



The Effect of Transformational Leadership and Job Autonomy on Employee Performance: The Mediating Role of Innovative Work Behavior

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ABSTRACT: This research explores the effect of transformational leadership and work autonomy on employee performance through the role of innovative work behavior as a mediator. This study uses a quantitative approach with data collection through a survey involving 45 marketers from various industries as respondents in this study. The questionnaire results were then analyzed using PLS-SEM software. The findings show that transformational leadership positively and significantly influences employee performance and this influence can be explained through the mediating effect of innovative work behavior. However, the opposite result was found between work autonomy and employee performance where work autonomy did not positively and significantly influence employee performance. Managers can enhance marketing personnel performance by implementing transformational leadership. This leadership style fosters innovative work behavior which is very useful for overcoming problems and challenges at work.

Keywords: Transformational Leadership, Innovative Work Behavior, Employee Performance, Job Autonomy.



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INTRODUCTION

Employee performance (EP) is a key factor in an organization's success because it directly impacts the organization's productivity, efficiency, and competitiveness. A dynamic business environment is characterized by quick changes in client orientation, market trends, peer rivals, and business growth prospects (Rodríguez-Peña, 2021). Companies in this dynamic business environment must find solutions to encourage innovation for long-term development while maintaining competitive advantage. A company's ability to innovate reflects its employees' abilities to find solutions when faced with a new and complex situation or problem related to their work and require innovative solutions to solve it (Afsar & Umrani, 2020; Putri et al., 2023; Udin, 2023). By using their abilities, employees can look for new ways to solve problems in their work to increase their performance.

Transformational leadership (TL) is a leadership concept that emphasises a leader's ability to inspire and motivate followers towards positive change and the achievement of higher common goals (Wiyono, 2019). Transformational leaders have characteristics such as a clear vision, strong communication, and a commitment to empowering employees. They not only focus on achieving organizational goals, but also on the personal and professional development of employees. By providing an exciting and challenging

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vision, transformational leaders can motivate employees to exceed their own expectations. They also encourage innovation and creativity and provide the support and recognition needed to empower employees to face challenges and achieve higher performance.

Job autonomy (JA) is becoming increasingly important in the context of modern, dynamic organizations, where flexibility and adaptability are key to success. By granting job autonomy, employees are given the freedom and responsibility to make decisions and carry out their tasks. This allows employees to innovate, take initiative, and adjust their work methods to changing conditions, resulting in greater efficiency and productivity. Additionally, job autonomy enhances employee satisfaction as they feel trusted and valued, which in turn can increase their motivation and engagement in their work. When employees have greater control over how they complete their tasks, they tend to feel more responsible for the outcomes, which can contribute to overall improvement in organizational performance ([Fauzan, 2024](#)).

Innovative work behavior (IWB) is a concept that describes the proactive actions of employees in generating new ideas, solving problems, and creating innovative solutions that can support organizational development. This behavior serves as a crucial factor in mediating the relationship between TL, JA, and EP. TL which inspires and provides a clear vision, combined with job autonomy that grants freedom in decision-making, encourages employees to engage in IWB. When employees feel supported and have the space to explore new ideas, they are more motivated to contribute to organizational innovation. This not only enhances individual performance but also drives the organization to continuously evolve and remain competitive in a changing market. Innovative work behavior enables employees to become agents of change, directly improving overall organizational performance and competitiveness ([Nurchayati, 2020](#)).

Transformational leadership is recognized by researchers as an important factor that has a positive influence on EP ([Hubais et al., 2023](#); [Nasir et al., 2022](#); [Udin, 2023](#)). Transformational leadership can create a supportive environment and provide resources such as equipment, facilities, and finances needed to encourage employee IWB ([Afsar & Umrani, 2020](#); [Baafi et al., 2021](#); [Grošelj et al., 2020](#); [Naguib & Naem, 2018](#)). However, other scholars found the opposite result where TL does not affect EP ([Aditya et al., 2022](#); [Pamungkas et al., 2023](#); [Putra & Syahrul, 2023](#)). We assume these inconclusive findings can be explained by a specific mechanism (through the role of mediators). In this research, we try to explain the influence of transformational leadership on employee performance through the mediating role of IWB. We also examine job autonomy's influence on IWB and EP.

This research has high relevance in today's modern organizational context, especially in the midst of a dynamic and fast-changing work environment. In the era of globalisation and intensified competition, organizations are required to continuously adapt and innovate in order to maintain a competitive advantage. Understanding the factors that influence employee performance, such as transformational leadership and work autonomy, is crucial to creating a work environment that supports productivity and innovation. Leadership that encourages transformation and provides autonomy to employees can increase innovative work behaviour, which in turn strengthens individual and overall organizational performance. The urgency of this research lies in the need to equip organizations with applicable insights to meet the challenges of constant change and ensure survival and success in global competition.

This research identifies a gap in the existing literature, namely the lack of in-depth studies on the role of innovative work behaviour as a mediator between transformational leadership, work autonomy, and employee performance. Most previous studies tend to focus on the direct relationship between leadership and performance or between work autonomy and performance, without exploring how innovative work behaviour can be a key factor linking these variables.

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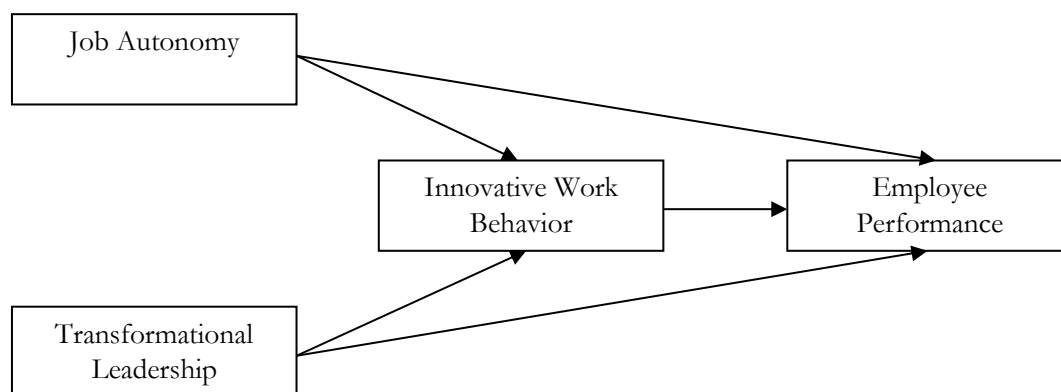
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The purpose of this study is to explore and analyse the effect of transformational leadership and work autonomy on employee performance, as well as to examine the mediating role of innovative work behaviour in the relationship. This study aims to understand the extent to which transformational leadership and autonomy provided to employees can enhance their innovative behaviour, which in turn contributes to improving overall employee performance. As such, this research is expected to provide greater insight into the key factors that influence employee performance, as well as provide practical recommendations for organizations to optimize leadership and work environment to achieve better results.

METHOD

This research uses quantitative research methods. Data for this study was collected through structured questionnaires sent to 45 respondents who work as marketing personnel in various industries. Transformational leadership is assessed through key behaviors that characterize a leader's ability to identify and articulate a vision, foster acceptance of group goals, provide individual support, and intellectually stimulate their followers. To measure employee performance, we adopt performance measurement from (Koopmans et al., 2012). This measurement aims to find out whether employees feel their task performance has increased or not. There are two dimensions measured by task performance, namely work management and work outcomes. To measure innovative work behavior, we use a scale developed by (Scott & Bruce, 1994). Job autonomy was measured using three scales in the work autonomy measurement from (Breugh, 1985). Each scale has three items, each of which describes work method autonomy. The data obtained were analyzed using statistical techniques with the SmartPLS program, including path analysis to test the direct and indirect relationships between variables, as well as mediation tests to evaluate the role of innovative work behaviour as a mediator. The study population and sample were randomly selected considering sufficient representation from various industries, and the validity and reliability of the instruments were tested before use to ensure the accuracy of the results. Based on the prior discussion, Figure 1 depicts the research model and gives a summary of the factors and hypotheses that guide this investigation.

Figure 1. Research Model



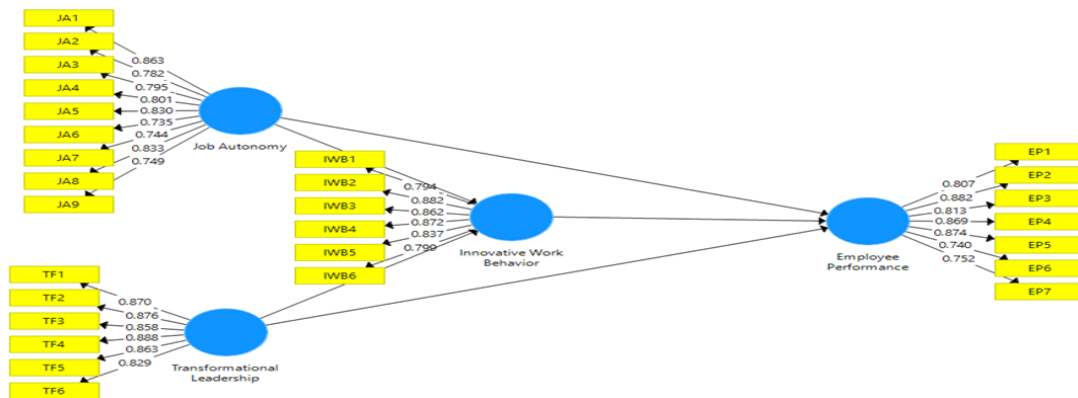
RESULT AND DISCUSSION

The outer loadings of the indicators are measured to determine the reliability significance (Hair et al., 2019). The indicator is said to have significant reliability if the value of the outer loading reaches 0.7 or higher. Figure 2 shows that all indicators have significant reliability with outer loading values above 0.70.

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Figure 2. Outer Loadings.



In this study, validity and reliability are considered met if they exceed a value of 0.7.

Table 1. AVE

| | Cronbach's Alpha | Composite Reliability | AVE |
|-----|------------------|-----------------------|------|
| EP | ,919 | ,921 | ,675 |
| IWB | ,917 | ,920 | ,708 |
| JA | ,926 | ,933 | ,630 |
| TL | ,932 | ,933 | ,747 |

In the third stage, as shown in Table 1, the AVE values for each construct exceed 0.5 (ranging from 0.675 to 0.747), indicating that each construct accounts for more than half of the variance in its indicators. In the fourth stage, an evaluation of the discriminant validity of the model is conducted to ensure that each construct is distinct and has its uniqueness compared to other constructs.

Table 2. Fornell-Larcker Criterion

| | EP | IWB | JA | TL |
|-----|-------|-------|-------|-------|
| EP | 0,821 | | | |
| IWB | 0,705 | 0,842 | | |
| JA | 0,515 | 0,812 | 0,794 | |
| TL | 0,724 | 0,791 | 0,680 | 0,864 |

Table 3. Heterotrait-Monotrait Ratio (HTMT)

| | EP | IWB | JA |
|-----|-------|-------|-------|
| EP | | | |
| IWB | 0,819 | | |
| JA | 0,277 | 0,436 | |
| TL | 0,854 | 0,781 | 0,339 |

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Evaluation of Structural Models

Table 4. Collinearity Statistics (VIF)

| | EP | IWB | JA | TL |
|-----|-------|-------|----|----|
| EP | | | | |
| IWB | 4,278 | | | |
| JA | 2,970 | 1,859 | | |
| TL | 2,706 | 1,859 | | |

From [Table 5](#), transformational leadership has a significant positive effect on employee performance ($b = 0,695, t = 6,526, p < 0,050$). This result gives support to hypothesis [H1](#). [Table 5](#) also shows that TL has a positive and significant influence on IWB ($b = 0,445, t = 4,625, p < 0,050$), IWB has a positive and significant influence on EP ($b = 0,514, t = 2,261, p < 0,050$) and JA has a positive and significant influence on IWB ($b = 0,510, t = 4,755, p < 0,050$). Therefore, [H2](#), [H3](#), dan [H5](#) are supported. However, the opposite results show that JA does not have a positive and significant influence on EP ($b = 0,043, t = 0,318, p > 0,050$). Therefore, [H4](#) is not supported.

Table 5. Path Coefficient, Total Effects

| Hypotheses | Path Coefficient | t values | p values |
|------------|------------------|----------|----------|
| TL -> EP | 0,695 | 6,526 | 0,000 |
| TL -> IWB | 0,445 | 4,625 | 0,000 |
| IWB -> EP | 0,514 | 2,261 | 0,024 |
| JA -> EP | 0,043 | 0,318 | 0,750 |
| JA -> IWB | 0,510 | 4,755 | 0,000 |

The results from [Table 6](#) show that IWB mediates the relationship between TL dan EP ($b = 0,229, t = 2,094, p < 0,05$); therefore, [H6](#) is supported. However, IWB fails to mediate the relationship between JA and EP ($b = 0,262, t = 1,852, p > 0,005$). Thus, [H7](#) is not supported.

Table 6. Indirect Effects

| Hypothesis | beta | t values | p values |
|-----------------|-------|----------|----------|
| TL -> IWB -> EP | 0,229 | 2,094 | 0,036 |
| JA -> IWB -> EP | 0,262 | 1,852 | 0,064 |

R² is utilized to assess the model's explanatory capability. [Table 7](#) shows that EP has an R² value of 0.644, which means that TL, IWB, and JA have a moderate explanatory power on EP ([A Kassem et al., 2020](#)). Likewise, innovative work behavior has an R² value of 0,489, which means that TL and JA have a moderate explanatory power on IWB.

Table 7. R²

| | R ² | R ² adjusted |
|-----|----------------|-------------------------|
| EP | ,644 | ,618 |
| IWB | ,489 | ,465 |

[Table 8](#) presents the f² values for each construct. From [Table 8](#) it can be seen that both JA and IWB have small effects on EP; TL has a moderate effect on EP; JA and TL have a large effect on IWB.

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Table 8. f^2

| | Employee Performance | Innovative Work Behavior |
|-----|----------------------|--------------------------|
| EP | | |
| IWB | 0,149 | |
| JA | 0,039 | 0,598 |
| TL | 0,195 | 0,456 |

Table 9 indicates that all indicators have Q^2 predictive values greater than 0, demonstrating that the model satisfies the general criterion for predictive relevance (Hair et al., 2019).

Table 9. PLS_{predict} assesment

| Constructs | Indicators | Q^2_{predict} | RMSE | | |
|--------------------------|------------|------------------------|-------|-------|--------|
| | | | PLS | LM | PLS-LM |
| Employee Performance | EP1 | 0,194 | 0,532 | 0,763 | -0,239 |
| | EP2 | 0,341 | 0,409 | 0,626 | -0,209 |
| | EP3 | 0,268 | 0,470 | 0,655 | -0,193 |
| | EP4 | 0,337 | 0,527 | 0,757 | -0,227 |
| | EP5 | 0,398 | 0,391 | 0,516 | -0,119 |
| | EP6 | 0,327 | 0,557 | 0,805 | -0,248 |
| | EP7 | 0,326 | 0,527 | 0,773 | -0,237 |
| Innovative Work Behavior | IWB1 | 0,519 | 0,459 | 0,566 | -0,109 |
| | IWB2 | 0,547 | 0,469 | 0,579 | -0,117 |
| | IWB3 | 0,483 | 0,600 | 0,808 | -0,215 |
| | IWB4 | 0,507 | 0,552 | 0,801 | -0,225 |
| | IWB5 | 0,584 | 0,457 | 0,642 | -0,159 |
| | IWB6 | 0,453 | 0,550 | 0,720 | -0,170 |

The Effect of Transformational Leadership on Employee Performance

Research shows that transformational leadership has a significant positive effect on employee performance. This finding is consistent with prior research (Anom & Gustomo, 2023; Futri et al., 2023). Transformational leadership is known as a leadership style that focuses on inspiring, motivating, and developing employees to reach their highest potential. Leaders who apply this style not only provide clear direction but also build strong emotional connections with employees, encouraging them to exceed personal goals and contribute more significantly to the organization's vision. Transformational leaders are able to inspire a greater sense of responsibility, increase commitment, and foster innovation in the workplace.

This positive effect can be explained through the four main components of transformational leadership: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. Leaders who serve as role models (idealized influence) create a sense of respect and trust among employees, while inspirational motivation makes employees feel connected to the organization's broader goals. Intellectual stimulation encourages employees to think creatively and find new solutions to challenges, and attention to individual employee needs (individualized consideration) helps them feel valued and supported in their career development. The combination of these elements enhances employee engagement and satisfaction, ultimately strengthening their performance.

Furthermore, transformational leadership also has important long-term effects in shaping a proactive and adaptive organizational culture. Transformational leaders are able to create a work environment where employees feel encouraged to take initiative, innovate, and continually grow. Employees working under such leadership tend to show higher commitment to the organization and superior performance because

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they feel valued and aligned with the organization's vision. Thus, transformational leadership not only boosts individual performance but also contributes to the overall success of the organization, especially in facing challenges in an increasingly complex and competitive business environment.

The Effect of Transformational Leadership on Innovative Work Behaviour

Transformational leadership (TL) has a positive and significant influence on innovative work behavior (IWB). This finding aligns with studies by [\(Nugroho et al., 2023\)](#); [\(Oktaviana, 2022\)](#). Transformational leaders focus not only on achieving short-term goals but also on inspiring employees to think beyond conventional boundaries and discover new ways to improve performance. By providing a clear vision and empowering employees to participate in decision-making, these leaders create an environment where innovation can thrive. This results in employees being more motivated to engage in innovative behaviors, such as generating new ideas, improving processes, and implementing effective solutions.

The core components of transformational leadership, such as intellectual stimulation and inspirational motivation, directly impact IWB. Through intellectual stimulation, leaders encourage employees to challenge the status quo and explore new approaches in their work. This provides employees with the freedom to experiment and innovate without fear of failure. Inspirational motivation, on the other hand, drives employees to view challenges as opportunities for innovation rather than obstacles. These aspects make employees more enthusiastic about generating creative ideas and taking the initiative in implementing innovations in the workplace.

Furthermore, individualized consideration, a key aspect of transformational leadership, also plays a crucial role in enhancing IWB. By giving special attention to the needs, potential, and development of each employee, transformational leaders ensure that employees feel supported in their efforts to innovate. When employees feel that their innovative efforts are valued and recognized by management, they are more motivated to continue seeking new ways to accomplish tasks and improve performance. As a result, organizations led by transformational leaders tend to have an innovative work culture where IWB becomes an integral part of daily operations, contributing to the organization's long-term success.

The Effect of Innovative Work Behaviour on Employee Performance

Innovative Work Behavior (IWB) has a positive and significant impact on Employee Performance (EP). This finding is supported by studies from [\(Hong & Zainal, 2022\)](#); [\(Oktaviana, 2022\)](#); [\(Utomo et al., 2023\)](#). Innovation is a key factor that drives increased productivity and effectiveness in the workplace. Employees who engage in innovative behaviors tend to seek new and better ways to accomplish their tasks, ultimately improving the efficiency and quality of their output. When employees actively develop and implement new ideas, they not only enhance their individual performance but also contribute to the overall achievement of organizational goals.

IWB encompasses various aspects such as idea generation, implementation of new solutions, and knowledge sharing with colleagues. Employees who exhibit these behaviors can provide significant added value to the organization through improved work processes, the introduction of new products or services, and adaptation to market changes. The innovations initiated by employees not only refine existing work methods but also open opportunities for continuous improvement, directly impacting individual performance enhancement. Therefore, more innovative employees tend to have higher performance because they are able to complete tasks more efficiently and effectively, while also contributing more significantly to the organization's success.

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Additionally, IWB plays a crucial role in boosting employee motivation and job satisfaction, which in turn positively affects their performance. Employees who feel empowered to innovate and see positive results from their efforts tend to have higher job satisfaction, which motivates them to continue performing well. This satisfaction also increases employee commitment to the organization, strengthening their performance in the long term. Thus, fostering IWB in the workplace not only directly enhances employee performance but also helps build a proactive, innovative, and results-oriented organizational culture.

The Effect of Work Autonomy on Employee Performance

The research findings indicate that job autonomy does not have an impact on employee performance. This finding contradicts the results of studies by ([Dewi & Kurniawan, 2023](#); [Prasetyo, 2022](#); [Riski, 2023](#)). Job Autonomy (JA), although often considered a factor that can enhance Employee Performance (EP), does not always have a positive and significant influence. One of the main reasons is that not all employees respond to autonomy in the same way. Some employees may feel burdened by the freedom given to them, especially if they lack the skills or confidence to make independent decisions. In such situations, job autonomy can lead to confusion, stress, or even decreased productivity, as employees may feel they do not have sufficient guidance to effectively complete their tasks.

Moreover, job autonomy without adequate support from management or colleagues can result in isolation and a lack of collaboration. When employees are given too much autonomy without clear direction or supportive resources, they may struggle to achieve the expected outcomes. This can lead to a decline in performance, as employees may spend more time trying to find solutions on their own rather than working effectively within a team or seeking help when needed. Therefore, excessive autonomy without proper structure and support can actually hinder employee performance.

Lastly, the organizational context and type of work also influence the impact of job autonomy on performance. In highly structured work environments or jobs that require strict adherence to procedures, high autonomy may be irrelevant or even counterproductive. Employees in these situations may benefit more from clear guidance and close supervision rather than the freedom to make their own decisions. Therefore, while job autonomy can improve performance under certain conditions, the research shows that its impact is not always positive and significant, depending on the work context and the individual characteristics of employees.

The Effect of Work Autonomy on Innovative Work Behaviour

Job Autonomy (JA) has a positive and significant impact on Innovative Work Behavior (IWB). This finding aligns with the results of studies by ([Dara & Hamidah, 2022](#); [Huu, 2023](#)). JA provides employees with the freedom to explore and implement their creative ideas. When employees have greater control over how they complete tasks and make decisions, they feel more empowered to try new approaches and experiment without fear of strict limitations. This freedom creates an environment that supports innovation, enabling employees to seek more effective and creative solutions in their work.

Job autonomy also enhances intrinsic motivation, which is a key factor in innovative behavior. When employees feel they have control over their work, they are more likely to be motivated to innovate because they feel their efforts have a direct impact on the outcomes of their work. Autonomy provides a sense of responsibility and ownership, driving employees to be more committed to pursuing new ideas and improving work processes. This intrinsic motivation, in turn, encourages them to engage in positive innovative work behavior.

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Furthermore, job autonomy allows employees to align their work with their personal skills and interests, which can strengthen creativity and innovation. By having the freedom to explore new ways of completing tasks, employees can apply their unique skills and discover solutions that might not be apparent within a more structured framework. The ability to adapt and implement new ideas in their work not only enhances individual effectiveness but also contributes to overall organizational innovation. Therefore, job autonomy plays a crucial role in facilitating and enhancing IWB, making it an essential element in creating an innovative and productive work culture

The Effect of Transformational Leadership on Employee Performance Mediated by Innovative Work Behaviour

Innovative Work Behavior (IWB) can mediate the relationship between transformational leadership and employee performance (EP) because IWB serves as a bridge connecting the inspiration and motivation provided by leaders with enhanced work outcomes. Transformational leadership, characterized by inspirational motivation and intellectual stimulation, can create an environment where employees feel encouraged to innovate and pursue creative ideas. Inspirational leaders ignite the enthusiasm and desire of employees to contribute maximally, while intellectual stimulation pushes them to think creatively. IWB then emerges as a behavior driven by this motivation, directly contributing to improved employee performance. This finding aligns with previous research that shows TL positively influences IWB ([Afsar & Umrani, 2020](#); [Baafi dkk., 2021](#); [Grošelj dkk., 2020](#)).

Moreover, IWB functions as a mediator that channels the energy and creativity instilled by transformational leadership into concrete actions that enhance performance. Employees engaged in innovative behavior are more likely to seek new and better solutions for completing their tasks and strive to implement the innovative ideas they develop. This process not only improves the quality and efficiency of their work but also enhances overall performance outcomes. Thus, IWB connects transformational leadership with employee performance by translating the leader's encouragement and inspiration into innovative actions that boost productivity and effectiveness.

Finally, the mediating role of IWB also reflects how transformational leadership can facilitate the development of employee skills and capabilities that contribute to better performance. Transformational leaders often provide support and recognition for employees' innovative efforts, encouraging them to continue innovating and improving their skills. With IWB, the new ideas developed by employees can be implemented in ways that enhance their work outcomes. As a result, employee performance increases because they are more effective in completing tasks and facing challenges, thanks to the support and motivation provided by transformational leadership through the innovative behaviors they exhibit.

The Effect of Work Autonomy on Employee Performance Mediated by Innovative Work Behaviour

The research findings indicate that IWB cannot mediate the relationship between job autonomy and employee performance. These results contradict previous research that demonstrated the positive influence of job autonomy on employee performance ([Deusdedit, B., Michael, M.N., & Solome, 2022](#); [Jing et al., 2021](#); [Kim et al., 2019](#)); ([Afsar & Umrani, 2020](#)). Innovative Work Behavior (IWB) does not always mediate the relationship between Job Autonomy (JA) and Employee Performance (EP) because certain factors can limit the effectiveness of innovation in enhancing performance. While job autonomy gives employees the freedom to make decisions and explore new ideas, without adequate support and clear structure, this freedom may not effectively improve performance. Employees given autonomy but lacking proper guidance or resources may feel confused or stressed, leading to innovative behavior that does not always contribute to significant performance improvements.

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Additionally, not all employees respond to job autonomy in ways that stimulate innovative behavior. Some individuals may feel uncomfortable or lack confidence in dealing with the freedom provided, especially if they are inexperienced or lack the necessary skills to manage autonomy effectively. In such cases, job autonomy does not encourage them to innovate; instead, it may cause confusion or decreased performance because they feel unprepared to utilize the freedom given. Consequently, the resulting IWB may not mediate the relationship between job autonomy and employee performance as expected.

Finally, IWB may not always be relevant or effective in certain job contexts. In some highly structured jobs or those requiring strict adherence to procedures, job autonomy does not necessarily lead to innovative behavior that can enhance performance. Employees in highly structured work environments may benefit more from strict guidance and supervision, and high autonomy could reduce their focus on assigned tasks. In this context, although job autonomy can facilitate innovation, the innovative behavior that emerges may not be strong or relevant enough to mediate the relationship between job autonomy and employee performance significantly.

Theoretical Implications

The study makes several theoretical contributions to the academic literature. Firstly, since numerous studies on the impact of TL on EP have yielded conflicting results, this research reinforces earlier findings that TL positively affects EP ([Hubais et al., 2023](#); [Nasir et al., 2022](#); [Udin, 2023](#)). Our findings confirm that IWB significantly mediates the relationship between TL and EP, but does not mediate the relationship between job autonomy and employee performance. Job characteristics may help explain why job autonomy lacks a direct or indirect impact on employee performance. In a highly standardized workflow, employees have limited influence over decision-making, adhering strictly to established regulations, policies, and procedures. When decision-making is restricted, employees may perceive their work as less meaningful and valuable, leading to a reduced likelihood of creating unique solutions, pursuing new ideas, or suggesting service improvements ([Luoh et al., 2014](#)). Based on these job characteristics, job autonomy may not have a significant influence on employee performance.

Managerial Implications

Our findings suggest that transformational leadership has a favorable influence on employees' innovative work behavior. Consequently, managers can enhance workers' creative work practices within the company by utilizing the fundamentals of transformational leadership. Transformational leaders are always accessible to assist and motivate their followers to approach things in new ways. Managers should foster an environment of autonomy, innovation, and creativity in the workplace to inspire workers to learn new skills that can be used to overcome problems in their work. Encouraging employees to take on difficult assignments and to be fearless in the face of their ideas' failures can greatly improve innovative work behavior practices.

CONCLUSION

This research underscores the importance of applying transformational leadership to improve employee performance by inspiring innovative work behaviour. The findings suggest that transformational leadership can significantly foster innovation among employees, which is beneficial for organisations facing challenges that require new solutions. However, while work autonomy can foster innovation, its success is highly dependent on the presence of competent supervision to ensure the freedom is effective. The theoretical implications of this study add to the understanding of how transformational leadership and innovative

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behaviour interact in improving performance. Practically, companies are advised to adopt leadership styles that support innovation and regulate work autonomy with appropriate supervision. For future research, it is recommended to explore how different leadership styles and industry contexts influence this relationship, as well as conduct longitudinal studies to understand the long-term development of these strategies.

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