

Transformational leadership impact on employee creativity: the mediating effect of creative self-efficacy and moderating effect of proactive personality**Anisa Hasna Nur Ajjiah^{1✉}, Bambang Somantri², Mia Agustina Puspasari³**

Institut Manajemen Wiyata Indonesia, Sukabumi.

Abstract

This study aims to determine the impact of transformational leadership on employee creativity in the creative industry of Sukabumi, West Java, Indonesia. In addition, this study also tends to examine how the impact of transformational leadership on employee creativity was mediated by creative self-efficacy, and the role of proactive personality as a moderator in the relationship between creative self-efficacy and employee creativity. A quantitative survey methodology was used for data collection, and 55 questionnaires have been circulated to employees employed in the creative industry of Sukabumi. Most of them were from photography, culinary, fashion, and music industry. Hypothesis testing was carried out using SPSS 26 hierarchical regression analysis. The results showed that transformational leadership has a positive impact on employee creativity. In addition, creative self-efficacy mediated the relationship between transformational leadership and employee creativity, also proactive personality acted as a moderator in the relationship between creative self-efficacy and employee creativity. This study presents theoretical and managerial implications which can be used as an argument about the consequences of transformational leadership, creative self-efficacy, proactive personality on the creativity of creative industry employees in Sukabumi. A leader needs to adopt a transformational leadership style because it can develop and enhance employee creativity. Transformational leaders can also act as creative role models, by setting an example and encouraging their employees to be more creative. This study adds in a comprehensive manner the literature about the relationship between transformational leadership, creative self-efficacy, and proactive personality to employee creativity. This research is the first of its kind in Sukabumi.

Key words: Transformational leadership; creative self-efficacy; employee creativity; proactive personality; creative industry

INTRODUCTION

In facing the current creative industry competition, an employee must have a high level of creativity and be competitive. This creativity is the use of knowledge, skills, abilities, views and experience to produce a decision, new ideas as well as solving problems and completing tasks in an efficient way. The creative industry itself is a new concept in Indonesia that relies on the ideas and knowledge of its human resources by intensifying information and creativity. (Amabile, 1988; Amabile et al., 1996; Oldham and Cummings, 1996; Zhou, 1988 in Cheung & Wong, 2011 & Nurmilah et al., 2013). This creative industry has been developed since 1997 for the first time in Australia followed by several other countries such as Malaysia, Hong Kong, England and other countries including Indonesia. (Simatupang, 2008).

In West Java itself, the creative economy has started to contribute since 2013 which was ratified in the Regional Regulation (Perda) of West Java Province Number 15 of 2017 concerning the Creative Economy and West Java Provincial Regulation Number 10 of 2018 concerning Intellectual Property Management. (<http://bappeda.jabarprov.go.id>) with a growth rate of 53.2% including from the city of Sukabumi which contributed 15% since 2012. This indicates that the creative economy has a strategic role and potential to create jobs and the welfare of the people (Nurmilah et al., 2013).

Therefore, nowadays every creative industry is required to be able to increase the creativity of its employees as a key factor for the sustainability of a creative industry which then becomes a challenge for leaders to provide and develop the creative skills of employees so that they can consistently provide quality and performance on time and achieve a competitive advantage over other companies. (Oldham and Cummings, 1996; George and Zhou, 2002).

According to research by Tierney and Farmer (2011) in (Cheung & Wong, 2011) also reported that to maintain sustainable growth and success, companies need to support employee creativity by developing creative self-efficacy (CSE). In addition, other studies also believe that transformational leadership can increase employee creativity by encouraging followers to achieve more results than expected through higher employee trust and value. (Chi and Pan, 2012). Through this research, we try to analyze the relationship between transformational leadership and employee creativity.

Several other studies have shown that individual creativity is also influenced by proactive personality and is mediated by CSE (Bateman and Crant, 1993; Belschak et al., 2010 & Baba et al. (2009) in (Maria et al., 2022). Through our research will also discuss the issue of creativity through CSE and proactive personality in the creative industry in Sukabumi City, West Java, Indonesia.

Literature review

Transformational Leadership style

Transformational leadership and leadership have been contrasted in the writings of Burns (1978 in (Maria et al., 2022). Researchers often use transformational as a very important dependent variable and studied in hundreds of research projects which have implications as very good theory and have provided great insight into Researchers involve visionary behaviors such as visualizing the future, driving growth and motivating employee learning (Vera and Crossan, 2004; Grant, 2012 in (Maria et al., 2022). In addition, the involvement of the relationship between leaders and followers includes contingencies and management by exception. However, in this case transformational leaders motivate employees by changing employee beliefs, attitudes, and values as opposed to simply obtaining compliance to achieve performance beyond expectations (Bass, 1985 in (Maria et al., 2022). Thus transformational leaders is someone's success me change the vision of employees into a collective vision that inspires and isolated work outside their duties (Rubin et al., 2005 in (Maria et al., 2022)). Various empirical studies have found remarkable implications of transformational leadership behavior on follower performance, attitudes, and innovation in individuals and companies. Bass identified the sub-dimensions of transformational leadership into several sets such as charisma (ideal influence), intellectual stimulation, individual consideration and inspirational motivation.

Transformational has been widely used as a very important dependent variable and studied in hundreds of research projects, and its influence as a theory is very good.

Summarized in various meta-analyses. Studies of transformational leadership have provided great insight into the influence of leaders on companies, by engaging through visionary behaviors, for example motivating learning, driving growth and visualizing the future (Maria et al., 2022). Transformational

leaders are those who succeed in changing the focus of their followers from self-interest instant into an isolated collective vision and inspire them to work beyond their tasks (Rubin et al., 2005 in (Maria et al., 2022)). Various empirical studies have established the remarkable effect of transformational leadership behavior on innovation, performance, and follower attitudes at both the individual and corporate levels.

A number of studies have also been conducted examining the consequences of transformational leadership on work, such as commitment, performance, and creativity (Judge and Piccol, 2004 in (Maria et al., 2022)). The findings highlight how followers are influenced effectively by a leader and results in high CSE thus increasing employees' creativity for their companies. Another definition according to Kuhnert and Lewis (1987) in (Maria et al., 2022) transformational leader is someone who can influence his followers to increase conventional goals and help increase self-confidence in the workplace.

Transformational leadership

A company often faces both internal and external challenges. To face these challenges an employee must have creativity. (Bandura, 1986 in (Maria et al., 2022)). Several studies on the relationship of leadership style to increased innovation and creativity among employees have been conducted and provide new literature on the role of transformational leadership and employee creativity. The popularity of transformational leadership style as an independent variable has penetrated various companies due to its exclusive way of inspiring followers (Wang and Cheng, 2010. Sengphet et al., 2019 in (Maria et al., 2022)). Transformational leaders have also been shown to increase self-efficacy so that they have a positive impact on employee creativity (Maria et al., 2022)). Another impetus that influences employee creativity is a proactive personality that is influenced by transformational leadership. Transformational leadership has a close relationship with the other determinants of building a creative workplace, and changing the vision of employees. Syafi et al (2020) in (Maria et al., 2022).

It is stimulated by the intellectual transformational leaders to motivate employees to solve problems in new ways. (Sosik et al., 1997) in (Maria et al., 2022)). Including arousing employee creativity and intrinsically motivated employees and act according to their creativity. Tierney and Farmer, (2011) in (Maria et al., 2022).

Transformational leadership and CSE

Self-efficacy is defined as "states", namely changes that are believed from time to time in everyday life. Over time, self-efficacy changes more generally into non-specific beliefs that a person has to manage his life either in routine or new conditions. Self-efficacy is a person's belief in the ability to complete certain tasks and behaviors in certain contexts (van Diemen et al., 2020 in (Maria et al., 2022)).

Sheer (2014) in (Maria et al., 2022), said there are 3 scales in self-efficacy namely trait-like or general self-efficacy (SE), domain-specific SE and task-specific SE which are based on SE conditions using a measurement scale domain-specific and task-specific. The form of SE is divided into 2 namely state efficacy and trait self-efficacy.

According to Tierney and Farmer, 2002, CSE is defined as an individual's belief in their ability to generate creative and innovative ideas for the company. Therefore, CSE refers to self-assessment of a person's creative ability or potential as an effort and choice of activity in order to achieve creative results. (Maria et al., 2022). It is said by Lemons (2010) that creativity comes from ability and belief, not from competence so that CSE can be called a psychological attribute for reviewing understanding of increasing creative performance and important for engaging in creative behavior. (Maria et al., 2022) According to Shalley and Gilson, 2004; Amabile et al., 2005; Alameri et al., 2019; Royston and Reiter-Palmon, 2019; Santoso et al., 2019 in (Maria et al., 2022) their research shows that leadership style plays an important role in increasing contextual factors in employee creativity for work results. Therefore, it can be said that a leader who promotes CSE in employees can trigger creative and independent thinking skills. (Maria et al., 2022). Other research also supports the statement that there is a direct relationship between transformational leadership and CSE.

The mediating role of CSE

CSE is the ability of individuals to provide creative results for companies (Tierney and Farmer, 2002). In a CSE company, employees are said to be high, when employees have self-confidence and produce superior creativity. (Tierney and Farmer, 2011; Qiang et al., 2020 in (Maria et al., 2022). According to several researchers in Tims et al., 2014, it is said that employees who are busy with creative

activities, and high levels of self-efficacy can encourage them to solve a problem. According to Jin (2004) stated that transformational leadership triggers a direct relationship between creative performance, employee creativity and CSE (Maria et al., 2022).

Proactive steps are often taken by transformational leaders to generate creative thinking, therefore employees are expected to do the same. So it can be said that CSE mediates transformational leadership to increase employee creativity. (Bass and Avolio, 1990; Dvir et al., 2002 in (Maria et al., 2022)). Therefore, we propose that CSE acts as a mediation between transformational leadership and employee creativity, otherwise we propose H4. Proactive personality moderates the relationship between CSE and employee creativity.

The moderating role of proactive personality

Individuals who tend to be proactive will influence their environment and be able to identify opportunities and follow up on them, take initiative and tend to be loyal until they achieve their goals and can take advantage of existing resources. (Maria et al., 2022). They tend to be resourceful and better at networking and making the most of their social environment. (Thompson, 2005 in (Maria et al., 2022)).

Proactive individuals also tend to act creatively in carrying out their work, besides that they usually continue to learn and develop and explore at work. (Bolino et al., 2010). in (Maria et al., 2022). So that it can be said that someone who has a proactive personality is positively creative in doing his job and is likely to be able to pursue superior performance and carry out career development for himself. Proactive personalities also tend to be responsive in adapting in a work environment that requires creativity, because they can continue to seek opportunities and do learning, build and improve resources for work and improve self-development of employees to be more creative (Bateman and Crant, 1993; Belschak et al., 2010; Bergeron et al., 2014 in (Maria et al., 2022)).

METHOD

Samples and Data Collection

This study examines the relationship between transformational leadership, CSE, proactive personality, and employee creativity from the perspective of Creative Economy practitioners in Sukabumi City, West Java. We contacted 55 creative economy actors to participate in this research. Initially, we interacted personally with the Manager of the Office of Cooperatives and SMEs in Sukabumi City to deliver a presentation on the need and importance of research with an emphasis on managerial implications. The Manager of the Office of Cooperatives and UMKM for the City of Sukabumi agreed to provide a list of Creative Economy actors to interact with in the process.

Data collection was carried out through a google survey through a questionnaire (Questioner for Creative Economy Actors in Sukabumi City). Creative Economy actors are gathered in an online discussion room to fill out a survey. The researcher provides a narrative of the importance of the research plus survey procedures and guarantees for participant confidentiality in writing in the google survey. We received 55 questionnaire answers with complete conditions from creative economy actors in Sukabumi City with the results already inputted into the answer spreadsheet.

Data Analysis

In this study, we used indicators that had been studied and evaluated in previous studies by other researchers. Variables were measured using a five-point scale (1 for never to 5 for always and 1 for strongly disagree to 5 for strongly agree). In its own control, this study uses gender and around the scope of the business (business name, business address and choice of creative economy sub-sectors involved). To measure CSE, we use six indicator items developed by Maciej Karwowski (2011). A sample item is "I believe my imagination and ingenuity set me apart from my peers.";

Employee creativity. For employee creativity, we use 10 indicator items developed and tested by (Madjar et al., 2002). A sample item is "My family and friends outside the organization appreciate my ideas about work.";

Proactive personality. For proactive personality, we use 17 indicator items developed by (Bateman & Crant, 1993). Example items are "I am always looking for new ways to improve my life" and "I am always looking for better ways to do things"; and

Transformational leadership. To measure transformational leadership, we use indicator items developed by (Rafferty & Griffin, 2004), which include 13 items for each behavioral component, such as Vision,

Inspirational communication, Intellectual stimulation, Supportive leadership, Personal recognition. The sample item on is “My leader has a clear understanding of the future of the organization 5 years from now.”

Research data analysis was carried out in two stages. The first stage is to test the research framework, namely to analyze the research model using confirmatory factor analysis (CFA) to assess the reliability and validity of the measurement model. The second stage is to test the research hypothesis, namely using hierarchical regression analysis by placing control variables and research variables in different models using SPSS 26 (Anderson and Gerbing, 1991; Hayes, 2017).

RESULTS AND DISCUSSION

In our test, we tested the hypothesis with tiered regression analysis. Testing is carried out in several different steps. The attached table shows the results that transformational leadership has a positive and significant effect on employee creativity (H1) and on CSE (H2). Likewise with research conducted to find out the mediation of self-confidence towards transformational leadership and employee creativity (H3) found a significance result of 0.045. Therefore, it can be concluded that self-confidence mediates transformational leadership on employee creativity. Followed by the results of the next hypothesis, we found that proactive personality moderates self-confidence in employee creativity with a significance value below 0.05 (H4).

Tabel 1.
Multiple Regression Analysis Test Result

Model	Coefficient	t-statistic	sig.
(Constant)			
Transformasional Leadership -> Employee Creativity	3,887	4,028	,000
Transformasional Leadership -> CSE	2,553	5,232	,000
CSE Mediating Transformational Leadership on Employee Creativity	4,583	2,051	,045
Proactive Personality Moderating Transformational Leadership on Employee Creativity	7,168	15,839	,000
F-statistic		19,155	,000b
R2			,530
Adjusted R2			,502

With the results of the hypothesis above it is concluded that the application of transformational leadership can encourage and trigger the creativity of employees within the company. In this era of intense corporate competition, creativity and self-confidence are needed to produce the company's sustainability goals. Besides that, with the addition of creative businesses at this time, of course, you will no longer be foreign about how a company or a business must be as creative as possible to be able to compete. Transformational leadership can also play a role and train employees to work creatively relevantly at work (Passakonjaras and Hartijasti, 2019 in (Maria et al., 2022)). So this in turn helps develop their self-confidence and gradually and sustainably employees will work creatively.

Thus, CSE mediates the relationship of transformational leadership which can be used as additional literature in research on CSE. In this case the employee's CSE is a person's intrinsic aspiration to be creative which is supported by his knowledge and skills. It is important for companies to study and learn more about transformational leadership, CSE and employee creativity as an approach for companies to achieve their goals. By taking this approach employees will be encouraged to act creatively reinforced by the proactive personality of the employees themselves.

In this case, our results show that perceptions of transformational leadership and employee CSE can increase employee creativity, if the individual employee believes that a proactive personality can produce creative work. Previous research is referred to in (Maria et al., 2022) according to Yang et al., 2011; Bergeron et al., 2014; Uy et al., 2015; Fuller et al., 2018, that an individual needs to have a proactive personality in order to survive in creative endeavors.

We also carried out an empirical model as an effort to examine the proactive personality of creative entrepreneurs in the city of Sukabumi, West Java, Indonesia in the relationship between transformational leadership, CSE and employee creativity. With the aim that the gap between the determinants of employee creativity and their proactive personality can be filled.

Therefore companies must strive to continue to encourage and train their employees so they can build good relationships with their subordinates, as an effort to support effective management leading to transformational leadership that will trigger increased creativity and their proactive personality.

This study is a follow-up study in examining the impact and influence of transformational leadership on employee creativity mediated by CSE and moderated by proactive personalities in creative endeavors in Sukabumi City, West Java, Indonesia. As a basis for the importance of transformational leadership to produce creative employee work.

As for other implications for managerial is one of the company's strategy in highlighting the advantages of other companies. It should be noted that leaders will greatly influence the creativity of employees. Therefore, we suggest that creative entrepreneurs adopt a transformational leadership style as an effort to increase their proactive and creative personality. In addition, transformational leadership is the best way to develop effective solutions as a result of creative employees (Jung et al., 2003 in (Maria et al., 2022)). Other research findings state that proactive personality development, and CSE are equally important for developing employee creativity so as to enable the development of confidence in employee abilities and their knowledge in completing their tasks.

The limitations of the research that we have done are limited time so that in practice this research does not spoil all creative businesses in the city of Sukabumi. Second, the survey factors used were the results of the respondents themselves, so that in this study this was possible

CONCLUSION

In conclusion, this study is focused on observing the effect of transformational leadership on the creativity of employees in creative industries, Sukabumi City. Thus, this contributes to adding to the literature on the mediating role of CSE and the moderator role of proactive personality between transformational leadership and the creativity of creative industry players in Sukabumi City, West Java. On the results of this study, the researcher hopes to be able to provide answers to questions about employee creativity and can provide motivation for other researchers to continue this research and develop new insights that can be useful for creative industry players, Sukabumi City, West Java, Indonesia.

REFERENCE

- Bateman, T. S., & Crant, J. M. (1993). The proactive component of organizational behavior. *Journal of Organizational Behavior*, 14(2), 103–118.
- Çekmecelioğlu, H. G., & Özbağ, G. K. (2016). Leadership and Creativity: The Impact of Transformational Leadership on Individual Creativity. *Procedia - Social and Behavioral Sciences*, 235(October), 243–249. <https://doi.org/10.1016/j.sbspro.2016.11.020>
- Cheung, M. F. Y., & Wong, C. S. (2011). Transformational leadership, leader support, and employee creativity. *Leadership & Organization Development Journal*, 32(7), 656–672. <https://doi.org/10.1108/01437731111169988>
- Huang, L., Krasikova, D. V., & Liu, D. (2016). I can do it, so can you: The role of leader creative self-efficacy in facilitating follower creativity. *Organizational Behavior and Human Decision Processes*, 132, 49–62. <https://doi.org/10.1016/j.obhdp.2015.12.002>
- Karwowski, M. (2011a). It Doesn't Hurt to Ask... But Sometimes It Hurts to Believe: Polish Students' Creative Self-Efficacy and Its Predictors. *Psychology of Aesthetics, Creativity, and the Arts*, 5(2), 154–164. <https://doi.org/10.1037/a0021427>
- Karwowski, M. (2011b). Short Scale of Creative Self. 2011. <https://osf.io/j72w5/>
- Koh, D., Lee, K., & Joshi, K. (2019). Transformational leadership and creativity: A meta-analytic review and identification of an integrated model. *Journal of Organizational Behavior*, 40(6), 625–650. <https://doi.org/10.1002/job.2355>
- Madjar, N., Oldham, G. R., & Pratt, M. G. (2002). MAdjar et al - contributions of work and non work creative support - *AMJ* (2002). *Academy of Management Journal*, 45(4), 757–768.

- Maria, A. D., Yulianto, H., Palupiningtyas, D., & Usodo, H. (2022). Relationship between transformational leadership, proactive personality, creative self-efficacy and employee creativity at food processing SMEs in Indonesia. *Evidence-Based HRM*, 10(3), 257–274. <https://doi.org/10.1108/EBHRM-03-2021-0033>
- Rafferty, A. E., & Griffin, M. A. (2004). Dimensions of transformational leadership: Conceptual and empirical extensions. *Leadership Quarterly*, 15(3), 329–354. <https://doi.org/10.1016/j.leaqua.2004.02.009>
- Shin, S. J., & Zhou, J. (2003). Transformational Leadership, Conservation, and Creativity: Evidence From Korea. *Academy of Management Journal*, 46(6), 703–714. <https://doi.org/10.5465/30040662>
- Wang, P., & Zhu, W. (2011). Mediating role of creative identity in the influence of Transformational Leadership on creativity: Is there a Multilevel effect? *Journal of Leadership and Organizational Studies*, 18(1), 25–39. <https://doi.org/10.1177/1548051810368549>