

# THE ROLE OF TRANSFORMATIONAL LEADERSHIP ON INNOVATIVE WORK BEHAVIOR AT PT GARUDA YAMATO STEEL

Oleh :

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## Informasi Artikel

### Riwayat Artikel :

Submit, 15 April 2025

Revisi, 18 April 2025

Diterima, 12 Mei 2025

Publish, 15 Mei 2025

### Kata Kunci :

Transformational Leadership,  
Innovative Behavior,  
Manufacturing Industry.

## ABSTRACT

This study aims to examine in depth the role of transformational leadership in shaping and encouraging innovative work behavior of employees at PT Garuda Yamato Steel. In the context of the dynamics of the manufacturing industry that continues to grow and demands rapid adaptation to technological changes and global competition, transformational leaders play a strategic role in shaping a work climate that supports innovation. This research uses a qualitative approach with a case study method, through in-depth interviews with a number of key informants consisting of managers and employees from various departments. The findings show that the main dimensions of transformational leadership, namely idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration, contribute significantly to increasing the intensity and quality of innovative work behavior. Leaders who are able to inspire a shared vision, provide space for experimentation, and support individual capacity building, directly encourage the emergence of new ideas, creative work approaches, and courage in taking measured risks. In addition, this study found that the emotional connection between leaders and subordinates, built through trust and two-way communication, is an important foundation in shaping a work environment conducive to innovation. The context of organizational culture, hierarchical structure, and internal company dynamics also influence the effectiveness of transformational leadership style in triggering innovative behavior. The implications of this research point to the importance of developing transformational leadership competencies in organizations, especially at the managerial level, as part of a long-term strategy to maintain competitiveness through continuous innovation. This research also opens room for further exploration of the contextual influence of organizational culture on the effectiveness of leadership styles in the heavy industry sector.

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## 1. INTRODUCTION

Rapid changes in the global business environment, especially in the manufacturing industry sector, have required organizations to

continuously innovate in order to survive and compete. Innovation depends not only on technology or capital investment, but also on the capacity of human resources to create, develop and implement

new ideas in the work process. In this context, employee innovative work behavior is an important factor that can increase productivity, efficiency, and organizational competitiveness in a sustainable manner (Grošelj et al, 2021).

Innovative work behavior refers to individual involvement in the initiation, promotion, and implementation of useful ideas in the work environment (Afsar, Masood and Umrani, 2019). This behavior does not arise spontaneously, but is influenced by various factors, one of which is leadership style (Afsar and Umrani, 2020). Effective leadership can create a work environment that supports the formation of an innovative culture, provides inspiration, and facilitates active employee participation in the change process (Kuo, 2022). In this case, transformational leadership is seen as one of the most relevant leadership approaches to facilitate and strengthen innovative work behavior in organizations.

Transformational leadership is characterized by the leader's ability to inspire and motivate subordinates beyond personal interests for the collective benefit of the organization (Mubarak et al, 2021). There are four main dimensions of transformational leadership: (1) idealized influence, where the leader acts as a role model who can be trusted and respected; (2) inspirational motivation, which is the leader's ability to convey an attractive and meaningful vision; (3) intellectual stimulation, which encourages employees to think critically, creatively, and innovatively; and (4) individualized consideration, which is the leader's attention to the needs and potential of individual employees personally.

Transformational leadership is proven to create a psychological climate that supports innovation, where employees feel safe to take risks, express ideas, and contribute to the development of work processes (Li et al, 2024). In a manufacturing organization such as PT Garuda Yamato Steel, which operates under efficiency pressures, high quality demands, and the need to adapt to technological change, the presence of transformational leaders is crucial. Leaders not only act as strategic directors, but also as agents of change who are able to shape innovative mindsets and behaviors in work teams.

PT Garuda Yamato Steel as a company engaged in the steel industry, is in a competitive and dynamic business environment. To maintain its position in the market, the company needs to carry out operational transformation supported by continuous innovation. However, innovation cannot rely solely on the research and development (R&D) function, but must become part of the work culture of all employees. Therefore, the role of leaders in encouraging innovative work behavior cannot be ignored.

Some previous studies, such as those conducted by Nordin, Kamil and Govindaraju (2024)

and Iqbal, Ahmad and Nazir (2023), showed a positive relationship between transformational leadership and employee innovative behavior. However, the majority of these studies used a quantitative approach, which although providing a correlational picture, often lacked the contextual and narrative dynamics of the relationship at the micro-organizational level. Therefore, this research uses a qualitative approach with a case study method to explore in depth how transformational leaders at PT Garuda Yamato Steel influence employees' innovative work behavior in their daily work practices.

A qualitative approach allows researchers to capture the complexity of interactions between leaders and subordinates, understand subjective perceptions, and uncover contextual factors such as organizational culture, hierarchical structure, and communication dynamics that influence the relationship. In this study, in-depth interviews will be used to gain a rich understanding of how employees perceive and respond to the leadership style applied by their superiors, as well as how this style contributes to the emergence of new ideas, active participation, and courage to take initiative in problem solving.

This research is expected to make theoretical and practical contributions. Theoretically, this study enriches the literature on the relationship between transformational leadership and innovative work behavior, especially in the context of the manufacturing industry in Indonesia. Practically, the findings of this study can serve as a reference for the management of PT Garuda Yamato Steel in designing leadership development strategies that are more adaptive to the needs of innovation and organizational change.

By better understanding how transformational leadership works in organizational reality, companies can strengthen their internal capacity to create a sustainable innovative culture. This is becoming increasingly important given the challenges of globalization, digitalization, and shifting consumer preferences that require organizations to always be in a state of readiness to change.

## 2. RESEARCH METHODS

This research uses a qualitative approach with a case study design, which aims to deeply understand how the role of transformational leadership influences innovative work behavior in the work environment of PT Garuda Yamato Steel. The qualitative approach was chosen because it allows researchers to explore meaning, subjective experiences, and relational dynamics that cannot be measured quantitatively, but are very important in understanding the social context and organizational culture as a whole (Creswell, 2013).

The case study design is used because this research focuses on phenomena that occur in a

specific and limited setting, namely in one steel manufacturing company. Case studies allow researchers to conduct intensive and in-depth contextual explorations of leadership and innovation phenomena in specific work environments, taking into account influencing social, structural and symbolic factors.

The informants in this study were selected using a purposive sampling technique, with the criteria of participants relevant to the focus of the study, namely employees who have experience working directly with leaders who apply transformational leadership styles, and are involved in work processes that demand innovation. Informants consisted of several levels of positions-both managerial and operational staff-to obtain diverse and holistic perspectives on leadership practices and their impact on work behavior.

Data collection was conducted through semi-structured in-depth interview techniques, which allowed researchers to explore informants' experiences, perceptions and meanings in a flexible yet purposeful manner. These interviews were complemented by limited participatory observation in the work environment, to understand the context of interactions and organizational dynamics firsthand. In addition, internal documentation such as work guidelines, performance reports, and managerial policies were also analyzed to enrich the data.

The data were analyzed using a thematic analysis approach, as described by Creswell (2013), which involved coding the data, identifying patterns and themes, and interpreting the meanings that emerged from the informants' narratives. The researcher iteratively reviewed the data to ensure thematic depth and consistency, while maintaining reflexivity in interpreting the meanings expressed by informants.

In maintaining data validity, triangulation techniques of sources and methods were used, member checking was applied to informants to verify the accuracy of the interpretation results, and peer debriefing with colleagues to obtain critical input on the process and results of the analysis.

With this approach, the research is expected to provide an in-depth understanding of how transformational leadership practices are translated in the daily work context, as well as how it encourages or inhibits employees' innovative work behavior at PT Garuda Yamato Steel.

### 3. RESULTS AND DISCUSSION

This study aims to understand the role of transformational leadership on employee innovative work behavior at PT Garuda Yamato Steel. Using a qualitative approach and data collection techniques through in-depth interviews with a number of key informants, the results showed a close relationship between transformational leadership characteristics

and the emergence of innovative work behavior in the work environment.

#### **Effect of Inspiration and Vision on Employee Innovation**

One of the key findings of this research is that leaders who are able to convey a clear and inspiring vision have the power to generate intrinsic motivation in employees. Informants stated that when leaders talk about the long-term direction of the company and frame it in a meaningful narrative, they feel more encouraged to think creatively and create new solutions to work problems. This is in line with the idea of Mubarak et al (2021) which states that inspirational motivation is one of the main dimensions of transformational leadership that encourages collective spirit to achieve goals that go beyond personal interests. In particular, leaders at PT Garuda Yamato Steel, who provide strategic direction with a communicative approach and build optimism for the future, have created a work climate that supports the emergence of fresh ideas. Some informants even mentioned that they feel more "brave to try new things" when they know that their superiors are open to different approaches. This reinforces the position that an effectively communicated vision can trigger individual and collective innovative processes.

#### **Individualized Consideration and Strengthening Innovative Potential**

The aspect of individualized consideration or individual attention to the needs, strengths, and potential of subordinates also emerged as an important factor in stimulating innovative behavior. Leaders who not only lead hierarchically, but also show personal empathy and support for employee development, create a safe psychological space for experimentation (Mohammed and Abrow, 2024). From the qualitative data obtained, it was found that employees feel more valued when their ideas are heard, even when they are not fully mature. Recognition of diverse thinking styles and flexibility in work approaches provide a strong foundation for innovation to flourish. Furthermore, the individualized attention provided by leaders is also evident in the practice of informal mentoring, providing constructive feedback, and developing employee capacity through training and directed job rotations. This suggests that transformational leadership not only impacts short-term motivation, but also builds innovative capacity on a sustained basis.

#### **Intellectual Stimulation and Employee Cognitive Development**

The intellectual stimulation dimension of transformational leadership - the leader's ability to encourage critical thinking and exploration of new approaches - is also a strong driver of innovative behavior. In the context of PT Garuda Yamato Steel, leaders who challenge the status quo, encourage open discussions, and provide space for employees to

question conventional work procedures, have proven to encourage initiative and creativity. Informants mentioned that the open brainstorming process and cross-departmental discussions supported by management provided opportunities to learn new perspectives and enrich ways of looking at problems. In other words, leaders who stimulate divergent thinking have created a work ecosystem that fosters innovation as a daily practice rather than an incidental project. On the other hand, it was found that when leaders focus too much on efficiency and short-term results, innovative tendencies tend to decline. This signals that transformational leadership must be consistent in providing explorative space, and not solely oriented towards control or repetition of old practices.

#### **Idealized Influence and Exemplary in Innovating**

Another significant finding is that leaders who demonstrate exemplary innovative thinking and openness to change become strong role models for employees. Leaders who have integrity, show commitment to continuous development, and are willing to take risks on new initiatives create an atmosphere of trust and security among the team. Some informants mentioned that when their own leaders dared to make unpopular decisions for the sake of efficiency or improving work quality, they felt more motivated to innovate. This behavior reinforces the concept of idealized influence, where leaders are respected and identified by their subordinates as figures worthy of emulation. The implication is that innovation is not only about the creation of ideas, but also the courage to execute them - and this is where the role of the leader becomes a determinant of a pro-innovation organizational culture.

#### **Organizational Context and Reinforcing/Inhibiting Factors**

Although transformational leadership has a positive contribution to innovative work behavior, this study also identified a number of contextual factors that can be reinforcers or inhibitors. These include a relatively bureaucratic organizational structure, limited budget for idea development, and a lack of incentive systems that support innovative employees. Conversely, a work culture that is open to change, cross-team collaboration, and adequate work technology support are elements that strengthen the impact of transformational leadership on innovation. Therefore, the success of encouraging innovative work behavior does not solely depend on the leadership style, but also on the organizational ecosystem that allows the innovation process to run systemically.

#### **4. CONCLUSION**

This study reveals that transformational leadership has a significant role in encouraging employees' innovative work behavior at PT Garuda Yamato Steel. Through its dimensions - namely

*idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration* - transformational leaders are able to create a work climate that supports idea exploration, risk-taking, and cross-functional collaboration. Employees feel more valued, encouraged to think critically, and dare to initiate change. However, the effectiveness of this leadership role is also influenced by the organizational context, including systemic support and a work culture open to innovation. This finding confirms the importance of a transformative leadership approach in building an innovative human resource-based competitive advantage, as well as a foothold for the development of managerial policies oriented towards empowerment and continuous renewal in the manufacturing work environment.

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