

## **ABSTRACT**

*Innovative Work Behavior is an important factor in supporting the success of organizational transformation, particularly in the electricity sector, which is currently facing the demands of digitalization, system resilience, and energy transition. However, employee participation in innovation programs at PLN UID Jateng & DIY has shown a decline, while the implementation of knowledge sharing in several work units remains uneven. This condition indicates the need to examine the factors that can encourage Innovative Work Behavior, particularly Transformational Leadership, Knowledge Sharing, and Psychological Empowerment. This study aims to analyze the effect of Transformational Leadership on Innovative Work Behavior, with Knowledge Sharing and Psychological Empowerment as mediating variables among employees of PLN UID Jateng & DIY.*

*This study employed a quantitative approach using a survey method. Data were collected through questionnaires distributed to 180 permanent employees of PLN UID Jateng & DIY across 15 work units. The research instrument used a 1 to 5 Likert scale. The data were analyzed using Partial Least Squares–Structural Equation Modeling (PLS-SEM) to examine the direct and indirect effects among variables.*

*The results show that Transformational Leadership has a positive and significant effect on Innovative Work Behavior. Knowledge Sharing is proven to mediate the effect of Transformational Leadership on Innovative Work Behavior. Psychological Empowerment is also proven to mediate the effect of Transformational Leadership on Innovative Work Behavior. The findings indicate that Psychological Empowerment is a more dominant mediating mechanism than Knowledge Sharing.*

*This study provides managerial implications for strengthening transformational leadership, developing a more consistent knowledge-sharing culture, and enhancing employees' psychological empowerment to encourage sustainable innovative work behavior.*

**Keywords:** *Transformational Leadership, Innovative Work Behavior, Knowledge Sharing, Psychological Empowerment, PLS-SEM.*

**FEB UNDIP**