

Knowledge Sharing as a Mediator of Leadership and Organizational Communication Toward Innovation

Leadership and
Organizational
Communication

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ABSTRACT

The electricity industry faces increasing demands for continuous innovation amid rapid technological advancement and rising customer expectations. Innovative capability is assumed to be influenced not only by leadership and organizational communication but also by the effectiveness of knowledge sharing in facilitating the flow and utilization of organizational knowledge. This study examines the effects of leadership and organizational communication on innovation by incorporating knowledge sharing as a mediating variable. Using a quantitative approach with employee survey data and Partial Least Squares–Structural Equation Modeling (PLS-SEM), the study evaluates the structural relationships and both direct and indirect effects. The findings indicate that leadership has a significant positive effect on knowledge sharing, and organizational communication also positively influences knowledge sharing. Knowledge sharing significantly enhances innovation, while the direct effects of leadership and communication on innovation are not significant. Mediation analysis confirms that knowledge sharing significantly mediates both the leadership–innovation and communication–innovation relationships. These findings highlight that innovation increases primarily when leadership and communication practices are reinforced through structured knowledge-sharing mechanisms.

Keywords: Innovation, Knowledge Sharing, Leadership, Organizational Communication.

INTRODUCTION

The advancement of Indonesia's electricity sector plays a pivotal role in maintaining national economic stability and enabling the success of strategic infrastructure development initiatives. Increasing energy demand, the integration of renewable energy sources, and the acceleration of transmission line and substation construction require PT PLN (Persero) to operate with higher levels of adaptability and innovation. Within this context, the Central Java development unit holds a strategic responsibility to ensure that electricity infrastructure projects comply with Cost–Quality–Time (CQT) standards, occupational health and environmental regulations, and stringent governance requirements. However, the ongoing transformation of the electricity industry also introduces new challenges, including technical complexity, efficiency pressures, and the intensification of cross-functional coordination across project stages (Drucker & Maciariello, 2014; Arifin et al., 2016; Blackburn et al., 2020).

These technological changes and operational dynamics underscore the need for project-based organizations to manage information and knowledge flows rapidly, accurately, and in a well-documented manner. Subramaniam et al. (2022) emphasize that project success in the electricity sector is highly dependent on communication effectiveness and the extent to which technical knowledge can be accessed, shared, and reused. In practice, tacit knowledge such as field experience, troubleshooting insights, and lessons learned is not consistently documented, while explicit knowledge such as

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Standard Operating Procedures (SOPs) or technical reports is often dispersed across multiple channels, limiting searchability and delaying decision-making. These conditions contribute to coordination bottlenecks that disrupt the continuity of planning, execution, and commissioning cycles.

Leadership behavior and organizational communication quality function as critical social enablers that determine the smoothness of knowledge flows. Leadership that promotes participation, provides clarity of direction, and reduces micro-bureaucratic constraints has been shown to improve psychological safety, an essential precursor to knowledge sharing (Byukusenge & Munene, 2017; Hanafy et al., 2025). Likewise, clear, open, and consistently documented organizational communication strengthens the formation of a systematic knowledge-sharing environment (Denison et al., 2014; Anugrah, 2020; Fang et al., 2021; Yeboah et al., 2023). Nevertheless, several empirical studies indicate that the direct influence of leadership or communication on innovation is often inconsistent, suggesting that their effects may operate indirectly through knowledge-sharing mechanisms that transform social interactions into actionable knowledge (Cristache et al., 2025; Alqatan et al., 2025).

Field observations were conducted at the State Electricity Company, Central Java Development Unit (*PLN Unit Induk Pembangunan Jawa Bagian Tengah/UIP JBT*), further reinforcing the importance of an effective knowledge flow architecture. Gaps in documenting lessons learned, inconsistencies in inter-phase project handovers, and fragmentation among internal communication channels often hinder solution replication and prolong organizational learning cycles (Thekinen et al., 2023). Drawing upon the Knowledge-Based View (KBV) and the Socialization, Externalization, Combination, and Internalization (SECI) model, innovation is conceptualized as a product of structured knowledge conversion, socialization, externalization, combination, and internalization (Mulyana et al., 2015). When leadership and communication do not sufficiently facilitate these processes, innovation becomes constrained and uneven across project teams.

Although previous studies have highlighted the positive roles of leadership and communication, findings remain inconclusive when knowledge sharing is not incorporated into the model (Fan et al., 2020; Cristache et al., 2025). Furthermore, in the context of PLN UIP JBT, the integration of leadership, communication, knowledge sharing, and innovation has rarely been investigated within a single comprehensive framework.

Based on these theoretical and empirical gaps, this study examines the effects of leadership and organizational communication on innovation by incorporating knowledge sharing as a mediating variable. The contributions of this study are twofold: enriching the KBV and SECI literature with empirical evidence from a highly regulated electricity project environment, and offering practical recommendations for communication interventions, knowledge-sharing routines, and structured documentation systems that can accelerate implementation-driven innovation. The findings are expected to serve as a reference for project leaders, knowledge management practitioners, and organizational policymakers in designing systems that ensure every technical conversation and operational experience is effectively converted into measurable innovation.

LITERATURE REVIEW & HYPOTHESIS DEVELOPMENT

Leadership and Organizational Communication on Knowledge Sharing

The Knowledge-Based View (KBV) positions organizations as knowledge-processing entities in which knowledge is the primary strategic resource for sustainable competitive advantage (Grant, 1996; Spender, 1996). Unlike the Resource-Based View that emphasizes tangible assets, KBV highlights tacit and explicit knowledge as heterogeneous, difficult to imitate, and imperfectly transferable (Kraaijenbrink et al., 2010; Ferreira & Ferreira, 2024). Tacit knowledge, such as experience and expertise, is difficult to articulate, whereas explicit knowledge is codified in procedures and documentation. The KBV argues that organizations that can effectively manage knowledge flows and transform tacit knowledge into explicit forms are more adaptive and

innovative (Caccamo et al., 2023). In complex, regulated electricity infrastructure projects, fragmented communication and bureaucratic barriers hinder knowledge transfer and innovation (DiBella, 2020). Accordingly, KBV provides a strong foundation for positioning knowledge sharing as the key mechanism linking leadership and organizational communication to innovation outcomes.

Empowering leadership has emerged as a critical leadership approach that emphasizes autonomy, participative decision-making, and psychological empowerment. Leaders who empower subordinates provide greater discretion, express confidence in employees' capabilities, and reduce unnecessary bureaucratic constraints, allowing individuals to exercise judgment and initiative in completing their tasks (Al Harbi et al., 2019; Hanafy et al., 2025). This leadership style aligns strongly with Social Exchange Theory (SET), which posits that when employees perceive support, trust, and empowerment from their leaders, they reciprocate through positive behaviors such as knowledge sharing, collaboration, and innovative contributions. Organizational communication is a core mechanism that enables information flow, coordination, and knowledge integration within organizations (Brosseau et al., 2019). According to Hendrawan et al. (2023), communication effectiveness is reflected through clarity of messages, openness, information availability, communication frequency, and managerial support. These dimensions ensure that employees receive accurate information, can express ideas, and have access to relevant documents needed for operational and strategic decisions.

H1: Leadership has a positive effect on knowledge sharing.

H2: Organizational communication has a positive effect on knowledge sharing.

Knowledge Sharing, Leadership, Organizational Communication, and Innovation

Knowledge sharing consists of two core behaviors, knowledge donating and knowledge collecting, which together function as a critical mechanism linking social inputs, such as leadership and organizational communication, to innovation outcomes (Mulyana et al., 2015; Ye et al., 2022; Wanto & Hariputra, 2022). Through Knowledge sharing, employees integrate technical experience, field-based insights, and explicit data, enabling idea generation, process improvement, and innovative solutions. Empirical evidence consistently demonstrates that knowledge sharing has a strong positive influence on both incremental and radical innovation (Hanafy et al., 2025; Cristache et al., 2025). A growing body of research indicates that empowering leadership plays a crucial role in encouraging employees to externalize tacit knowledge. Empowering leaders fosters psychological safety, promotes risk-taking, and reduces fear of failure, thereby enabling individuals to articulate insights and expertise that are otherwise difficult to codify (Alves et al., 2022). In line with this, Chughtai and Khan (2024) show that knowledge-oriented leadership enhances interaction quality within workgroups, creating a collaborative climate that naturally supports knowledge exchange.

Prior studies also emphasize the importance of communication in shaping knowledge-sharing behavior. Cooperative communication has been shown to enhance co-innovation performance through knowledge sharing, while effective communication contributes to innovation only when shared knowledge is successfully internalized and reused (Diamantidis & Chatzoglou, 2019; Fang et al., 2021; Le & Le, 2022). Furthermore, organizational communication structures influence knowledge flow patterns and employees' willingness to share insights. Innovation itself involves generating, promoting, and implementing new ideas, and is strongly determined by an organization's ability to manage and integrate internal knowledge flows (Arifin et al., 2016; Bello et al., 2020; Diana & Sudarma, 2021; Munte et al., 2025). Awashreh and Hamid (2025) conceptualize employee innovation through three core dimensions: creativity (the ability to generate novel ideas and alternative solutions), proactivity (initiating improvement efforts and responding to change), and implementation (translating ideas into actionable outcomes that positively affect organizational performance). Within PLN's infrastructure projects,

innovation reflects how effectively knowledge sharing enhances learning, overcomes technical barriers, and drives continuous improvement.

H3: Knowledge sharing has a positive effect on innovation.

H4: Leadership has a positive effect on innovation.

H5: Organizational communication has a positive effect on innovation.

Knowledge Sharing as a Mediating Variable

The socialization, externalization, combination, and internalization model introduced by Nonaka (2009) explains organizational knowledge creation as a continuous spiral of socialization, externalization, combination, and internalization. Knowledge is initially shared through experience and interaction (tacit–tacit), such as mentoring, field discussions, and cross-functional coordination in PLN projects. Tacit insights are then articulated into documents and lessons learned (tacit–explicit), a process strongly influenced by leadership support and open dialogue (Alves et al., 2022). Explicit knowledge is subsequently integrated and systematized into SOPs, repositories, and training materials (explicit–explicit), where effective organizational communication determines accessibility and reuse (Bueno et al., 2023). Finally, knowledge is internalized through practice and learning, forming new competencies and routines (explicit–tacit), reinforced by clear communication and leadership direction (Le & Le, 2022; Waykar, 2023). In the UIP JBT context, the SECI model suggests that innovation emerges from structured and continuous knowledge conversion processes, with leadership and organizational communication acting as key enablers of the knowledge spiral.

However, contemporary empirical studies consistently demonstrate that the influence of leadership on innovation tends to be indirect. Cristache et al. (2025) found that leadership contributes to innovation primarily through mediators such as knowledge sharing, organizational learning, and psychological empowerment. This suggests that leadership alone is not sufficient to generate innovation, but it creates the socio-cognitive environment necessary for employees to learn, experiment, and eventually innovate (Choi et al., 2016).

H6: Knowledge sharing mediates the relationship between leadership and innovation.

H7: Knowledge sharing mediates the relationship between organizational communication and innovation.

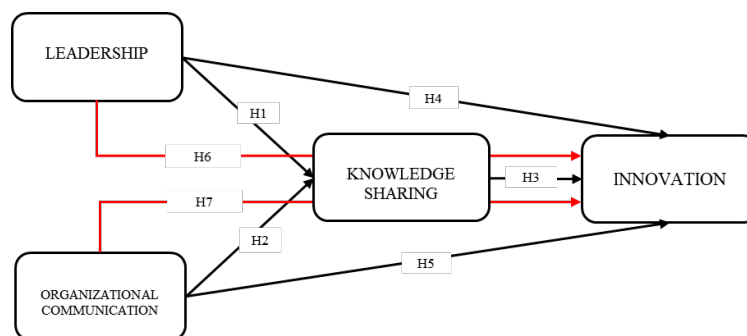


Figure 1. Research Framework

The conceptual study model investigating the connections between leadership, organizational communication, knowledge sharing, and innovation is depicted in Figure 1. It is suggested that organizational communication and leadership are antecedents that directly affect knowledge sharing and, in turn, innovation through knowledge sharing. Knowledge sharing is a mediating variable that links organizational communication and leadership to innovation outcomes. Furthermore, it is predicted that organizational

communication and leadership have an indirect impact on innovation through knowledge sharing.

RESEARCH METHODS

This study employs a quantitative approach to examine the causal relationships among leadership, organizational communication, knowledge sharing, and innovation within the context of electricity infrastructure project organizations. All constructs in this study are modeled as reflective constructs, in which indicators are viewed as manifestations of latent variables (Hair, 2014). This approach is appropriate for analyzing models with complex mediating variables and measurement structures that reflect work behavior and organizational interaction patterns.

The research instrument was developed from validated indicators and adapted to the PLN UIP Central Java Region. Leadership (X1), adapted from Hanafy et al. (2025), includes behaviors that enhance work meaning, encourage decision-making participation, express confidence in employees, and provide autonomy, reflecting empowering and knowledge-oriented leadership that promotes knowledge donating and collecting. Organizational communication (X2), based on Hendrawan et al. (2023), covers clarity, openness, availability, and frequency of information, supported by management, fostering collaboration and performance. Knowledge sharing (Z) follows Xu et al. (2023), comprising knowledge donating (expressing ideas and experiences) and knowledge collecting (seeking and integrating colleagues' knowledge), reflecting SECI model mechanisms by Nonaka (2009). Innovation (Y), measured using Awsarsheh and Hamid (2025), includes creativity, proactivity, and implementation, assessing employees' ability to generate, promote, and apply new ideas. The questionnaire employed a 5-point Likert scale (1 = strongly disagree to 5 = strongly agree), following Sugiyono's (2024) quantitative measurement principles and operationalization guidelines. Before data collection, the instrument was validated by academics and PLN practitioners, with minor wording adjustments to enhance clarity. All constructs later showed strong reliability and validity, with Cronbach's α and composite reliability exceeding 0.70.

The population of this study consists of all employees of PT PLN (Persero) Central Java Development Unit, covering both the head office and project implementation units. Because the population size is finite and data collection uses a survey approach, the sample was determined using the Slovin formula by Sugiyono (2024) to ensure an adequate level of precision:

$$n = \frac{N}{1 + N(e^2)}$$

where:

n = sample size

N = population size

e = margin of error (10%)

Based on the calculation, the minimum required sample was obtained, and the final number of valid respondents was 161 employees, exceeding the minimum threshold. The sampling technique used was non-probability sampling, specifically proportional stratified random sampling, when the population consists of different strata or subgroups, and the sample is drawn proportionally to ensure adequate representation from each subgroup.

Data were analyzed using Structural Equation Modeling–Partial Least Squares (SEM-PLS) via SmartPLS. The analysis included outer model evaluation for convergent validity (factor loading ≥ 0.70 ; AVE ≥ 0.50), internal reliability (Composite Reliability and Cronbach's $\alpha \geq 0.70$), and discriminant validity (Fornell–Larcker and HTMT) (Henseler et al., 2015). Inner model evaluation assessed path coefficients (β), significance (t- and

p-values with 5,000 bootstrap subsamples), R^2 and adjusted R^2 , predictive relevance (Q^2), and mediation effects. SEM-PLS was selected for its robustness to non-normal data and suitability for complex mediation models (Hair, 2014).

Common method bias was checked using the Variance Inflation Factor ($VIF < 3.3$), with all indicators meeting the criterion (Kock, 2015). To reduce non-response bias, only employees with sufficient operational experience were included, and incomplete or inconsistent responses were removed (Purwanto, 2019). SEM-PLS was employed to handle multiple latent constructs and reflective indicators while assessing outer and inner models, mediation effects, and predictive relevance, supporting the study's aim to examine knowledge sharing as a mediator between leadership, organizational communication, and innovation (Cooper & Schindler, 2014).

RESULTS

The respondent profile describes the characteristics of individuals who participated in this study, drawn from various functional units within PT PLN (Persero) Central Java Development Unit. Most respondents are male, which aligns with the general demographic structure of the electricity sector, where technical and project-based roles are predominantly occupied by men (see demographic patterns in the energy sector reported by Thekinen et al. (2023)). In terms of age distribution, the largest group of respondents falls within the productive range of 31–40 years, a cohort empirically shown to have the highest level of innovation engagement in project-based organizations.

The majority of respondents work in planning, construction, procurement, and Health, Safety, and Environment (*Keselamatan dan Kesehatan Kerja dan Lingkungan/K3L*) functions that are directly involved in technical knowledge, cross-functional coordination, and knowledge-sharing activities. This composition strengthens the relevance of the data, as the study variables leadership, organizational communication, knowledge sharing, and innovation are closely tied to project dynamics and the exchange of information across units.

Table 1. Convergent Validity & Reliability

Variable	Cronbach's Alpha	Composite Reliability	Critical Score	AVE	Description
Leadership (X1)	0.861	0.894	>0.7	0.500	Valid & Reliable
Organizational Communication (X2)	0.925	0.938		0.603	Valid & Reliable
Knowledge Sharing (Z)	0.916	0.927		0.631	Valid & Reliable
Innovation (Y)	0.911	0.931		0.694	Valid & Reliable

The outer model evaluation is shown in Table 1. The purpose of this evaluation was to make sure that the indicators accurately reflect their latent constructs using accurate and trustworthy measurements. According to Hair (2014), all leadership, organizational communication, knowledge sharing, and innovation indicators had outer loadings greater than 0.70, which satisfied the convergent validity requirement. For every construct, the Average Variance Extracted (AVE) was greater than 0.50, meaning that every latent variable accounted for more than half of the variance of its indicators. With all Composite Reliability (CR) and Cronbach's Alpha values above 0.80 and 0.70, respectively, construct reliability also satisfied the suggested thresholds. As a result, the constructs are regarded as trustworthy.

The findings of the Fornell-Larcker criterion test for discriminant validity are shown in Table 2. By comparing each construct's square root of the AVE with its associations with other constructs, discriminant validity was evaluated (Hair, 2014). If a construct's square root of AVE is greater than its highest correlation with any other construct, it exhibits discriminant validity. For instance, leadership ($\sqrt{AVE} = 0.741$) had a greater connection with organizational communication (0.697), knowledge sharing (0.659), and

creativity (0.552) than any other construct in this study. Similarly, knowledge sharing ($\sqrt{\text{AVE}} = 0.784$), innovation ($\sqrt{\text{AVE}} = 0.833$), and organizational communication ($\sqrt{\text{AVE}} = 0.777$) all exceeded their highest correlations with other constructs, suggesting that each construct is conceptually unique and measures a different theoretical concept within the model.

Table 2. Fornell Lacker Criterion Test

Variable	Innovation(Y)	Leadership (X1)	Knowledge Sharing (Z)	Organizational Communication (X2)
Leadership (X1)	0.552	0.741		
Organizational Communication (X2)	0.582	0.697	0.684	0.777
Knowledge Sharing (Z)	0.675	0.659	0.784	
Innovation (Y)	0.833			

The structural model evaluation indicates that the relationship patterns align with the theoretical hypotheses. The coefficient of determination (R^2) for Knowledge Sharing and Innovation falls within the moderate category (insert the R^2 and adjusted R^2 values from the output), suggesting that the exogenous variables explain a meaningful proportion of variance in the endogenous constructs. The positive Q^2 (predictive relevance) value further confirms that the model possesses adequate predictive capability for the endogenous variables.

Table 3. Structural Model Evaluation

Criterion	Value	Category
R-Square Knowledge Sharing (Z)	0.532	Moderate
R-Square Innovation (Y)	0.488	Moderate
R-Square Adjusted Innovation (Y)	0.479	Moderate
Q-Square Innovation (Y)	0.318	Predictive Relevance

Table 3 presents the results of the structural model evaluation. The R^2 values indicate that leadership and organizational communication explain 53.2% of the variance in knowledge sharing (moderate), while these constructs, together with knowledge sharing, account for 48.8% of the variance in innovation (R^2 adjusted = 0.479, moderate). The predictive relevance of the model, assessed using Q^2 , is 0.318, indicating satisfactory predictive capability for innovation.

The aim of the hypothesis testing is to assess the path coefficients in the structural model. The researcher can decide whether to accept or reject each presented hypothesis by using this testing to evaluate the significance of the associations between variables. Hair (2014) states that t-statistics and p-values derived from the bootstrapping process, which guarantees the stability of parameter estimations, are essential for significance testing in SEM-PLS. In this study, hypothesis testing is divided into direct effects and indirect effects through the mediating variable, knowledge sharing. The reported path coefficients are outputs from SmartPLS, a widely used software package in the social sciences and management research for its ability to analyze complex models with reflective indicators (Ghozali et al., 2021).

The resulting path coefficients provide insights into the strength, direction, and significance of the relationships among the variables examined in the model. These results from the empirical basis for evaluating the relationships between leadership, organizational communication, knowledge sharing, and innovation within the context of electricity project organizations. The complete findings are presented in the hypothesis testing table in the following section and are used to determine whether the theoretically predicted relationships, such as those derived from the Knowledge-Based View (KBV) and the SECI model, are supported by the empirical data of this study.

Table 4. Hypothesis Test

Path	β	T-Statistic	p-value	Decision
H1: Leadership \rightarrow Knowledge Sharing	0.355	2.838	0.005	Accepted
H2: Organizational Communication \rightarrow Knowledge Sharing	0.436	3.530	<0.001	Accepted
H3: Knowledge Sharing \rightarrow Innovation	0.480	4.032	<0.001	Accepted
H4: Leadership \rightarrow Innovation	0.114	1.292	0.197	Rejected
H5: Organizational Communication \rightarrow Innovation	0.174	1.492	0.136	Rejected
H6: Leadership \rightarrow Knowledge Sharing \rightarrow Innovation	0.171	2.553	0.011	Accepted
H7: Organizational Communication \rightarrow Knowledge Sharing \rightarrow Innovation	0.209	2.113	0.035	Accepted

The findings of the hypothesis testing are collected in Table 4. While information sharing significantly promotes innovation ($\beta = 0.480$; $p < 0.001$), leadership ($\beta = 0.355$; $p = 0.005$), and organizational communication ($\beta = 0.436$; $p < 0.001$) both have a significant positive effect on knowledge sharing. On the other hand, organizational communication ($\beta = 0.174$; $p = 0.136$) and leadership ($\beta = 0.114$; $p = 0.197$) had no significant direct influence on innovation. However, substantial mediation effects ($\beta = 0.171$; $p = 0.011$ and $\beta = 0.209$; $p = 0.035$, respectively) show that both organizational communication and leadership indirectly influence innovation through knowledge sharing.

DISCUSSION

The findings of this study indicate that leadership has a positive and significant effect on knowledge sharing among employees at PLN UIP Central Java Region. This result is consistent with Chughtai and Khan (2024), who emphasized that empowering leadership behaviors enhance information openness and participation in knowledge-sharing processes. Furthermore, leader support in providing work meaning and reducing bureaucratic barriers has been shown to strengthen employees' motivation to donate knowledge and collect information from colleagues, as also explained by Hanafy et al. (2025). Thus, this study reinforces the view that leadership functions as a social enabler, accelerating knowledge flows within project-based organizations.

The study also finds that organizational communication has a positive and significant effect on knowledge sharing. This result aligns with Yani et al. (2022), who argue that easy access to information, two-way communication, and structured knowledge-sharing media are key determinants in strengthening collaboration and information exchange among employees. These findings affirm that effective communication, both vertical and horizontal, serves as a coordination mechanism that ensures knowledge can be articulated, distributed, and reused in operational activities. Therefore, the quality of organizational communication is a foundational factor in enabling more productive knowledge flows.

Furthermore, knowledge sharing is shown to have the strongest influence on innovation. This result supports Xu et al. (2023) and Cristache et al. (2025), who assert that knowledge donating and knowledge collecting enable individuals and teams to generate new ideas, enhance creativity, and accelerate solution implementation. In the context of complex and high-risk electricity infrastructure projects, the exchange of technical experience, lessons learned, and operational insights becomes essential for fostering innovation. This finding also reinforces the SECI model by Nonaka (2009), which posits that knowledge conversion is central to the innovation process.

However, this study shows that leadership and organizational communication do not have a direct effect on innovation. These results contrast with some prior studies that reported direct effects of social variables on innovation (Caccamo et al., 2023). This

discrepancy can be explained through the Knowledge-Based View by Grant (1996), which emphasizes that innovation depends not only on the quality of social interactions but more critically on how knowledge is processed, combined, and re-applied within the organization. Thus, this study provides evidence that in the PLN context, innovation does not arise merely from leadership direction or communication intensity but requires an active knowledge-sharing process as the connecting mechanism.

Consistent with this, the study finds that knowledge sharing mediates the effects of leadership and organizational communication on innovation. This significant mediation strengthens the argument that knowledge exchange mechanisms serve as the primary pathway linking managerial factors to innovative outcomes, as emphasized by Le and Le (2022). The result also supports the KBV explanation that competitive advantage and innovation emerge from knowledge integration rather than solely from social interactions. Therefore, this study provides empirical validation that knowledge sharing is a structural element that cannot be overlooked in efforts to enhance innovation in electricity project organizations.

Theoretically, these findings contribute to the development of the Knowledge-Based View (KBV) and the SECI model. KBV is reinforced by evidence showing that leadership and organizational communication can enhance innovation only when knowledge flows effectively, whereas SECI is supported by the finding that knowledge donating and collecting are key catalysts for creativity, proactivity, and the implementation of new ideas. These findings further enrich the literature by showing that in technical organizations such as PLN UIP Central Java Region, innovation is knowledge-driven and neither spontaneous nor solely dependent on structural or social aspects. Thus, this study offers both empirical and theoretical contributions by demonstrating that strengthening leadership behavior and organizational communication should be directed toward increasing the intensity of knowledge sharing, the key mechanism for generating sustainable innovation.

CONCLUSION

The findings indicate that leadership and organizational communication significantly affect knowledge sharing but do not directly affect innovation. Innovation within PLN UIP Central Java Region emerges from the organization's ability to convert and reuse knowledge through knowledge donation and collection, with knowledge sharing exerting a strong and significant influence on innovation. Empirically, the study confirms the presence of full mediation by knowledge sharing in the relationships between leadership and innovation and communication and innovation. Thus, knowledge sharing serves as the primary mechanism that transforms leadership dynamics and communication processes into innovation capability. These findings are consistent with the Knowledge-Based View and the SECI model, both of which emphasize that innovation emerges from structured knowledge flows. The implication is that every project activity should incorporate documentation procedures, accessible repositories, after-action reviews, and regular knowledge-sharing forums.

From a practical standpoint, this study provides important implications for project management within PLN UIP Central Java Region. Unit leaders should reinforce empowering leadership behaviors, such as providing autonomy, enhancing work meaningfulness, and removing bureaucratic barriers that impede knowledge flows. Organizational communication must be developed through well-documented, easily accessible channels that support cross-functional coordination. By strengthening knowledge-sharing systems, the organization can accelerate the resolution of technical issues, minimize rework, and improve the quality of decision-making, thereby fostering the emergence of applicable operational innovations.

Although this study offers strong theoretical and practical contributions, several limitations should be acknowledged. First, data collection was conducted through self-reported questionnaires, which may introduce perceptual bias. Second, the study focuses on a single organizational unit, so generalization of the findings should be approached

cautiously. Third, innovation was measured at the individual level rather than at the project or organizational level. Future research is therefore recommended to employ a multi-level approach or incorporate additional variables such as organizational learning, knowledge management systems, or digital capability to deepen the understanding of innovation mechanisms within electricity project organizations.

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