

THE INFLUENCE OF TRANSFORMATIONAL LEADERSHIP ON EMPLOYEE CREATIVITY MEDIATED BY KNOWLEDGE SHARING: AN EMPIRICAL STUDY AT BANK INDONESIA PURWOKERTO REPRESENTATIVE OFFICE

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ABSTRACT

Employee creativity is an important factor that can provide a competitive advantage for organizations in facing challenges and changes in the business environment. Transformational leadership is a leadership style that can motivate and inspire employees to think creatively and innovatively. This research aims to examine the influence of transformational leadership on employee creativity with knowledge sharing as a mediating variable. Knowledge sharing is the process of exchanging knowledge, ideas and experiences between employees that can improve their knowledge and skills. This research used a survey method by distributing questionnaires to 50 employees from various work units at the Bank Indonesia Purwokerto Representative Office. The questionnaire was used as a data collection technique using the Likert scale measurement method and the data was analyzed using the classic assumption test and path analysis techniques using IBM SPSS Statistics 25 software. The research results show that transformational leadership has an effect positive and significant towards employee creativity both directly and indirectly through knowledge sharing. Knowledge sharing also has an effect positive and significant on employee creativity. Thus, knowledge sharing is a partial mediating variable between transformational leadership and employee creativity. The managerial implication of this research is that organizations need to implement a transformational leadership style that can encourage and support employees to share knowledge and develop their creativity. Organizations also need to create an organizational culture that is conducive to knowledge sharing by providing incentives, facilities and trust to employees.

Keywords: Transformational Leadership, Knowledge Sharing, Employee Creativity



1. Introduction

Transformational leadership refers to leaders who can move their employees beyond personal interests through ideal influence, inspiration, intellectual stimulation, or individual consideration, so as to increase the level of maturity and ideals of their employees, as well as their concern for achievement, self-actualization, and the welfare of the organization and society (Erkutlu, 2008). A leader must be able to influence his subordinates so that they can inspire and foster creative traits to produce new and useful ideas. Apart from that, a leader can also provide direction and motivation to his employees so that they are always confident and continue to innovate in making quality things and think creatively, because employee creativity is one of the important factors that can provide a competitive advantage for organizations in the era of globalization.

The creativity of employees at Bank Indonesia is very important because Bank Indonesia has a strategic role in maintaining monetary stability, the financial system and the payment system. Bank Indonesia must be able to adapt to dynamic and complex economic, social and technological developments. With creativity, Bank Indonesia employees can find innovative solutions to overcome emerging challenges, such as inflation, deflation, financial crisis, digitalization, and so on. Employee creativity can also improve Bank Indonesia's performance and productivity in carrying out its duties. Therefore, the creativity of employees at Bank Indonesia is a very valuable asset and must continue to be developed. The components that influence employee creativity consist of internal factors and external factors (Mustika, 2017). These internal factors are embedded within the employee himself, namely cognitive style and personality. Meanwhile, external factors come from outside influences, namely leader support, co-worker support and job characteristics.

One mechanism that can explain how transformational leadership influences employee creativity is knowledge sharing. Knowledge sharing is the process of transferring skills and abilities between employees (Lin, 2007). Knowledge sharing can increase employee creativity by expanding knowledge, increasing understanding, and stimulating learning. Knowledge is very fundamental in organizations because knowledge has a very strong relationship with organizational success (Nonaka and Takeuchi, 1995). Transformational leadership can encourage knowledge sharing by creating a supportive organizational climate, providing social support, and providing work challenges.

Based on the description above, the problem formulation in the research is 1) How does transformational leadership influence employee creativity? ; 2) How does transformational leadership influence knowledge sharing? ; 3) How does knowledge sharing influence employee creativity? ; 4) What is the role of knowledge sharing in mediating transformational leadership on employee creativity?

The objectives of this research are 1) To explain the influence of transformational leadership on employee creativity? ; 2) To explain the influence of transformational leadership on knowledge sharing? ; 3) To explain the effect of knowledge sharing on employee creativity? ; 4) To explain the role of knowledge sharing in mediating transformational leadership on employee creativity? The benefit of this research is to provide theoretical and practical contributions to the development of management science, especially regarding the relationship between transformational leadership, knowledge sharing and employee creativity.



2. Literature Review

The basis of research in this study is componential theory, which means that positive support from leaders will help in setting appropriate goals, supporting work groups in the organization, recognizing employee contributions, providing constructive feedback, showing trust in work groups, and fostering a positive environment. open to new work ideas (Cheung and Wong, 2011).

2.1 Transformational Leadership

Leaders who are able to provide inspiration and motivation to employees so that they are able to achieve more precise goals than planned are called transformational leadership (Gibson *et al.*, 1997: 86). Transformational leadership has three main characteristics, namely, charisma, individual defense of employees and intellectual stimulation of employees (Gibson *et al.*, 1997: 90). Transformational leaders are also said to be leaders who are able to inspire their employees to avoid their own interests and have the ability to influence their employees (Robbins and Judge, 2015: 261).

2.2 Creativity

A person's ability to put forward new innovations in the form of ideas that have old elements and can be updated into configurations through the verbal content dimension is employee creativity (Sanny et al., 2013). Creativity is a useful new idea regarding process procedures, products and services by an employee (Shin*et al.*, 2012). Employees who have creative ideas and are developed to implement these ideas, apply and inform these ideas to colleagues in the company (Marasabessy and Santoso, 2014). Creativity in developing ideas is an unlimited creative act, including in developing decisions or solving problems (Sanny et al., 2013).

2.3 Knowledge Sharing

Knowledge sharing is a mechanism for spreading knowledge owned by an organization to all members of an organization, and from members of an organization to members of other organizations (Wang, Noe, & Wang, 2014). This activity is important because through it knowledge can be disseminated and in this activity new knowledge that is useful for the organization can be created. As explained by one of Nonaka's (1999) theories, knowledge is created only through interactions between people or between organizations (Nonaka, 2008).

2.4 Research Methodology

- H1: Transformational leadership has a positive effect on employee creativity
- H2: Transformational leadership has a positive effect on knowledge sharing
- H3: Knowledge sharing has a positive effect on employee creativity
- H4: Knowledge sharing mediates the effect of transformational leadership on creativity Officer



3. Research Methodology

This research method is associative causality, which is to determine the influence between variables and has causal properties. The research was conducted at the Bank Indonesia Purwokerto Representative Office. The research objects are transformational leadership (X), knowledge sharing (M) and employee creativity (Y). The population is all employees at the Bank Indonesia Purwokerto Representative Office, totaling 50 employees. The sample is part of the quantity and characteristics possessed by the population. The method used to determine the quantity in the sample is to use the saturated sample method.

The data collection method uses a questionnaire method through a survey approach. Questionnaires will be distributed to employees of the Bank Indonesia Purwokerto Representative Office and the researchers will accompany the researchers who complete the questionnaires that have been distributed. The measurement of answers which will later be obtained from the respondent's questionnaire will be measured using a scale *Likert*. The answer to each statement answered by the respondent will have its own score or value starting from strongly agree to strongly disagree. Each statement will be given a number to make calculations easier in research. Classic assumption testing and path analysis are the data analysis techniques in this research.

3.1 Hypothetical Framework



Figure 1. Research model

4. Results

4.1 Respondent Profile

The respondents in this research were 50 employees of the Bank Indonesia Purwokerto Representative Office. Age between 24-55 years.

4.2. Validity Results

The validity test has a correlation number criterion between the item scores on the total items and then compared by the critical r. If the item correlation figure obtained is greater than the critical r (0.30), the instrument can be declared valid (Sugiyono, 2014: 177).



No	Indicator	R' count	Information
1	X1. 1	0.796	Valid
2	X1.2	0.863	Valid
3	X1. 3	0.856	Valid
4	X1.4	0.807	Valid
5	X1.5	0.871	Valid
6	X1. 6	0.905	Valid
7	X1.7	0.847	Valid
8	X1. 8	0.843	Valid
9	X1. 9	0.839	Valid

Table 1. Instrument Validity Test Results on Transformational Leadership Variables

Source: Processed Primary Data, 2023

Table 2. Instrument Validity Test Results on the Knowledge Sharing Variable

No	Indicator	R' count	Information
1	M1. 1	0.835	Valid
2	M1. 2	0.784	Valid
3	M1. 3	0.781	Valid
4	M1. 4	0.845	Valid
5	M1. 5	0.931	Valid
6	M1. 6	0.735	Valid
7	M1. 7	0.855	Valid
8	M1. 8	0.644	Valid
9	M1. 9	0.829	Valid

Source: Processed Primary Data, 2023

Table 3. Instrument V	Validity Test Resu	lts on Employee	Creativity Variables
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No	Indicator	R' count	Information
1	Y1. 1	0.874	Valid
2	Y1. 2	0.831	Valid
3	Y1. 3	0.781	Valid
4	Y1.4	0.808	Valid

Source: Processed Primary Data, 2023

4.3. Reliability Results

Reliability testing is useful for knowing how consistently the measuring instrument is applied. Carving out instrument reliability using the method*Cronbach's Alpha*, the value of an instrument will be said to be reliable if the variable size is greater than 0.60 (Sugiyono, 2014: 183). Reliability testing in this study is presented in Table 4.

Variable	Alpha Cronbachs	Information			
Transformational leadership	0,951	Reliable			
Employee Creativity	0,841	Reliable			
Knowledge Sharing	0,930	Reliable			

 Table 4. Reliability Test Results of Research Instruments

Source: Processed Primary Data, 2023



Description of respondents' views regarding the variables in the research requires determining the frequency distribution based on the interval values (Wirawan, 2014: 33). Determine the value of the respondent's assessment interval, namely

4.4. Normality Results

Table 5 explains the Kolmogorov-Smirnov figure of 0.099, where the score for Asymp. Sig. (2-tailed) of 0.200. The figures obtained explain where the model in the regression model equation in this study is said to be normally distributed due to the Asymp value. Sig. (2-tailed) obtained is greater than 0.05.

Table 5 Kolmogorov-Smirnov Test

		Unstandardized Residual
Ν		50
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	2.09175142
Most Extreme Differences	Absolute	.099
	Positive	.099
	Negative	076
Test Statistic		.099
Asymp. Sig. (2-tailed)		.200 ^{c,d}

4.5. Multicollinearity Results

Table 7.	Multicollinearity Test Results
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Variable	Tolerance	VIF	Decision		
Transformational Leadership (X1)	0.382	2.615	No Multicollinearity		
Knowledge Sharing (Y1)	0.382	2.615	No Multicollinearity		

Source: Processed Primary Data, 2023

Table 7 shows the test method used by looking at the Variance Inflation Factor (VIF) and Tolerance values in the regression model. If the VIF value is less than 10 and the tolerance is more than 0.1 then the regression model is free from multicollinearity.

4.6. *Heteroscedasticity of Results*

	Model	Unstandardized B	Coefficient Std. Error	Standardized Coefficient Beta	t	Say.
1	(Constant)	2.589	1.863		1.390	0.171
1	Transformational leadership	-0.084	0.082	-0.237	-1.028	0.309
	Knowledge Sharing	0.009	0.085	0.024	0.104	0.917

 Table 8. Structure Heteroscedasticity Test Results

Source: Processed Primary Data, 2023



Table 8 shows the significance value of the transformational leadership variable which received a score of 0.171 and the variable of knowledge sharing of 0.309. This figure exceeds 0.05, which means there is no influence between the independent variables and absolute *residual*. So the model in this study does not contain aspects of heteroscedasticity symptoms.

4.7. Analysis Results

	Table 9. H1							
	Model	Unstandardized B	Coefficient Std. Error	Standardized Coefficient Beta	t	Say.		
1	(Constant)	6.007	1.702		3.529	.001		
1	Transformational leadership	.253	.048	.601	5.216	.000		

Dependent Variable: Creativity

Table 10. H2

Model		Unstandardized B	Coefficient Std. Error	Standardized Coefficient Beta	t	Say.
1	(Constant)	6.652	3.015		2.207	.032
1	Transformational leadership	.755	.086	.786	8.804	.000

Dependent Variable: Knowledge Sharing

Table 11. H3

Model		Unstandardized B	Coefficient Std. Error	Standardized Coefficient Beta	t	Say.
1	(Constant)	5.137	1.560		3.293	.002
	Knowledge Sharing	.293	.047	.671	6.262	.000

Dependent Variable: Creativity

Table 12. H4

Model		Unstandardized B	Coefficient Std. Error	Standardized Coefficient Beta	t	Say.
	(Constant)	4.503	1.654		2.722	.009
1	Transformational Leadership	.082	.073	.195	1.128	.265
	Knowledge Sharing	.226	.075	.517	2.997	.004

Dependent Variable: Creativity

Variable	Unstandardized	Std. Error	
Transformational leadership	0,755	0,086	
Terhadap Knowledge Sharing	0,755		



Knowledge Sharing	0.226	0,075
Creativity	0,226	0,075

Table 14: Sober Test Calculation Results					
Serv	Service quality		P-Value		
а	0,755	2.850			
b	0,226		0.004		
Sa	0,086				
Sb	0,075				

5. Discussion

5.1 The influence of transformational leadership on employee creativity

The calculation results from Table 9 show that the significance level of transformational leadership is 0.000 < 0.05 where the beta value is 0.253, therefore the research hypothesis H1 is accepted, this means that transformational leadership has a positive and significant effect on employee creativity at the Bank Indonesia Purwokerto Representative Office

5.2 The influence of transformational leadership on knowledge sharing

The calculation results in Table 10 show the significance level value for transformational leadership of 0.000 < 0.05 and a beta value of 0.755 is obtained, therefore the research hypothesis H2 is accepted, this means that transformational leadership has a positive and significant effect on knowledge sharing at the Bank Indonesia Purwokerto Representative Office.

5.3 The influence of knowledge sharing on employee creativity

The calculation results in Table 11 explain that the significance level value of knowledge sharing is 0.000 < 0.05 with a beta number of 0.253, where the hypothesis in the H3 research is accepted, meaning that knowledge sharing has a positive and significant effect on the creativity of employees at the Bank Indonesia Purwokerto Representative Office.

5.4 The role of knowledge sharing in mediating transformational leadership towards employee creativity

From the results of the Sobel test calculation, it can be seen that the Test Statistics is 2.850 and the P-value is 0.000 < 0.005 with the number 0.004, so the research hypothesis H4 can be accepted, which means that knowledge sharing is able to significantly mediate the influence of transformational leadership on employee creativity.

6. Conclusion

The conclusion of this research when viewed based on the results of research analysis and discussion results is that first, transformational leadership has a positive and significant effect on



employee creativity at the Bank Indonesia Purwokerto Representative Office. This shows that the better the transformational leadership style is implemented, the higher the creativity of the employees of the Bank Indonesia Purwokerto Representative Office will be. Second, transformational leadership has a positive and significant effect on knowledge sharing at the Bank Indonesia Purwokerto Representative Office. This means that the better the transformational leadership style applied, the higher the knowledge sharing of employees at the Bank Indonesia Purwokerto Representative Office. Third, knowledge sharing has a positive and significant effect on employee creativity at the Bank Indonesia Purwokerto Representative Office. This shows that if the employee is confident in his knowledge sharing abilities, the employee's creativity will be higher. Fourth, knowledge sharing significantly mediates the effect of transformational leadership on employee creativity. What was obtained shows that transformational leadership that is implemented well will increase employee knowledge sharing, if knowledge sharing increases it will indirectly increase the creativity of employees at the Bank Indonesia Purwokerto Representative Office.

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