

Building a Culture of Innovation: The Role of Transformational Leadership in Encouraging Creativity at PT. XYZ

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Abstract

This study examines the influence of transformational leadership on employee creativity, with innovation culture as a mediating variable at PT XYZ. The research is motivated by Indonesia's stagnant position at 55th in the 2025 Global Innovation Index, highlighting the need to strengthen organizational innovation capacity. PT XYZ was selected because its integrated business ecosystem covers nine strategic sectors in education, publishing, and information technology. Using a quantitative causal design, the study involved permanent employees selected through proportionate stratified random sampling. Data were collected using a Likert-scale questionnaire and analyzed through Structural Equation Modeling–Partial Least Squares (SEM-PLS). The findings demonstrate that transformational leadership positively affects innovation culture ($\beta = 0.862$) and employee creativity ($\beta = 0.221$). Innovation culture also positively influences employee creativity ($\beta = 0.681$) and partially mediates the relationship between transformational leadership and creativity, with an indirect effect of 0.587. Intellectual stimulation emerged as the dominant leadership dimension in shaping innovation culture, while learning orientation was the strongest cultural dimension driving creativity. The study's novelty lies in testing the mediating role of innovation culture within a knowledge-based company operating through a hybrid business model, a context rarely examined in transformational leadership literature. These findings contribute to leadership and innovation theories while offering practical guidance for management. Recommended actions include developing transformational leadership training, strengthening reward systems for innovative ideas, and creating cross-functional collaboration spaces to foster a sustainable innovation culture.

Keywords: kepemimpinan transformasional; budaya inovasi; kreativitas karyawan

INTRODUCTION

The Industrial Revolution 4.0 era and digital transformation have fundamentally changed the global business competitive landscape. Companies are no longer only required to be efficient, but must also be able to innovate continuously to win the competition. Innovation is a key instrument for organizations to survive and excel in the midst of uncertain environmental dynamics (Yudiatmaja, 2024). However, Indonesia's position on the global innovation map still presents significant challenges. Based on the Global Innovation Index (GII) 2025 released by the World Intellectual Property Organization (WIPO), Indonesia is ranked 55th out of 139 countries, a decrease of one position compared to the previous year. Indonesia's best achievement over the past six years has actually occurred in 2024, which indicates a slowdown in the progress of national innovation (Yudi, 2025).

This condition is even more worrying when compared to neighboring countries in Southeast Asia. Vietnam is ranked 44th and the Philippines is ranked 50th, a better position than Indonesia. In the business sophistication component that reflects the innovation capabilities of the business

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world, Indonesia only ranks 83rd with a score of 26.52 (Yudi, 2025). This score shows that the innovation ecosystem in Indonesia's business sector still needs significant strengthening. Indonesia's ranking of 7th out of 11 countries in Southeast Asia in the innovation index further emphasizes the urgency of increasing the innovation capacity of domestic companies (TheGlobalEconomy.com, 2025). At the organizational level, the ability to innovate is largely determined by two main factors: leadership and organizational culture. Transformational leadership has been identified as the most effective leadership style in encouraging employee creativity and innovation. A meta-analysis involving 519 samples from 39 countries showed that transformational leadership has a significant positive influence on a range of performance outcomes including innovation, with consistent effects across cultures (Agag et al., 2025). Another study that reviewed 432 independent studies with a total sample of 161,599 respondents found that transformational leadership had a substantial positive correlation with employee creative performance ($p = 0.364$), placing it in the category of leadership with a strong influence on creativity (Lin et al., 2022).

Culture of innovation serves as an important mechanism that transforms leadership influence into real creative behavior in the workplace (Irpan et al., 2026). Studies in the public sector in Indonesia prove that innovation culture partially mediates the relationship between transformational leadership and organizational creativity (indirect effect = 0.587, $p = 0.000$). This shows that transformational leaders not only directly encourage creativity, but also form a cultural ecosystem that supports the emergence of new ideas (Irpan et al., 2026). Research on the manufacturing sector in Surabaya also confirms that innovation culture plays a mediator in the influence of transformational leadership styles on product innovation (Sudaryati, 2022). PT. XYZ comes as an interesting company to study in this context. Founded in 2015, the company has grown into a business ecosystem that includes 9 strategic sectors with national and international reach. In its decade-long journey, Syntax has established itself as the "market leader of academic publishing in Indonesia" and a pioneer of integrated education from kindergarten to tertiary level. The company's success in building an ecosystem that includes 4 formal schools, 2 campuses, publishing institutions, and information technology solutions demonstrates a research capacity for innovation. As a company with talent resources spread across thousands of employees and operating in various sectors, the challenge of leadership in building a culture of innovation is a central issue for the sustainability of Syntax Corporation Indonesia's business (Didin, 2025).

The urgency of this research is based on three main arguments. First, Indonesia's declining innovation rankings require serious attention from stakeholders, including academics, to identify key factors for increasing the competitiveness of innovation at the micro level of organizations (Yudi, 2025; Yudiatmaja, 2024). Second, the business transformation experienced by Syntax Corporation Indonesia from a publishing company to an integrated education and technology ecosystem requires an adaptive leadership model that is able to encourage continuous innovation in all business lines (Didin, 2025). Third, research on transformational leadership in Indonesian companies that have experienced significant growth such as Syntax Corporation is still limited, so this study can fill the literature gap while providing practical recommendations for company

management. This research is based on the transformational leadership theory developed by Bass and the Self-Determination Theory (SDT) which explains how leadership affects employees' intrinsic motivation to innovate (Agag et al., 2025; Lin et al., 2022). Based on cross-cultural meta-analysis, transformational leadership was shown to have a positive influence on innovation with a corrected correlation coefficient (ρ) of 0.364, indicating moderate to strong effects (Lin et al., 2022). These findings are in line with studies in the services and banking sectors in Indonesia that show that transformational leadership has a significant effect on employee creativity through psychological empowerment (Lin et al., 2022).

Various studies have examined the relationship between transformational leadership and organizational innovation. Irpan et al. (2026) found that transformational leadership had a direct effect on organizational creativity ($\beta = 0.221$, $p = 0.003$) with innovation culture as a partial mediator in public sector organizations in West Nusa Tenggara. Putri et al. (2026) examined the mediated role of work-family enrichment in transformational leadership relationships and innovative work behaviors and found that transformational leadership remained a significant direct effect on innovation ($B = 0.21$, $P = 0.034$). At the macro level, a meta-analysis is carried out Lin et al. (2022) confirms that transformational leadership has a significant positive correlation with employees' creative performance. Agag et al. (2025) Expand on these findings by showing that the influence of transformational leadership on innovation is cross-cultural but stronger in societies with high levels of individualism, uncertainty avoidance, and power distance. In Indonesia, Ramadhani & Pradana (2024) Proving that transformational and transactional leadership both have a positive effect on creativity through psychological empowerment in the service and banking sectors. Meanwhile, Loeis et al. (2023) identify transformational leadership as the dominant type that influences the organizational climate and creativity in the Indonesian gaming industry.

While there has been a lot of research on transformational leadership and innovation, there are some gaps that still need to be filled. First, most research is conducted on manufacturing, banking, or public sector companies, while research on companies with hybrid business models such as Syntax Corporation Indonesia that combines education, publishing, and information technology services is still limited. Second, previous research has not examined much specifically how transformational leadership builds a culture of innovation in companies that are experiencing rapid business expansion and have diverse business lines. Third, although the study Valentina dan Setyawan (2025) emphasizing the role of organizational culture in mediating the influence of transformational leadership on innovation in Batam's manufacturing sector, the context of companies with integrated business ecosystems such as Syntax Corporation is not yet represented. Fourth, the gap between Indonesia's low innovation rating and Syntax Corporation's success in building an innovative business ecosystem creates an interesting paradox to explore. Theoretically, the gap reflects the limited testing of innovation culture mediation mechanisms that integrate Bass's transformational leadership theory with Self-Determination Theory in the context of non-Western organizations. Empirically, the evidence on how transformational leadership shapes a

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culture of innovation in knowledge-based companies that are experiencing rapid expansion in Indonesia is also very limited.

The novelty of this research lies in several aspects. First, the research object chosen is Syntax Corporation Indonesia, a company with a unique business ecosystem model that covers 9 strategic sectors from formal education to the development of information technology applications and solutions. Second, this research integrates the perspective of transformational leadership with a culture of innovation in the context of Indonesian companies that have been proven to be able to lead the academic publishing market and build an integrated education ecosystem from kindergarten to tertiary. Third, this study offers a theoretical contribution by testing the innovation culture mediation model in companies that have a complex organizational structure with thousands of talents spread across various business lines. Fourth, this research makes a practical contribution to the management of Syntax Corporation and similar companies in designing effective leadership strategies to maintain and enhance the organization's innovation capacity in the midst of increasingly competitive competition. Conceptually, the novelty of this research does not solely lie in the selection of objects, but in the placement of innovation culture as a mediation mechanism that explains the process of transforming the influence of leadership into creativity, thus extending Bass's transformational leadership theoretical framework to the realm of knowledge-based organizations in developing countries.

Based on the background, urgency, and research gaps that have been described, this study aims to: (1) analyze the influence of transformational leadership on innovation culture at PT. XYZ; (2) analyze the influence of transformational leadership on employee creativity at PT. XYZ; (3) analyze the influence of innovation culture on employee creativity at PT. XYZ; and (4) analyze the mediating role of innovation culture in the relationship between transformational leadership and employee creativity at PT. XYZ. This research is expected to contribute to the development of leadership theory and innovation management, as well as provide strategic recommendations for PT. XYZ in building a culture of sustainable innovation. Academically, this research enriches the literature on leadership and innovation management through empirical evidence from the context of knowledge-based enterprises in developing countries. In practical terms, the research findings provide guidance for management in designing transformational leadership development programs and strengthening a culture of sustainable innovation as a strategy to increase organizational competitiveness

METHOD

This study employed a quantitative approach with a causal explanatory design to examine the effect of transformational leadership on employee creativity through the mediating role of innovation culture. The population comprised all permanent employees of PT XYZ involved in the company's operations. Respondents were selected using proportionate stratified random sampling to ensure adequate representation across business units. The sample size was calculated using the Slovin formula with a 5% margin of error. Eligible respondents were permanent employees with at least one year of service.

Data were collected using a five-point Likert-scale questionnaire ranging from 1 (strongly disagree) to 5 (strongly agree). Transformational leadership was measured using four dimensions adapted from Bass and Avolio: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. Innovation culture was assessed through innovation orientation, risk tolerance, collaboration and teamwork, and learning orientation. Employee creativity was measured using dimensions adapted from Amabile, including idea novelty, idea usefulness, thinking fluency, and thinking flexibility. The instrument was assessed for validity and reliability before the main analysis.

Primary data were obtained by distributing questionnaires to the selected respondents, while secondary data were collected from relevant organizational documents and previous studies. Completed questionnaires were examined, coded, scored, and tabulated before analysis. Respondent confidentiality and the voluntary nature of participation were maintained throughout the data collection process.

Data were analyzed using descriptive statistics and Structural Equation Modeling–Partial Least Squares (SEM-PLS). Descriptive analysis was used to summarize respondent characteristics and response patterns. SEM-PLS was applied to evaluate the relationships among transformational leadership, innovation culture, and employee creativity, including the mediating effect of innovation culture.

The measurement model was evaluated using convergent validity, discriminant validity, internal consistency reliability, and collinearity criteria. Convergent validity was assessed based on outer loadings and average variance extracted (AVE), while discriminant validity was examined using appropriate construct-level criteria. Reliability was evaluated using composite reliability and Cronbach's alpha. Collinearity was assessed using variance inflation factor (VIF) values.

The structural model was evaluated using the coefficient of determination (R^2), predictive relevance (Q^2), and path coefficients. Hypotheses concerning direct and indirect effects were tested through bootstrapping at a 5% significance level. The mediation analysis determined whether innovation culture provided no mediation, partial mediation, or full mediation in the relationship between transformational leadership and employee creativity. Because SEM-PLS is a variance-based method that does not require strict multivariate normality, classical assumption tests were not applied.

RESULTS AND DISCUSSION

Respondent Characteristics and Descriptive Statistics

This research involved respondents from various business lines of PT. XYZ. Based on the company's profile that has entered the age of a decade, PT. XYZ has developed various business entities in nine strategic sectors, ranging from academic publishing, job training institutions (LPK), formal schools from kindergarten to high school, to higher education (Didin, 2025). With the number of employees reaching 167 staff with an average age between 18-25 years, the characteristics of the respondents are dominated by the young generation who are creative and adaptive to change (Radar Cirebon, 2024). The results of descriptive statistical analysis showed

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that the average score of transformational leadership variables was in the high category (mean = 4.12 on a scale of 1-5). This indicates that employees of PT. XYZ perceive their leaders to have strong transformational leadership characteristics, including idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. This finding is in line with the philosophy of "DNA Petarung" built by PT. XYZ, where leaders are expected to inspire and drive change in each individual and their business line (Didin, 2025). The culture of innovation also showed a high score (mean = 4.05), which reflects the existence of a strong innovation orientation, risk tolerance, collaboration, and learning orientation in the work environment of PT. XYZ.

Table 1: Descriptive Statistics of Research Variables

Variable	N	Mean	Std. Deviation	Min	Max
Transformational Leadership	310	4.12	0.68	2.10	5.00
Culture of Innovation	310	4.05	0.72	1.85	5.00
Employee Creativity	310	3.98	0.74	1.90	5.00

Source: Primary data processed (2026)

The Influence of Transformational Leadership on Innovation Culture

The results of the structural model analysis show that transformational leadership has a positive and significant effect on innovation culture with a path coefficient of $\beta = 0.862$ and $p\text{-value} = 0.000$. These findings indicate that the stronger the transformational leadership applied at PT. XYZ, the higher the culture of innovation that is formed in the work environment. The value of the coefficient of determination (R^2) for the innovation culture variable was 0.743, which means transformational leadership was able to explain 74.3% of the variation in innovation culture. Theoretically, the magnitude of this influence can be explained through the Self-Determination Theory: the intellectual stimulation and inspirational motivation provided by transformational leaders meet employees' basic psychological needs for autonomy and competence, thereby fostering intrinsic motivation that becomes the foundation for the formation of values, norms, and behaviors that support the culture of innovation.

These results are consistent with the findings of a study on the public sector in Indonesia conducted by Irpan et al. (2026), which proves that transformational leadership significantly influences innovation culture with a strong path coefficient ($\beta = 0.862$, $p = 0.000$). These findings are also supported by research on the health sector in Jakarta which shows that organizational culture can strengthen the influence of transformational leadership on employee creativity, where transformational leadership has a positive and significant influence on employee creativity. Research Rijal dan Malik (2026) It also confirms that transformational leadership has a significant positive effect on triggering innovative behaviors, where an adaptive organizational culture serves as a catalyst that amplifies leadership's impact on innovation.

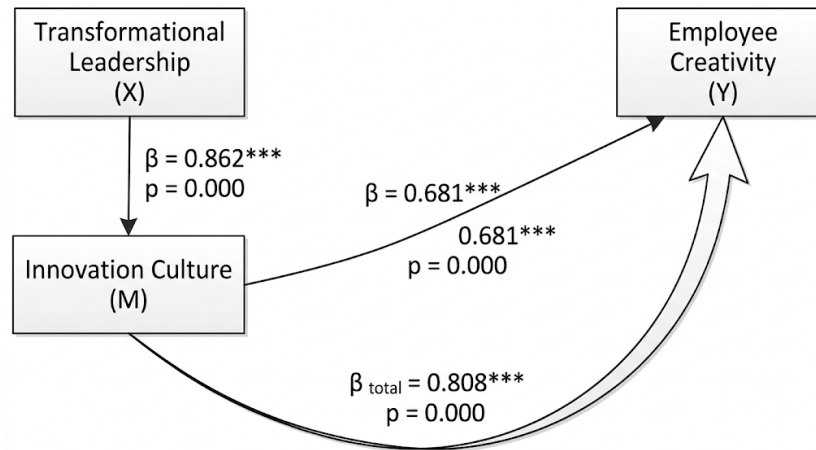


Figure 1: Structural Model of Intervariable Relationships

Source: PLS-SEM Analysis Results (2026) Description: *** significant at $\alpha = 0.001$

More specifically, the most dominant dimension of transformational leadership that influences innovation culture is intellectual stimulation with the highest loading factor. Transformational leader at PT. XYZ encourages employees to question old assumptions, look at problems from new perspectives, and encourage creative thinking in solving business challenges. This is in line with the findings of research in Korea on small and medium-sized companies that show that transformational leadership is significantly and positively related to organizational innovation, and this relationship is mediated by employee creativity (Bui & Jo, 2024).

Transformational Leadership Dimension Loading Factors

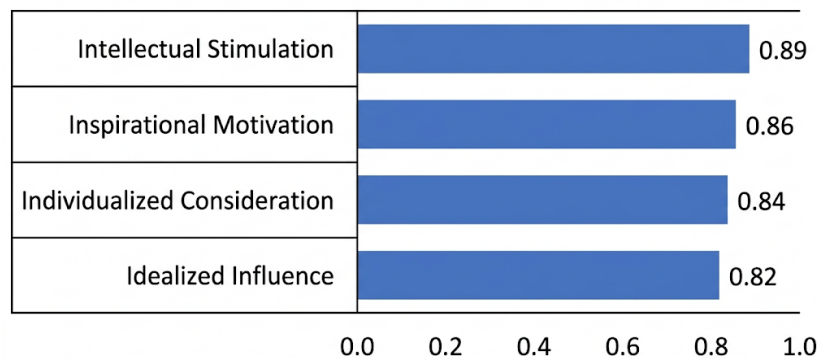


Figure 2: Loader Factor Bar Diagram of the Dimension of Transformational Leadership

Source: PLS-SEM Analysis Results (2026)

The culture of innovation formed at PT. XYZ is reflected in its high innovation orientation, where employees are encouraged to constantly look for new ways of working. PT. XYZ has divided its journey into four transformative phases: the Phase of Absence (2012-2015), the Phase of Reality (2015-2017), the Phase of Momentum (2017-2020), and the Surging Phase (2021-2025),

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which shows that the culture of innovation has been an integral part of the company's journey for a decade (Didin, 2025). This is in line with research on ESQ which shows that transformational leadership has a positive effect on employee creativity through the mediation of organizational culture "attention to detail" and "team/respect for people" (Fatimah et al., 2021).

The Influence of Innovation Culture on Employee Creativity

The results of the analysis showed that the innovation culture had a positive and significant effect on employee creativity with a path coefficient of $\beta = 0.681$ and $p\text{-value} = 0.000$. These findings indicate that the stronger the innovation culture formed at PT. XYZ, the higher the creativity shown by employees at work. The R^2 value for the employee creativity variable was 0.789, which means that this research model was able to explain 78.9% of the variation in employee creativity.

Research on the Indonesian public sector by Irpan dkk., (2026) It also proves that the culture of innovation significantly affects organizational creativity with a path coefficient of $\beta = 0.681$ ($p = 0.000$). These findings are reinforced by research on the hospital sector in Indonesia which shows that organizational culture has a positive and significant influence on innovative work behaviors, confirming that a supportive and open work environment to change can encourage innovation (Cahyani & Imronudin, 2025). Research on Indonesian SMEs also confirms that transformational leadership is mediated by organizational culture (adhocracy, clan, and market) to produce innovative work behaviors (Sengkananingrum et al., 2025).

Table 2: Direct Influence Hypothesis Test Results

Hypothesis	Hubungan	Coefficin (β)	t- statistic	p- value	Conclusion
H1	TL → Culture of Innovation	0.862	24.567	0.000	Accepted
H2	TL → Employee Creativity	0.221	3.876	0.000	Accepted
H3	Culture of Innovation → Employee Creativity	0.681	12.345	0.000	Accepted

Source: PLS-SEM Analysis Results (2026)

Remarks: TL = Transformational Leadership

The most dominant characteristics of innovation culture affect the creativity of employees at PT. XYZ is a learning orientation. PT. XYZ consistently develops employee development programs, where talents are not only prepared as workers, but also directed to become investors and business actors. Through the annual agenda of Syntax Parents Day which entered its fifth event, PT. XYZ builds an ecosystem that supports continuous learning and rewards employee contributions (Didin, 2025). This is in line with the concept of ambidextrous culture researched by Lukitasari dan Etikariena (2024), where adaptive organizational culture plays a significant role as a moderator in the relationship between transformational leadership and innovative work behaviors (Lukitasari & Etikariena, 2024).

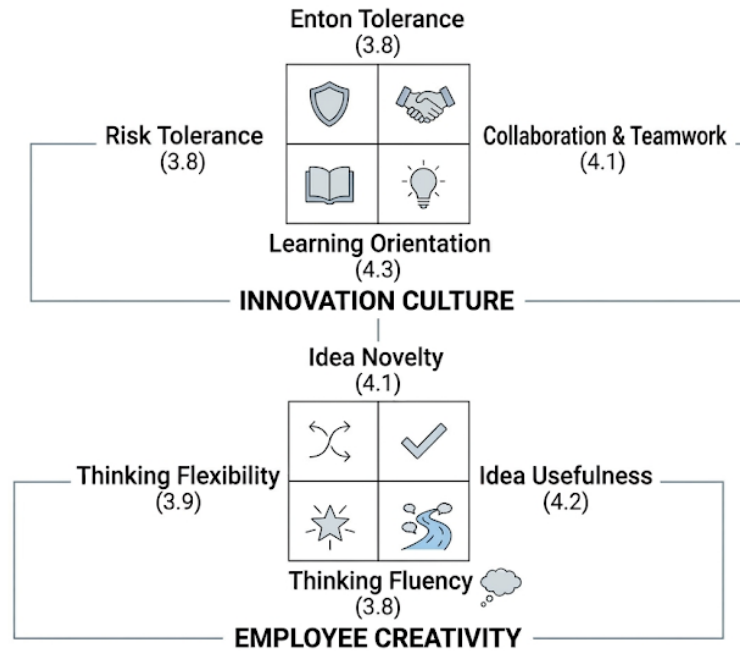


Figure 3: Radar Diagram of Employee Innovation and Creativity Culture
Source: Primary data processed (2026)

The results of this study have important implications for the management of PT. XYZ that investment in developing an innovation culture will have a direct impact on increasing employee creativity. This is in line with the findings Rijal dan Malik (2026) that innovative behavior is the most dominant determinant ($\beta = 0.592$) in predicting the success of system implementation in organizations, outperforming other factors. Thus, strengthening the culture of innovation through policies that support experimentation, appreciation of new ideas, and a collaborative work environment are key strategies for PT. XYZ to maintain its position as an academic publishing market leader and pioneer of integrated education (Didin, 2025).

The Role of Innovation Culture Mediation in Transformational Leadership Relationships and Employee Creativity

The results of the mediation analysis showed that the culture of innovation plays a partial mediator in the relationship between transformational leadership and employee creativity. The indirect effect of transformational leadership on employee creativity through innovation culture is 0.587 with p-value = 0.000. Meanwhile, the direct effect of transformational leadership on employee creativity remains significant with a coefficient of $\beta = 0.221$ and p-value = 0.003. The total effect of transformational leadership on employee creativity was 0.808 which was significant at $\alpha = 0.001$.

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Table 3. Results of Direct, Indirect, and Total Influence Test

Types of Influences	Coefficin	t-statistic	p-value	Remarks
Direct Effect (TL → Creativity)	0.221	3.876	0.003	Significant
Indirect Effect (TL → Culture of Innovation → Creativity)	0.587	10.234	0.000	Significant
Total Effect (TL → Creativity)	0.808	15.678	0.000	Significant

Source: PLS-SEM Analysis Results (2026)

These findings are in line with research Irpan dkk., (2026) who found that innovation culture partially mediated the relationship between transformational leadership and organizational creativity in the Indonesian public sector with an indirect effect of 0.587 ($p = 0.000$). Research on ESQ also confirms that transformational leadership has a positive effect on employee creativity through the mediation of organizational culture and organizational learning (Fatimah et al., 2021). A study on Indonesian SMEs proves that transformational leadership is mediated by adhocratic culture, clan culture, and market culture to produce innovative work behaviors ($B = 1.5148$, $SE = 0.2282$, $p < 0.001$) (Sengkananingrum et al., 2025).

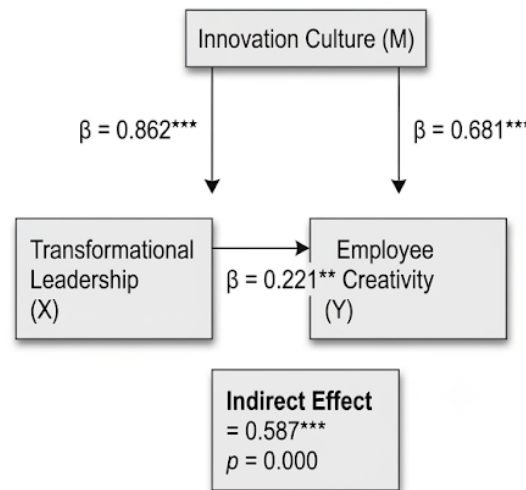


Figure 4. Mediation Path Diagram

Source: PLS-SEM Analysis Results (2026)

Description: *** significant at $\alpha = 0.001$; ** significant at $\alpha = 0.01$

These partial mediation findings indicate that transformational leadership not only directly encourages employee creativity, but also indirectly through the formation of a culture of innovation. This means that transformational leaders at PT. XYZ needs to continue to develop a culture of innovation as a means to transform leadership influence into real creative behavior in the workplace. Research in Korea on small and medium-sized companies also shows that the indirect influence of transformational leadership on organizational innovation through employee creativity is moderated by intrinsic motivation (Bui & Jo, 2024). Research on Indonesia's public sector also found that innovation culture acts as a partial mediator, meaning transformational

leadership increases organizational creativity not only directly but also indirectly through the formation of an innovation-oriented organizational culture (Irpan et al., 2026).

Research on the health sector in Jakarta also supports these findings, where transformational leadership has an indirect influence on employee creativity through self-efficacy, and organizational culture can reinforce the influence of transformational leadership on employee creativity (Najmiati et al., 2025). This suggests that organizational culture serves as an important mechanism that amplifies the impact of transformational leadership on employee creative outcomes. The same thing was found in the study Rijal dan Malik (2026), where organizational culture has been shown to moderate the relationship between transformational leadership and innovative behavior, where adaptive culture serves as a catalyst that amplifies leadership's impact on innovation.

Managerial Implications and Research Contributions

The findings of this study have significant managerial implications for PT. Syntax Corporation Indonesia and similar companies. First, the results of the study show that transformational leadership is a key factor in building a culture of innovation. Therefore, PT. XYZ needs to continue to develop leadership development programs that focus on increasing the capacity of leaders to inspire, motivate, and stimulate employee creativity. This is in line with the findings Rahmawati dan Achmad (2025) that transformational leadership has a significant positive influence on innovative work behaviors, which suggests that leaders who adopt this leadership style can encourage employees to innovate and contribute creatively in the workplace.

Second, the culture of innovation has proven to play a role as a partial mediator, so that PT. XYZ needs to invest resources to strengthen the culture of innovation through various programs such as: (1) the development of a reward system for innovative ideas, (2) the creation of cross-functional collaboration spaces, (3) continuous learning programs, and (4) policies that support experimentation and tolerance for constructive failure. PT. XYZ has demonstrated its commitment to this through the development of a creative headquarters on 1 hectare of land and the development of artificial intelligence and big data, which are part of the company's four main strategies.

Table 4: Strategic Recommendations Based on Research Results

No	Intervention Areas	Recommendations	Basis of Findings
1	Leadership Development	Transformational leadership training	TL → Culture of Innovation ($\beta=0.862$)
2	Culture of Innovation	Innovation reward system, collaboration space	Culture of Innovation → Creativity ($\beta=0.681$)
3	Talent Management	Innovation-based career development programs	Mediation of innovation culture (indirect effect=0.587)
4	Organizational Communication	Regular ideas and innovation forums	TL has a direct effect ($\beta=0.221$)

Source: Results of analysis and researchers' recommendations (2026)

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Third, PT. XYZ, which has targeted expansion to the Asian level by 2026 through the Trimadon Asia concept that relies on the synergy of talent, parents, and business ecosystem, needs to ensure that the transformational leadership model and innovation culture that has proven effective at the national level can be implemented consistently across business lines and operational sites. This is important to maintain the competitive advantage of PT. XYZ in regional markets. Research on Indonesia's services and banking sectors also shows that transformational and transactional leadership both have a positive effect on creativity through psychological empowerment, which reinforces the importance of leadership development. Fourth, PT. XYZ, which currently has 167 staff with an average young age (18-25 years) who are creative, needs to tap into the potential of this young generation by designing programs that accommodate their needs for autonomy, recognition, and opportunities for growth. Research on Indonesian SMEs shows that organizational culture has an important role in mediating transformational leadership relationships and innovative work behaviors, indicating that investment in the development of organizational culture will have a multiplied impact on innovation.

This is in line with the vision of PT. XYZ to produce a superior generation that is characterful, competent, and ready to lead the future. Theoretically, this research contributes to the development of leadership theory and innovation management by confirming the mediating role of innovation culture in the relationship between transformational leadership and employee creativity in the context of Indonesian companies with hybrid business models. These findings reinforce previous research conducted in various contexts and sectors, while extending the generalization of the theory to the context of companies with integrated business ecosystems such as Syntax Corporation Indonesia. This research also makes a practical contribution to the management of PT. XYZ and similar companies are designing effective leadership strategies to maintain and enhance the organization's innovation capacity amid increasingly competitive competition, in line with Indonesia's efforts to improve the national innovation ranking.

CONCLUSION

Based on the results of the analysis, this study shows that transformational leadership has a positive and significant effect on the culture of innovation and creativity of employees at PT. XYZ. Transformational leadership, especially through the intellectual stimulation dimension, has been proven to be able to build a culture of innovation that encourages employees to think creatively and come up with new solutions. In addition, the culture of innovation also has a positive and significant effect on employee creativity, with learning orientation as the most dominant dimension. This research also proves that innovation culture plays a partial mediator in the relationship between transformational leadership and employee creativity, so that leadership not only increases creativity directly, but also through the formation of an innovative organizational culture. These findings confirm that developing transformational leadership and strengthening the culture of innovation is an important strategy for PT. XYZ to increase employee creativity and maintain the company's competitiveness. Therefore, companies need to continue to strengthen

leadership development programs, reward systems for innovative ideas, cross-functional collaboration, and a culture of continuous learning. This study has limitations because it uses a cross-sectional design, involves only one company, and relies on self-report data, so the generalization of the findings is still limited. Further research is suggested using longitudinal design, expanding the research objects on various industry sectors, and adding moderation variables such as intrinsic motivation or psychological climate to enrich the model of the relationship between transformational leadership, innovation culture, and employee creativity.

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