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The Effect of Transformational Leadership and Organizational Learning on Organizational Performance of Construction Companies in Jakarta

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ABSTRACT
This research is motivated by the dynamics of the construction industry in Jakarta, which continues to grow rapidly in support of national infrastructure acceleration, with employment characteristics dominated by project contract employees. This study examines the influence of Transformational Leadership and Organizational Learning on Organizational Performance in contractor companies in Jakarta. This study uses a quantitative approach with an associative design and distributes questionnaires to respondents in the construction sector employees in Jakarta. Data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) through Outer Model analysis (validity and reliability) and Inner Model, where organizational performance is measured based on cost, quality, delivery time, and safety parameters. The results show that transformational leadership and organizational learning have a significant influence on improving organizational performance, employee commitment, and operational efficiency. These findings underscore the importance of implementing inspirational leadership and integrating knowledge sharing as strategic instruments to mitigate the risk of turnover intention and increase company competitiveness in a dynamic business environment.

Keywords: Transformational Leadership, Organizational Learning, Organizational Performance, Construction Industry.

I. Introduction

The performance of a company, whether in the private or public sector, determines its success. Organizations must not only survive but also continuously thrive in an increasingly dynamic and challenging business environment. According to (Ketut Sunaryanto, 2023), improving organizational performance is a key pillar in ensuring business sustainability and industrial competitiveness. Therefore, an integration of adaptive leadership styles and systematic knowledge management is necessary as a strategic instrument to effectively achieve organizational goals. Optimal organizational performance involves increasing work productivity and resource efficiency. In complex industries such as construction, high productivity is essential for completing projects on time and within budget (Dinda Angelica, 2022). The construction sector in the Jakarta region plays a strategic role in accelerating national infrastructure development through the management of massive human resources. The workforce in this sector is dominated by project contract workers or Fixed-Term Employment Agreements (PKWT). Jakarta serves as a center for the concentration of the construction workforce. Therefore, effective workforce management in the capital is a determining factor for the success and sustainability of national-scale projects (Nugroho, 2019).

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The post-pandemic Jakarta construction industry demands flexibility and continuous innovation to navigate global uncertainty. Company success now relies heavily on management agility in navigating complex markets to maintain competitiveness and support national infrastructure development. High turnover intention among the Jakarta construction sector workforce poses a strategic threat to project operational stability. This phenomenon is significantly driven by limited work autonomy and minimal support from organizational management (Dinda Angelica, 2022). The operational effectiveness of construction entities in Jakarta is evaluated through four strategic parameters that are key determinants of national infrastructure success. These parameters include cost, an indicator of the company's economic efficiency, and quality, which represents technical standardization to mitigate construction failures. Furthermore, the time dimension (delivery) is crucial in ensuring timely project completion, which is integrated with occupational safety aspects through the implementation of labor protection standards to minimize the risk of accidents in the workplace (Nugroho, 2019). Transformational leadership plays a crucial role in fostering innovative behavior and a visionary orientation among organizational members. Through a measurable vision and mission, this leadership style accelerates the organization's adaptation to change and strategic alignment to remain competitive in the marketplace (Ahmad Azmy, 2024). Research conducted by (Munif, 2024) found that the effectiveness of transformational leadership in determining organizational direction rests on four main pillars. Idealized Influence positions the leader as a role model who builds follower trust. Inspirational Motivation plays a role in persuasively communicating the vision to foster collective optimism. Furthermore, Intellectual Stimulation serves to spark members' creativity and adaptability in seeking innovative solutions. Finally, through Individualized Consideration, the leader acts as a mentor who pays attention to the personal needs of each individual to maximize their contribution to the organization.

The still-conservative level of employee affective commitment is reflected in a low awareness of contributing more and a tendency to work only formal hours. This is exacerbated by a mindset that views work as a purely functional burden, rather than a means of self-development or contribution to organizational progress (Bachruddin Saleh Luturlean, 2018). The high potential for turnover in the construction sector threatens team stability, making strengthening employee commitment key to project sustainability. Therefore, humanistic, transformational leadership is needed to increase team loyalty and motivation through a more inspiring and personalized approach (Nila Pratiwi, 2023). The implementation of knowledge sharing as a social activity within an organization serves to build collective capacity through the systematic dissemination of expertise. This serves as the foundation for the formation of a learning organization, where continuous learning processes enable the organization to continuously adapt and develop. Ultimately, the synergy between the two will strengthen individual innovation capabilities in generating and implementing creative ideas, crucial for work effectiveness (Nurcahyo, 2020). Continuous learning in the construction industry is fundamental to mastering technical methods, enriching employees' intellectual assets in navigating complex projects. Continuously updated knowledge significantly improves the quality of work output, while failure to adapt to new technologies risks degrading company performance. In addition to technical factors, motivation and job satisfaction, including welfare support, are key drivers of creativity, accelerating problem-solving in the field. This synergy between competence, creativity, and satisfaction ultimately ensures time efficiency and higher organizational productivity (Tantri Yanuar Rahmat Syah, 2024).

This research was conducted on a construction business entity, focusing on examining the influence of transformational leadership, organizational learning, and organizational performance. The expected contribution of this research is to provide relevant managerial guidance for contractors to optimize their Human Resources (HR) management strategies to enhance their performance, operational efficiency, and competitiveness. The dynamic construction industry demands fundamental transformations in operational management and sustainable human capital management. The unique, high-risk, and deadline-bound characteristics of construction projects require a close integration of adaptive leadership styles with a mature learning ecosystem. In this landscape, the application of transformational leadership acts as a key catalyst, igniting a spirit of shared ownership among engineers, project managers, and field personnel. When leaders are able to provide ethical role models, measurable vision, and individual support, anxiety about changing technical procedures can be transformed into a motivation for productive exploration. The habit of sharing knowledge is no longer seen as an additional administrative burden, but rather recognized as a fundamental necessity to ensure work safety, quality accuracy, and overall project cost savings.

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Strengthening organizational learning capacity in the construction sector provides strategic protection against the risks of knowledge redundancy and operational inefficiencies. The process of collecting, documenting, and disseminating insights from one project site to another ensures that the same technical errors are not repeated in the future. The mechanism for translating tacit knowledge from senior practitioners into explicit guidance significantly accelerates the learning curve of younger workers. Communication barriers that often arise between divisions, such as between planning teams, procurement teams, and field execution teams, can be bridged through transparent, reflective dialogue spaces. This systematic information update cycle forms an agile organizational cognitive structure, enabling companies to respond to shifting environmental regulations, the automation of construction technology, and the dynamics of project owner demand with a high degree of precision. The synergy between effective transformational leadership and organizational learning maturity directly leads to tangible improvements in organizational performance. Contractors that successfully integrate these two elements are not only able to complete work according to technical specifications and promised deadlines, but also create added value in the form of innovative, efficient work methods. High operational efficiency reduces material waste and minimizes downtime due to unclear work instructions. In the context of long-term business reputation, this success strengthens stakeholder trust, expands access to strategic partnerships, and positions the company as a major, highly competitive player in the national and international construction services industry.

The managerial implications of the interrelationships between these variables provide clear direction for corporate-level decision-makers in designing competency-based human resource development programs and future-oriented leadership. Restructuring human capital management strategies that align project target achievement with employee psychological well-being has been proven to retain a highly talented workforce. A conducive work environment, supported by fair feedback channels and a transparent reward system, gradually builds a culture of excellence that is embedded in all of the entity's operational activities. Ultimately, this strengthening of the internal foundation ensures the sustainability of the corporation's business in navigating market turbulence, fluctuating material prices, and increasingly fierce global competition. This internal governance transformation is fundamentally rooted in the realization that sustainable competitive advantage no longer lies solely in the ownership of physical assets, but rather in the wisely managed collective intellectual capacity. When every level of management internalizes the importance of cognitive flexibility, a contractor company will have strong psychological resilience in responding to fluctuating market uncertainty. An open mindset toward innovation enables continuous cost efficiency without sacrificing quality standards or occupational safety. Furthermore, the active involvement of all organizational elements in the learning process creates a strong emotional bond, ultimately minimizing the potential for internal conflict and increasing daily productivity.

The harmonious combination of an inspiring leadership style and a structured learning culture also creates a unique attraction for the best talent in the construction industry. In the long run, a company's reputation as an entity that values individual development and encourages critical thinking will strengthen the organization's bargaining position in the labor market. Adjusting strategic policies based on real-world needs demonstrates that attention to the human factor is a long-term investment that yields abundant returns. Therefore, strengthening internal foundations through the integration of these variables is not merely a survival strategy, but a key stepping stone for contracting companies to dominate the industry's competitive landscape with elegance, ethics, and sustainability. Every managerial policy taken with employee psychological considerations in mind will directly impact the quality of execution across every project line. The trust built through authentic leadership fosters total commitment from all team members to deliver their best performance. When a conducive work climate is integrated with the organization's systemic capabilities, the results achieved go beyond achieving financial targets and ultimately translate into sustainable value creation for all stakeholders.

II. Literature Review and Hypothesis Development

2.1. Transformational Leadership

Transformational leadership emerged in the 1980s due to dissatisfaction with older leadership theories, which then sparked the emergence of alternative approaches that emphasize emotions, values, and

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symbolic behavior. The term was first introduced by Downton and subsequently developed significantly by James McGregor Burns and Bernard M. Bass. The essence of transformational leadership is the ability to make followers recognize the importance of task outcomes, encourage them to prioritize the interests of the organization or team above personal interests, and motivate followers to achieve higher-level needs. The essential characteristics of transformational leadership are summarized in four main components: Idealized Influence, Inspirational Motivation, Intellectual Stimulation, and Individualized Consideration (Munif, 2024).

In the evolution of leadership theory, the paradigm shift from the transactional model—which relies heavily on economic exchange and extrinsic reinforcement—to the transformational model marks a new chapter in understanding the dynamics of organizational behavior. Transformational leaders position themselves not merely as operational supervisors but as agents of change capable of transforming the psychological landscape of subordinates. Through Idealized Influence, a leader builds a foundation of trust, respect, and admiration from their followers. Leaders act as role models who envision high ethical and moral standards, so that subordinates voluntarily internalize these values into their daily actions. This exemplary behavior creates a solid foundation of leadership legitimacy, where power is no longer exercised solely through coercion or formal authority, but through charisma and authentic example. The Inspirational Motivation component focuses on a leader's ability to formulate and communicate a clear, compelling, and challenging vision of the future. Leaders who apply this dimension use symbols, positive narratives, and emotional appeal to unite team members under a common goal. This approach fundamentally raises subordinates' expectations of their own capabilities, fosters group optimism, and fosters esprit de corps in the face of uncertain work environments. When subordinates perceive that their work has greater significance than mere technical routines, their engagement with achieving organizational goals increases dramatically.

Meanwhile, Intellectual Stimulation plays a central role in fostering a tradition of innovation and critical thinking within the organization. Through this dimension, leaders actively challenge long-standing assumptions, outdated work traditions, and the status quo that hinder progress. Leaders encourage followers to view operational challenges from new, previously unexplored perspectives. Most importantly, the environment created by intellectual stimulation is psychologically safe, where creative thinking and the exploration of new ideas are not punished, even if they risk initial failure. This stimulates independent and collective problem-solving skills at the operational staff level. The fourth dimension, Individualized Consideration, reflects a leader's deep concern for the unique developmental needs of each individual on the team. Leaders act as mentors, coaches, and facilitators, carefully listening to the aspirations, concerns, and hidden potential of their subordinates. By providing personalized attention, facilitating specific training needs, and delegating tasks tailored to the individual's maturity level, leaders successfully create a climate of intensive personal growth. This humanistic approach not only enhances employees' technical capacity but also strengthens their emotional bonds and loyalty to their leaders and the organization as a whole.

The depth of implementation of this leadership style directly transforms the collective identity of followers, from mere implementers to dedicated owners of a shared vision. Transformational leadership acts as a psychological catalyst that dissolves rigid hierarchical boundaries, replacing them with dynamic interactions oriented toward full empowerment. Within this scope, leadership effectiveness is not evaluated by how tightly leaders control daily operations, but rather by the extent to which they encourage the development of new leaders at every level of the organization. Leaders who consistently implement this pattern are able to trigger accelerated learning at both the individual and group levels. The emotional and cognitive drive created by the integration of its four dimensions systematically undermines the fear of uncertainty, encouraging each individual to explore their full potential in order to make a maximum contribution to collective progress. Furthermore, the reach of transformational leadership penetrates the structural dimensions of the organization by creating a work climate based on openness, mutual trust, and unwavering integrity. The presence of an authentic leader who upholds a strong moral commitment sends a strong signal to all members that the organization is not just a business entity, but a community with a noble purpose. When followers identify with the values reflected by the leader, communication barriers and interpersonal conflicts can be naturally reduced. Internalization of these values creates a very strong social cohesion, which ultimately minimizes the risk of efficiency due to resistance to change. In the context of a dynamic business environment, transformational leadership is a key driver that ensures all human resources are not only ready to adapt but also proactively pioneer fundamental innovations in their industry.

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The collective influence of these four transformational dimensions creates an emotional synergy that strengthens the bonds between organizational members in the long term. Leaders rely not only on formal instructions but also on building an intrinsic awareness that fosters self-motivation at every operational level. When moral values and strategic vision are integrated into the daily work culture, a sense of ownership within the organization significantly increases. This transformation also triggers communication efficiency and information transparency, as anxiety about negative evaluation is transformed into a spirit of constructive collaboration. This responsive work environment ultimately fosters high organizational flexibility, enabling all team elements to respond to dynamic challenges with confidence and professionalism.

H1: Transformational Leadership has an influence on Organizational Learning.

2.2. Organizational Learning

Organizational learning is a process carried out by people within an organization. The goal of organizational learning is to improve the organization's competitiveness and overall performance by collecting, transferring, and applying knowledge gained from various internal and external experiences. Organizational learning goes beyond collecting data and past experiences; it can also be used to innovate and improve work processes by communicating this knowledge between members and organizational units. Furthermore, organizations that are able to regularly apply acquired knowledge will be able to create a culture that supports learning and innovation, enabling them to adapt to an ever-changing environment. The ability to unlearn, or abandon, old practices that are no longer useful and replace them with new, more relevant ones, is a crucial component of organizational learning (Sayed Alireza Alerasoul, 2021). As a strategic theoretical construct, organizational learning encompasses a dynamic cycle of knowledge acquisition, information distribution, shared interpretation, and organizational memory storage. Knowledge acquisition occurs when an organizational entity successfully absorbs new insights, whether through internal experimentation, evaluating past project failures, or through external environmental scanning such as benchmarking and strategic partnerships. The process of knowledge dissemination or transfer then ensures that insights isolated to specific individuals or units can be distributed across sectors, breaking down departmental silos and becoming intellectual assets accessible to all elements of the entity.

Shared interpretation is a crucial stage in which distributed information is given collective meaning by organizational members. Through intensive dialogue, reflective discussions, and cross-functional collaboration, a shared understanding of operational challenges and strategic opportunities can be established. This process transforms tacit knowledge embedded in individual personal experiences into explicit knowledge codified in the form of standard operating procedures, new frameworks, and information technology systems. Codification ensures that the organization's intellectual capital remains resilient and can be utilized sustainably, even in the event of turnover or the absence of key personnel. The concept of unlearning, or unlearning outdated practices, emphasizes the importance of an organization's cognitive flexibility in navigating discontinuities in the market environment. Organizations often fall into the success trap, where routines and mental models that once brought success become key obstacles to adaptation in the new era. Effective organizational learning demands the procedural courage to deconstruct fundamental assumptions, abandon outdated work methodologies, and actively adopt new frameworks of thinking. This dynamic of knowledge regeneration strengthens organizational resilience and agility amidst the turbulence of modern industry.

The process of building organizational memory through this learning cycle transforms all raw information into a competitive advantage that is difficult for competitors to replicate. Institutionalized learning ensures that any operational errors are transparently reported and analyzed as a source of communal learning, rather than hidden for fear of sanctions. This structured self-evaluation mechanism establishes new routines that enable work efficiency to be achieved without sacrificing quality standards. Continuously updated and efficiently distributed knowledge creates synergy between divisions, allowing the organization to respond to emerging issues more quickly, precisely, and in a well-coordinated manner. In the long term, the sustainability of an organization's learning process depends heavily on the entity's ability to integrate individual learning into collective understanding. When interactions between members are characterized by the open exchange of ideas, social capital is formed, accelerating the accumulation of intellectual capital.

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Organizational learning is no longer treated as a temporary side activity but has become the pulse of daily operations embedded in all levels of work functions. This absorptive capacity enables organizations to go beyond simply reacting to environmental changes to actively shape industry trends through innovative product creation, governance optimization, and visionary business model renewal.

The sustainability of this learning ecosystem depends on how effectively internal systems nurture and maintain the flow of incoming intellectual insights. Proper knowledge base management prevents the loss of valuable insights due to turnover, thus maintaining operational stability. When each work unit habitually conducts self-evaluation and maps opportunities for improvement, the organization's collective expertise grows exponentially. This dynamic cycle ensures that methodology updates are not random but structured, aimed at strengthening long-term resilience and maintaining the organization's competitiveness in an increasingly competitive marketplace.

H2: Organizational Learning has an impact on Organizational Performance.

2.3. Organizational Performance

The definition of organizational performance encompasses an entity's ability to achieve set targets. Good performance is reflected in the quality of services provided, increased efficiency and effectiveness of internal operations, and how well the organization successfully meets societal demands (Wardhana, 2024). To achieve its strategic objectives, an organization provides a framework for directing, controlling, and integrating various functions and resources. Thus, the organization serves as a framework that regulates member activities, organizes work processes, and ensures effective coordination to achieve shared success (Thomas Garavan, 2020). Organizational performance is a multidimensional indicator that reflects the degree of success of strategy execution in responding to stakeholder expectations. The operational efficiency dimension measures the extent to which an entity is able to optimize the use of resources—including financial capital, labor, technology, and materials—to produce maximum output with minimal waste. Meanwhile, the effectiveness dimension focuses on the degree to which strategic objectives are achieved, the attainment of quality targets, and the timely completion of key work programs. Comprehensive performance measurement relies not only on short-term financial metrics but also includes non-financial indicators such as customer satisfaction, internal process quality, and long-term growth capacity.

From a strategic governance perspective, achieving superior organizational performance depends heavily on the reliability of its organizational structure and framework. This framework acts as an alignment mechanism that connects corporate-level vision with operational activities at the grassroots level. Through clear lines of authority, a structured division of labor, and transparent communication channels, organizations are able to minimize operational friction and role duplication. Integrated coordination enables synergy between divisions to thrive, allowing each work unit to contribute harmoniously to the achievement of collective goals. An organization's success in meeting societal demands also reflects its level of social legitimacy and responsiveness to external dynamics. High-performing organizations are sensitive to mapping changing public needs, regulatory shifts, and the dynamics of the business environment. The ability to integrate external demands into continuous improvement of internal work processes ensures that the value generated by the organization remains relevant, useful, and sustainably competitive in the eyes of the public and target market consumers.

Achieving optimal organizational performance is essentially the culmination of managing various internal resources aligned with external environmental demands. When performance measurement mechanisms are able to capture both financial and non-financial aspects in a balanced manner, management has a complete picture of the organization's overall health. Objective and holistic performance evaluations provide critical feedback useful for strategic planning for the next period. This comprehensive assessment prevents organizations from becoming trapped in a short-term orientation that could potentially compromise business sustainability, while also facilitating more measured decision-making based on real-world data. Furthermore, superior organizational performance is demonstrated through the high level of adaptability of internal systems in the face of unexpected external disruptions. High-performing entities possess resilience that enables them to maintain operational continuity and output quality even under the pressure of crisis situations. Solid integration between inter-unit coordination, adaptive leadership, and a mature learning

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ecosystem creates a highly resilient foundation. This resilience ultimately strengthens the organization's position in the competitive landscape, ensures long-term existence, and maximizes the positive impact on all stakeholders who place their hopes on the entity.

The integration of sustainable work target achievement serves as a reflection of the organization's legitimacy within society. Systematic measurement facilitates early detection of potential operational obstacles before they develop into larger disruptions. Through transparent governance and clear goal setting, all levels of management can maintain a harmonious and measurable allocation of resources. More importantly, reliable performance stability enhances the entity's bargaining power in the eyes of investors, regulators, and the public, while also creating a conducive working environment for the development of innovative business strategies in the future.

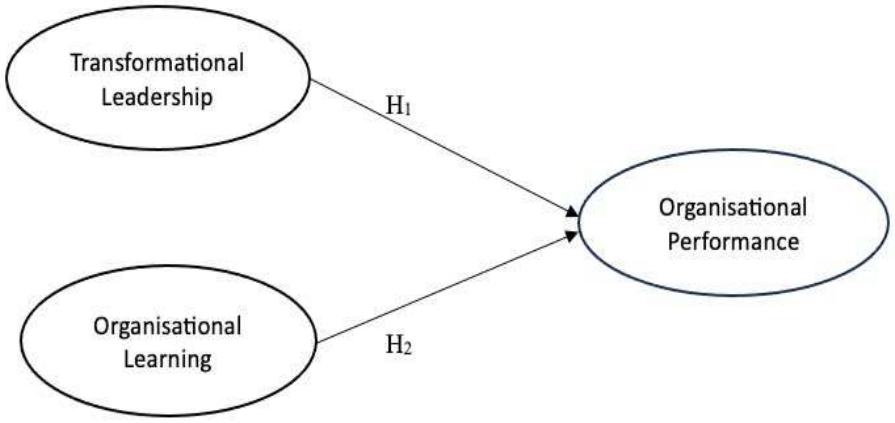

Figure 1. Conceptual Framework

III. Research Method

This study uses a quantitative research method with a descriptive survey, which aims to determine the relationship between variables or explain the characteristics of the population with a representative sample. This method was chosen because it concentrates on collecting numerical data that can be measured, generalized, and analyzed statistically. The main variables of Transformational Leadership and Organizational Learning as independent variables and Organizational Performance as the dependent variable will be clearly operationalized and measured using a questionnaire with a Likert Scale measurement scale. After the data from the participants are collected, descriptive statistical analysis, validity tests, reliability tests, correlation tests, and simple/multiple linear regression analysis will be used to objectively test the research hypothesis and determine how significant each variable is. The results of this analysis will provide a relationship between Transformational Leadership and Organizational Learning on Organizational Performance.

IV. Result and Discussion

4.1. Respondent Characteristics

The respondents of this study were 113 participants. Of these 113 people, 55 (48.7%) were male, while 58 (51.3%) were female. The age of the majority in this study was 26-35 years old with 60 (53.1%) participants. Based on the length of service in the company, the longest was 4-6 years with 48 (42.5%) respondents, 1-3 years with 45 (39.8%) respondents, more than 6 years with 19 (16.8%), and less than 1 year with 1 (0.9%) respondents).

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Table 1. Respondent Characteristics

Variables	Category	Frequency	Percentage
Gender	Man	55	48.7%
	Woman	58	51.3%
Age	18 - 25 Years	24	21.2%
	26 – 35 Years	60	53.1%
	36 – 45 Years	22	19.5%
	> 45 Years	7	6.2%
Length of work	< 1 Year	1	0.9%
	1 - 3 Years	45	39.8%
	4 – 6 Years	48	42.5%
	> 6 Years	19	16.8%

4.2. Outer Model

The data results with SmartPLS loading values above 0.7 indicate that the construct can explain more than 50% of the indicator variance (Wong, 2013) (Joe F. Hair Jr, 2014). The Outer Loading value limit > 0.5 is still acceptable as long as the construct's validity and reliability meet the requirements. The convergent validity of a construct with reflective indicators is evaluated by Average Variance Extracted (AVE). The AVE value should be equal to 0.5 or more. An AVE value of 0.5 or more means the construct can explain 50% or more of the item variance (Wong, 2013) (Sarstedt et al., 2017). In the table, the AVE of the Transformational Leadership variable (X1) is 0.617, Organizational Learning (X2) is 0.747, and Organizational Performance (Y) is 0.679. Based on the results of the table, the Average Variance Extracted (AVE) value meets the convergent validity requirements, so all constructs have met the convergent validity requirements because the AVE values are all above 0.50.

Table 2. Validity, Reliability, and AVE Test.

Variables	Cronbach's alpha	Composite reliability (rho_c)	Average variance extracted (AVE)
Transformational Leadership (X1)	0.944	0.951	0.617
Organizational Performance (Y)	0.932	0.944	0.679
Organizational Learning (X2)	0.966	0.970	0.747

4.3. Reliability

Internal Consistency Reliability measures how well an indicator measures its latent construct. The tools used to assess this are composite reliability and Cronbach's alpha. A composite reliability value of 0.6–0.7 is considered to have good reliability (Sarstedt et al., 2017), and the expected Cronbach's alpha value is above 0.7 (Ghozali and Latan, 2015). As shown in the table, the composite reliability of the Transformational Leadership (X1) variable is 0.951, Organizational Performance (X2) is 0.944, and Organizational Learning (Y) is 0.970. In addition, Cronbach's Alpha of the Transformational Leadership (X1) variable is 0.944, Organizational Performance (X2) is 0.932, and Organizational Learning (Y) is 0.966. It can be concluded that all constructs have a composite reliability value above 0.7 and a Cronbach's Alpha value above 0.6, so it can be said that all constructs are reliable.

Table 3. Discriminant Validity Analysis (Fornell-Larcker Criterion)

	Transformational Leadership (X1)	Organizational Performance (Y)	Organizational Learning (X2)
Transformational Leadership (X1)	0.786		
Organizational Performance (Y)	0.604	0.824	
Organizational Learning (X2)	0.550	0.725	0.864

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The table shows that each variable has high discriminant validity. These variables can better explain the indicators. Transformational leadership (√AVE = 0.786) and organizational performance (0.824) are significant. Therefore, all the roots of the AVE (Fornell-Larcker Criterion) for each construct are greater than their correlations with other variables, thus fulfilling the discriminant validity requirements of this model, as listed in the table above.

4.4. Inner Model

Table 4. R-Square (R2)

	R Square	R Square Adjusted
Organizational Performance (Y)	0.586	0.579

The R Square value of the joint influence on Y is 0.586 with an adjusted r square value of 0.579, so it can be explained that all exogenous variables simultaneously affect Y by 57.9% where more than 33% is moderate. Therefore, the influence of all exogenous variables on Y is moderate.

Table5. F-Square Value (F2)

	Transformational Leadership (X1)	Organizational Performance (Y)	Organizational Learning (X2)
Transformational Leadership (X1)		0.147	
Organizational Performance (Y)			
Organizational Learning (X2)		0.534	

In addition to assessing whether or not there is a significant relationship between variables, a researcher should also assess the magnitude of the influence between variables using Effect Size or f-square (Wong, 2013). An f2 value of 0.02 is considered small, 0.15 is considered medium, and 0.35 is considered large. Values less than 0.02 can be ignored or considered to have no effect (Sarstedt et al., 2017). Therefore, based on the F Square value table, the effect of X1 on Y is considered a medium effect size and X2 on Y is considered a large effect size.

Table 6. Q-Square Value (Q2)

Variables	SSO	SSE	Q^2 (=1-SSE/SSO)
Transformational Leadership (X1)	1356,000	1356,000	
Organizational Performance (Y)	904,000	558,308	0.382
Organizational Learning (X2)	1243,000	1243,000	

The cross-validated redundancy (Q2) or Q-square test is used to assess predictive relevance. A Q2 value > 0 indicates that the model has accurate predictive relevance to a particular construct, while a Q2 value < 0 indicates that the model lacks predictive relevance (Sarstedt et al., 2017). Predictive relevance is used to assess whether the predictions obtained are relevant or not. The calculation in PLS SEM uses Q Square. Therefore, based on the Q Square value, the prediction of Y by all exogenous latent variables is relevant or accurate because the Q Square value is > 0.05.

4.5. Hypothesis Test Results

The Output Path Coefficient, as shown in the table, measures the magnitude of the direct effect of each independent (exogenous) variable on the dependent (endogenous) variable. Based on the p-value of direct effects in the table above, the direct effect of X1 and X2 on Y is significant because it has a p-value <0.05.

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Table 6. Hypothesis Testing

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values	Conclusion
Transformational Leadership (X1) -> Organizational Performance (Y)	0.295	0.291	0.075	3,910	0.000	Significant
Organizational Learning (X2) -> Organizational Performance (Y)	0.563	0.567	0.068	8,316	0.000	Significant

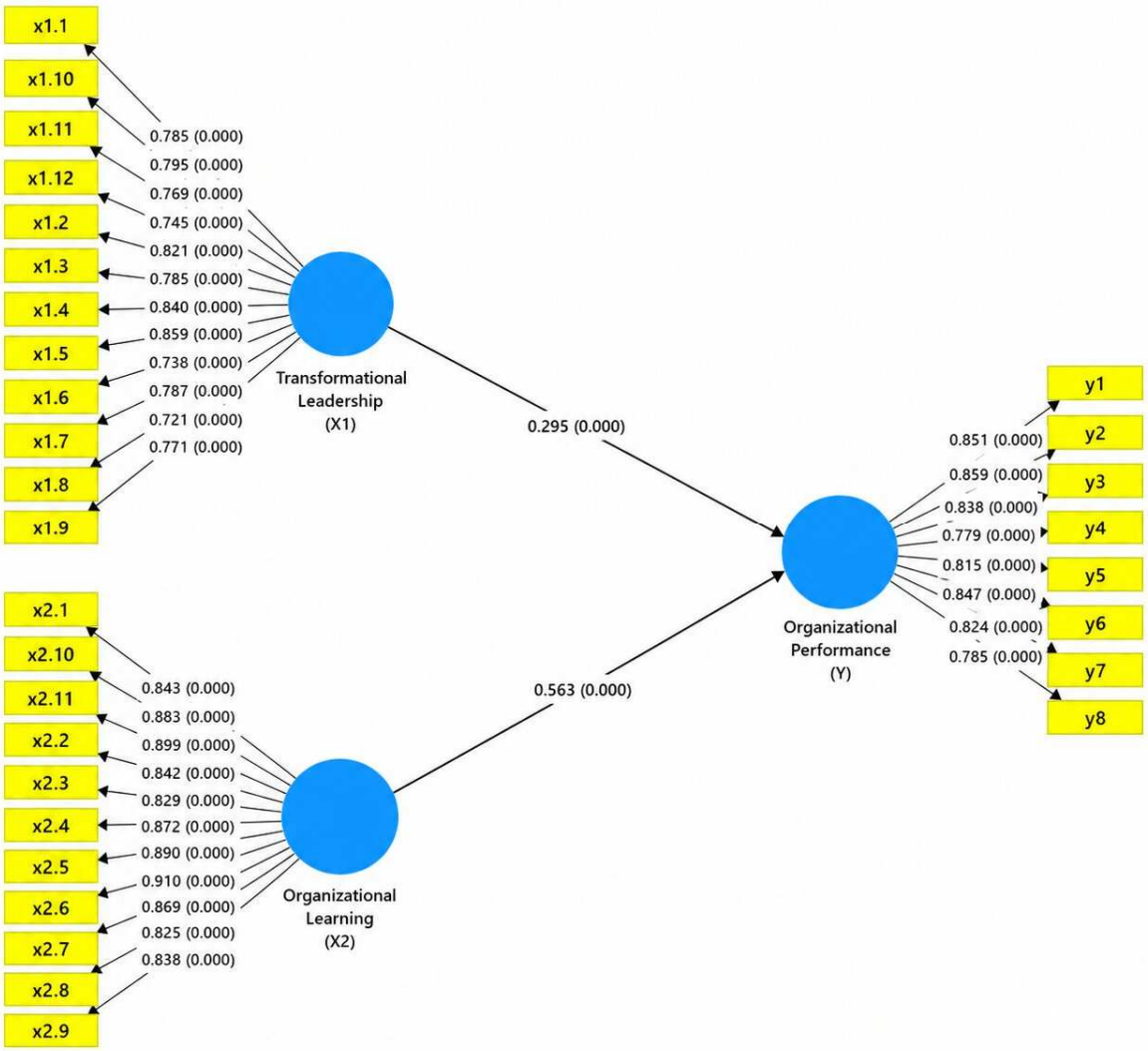

Figure 2. Bootstrapping

The parameter coefficient for variable X1 on Y is 0.295, which means there is a positive influence of X1 on Y. Or it can be interpreted that the higher the value of X1, the higher Y will be. A one-unit increase in X1 will increase Y by 29.5%. Based on calculations using bootstrap or resampling, where the results of the X1 estimation coefficient test on Y from the bootstrap result are 0.291 with a calculated t value of 3.910, the p value is 0.000 <0.05, so H1 is accepted, which means the direct influence of X1 on Y is statistically significant.

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4.6. Discussion

The results of this study were based on the length of service of employees at a construction company in Jakarta. Employees believe that transformational leadership has a significant impact on organizational performance. They feel that exemplary leaders can achieve company goals. Leaders are also able to demonstrate leadership that aligns with the company's vision and mission. This is supported by the statement (Munif, 2024) that transformational leadership skills can encourage employees to prioritize the interests of the organization or team over personal interests and motivate followers to achieve higher-level needs. An in-depth analysis of transformational leadership variables in the Jakarta construction industry shows that employees' length of work experience provides a mature perspective on the effectiveness of leadership styles. Both senior and junior employees, who have long adapted to the construction sector's work rhythms, fully understand the complexities of project operations, the risks of uncertainty in the field, and the pressures of tight deadlines. In this highly competitive work environment, the presence of a transformational leader is crucial in maintaining the team's emotional stability and strategic focus. Leaders who demonstrate high integrity and consistency between words and actions successfully build a foundation of trust among engineers, project managers, and operational staff. This exemplary behavior acts as a driving force that unites the commitment of all work lines to focus on achieving quality targets and on-time delivery.

This aligns with Dinda Angelica's (2022) statement that transformational leadership significantly impacts organizational performance. A company's success is currently determined by management's agility in navigating complex markets, maintaining competitiveness and supporting national development. However, the operational stability of construction projects in Jakarta is threatened by high turnover intentions. This phenomenon is primarily driven by limited work autonomy and minimal support from organizational management. According to Nila Pratiwi (2023), to maintain project sustainability from the threat of high turnover rates in the construction sector, companies need to strengthen employee commitment. This can be achieved through humanistic transformational leadership, where an inspirational and personalized approach is used to increase team loyalty and motivation. The issue of low loyalty and turnover intention in the construction industry in the Jakarta metropolitan area is a systemic challenge that directly impacts operational performance. The need to accelerate infrastructure development often leads to excessive workloads, high stress levels, and a rigid and authoritarian work climate. When management fails to provide sufficient autonomy for employees to make professional decisions in the field, and neglects to provide emotional and organizational support, employee commitment declines sharply. In this context, the application of a humanistic, transformational leadership style presents an effective corrective solution. Leaders who adopt a personal approach (individualized consideration) are able to manifest empathy, listen to the operational challenges faced by the team, and provide responsible autonomy. This support reduces feelings of isolation among workers, mitigates burnout, and strengthens employees' emotional attachment to the organization, which in turn reduces turnover rates and maintains project efficiency.

Based on research conducted on organizational learning, the aim is to improve organizational competitiveness and performance through the utilization of collective knowledge. In the construction industry, this is applied by integrating best practices from similar companies in a structured manner and maximizing the contribution of ideas from external partners such as consultants and subcontractors in operational activities. This aligns with (Nurcahyo, 2020) that the implementation of knowledge sharing as a social activity within an organization serves to build collective capacity through the systematic dissemination of expertise. This serves as the foundation for the formation of a learning organization, where the continuous learning process enables the organization to continuously adapt and develop. Ultimately, the synergy between the two will strengthen individual innovation capabilities in generating and implementing creative ideas that are crucial for work effectiveness. The application of the concept of organizational learning in the construction industry requires an intensive knowledge transfer mechanism that crosses business boundaries. The unique, temporary nature of construction projects, involving multiple parties—such as project owners, main contractors, architectural consultants, structural specialists, and subcontractors—makes information exchange key. Companies that successfully build a learning organizational climate view external partners not merely as contract implementers, but as valuable knowledge resources. The systematic documentation of lessons learned from each completed project stage, post-project review discussions, and the adoption of the latest material innovations or design technologies from the international industry are concrete examples of

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knowledge sharing. When this knowledge is circulated evenly and internalized into collective expertise, construction companies are able to avoid repeating the same technical errors, optimize project cost-utilization ratios, and produce more efficient and safe work methods.

The synergy between transformational leadership and organizational learning simultaneously shapes a company's dynamic capabilities. Transformational leaders act as the primary catalysts, opening the floodgates of a learning culture, motivating staff to explore new methodologies (intellectual stimulation), and providing a psychological safety net when these experiments face challenges. Furthermore, the organizational learning process provides the cognitive and mechanical infrastructure to institutionalize the results of these explorations into new operational standards. This collaboration between inspiring leadership and a structured learning culture has been empirically proven to enhance an organization's adaptability in responding to market changes, fluctuating material prices, dynamic spatial planning regulations, and the increasingly complex demands of sustainable development in Jakarta

V. Conclusion

The hypothetical results on transformational leadership and organizational performance show significant results. Transformational leadership variables have important characteristics summarized in four main components: Idealized Influence, Inspirational Motivation, Intellectual Stimulation, and Individualized Consideration. Transformational leadership has a significant contribution in stimulating innovative actions and visionary views of employees, based on a measurable vision and mission. The results on organizational performance variables of this leadership are able to accelerate the organization's ability to adapt to market dynamics, while simultaneously aligning internal strategies to remain competitive. This significant influence proves that the existence of the right leadership style is not simply a choice of management style, but a strategic necessity in driving the performance of a business entity. Through the manifestation of its four main components, transformational leadership successfully shifts the mindset of subordinates from an approach oriented towards fulfilling minimal obligations to one oriented towards achieving excellence (pursuit of excellence). Idealized Influence and Inspirational Motivation form an ideological commitment to the company's vision, while Intellectual Stimulation and Individualized Consideration provide the operational and emotional means for employees to realize that vision through creative ideas and work efficiency. The acceleration of organizational adaptability generated by this leadership style makes construction companies better prepared to face the rapidly changing dynamics of the industry.

The organizational learning hypothesis shows significant results on organizational performance. Through social activities such as knowledge sharing, organizations can regularly distribute expertise to build shared competencies. This step forms a crucial foundation for the emergence of a learning organization, where continuous learning becomes the driving force behind the organization's continued adaptation and growth. The successful verification of this hypothesis confirms the importance of systematic intellectual capital management in improving operational performance. Continuous organizational learning acts as an accelerator for the transformation of individual knowledge into collective strength. When knowledge sharing becomes a tradition and social habit across all work units, the organization develops into a resilient, responsive entity rich in innovative ideas. The collective ability to independently identify internal process weaknesses, learn new technologies, and quickly adapt strategies keeps the organization competitive and efficient in the long term. This research confirms that optimal organizational performance relies on resource efficiency and high productivity. In the complex construction sector, high productivity is vital for project timeliness and budget efficiency. Therefore, human resource management in Jakarta, as the center of the construction workforce, is a key determinant of the success and sustainability of various national-scale projects.

The lack of discussion in this study compared to previous research is the discussion of transformational leadership and organizational learning variables related to organizational performance in the construction sector in the Jakarta area. Further research can expand the model of mediating or moderating variables such as the role of training, compensation, and employee satisfaction on employee performance to clarify the relationship between organizational performance and transformational leadership. Research in other sectors is needed to test the consistency of findings across different industrial contexts. Researchers can also increase the number of samples in studies in different regions to compare the industries studied. Future research is expected to deepen understanding of the factors influencing organizational performance in the construction sector. Methodologically and theoretically, there is ample room for future academic improvement and can be directed at several areas of focus. First, the integration of mediating variables such

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as job satisfaction, employee engagement, organizational commitment, and moderating variables such as safety climate or organizational culture could help uncover the black box of the internal psychological mechanisms linking transformational leadership behavior to performance outcomes at the entity level. Further investigation into how compensation systems and technical training programs moderate these relationships would provide more practical insights for human resource management practitioners in the construction industry.

Second, the limited geographic and sectoral reach of this study suggests the need for replication with a broader analytical scope. Conducting empirical comparisons between large-scale construction companies (state-owned enterprises/national private companies) and medium- and small-scale contractors, or expanding the survey area to include new economic growth centers outside Java, would provide a comprehensive overview of the generalizability of the findings. Furthermore, testing this research model in non-construction industry sectors—such as manufacturing, banking, information technology services, and the public sector—is highly recommended to demonstrate whether the dynamics of the influence of transformational leadership and organizational learning on organizational performance are universal or tied to specific industry characteristics. Third, the use of a longitudinal research approach is recommended to replace the current cross-sectional approach. Given that organizational learning processes and the tangible impact of transformational leadership require a certain period of time to accumulate into measurable organizational performance, longitudinal studies can more accurately capture changes in these behavioral dynamics over time. Future researchers are also encouraged to combine quantitative methods with qualitative approaches (mixed methods) to explore in-depth narratives from construction industry players regarding practical barriers to knowledge transfer at project sites, so that leadership and knowledge management intervention strategies can be precisely designed for maximum effectiveness..

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