported in the manuscript, the results of the direct influence hypothesis testing are presented in Table 4:

Table 4. Structural Model and Hypothesis Testing

Hypothesis	Relationship	β	t	p	Reported result
H1	TL → EP	0.35	5.10	<0.001	Supported
H2	TL → Motivation	0.82	16.20	<0.001	Supported
H3	TL → IWB	0.79	14.50	<0.001	Supported
H4	TL → AC	0.77	13.80	<0.001	Supported
H5	Motivation → EP	0.22	3.90	<0.001	Supported
H6	IWB → EP	0.28	4.30	<0.001	Supported
H7	AC → EP	0.25	4.00	<0.001	Supported

The reported direct paths are statistically significant in the manuscript. The effect sizes should nevertheless be interpreted substantively rather than solely through statistical significance, because statistical significance does not by itself establish managerial importance.

Mediation Effects

The effect of mediation in this study aims to analyze the role of work motivation, innovative work behavior, and adhocratic culture in explaining the relationship between transformational leadership and employee performance at PT. Three Mitracon Indonesia. The three variables are positioned as mediators that explain the possible mechanism of indirect relationship between transformational leadership and employee performance.

Mediation effect testing was performed using Partial Least Squares Structural Equation Modeling (PLS-SEM) through a bootstrapping procedure. The significance of the indirect effect was evaluated based on the indirect path coefficient, t-statistical value, p-value, and confidence interval. Indirect effects are generally declared significant when the confidence interval does not include zero. Since bootstrapping outputs and confidence intervals are not yet available in the research information provided, the following interpretation refers to statistics that have already been reported in the manuscript and still need to be verified.

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Table 5. Mediation Effects

Hypothesis	Indirect path	Indirect β	t	p	Reported result
H8	TL → Motivation → EP	0.18	3.75	<0.001	Supported
H9	TL → IWB → EP	0.22	4.05	<0.001	Supported
H10	TL → AC → EP	0.19	3.88	<0.001	Supported

The manuscript reports indirect coefficients of 0.18 for motivation, 0.22 for innovative work behavior, and 0.19 for adhocracy culture. These values are approximately consistent with the products of the corresponding rounded path coefficients, but this arithmetic check does not establish statistical significance of mediation. The final report must include the bootstrapped standard errors or t statistics, p values, and lower and upper confidence limits for each indirect effect, obtained from the original SmartPLS output. Until those intervals are verified, the mediation conclusions should be treated as provisional.

Effect Size

Effect size, predictive relevance, and corlinearity are important aspects in the evaluation of structural models in the Partial Least Squares Structural Equation Modeling (PLS-SEM) approach. In a study on the influence of transformational leadership on employee performance at PT. Tiga Mitracon Indonesia, these three aspects were used to complete the evaluation of path coefficient, hypothesis significance, and determination coefficient (R^2). The effect size f^2 was used to assess the relative contribution of a predictor variable to the R^2 value of the endogenous construct when the predictor variable was excluded from the model. Thus, f^2 helps to explain how much a predictor contributes to the model's ability to explain the variance of the predicted variable.

The commonly used interpretation guidelines are 0.02 for small effects, 0.15 for medium effects, and 0.35 for large effects. Values below 0.02 indicate a very small or negligible effect based on those guidelines.

Table 6. Effect Size Interpretation Criteria (f^2)

Value f^2	Category
< 0.02	Very small or negligible
0.02–< 0.15	Small
0.15–< 0.35	Medium
≥ 0.35	Large

Based on these criteria, the effect size of each relationship in the research model needs to be calculated using the SmartPLS output. The available manuscript does not contain an f^2 value for the relationship between transformational leadership and work motivation, innovative work behavior, adhocratic culture, and employee performance, as well as the relationship between each mediator and employee performance. Therefore, the relative contribution of each predictor cannot be empirically categorized.

Relevansi Prediktif (Predictive Relevance — Q^2)

Predictive relevance is used to evaluate the model's ability to predict the value of an indicator or endogenous construct. In a PLS-SEM procedure using blindfolding, a Q^2 value greater than zero indicates the presence of predictive relevance to the evaluated endogenous construct.

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Table 7. Predictive Relevance Interpretation Criteria (Q^2)

Q^2 Value	Interpretasi
$Q^2 > 0$	Demonstrate predictive relevance
$Q^2 \leq 0$	Doesn't show predictive relevance based on those criteria

In this study, the predictive relevance needs to be evaluated against endogenous constructs, namely work motivation, innovative work behavior, adhocratic culture, and employee performance. However, the Q^2 value is not yet available in the information provided in the research results. Thus, it cannot be concluded that the research model has predictive relevance based on empirical results. It should be noted that the Q^2 of the blindfolding procedure is different from the evaluation of predictive outside the sample using PLSpredict. If the study aims to assess the predictive ability of new data, the use of PLSpredict can provide additional information about the model's predictive performance.

Collinearity Test (Collinearity Test — VIF)

The collinearity test is performed to determine whether there is too high a correlation between the predictor variables that can affect the structural model estimation. This test uses the Variance Inflation Factor (VIF) value. A VIF value below 5 is generally used as an indication that collinearity is not at a serious level. As a more stringent criterion, a value below 3.3 can also be considered according to the analysis guidelines used**.**

Table 8. Interpretation Criteria for VIF Values

VIF Value	Interpretasi
FAST < 3.3	Relatively low collinearity based on strict criteria
3.3 ≤ LIVELY < 5.0	Needs to be considered and evaluated further
VIVID ≥ 5.0	Indicates a potential serious collinearity problem

In this research model, VIF examination needs to be carried out on structural relationships involving predictor constructs, especially when work motivation, innovative work behavior, adhocratic culture, and transformational leadership are used to predict employee performance. Examination is also required in formative measurement models if there is a construct that is indeed formatively specified. The actual VIF value is not yet available in the given manuscript. Therefore, the collinearity status cannot be determined and must be verified using the SmartPLS output.

Table 9. Evaluation of Effect Size, Predictive Relevance, and Collinearity

Evaluation Aspects	Indicator	General Criteria	Research Results	Status
Effect size	f^2	0.02 small; 0.15 medium; 0.35 large	Not yet available	The Need for Analysis
Predictive relevance	Q^2	$Q^2 > 0$ indicates predictive relevance to the corresponding procedure	Not yet available	The Need for Analysis
Kolinearitas	VIVID	below 5; below 3.3 as a more stringent criterion	Not yet available	The Need for Analysis

Evaluation of effect size, predictive relevance, and corlinearity is necessary to provide a more comprehensive picture of the quality of the structural model. The effect size f^2 helps assess the relative contribution of each predictor, Q^2 evaluates the predictive relevance according to the procedure used, while VIF identifies potential problems of collinearity between predictor variables. Although the manuscript has reported path coefficients and R^2 values, the results of f^2, Q^2, and VIF are not yet available. Therefore, empirical conclusions regarding these three

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aspects cannot be established. These values must be obtained from verified SmartPLS analysis outputs and should not be filled in using approximate numbers.

R^2 Consistency Check

The manuscript reports R^2 values of 0.66 for motivation, 0.69 for innovative work behavior, 0.64 for adhocracy culture, and 0.74 for employee performance. The consistency of these values with the reported path coefficients and correlation matrix cannot be established from the supplied document. In particular, the reported single-predictor paths and reported R^2 values should be checked against the same SmartPLS model run, noting that standardized path coefficients do not generally equal the square root of R^2 in a multiple-predictor model. Replace all values only after verifying the original output, and ensure the correlation matrix, path coefficients, R^2, and other structural statistics all come from the same model run.

Discussion

The findings of this study provide insight into how transformational leadership enhances employee performance at PT. Tiga Mitracon Indonesia, both directly and indirectly through employee motivation, innovative work behavior, and adhocracy culture. The discussion focuses on the relationships among these variables and their implications for organizational management. The reported statistical results suggest that transformational leadership plays an important role in shaping employees' work attitudes and behaviors. However, the interpretations below should be finalized after the coefficients, significance values, and mediation results have been verified against the original SmartPLS output.

The Effect of Transformational Leadership on Employee Performance

The reported results indicate a positive and statistically significant relationship between transformational leadership and employee performance ($\beta = 0.35$), ($t = 5.10$), ($p < 0.001$). This finding suggests that transformational leadership may contribute to better employee performance by establishing a clear organizational direction, communicating an inspiring vision, encouraging employees to think critically, and providing individualized support. These leadership behaviors can help employees understand their responsibilities, maintain commitment to organizational objectives, and improve the quality and effectiveness of their work.

In the context of PT. Tiga Mitracon Indonesia, transformational leadership may be particularly relevant when employees must coordinate tasks, respond to operational demands, and achieve performance targets. Leaders who communicate expectations clearly and provide constructive feedback can help employees align their individual efforts with organizational priorities. Intellectual stimulation may also encourage employees to identify more effective approaches to completing tasks, while individualized consideration can help leaders recognize differences in employees' abilities and developmental needs (Udin, 2023). Nevertheless, the positive coefficient should be interpreted as an association within the estimated structural model rather than definitive evidence of causation. Because the study uses a cross-sectional survey, the results do not establish whether transformational leadership produces sustained improvements in employee performance over time (Ryan and Deci, 2020).

The Effect of Transformational Leadership on Employee Motivation

The reported relationship between transformational leadership and employee motivation is positive and statistically significant ($\beta = 0.82$), ($t = 16.20$), ($p < 0.001$)). Among the direct relationships reported in the model, this is the largest coefficient. It indicates a strong

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association between employees' perceptions of transformational leadership and their motivation.

One possible explanation is that transformational leaders connect employees' daily responsibilities with broader organizational goals. Inspirational motivation can provide employees with a sense of purpose, while individualized consideration can help them feel that their contributions and professional development are valued. Intellectual stimulation may further encourage employees to take ownership of their responsibilities and approach workplace challenges with greater confidence (Alheet et al., 2021; Sulastri et al., 2025).

For management at PT. Tiga Mitracon Indonesia, this finding highlights the potential value of leadership practices that combine clear performance expectations with recognition, constructive feedback, and opportunities for development. However, the magnitude of the coefficient should be checked against the original output, including the measurement model and potential multicollinearity, before being interpreted as evidence that motivation is the strongest outcome of transformational leadership.

The Effect of Transformational Leadership on Innovative Work Behavior

Transformational leadership is also reported to have a positive and significant relationship with innovative work behavior ($\beta = 0.79$), ($t = 14.50$), ($p < 0.001$). This result suggests that employees who perceive their leaders as transformational may be more likely to generate ideas, promote potential improvements, and implement new ways of working.

Innovative work behavior involves more than producing creative suggestions. Employees must also communicate their ideas, gain appropriate support, and translate those ideas into practical changes. Transformational leaders may facilitate this process by encouraging intellectual exploration, responding constructively to suggestions, and helping employees view workplace problems as opportunities for improvement (Abedrabu et al., 2025).

At PT. Tiga Mitracon Indonesia, these practices may support improvements in work processes, coordination, service delivery, and operational problem-solving. Employees may be more willing to propose improvements when leaders demonstrate openness to new ideas and provide appropriate guidance during implementation. Nevertheless, the survey results alone do not establish which specific leadership behaviors or organizational practices account for the reported relationship. Further qualitative evidence or longitudinal research would help clarify these mechanisms.

The Effect of Transformational Leadership on Adhocracy Culture

The reported path from transformational leadership to adhocracy culture is positive and statistically significant ($\beta = 0.77$), ($t = 13.80$), ($p < 0.001$). This finding suggests that transformational leadership is associated with an organizational culture characterized by flexibility, creativity, innovation orientation, and a willingness to consider new approaches.

Leadership can contribute to the development of such a culture by communicating that employees are encouraged to learn, experiment responsibly, and identify opportunities for improvement. When leaders support initiative rather than relying exclusively on rigid procedures, employees may perceive greater room to contribute ideas and adapt to changing operational requirements (Muhammad Khizzir*, Amri, 2025).

For PT. Tiga Mitracon Indonesia, an adhocracy-oriented culture may be relevant when work requires adaptability, cross-functional coordination, and responses to changing customer or business needs. However, flexibility should not be interpreted as an absence of accountability. Innovation needs to operate alongside clear responsibilities, risk management, and performance standards. The reported coefficient supports an association between

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transformational leadership and adhocracy culture, but it does not independently demonstrate that the organization has already achieved a fully developed adhocracy culture.

The Effect of Employee Motivation on Employee Performance

The results indicate a positive and statistically significant relationship between employee motivation and employee performance ($\beta = 0.22$), ($t = 3.90$), ($p < 0.001$). This suggests that motivation is associated with employees' ability or willingness to direct effort toward completing their responsibilities and achieving work objectives.

Motivated employees may be more persistent when facing difficulties, more attentive to work requirements, and more willing to maintain consistent effort. Both intrinsic motivation, such as personal satisfaction and a sense of achievement, and extrinsic motivation, such as recognition and appropriate rewards, may be relevant to employee behavior. Their relative contributions, however, cannot be distinguished from the reported structural coefficient unless they were examined separately in the measurement or structural model (Lee, 2023).

For management, the findings suggest that motivation should be supported through clear goals, fair performance evaluation, recognition of employee contributions, and opportunities for professional development. Such initiatives should be aligned with employees' actual needs rather than assuming that all employees respond to the same incentives. Since the design is cross-sectional, the findings indicate a positive modeled relationship rather than proof that increasing motivation alone will necessarily produce a specific increase in performance.

The Effect of Innovative Work Behavior on Employee Performance

Innovative work behavior is reported to have a positive and statistically significant relationship with employee performance ($\beta = 0.28$), ($t = 4.30$), ($p < 0.001$). This result suggests that employees' efforts to generate, promote, and implement new ideas are associated with better performance outcomes.

The potential contribution of innovative work behavior lies in its capacity to improve existing work methods, identify inefficiencies, and develop solutions to operational problems. Idea generation may help employees recognize opportunities for improvement, while idea promotion can mobilize support from colleagues and supervisors. Implementation then converts promising ideas into practical changes that may contribute to work quality, efficiency, and effectiveness (Vikas et al., 2020)..

For PT. Tiga Mitracon Indonesia, management could support innovative work behavior through employee suggestion mechanisms, collaborative problem-solving, and structured evaluation of improvement proposals. These practices should be accompanied by realistic implementation resources and appropriate monitoring so that innovation contributes to measurable organizational objectives. The reported coefficient is consistent with a positive relationship, although the actual performance benefits of specific innovations would require additional evidence.

The Effect of Adhocracy Culture on Employee Performance

The reported results show a positive and statistically significant relationship between adhocracy culture and employee performance ($\beta = 0.25$), ($t = 4.00$), ($p < 0.001$)). This finding suggests that a work environment emphasizing flexibility, creativity, and innovation is associated with employee performance.

An adhocracy culture may enable employees to adapt their approaches when existing procedures do not adequately address workplace challenges. It may also encourage collaboration and initiative, allowing employees to contribute to organizational problem-

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solving. These characteristics can be particularly useful when employees face changing work requirements or opportunities to improve established processes.

Nevertheless, an adhocracy culture does not automatically guarantee higher performance. Excessive flexibility without coordination, clear responsibilities, or appropriate controls can lead to inconsistent decisions and inefficient resource use. The managerial implication is therefore to combine flexibility and experimentation with clear performance indicators, defined authority, and accountability. The positive coefficient supports the relevance of adhocracy culture within the proposed model, but its practical contribution should also be evaluated against actual organizational performance indicators.

The Mediating Role of Employee Motivation

The reported indirect relationship between transformational leadership and employee performance through motivation is positive and statistically significant ($\beta = 0.18$), ($t = 3.75$), ($p < 0.001$). This finding suggests that motivation may represent one pathway through which transformational leadership is associated with employee performance.

Transformational leadership may strengthen employees' sense of purpose, confidence, and commitment to organizational objectives. These motivational conditions may, in turn, encourage employees to devote greater effort to their responsibilities. From this perspective, leadership contributes to performance not only through direct guidance and coordination but also through employees' internal and external reasons for investing effort in their work.

The mediation result is potentially important because it indicates that leadership practices and employee motivation should be considered together when developing performance-improvement strategies. Managers may benefit from combining inspirational communication with meaningful feedback, recognition, and development opportunities. However, the reported indirect effect does not by itself establish whether mediation is partial or full. That conclusion requires examination of the direct effect of transformational leadership on employee performance when motivation is included in the model, alongside the bootstrapped indirect-effect confidence interval.

The Mediating Role of Innovative Work Behavior

The reported indirect effect of transformational leadership on employee performance through innovative work behavior is positive and statistically significant ($\beta = 0.22$), ($t = 4.05$), ($p < 0.001$). This suggests that innovative work behavior may be an important mechanism linking leadership with employee performance.

Transformational leaders can encourage employees to question established practices, identify opportunities for improvement, and develop solutions to workplace problems. When employees receive sufficient support to promote and implement their ideas, these behaviors may contribute to better ways of completing tasks. Innovative work behavior thus provides a potential behavioral pathway connecting leadership practices with performance outcomes (Ibrahim et al., 2022).

The finding implies that leadership development should not focus exclusively on communication and employee motivation. It may also be useful to create organizational processes through which employees can propose, test, and implement improvements. For example, managers could establish regular improvement discussions, provide feedback on employee proposals, and assess the outcomes of implemented ideas. These are managerial implications derived from the proposed relationship; the study would need additional evidence to establish which interventions are most effective in the organization.

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As with the motivation pathway, the classification of this relationship as partial or full mediation should depend on the estimated direct effect and the bootstrap confidence interval for the indirect effect, rather than the indirect-effect significance test alone.

The Mediating Role of Adhocracy Culture

The reported indirect effect of transformational leadership on employee performance through adhocracy culture is positive and statistically significant ($\beta = 0.19$), ($t = 3.88$), ($p < 0.001$). This finding suggests that adhocracy culture may provide an organizational pathway through which transformational leadership is associated with employee performance. Where transformational leaders encourage flexibility, creativity, and responsible experimentation, these values may become embedded in workplace practices and shared expectations. An organizational culture that supports initiative may then enable employees to respond more effectively to challenges and pursue improvements in work processes. In this interpretation, leadership is associated with performance not only through individual employee responses but also through the organizational environment in which employees perform their duties.

For PT. Tiga Mitracon Indonesia, the practical implication is to align leadership behavior with organizational systems that support collaboration, innovation, and responsible decision-making. Management could reinforce these priorities through consistent communication, employee involvement, and performance assessments that recognize both effective execution and constructive improvement. At the same time, innovation should remain compatible with operational requirements, risk controls, and organizational accountability (Saif et al., 2024).

The mediation claim should be confirmed by checking the original bootstrap results and the direct path from transformational leadership to employee performance. Moreover, because culture is an organizational-level concept while the data were collected through an employee survey, the measurement and interpretation of adhocracy culture should be clearly justified. Employee perceptions of culture should not automatically be treated as proof of an organization-wide cultural characteristic unless the research design supports that inference.

Overall Theoretical and Managerial Implications

Taken together, the reported results present transformational leadership as a factor associated with employee performance through both direct and indirect pathways. The direct relationship indicates that leadership remains relevant after accounting for the mediating variables in the structural model, assuming the reported coefficient represents the direct path estimated alongside those mediators. The indirect relationships suggest that motivation, innovative work behavior, and adhocracy culture may represent distinct pathways connecting leadership with performance.

The three mediators reflect different analytical levels. Motivation concerns employees' willingness to direct effort toward work objectives. Innovative work behavior concerns the actions through which employees develop and implement new ideas. Adhocracy culture concerns the perceived organizational environment supporting flexibility and innovation. Considering these pathways together provides a broader perspective on performance than examining leadership as an isolated managerial behavior.

For organizational practice, the results suggest that performance improvement should not rely solely on issuing instructions or setting targets. Leadership development may be more effective when it is accompanied by motivational support, opportunities for employee innovation, and organizational arrangements that enable responsible experimentation. These measures should be assessed through observable outcomes, including work quality, productivity, timeliness, and the effectiveness of operational processes.

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The study also has methodological limitations that should be acknowledged. First, its cross-sectional design limits conclusions about temporal order and causality. Second, if all constructs were measured using the same employee questionnaire, common-method bias may affect the estimated relationships and should be assessed where possible. Third, the findings concern one organizational setting and should not automatically be generalized to other companies or industries. Finally, the reported coefficients, significance values, reliability statistics, and (R^2) values should be reconciled with the original SmartPLS output before publication.

In conclusion, the reported findings support the proposed model in which transformational leadership is positively associated with employee performance directly and indirectly through motivation, innovative work behavior, and adhocracy culture. The main contribution is the integrated examination of employee-level and organizational-cultural pathways. The strength of the empirical contribution, however, depends on transparent reporting of the measurement model, structural model, bootstrap confidence intervals, and relevant validity and diagnostic assessments.

CONCLUSION

This study examines the relationship between transformational leadership and employee performance at PT. Tiga Mitracon Indonesia, with employee motivation, innovative work behavior, and adhocracy culture as mediating variables. Based on the reported PLS-SEM results, transformational leadership has a positive and statistically significant relationship with employee performance (β =0.35, t = 5.10, $p < 0.001$). This finding suggests that leadership practices characterized by an inspiring vision, intellectual stimulation, and individualized consideration are associated with better employee performance. Transformational leadership is also positively associated with employee motivation (β= 0.82), innovative work behavior (β= 0.79), and adhocracy culture ((β= 0.77). These relationships indicate that transformational leadership may contribute to a work environment in which employees are more motivated, more willing to develop and implement new ideas, and more receptive to flexibility and innovation. Furthermore, employee motivation (β = 0.22), innovative work behavior (β = 0.28), and adhocracy culture (β = 0.25) each show a positive and statistically significant relationship with employee performance. The reported indirect effects also support the proposed mediating roles of these three variables. The indirect effect through employee motivation is β = 0.18, through innovative work behavior is (β = 0.22), and through adhocracy culture is β = 0.19; all are reported as statistically significant at ($p < 0.001$. These findings suggest that the relationship between transformational leadership and employee performance may operate through motivational, behavioral, and organizational-cultural pathways.

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