

Factors Influencing Creative Employees: An Integration of Transformational Leadership Theory in The Case of Start-ups Employees in Indonesia

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Abstract

Objective: In today's competitive business environment, a start-up must attract and retain employees with a high level of creativity. This study investigates the effects of intrinsic motivation, dimensions of transformational leadership, and personal factors on employee creativity. In addition, the role of the physical space of the workplace in moderating the relationship is also investigated.

Design/Methods/Approach: This study employs a quantitative strategy using the Partial Least Squares (PLS) method for data analysis with the assistance of SmartPLS. Based on the findings, we know that 101 employees of Indonesian start-ups with a shorter history of employment than a year participated in this study.

Findings: Inspiring motivation, idealized influence, intellectual stimulation, and personal consideration were all found to increase employees' inventiveness. However, results did not improve when the physical work environment was moderated between the four dependent variables: inspirational motivation, idealized influence, intellectual stimulation, and individual consideration of employees' creativity.

Originality: A leader's idealized influence and intellectual stimulation on their employees is the dimension of transformational leadership used in this study.

Practical/Policy implication: This study's significance is that it contributes new knowledge to the literature on the factors that affect employee creativity in Indonesia. Moreover, they can provide valuable input for company management to boost employee creativity by inspiring further development.

Keywords: Employee Creativity, Transformational Leadership, Pandemic Covid-19

JEL Classification: M1, M3, L2.



I. Introduction

Covid 19 pandemic that occurred since the end of 2019 has had many impacts on companies or organizations that are required to survive and adapt to changing regulations. Fast and high adaptability is essential for companies facing a business environment that continues to change radically (Palupi, 2020). Of course, start-ups are among the types of companies that are required to adapt quickly and quickly. A start-up is a new company and is still in the development or research stage in finding markets and developing products (Idris, 2020). The start-up's condition, which is still in the development and research phase, makes it easier for start-ups to adapt to a changing environment. So, it is proven that a start-up is one of the companies that can survive in the era of the COVID-19 pandemic that is happening in various parts of the world today. The faster the company adapts to the existing environment and conditions. The company will gain additional potential benefits such as new knowledge, demographics, possible new financial resources, and possible industry changes (Morris, Altman, & Pitt, 2001). In addition, according to Font (2021), it is explained that 2021 will be the right year for start-ups because the COVID-19 pandemic requires many things to change, and this can be a promising potential for start-ups.

Employees need to be able to turn any problem or phenomenon into a new business opportunity if they are to thrive and adapt to the current unfavorable business climate. Employees are required to have many skills, and creativity is one of the most important ones. An additional definition of employee creativity is a recent, practical idea for improving products, services, processes, and manufacturing techniques (J. Shin, Taylor, & Seo, 2012). When people are given ample time to focus on the creative process, they often exhibit a constellation of personality and intellectual traits that we call "creativity." This definition comes from Amabile (1988).

In today's competitive business environment, a new company or organization must attract and retain employees with a high level of creativity. Many business owners and managers understand that to thrive in today's competitive market, their companies require employees willing to roll up their sleeves and get their hands dirty (Palupi, 2020).

Start-up businesses require highly creative workers and leaders who can guide them as they decide how to implement those workers' ideas. It is because leaders with a cheerful disposition will be able to encourage innovation in their teams by helping with projects, coaching subordinates, and boosting intrinsic motivation (Amabile, Schatzel, Moneta, & Kramer, 2004). A leader can be both transformational and supportive.

A transformational leader challenges and encourages followers to grow in ways they never thought possible (Bass & Avolio, 1994). Additionally, leaders who exhibit transformational leadership (as described by Bass & Avolio, 1994) can use innovative thinking, tenacity, energy, intuition, and empathy. Idealized influence, inspiring motivation, intellectual stimulation, and individual consideration set transformational leaders apart, as Bass & Avolio (1994) stated.

Several previous studies, such as Koh, Lee, & Joshi (2019), Michael (2006), and Palupi (2020), have examined the connection between employee creativity and innovative leadership (2020), Shin & Zhou (2003); Wang & Rode (2010); Zhou & Pan (2015). Multiple studies have shown that transformational leadership has a constructive effect on workers' inventiveness. However, there have been conflicting findings from prior research.

From previous research findings, an explanation of transformational leadership written by Bass & Riggio (2006) is that transformational leadership has many similarities with charismatic leadership. However, charisma is only part of transformational leadership. Therefore, transformational leadership applies in industries engaged in creativity in start-ups that need to be done. Transformational leadership theory assumes that followers change due to their experiences with confident leaders (Siangchokyo, Klinger, & Campion, 2020). The extent to which a leader is perceived as transformational is a function of four leader dimensions: (1) Idealized influence, (2) inspirational motivation, (3) Intellectual stimulation, and (4) individual considerations. Our research tried to answer the relationship between dimensions of transformational leadership on employee creativity and the moderating influence of the physical work environment.

This research will majorly contribute to exploring the use of transformational leadership theory. Furthermore, to examine the effect of transformational leadership on employee creativity during a pandemic. This test is crucial because it will contribute to knowledge about how employee creativity is formed from a transformational leadership style with an ideal influence, inspiring motivation, intellectual stimulation, and good judgment. Second, seeing a start-up as a company or organization that is considered very easy to adapt and demands high creativity from its employees, testing transformational leadership's influence on start-ups is very relevant.

The remaining of this article is organized as follows. Research seeking to highlight the theory of transformational leadership has been very well developed (Grant, 2012) and provides clear insights into the influence of transformational leaders on organizations. The four dimensions of transformational leadership, namely idealized influence, inspirational motivation, intellectual stimulation, and individual considerations, are proposed to affect employee creativity positively. In addition, the moderating role of the physical work environment will be tested in this study. This study is quantitative research with Partial Least Squares (PLS) as a method of data analysis.

2. Literature Review and Hypotheses Development

Theory of Transformational Leadership

Transformational leaders do more with colleagues and followers than set up simple exchanges or agreements (Bass & Riggio, 2006). Conceptually, leadership is charismatic, and followers seek to identify with the leader and emulate them. The leadership inspires followers with challenge and persuasion, providing meaning and understanding. The leadership is intellectually stimulating, expanding the followers' use of their abilities. Burns (1978) and Bass (1985) expand on these ideas by explaining how transformational leadership inspires workers to uphold the company's values and work toward its goals. Numerous studies by Cherian, Gaikar, Paul, & Pech (2021); Imam, Naqvi, Naqvi, & Chambel (2020); Rahimpour, Shirouyehzad, Asadpour, & Karbasian (2020) have examined every conceivable aspect of employee behavior, from creativity to loyalty to productivity, but their focus is not on explaining transformational leadership only on employee behavior in a critical way. This type of leader prioritizes the welfare of their followers, the organization, and the community. When leaders take this tack, they motivate their teams to perform at a higher level. Chaubey et al. (2019) research show that a good work environment, output, and innovation can benefit a leader who actively listens to and supports the concerns of his employees.

The relationship between inspirational motivation and employee creativity

Inspirational motivation refers to a leader's actions that stimulate employees' motivation levels beyond their expectations to achieve organizational and personal goals (Bass & Avolio, 1994). On the other hand, creativity is an employee's creative thinking, expertise, and skills based on experience and qualifications. Employee creativity entails a high level of intellectual activity. Therefore, employees should be encouraged to work hard to attain breakthroughs (Rafferty & Griffin, 2004). A study by Shafi, Lei, Song, & Sarker (2020) found that transformational leaders can motivate and inspire their teams to succeed. According to Palupi's research, employees are more likely to be creative when encouraged, and their leaders actively foster that environment (2020). It demonstrates the value that can be gained from encouraging employees to use their imagination. Moreover, studies have shown that highly transformative leaders are likelier to create a culture that promotes employee innovation (Bass & Avolio, 1994; Palupi, 2020; Shafi et al., 2020). This leads us to conclude:

H1: Inspirational motivation has a positive effect on employee creativity.

The relationship between idealized influence and employee creativity

Bass & Avolio (1994) stated in their study that idealized influence refers to the actions of leaders who influence employees to follow them and act as role models. They also said that in idealized influence, the leaders inspire the employees and acquire respect and loyalty. Transformational leaders inspire and motivate employees to achieve goals by articulating a steering vision and path (Shafi et al., 2020). According to a study by Jyoti & Dev (2015); Prasad & Junni (2016), to transform their teams, leaders with a transformational style impart knowledge, spark imagination, and challenge the status quo. The best leaders inspire their teams to achieve great things while earning respect and loyalty (Shafi et al., 2020). A great leader inspires their team and earns loyalty and respect (Shafi et al., 2020). This supports Palupi's (2020) argument that the right kind of influence can boost productivity in the workplace. Employees benefit from greater freedom to invest in their ideas, which improves the efficiency and output of the company as a whole. Keep in mind that transformational leadership has the potential to influence the mindsets and actions of those under them for the better. As a result, a theory has been proposed:

H2: The idealized effect has a positive effect on employee creativity.

The relationship between intellectual stimulation and employee creativity

Intellectual stimulation refers to a leader's behavior that stimulates employees' ability to think outside the box while solving problems and refreshing their minds. Gilmore, Hu, Wei, Tetrick, & Zaccaro (2013) mention Intellectual Stimulation as stimulating employee creativity and innovation. According to Khalili (2017), innovative leaders capitalize on the available resources and inspire their teams to think outside the box to reach their goals. According to research by Palupi (2020), employee creativity can benefit from intellectual stimulation. That is why transformational leaders need to foster an atmosphere where those contributing to the problem- and solution-finding process can feel comfortable sharing and building upon their ideas. As a result, a theory has been proposed:

H3: intellectual stimulation has a positive effect on employee creativity.

The relationship between individual consideration and employee creativity

Individual consideration refers to a leader who listens to their problems and supports each employee (Dionne, Yammarino, Atwater, & Spangler, 2004). Leaders Should cater to their teams by considering their specific needs (Ng, 2017; Sosik, Kahai, & Avolio, 1998). Several studies have examined the correlation between leadership style and employee creativity (Mumford, Scott, Gaddis, & Strange, 2002; Ranjbar, Rafiei, Shafiei, & Kargar, 2019). This research demonstrates that transformational leaders can pay close attention to their subordinates, value their unique

contributions, and provide feedback and incentives that boost their productivity and creativity. For this reason, it is speculated:

H4: Individual considerations have a positive effect on employee creativity.

The Moderation Role of the Physical Work Environment

Dul & Ceylan (2011) distinguish between the social work environment and the physical work environment. The social work environment refers to the employee's social and organizational context regarding job design, teamwork, reward system, and leadership styles (Pawirosumarto, Sarjana, & Gunawan, 2017). The physical work environment refers to the employee's context regarding the physical surroundings, such as the immediate workplace and surrounding buildings (Chaubey et al., 2019). Many scholars presume that the relationship between the social work environment and creativity is mediated by motivation (Amabile & Pillemer, 2012). Employees feel motivated to show creative behavior in a supportive social work environment (Bagheri & Nouri, 2016). However, many scholars suggest that the physical work environment may also enhance creativity. Physical environments engineered to be cognitively and perceptually stimulating can enhance creativity (Dul & Ceylan, 2011). Motalebi & Parvaneh (2021) mention the physical environment as a contextual influence and suggest that future research should address how the physical work environment moderates creative performance.

The efficiency of an organization is directly proportional to the standard of its workplace (Lee & Brand, 2005). Space, architecture, views, resources, and environmental conditions are all factors that Mccoy (2005) found during his research on the concept of the actual work environment. Several studies have shown that elements of the virtual workplace may play a role in encouraging creativity and new ideas (Horng, Wang, Liu, Chou, & Tsai, 2016; Martens, 2011). Physical environmental cues, such as a pleasant temperature, adequate lighting, a welcoming atmosphere, and the architecture's exciting features, motivate people to take action. A setting encourages innovative teamwork and results (Bagheri & Nouri, 2016; Le & Le, 2021) found that idealized influence and individual consideration are critical components of transformational leadership. In this study, the dimensions of transformational leadership are ideal influences and individual considerations.

According to Martens (2011), creative work encourages employees to use their imagination. While Mccoy (2005) acknowledges that research has found mixed results when attempting to link a company's physical workspace with employee creativity, he argues that the impact of indirect and regulatory factors should not be underestimated. The explanation illustrates how a transformational leader can boost innovation and productivity in the workplace. We can examine the dimensions of transformational leadership, namely the influence of ideals and individual considerations, including motivation and intellectual stimulation. It is also hypothesized that the work environment plays a moderating role.

For this reason, we propose the following:

H5: Physical work environment moderate connection among creative employees and inspirational motivation.

H6: Physical work environment moderate connection among creative employees and influence idealized.

H7: Physical work environment moderate connection among creative employees and intellectual stimulation.

H8: Physical work environment moderate connection among creative employees and individual considerations.

3. Method

To conduct this research, the researcher here chooses a quantitative approach. Participants in this study were surveyed using a questionnaire distributed through Google Docs, and the survey was distributed from June 1, 2022, to July 5, 2022. Questions on variables were measured on a 5-point Likert scale in the questionnaire. The relationship between the physical work environment, dimensions of ideal transformational leadership, and individual considerations were also tested using simple slope analysis (SSA). An example of a non-probability sample is a sampling technique used in a study. In this investigation, a systematic sampling approach was used, and objective selection was the method of choice. The study's sample is employees who have worked in start-up companies in Indonesia for at least one year. The tenure of employees at Indonesian start-ups was selected based on ideal influences and personal considerations, both of which varied greatly in this study due to the researcher's subjectivity. The selection of start-up companies in Indonesia as objects in this research is based on a survey conducted by the Katadata Insight Center (Dihni, 2022) that there will be 1,190 start-up companies in Indonesia in 2021. The survey results from the Katadata Insight Center also show that Indonesia has one decacorn or a valuation of over US\$ 10 billion and is included in the top 5 with the most start-ups in the world (Setyowati, 2021). The survey was distributed through social media and questionnaires, and we collected data from 101 participants.

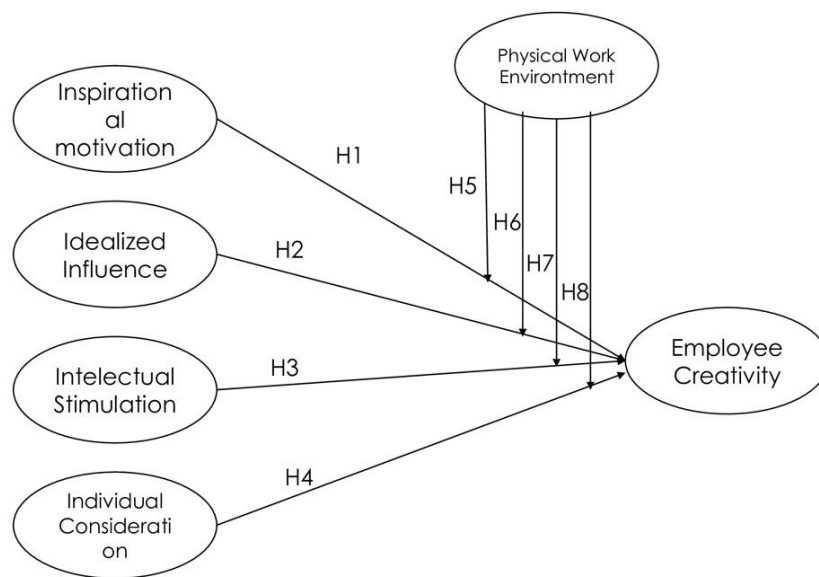


Figure 1. Research Framework

3.1 Validity and Reliability Test

To evaluate the model, we used the partial least squares method (PLS) with the help of the SmartPLS 3.2.7 program. PLS can model latent variables even when the underlying data are not perfectly distributed (Ringle, Sarstedt, & Straub, 2012). Structural models based on covariance are well suited for this study, which seeks to identify the main drivers of structure rather than theoretical validation. The first stage of the study involved validating and assessing the measurement model. Table 1. shows that the results of the validity test of the Average Variance Extracted (AVE) value for all constructs in this study have met the minimum criteria, which are more significant than 0.5, so they are declared valid. The reliability test was conducted to determine the extent to which the measuring instruments (instruments) used in the study were consistent in measuring (Cooper & Schindler, 2014). Composite reliability is considered reliable in presenting a measure of reliability in research using structural equation models. A construct has a good reliability value if it has a value greater than 0.7 (Hair, Black, Babin, & Anderson, 2014). Detailed data regarding the calculation of composite reliability are listed in Table 1, where it can be seen that all constructs in this study have a composite reliability value of > 0.7, which indicates that all of the proposed constructs have good reliability.

Table 1. Operational Definition of Variables

Variable name	Variables' Operational Definition	Measurement Items	Source
Intrinsic Motivation	The inspirational appeals that leaders make and emotional talk arouse followers' motivation to go beyond self-interest for the good of the team.	My boss says things that make employees proud to be part of this organization. (MI1) My boss said positive things about the work unit. (MI2) My boss encourages people to see a changing environment as a situation full of opportunity. (MI3)	Rafferty & Griffin (2004)
Idealized Influence	Leader's ability to lead by example, inspire followers, and instill a sense of mission	My boss makes me feel proud to work with him. (PE1) My boss is a good influence when I work with him. (PE2) My boss makes me feel comfortable working with him. (PE3)	Djourova, Rodríguez Molina, Tordera Santamatilde, & Abate, (2020)

Intellectual Stimulation	A leader's ability to increase followers' interest and awareness of problems and develops their ability and propensity to think about problems in new ways	My boss challenges me to think about old problems in new ways. (SI1) My boss had an idea that forced me to rethink things I had never questioned before. (SI2) My boss has challenged me to rethink some basic assumptions about my job. (SI3)	Rafferty & Griffin (2004)
Individual Considerations	Leader's developmental orientation toward staff and showing individual attention to followers, and responding appropriately to their personal needs	My boss has a clear understanding of our goals. (PI1) My boss clearly knows where he wants our unit to be in 5 years. (PI2) My boss compliments me when I do a better-than-average job. (PI4) My boss acknowledges the improvement in the quality of my work. (PI5) My boss praises me personally when I do a great job. (PI6)	Rafferty & Griffin (2004)
Employee Creativity	The extent to which an individual employee develops and applies new ideas and methods regarding products, services, or processes at work	I often develop product/service packages that are tailor-made for clients. (KK1) I often use creativity to develop new clients through various means and channels. (KK2) I often use creativity to improve my sales force in various ways. (KK3) I often develop creative methods for promotion and sales. (KK4) I think my work is creative. (KK5) For me, my work is original and practical. (KK6) For me, working in the workplace is adaptive and practical. (KK7)	Yu, Li, Tsai, & Wang, (2019)
Physical Work Environment	Individual's perception of the physical surroundings, such as the workplace and the building's surroundings.	My workplace is decorated aesthetically with indoor plants. (LKF1) My workplace atmosphere is supportive of doing my job. (LKF2) The atmosphere in my workplace has a good smell and a good interior. (LKF3)	Chaubey et al., (2019)

Table 2. Convergent Validity and Reliability Test

Variable name	Item Code	Loading Factor	Cronbach Alpha	AVE	Composite Reliability
Intrinsic Motivation	M11	0,839	0,817	0,732	0,891
	M12	0,883			
	M13	0,843			
Idealized Influence	PE1	0,915	0,943	0,883	0,958
	PE2	0,959			
	PE3	0,944			
Intellectual Stimulation	SI1	0,830	0,802	0,712	0,881
	SI2	0,781			
	SI3	0,913			
Individual Considerations	PI1	0,783	0,834	0,606	0,884
	PI2	0,667			
	PI4	0,803			
	PI5	0,883			
Employee Creativity	PI6	0,740	0,892	0,611	0,916
	KK1	0,742			
	KK2	0,833			
	KK3	0,850			

	KK4	0,844			
	KK5	0,778			
	KK6	0,766			
	KK7	0,635			
Physical Work Environment	LKF1	0,623			
	LKF2	0,882	0,747	0,668	0,855
	LKF3	0,916			

4. Result and Discussion

The findings show that almost half of all respondent's working locations are in Central Java, 49.5%. It is not following data from the Katadata Survey Center written by Dihni (2022), which states that most locations are start-up companies in Greater Jakarta. Respondents who participate have more workplaces in Central Java. This could be due to branches from start-up companies such as Shopee, which has just opened in Surakarta City, thus triggering other start-ups to develop branches from associations. It was also found that most respondents were women aged between 20 - 30, 55%. As for the characteristics of respondents who participated in this study, 53.5% of the total 101 respondents either worked directly or were affiliated with Indonesian start-ups.

The test results show that the coefficient of determination (also known as Adjusted R²) is 0.555 explains the high score because it is above 0,5. According to these findings, a worker's creative output is influenced by inspiration, motivation, idealized influence, intellectual stimulation, and individualized care in about 55%. On the other hand, the remaining 45% of the power is due to factors outside the system. The results of the Q-Square calculation in this study have a good observation value because the Q-square value > 0 (zero) is 0.586 or 58.6%. Thus, it can be concluded that the model in this study has a relevant predictive value, where the model used can explain the information contained in the research data of 58.6%.

Furthermore, testing the F² value shows that the Physical Work Environment is 0.01. Then, inspirational motivation is 0.064, and idealized influence is 0.065. The intellectual stimulation is 0.088, and the Individual Consideration is 0.296. As a rule of thumb, values higher than 0.02, 0.15, and 0.35 represent small, medium, and large f² effect sizes (Hair, Risher, Sarstedt, & Ringle, 2019). Overall the results of F² in this study are good because four constructs show large value results and only one small construct, namely the Physical Work Environment.

To determine the model fit (Goodness of Fit Model) for this study, additional SRMR (Standardized Mean Root Square Residual) testing is required. SRMR 0.097 has been decided for the number. According to Hu & Bentler (1998), the fit model is considered satisfactory if the SRMR has a p-value between 0.1 and 0.08. If this figure is lower than this cut-off, then the model used for this analysis can be considered suitable for the task at hand. Because the SRMR value found in this study was 0.097, this model is suitable for further research. The other model fit results from the NFI value of 0.975. Bentler & Bonett (1980) stated that NFI values above 0.9 usually represent an acceptable fit. Therefore, the model's suitability from this study's results is fit.

Table 3. Demographics profile of respondents

Item	Categories	%	Items	Categories	%
Gender	Female	54,5	Location	Jabodetabek	19,9
	Male	45,5		Central Java	49,5
Age	20-30	55	Position	East java	10,1
	>30	45		West Java	15,5
	Income (per month in a million IDR Rp)	2-5		68,3	Outside the island of Java
5-8		20	Frontliner Office	46,5	
>8		11,7	Back Office	53,5	

4.1. Hypothesis Test Result

P-values and t-statistics can be used as a reference to conclude the level of significance and prove the hypothesis proposed in this study. The hypothesis is recognized as supported if the p-value < 0.1 (significant at 10%), p-value < 0.05% (significant at 5%), and p-value < 0.01 (significant at 1%). This study uses a reference level of significance at the 5% level. The t-statistic value > 1.96 is also used as a reference to support the hypothesis. The results of hypothesis testing for the entire study are presented in Table 4 and Figure 2.

Table 4. Hypothesis Test Result

Hypothesis	Notes
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	Hypothesis Statement	Sample Mean	Standard Deviation	T Statistics	P-Values	
H1	Inspirational motivation has a positive effect on employee creativity	0,271	0,114	2,394	0,017	Supported
H2	Influence idealized effect has a positive effect on employee creativity	0,276	0,153	2,095	0,037	Supported
H3	intellectual stimulation has a positive effect on employee creativity	0,211	0,073	3,071	0,002	Supported
H4	Individual considerations have a positive effect on employee creativity	0,598	0,153	3,980	0,000	Supported
H5	Physical Work Environment moderate connection Among creative employees and inspirational motivation	0,006	0,164	0,201	0,841	Not Supported
H6	Physical Work Environment moderates' connection Among creative employees and influences idealized	-0,240	0,146	1,574	0,116	Not Supported
H7	Physical Work Environment moderate connection Among creative employees and intellectual stimulation	0,019	0,154	0,289	0,772	Not Supported
H8	Physical Work Environment moderate connection Among creativity employees and individual consideration	0,21	0,136	1,295	0,196	Not Supported

4.2. Discussion

Employees' levels of creativity were found to rise when they were motivated to think outside the box. In light of these results, it seems that transformational leaders are more likely to produce the committed workforce that their charisma promises. Thus, the leader's ability to inspire and motivate their team will benefit the organization's productivity and success as a whole due to the employees' contributions of knowledge, experience, and ability. The results of this study are consistent with those of Palupi (2020), who found that the transformational leadership style's emphasis on employee motivation increased creativity. Another survey by Shafi et al. (2020) came to a similar conclusion: transformational leaders can motivate and inspire followers to accomplish their goals by laying out that vision and direction compellingly. In line with Chaubey et al. (2019), who found a relationship between transformational leadership and employee creativity in the manufacturing industry, namely the Indian car industry. This study offers empirical support for the idea that transformational leadership drives employee creativity in service industries and start-ups.

The idealized influence was found to stimulate creativity in workers. Leadership qualities such as strong values, good examples (role models), self-confidence, and inspiration are correlated with increased employee creativity. A leader's ideal influence will serve as a model and source of motivation for the team. According to a transformational leadership theory, substitute experience (or modelling) fosters confidence in one's abilities (Rafferty & Griffin, 2004). Chaubey et al. (2019) show that followers take on the traits of their leaders so that influential leaders can significantly impact organizational culture.

This finding agrees with that of Shafi et al. (2020), who discovered that being under the guidance of a model leader can inspire subordinates to increase their commitment to the group. Through inspirational motivation, the leader

distinctly creates an achievable vision for the employees and encourages them, and instills belief in them to do it. Through intellectual stimulation, the leader widens and leverages employees' critical thinking (Mittal & Dhar, 2015). According to Chaubey et al. (2019), a company that consistently provides inspirational motivation and is instilled with a motivating and inspiring leader will energize followers to devote themselves to the organization's vision. This research confirms that employees' inventiveness increases when they are mentally challenged. A leader receptive to alternative methods of getting things done will foster an atmosphere of fertile ground for innovation. Workers will be encouraged to use their imagination and come up with new ideas as a result.

These findings are consistent with Field Bass & Avolio's (1994) work, which discovered that providing workers with intellectual stimulation increases their motivation to be creative. According to Khalili (2016), transformational leaders foster an environment that encourages creativity and risk-taking among employees to achieve organizational goals. Sandvik et al. (2018) state that intellectual stimulation is a critical leadership behavior when creating a creative climate in the case study firm. However, managers need more if a creative environment is to be achieved: recognizing the role of other actors. Thus, allowing and stimulating employees to generate new ideas and rewarding innovation, intellectually stimulating leaders enrich team autonomy and employee intrinsic motivation at work.

According to our study, an individual's unique circumstances can have a constructive effect on the level of creativity displayed by an employee. A leader who acts as a role model, provides for his employees' needs, and pays attention to their suggestions is invaluable (Chaubey et al., 2019). The leader can then acknowledge their skills and efforts in this way. In this way, workers' needs will be met and develop a sense of worth and appreciation, motivating them to increase their productivity and originality (Cherian et al., 2021). This study's findings corroborate Field Palupi's (2020) findings, which found that personal considerations benefit workers' inventiveness. The results of this study differ from the research conducted by Shafi et al. (2020), which showed that individual consideration was not significantly correlated with employee creativity. Our research findings show that individual consideration is crucial in encouraging employee creativity. Therefore, leaders should pay more attention to it. The findings further show that intrinsic motivation is crucial in encouraging employee creativity. For example, employees often regard leaders as their role models, so they can inspire their employees to work innovatively with dedication and commitment to take advantage of the creative environment to enhance the organization's competitive advantage.

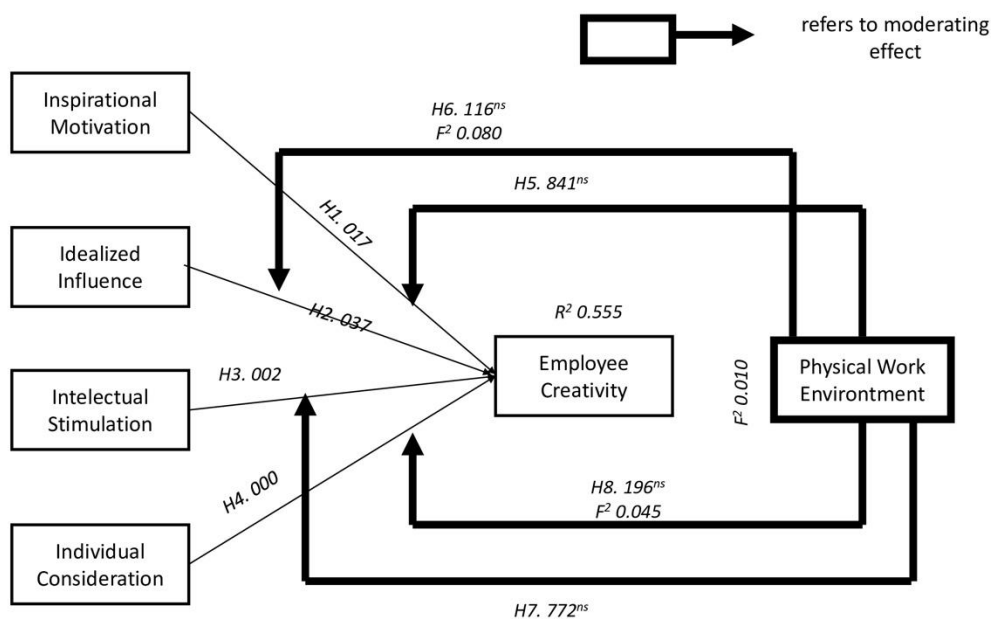


Figure 2. Outer Model

The physical workplace environment was also found to have no moderating effect on the association between employee creativity and idealized influence. The physical work environment moderating test results do not lend credence to employees' creativity and individual factors. Though indirect testing of the idealized influence variable and personal considerations were shown to influence employee creativity positively, the role of the physical work environment in moderating the relationship between the idealized influence variable and employee creativity was not demonstrated. It stands to reason that a pleasant office setting stimulates individual creativity, as was found by Horng et al. (2016), Martens (2011), McCoy & Evans (2002). The success of the transformational leadership model proposed by Chaubey et al. (2019) hinged mainly on creating a work environment in which employees were actively encouraged to think creatively. Based on the results, it seems that the physical work environment has no bearing on the connection between transformational leaders and employee creativity. As Dul & Ceylan (2011) point out, there are two main types of work environments:

the social and the physical. By imparting their values and treating each team member individually, leaders can encourage their teams to think creatively. A productive dynamic between superiors and workers is the most critical factor in fostering innovation (Horng et al., 2016). The transfer of value from the interaction process is not constrained or influenced by the external environment when the leader's values are intrinsic to the leader.

This study breaks down the transformational leadership variable into several dimensions to study following Bass & Riggio's (2006) explanation, including Idealized influence, inspirational motivation, Intellectual stimulation, and individual considerations. The results add new insights to the notion of transformational leadership that affects employee creativity. The use of moderation in the physical work environment on the relationship between transformational leadership dimensions and employee creativity was also investigated, and the results were different from previous studies. Chaubey et al. (2019) predict that the physical work environment moderates the relationship between transformational leadership and employee creativity so that the relationship is strengthened when the physical work environment is higher than lower. But, the results of this study show that the physical work environment does not moderate the relationship between the dimensions of transformational leadership and employee creativity.

Although several previous studies have found that the physical work environment has a positive impact on employee creativity (Amabile, Conti, Coon, Lazenby, & Herron, 1996; McCoy & Evans, 2002; Oksanen & Ståhle, 2013; Vischer, 2007; Vithayathawornwong, Danko, & Tolbert, 2003), other studies also highlight the existence of mechanisms of indirect influence between physical work environment and creativity (Hedge, 1982; Larsen, Adams, Deal, Kweon, & Tyler, 1998; Shibata & Suzuki, 2004) they found a relationship between physical work environment and creativity through mood intermediaries.

Therefore, having personal control over the physical work environment is critical to affecting satisfaction and enhancing individual performance, which may have an excellent creative outcome (Lee & Brand, 2005). When personal control is not owned, distraction may occur. Distraction is a negative feature of the workplace that is often expected to be negatively linked to individual satisfaction with the work environment (Lee and Brand, 2005) and reduce morale and performance (Jahncke, Hygge, Halin, Green, & Dimberg, 2011; Rashid, Wineman, & Zimring, 2009). Thus, the physical work environment can enhance employee creativity only when they have good personal control.

5. Conclusion

This study aimed to examine whether the infusion of inspirational motivation, ideal influence, intellectual stimulation, and reflective thinking into the workplace would increase employee creativity. Employee creativity in Indonesian start-ups was found to be influenced by factors including inspirational motivation, significant impact, intellectual stimulation, and individual considerations. However, the study results are not improved by including a natural work environment as a moderator between inspirational motivation, idealized influence, intellectual stimulation, and individual considerations of employee creativity as part of transformational leadership. To rephrase, moderation in the workplace does not serve as a buffer between transformational leadership and worker innovation. Our systematic literature review reveals the theoretical implications of using transformational leadership theory to validate the research results that break down each dimension in the transformational leadership variable on employee creativity in the start-up realm. In addition, using moderation in the physical work environment could not moderate the relationship between each dimension of transformational leadership on employee creativity.

The findings of this study are essential for start-ups because employees at start-ups need to be creative in making a service product that sells experiences to customers and conveys the value of the product. This finding also provides practical implications for managers who are interested and interested in increasing employee creativity. First, managers must use transformational leadership with motivating qualities for their employees and idealistic traits in themselves that provide justice for their employees. Managers can also provide proper training. It should be given to high-caliber managers so that subordinates can see their managers as role models.

Furthermore, managers can act as transformational leaders who have solid individual considerations and can increase the creative instincts of an individual. Second, managers or supervisors must precisely describe their vision into specific goals so that employees can work to achieve the goals that have been set. In addition, transformational leaders must provide independence to employees in trying new ideas and seeking challenges through intellectual stimulation and encouraging creativity in them.

It can be used as input for business management which will significantly increase employee creativity to provide maximum motivational inspiration. Some limitations and further research from this study are that this research focuses on employees who work for start-up companies in Indonesia, where many start-up companies formed during the digitalization era emerged in Indonesia. Even though the variety of companies in Indonesia is not only classified as start-up companies. Future research can use the research object of bank companies it can be conventional or private. As employees are considered an important factor in the banking sector, organizational leaders are facing issues balancing the important aspect, such as motivating the employees and developing creative skills to increase their performance (Asada et al., 2021). This study faced several limitations, one of which was general method bias which refers to the tendency of responses that raters can apply uniformly across measurements. This could be due to social desirability,

mood state, or respondent's tendency to agree or respond in a mild, moderate, or extreme way (Jordan & Troth, 2020). The use of research design methods and solutions to address method bias may be undertaken before data collection in applied settings that offer higher-quality solutions. One is to reverse the words for some items to balance the positive and negative word items. This can be helpful if it does not change the content validity or the conceptualization of the meaning of the scale (Jordan & Troth, 2020; Podsakoff et al., 2012). Future research studies need to be carried out in different countries or industries to understand the mediating and moderating role of the various determinants. Future studies should explore other mediating and moderating mechanisms than those examined in this study.

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Author Contribution

Author 1: conceptualization, writing original draft, data curation, supervision, validation, methodology.

Author 2: writing review and editing, formal analysis.

Author 3: writing original draft, validation, and writing review.

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Conflict of Interest

The authors declare that the research was conducted without any commercial or financial relationships that could be construed as a potential conflict of interest.

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