

Exploration of Transformational Leadership Style in Improving Employee Performance in the Creative Industries

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Abstract

This study looks at the relationship between transformational leadership style, motivation, and employee performance in the creative business. Data were obtained from respondents who work for various companies in the creative industry utilising quantitative methods such as surveys and statistical analysis. The analysis revealed that the model under consideration had a high level of fit (R-squared = 0.608), implying that the research variables could explain the majority of the variation in employee performance. There is a considerable positive association between transformational leadership style, motivation, and performance ($r = 0.674, 0.739, \text{ and } 0.682$, respectively). The T test reveals that both transformational leadership style (T count = 5.964) and motivation (T count = 3.910) have a significant impact on employee performance, with T values exceeding the specified T table value. Furthermore, the F test reveals that all research variables have a significant impact on employee performance (F count = 75.320). Finally, transformative leadership and motivation are critical to increasing employee performance in the creative industry. The findings suggest that motivational leadership development and focusing on transformational leadership style can be successful techniques for improving employee performance in the setting of creative industries.

Keywords: Transformational leadership style, motivation, employee performance, creative industry

Introduction

The creative industry is a fast rising sector with a significant impact on the global economy. This industry encompasses graphic design, advertising, media, performing arts, music, film, and animation, all of which require creativity and invention. Creative industries, which are defined by a constant demand for new ideas, ongoing innovation, and the ability to respond to market changes, necessitate a leadership style that can foster and sustain dynamic and efficient work arrangements. According to several studies (Sukhumpong Channuwong, 2023), creative leadership contributes significantly to organisational performance by encouraging innovation, vision, inspiration, problem solving, flexibility, and trust among leaders. This sort of leadership not only enhances individual creativity in the organisation, but it also influences future

leadership styles, such as transactional and transformational leadership, via the mediating effect of individual creativity (Kim Sheehan, 2020). Effective leadership in the creative industries is vital for fostering innovation, cooperation, and long-term growth and development (Fatma Ince, 2022). Leadership in these areas must strike a balance between individual creative autonomy and the collective synergy of creative teams and larger professional networks. Transformational leadership, first suggested by James MacGregor Burns and later developed by Bernard Bass, is a leadership strategy seen to be capable of overcoming these problems. Transformational leaders are known for their ability to inspire and motivate colleagues by creating a shared vision, providing personalised support, and stimulating their minds (A. Dewantoro, 2023). They prioritise not only organisational goals but also the personal and professional development of their personnel (Yihe Zhang, 2023). Transformational leaders can significantly influence staff performance and motivation by embodying attributes that inspire trust, vision, and dedication. This, in turn, leads to higher workplace productivity. Their leadership approach inspires people to become leaders too, fostering a culture of cooperation and innovation that fosters good change and progress inside the organisation. Transformational coaching, a related idea, emphasises the need of understanding underlying values and developing trusting relationships in order to support long-term development and self-actualization. According to the research article, transformational leadership is vital in generating innovation and creativity in creative industries since it increases employees' intrinsic drive. This leadership style encourages employees to think creatively, take chances, and contribute new ideas, resulting in organisational success (Diana Chiş-Manolache, 2022). Transformational leaders motivate their teams to adapt and succeed in the competitive and continuously changing landscape of the creative sector by fostering a good work environment in which employees feel appreciated and supported (Arisman, 2022). Transformational leadership indirectly influences and enhances employee creativity through factors such as psychological empowerment, creative process engagement, and intrinsic motivation, leading to

a culture of innovation that is essential for a company's continued success in the creative industry (Hoang Anh Le, 2022).

Transformational leadership has been extensively researched for its favourable impact on organisational performance (Silvia Cacciatore, 2023). However, there is a lack of research on its specialised uses in creative sectors, where distinct qualities necessitate tailored approaches. Creative businesses thrive on innovation and unusual thinking, hence it is critical to investigate how transformational leadership may be optimised to boost employee performance in such contexts (Mostafa Sayyadi, 2022). Organisations can develop a culture that supports artistic expression, stimulates risk-taking, and, ultimately, drives innovation and success by understanding the dynamics of transformational leadership and creativity in the context of the creative industries. Further research in this area could provide useful insights into how to maximise the potential for transformative leadership in the creative sector. Transformational leadership has a significant impact on employee motivation and performance across industries, including the creative sector. According to research (Syarifuddin Syarifuddin, 2023), transformational leadership motivates people, creates trust, and encourages innovative work behaviour, all of which boost productivity. The relationship between transformational leadership and innovative behaviour is mediated by factors such as organisational support for innovation, a sense of purpose, and psychological empowerment (A. Dewantoro, 2023). Furthermore, study (Sendika Panji Anom, 2023) demonstrates the indirect benefit of transformative leadership on employee performance via motivation. Understanding transformational leadership elements such as vision, empowerment, and inspiration allows organisations to create a motivating work environment that encourages innovation and productivity, emphasising the importance of effective leadership in shaping employee behaviour and performance in the creative industries.

Transformational leadership in the creative industries entails several important factors that foster creativity and innovation. These components include vision, support for invention,

autonomy, encouragement, acknowledgment, and challenge (Rama Gheerawo, 2020). Furthermore, transformational leaders in the creative sector must focus on creating an environment conducive to innovation, improving creative self-efficacy, and encouraging followers' relational identification in order to indirectly influence employee creativity (Mojgan Afshari 2011). Adopting digital transformation techniques such as vision setting, platforms, and open innovation are crucial for market restructuring and success in the creative industries (Amna Hasnain, 2020). Furthermore, transformational leaders help to increase employees' potential for creative problem solving by developing creative attitudes, creating psychological safety, and encouraging recommendations for new creative solutions (Ho Geun Lee, 2020). These aspects, taken together, help to boost creativity and innovation in the ever-changing creative industry scene.

Transformational leadership has a significant impact on employee motivation in the creative business. According to research, transformational leadership inspires and encourages people while also encouraging innovative work behaviour (Syarifuddin Syarifuddin, 2023). Furthermore, transformational leadership has been connected to increased employee creativity via intrinsic motivation (INengah Aristana, 2023). Furthermore, the mediating role of personal initiative has been found as a critical aspect in translating transformational leadership into improved creative behaviour, particularly among employees with heavy workloads (E. De Clercq, 2023). These findings highlight the importance of transformational leadership in driving employee motivation and creative outcomes in the context of creative industries, emphasising the importance of inspiring communication, vision, and supportive leadership in increasing employee job satisfaction and motivation (Adhie Fasha Nurhadian, 2023). Transformational leadership has a strong positive impact on employee performance across many industries, especially creative ones. According to studies, transformational leaders boost employee interest, awareness of organisational goals, and effective mobilisation, resulting in improved performance (J Shang, 2023). Research conducted at PT Smart Talenta Multitama

also proved the favourable impact of transformational leadership on employee performance, emphasising the significance of this leadership style in promoting employee success (Haryanti Haryanti, 2023). Furthermore, findings from the Batu City Land Office show that transformational leadership influences employee performance both directly and indirectly through organisational climate mediating factors, demonstrating the diverse benefits of this leadership approach in encouraging employee success in the creative industry (Ratya Shafira Arifiani, 2023).

Methods

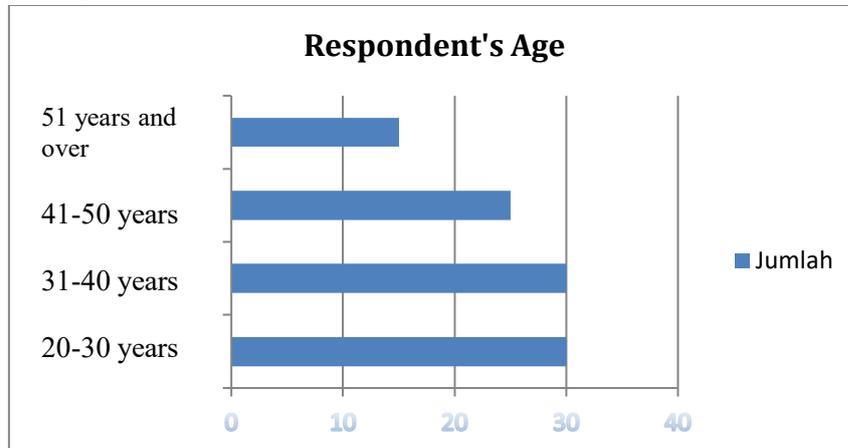
This study employs a quantitative technique with a survey design to collect data on digital transformation in human resource management (HR). This approach was chosen to provide a full view of the problems and opportunities that organisations encounter when implementing digital technologies in the HR industry. The participants in this study are Indonesian organisations who have implemented or are in the process of implementing digital transformation in HR management. Purposive sampling was used to pick only companies that satisfied specific requirements. These criteria include companies that have used digital technology in HR functions for at least one generation. Company with over 100 employees. Companies from many industrial areas might obtain a broad perspective. with target respondents from the HR department, HR managers, and staff who are directly involved in the adoption of digital technology. The sample size was determined using the Slovin formula, with a 5% margin of error. If the population is not known with confidence, a population estimate with a sample size of at least 100 respondents is utilised for more precise statistical analysis.

Results and Discussion

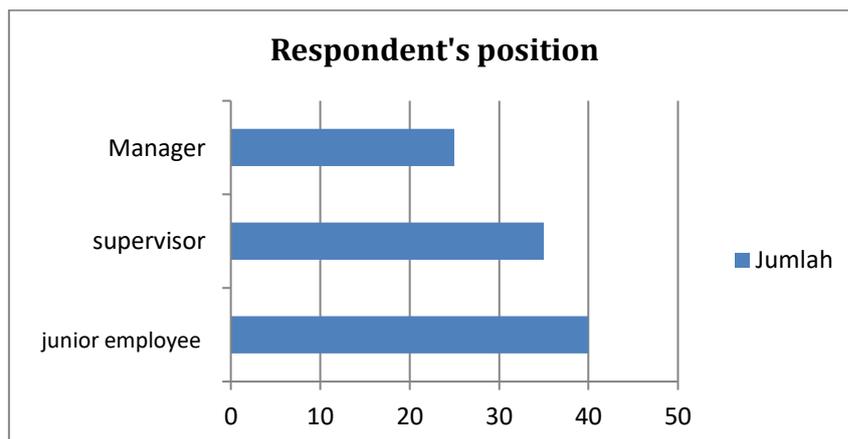
1. Data Analysis

a. Descriptive Analysis

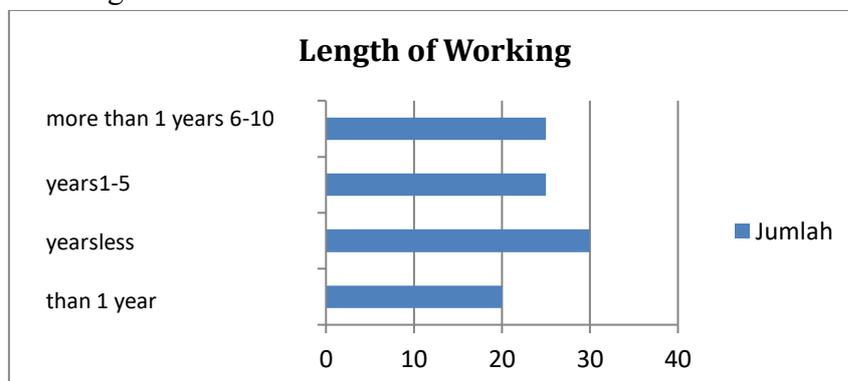
Respondent's Age



Respondent's Position



Length of Working



b. Reliability and Validity Test

Validity test

Based on the table of statistical test results, it is known that all variables in this study can be said to be valid, this is known with a significance value of 0.000. As in theory, if the significance value is <0.05 then a research variable is said to be valid.

Reliability Test

Reliability Statistics

Cronbach's Alpha	N of Items
,841	3

Based on the results of the SPSS 25 statistical test, it is known that the Cronbach's Alpha value is 0.841, so it can be said that all items in this study are reliable. As in theory, if the Cronbach's Alpha value is above 0.06 then it can be said that the items in the research can be said to be reliable.

Determination Test

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,780 ^a	,608	,600	6,382

The results of statistical tests on the variables studied produced a determinance value of 0.608, so overall it can be said that the model studied can be said to meet the standards for research variables.

c. Correlation Analysis

Correlations				
		Transformational Leadership	Motivation	Performance
Transformational Leadership	Pearson Correlation	1	,674**	,739**
	Sig.(2-tailed)		,000	,000
	N	100	100	100
Motivation	Pearson Correlation	,674**	1	,682**
	Sig.(2-tailed)	,000		,000
	N	100	100	100

Performance	Pearson Correlation	,739**	,682**	1
	Sig.(2-tailed)	,000	,000	
	N	100	100	100

**** . Correlation is significant at the 0.01 level (2-tailed)**

From the results of statistical data processing, it can be seen that the correlation between the variables of each variable studied produces the following data. Where the transformational leadership variable correlates to the motivation variable by 0.674, while the performance variable contributes a value of 0.739, while the motivation variable to the performance variable contributes a value of 0.682, thus all variables can be said to be correlated.

d. Multiple Regression

T test

		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	16,669	4,390		3,797	,000
	Transformational leadership	,728	,122	,513	5,964	,000
	Motivation	,630	,161	,336	3,910	,000

a. Dependent Variable: Performance

The results of the T test from the analysis data show that the Transformation Leadership variable has a calculated T value of 5,964 while the T table is 1.986, so the leadership variable has an influence. Motivation has an influence on employee performance. So in this research all variables each have an influence on the dependent variable, namely the employee performance variable.

F test

		ANOVA ^a				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6135,852	2	3067,926	75,320	,000 ^b

Residual	3950,988	97	40,732		
Total	10086,840	99			

a. Dependent Variable: Performance

b. Predictors: (Constant), Motivation, Transformational Leadership

The results of statistical tests on the F test can be seen that it produces a value of 75.320. Meanwhile, F table is 2.70, thus all the variables in this study have an influence on employee performance variables.

Conclusion

Based on the findings of the statistical analysis conducted in this study, the following conclusions can be drawn:

1. Based on the determination value (R-squared) of 0.608, it is possible to conclude that the model under consideration is well-suited to understanding the relationship between the variables tested, namely transformational leadership style, motivation, and employee performance in the creative business.
 - a) Correlation Between Variables indicates that there is a meaningful link between the variables analysed.
 - b. The link between transformational leadership style and motivation is 0.674, implying that the higher the transformational leadership style, the greater the degree of employee motivation.
 - c. The connection between transformational leadership style and performance is 0.739, showing that it has a considerable impact on staff performance.
 - d. The correlation between motivation and performance is 0.682, showing that employee motivation positively influences performance.
2. According to the T test results, transformational leadership has a strong influence on employee performance, with a computed T value of 5.964, which is higher than the T table value of 1.986. Motivation has a considerable influence on employee performance, with a calculated T value of 3.910, which is higher than the T table value of 1.986.

3. The F test findings demonstrate that all of the variables in this study had a considerable influence on employee performance, with a calculated F value of 75.320, which is much higher than the F table value (2.70).

Thus, transformational leadership style and motivation play a vital part in enhancing employee performance in the creative industry. These findings imply that in order to improve employee performance, it is critical to focus on and establish a transformational leadership style, as well as to motivate employees effectively. This study contributes significantly to understanding the dynamics of leadership and performance in the setting of the creative industries.

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