THE EFFECT OF TRANSFORMATIONAL AND TRANSACTIONAL LEADERSHIP ON EMPLOYEE PERFORMANCE MEDIATED BY INNOVATIVE WORK BEHAVIOR

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KEYWORDS
Transformational Leadership; Transactional Leadership; Innovative Work Behaviour; Employee Performance

ABSTRACT
The purpose of this research is to examine the effect of transformational and transactional leadership on the employee performance of chicken slaughterhouse with the mediation of innovative work behaviour. This study was conducted on Chicken Slaughterhouse PT. XYZ, from which 120 employees were selected as the respondents using purposive sampling. The data was harvested from questionnaires and was analyzed using Partial Least Squares in SmartPLS 3.2.9. The results of the study show that transformational leadership has no direct significant effect on employee performance, whereas transactional leadership has a direct positive and significant effect on employee performance. Furthermore, the research results also show a positive and significant effect of transformational and transactional leadership on innovative work behavior and innovative work behavior has a positive and significant effect on employee performance. Interestingly, innovative work behavior is able to mediate the influence of transformational and transactional leadership on employee performance.

INTRODUCTION
The 21st century is the century of openness or the global century as it is today, which has a very broad influence on all aspects of human life. The 21st century focuses on quality in various fields of human life to respond to these global challenges (Wijaya et al., 2016). From an HDI perspective, Indonesia is ranked 5th out of all Asean countries and 107th out of 189 countries in the world (UNDP, 2020). The main problem with low HDI in Indonesia is stunting. Namely, 24.4% of Indonesian toddlers experience stunting (SSGI, 2021). Headey et al. (2018) stated that fulfilling the consumption of animal protein affects nutritional status (stunting) and the quality development of Indonesian people. This is in accordance with the assertion of the United Nations Children's Fund (UNICEF), Data from the Organization for Economic Co-operation and Development (OECD) shows that in 2017 Indonesian people's meat consumption only reached an average of 1.8 kg for beef, 7 kg for chicken, 2.3 kg for pork and 0.4 kg for mutton. This is very different from Malaysia, with consumption levels reaching 4.8 kg of beef, 46 kg of chicken, 2.6 kg of pork and 1 kg of mutton. While the Philippines reached 3.1 kg of beef, 12.6 kg of chicken, 15.4 kg of pork and 0.5 kg of mutton. Thailand consumed 1.7 kg of beef, 14.5 chicken and 10.4 pork, while Vietnam consumed 9.9 kg of beef, 13 kg of chicken, 30.4 kg of pork and 1.7 kg of mutton (Suharto, 2020).

One of the chicken meats producing industry (White Meat) which is very important in Indonesia is the Chicken Slaughterhouse (Directorate General of Livestock and Animal Health, 2020). Chicken Slaughterhouse (RPA) must follow a variety of strict standards, such as: Good Manufacturing Practices (GMP), Hazard Analysis Critical Control Point (HACCP), and halal assurance system, as stipulated in Law No: 7 of 1996. This is intended to provide food safety guarantees and customer requests such as KFC and McDonald's. They (KFC, McDonald's and others) generally provide strict requirements regarding quality, quantity and timeliness as key indicators. They conduct regular audits using: Food Safety Audit, Quality Audit System, and Key Welfare Indicators (McDonald's, 2023 and Mediaindonesia, 2023).
PT. XYZ is one of the major poultry companies in Indonesia, which is integrated from chicken breeding (Day Old Chick), animal feed, broiler rearing units, and RPA which produces meat (carcass) to processed meat (nuget & sausage). Chicken Slaughterhouse of PT. XYZ is one of the large Chicken Slaughterhouse in Pasuruan. Broadly speaking, this Slaughter House consists of three parts: 1). Acceptance of Live Chickens (PAH), 2). Gross Production Section, and 3). Net Production Section. Each section has several "Teams", each of which is controlled by a different leader.

In an organizational context, performance results are determined by the organization itself, including in this case the Slaughterhouse PT. XYZ. Given that the essence of organizational success is determined by employees because of the most important role they play (Biaka, 2020), the RPA PT. XYZ as a supplier of chicken meat (carcass) must really pay attention to employee performance as a measure of employees carrying out their duties and work responsibilities (Nugroho, 2006). Records of results or outputs (outcomes) resulting from a certain job function or certain activities within a certain period of time (Nugroho, 2006) in RPA PT. XYZ unit is shown in Table 1, Table 2, and Table 3. In these tables it can be seen that there are differences in employee performance produced by each team in each section, even though the raw materials, places and facilities used are the same. It is interesting to study: "what causes differences in employee performance at RPA PT. XYZ?"

Employee performance will be good if it is supported by professional and qualified staff through the role of a strategic leader. The role of an innovative, agile and adaptive leader in different situations is a force to achieve organizational performance in the midst of increasing global competition. Leaders who are able to create a work environment that supports employees, encourages involvement and motivates employees are also able to influence employees to complete their duties and responsibilities. Leaders with these characters can be categorized as Transformational Leaders. Transformational leadership is leadership that inspires employees to go beyond their own interests to achieve company goals (Hardini et al, 2023).

In addition, employee performance can also be improved by having a Transactional Leader who guides and motivates followers to achieve goals by clarifying roles and task requirements (Stephen & Judge, 2015). Transactional leaders can motivate their subordinates to work to achieve the desired results by promising rewards and benefits for completing tasks and punishing when tasks are not completed correctly (Bass, 2016). Effective transactional leadership contributes to better employee performance when facing new challenges. There is an exchange relationship of this type of leadership, where employees provide performance to the leader, and the leader provides abstract rewards in the form of respect, trust and commitment in return.

Lor and Hasan (2017) and Wen et al, (2019), found that transformational and transactional leadership have a positive and significant relationship to employee performance. This is supported by Thamrin (2012) and Risambessy, et al., (2012) which reveal a positive and significant relationship between transformational leadership on employee performance. Furthermore, in the context of Transactional Leadership, Saeed and Mughal (2019) found a positive and significant relationship between Transactional Leadership on employee performance, which is supported by the research of Hartanto (2014), Kabiru and Bula (2020), and Imara (2020).

In contrast, Khan, et al (2020) did not find a relationship between transformational leadership and employee performance, but this relationship can occur when it is mediated through the factor of Intrinsic Motivation. Mahfouz, et al (2022) also did not find a relationship between Transactional Leadership and Employee Performance, but this relationship can occur if it is mediated through the Employee Commitment factor.

Furthermore, it turns out that employee performance can be influenced by Innovative Work Behavior (Nasir, et al, 2018). This finding is reinforced by Tang, et al (2020), which shows the relationship between Innovative Work Behavior on Employee Performance is positive and significant. Furthermore, Nasir, et al (2018) found that Innovative Work Behavior can actually act as a factor that mediates Intrinsic Motivation on Employee Performance (Employee performance). Thus, it is very interesting to carry out further research on the role of Innovative Work Behavior on employee performance to complete the answers to the questions previously asked.

Then, it turns out Innovative Work Behavior can be influenced by transformational leadership (Tang, et al 2020) and can also be influenced by Transactional Leadership (Naqvi, et al, 2017).
However, Naqvi, et al (2017), did not find a relationship between transformational leadership and Innovative Work Behavior. On the basis of these findings, it is very interesting to carry out further research on the role of leadership (transformational and transactional) on Innovative Work Behavior, and how its role is on employee performance. This is very important to complete the answers to the questions raised filed before.

Based on the description of the phenomenon and previous research that has been described above, this research is entitled "The Influence of Transformational Leadership and Transactional Leadership on Employee Performance Mediated by Innovative Work Behavior".

Based on the formulation of the problem above, this study has the following objectives:

1) To explain and analyze the influence of Transformational Leadership on Employee Performance.
2) To explain and analyze the influence of Transformational Leadership on Employee Performance.
3) To explain and analyze the effect of Innovative Work Behavior on Employee Performance.
4) To explain and analyze the influence of Transformational Leadership on Innovative Work Behavior.
5) To explain and analyze the effect of Transactional Leadership on Innovative Work Behavior.
6) To explain and analyze the mediating role of Innovative Work Behavior on Transformational Leadership on Employee Performance.
7) To explain and analyze the mediating role of Innovative Work Behavior on Transactional Leadership on Employee Performance.

RESEARCH METHOD
Types of research
This type of research is explanatory research. Researchers use explanatory research methods with reasons to test the hypothesis proposed, it is hoped that the research can explain the relationship and influence between the independent and dependent variables in the hypothesis. This research instrument uses a questionnaire containing statements that must be answered by respondents. Questionnaires were given directly to operator level employees who work at the PT. XYZ in the Pasuruan area.

Data Collection Techniques
Data collection technique using the questionnaire distribution method, according to Sekaran and Bougie (2017), which is a data collection technique by providing a list of questions/statements that have been formulated previously that must be answered by respondents. The questionnaire in this study was given directly and face to face to operator level employees at RPA PT. XYZ who have worked for at least 1 year. The questionnaire given is a closed questionnaire where the respondent only chooses according to the perceived perception by marking the choices given.

Data Analysis Techniques

Descriptive Statistical Analysis
Descriptive statistical analysis aims to explain respondents' answers or perceptions of each research variable. In connection with this research instrument using a questionnaire with a Likert scale range (numbers 1 to 5) which involves a lot of information, it is necessary to simplify the information so that it is easily understood.

Inferential Analysis
The seven hypotheses in this study were analyzed using a quantitative method, namely the Structural Model using the Partial Least Square Program (PLS). This is because PLS can be used on all data scales, does not require a lot of assumptions, and does not have to use a large number of samples (Solimun and Rinaldo, 2006).

In the analysis with PLS there are two things to do. First, assessing the outer model or measurement model is an assessment of the reliability and validity of the research variables. There are three criteria for assessing the outer model, namely convergent validity, discriminant validity and composite reliability. Second, assessing the inner model or structural model. Testing the inner model or structural model is carried out to see the relationship between the constructs, the significance value and the R-square of the research model.
In PLS, the latent variable can be the result of a reflection of the indicator, which is termed a reflexive indicator. In addition, the construct can also be formed (formative) by the indicators, termed formative indicators (formative indicators). In this study, all variables used reflexive indicator measurements.

The reflexive model views (mathematically) indicators as if they are variables that are influenced by latent variables. So that the indicators of a latent variable seem to be influenced by the same factor (latent variable), this results in a change in one indicator resulting in a change in other indicators in the same direction.

The formative model views (mathematically) indicators as if they are variables that influence latent variables; in this case it is indeed different from the factor analysis model, if one indicator increases, it does not have to be followed by an increase in other indicators in one construct, but it will obviously increase the latent variable.

RESULTS AND DISCUSSION

Analysis of Respondent Responses

Transformational leadership

Transformational leadership variables in this study are measured through employee perceptions using 4 indicators: 1). Idealized Influence, 2). Inspirational Motivation, 3). Intellectual Stimulation, and 4). Individualized Consideration, with the results shown in Table 1.

Table 1. Respondents' Responses to Variable Indicators of Transformational Leadership

<table>
<thead>
<tr>
<th>Variable</th>
<th>Indicator</th>
<th>Code</th>
<th>STS (1)</th>
<th>TS (2)</th>
<th>TB (3)</th>
<th>S (4)</th>
<th>SS (5)</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformational Leadership</td>
<td>Idealized Influence</td>
<td>TF1</td>
<td>0.0</td>
<td>7.5</td>
<td>33.3</td>
<td>40.0</td>
<td>19.2</td>
<td>3.71</td>
</tr>
<tr>
<td></td>
<td>Inspirational Motivation</td>
<td>TF2</td>
<td>0.0</td>
<td>3.3</td>
<td>30.0</td>
<td>47.5</td>
<td>19.2</td>
<td>3.83</td>
</tr>
<tr>
<td></td>
<td>Intellectual Stimulation</td>
<td>TF3</td>
<td>0.0</td>
<td>2.5</td>
<td>38.3</td>
<td>38.3</td>
<td>20.8</td>
<td>3.78</td>
</tr>
<tr>
<td></td>
<td>Individualized Consideration</td>
<td>TF4</td>
<td>0.0</td>
<td>2.5</td>
<td>27.5</td>
<td>48.3</td>
<td>21.7</td>
<td>3.89</td>
</tr>
<tr>
<td></td>
<td><strong>Average</strong></td>
<td></td>
<td><strong>0.0</strong></td>
<td><strong>4.0</strong></td>
<td><strong>32.3</strong></td>
<td><strong>43.5</strong></td>
<td><strong>20.5</strong></td>
<td><strong>3.80</strong></td>
</tr>
</tbody>
</table>

Source: Primary data processed, 2023

Based on the respondents' responses as shown in Table 1, the Individualized Consideration (TF1) indicator was rated high by the respondents, namely 40.0% agreed and 19.2% strongly agreed, with a total agree and strongly agree on TF1 = 59.2%. The Inspirational Motivation (TF2) indicator was highly rated by respondents, namely 47.5% agreed and 19.2% strongly agreed, with a total agree and strongly agree on TF2 = 66.7%. The Intellectual Stimulation (TF3) indicator was highly rated by respondents, namely 38.3% agreed and 20.8% strongly agreed, with a total agree and strongly agree on TF3 = 59.2%. The Individualized Consideration (TF4) indicator was also highly rated by respondents, namely 48.3% agreed and 21.7% strongly agreed, with a total agree and strongly agree on TF4 = 70.0%.

Furthermore, from the description above it appears that respondents who agree and strongly agree prefer Individualized Consideration (70.0%) and Inspirational Motivation (66.7%). This means that respondents consider the leadership to be more transformational if the leadership is able to appreciate employees (TF4) and the leadership is very enthusiastic about raising employee morale (TF2).

Transactional Leadership

Transactional Leadership Variables in this study are measured through employee perceptions using 3 indicators: 1). Contingent Rewards, 2). Management by-exception active, and 3). Management by-exception passive, with the results shown in Table 2.

Table 2. Respondents' Responses to Indicators of Transactional Leadership Variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>Indicator</th>
<th>Code</th>
<th>STS (1)</th>
<th>TS (2)</th>
<th>TB (3)</th>
<th>S (4)</th>
<th>SS (5)</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transactional Leadership</td>
<td>Contingent Rewards</td>
<td>TS1</td>
<td>0.0</td>
<td>1.7</td>
<td>22.5</td>
<td>53.3</td>
<td>22.5</td>
<td>3.97</td>
</tr>
<tr>
<td></td>
<td>Management by-exception active</td>
<td>TS2</td>
<td>0.0</td>
<td>0.8</td>
<td>14.2</td>
<td>60.8</td>
<td>24.2</td>
<td>4.08</td>
</tr>
</tbody>
</table>
The Effect of Transformational and Transactional Leadership on Employee Performance Mediated by Innovative Work Behavior

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http://devotion.greenvest.co.id

Management by-exception passive

<table>
<thead>
<tr>
<th>Indicator</th>
<th>TS3</th>
<th>0.0</th>
<th>1.7</th>
<th>13.3</th>
<th>56.7</th>
<th>28.3</th>
<th>4.12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average</td>
<td>0.0</td>
<td>0.0</td>
<td>12.9</td>
<td>56.9</td>
<td>25.0</td>
<td>4.06</td>
<td></td>
</tr>
</tbody>
</table>

Source: Primary data processed, 2023

Based on the responses of the respondents as shown in Table 2, the Contingent Reward (TS1) indicator was rated high by the respondents, namely 53.3% agreed and 22.5% strongly agreed, with a total agree and strongly agree with TS1 = 75.8%. The active Management by-exception (TS2) indicator was highly rated by respondents, namely 60.8% agreed and 24.2% strongly agreed, with a total agree and strongly agree with TS2 = 85.0%. The Management by-exception passive (TS3) indicator was highly rated by respondents, namely 56.7% agreed and 28.3% strongly agreed, with a total agree and strongly agree on TS3 = 85.0%. In general, the average accumulation of the distribution of Transactional Leadership answers, namely 56.9% agreed and 25.0% strongly agreed, with a total of 81.9%.

Furthermore, from the description above it appears that respondents who agree and strongly agree prefer Management by-exception active (85.0%) and Management by-exception passive (85.0%). This means that respondents consider the leadership to be more transactional if the leadership always accompanies/controls employees during the work process to avoid mistakes (TS2) and the leadership always responds to any reports of work irregularities received for follow-up (TS3).

**Innovative Work Behavior**

The Innovative Work Behavior variable in this study is measured through employee perceptions using 4 indicators: 1). Weight Loss Reduction Measures, 2). Product Temperature Setting, 3). Implementation of Sanitation, and 4). Basket Rotation, with the results can be seen in Table 3.

**Table 3. Respondents' Responses to Innovative Work Behavior Variables**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Indicator</th>
<th>Code</th>
<th>STS  (1)</th>
<th>TS  (2)</th>
<th>TB  (3)</th>
<th>S   (4)</th>
<th>SS  (5)</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovative Work Behavior</td>
<td>Weight loss reduction measures</td>
<td>IWB1</td>
<td>0.0</td>
<td>0.0</td>
<td>12.5</td>
<td>66.7</td>
<td>20.8</td>
<td>4.08</td>
</tr>
<tr>
<td></td>
<td>Product temperature settings</td>
<td>IWB2</td>
<td>0.0</td>
<td>0.0</td>
<td>10.8</td>
<td>56.7</td>
<td>32.5</td>
<td>4.22</td>
</tr>
<tr>
<td></td>
<td>Implementation of sanitation</td>
<td>IWB3</td>
<td>0.0</td>
<td>0.0</td>
<td>15.8</td>
<td>60.8</td>
<td>23.3</td>
<td>4.08</td>
</tr>
<tr>
<td></td>
<td>Basket rotation</td>
<td>IWB4</td>
<td>0.0</td>
<td>0.0</td>
<td>12.5</td>
<td>61.7</td>
<td>25.8</td>
<td>4.13</td>
</tr>
<tr>
<td></td>
<td>Average</td>
<td></td>
<td>0.0</td>
<td>0.0</td>
<td>12.9</td>
<td>61.5</td>
<td>25.0</td>
<td>4.13</td>
</tr>
</tbody>
</table>

Source: Primary data processed, 2023

Based on the respondent's responses as shown in Table 3, the indicator for Weight Loss Reduction Action (IWB1) was rated high by respondents, namely 66.7% agreed and 20.8% strongly agreed, with a total agree and strongly agree with IWB1 = 87.5%. The product temperature regulation indicator (IWB2) was highly rated by respondents, namely 56.7% agreed and 32.5% strongly agreed, with a total agree and strongly agree with IWB2 = 89.2%. The Sanitation Implementation Indicator (IWB3) was highly rated by respondents, namely 60.8% agreed and 23.3% strongly agreed, with a total agree and strongly agree with IWB3 = 84.2%. The Basket Rotation Indicator (IWB4) was also highly rated by respondents, namely 61.5% agreed and 21.6% strongly agreed, with a total agree and strongly agree with IWB4 = 87.5%.

Furthermore, from the description above it appears that respondents who agree and strongly agree prefer Measures of Reducing Weight Loss (87.5%), Product Temperature Regulation (89.2%) and Basket Rotation (87.5%). This means that the respondent considers it very necessary to carry out Innovative Work Behavior with unique actions to reduce chicken weight loss, regulate temperature, and rotate baskets.

**Employee performance**

Employee Performance Variables in this study are measured through employee perceptions using 3 indicators: 1). Quality, 2). Quantity, and 3). Timeliness, with the results can be seen in Table 4.
Table 4. Respondents’ Responses to Employee Performance Variable Indicators

<table>
<thead>
<tr>
<th>Variable</th>
<th>Indicator</th>
<th>Code</th>
<th>Frequency of answers (%)</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>STS (1)</td>
<td>TS (2)</td>
</tr>
<tr>
<td>Employee Performance</td>
<td>Quality</td>
<td>KK1</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td></td>
<td>Quantity</td>
<td>KK2</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td></td>
<td>Timeliness</td>
<td>KK3</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Average</td>
<td></td>
<td></td>
<td>0.0</td>
<td>0.0</td>
</tr>
</tbody>
</table>

Source: Primary data processed, 2023

Based on the respondents' responses as shown in Table 4, the Quality indicator (KK1) was rated high by the respondents, namely 53.3% agreed and 36.7% strongly agreed, with a total agree and strongly agree with KK1 = 90.0%. The Quantity Indicator (KK2) was highly rated by respondents, namely 53.3% agreed and 34.2% strongly agreed, with a total agree and strongly agree with TS2 = 87.5%. The Timeliness Indicator (KK3) was highly rated by respondents, namely 64.2% agreed and 25.0% strongly agreed, with a total agree and strongly agree with TS3 = 89.2%. In general, the average accumulation of the distribution of Transactional Leadership answers, namely 56.9% agreed and 31.9% strongly agreed, with a total of 88.9%. Furthermore, from the description above it appears that respondents who agreed and strongly agreed chose Quality, Quantity, and Timeliness as indicators of their work success.

Inferential statistics

Inferential statistics is a data analysis technique with a view to generalizing sample data from a population. These statistics can be used to make inferences about the population based on the findings from the sample (Fraenkel et al., 2012). In connection with the sample in this study is the entire population, this research can be directly used to represent the population.

Furthermore, to test the hypothesis of the research model that has been determined previously and also based on the questionnaire answers from the existing samples, the analysis is processed using the SmartPLS application. There are two important stages in the analysis using the PLS-SEM method, namely: 1). Test or measure the outer model and 2). Test or measure the structural model (inner model).

**Outer Model Test**

This Outer Model measurement aims to explain the relationship between indicators and latent variables, by assessing the Validity and Reliability of a construct.

**a) Model Validity Test**

The instrument must be tested for validity, because Valid means that a measuring instrument or instrument can be used to measure something that should be measured carefully (Sugiono, 2008). In this study, validity was measured by means of Convergent Validity and Construct Validity from latent indicators forming constructs.

**Convergent and Construct Validity**

The Convergent Validity test uses Outer Loading and the value of each variable indicator must be more than 0.70 (Ghozali & Latan, 2015). Meanwhile, to determine Construct Validity in this study using Average Variance Extracted (AVE) and the value must be greater than 0, 50. Convergent Validity and Construct Validity test results can be seen in Table 5.

Table 5. Convergent and Construct Validity

<table>
<thead>
<tr>
<th>Variable</th>
<th>Items</th>
<th>Outer Loading</th>
<th>AVE</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>TF1</td>
<td>0.927</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transformational leadership</td>
<td>TF2</td>
<td>0.783</td>
<td>0.665</td>
<td>Convergent &amp; Good Construct Validity</td>
</tr>
<tr>
<td></td>
<td>TF3</td>
<td>0.826</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TF4</td>
<td>0.710</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TS1</td>
<td>0.814</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transactional Leadership</td>
<td>TS2</td>
<td>0.848</td>
<td>0.659</td>
<td>Convergent &amp; Good Construct Validity</td>
</tr>
<tr>
<td></td>
<td>TS3</td>
<td>0.772</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>IWB1</td>
<td>0.833</td>
<td>0.689</td>
<td>Convergent &amp; Good Construct Validity</td>
</tr>
<tr>
<td>Innovative Work Behavior</td>
<td>IWB2</td>
<td>0.834</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Based on the results of the Convergent Validity test using the loading factor (Table 5), the overall loading factor is above 0.70. That is, the instrument in this case each statement item meets the convergent validity requirements (Ghozali & Latan, 2015). Furthermore, the Construct Validity test using the Average Variance Extracted (AVE) as mentioned in Table 5.6, shows that all constructs have an AVE value in above 0.50. Therefore, the instrument in this case each statement item meets the requirements of convergent validity (Ghozali & Latan, 2015). Thus, further tests can be carried out.

**Discriminant Validity Test**

The discriminant validity test in this study was carried out in two ways, namely by looking at:
1. The cross loading value for each variable must be more than 0.70 (Ghozali & Latan 2015) and
2. Fornell-Larcker, where the square root value of the Average Variance Extracted (AVE) for each variable must be greater than the correlation between variables in the model (Fornell and Larcker, 1981 in Ghozali and Latan, 2015)

<table>
<thead>
<tr>
<th>Table 6. Cross Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicator</td>
</tr>
<tr>
<td>TF1</td>
</tr>
<tr>
<td>TF2</td>
</tr>
<tr>
<td>TF3</td>
</tr>
<tr>
<td>TF4</td>
</tr>
<tr>
<td>TS1</td>
</tr>
<tr>
<td>TS2</td>
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<td>TS3</td>
</tr>
<tr>
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<tr>
<td>KK1</td>
</tr>
<tr>
<td>KK2</td>
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<td>KK3</td>
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</tbody>
</table>

The results of the discriminant validity test with cross loading as shown in Table 6 show a value above 0.70. Besides that, the value of the cross loading indicator for each variable (yellow block) has a greater value than the other constructs. Furthermore, the results of the discriminant validity test using the Fornell-Larcker (AVE Square Root) as shown in Table 7 show that the value for each variable is greater than the correlation between the variables in the model. This indicates that the instrument, in this case each indicator, meets the discriminant validity requirements, and further testing can be carried out.

<table>
<thead>
<tr>
<th>Table 7. Fornell-Larcker (Square Root AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable</td>
</tr>
<tr>
<td>Transformational Leadership</td>
</tr>
<tr>
<td>Transactional Leadership</td>
</tr>
<tr>
<td>Innovative Work Behavior</td>
</tr>
<tr>
<td>Employee Performance</td>
</tr>
</tbody>
</table>

Source: Primary data processed, 2023
b) Model Reliability Test

In addition to testing the validity of a construct, it is also necessary to carry out a reliability test, so that the instrument can find out whether it is appropriate to be used to measure the same object consistently or not (Sugiono, 2008).

In accordance with Ghozali and Latan (2015), in PLS-SEM using SmartPLS, reliability measurement uses Cronbach's Alpha and Composite Reliability. Because the limit value of Cronbach's Alpha to test construct reliability will give a lower score, this study uses Composite Reliability, whose value must be above 0.70.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach Alpha</th>
<th>Composite Reliability</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformational Leadership</td>
<td>0.854</td>
<td>0.887</td>
<td>Composite Reliability is fulfilled</td>
</tr>
<tr>
<td>Transactional Leadership</td>
<td>0.743</td>
<td>0.853</td>
<td>Composite Reliability is fulfilled</td>
</tr>
<tr>
<td>Innovative Work Behavior</td>
<td>0.850</td>
<td>0.899</td>
<td>Composite Reliability is fulfilled</td>
</tr>
<tr>
<td>Employee Performance</td>
<td>0.809</td>
<td>0.887</td>
<td>Composite Reliability is fulfilled</td>
</tr>
</tbody>
</table>

Source: Primary data processed, 2023

The results of the reliability test with Cronbach's Alpha and Composite Reliability can be seen in Table 8. The value of the test results was above 0.70. This means that the instrument can be used to measure the same object consistently.

Inner Model Test (Hypothesis)

This Inner Model measurement aims to see the relationship between constructs or latent variables. There are 3 types of this test, namely: 1). Analysis of the coefficient of determination and 2. Path coefficient analysis to test the hypothesis.

Model Fitment Test with the Coefficient of Determination

The purpose of the analysis of the coefficient of determination is to determine the magnitude of the influence between variables, using the R-square of the dependent latent variable whose interpretation is the same as the "Q-Square predictive relevance" regression. If the Q-square value > 0, then the model has better predictive ability, and vice versa if the Q-Square value ≤ 0 indicates the model lacks predictive ability (Ghozali, 2006; Ghozali, 2011; Solimun et al., 2006; Solimun & Renaldo, 2009, Chin, 1997).

<table>
<thead>
<tr>
<th>Variable</th>
<th>R²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovative Work Behavior</td>
<td>0.644</td>
</tr>
<tr>
<td>Employee Performance</td>
<td>0.701</td>
</tr>
</tbody>
</table>

Source: Primary data processed, 2023

Based on the results of the model fit test with the coefficient of determination (R-square) as mentioned in Table 9, it can be seen that the Innovative Work Behavior and Employee Performance variables each have a value of 0.644 and 0.701, and are explained as follows:

1). The coefficient of determination (R-square) of Innovative Work Behavior is 0.644. This means that 64.4% of the Innovative Work Behavior variable can be explained by the Transformational Leadership and Transactional Leadership variables, while 35.6% is explained by other variables. Thus Transformational Leadership and Transactional Leadership are very meaningful at 64.4% to improve Innovative Work Behavior.

2). The value of the coefficient of determination (R-square) of Employee Performance is 0.701. This means that 70.1% of the Employee Performance variable can be explained by the Transformational Leadership and Transactional Leadership variables, while 29.9% is explained by other variables. Thus Transformational Leadership and Transactional Leadership are very meaningful at 70.1% to improve Employee Performance.

Hypothesis Testing With Path Coefficient Analysis

In this study, hypothesis testing was carried out to show the relationship between the latent variables studied. Hypothesis testing in the PLS-SEM method is carried out by looking at the path coefficient value. The results of the direct path coefficients between variables can be seen in Table 10 and for the indirect path coefficients can be seen in Table 11.
Table 10. Path Coefficient (Path Coefficient) Direct Influence

<table>
<thead>
<tr>
<th>Path</th>
<th>Path Coefficient</th>
<th>t-stat</th>
<th>P Values</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformational Leadership -&gt; Employee Performance</td>
<td>0.015</td>
<td>0.260</td>
<td>0.795</td>
<td>Not significant</td>
</tr>
<tr>
<td>Transactional Leadership -&gt; Employee Performance</td>
<td>0.296</td>
<td>4.027</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>Innovative Work Behavior -&gt; Employee Performance</td>
<td>0.582</td>
<td>7.325</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>Transformational Leadership -&gt; Innovative Work Behavior</td>
<td>0.180</td>
<td>3.025</td>
<td>0.003</td>
<td>Significant</td>
</tr>
<tr>
<td>Transactional Leadership -&gt; Innovative Work Behavior &amp; Employee Performance</td>
<td>0.769</td>
<td>22.927</td>
<td>0.000</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Source: Primary data processed, 2023

Table 11. Path Coefficient Indirect Influence

<table>
<thead>
<tr>
<th>Path</th>
<th>Path Coefficient</th>
<th>t-stat</th>
<th>P Values</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformational Leadership -&gt; Innovative Work Behavior -&gt; Employee Performance</td>
<td>0.015</td>
<td>0.260</td>
<td>0.795</td>
<td>Not significant</td>
</tr>
<tr>
<td>Transactional Leadership -&gt; Innovative Work Behavior -&gt; Employee Performance</td>
<td>0.296</td>
<td>4.027</td>
<td>0.000</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Source: Primary data processed, 2023

Based on the results of the Inner Model Test Results (Tables 10 and 11) and Outer Model (Table 5), it can be described the full model shown as shown in Figure 1.

Figure 1. Outer and Inner Model Test Results Path Diagram

Source: Primary data processed, 2023

Note: The * sign indicates significant at the 5% level
The ns sign states that it is not significant at the 5% level

The results of the hypothesis test as summarized in Table 10, can be explained as follows:

**H1: Transformational leadership has a positive and significant effect on employee performance**

Testing the direct effect of Transformational Leadership on Employee Performance, a Path Coefficient value of 0.015 was obtained with a t-statistic value of 0.260, and a p-value of 0.795. Thus, it can be concluded that transformational leadership has a positive but not significant effect on employee performance. Thus, the first hypothesis is not proven.
Given that the inner weight coefficient is positive, it indicates that the relationship between the two is positive. That is, the higher Transformational Leadership will result in higher Employee Performance, but not significant. Because the relationship between these variables is not significant, the first hypothesis is not proven and therefore this study supports Khan et al. (2020), where the results of the study show that Transformational Leadership has no significant effect on Employee Performance.

**H2: Transactional leadership has a positive and significant effect on employee performance**

Testing the direct effect of Transactional Leadership on Employee Performance, a Path Coefficient value of 0.296 was obtained with a t-statistic value of 4.027, and a p-value of 0.000. Thus, it can be concluded that transactional leadership has a positive and significant effect on employee performance.

Considering that the Path Coefficient is positive, indicating that the relationship between the two is positive. That is, the higher the Transactional Leadership will result in the higher the Employee Performance with a significant influence. Because the relationship between these variables is significant, the second hypothesis can be proven. Therefore, this study supports the research of Lor and Hasan (2017), Wen et al (2019), and Saeed and Mughal (2019).

**H3: Innovative Work Behavior has a positive and significant effect on Employee Performance**

Testing the direct effect of Innovative Work Behavior on Employee Performance, a Path Coefficient value of 0.582 was obtained with a t-statistic value of 7.325, and a p-value of 0.000. Thus, it can be concluded that employee innovation has a positive and significant effect on employee performance.

Considering that the path coefficient (Path Coefficient) is positive, indicating that the relationship between the two is positive. That is, the higher the Innovative Work Behavior will result in higher employee performance with a significant influence. Because the relationship between these variables is significant, the fifth hypothesis is proven. Therefore, this study supports Nadir et al. (2018) and Tang et al. (2020).

**H4: Transformational leadership has a positive and significant effect on Innovative Work Behavior**

Testing the direct influence of transformational leadership on Innovative Work Behavior, a Path Coefficient value of 0.180 was obtained with a t-statistic value of 3.025, and a p-value of 0.003. Thus, it can be concluded that transformational leadership has a positive and significant effect on Innovative Work Behavior.

Considering that the path coefficient (Path Coefficient) is positive, indicating that the relationship between the two is positive. That is, the higher the transformational leadership will result in the higher the Innovative Work Behavior with a significant influence. Because the relationship between these variables is significant, the third hypothesis is proven. Therefore, this study supports the research of Afsar and Badir (2014).

**H5: Transactional leadership has a positive and significant effect on Innovative Work Behavior**

Testing the direct influence of transactional leadership on Innovative Work Behavior, a Path Coefficient value of 0.769 was obtained with a t-statistic value of 22.927, and a p-value of 0.000. Thus, it can be concluded that transactional leadership has a positive and significant effect on Innovative Work Behavior.

Considering that the path coefficient (Path Coefficient) is positive, indicating that the relationship between the two is positive. That is, the higher the transactional leadership will result in the higher the Innovative Work Behavior with a significant influence. Because the relationship between these variables is significant, the fourth hypothesis is proven. Therefore, this study supports the research of Naqvi et al. (2017).

**H6: Innovative Work Behavior mediates the relationship between transformational leadership style and employee performance**

Testing the indirect effect of the role of Innovative Work Behavior in mediating Transformational Leadership on employee performance, obtained a Path Coefficient value of 0.105 with a t-statistic value of 2.778, and a p-value of 0.005. Thus, it can be concluded that Innovative Work Behavior can mediate the relationship between transformational leadership styles on employee performance.
performance.

Considering that the path coefficient (Path Coefficient) is positive and significant, it means that Transformational Leadership can improve employee performance by going through Innovative Work Behavior first.

**H7: Innovative Work Behavior mediates the relationship between transactional leadership style and employee performance**

Testing the indirect effect of the role of Innovative Work Behavior in mediating Transactional Leadership on employee performance, a Path Coefficient value of 0.448 is obtained with a t-statistic value of 7.005, and a p-value of 0.000. Thus, it can be concluded that Innovative Work Behavior can mediate the relationship between transformational leadership styles on employee performance.

Considering that the path coefficient (Path Coefficient) is positive and significant, it means that Transactional Leadership can improve employee performance by first increasing Innovative Work Behavior.

**Discussion**

Transformational leadership has a positive and significant effect on employee performance

Considering Outer Loading (Table 5) of all Variable Indicators of Transformational Leadership above 0.7 and declared valid. Meanwhile, the composite reliability test also shows a value above 0.7 and thus meets the requirements for composite reliability. Referring to this description, all indicators of Transformational Leadership: 1) Idealized Influence (TF1), 2) Inspirational Motivation (TF2) 3). Intellectual Stimulation (TF3), and 4). Individualized Consideration (TF4), can be used to predict a leader having a Transformational Leadership style.

Then based on the Transformational Leadership Variable indicator that is most chosen by the respondents is Individualized Consideration and Inspirational Motivation (Table 1). The meaning is that the employees observe that the transformational leadership at RPA PT. XYZ is a leader who respects the opinions of employees (Individualized Consideration), by listening to input and complaints with great attention (Septyan et.al, 2017), as well as leaders who are always enthusiastic about raising the spirit (Inspirational Motivation) of employees (Muenjohn & Armstrong, 2008).

However, the most powerful indicator for determining someone has a Transformational Leadership style based on the Loading Factor is: 1) Idealized Influence (TF1), namely having charisma that can influence employee behavior (Yukl, 2006) and (Sarros & Santora, 2001, Ngaithe et al., 2016), and 2). Intellectual Stimulation (TF3), namely leaders who have the ability to generate new ideas for employees (Septyan et.al., 2017), because they are able to teach their followers to think practically (Hall et al., 2008), and seek new approaches new in carrying out tasks (Septyan et.al., 2017). This seems to be related to the educational background and limited tenure of the employees.

The educational background of employees is limited to the last education of junior high and high school and the number of new employees with the maximum working period is 1 year. Of course, idealized leaders are needed (Idealized Influence) who have a direct effect on the level of employee engagement (Hayati et al. 2014), and are able to teach their followers to think (Idealized Influence) practically (Hall et al., 2008).

Based on the above explanation and coupled with the fact that 81.9% of employees prefer Transactional (Table 5.3) rather than Transformational (63.8%) leaders as shown in Table 1, the path analysis results show that transformational leadership has a positive effect on low path coefficient (0.015) and not significant to employee performance. Thus, this study supports the opinion of Prabowo et al. (2018) and Khan et al. (2020)

Path analysis as mentioned above shows that the Transformational Leader at RPA PT. XYZ is less able to influence employee performance improvement directly, because it is suspected that employees do not understand what needs to be done and may also be less concerned about various efforts to increase employee performance.

Considering Outer Loading (Table 5) of all Employee Performance Variable Indicators above 0.7 and declared valid. Meanwhile, the composite reliability test also shows a value above 0.7 and thus meets the requirements for composite reliability. Then all indicators (Quality), (Quantity) and (Timeliness) can be used to predict Employee Performance. Where the quality (Quality) in question is
in accordance with the quality standards set by SNI 3924 (2009), and the quantity (Quantity) is determined by the total percentage yield (Jumiati et al, 2017), while Timeliness is determined by the timeliness of fulfilling orders.

Furthermore, based on the indicators most chosen by respondents and based on the strongest indicators to reflect Employee Performance based on Loading Factor on Employee Performance are: 1). Quality, 2). Quantity, and 3). Timeliness. Thus to boost Employee Performance, the knowledge and involvement of employees must be increased by Transformational Leaders.

**Transactional leadership has a significant positive effect on employee performance**

Considering Outer Loading (Table 5) of all indicators of the Transactional Leadership variable above 0.5 and declared valid. While the composite reliability test on the Transactional Leadership variable, it shows a value above 0.7 and thus fulfills the composite reliability requirements. Referring to this description, all indicators: Contingent reward (TS1), Management by-exception active (TS2), and Management by-exception passive (TS3) can reflect the Variables of Transactional Leadership.

Then, based on the indicators of the Transactional Leadership Variable, the one most chosen by the respondents is: Management by-exception active (TS1). These leaders consistently monitor employees during the work process (active Management by-exception) in the event of deviations (Antonakis et.al., 2003). These actions are intended so that subordinates can work in accordance with established work standards and procedures (Risambessy & Wairisal, 2021).

So, Transactional Leadership employees are more effective if leaders provide material or psychological rewards (Contingent rewards) and consistently monitor employees to take appropriate actions (Management by-exception active) in the event of deviations (Antonakis et.al., 2003). These actions are intended so that subordinates can work in accordance with established work standards and procedures (Risambessy & Wairisal, 2021).

This is in accordance with the type of work in RPA PT. XYZ which must comply with various work standards and procedures as set by the Directorate of Veterinary Public Health (2018), such as: Good Manufacturing Practices (GMP) to produce products according to the desired standards. Sanitation Standards to ensure the safety of chicken meat produced, and halal requirements (BSN 2016), as well as the United States Department of Agriculture's (USDA) Hazard Analysis and Critical Control Point (HACCP) program (Foodready, 2023). Therefore, Management by-exception active, and Contingent rewards are of course very important to do, because the majority of employees have a limited level of education and years of service.

Based on this explanation and coupled with the fact that 81.9% of employees prefer Transactional leaders (Table 2) over Transformational (63.8%) (Table 1), the path analysis test (Table 10) shows that leadership transactional has a positive and significant effect with a path coefficient of 0.296 on employee performance. Thus, this study supports the opinion of Lor and Hasan (2017), Wen et al. (2019), and Shaeed and Mughal (2019).

With the results of path analysis as mentioned above, it shows that the Transactional Leader at RPA PT. XYZ is more able to directly influence employee performance improvement. It is suspected that Transactional Leaders are able to minimize the possibility of errors or irregularities occurring because leaders consistently monitor employees during the work process (active Management by-exception). This action is intended so that subordinates can work in accordance with established work standards and procedures (Risambessy & Wairisal, 2021). And the leader's actions provide rewards in the form of material or psychological (Contingent reward) according to a more effective contractual role to improve performance.

**Innovative Work Behavior have a positive and significant effect on employee performance**

As previously explained, based on the Outer Loading composite reliability and composite reliability tests, all indicators meet the requirements: Weight Loss Reduction (IWB1), Product Temperature Control (IWB2), Contamination Avoidance (IWB3), and Basket Rotation (IWB4) can reflect Employee Innovation variables, and all are considered strong based on Loading Factor.

A unique action in order to reduce chicken weight loss (IWB1) in the process is very important to do, considering that this action is related to yield (Jumiati et al, 2017 and Poultry World (2022))
which is very vital in determining product quantity in RPA. Then, taking unique actions to maintain the temperature of chicken meat (below 4oC) during processing (IWB2), and carrying out unique actions for sanitation are very useful for suppressing bacterial growth (IWB3) which can cause product damage and maintain the quality (quality) of meat produced (Moret and Singh, 2012). Finally, implementing a unique action to rotate the basket to streamline the work process (IWB4) is associated with suppressing bacterial growth and reducing timeliness.

Thus, based on path analysis, it is found that Innovative Work Behavior has a positive effect with a path coefficient of 0.582 and is significant for Employee Performance (Table 11). Therefore, this study supports the research of Nasir et al. (2018) and Tang et al. (2020).

**Transformational leadership has a positive and significant effect on Innovative Work Behavior**

As previously explained that all indicators of Transformational Leadership: 1). Idealized Influence (TF1), 2). Inspirational Motivation (TF2) 3). Intellectual Stimulation (TF3), and 4). Individualized Consideration (TF4), can be used to predict a leader having a Transformational Leadership style. But the indicators of the Transformational Leadership Variable that were most chosen by the respondents were Individualized Consideration and Inspirational Motivation. On the other hand, the statistically strongest indicators based on Loading Factor are more Idealized Influence (TF1) and Intellectual Stimulation (TF3).

In relation to the most chosen Transformational Leadership indicator, respecting employee opinion (Individualized Consideration), listening to employee input and complaints with great attention (Septyan et.al, 2017), and leaders who are always enthusiastic about raising employee morale (Inspirational Motivation) (Muenjohn & Armstrong, 2008). Thus, this condition can provide support for employees that can trigger unique actions. In this way, it can create opportunities for employees to improve Innovative Work Behavior in carrying out their duties (Majdina 2021).

Thus, the path analysis test (Table 10) shows that Transformational Leadership has a positive effect with a path coefficient of 0.180 and is significant for Innovative Work Behavior. Therefore, this study supports the opinion of Afsar and Badir (2014).

Paying attention to Outer Loading (Table 5) of all indicators of employee innovation variables above 0.5 and declared valid. Meanwhile, the composite reliability test for the employee innovation variable showed a value above 0.7 and thus met the requirements for composite reliability. Referring to the above description, all indicators: Reduction of Weight Loss (IWB1), Product Temperature Control (IWB2), Contamination Avoidance (IWB3), and Basket Rotation (IWB4) can reflect Innovative Work Behavior variables.

Based on the Loading Factor, the most powerful indicators for determining Transactional Leadership are all of the indicators. So, Innovative Work Behavior at RPA PT. XYZ can be characterized by: unique employee initiatives to reduce weight loss in the process (IWB1), unique employee initiatives to maintain product temperature (IWB2), unique employee actions in carrying out hygiene (IWB3), and unique employee actions in rotating baskets (IWB4).

**Transactional leadership has a positive and significant effect on Innovative Work Behavior**

As previously explained that all indicators of Transactional Leadership: Contingent reward (TS1), Management by-exception active (TS2), and Management by-exception passive (TS3) can reflect the Variables of Transactional Leadership. However, the Transactional Leadership Variables that were most chosen by the respondents were Management by-exception active and Management by-exception passive. While the statistically strongest indicators based on Loading Factor are Contingent reward (TS1) and Management by-exception active (TS2).

So, considering the type of work at RPA PT. XYZ, which must always comply with various standards and procedures as previously explained, and has employees with limited levels of education and tenure, Transactional Leadership is more effective if leaders constantly monitor employees to carry out Management by-exception active (Antonakis et.al., 2003). These actions are intended so that subordinates can work in accordance with established work standards and procedures (Risambessy & Wairisal, 2021). Besides that, transactional leaders can provide Contingent rewards (in the form of material or psychological) to work groups (Antonakis et.al., 2003), considering that transactional leaders tend to focus on group performance (Bardai, 2019). By providing rewards and clarifying roles and requirements (Wibowo, 2014), transformational leaders may be able to use limited resources and
time (Idris & Ali, 2008 in Bardai, 2019) as happened in RPA. PT. XYZ. This condition is thought to
be more capable of triggering unique actions from groups, and can create opportunities for employees
to improve Innovative Work Behavior in carrying out their duties (Majdina 2021), especially
governance best practices that have value for group success (Charitou and Markides, 2003).

Thus, Transactional Leadership has a positive effect with a path coefficient of 0.769 and is
significant for Innovative Work Behavior based on path analysis (Table 10). Therefore, this study
supports the opinion supporting the research of Naqvi et al. (2017).

Innovative Work Behavior at RPA PT. XYZ as previously explained can be characterized by:
unique employee initiatives to reduce weight loss in the process (IWB1), unique employee initiatives
in maintaining product temperature (IWB2), unique employee actions in carrying out hygiene
(IWB3), and unique employee actions in basket rotation (IWB4).

**Innovative Work Behavior mediate the relationship between transformational leadership styles
on employee performance**

As previously explained, Innovative Work Behavior can mediate Transformational leadership
positively (0.105) and is significant for Employee Performance. On the other hand, transformational
leadership has a positive effect (0.015) but not significant on employee performance.

This shows how important Innovative Work Behavior is in mediating the role of
Transformational Leaders on employee performance. Given that transformational leadership has a
positive and significant effect on Innovative Work Behavior, then RPA. PT. XYZ can take advantage
of this to boost employee performance through Innovative Work Behavior.

Innovative Work Behavior mediate the relationship between transactional leadership style on
employee performance

As previously explained, Innovative Work Behavior can mediate Transactional leadership
positively and significantly to Employee Performance. On the other hand, transformational leadership
has a positive and significant effect on employee performance.

Given the conditions in RPA PT. XYZ is full of challenges in the form of limited educational
background and years of service and having to carry out various operating standards related to food
safety, so this is not a problem for transactional leadership. Therefore, this leadership can continue
to carry out Contingent reward, Management by-exception active, and Management by-exception
passive. This needs to be done in order to improve Innovative Work Behavior, which in turn is expected
to improve employee performance.

**Innovative Work Behavior mediate the relationship between transactional leadership style on
employee performance**

As previously explained, Innovative Work Behavior can mediate Transactional leadership
positively and significantly to Employee Performance. On the other hand, transformational leadership
has a positive and significant effect on employee performance.

Given the limited educational background and tenure of employees, Transformational Leaders
must utilize the radiance of their charisma to influence employee behavior (Sarros & Santora, 2001,
Ngaith et al., 2016), and use as much as possible the power of Intellectual Stimulation to bring about
new ideas (Septyan et.al., 2017), by teaching followers to think practically (Hall et al., 2008), and
looking for new approaches in carrying out tasks (Septyan et.al., 2017). This needs to be done in
order to improve Innovative Work Behavior, which in turn is expected to improve employee
performance.

**CONCLUSION**

Based on results of study, the conclusion are; (1) Transformational leadership has no significant
effect on employee performance, (2) Transactional leadership has a positive and significant effect on
employee performance, (3) Transactional Leadership at RPA PT. XYZ can be carried out by
providing material or psychological rewards (Contingent rewards) and consistently monitoring
employees to take appropriate action (Management by-exception active) in the event of deviations so
that employees can work according to predetermined work standards and procedures. ultimately able
to improve employee performance, (4) Innovative Work Behavior has a positive and significant effect
on employee performance, (5) Innovative Work Behavior at RPA PT. XYZ can be carried out with
unique actions on important components, namely: reducing chicken weight loss to achieve quantity
targets, temperature regulation to maintain product quality (quality), and rotating baskets to reduce
waiting time during production (timeliness), (6) Transformational leadership has a positive and
significant effect on Innovative Work Behavior, (7) Transformational Leadership at RPA PT. XYZ is
carried out by respecting the opinions of employees (Individualized Consideration), always being
enthusiastic about raising the spirit of employees (Inspirational Motivation) so that employees are not afraid to act so as to be able to provide support for employees and can trigger the emergence of Innovative Work Behavior, (8) Transactional leadership has a positive and significant effect on Innovative Work Behavior, (9) Transactional Leadership in PT. XYZ should be carried out in a way that leaders constantly monitor employees during the process (Management by-exception active) and can provide Contingent rewards (in the form of material or psychological) to work groups to trigger the emergence of Innovative Work Behavior, (10) Innovative Work Behavior to mediate the relationship between Transformational Leadership on Employee Performance, (11) Thus Transformational Leadership in RPA PT. XYZ, can improve employee performance through mediation factors. Innovative Work Behavior, (12) Innovative Work Behavior to mediate the relationship between Transactional Leadership on Employee Performance, and (13) Thus Transactional Leadership in RPA PT. XYZ, can improve employee performance through mediation factors. Innovative Work Behavior.

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The Effect of Transformational and Transactional Leadership on Employee Performance Mediated by Innovative Work Behavior


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