

An Analysis of Transformational Leadership Styles on Employee Performance with Employee Involvement, Work Environment and Work Culture as an Intervening Variable (Case Study on PT. GKS Management)

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ABSTRACT

This study aims to analyze the influence of transformational leadership on employee performance and examine the role of employee engagement, work environment, and work culture as mediating variables at PT. Gading Kelola Sukses. The study used a quantitative explanatory approach with the Partial Least Squares–Structural Equation Modeling (PLS-SEM) method. The results show that transformational leadership has a positive and significant effect on employee performance, as well as increasing work engagement, work environment, and work culture. However, not all mediating variables showed strong statistical significance, so the mediating role that occurred was limited to partial. These findings confirm that improved performance depends not only on leadership style but also on the psychological, social, and cultural conditions established within the organization. Practically, this research provides recommendations for companies to strengthen cultural values, enhance a supportive work environment, and encourage employee engagement to optimize performance.

Keywords: transformational leadership; employee engagement; work environment; work culture; employee performance.

INTRODUCTION

Global change and the acceleration of digital transformation require organizations to continuously adapt to maintain competitiveness. In this dynamic situation, leadership plays a strategic role in directing the organization, building employee commitment, and improving work effectiveness. Transformational leadership is a relevant approach to addressing the complexity of change because it emphasizes the leader's ability to inspire, build vision, foster creativity, and provide individualized attention (Bass, 2006; Yukl, 2013). Numerous contemporary studies also show that this leadership style contributes to increased innovation, work engagement, and employee performance in various modern organizational contexts (Jiatong et al., 2022; Jufrizen et al., 2023; Thariq et al., 2023).

In the building management services sector, such as PT. Gading Kelola Sukses (PT. GKS), leadership effectiveness has direct implications for service quality and customer satisfaction. Initial observations indicate several organizational challenges, including performance disparities among employees, minimal participation in technical decision-making, suboptimal vertical communication, and low levels of initiative and creativity. These conditions demonstrate the need for a leadership style that fosters shared values, strengthens intrinsic motivation, and creates a work environment conducive to proactive behavior.

Previous research consistently shows that transformational leadership positively impacts performance by increasing commitment and motivation (Dali, 2023; Jufrizen et al., 2023) . However, findings across various organizational contexts are inconsistent. Several studies confirm that the influence of transformational leadership can be indirect, depending on the surrounding psychological and organizational conditions (Pratama, 2020;

Purwanto et al., 2020) . In other words, transformational leadership tends to be effective only when employees have high levels of engagement, work in a supportive work environment, or are within an organizational culture aligned with company values. This indicates that the relationship between transformational leadership and employee performance requires explanation through more comprehensive internal mechanisms.

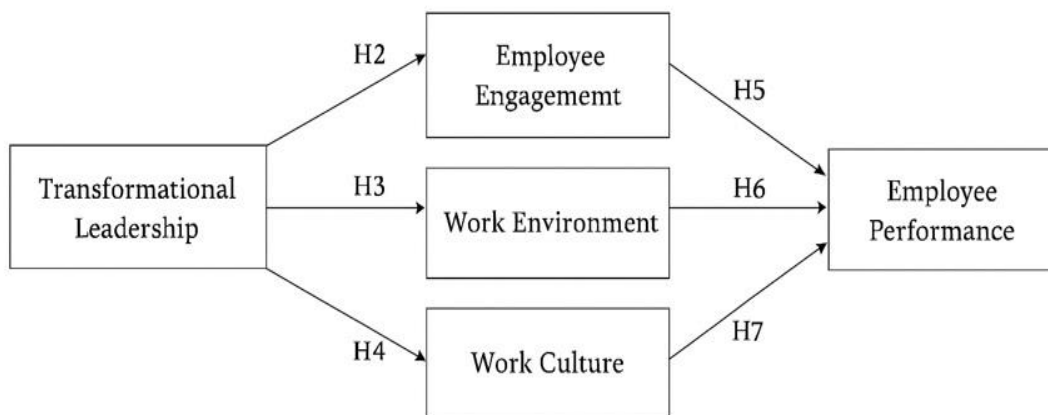
Job engagement describes employees' emotional and cognitive attachment to their work, which impacts commitment and productivity (Grubert et al., 2023; Khair et al., 2023) . A conducive work environment increases comfort, psychological safety, and the quality of social interactions (Irawati et al., 2023) . Meanwhile, work culture reflects shared values that shape employee behavior and discipline (Abduraimi, 2023; Alkhodary, 2023) . These three variables have the potential to be important mechanisms that bridge the influence of transformational leadership on performance.

However, most previous studies have examined these variables separately, rather than within an integrated structural model. For example, a study by (Thariq et al., 2023) only examined the work environment as a single mediator, while other studies focused on engagement without incorporating cultural aspects. Research in the Southeast Asian service sector also tends to only highlight the direct influence of transformational leadership on performance. Thus, there is a theoretical gap regarding how engagement, work environment, and work culture operate simultaneously to explain the mechanisms by which transformational leadership influences employee performance.

The novelty of this research lies in the development of a triple mediation model that integrates psychological (employee engagement), social (work environment), and cultural (work culture) dimensions in one PLS-SEM-based structural model, thus providing a more comprehensive approach compared to previous research which generally only tested one mediating variable separately. This approach extends the Transformational Leadership Theory of Bass, 1985 (Bass, 2006) and enriches the Job Demands–Resources Model (Schaufeli & Bakker, 2003) . This model also provides practical contribution to service company management in designing value-based leadership strategies and managing performance more comprehensively.

Based on the theoretical foundation and research gaps, this study aims to analyze the influence of transformational leadership on employee performance at PT. Gading Kelola Sukses and examine the role of employee engagement, work environment, and work culture as mediators. Thus, this study formulates the core question: how do these three mediating variables collectively explain the relationship between transformational leadership and employee performance in the building management services sector?

To clarify the theoretical relationship between variables, the following is the conceptual framework of this study.



Source: Primary data processed by researchers (SmartPLS 4.0, 2025).

Figure 1 Conceptual Framework

Based on the conceptual framework in Figure 1, the research hypothesis is formulated as follows:

Table 1. Hypothesis

Hypothesis	Hypothesis Formulation	Direction of Influence	Types of Relationships
H1	Transformational leadership has a positive influence on employee performance.	Positive	Direct
H2	Transformational leadership has a positive influence on employee engagement.	Positive	Direct
H3	Transformational leadership has a positive impact on the work environment.	Positive	Direct
H4	Transformational leadership has a positive influence on work culture.	Positive	Direct
H5	Employee engagement has a positive impact on employee performance.	Positive	Direct
H6	The work environment has a positive influence on employee performance.	Positive	Direct
H7	Work culture has a positive influence on employee performance.	Positive	Direct
H8	Employee engagement mediates the influence of transformational leadership on employee performance.	Positive	Mediation
H9	The work environment mediates the influence of transformational leadership on employee performance.	Positive	Mediation
H10	Work culture mediates the influence of transformational leadership on employee performance.	Positive	Mediation

Source: Primary data processed by researchers. (SmartPLS 4.0, 2025).

RESEARCH METHODOLOGY

Research Design

This study uses a quantitative explanatory approach to examine the causal relationship between transformational leadership and employee performance, with employee engagement, work environment, and work culture as mediating variables. This approach is suitable for identifying direct and indirect influences in complex structural models (Hair, 2021). The analysis was conducted using PLS-SEM because this method is capable of estimating models with many indicators and relatively small sample sizes, as is common in human resource studies in the service sector. Furthermore, PLS-SEM was chosen because it is flexible to data distribution and capable of providing stable estimates in multiple mediation models.

Population and Sample

The study population included 80 employees of PT. Gading Kelola Sukses (PT. GKS), including administrative staff, technicians, security officers, and operational staff. Given the small population, the study employed a census technique (total sampling), so the entire population was selected as respondents (Sugiyono, 2019). The participation rate reached 100%, thus the risk of non-response bias is negligible. Data collection was conducted with informed consent and maintaining respondent confidentiality, in accordance with academic ethics guidelines. The majority of respondents were aged 26–35 years (45%), male (81.25%), and had a high school education (65%), reflecting the dominance of operational personnel in the company.

Data Types and Sources

The study used two types of data:

1. Primary data, collected through a closed questionnaire based on a 5-point Likert scale.

- Secondary data, obtained from company documents, annual reports, and relevant scientific literature.

The combination of both data was used to strengthen the triangulation of findings and increase the reliability of interpretation.

Research Instruments

The main instrument was a questionnaire with a 5-point Likert scale (1 = strongly disagree to 5 = strongly agree). Each construct was adapted from previous instruments and adapted to the context of service organizations.

Table 2. Summary of Operationalization of Variables

Variables	Indicator	Reference
Transformational Leadership (X)	1. Leaders provide a clear vision and direction for their work. 2. Leaders serve as role models in their work behavior. 3. Leaders provide inspiration and motivation. 4. Leaders pay attention to individual needs.	Bass & Avolio (1994), (Agazu et al., 2025)
Employee Engagement (Z₁)	1. Feeling enthusiastic about carrying out tasks. 2. Work is considered meaningful. 3. High responsibility for work. 4. Willing to put in extra effort.	(Schaufeli & Bakker, 2003)
Work Environment (Z₂)	1. Adequate facilities and physical conditions. 2. Harmonious co-worker relationships. 3. Adequate support from superiors. 4. Clear work structures and rules.	Mullins (2010) ; (Irawati et al., 2023)
Work Culture (Z₃)	1. Discipline is practiced. 2. Communication and cooperation are encouraged. 3. Innovation is appreciated. 4. Integrity is upheld.	Hofstede (2001); Schein (2010) ; (Abduraimi, 2023)
Employee Performance (Y)	1. Completion of work according to target. 2. Work quality meets standards. 3. High effectiveness and efficiency. 4. Increased productivity.	Robbins (2013) (Jiatong et al., 2022)

Source: Primary data processed by researchers (SmartPLS 4.0, 2025).

Initial Validity and Reliability

Prior to distribution of the main questionnaire, a content validity test was conducted through a *pilot test* on 10 respondents. Items with an item-total correlation ≥ 0.30 were retained, and initial reliability showed a Cronbach's Alpha value ≥ 0.70 , confirming the instrument's suitability for use.

Data Analysis Techniques

The analysis was carried out with PLS-SEM using SmartPLS 4.0 because this method is suitable for complex models, small sample sizes, and does not require normal distribution. The following are the stages of analysis which include:

Evaluation of Measurement Model (Outer Model)

Testing convergent validity, discriminant validity, and construct reliability (Li & Lay, 2024) . With Outer loading value ≥ 0.70 , AVE ≥ 0.50 , Cronbach's Alpha & Composite Reliability ≥ 0.70 and HTMT ≤ 0.85 for discriminant validity . The rho_A value was also examined to strengthen construct reliability.

Structural Model Evaluation (Inner Model)

Assess the relationship between variables using R^2 (0.19 weak; 0.33 moderate; 0.67 strong) , f^2 to see the strength of influence , Q^2 for the predictive power of the model and GoF are not prioritized because they are no longer widely recommended, but are still calculated to provide an overview of the model. Or in other words, although the Goodness of Fit (GoF) value is reported, the model evaluation in this study places more emphasis on indicators recommended in the latest PLS-SEM literature such as R^2 , Q^2 , and SRMR.

Significance and Mediation Test

The significance of the path was tested by **bootstrapping 5,000 resamplings** (two-tailed, $\alpha = 0.05$) (Sarstedt & Moisescu, 2024) and a mediation analysis was conducted using the **Variance formula Accounted For (VAF)**:

Indirect Effect

$$VAF = \text{-----} \times 100\%$$

Total Effect

Criteria:

- $VAF < 20\%$ → no mediation,
- $20\% \leq VAF \leq 80\%$ → partial mediation,
- $VAF > 80\%$ → full mediation.

In addition, the *common method bias test* was conducted using Harman's single factor test (variance < 50%) and VIF test < 3.3 to ensure that multicollinearity did not occur. *Testing of two CMB methods was conducted to improve data reliability, in accordance with recent recommendations in survey-based research.*

RESEARCH RESULT

This section presents the results of model testing using Partial Least Squares–Structural Equation Modeling (PLS-SEM) with SmartPLS 4.0. The analysis was conducted in two stages: evaluation of the measurement model (outer model) and evaluation of the structural model (inner model).

Evaluation of the Measurement Model (Outer Model)

Convergent Validity and Construct Reliability

Table 3. Outer Loadings, Cronbach's Alpha, CR, and AVE

Variables	Measure ment Items	Outer Loadings	Cronbach's Alpha	Reliability ρ_A (roh_A)	Composite Reliability	AVE
Transformational Leadership Style(X)	X 2	0.798	0.718	0.732	0.841	0.638
	X 3	0.761				
	X 4	0.836				
Employee Engagement (Z1)	Z1- 1	0.766	0.823	0.825	0.883	0.653
	Z1- 2	0.799				
	Z1-3	0.836				
	Z1- 4	0.830				
Work Environment (Z2)	Z2- 3	0.829	0.756	0.765	0.860	0.671
	Z2- 4	0.842				
	Z2- 6	0.786				

Work Culture (Z3)	Z3-1	0.793	0.719	0.728	0.841	0.637
	Z3- 3	0.811				
	Z3- 5	0.790				
Employee Performance (Y)	Y1	0.774	0.783	0.788	0.860	0.606
	Y3	0.764				
	Y4	0.817				
	Y 5	0.757				

Source: Primary data processed by researchers (SmartPLS 4.0, 2025).

All indicators have outer loading values > 0.70 and AVE > 0.50 . Cronbach's Alpha, ρ_A , and Composite Reliability values > 0.70 . Thus, all constructs meet convergent validity and internal reliability. All constructs have met the measurement quality requirements according to (Hair, 2021) .

Discriminant Validity

Table 4. Results of the Discriminant Validity Test (Fornell–Larcker Criterion)

	X	Y	Z1	Z2	Z3
X	0.799				
Y	0.612	0.778			
Z1	0.460	0.620	0.808		
Z2	0.465	0.620	0.497	0.819	
Z3	0.439	0.529	0.403	0.396	0.798

Source: Primary data processed by researchers (SmartPLS 4.0, 2025).

The diagonal of the AVE root is higher than the correlation between constructs, so that discriminant validity is met.

Table 5. Cross Loading Test Results

	(X)	(Z1)	(Z2)	(Z3)	(Y)
X 2	0.798				
X 3	0.761				
X 4	0.836				
Z1- 1		0.766			
Z1- 2		0.799			
Z1-3		0.836			
Z1- 4		0.830			
Z2- 3			0.829		
Z2- 4			0.842		
Z2- 6			0.786		
Z3-1				0.793	
Z3- 3				0.811	
Z3- 5				0.790	
Y1					0.774
Y3					0.764
Y4					0.817
Y 5					0.757

Indicators have the highest loading on their respective constructs.

Table 6. HTMT Values

	X	Y	Z1	Z2	Z3
X					
Y	0.799				
Z1	0.598	0.756			
Z2	0.602	0.797	0.618		
Z3	0.600	0.703	0.512	0.520	

Source: Primary data processed by researchers (SmartPLS 4.0, 2025).

All HTMT < 0.85, indicating that there is no overlap between constructs according to Henseler (Cheung et al., 2024). The results of the three approaches consistently show that all latent constructs are distributed discriminatively and there is no overlap problem.

Structural Model Evaluation (Inner Model)

Coefficient of Determination (R²)

Table 7. R² Value of Endogenous Variables

Endogenous Variables	R²	Category
Employee Performance (Y)	0.612	Strong
Employee Engagement (Z1)	0.212	Currently
Work Environment (Z2)	0.216	Currently
Work Culture (Z3)	0.192	Currently

Source: Primary data processed by researchers (SmartPLS 4.0, 2025).

The variation in employee performance (Y) is explained by 61.2% (strong category). The R² values for Z1, Z2, and Z3 are in the moderate category (0.192–0.216). The model has adequate explanatory power for all mediating variables.

Effect Size (f²)

Table 8. f² value (Effect Size)

Track	f²	Interpretation
X → Y	0.126	Small–Medium
X → Z1	0.268	Currently
X → Z2	0.276	Currently
X → Z3	0.238	Currently
Z1 → Y	0.135	Small–Medium
Z2 → Y	0.135	Small–Medium
Z3 → Y	0.066	Small

Source: Primary data processed by researchers (SmartPLS 4.0, 2025).

The effect size (f²) value shows that most of the influences are in the small to medium category, which indicates that the contribution of each variable in the model is not yet dominant and there are still other factors outside the model that influence employee performance.

Multicollinearity (VIF)

Table 9. VIF Values

Track	VIF	Interpretation
X → Y	1,498	There is no multicollinearity
X → Z1	1,000	There is no multicollinearity
X → Z2	1,000	There is no multicollinearity
X → Z3	1,000	There is no multicollinearity
Z1 → Y	1,507	There is no multicollinearity
Z2 → Y	1,508	There is no multicollinearity
Z3 → Y	1,359	There is no multicollinearity

Source: Primary data processed by researchers (SmartPLS 4.0, 2025).

All VIFs < 3.3, so there is no multicollinearity or common method bias.

Predictive Relevance (Q²)

Table 10. Q² Value of Endogenous Variables

Endogenous Variables	Q ²	Interpretation
Z1	0.421	Good
Z2	0.389	Good
Z3	0.412	Good
Y	0.527	Very good

Source: Primary data processed by researchers (SmartPLS 4.0, 2025).

All Q² values > 0.35, indicating that the model has good predictive relevance, with the highest value for employee performance (0.527) (Hair, 2021) .

Goodness of Fit (GoF)

Table 11. Goodness of Fit Evaluation Results

Indicator	Saturated Model	Estimated Model
SRMR	0.092	0.118
NFI	0.634	0.623
Chi-square	235,726	242,852
GoF (Tenenhaus)	0.626	—

Source: Primary data processed by researchers (SmartPLS 4.0, 2025).

The SRMR value = 0.092 and GoF = 0.626 indicate a good level of model fit. (Hair, 2021) . Although GoF is no longer recommended as a primary indicator, the results still indicate an acceptable level of fit for the model. In other words, although Goodness of Fit (GoF) values are reported, the model evaluation in this study places greater emphasis on indicators recommended in recent PLS-SEM literature, such as R², Q², and SRMR.

Results of Direct Effect Test (Bootstrapping)

Tables 1 2. Path Coefficients (Bootstrapping Results)

Track	Coefficient (β)	t-statistic	p-value	Information
X → Y	0.271	2,738	0.006	Significant
X → Z1	0.460	4,512	0.000	Significant

X → Z2	0.465	4.166	0.000	Significant
X → Z3	0.439	3,851	0.000	Significant
Z1 → Y	0.281	2,633	0.008	Significant
Z2 → Y	0.281	2,674	0.008	Significant
Z3 → Y	0.186	2,173	0.030	Significant

Source: Primary data processed by researchers (SmartPLS 4.0, 2025).

All paths are significant ($p < 0.05$). Transformational leadership has a direct effect on performance ($\beta = 0.271$) and has a strong effect on the three mediating variables ($\beta = 0.439-0.465$). (Jufrizen et al., 2023).

Mediation Analysis (Indirect Effects and VAF)

Table 1.3. Results of Indirect Effects Test and Confidence Interval (Bootstrapping)

Mediation Path	Original Sample (O)	t-stat	p-value	CI 95%	Status
X → Z1 → Y	0.129	1,926	0.054	(0.046–0.290)	Not Significant (Marginal)
X → Z2 → Y	0.131	2,330	0.020	(0.039–0.264)	Significant Mediation
X → Z3 → Y	0.082	1,769	0.077	(0.011–0.196)	Not Significant (Marginal)

Source: Primary data processed by researchers (SmartPLS 4.0, 2025).

The results of the mediation test showed that not all mediation paths were statistically significant. The path through the work environment proved significant, while the paths through employee engagement and work culture were not significant at the 5% level and only showed a tendency for a marginal effect.

Note: Paths with a p-value > 0.05 are not categorized as significant, but may indicate a tendency for influence (marginal significance).

Table 1 4. Variance Accounted For (VAF)

Mediation Path	Indirect Effect	Total Effect	VAF (%)	Types of Mediation
X → Z1 → Y	0.129	0.528	36.0	Partial
X → Z2 → Y	0.131	0.561	31.3	Partial
X → Z3 → Y	0.082	0.532	39.6	Partial

Source: Primary data processed by researchers (SmartPLS 4.0, 2025).

Although the Variance Accounted For (VAF) values indicate partial mediation across all paths, this interpretation must be linked to the significance of the indirect effects. The results indicate that only the path through the work environment is statistically significant, while the paths through employee engagement and work culture are not significant at the $\alpha = 0.05$ level.

Total Effects Analysis

Table 1 5. Total Effects

Track	Direct	Indirect	Total	Information
X → Y	0.271	0.342	0.613	Significant (Strong)

Source: Primary data processed by researchers (SmartPLS 4.0, 2025).

The total influence of transformational leadership on performance is 0.613 (strong category).

Visualization of Structural Models

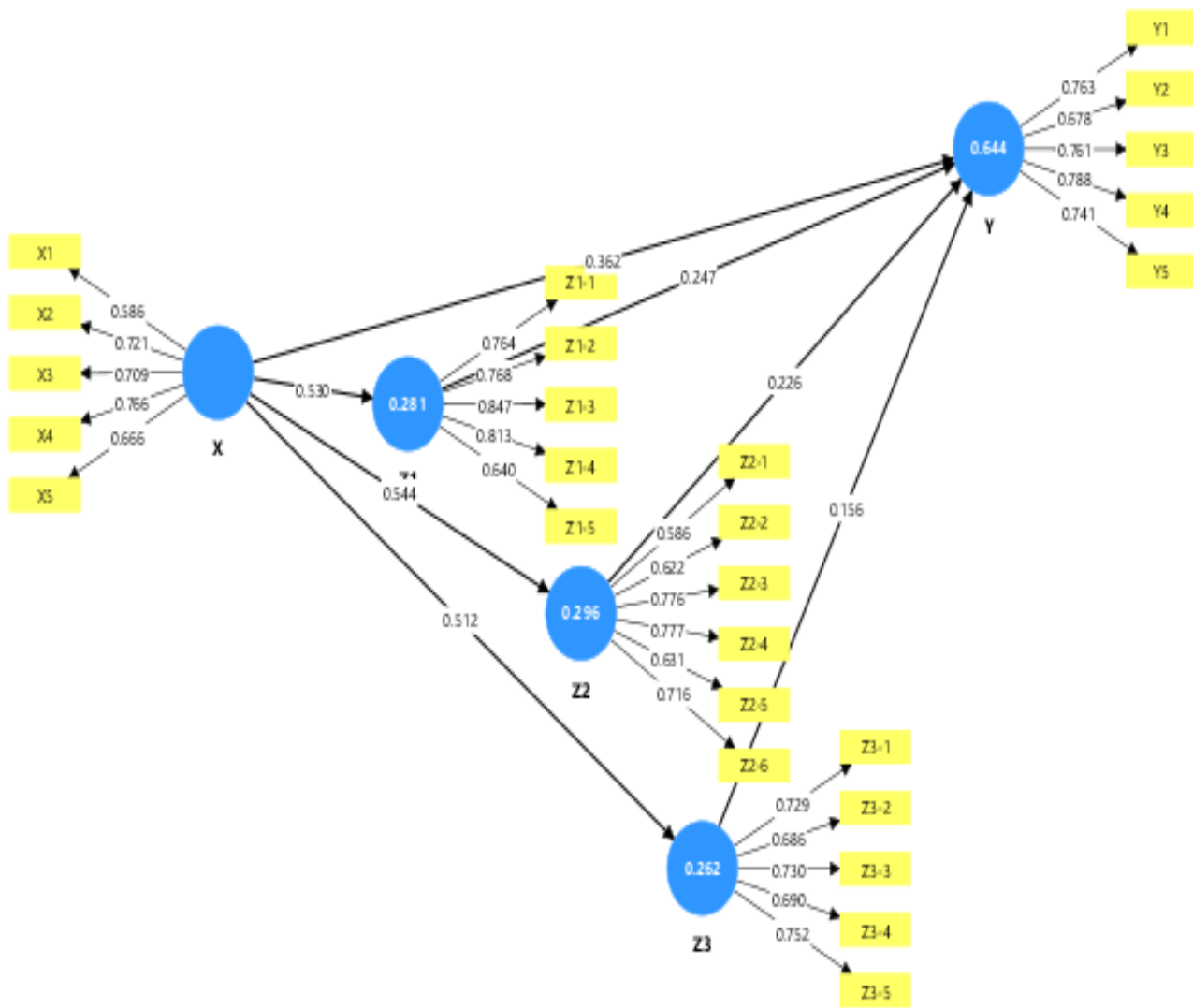


Figure.1 Measurement Model (Outer Model)

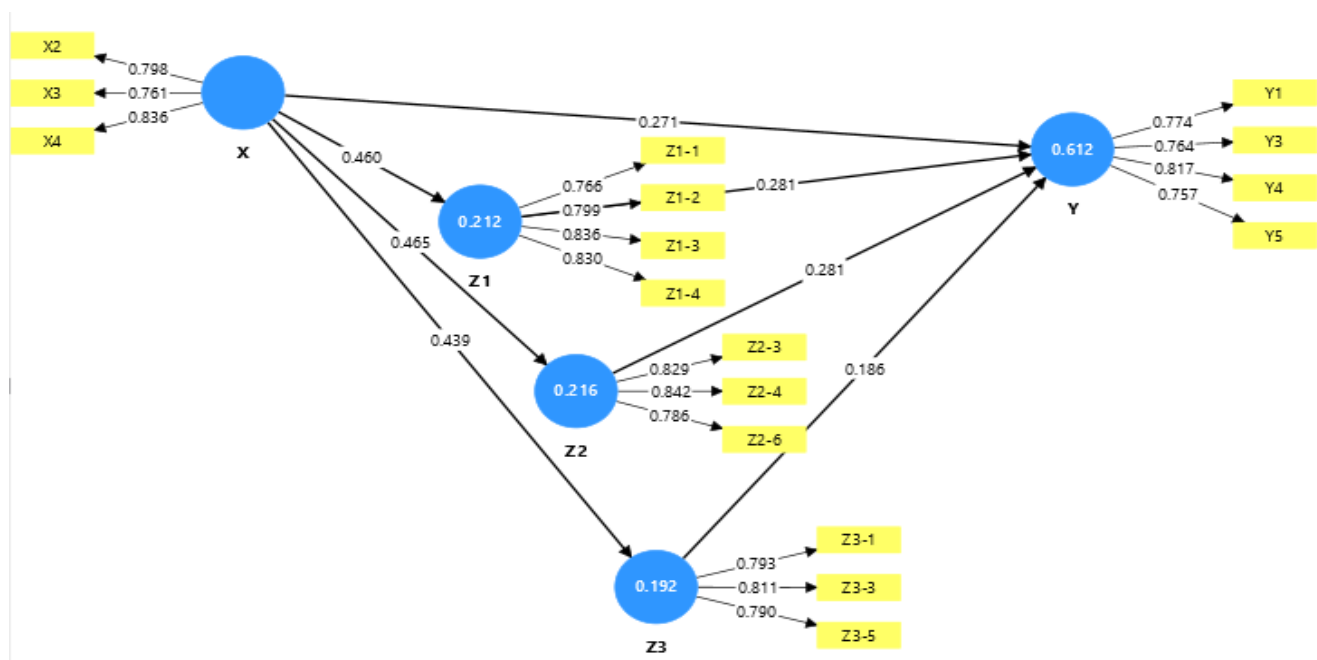


Figure 2. PLS-SEM Structural Model (Path Coefficients and R²)

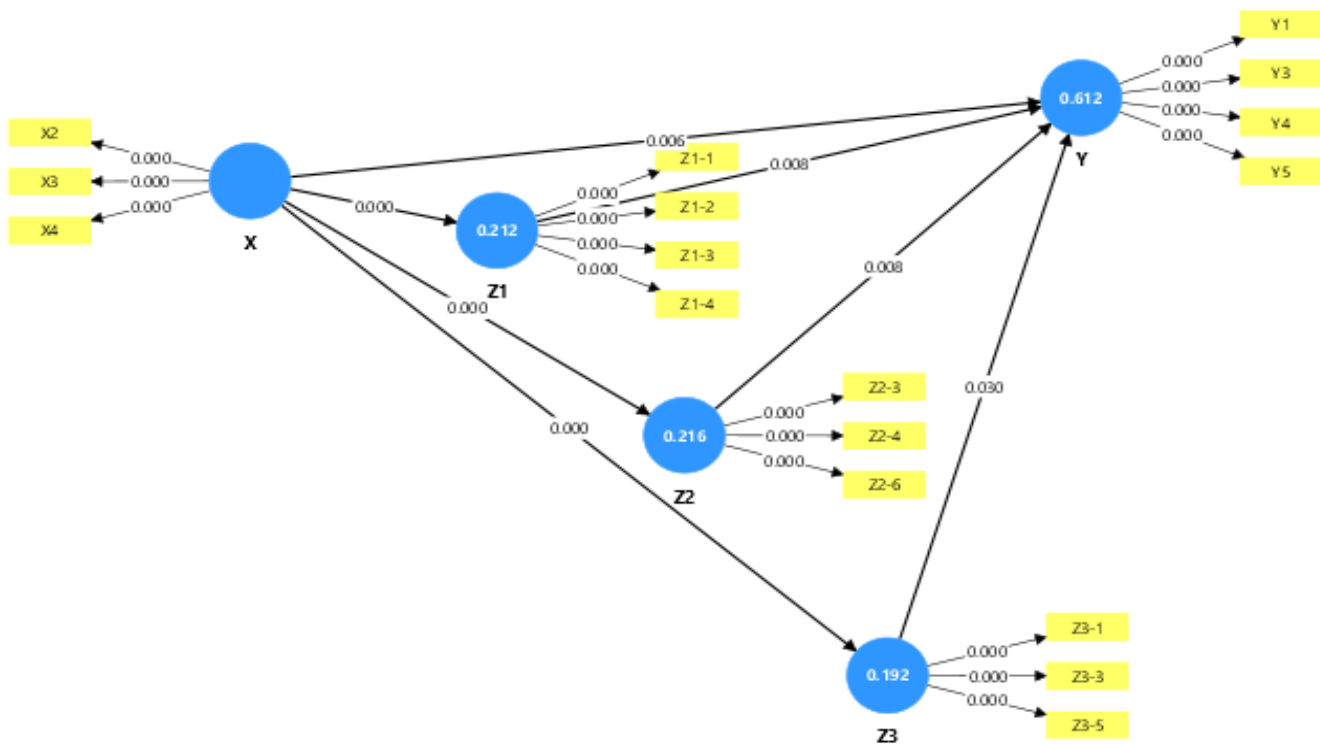


Figure 3. Bootstrapping Results (Path Significance)

Figures 1, 2 and 3 show:

- Valid loading values
- Significant path coefficient
- Strong R² value on the main variable

The visualization shows the strongest paths are X → Z1 and X → Z2, indicating the strength of leaders in building engagement and work environment.

Summary of Research Findings

1. The research model is valid, reliable, and has good predictions.
2. All direct relationships are significant.
3. All indirect relationships were significant with partial mediation.
4. Work culture is the most powerful mediator.
5. The model's explanatory power regarding performance is relatively high (R² = 0.612).

DISCUSSION

The Influence of Transformational Leadership on Employee Performance

Transformational leadership has been shown to have a positive effect on employee performance ($\beta = 0.271$; $p < 0.05$). This finding indicates that leader behavior that provides vision, inspiration, and individual support increases motivation and work effectiveness. At PT. GKS, leaders who provide clear direction and appreciate technical initiatives are able to encourage more consistent service quality. These results reinforce the concepts

of *idealized influence* and *inspirational motivation* by Bass & Avolio, which are consistent with research conducted by (Ahmad Rivai, 2020). This finding confirms that performance is not only determined by the technical competence of employees, but also by the leader's ability to create clarity of purpose and meaning of work.

The Influence of Transformational Leadership on Employee Engagement

Transformational leadership significantly influences employee engagement ($\beta = 0.460$; $p < 0.001$). Leaders who provide meaningful work and support employee participation increase their sense of belonging and psychological energy. At PT. GKS, this is evident in the involvement of technicians and operational staff in decision-making, providing ideas, and responding quickly to operational issues. This finding is consistent with (Narosaputra, 2022; Oloan, 2021) and extending the JD-R Model (Demerouti & Bakker, 2023). These results suggest that engagement is a key psychological pathway that translates leader influence into more productive work behavior.

The Influence of Transformational Leadership on the Work Environment

The results of the study showed a significant relationship between transformational leadership and the work environment ($\beta = 0.465$; $p < 0.001$). Visionary leaders who care about working conditions are able to create a collaborative and comfortable work atmosphere. At PT. GKS, this is evident in the leadership's focus on occupational safety, field inspections, and rapid response to facility repairs. These results align with (Nurmaidah Ginting, Ari Wijaya Hutagalung, Fitri, 2020; Thariq et al., 2023). The work environment becomes a social context that strengthens the transformational process, because employees feel real support from leaders in their daily work.

The Influence of Transformational Leadership on Work Culture

Transformational leadership significantly influences work culture ($\beta = 0.439$; $p < 0.001$). Leaders who consistently uphold the values of professionalism, discipline, and integrity contribute to the formation of a strong organizational identity. At PT. GKS, work culture is reflected in discipline, cooperation team, and service orientation. This finding is consistent with (Ahmad Rivai, 2020; Praditya, 2022). Work culture functions as a "cultural pathway" that translates the leader's vision into collective behavior that impacts customer service and satisfaction.

The Mediating Role of Engagement, Environment, and Work Culture

The results showed that the mediating role was not entirely consistent across the three variables. The work environment proved to be a significant mediator, while employee engagement and work culture did not demonstrate strong statistical significance. These results are consistent with (Ahmad Rivai, 2020; Maric et al., 2022; Narosaputra, 2022), which emphasize that leadership effectiveness depends on the psychological, social, and cultural conditions built by the leader. The triple mediation model confirms that the influence of leadership is multi-level. Involving emotions (engagement), working conditions (work environment), and organizational values (culture) who work to complement each other. In addition, variations in the strength of influence between variables can also be seen from the effect size (f^2) value produced in the model.

However, the insignificance of the employee engagement and work culture paths indicates that not all dimensions have equal power in transmitting the influence of leadership on performance. This indicates that in the context of the organization studied, the social aspect, namely the work environment, is more dominant in directly influencing employee perceptions and work experiences.

Although transformational leadership was shown to have a positive effect on all variables in the model, the strength of this influence showed significant variation. The relatively small effect size (f^2) values for several paths indicate that the influence is not optimal and is still influenced by factors outside the research model. However, the insignificance of the employee engagement and work culture pathways suggests that not all dimensions have equal power in transmitting leadership's influence on performance. This indicates that, in the

organizational context studied, the social aspect, in the form of the work environment, is more directly perceived by employees than the psychological and cultural aspects.

This suggests that the effectiveness of transformational leadership is highly dependent on the organizational context and job characteristics. These findings also confirm that not all mediating mechanisms operate optimally, suggesting that in this study, the influence of leadership on employee performance is more determined by work environment factors than psychological and cultural factors.

Total Influence and Theoretical Implications

The total effect of transformational leadership on performance reached 0.613, indicating a substantial contribution through both direct and indirect channels. Over 55% of this influence was channeled through three mediators, indicating that leadership operates primarily through the creation of a supportive organizational context.

These results strengthen the model (Bass, 2006) and are in line with (Jiatong et al., 2022; Ren & Li, 2024) which emphasizes that contextual factors strengthen leadership effectiveness in service organizations. These findings position transformational leadership as a systemic driver, not just an interpersonal behavior, making it relevant for organizations that demand consistent service delivery, such as PT. GKS.

Novelty and Theoretical Advancement

This study provides a theoretical contribution by developing a transformational leadership model through three mediating variables tested simultaneously in PLS-SEM. The triple mediation approach extends Bass & Avolio's theory by showing that leaders not only influence subordinates interpersonally, but also shape the psychological, social, and cultural structure of the organization. Besides that:

- Work culture emerged as the strongest mediator,
- PLS-SEM produces a robust model (GoF = 0.626; $Q^2 = 0.527$),
- The research enriches the literature on the context of service organizations in developing countries.

These findings open up avenues for further research to incorporate variables such as digital leadership, organizational agility, or employee resilience in the era of digital transformation.

CONCLUSION

This study concludes that transformational leadership has a significant direct and indirect influence on employee performance at PT. Gading Kelola Sukses. Directly, a leadership style that inspires, builds vision, and provides individual support increases employee motivation and work effectiveness.

Indirectly, transformational leadership influences employee performance through several mediating variables, but only the work environment is proven to be statistically significant, while the other variables show an insignificant mediation tendency.

The total effect of transformational leadership on performance is in the strong category, confirming that leadership effectiveness is not only determined by direct interaction with subordinates, but also by its ability to create a conducive and sustainable organizational context.

Theoretically, this study strengthens Transformational Leadership Theory and extends the JD-R Model by demonstrating the existence of multi-mediation mechanisms in the context of service organizations. Practically, these findings emphasize the importance of strengthening work culture values, a supportive work environment, and employee engagement as performance-enhancing strategies.

Theoretical Implications

1. This research confirms that the mechanism of transformational leadership is **multi-level**, working through psychological (engagement), social (work environment), and cultural (work culture) pathways.
2. These results extend **the Job Demands–Resources Model** by showing that leadership acts as *an organizational resource* that triggers psychological and structural resources for employees.
3. The triple mediation model provides a new contribution that **work culture is the most powerful mediator**, emphasizing the importance of collective values and norms in leadership effectiveness.
4. The findings support **the contingency theory perspective**, namely that leadership effectiveness depends on the work context created by the leader.

Practical Implications

Leadership Development:

- PT. GKS needs to hold a leadership development program that focuses on communicating vision, coaching and empowerment.
- Operational line leaders need to be equipped with transformational behavior training (role modeling, individualized consideration).

Strengthening Employee Engagement:

- Implement an *employee voice system* (weekly idea forum, digital suggestion box).
- Give technicians/operators greater job autonomy and increase the transparency of the reward system.
- Use *performance-based recognition* to increase a sense of belonging.

Work Environment Improvement:

- Improve occupational safety standards, facility inspections, and work disruption reporting systems.
- Create a collaborative culture through daily *team briefings or toolbox meetings*.

Strengthening Work Culture:

- Internalize the values of discipline, integrity, and excellent service through new SOPs, *rewards & punishments*, and internal cultural campaigns.
- Conduct regular cultural evaluations through *culture audits* or organizational climate surveys.

Research Limitations

1. The cross-sectional research design limits the ability to capture changes in leadership dynamics over time.
2. The research location was only one building management services company, so generalization of the findings needs to be done with caution.
3. The use of self-report questionnaires has the potential to give rise to perception bias even though they have been tested using CMB.
4. The mediating variables are limited to three factors, while other factors such as empowerment or job satisfaction may provide additional explanations.
5. The sample size used a census from a small population so the results may not fully represent large-scale service organizations.

Suggestions for Further Research

1. Use longitudinal designs to understand leadership and performance changes dynamically.

2. Add variables such as **psychological empowerment, resilience, organizational agility, or digital leadership** to build a more comprehensive model.
3. Apply the study to other service sectors (hotels, hospitals, logistics, retail) to increase generalizability.
4. Use *mixed-methods* or in-depth interviews to capture employee experiences more richly.
5. Conduct comparative studies across units or across job levels to see variations in leadership influence on different groups.

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