

Original Article

# Transformational Leadership and Job Stress: The Mediating Role of Innovative Work Behavior on Millennial and Z Performance

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**Abstract** - This article aims to research the influence of transformational leadership and job stress on the performance of millennial and Z employees through innovative work behavior. The sample study totalled 196 respondents, which are non-managerial employees in the city of Surabaya who entered the millennial generation and generation Z. Data is shared through Google Forms and processed using structural equation modeling (SEM) with the LISREL program. The result of data processing stated that transformational leadership has an effect significant and negative on innovative work behavior, job stress has an effect significant and positive on innovative work behavior, innovative work behavior has an effect significant and positive on performance, transformational leadership has an effect significant and positive on performance, job stress has an effect significant and positive on performance, innovative work behavior mediates in a manner negative relation between transformational leadership and performance, as well as mediating innovative work behavior in a manner positive relation between job stress and performance. Stress does not always have a negative impact; stress that leads to eustress makes individuals more challenged in completing work. Practical implications: leaders must be able to motivate without the impression of coercing employees because coercive motivation will have a negative impact on performance.

**Keywords** - Transformational leadership, Job Stress, Innovative Work Behavior, Performance.

## 1. Introduction

In a changing world, sustainability is a crucial issue for business since it is connected to growth, competitive advantage, and development (Forcadell et al., 2020; Taha & Taha, 2023; Ananzeh et al., 2022). According to Suileek and Alshurafat (2002), sustainability is the ability of a short-term business to positively influence long-term environmental, economic, and social concerns that have an impact on an organization's or company's competitive advantage and sustainability. According to Taha & Taha (2023; Malik et al., 2021), the concept of sustainability is built on a few interconnected traits, including customer satisfaction, growth, environmental compliance, quality, source power optimization, creativity, and innovation. Extra work is necessary to connect the complex with source power personnel, source power finances, and other business assets.

One aspect important to be assessed for its own impact on sustainability in an organization or company is human resources (Mohiuddin et al., 2022). The role of HR becomes important because, no matter what system, technology, or source other powers a company or organization has, without HR's role, nothing will go smoothly (Ferdinan, 2021). because therefore, HR management becomes an important

thing to do by leaders' organizations. One thing that can become a focus in HR management, especially in an era of change, is empowerment and creativity among workers (Zhu et al., 2018). Creativity is important because it contributes to innovative services, ideas, and products (Wang et al., 2018; Benedek et al., 2019; Hui et al., 2020).

Groups seen as having their own linkages with creativity are the millennial generation and generation Z. Data obtained states that in 2020, it will be recorded that 25.52% of the population of Surabaya City is of the millennial generation, and 24.7% of Surabaya City residents are of generation Z (katadata.co.id). Surabaya City is one of the centers of the economy in Indonesia. As a center of the economy, the city of Surabaya became a powerhouse for workers, including the millennial generation and generation Z. Based on percentage data, it can be said that Millennials and Generation Z are working to help organizations reach power competitiveness, sustainability, and innovation (Tan et al., 2019; Hui et al., 2020) in the city of Surabaya.

Organizations are challenged to manage HR because it relates to efforts to stimulate behavior. Innovative work has a positive impact on performance. However, the process



manages force. Work from Millennials and Generation Z is a challenge alone for leaders' organizations. The second generation basically puts emphasis on flexibility in work and work-life balance (Rahayu et al., 2021; Adiawaty, 2019). So, when workers from generation to generation get demands in the era of excessive change, it will result in the emergence of work stress that will be influential on behavior, innovation, and performance.

Innovative work behavior can be understood as behavior work that appears from creativity and innovation power work. Behavior Work innovatively, some researchers rated their own influence as positive on performance (Ferdinan & Lindawati, 2021; Ferdinan, 2022; Purwanto et al., 2020; Rizki et al., 2019) because it can stimulate innovative work behavior among leaders in an organization. There are several assessed factors' own influences on innovative work behavior, i.e., transformational leadership and occupational stress. Transformational leadership is a model of leadership that is seen as capable of giving inspiration for followers to be able to go beyond interest in themselves to achieve profit or an objective organization (Robbins & Judge, 2018:261). Transformational leadership models looked at their own influence on innovative work behavior (Ferdinan, 2022; Bauwens et al., 2023; Grosej et al., 2020; Alshahrani et al., 2023). Transformational leadership can provide a stimulus for creative ideas and provide opportunities for followers to increase their capacity (Bauwens et al., 2023).

Stress can be understood as a burden. Work excess, feeling hard, and tense emotions slow down someone's performance (Robbins & Judge, 2011). Research conducted by Anjum and Zhao (2022) states that stress negatively influences innovative work behavior (Anjum & Zhao, 2022). It is, of course, becoming a challenge alone for leaders because the era of change and possible claims trigger stress. Based on the explanation that has been delivered, it felt important to study how Millennials and Generation Z influence transformational leadership and stress performance through innovative work behavior in the city of Surabaya. This study, which is expected, can help leaders' organizations manage human resources. Appropriate HR management will help increase competitive advantage and maintain organizational sustainability.

## 2. Literature Review and Research Hypothesis

### 2.1. Literature Review

#### 2.1.1. Transformational Leadership

The word *transformational* originates from the word '*to transform*', which means to change something to become another shape from before (Jufrizen, 2017). *Transformational leadership* is a leadership process for transforming individuals to maximize their potential, which involves motives and fulfillment of needs for every individual (Purnomo & Saragih, 2016:12; Bosak, 2021). *Transformational leadership* is identical to the ability to

change processes, motivate, and method Work new, develop an interesting vision, emphasize innovation, and deliver role models (Grosej et al., 2020). Yukl (1999) defines *transformational leadership* as a capable leader who can empower followers and be able to make decisions; they involve themselves in efforts to reach an objective organization and use behavior differently in accordance with context and situation. Because of that, it can be said that *transformational leadership* is capable of a leader motivating and transforming followers with more importance to the organization than themselves and improving the needs of followers to a higher level.

Bass and Avolio (2004) (Maquieira, 2019) respectively disclose about 4 dimensions of *transformational leadership*, namely: a) *idealized influence*, suitability between words and actions, leader becoming a role model for followers; b) *inspiration motivation*, giving motivation through inspire, communicating high goals, challenging work, and target embodiment with a simple method; c) *intellectual stimulation*, building a climate conducive to the organization for stimulating creativity and innovation; d) *individual consideration*, attention special for the development of every follower;

#### 2.1.2. Job Stress

*Stress* is something that cannot be released from interactions between individuals and their environment (Mansour & Tremblay, 2018; Tu et al., 2022). *Stress* can be understood as the perception or awareness of individual-related dysfunction or personal-related incidents related to work or conditions (Sulistiawan et al., 2020; Tu et al., 2022). Besides that, stress can be understood as a situational tense that impacts thought processes, emotions, and individual conditions (Hasibuan, 2013:204). Robbins and Judge (2018) stated that the stress experienced by a person could be categorized into three categories, i.e., symptom behavior (*turnover* and *absenteeism*). (high as well as low performance), psychological symptoms (satisfaction at work, low emotions, and anxiety), and physiological symptoms (decreased health condition). Work stress in studies This can be measured with (Robbins & Judge, 2018:767): demands roles, demands tasks, demands between personalities, leadership organization, and structural organization.

#### 2.1.3. Innovative Work Behavior

Innovation, according to Schumpeter, is creative destruction, meaning the destruction of current market conditions and, at the same time creation new matter through a combination process (Morente et al., 2017). Innovation is based on a new idea, whereas the effort involved in creating new ideas is called creativity. Innovation without creativity is not perfect because creativity and innovation are mutually connected. Basically, the ability to be creative and innovate is only owned by humans, which in the end, materializes in behavior.

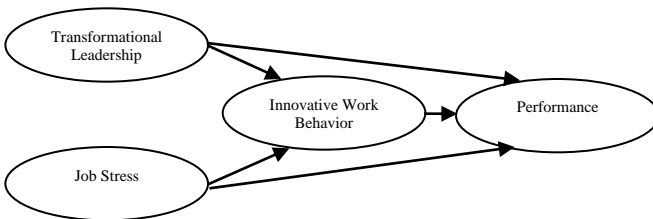
Innovative work behavior can be understood as effort arising from power arising from existing creativity in oneself. So the impact on behavior is more innovative in organizations (De Jong & Den Hartog, 2010:24). Besides that, innovative work behavior can be understood as stages of behavior power. Work for implementing, introducing, and creating new ideas is expected in the scope of work in organizations or companies (Etikarena, 2020). Innovative work behavior enables power work for implementing new ideas with success and adjusting operational strategy for enhanced results (Kmieciak, 2020). Based on the explanation that has been delivered, it can be said that innovative work behavior is a complex concept that involves activity behavior, like exploration, idea generation, and implementation (Kmieciak, 2020).

There are three stages in *innovative work behavior*, including (De Jong & Den Hartog, 2010): a) *idea generation*: innovation starts with an individual who is aware, recognizes, and sees opportunity in the problem, so push the appearance of ideas; b) *idea promotion*: ideas that have awakened need support from others; c) *idea realization*: implementation of ideas that have been built.

#### 2.1.4. Performance

Performance matters in something activity because it becomes rejected when measuring success power. Work in finishing work (Irmayanthi & Surya, 2020). Performance can be interpreted as output obtained from evaluation work or profession in each period (Zeindra & Lukito, 2020). Besides that, performance can be understood as results from job-finding power work in finishing, but not quite enough trusted answers based on sincerity, ability, experience, and time (Rivai, 2020). Performance has several dimensions, among others (Robbins & Judge, 2018: 155): quantity and quality of results work, accuracy time, performance work, target achievement, skill, satisfaction, and initiative.

## 2.2. Conceptual Framework



## 2.3. Research Hypothesis

### 2.3.1. The Effect of Transformational Leadership on Innovative Work Behavior

Rafique et al. (2022), in their research, stated that there is a significant influence between transformational leadership and innovative work behavior. Transformational leadership has a significant influence on innovative work behavior because of its ability to inspire followers by influencing

creative behavior (Masood & Afsar, 2017). In addition, transformational leadership can encourage employees to think and solve problems creatively and innovatively (Afsar et al., 2018). In their research, Chung and Li (2021) stated the same thing: there is a significant influence between transformational leadership and innovative work behavior. Therefore, in this study, the hypothesis proposed is:

H1: Transformational leadership has a significant effect on innovative work behavior.

### 2.3.2. The Effect of Job Stress on Innovative Work Behavior

Stress is generally a psychological response to environmental situations (Macintyre et al., 2020). Karatepe et al. (2018) stated that almost two-thirds of employees experience complications at work due to stress, and 50% of all employees experience severe stress. Some researchers state that stress has a negative impact on the mental and physical health of employees, which will ultimately have a negative impact on performance (Said & Elshahfi, 2021; Dima et al., 2021). In addition, stress can affect employee innovation (Montani & Staliano, 2022; Bani-Melhem et al., 2020). The stress experienced by employees can have a positive or negative impact on employee innovation (Rafiquae et al., 2022). Therefore, in this study, the hypothesis proposed is:

H2: Job stress has a significant effect on innovative behavior at work.

### 2.3.3. The Effect of Innovative Work Behavior on Performance

The innovative behavior of employees is an important performance factor. Employees who have relatively innovative behavior find it easier to solve various problems at work in new ways (Ferdinan, 2022). In addition, employees who can combine, create, and develop creative ideas into innovations will have a positive influence on improving performance (Ferdinan & Lindawati, 2021). Employees will have various ideas to complete various work tasks in new ways, which will make work more effective and efficient. Therefore, in this study, the hypothesis proposed is:

### 2.3.4. The Effect of Transformational Leadership on Performance

Transformational leadership is a leadership style that has a significant influence on performance (Prahesti et al., 2017). In addition, transformational leadership is considered capable of encouraging better employee performance (Dewi et al., 2018). The significant effect between transformational leadership and performance occurs because transformational leadership can inspire and motivate followers to be stimulated to achieve higher performance (Ferdinan & Lindawati, 2021). Therefore, in this study, the hypothesis proposed is:

H4: Transformational leadership has a significant effect on performance.

#### 2.3.5. The Effect of Job Stress on Performance

Stress is a condition that can have a positive or negative effect on performance (Anjum & Zhao, 2022). The positive or negative effect of stress on performance is motivated by environmental conditions and one's personal condition. Employees who perceive stress as eustress will generally make various job demands an opportunity to work better, so in the end, it has a positive effect on performance (Anjum & Zhao, 2022). In contrast, employees who perceive stress as distress will generally be subject to various demands from work as a threat, which ultimately negatively affects performance (Anjum & Zhao, 2022). Therefore, in this study, the hypothesis proposed is:

H5: Job stress has a significant effect on performance.

#### 2.3.6. The Effect Mediating of Innovative Work Behavior between Transformational Leadership and Job Stress on Performance

Innovative work behavior is a work behavior that is considered to have a mediating effect between transformational leadership and job stress on performance. Innovative work behavior can strengthen the effect of transformational leadership on performance (Kaymakci et al., 2022). The significant influence of transformational leadership on innovative work behavior will strengthen the significant influence of innovative work behavior on performance. In addition, innovative work behavior is considered capable of mediating between job stress and performance. The positive or negative influence of job stress on innovative work behavior will decrease or increase performance. Therefore, in this study, the hypothesis proposed is:

H6: Innovative work behavior mediates the relationship between transformational leadership and performance.

H7: Innovative work behavior mediates the relationship between job stress and performance.

### 3. Materials and Methods

The study's design is explanatory, which is a study to explain the relationship between variables from the study through testing hypotheses. Source of data used in the study This is primary data. The type of data used is quantitative. Primary data was obtained with the spread questionnaire to power the millennial generation and generation Z who work in the city of Surabaya. The collected data amounted to 196

respondents. Data is processed using structural equation modeling (SEM) with LISREL (Linear Structural Relationship) version 8.80.

## 4. Results and Discussion

### 4.1. Respondent Profile

Table 1 shows the majority of respondent's manifold sex: male 51.5%, age 20–25 years 61.7%, education finally undergraduate 56.1%, working in a company in the private sector 92.9%, length of work 1-2 years 32.7%, and working area of East Surabaya 30.1%.

Table 1. Description of Respondent Profile

Description	Total	Percentages
<b>Type Sex</b>		
a. Man	101	51.5%
b. Woman	95	48.5%
<b>Age</b>		
a. 20-25 Years	121	61.7%
b. 26-30 Years	39	19.9%
c. 31-35 Years	29	14.8%
d. 36-40 Years	7	3.6%
<b>Place Work</b>		
a. Stated Owen Company	14	7.1%
b. Private Company	182	92.9%
<b>Long Working Time</b>		
a. <1 Years	63	32.1%
b. 1-2 Years	22	11.2%
c. 3-4 Years	64	32.7%
d. 5-6 Years	30	15.3%
e. >6 Years	17	8.7%
<b>Working Area</b>		
a. West Surabaya	56	28.6%
b. Central Surabaya	52	26.5%
c. South Surabaya	17	8.7%
d. East Surabaya	59	30.1%
e. North Surabaya	12	6.1%

Source: Processed Data (2023)

### 4.2. Normality Test

Based on Table 2, it is known that the P-value is <0.05. The results stated that the data was distributed abnormally. Data has its own multivariate normality distribution when the resulting p-value is > 0.05 (Haryono, 2016: 282). However, data processing can be done using the asymptotic covariance matrix (ACM) (Yamin & Kurniawan, 2009:131).

Table 2. Multivariate Normality Test

Skewness			Kurtosis			Skewness & Kurtosis	
Value	Z-Score	P-Value	Value	Z-Score	P-Value	Chi-Square	P-Value
895,325	47,957	0.000	2713338	18,089	0.000	2627.119	0.000

Source: Processed Data (2023)

#### 4.3. Validity Test

Table 3. Validity Test

Indicator	Standardized Loading Factor	T-Values	Information
TL1	0.78	Reference	Valid
TL2	0.84	11.75	Valid
TL3	0.77	9.83	Valid
TL4	0.77	11.98	Valid
TL5	0.78	12.52	Valid
TL6	0.80	11.42	Valid
TL7	0.75	10.10	Valid
TL8	0.34	3.82	Valid
TL9	0.73	9.01	Valid
TL10	0.74	9.48	Valid
TL11	0.77	11.49	Valid
TL12	0.71	10.57	Valid
JS1	0.83	Reference	Valid
JS2	0.81	26.45	Valid
JS3	0.77	15.00	Valid
JS4	0.71	10.73	Valid
JS5	0.68	10.25	Valid
JS6	0.76	13.58	Valid
JS7	0.70	10.40	Valid
JS8	0.68	11.31	Valid
JS9	0.73	13.94	Valid
JS10	0.74	11.56	Valid
JS11	0.66	9.11	Valid
JS12	0.62	8.60	Valid
IWB1	0.78	Reference	Valid
IWB2	0.37	5.75	Valid
IWB3	0.86	14.65	Valid
IWB4	0.85	13.12	Valid
IWB5	0.84	12.87	Valid
IWB6	0.86	12.94	Valid
IWB7	0.86	12.30	Valid
IWB8	0.81	11.49	Valid
IWB9	0.88	15.03	Valid
IWB10	0.83	13.26	Valid
IWB11	0.86	15.30	Valid
P1	0.79	Reference	Valid
P2	0.77	17.02	Valid
P3	0.64	12.79	Valid
P4	0.88	16.08	Valid
P5	0.90	15.17	Valid
P6	0.88	14.11	Valid
P7	0.72	12.89	Valid
P8	0.78	13.99	Valid
P9	0.75	14.13	Valid
P10	0.64	10.83	Valid
P11	0.74	14.83	Valid
P12	0.63	11.60	Valid

Source: Processed Data (2023)

An indicator can be said to have good validity when the mark from factor loading is  $> 1.96$ . The value from standardized factor loading is  $> 0.7$  (Yamin & Kurniawan, 2009:36). However, if the standardized factor loading value is 0.50 but  $> 0.30$ , the indicator can still be considered for removal (Wijayanto, 2008:139). So, based on the explanation that has been submitted, the indicators in Table 3 are said to be valid because the value of the standardized loading factor is  $> 0.30$ , and the value of the T-value is  $> 1.96$ .

#### 4.4. Reliability Test

Table 4. Reliability Test

Variable	CR	Cut Off	EV	Cut Off	Results
Transformational Leadership	0.93	0.7	0.55	0.5	Reliable
Job Stress	0.93	0.7	0.52	0.5	Reliable
Innovative Work Behavior	0.95	0.7	0.64	0.5	Reliable
Performance	0.94	0.7	0.58	0.5	Reliable

Source: Processed Data (2023)

Table 4 shows the mark of construct reliability (CR) and the value of extracted variance (EV). Something variable can be said to be reliable when the CR value is  $> 0.70$ , and the EV value is  $> 0.50$  (Ghozali & Fuad, 2005:321). Based on the results in Table 4, we can say that all variables from the study are reliable.

#### 4.5. Goodness of Fit Test

Table 5. Goodness of Fit Test

Goodness of Fit Index	Cu Off Value	Results	Information
NNFI	$\geq 0.95$	0.97	Good Fit
RMR	$\leq 0.05$	0.04	Good Fit
CFI	$\geq 0.90$	0.97	Good Fit
NFIS	$\geq 0.90$	0.95	Good Fit
AGFI	$\geq 0.90$	0.55	Not Fit
IFI	$\geq 0.90$	0.97	Good Fit

Source: Processed Data (2023)

The model fit test is a test, for now, suitability matrix covariance with the prediction from the model compiled (Haryono, 2016:66). Hair et al. (1998) in Haryono (2016:66) state that models can be said to be worthy when at least one model feasibility test method is met. So, based on Table 5, it can be said that the study has good suitability because only one model is not appropriate.

#### 4.6. Hypothesis Test

Table 6. Hypothesis Test

Hypothesis	Connection Variable	T-Value	Cut Off	Conclusion
H1	TL $\rightarrow$ IWB	-3.27	1.96	ACCEPTED
H2	JS $\rightarrow$ IWB	6.01	1.96	ACCEPTED
H3	IWB $\rightarrow$ P	5.75	1.96	ACCEPTED
H4	TL $\rightarrow$ P	-0.04	1.96	REJECTED
H5	JS $\rightarrow$ P	1.17	1.96	REJECTED

H6	TL → IWB → P	-2.90	1.96	ACCEPTED
H7	JS → IWB → P	4.36	1.96	ACCEPTED

TL: Transformational Leadership; JS: Job Stress; IWB: Innovative Work Behavior; P: Performance

Source: Processed Data (2023)

#### 4.6.1. The Influence of Transformational Leadership on Innovative Work Behavior

The data processing results stated that transformational leadership influences significant and negative work behaviors. Findings show that innovative work behavior will decrease when transformational leadership is improved. Findings state that the transformational leadership model does not always have a positive impact on innovative work behavior. Leadership style has not always had its own influence on innovation but on moderate conditions (Rosing et al., 2011). Innovation is something complex (Bledow et al., 2009; Schroeder et al., 1989; Anderson et al., 2004; King, 1992; Rosing et al., 2011; Van de Ven et al., 1999), which is not only influenced by one factor but also by external and internal factors (Ferdinan, 2022). Basu & Green (1997) stated that transformational leadership in situations specifically hinders behavior innovation. Behavior innovation is hampered because transformational leadership can censor critical ideas, censor views, improve attachment, trigger dependency in followers, and hinder innovation. Besides that, high vision from transformational leadership can trigger stress because no power or work is capable of overcoming pressure.

#### 4.6.2. Effect of Job Stress on Innovative Work Behavior

The results of data processing stated that job stress has a significant and positive influence on innovative work behavior. Findings show that when job stress increases, innovative work behavior will increase. Stress does not always have a negative impact (Sullivan, 2011). It is based on the term's eustress and distress. Eustress is a positive factor in individuals who see opportunities to develop themselves and achieve goals in the middle demands Work high (Anjum & Zhao, 2022).

On the other hand, distress is a negative factor that appears as a self-individual consequence of the inability to face existing challenges (Anjum & Zhao, 2022). Based on the job stress experienced by millennial and Z workers in the city of Surabaya, data processing and explanation are eustresses. This is because stress has been shown to improve innovative work behavior. When there are demands that trigger stress, workers can precisely discover new ideas that emerge in innovative behavior.

#### 4.6.3. The influence of Innovative Work Behavior on Performance

The data processing results stated that innovative work behavior had had a significant and positive influence on

performance. Findings show that, as innovative work behavior increases, performance will increase. Basically, behavior innovations made will push more performance because capable individuals who increase behavior innovation will have a positive impact on the resulting performance (Reynal et al., 2023). Findings This strengthens the guess-related positive impact of innovative work behavior. So, every worker challenged can improve his existing innovative work behavior.

#### 4.6.4. The Influence of Transformational Leadership on Performance

The data processing results stated that transformational leadership has no significant influence on performance. Findings This shows that transformational leadership does not have its own impact on performance. Leadership style, especially transformational leadership, does not always influence performance (Ferdinan & Lindawati, 2021). Apparently, the transformational leadership style is not in accordance with the style of work of the millennial generation and generation Z. Because of it, leaders' organizations or companies must find style-appropriate leadership. Other factors seem to affect performance in comparison with the style of leadership.

#### 4.6.5. Effect of Job Stress on Performance

The data processing results stated that job stress has no significant influence on performance. This finding shows that job stress has no impact on performance. Based on the explanation presented in the section Previously, stress can impact eustress and distress (Anjum & Zhao, 2022; Sukardi, 2022). It seems that job stress felt by millennials and Z workers leads to eustress, which then has a positive impact on innovative work behavior. However, not all impact positive influences directly on performance. There are other factors that can directly affect performance, such as job stress. So it can be said that job stress has not become a factor barrier or performance enhancer for millennial and Z generation workers in Surabaya.

#### 4.6.6. The Influence of Transformational Leadership on Performance Through Innovative Work Behavior

The results of data processing stated that transformational leadership has significant and negative effects through innovative work behavior. Findings show that when transformational leadership is improved, performance through innovative work behavior will decrease. Transformational leadership does not always positively impact performance through innovative work behavior. Basu and Green (1997) stated that declining performance could be caused by the dependence experienced by workers on leaders. Dependent followers to superiors who generate creative and innovative ideas do not appear. Besides that, if associated with the explanation presented in the section before, vision-owned height leaders precisely make creativity and innovation disappear, which in the end has an impact on decreased performance.

#### 4.6.7. The Effect of Job Stress on Performance Through Innovative Work Behavior

The data processing results stated that job stress significantly and positively affects innovative work behavior. Finding this point is that when job stress increases, performance through innovative work behavior will increase. It seems that, for workers among millennials and Z, the stress is experienced momentarily. Work No one becomes a factor inhibitor of creativity and innovation. However, stress can trigger the generation of creative and innovative ideas that ultimately have a positive impact on performance. The explanation from Anjum and Zhao (2022) regarding stress and distress gives reasons related to the impact of stress, both positive and negative. So, it got said that when workers feel stressed inside, Work Because of various demands, creative and innovative ideas will appear as efforts to finish various tasks more effectively and efficiently. In the end, efforts to be creative and innovative have a positive impact on performance.

## 5. Research Implication and Limitations

### 5.1. Theoretical Implications

Based on the research that has been done, it can be said that, theoretically, this research provides a complete understanding of the impact of transformational leadership. This research provides an understanding that transformational leadership does not always positively impact innovative work behavior. Transformational leadership can have a negative impact on innovative work behavior. In addition, transformational leadership does not always have an influence on performance. This study states that transformational leadership has no significant effect on performance. The findings from this study provide a complete understanding of leadership, showing that a leadership style seen as good does not necessarily have a positive effect when applied. Therefore, organizational leaders are challenged to find a leadership style that fits the organizational context.

### 5.2. Practical Implications

This research provides practical implications for organizational leaders. Leaders have a responsibility to direct employees. However, when the leader directs and manages too much, employees will feel they are not free. In the end, employees who do not feel free will feel uncomfortable, and creativity and innovation will not develop. Therefore, leaders are challenged to be able to direct without making employees feel pressured or coerced. Transformational leadership is synonymous with encouraging employees to achieve their maximum capabilities. However, this encouragement can be felt by employees as pressure, which inhibits creativity and innovation. So, leaders must be able to create encouragement to move forward without being misunderstood as coercion for employees.

### 5.3. Research Limitations

This study has limitations that can hopefully be improved in future research. The research is only limited to the area of Surabaya City; the research results cannot be generalized to employees in other areas. The study is limited to a cross-sectional time-series research design; future research can use a longitudinal research design to get more comprehensive results.

## 6. Conclusion

Based on the results of data processing and discussion, it is known that there is a problem-related leadership style. Because that is what managers expect, or the leader of the organization can be more involved in giving solutions and examples. Related to performance, the organization challenged can give information in a detailed manner about achieved performance, reward, and effort given by facility supporters. Related to innovative work behavior, companies are challenged to provide seminars, mentoring, training, or related workshops on creativity and innovation in the world of work. Besides it, organizations need to facilitate room discussion so that creative ideas can emerge, and such ideas need to be supported if, of course, they are rated positively for competitive advantage and organizational sustainability.

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