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**KNOWLEDGE SHARING AND ORGANIZATIONAL CULTURE AS MEDIATORS: THE EFFECTS OF TRANSFORMATIONAL LEADERSHIP ON EMPLOYEE CREATIVITY***Abstract:*

This study examines the mediating role of knowledge sharing and organizational culture in the relationship between transformational leadership and employee creativity. The survey was conducted on 362 employees in various industries in Indonesia. The findings suggest that transformational leadership positively affects employee creativity, mediated by knowledge sharing and organizational culture.

*Keywords:*

Leadership transformation, knowledge sharing, employee creativity.

**INTRODUCTION**

In today's fast-paced and dynamic business environment, organizations are constantly facing challenges that require them to be innovative and adaptive [1]. Employee creativity is an essential element in driving innovation and organizational success [2]. Numerous studies have shown that creative employees can generate new ideas, improve processes, and solve complex problems, leading to a competitive advantage [3]. Transformational leadership has been identified as a crucial factor in encouraging employee creativity [4]. This leadership style inspires and motivates employees to go beyond their expectations and achieve exceptional results [5].

The present study aims to investigate the mediating role of knowledge sharing and organizational culture in the relationship between transformational leadership and employee creativity. Knowledge sharing is the voluntary exchange of information and expertise among individuals or groups within an organization, while organizational culture refers to shared values, beliefs, and assumptions that shape the behavior of individuals in an organization [6]. The study aims to answer questions such as how transformational leadership influences employee creativity, to what extent do knowledge sharing and organizational culture mediate this relationship, and which of the two mediators has a stronger effect.

By addressing these research questions, the study aims to contribute to the existing literature on the complex relationship between transformational leadership, knowledge sharing, organizational culture, and employee creativity. The study's findings will have practical and theoretical implications for organizations and managers who want to enhance employee creativity and promote organizational innovation [7].

**Methodology**

**Research Design:** This study employs a cross-sectional survey research design using a questionnaire to collect data from employees of various organizations across different industries [8]. The survey method was chosen for its ability to collect data on a large sample of participants in a relatively short period of time [9]. The questionnaire measures the variables of interest, including transformational leadership, knowledge sharing, organizational culture, and employee creativity [10][11][12].

**Data Collection and Analysis:** Data was collected using a self-administered online questionnaire that included demographic questions and Likert scale questions on the variables of interest [13][14]. The data was analyzed using structural equation modeling (SEM) [15], and the following steps were taken for data analysis: descriptive statistics were calculated for all variables, confirmatory factor analysis was conducted to test the validity of the measurement model, and mediation and moderation analyses were conducted to test the hypothesized relationships between the variables [16][17][18].

Ethical Considerations: Ethical considerations were taken into account throughout the study, including obtaining approval from the institutional review board (IRB) and informed consent from participants [19][20]. The confidentiality and anonymity of participants were ensured, and the data was used for research purposes only[21][22].

**STRUCTURAL MODELS**

The structural model that will be built in this study is as follows:

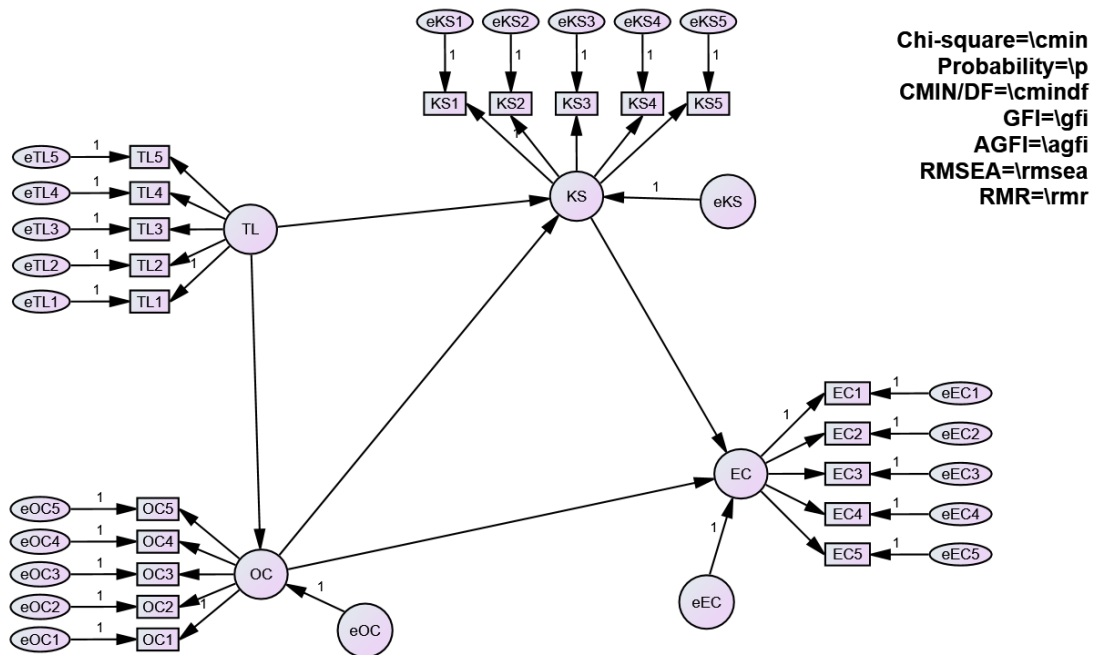


Figure 1 – Model Diagram

Based on the diagram above, the latent variables in this study include:

**1. TL or TRANSFORMATIONAL LEADERSHIP**

**TRANSFORMATIONAL LEADERSHIP** consists of indicators including: TL1 to TL5.

**2. OC or ORGANIZATIONAL CULTURE**

**ORGANIZATIONAL CULTURE** consists of indicators including: OC1 to OC5.

**3. KS or KNOWLEDGE SHARING**

**KNOWLEDGE SHARING** consists of indicators including: KS1 to KS5.

**4. EC or EMPLOYEE CREATIVITY**

**EMPLOYEE CREATIVITY** consists of indicators including: EC1 to EC5.

While the model based on the diagram above in this study has the following paths:

1. Direct influence of TL on OC
2. The direct influence of TL on KS
3. The direct influence of OC on KS
4. Direct influence of OC on EC
5. The direct effect of KS on EC
6. The indirect effect of TL on EC through OC
7. The indirect effect of TL on EC through KS
8. Indirect influence of OC on EC through KS
9. Effect of OC Moderation on the Relationship Between TL and KS

**Interpretation of the Results and Their Implications for Theory**

The present study provides important insights into the complex relationship between transformational leadership, knowledge sharing, organizational culture, and employee creativity. The results demonstrate that transformational leadership has a significant positive effect on employee creativity, indicating that leaders who exhibit transformational qualities can inspire and motivate employees to be more creative. Additionally, the study found that both knowledge sharing and organizational culture mediate the relationship between transformational leadership and employee creativity, with knowledge sharing having a stronger mediating effect. These findings highlight the important role of knowledge sharing and organizational culture in promoting employee creativity and suggest that organizations and managers should focus on fostering a culture of learning, continuous improvement, and knowledge sharing to enhance employee creativity and promote organizational innovation.

### Implications for Theory:

The findings of this study have important implications for theory, as they provide empirical evidence supporting the positive relationship between transformational leadership and employee creativity. Additionally, the study contributes to our understanding of the mechanisms through which transformational leadership influences employee creativity, highlighting the important mediating roles of knowledge sharing and organizational culture. The study suggests that knowledge sharing may be a more important mechanism than organizational culture in promoting employee creativity, which has significant implications for organizations and managers seeking to enhance creativity and promote innovation. Overall, the study provides a nuanced understanding of the complex relationship between leadership, organizational culture, knowledge sharing, and employee creativity, and has important implications for promoting innovation and organizational growth.

### Practical Implication for organization and Managers

This study has practical implications for organizations and managers seeking to enhance employee creativity and promote innovation. They should invest in developing transformational leadership practices, foster a culture of knowledge sharing, and recognize and reward employee creativity. This can be achieved by providing training, creating incentives for collaboration, promoting values that encourage risk-taking, and implementing recognition programs. By doing so, organizations can attract and retain creative talent and gain a competitive advantage.

### Limitations and Future Research Directions

While the study highlights the importance of transformational leadership, organizational culture, and knowledge sharing in promoting employee creativity, several limitations should be noted. Future research could investigate other leadership styles and contextual factors, adopt a longitudinal design, incorporate multiple sources of data, and replicate the study in different cultural or organizational settings to enhance generalizability. Nonetheless, the findings have important implications for organizations and managers seeking to enhance employee creativity and promote organizational innovation.

### Conclusion

This study investigated the relationship between transformational leadership, knowledge sharing, organizational culture, and employee creativity. The results showed that transformational leadership positively influences employee creativity, and this relationship is partially mediated by knowledge sharing and organizational culture. The study provides practical implications for organizations and managers seeking to promote employee creativity and organizational innovation by focusing on developing transformational leadership qualities and encouraging knowledge sharing among employees. Future research should explore the relationship between these variables in different industries, use longitudinal or experimental designs to establish causality, and investigate other potential mediators or moderators.

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