UDC 316.46:331.101.32

#### Hassiba HADOUGA

Dr. of Economics, Lecturer of Economics Department, Faculty of Economic Sciences, Abdelhamid Mehri Constantine 2 University, Algeria, e-mail: hadouga.hassiba@yahoo.fr, ORCID: https://orcid.org/0000-0001-6371-8608

# THE IMPACT OF TRANSFORMATION LEADERSHIP ON ORGANIZATIONAL CREATIVITY WITH JOB SATISFACTION AS A MEDIATING VARIABLE: A CASE STUDY OF FGV HOLDINGS BERHAD

Hadouga, H. (2023). The impact of transformation leadership on organizational creativity with job satisfaction as a mediating variable: a case study of FGV Holdings Berhad [Vplyv transformatsiinoho liderstva na orhanizatsiinu kreatyvnist iz zadovolenistiu pratseiu yak poserednytskoiu zminnoiu: pryklad FGV Holdings Berhad], *Socio-economic research bulletin, Visnik social 'no-ekonomičnih doslidžen'* (ISSN 2313-4569), Odessa National Economic University, Odessa, No. 3-4 (86-87), pp. 9–21.

Abstract. The aim of the study is to determine the impact of transformational leadership on organizational creativity with such a mediating variable as job satisfaction. The significance of the differences in the responses of FGV Hodings Berhad employees has been proven to the degree of practicing transformational leadership, practicing organizational creativity and job satisfaction that demonstrated by a sample consisting of one hundred permanent employees selected randomly by electronic response. This study uses a quantitative approach using a questionnaire, data testing method, Partial Least Squares (PLS) method which is part of Structural Equation Modeling (SEM) and Sobel test for testing the mediation effect. Using a quantitative approach allows you to test a theory through research variables, using calculations and statistical analysis as indicators to determine whether there is an effect or qualitative relationship between variables when testing hypotheses. The independent variable in this study is transformational leadership (X) and the dependent variable is organizational creativity (Y), while the mediating variable is job satisfaction (Z). Based on the results of analysis and testing the hypotheses that were made in this study, we concluded that there is an acceptable level of practicing transformational leadership behavior in the studied organization, and this allows it to meet the modern requirements of external environment and gain competitive advantages through to its human resources, because it encourages all officials to take initiatives that contribute to the change process within the organization by acquiring transformational leadership behavior. It is proved that in the studied organization there is an acceptable level of measurement of organizational creativity, which allows achieving excellence in productivity for leadership ensuring. The results of the study at FGV Hodings Berhad showed a high level of transformational leadership behavior.

**Keywords:** transformational leadership; organizational creativity; job satisfaction.

#### Хасіба ХАДУГА

доктор економіки, викладач кафедри економіки, факультет економічних наук, Університет імені Абдельхаміда Мехрі Костянтина 2, Алжир, e-mail: hadouga.hassiba@yahoo.fr, ORCID: https://orcid.org/0000-0001-6371-8608

© Hadouga H., 2023

# ВПЛИВ ТРАНСФОРМАЦІЙНОГО ЛІДЕРСТВА НА ОРГАНІЗАЦІЙНУ КРЕАТИВНІСТЬ ІЗ ЗАДОВОЛЕНІСТЬЮ ПРАЦЕЮ ЯК ПОСЕРЕДНИЦЬКОЮ ЗМІННОЮ: ПРИКЛАЛ FGV HOLDINGS BERHAD

Хадуга, Х. (2023). Вплив трансформаційного лідерства на організаційну креативність із задоволеністю працею як посередницькою змінною : приклад FGV Holdings Berhad. *Вісник соціально-економічних досліджень* : зб. наук. праць. Одеса : Одеський національний економічний університет. 2023. № 3-4 (86-87). С. 9–21.

Анотація. Метою дослідження є визначення впливу трансформаційного лідерства на організаційну креативність із такою посередницькою змінною як задоволеність роботою. Доведено значушість відмінностей у відповідях співробітників FGV Hodings Berhad щодо ступеня практики трансформаційного лідерства, практики організаційної креативності та задоволеності роботою, що демонструє вибірка, яка складалася із ста постійних співробітників, відібраних випадковим чином за допомогою електронної відповіді. У цьому дослідженні застосовано кількісний підхід із використанням опитувальника, метод тестування даних, метод часткових найменших квадратів (PLS), який  $\epsilon$  частиною моделювання зі структурними рівняннями (SEM) і тест Собела для перевірки ефекту посередництва. Використання кількісного підходу дозволяє перевірити теорію за допомогою дослідницьких змінних, використовуючи розрахунки та статистичний аналіз як індикатори, щоб визначити, чи існує ефект або якісний зв'язок між змінними при перевірці гіпотез. Незалежною змінною в цьому дослідженні  $\epsilon$  трансформаційне лідерство (X), а залежною змінною  $\epsilon$  організаційна креативність (Y), тоді як посередницькою змінною  $\epsilon$ задоволеність роботою (Z). На основі результатів аналізу та перевірки гіпотез, які були висунуті в цьому дослідженні, ми дійшли висновку, що існує прийнятний рівень практики трансформаційної лідерської поведінки в досліджуваній організації, і це дозволяє їй відповідати вимогам зовнішнього середовища та отримати конкурентні переваги завдяки своїм людським ресурсам, оскільки це заохочує всіх посадових осіб проявляти ініціативи, які сприяють процесу змін всередині організації шляхом набуття трансформаційної лідерської поведінки. Доведено, що в досліджуваній організації існує прийнятний рівень вимірювання організаційної креативності, який дозволяє досягти досконалості в продуктивності для забезпечення лідерства. Результати дослідження в FGV Hodings Berhad продемонстрували високий рівень трансформаційної лідерської поведінки.

**Ключові слова:** трансформаційне лідерство; організаційна креативність; задоволеність працею.

JEL classification: M140; M200

**DOI:** https://doi.org/10.33987/vsed.3-4(86-87).2023.9-21

#### 1. Introduction

Every institution aspires to success and excellence works to find an effective management capable of influencing employees to accomplish work efficiently and with distinction. The process of influence requires leadership that faces the successive changes and developments surrounding the institution at the internal and external levels. Therefore, leadership is the cornerstone of the success and development of institutions in our time. Hence, contemporary institutions have attached great importance to the role of leadership because of its impact on the survival and continuity of institutions in light of the diversity of their culture, objectives and resources. Perhaps the success of countries in achieving their aspirations is related to the ability of their institutions to accomplish tasks and

provide services in the best way, and to create an organizational culture targeting efficiency. Effectiveness, a set of values, attitudes and work ethic, achieving a level of satisfaction, which leads to an increase in work motivation and maximizing loyalty and a sense of belonging to the institution.

In the face of challenges, the traditional administrative leadership, with its methods and patterns, has become unable to make the organization capable of facing the intensity of competition and achieving the desired level of performance, which makes it imperative for organizations today to use patterns that are characterized by vitality and flexibility in order to be able to live up their activities to the level of developments taking place in their reality. It is within this framework that transformational leadership comes as a modern leadership style. Through transformational leadership, organizations can bring about significant change to followers and organizations by creating the ability to direct changes in the organization's strategy, mission, structure and culture, and can enhance products and innovation (Mustica et al., 2020). So that a leader who has a transformational leadership style is able to make an impact that leads to the innovation process in achieving organizational goals, and on the other hand, according to (Mittal & Dhar, 2015).

The concepts of creativity and innovation are among the basic concepts on which transformational leadership is based, as it believes in the participation of workers and building an organizational culture based on creativity in solving problems and supporting subordinates in creating alternatives, appreciating their contributions and motivating them through self-development and creativity in order to achieve effective participation. Accordingly, creativity is the means to bring about change and development in institutions. Creativity is a valuable and important resource that should be strengthened and developed, and to the extent that institutions pay attention to creativity, as much as this will have an impact on their prosperity and continuous development and its impact on employee satisfaction, whether at the personal or collective level. Creativity in institutions in general and Malaysian institutions in particular as it is a dynamic environment characterized by diversity and disparity in its internal and external components and depends on the skills and capabilities of the work group, which requires the availability of initiative leaders capable of producing an organizational culture that believes in the capabilities and initiatives of employees as a basis for enriching and developing work.

Malaysia ranked 8<sup>th</sup> in Asia and 37<sup>th</sup> globally in the Global Innovation Index. Organizations must invest heavily in creativity and innovations, in order to maintain and adapt to fast-paced competitive business around the world. Creativity and innovation can be achieved by encouraging workers to innovate, innovate and produce through the company's leadership, practices, and foundations that inspire or limit creativity and innovation within the organization (Khalili, 2016). Based on this description, the study is interested in knowing the impact of transformational leadership on organizational creativity in light of the mediation of the variable job satisfaction at FGV Hodings berhad, located in Kuala Lumpur, Malaysia.

#### 2. Literature review

#### **Transformational Leadership**

Transformational leadership involves an exchange process that results in follower compliance with leader request but not likely to generate enthusiasm and commitment to task objective. The leader focuses on having internal actors perform the tasks required for the organization to reach its desired goals (Boehnke et al, 2003), Transformational leadership can be contrasted with transactional leadership. The latter implies leadership based on an exchange process wherein autonomous agents may benefit, which in turn implies reciprocity (Simola et al., 2012). TL has gone through many definitions over the past several years. It is a contemporary approach that can bring positive firm effectiveness, encouraging individuals to exert effort to support this effectiveness via creating strong relationships, meeting individuals' essential needs, and supporting individuals achieve their objectives, contributes to valuable results for the firm (Fitzgerald & Schutte, 2010). Transformational leader can be described as someone who demonstrates clearer imagination of upcoming opportunities, motivates subordinates rationally, and understanding diversities among individuals (Du et al., 2013). Transformational leaders assess the potential capabilities of their followers as they perform to improve those capabilities in a bid to meet preset objectives (Dvir et al., 2002). Transformational leaders also focus on enabling subordinates reliable about using their capabilities to manage the constraints and complications, so they can work beyond expectations (Winston, 2008). Thus, transformational leader should have vision and able to translate this vision into feasible actions (Rok, 2009). This visionary leader encourages and stimulates individuals to work more than the ordinary way, and enable them perform so according to the vision delivered by him/her (Fitzgerald & Schutte, 2010).

# H1: There is an implementation of the transformational leadership style at the level of the institution under study

#### **Job Satisfaction**

Job satisfaction is a result of employees' perception of how well their job provides those things which are viewed as important. Job satisfaction is also defined as reintegration of affect produced by individual 's perception of fulfillment of his needs in relation to his work and the surrounding it (Saiyaden, 1993). There are a number of factors that influence job satisfaction. The major ones can be summarized by recalling the dimensions of job satisfaction. They are pay, the work itself, promotions, supervision, workgroup, and working conditions (Luthans, 1985).

# H2: There is an achievement of job satisfaction at the level of the institution under study

#### **Organizational creativity**

A useful definition of organizational creativity is offered by Woodman, Sawyer and Griffin (1993), according to whom it is "the creation of a valuable, useful new product, service, idea, procedure, or process by individuals working together in a complex social system". Organizational creativity can also refer to the extent to which the organization has instituted formal approaches and tools and provided resources to encourage meaningful novel behavior in the organization (Bharadwaj & Menon, 2000). Thus organizational creativity can be seen as a phenomenon that is structurally embedded in the organization rather than as some innate quality of a few extraordinary individuals, as Jacob (1998) insists, emphasizing that organizational creativity is something more than a collection of creative individuals. To be able to acknowledge the context specific aspects of creativity in organizations, it must be articulated in terms of the organization's mission and cannot only represent novel acts. It must produce value relative to an organization's mission and market, which means that creativity in organizations is valuable only if it is

implemented in such a way that it is adapted to the organizations culture, values and processes (Gioia, 1995). When seen from a practitioner's perspective, these aspects fall into a definition of organizational creativity in which it comprises acts of envisioning, demonstrating and applying cost-effective methods for the purpose of eliminating technological problems and providing significant and profitable technology-based opportunities in target areas of business activity (Jones, 1995).

# H3: There is an achievement of organizational innovation at the level of the institution under study

## Transformational leadership and creativity

Transformational leadership and creativity are closely related to each other. It is highly important that transformational leaders should be qualified enough to inspire others following them to be more creative (Bass and Riggio, 2006). It is possible to find several researches about the relationship between transformational leadership and creativity in the related literature. It has been shown in some researches leaders tend to promote followers' creativity and innovation instead of being the sole authority for innovation (Mumford, Connelly and Gaddis, 2003; Mumford et al., 2002).

## H4: Transformational leadership influences organizational creativity

#### Transformational leadership and job satisfaction

Transformational leaders serve as an inspiration to their followers by engaging in effective communication that encourages trust, commitment, and consequently greater satisfaction. Based on this premise, many researchers have dedicated themselves to empirically examining the relationship between transformational leadership and job satisfaction (Riaz & Haider, 2010; Yang, 2016). In a quantitative literature review based on studies from 1994 to 2004, Judge and Piccolo (2004) noticed a strong association between transformational leadership and job satisfaction. The relationship between transformational leadership and job satisfaction has recently become one of the main focuses of studies in Brazilian organizations. Research on the relationship between leaders' style as perceived by employees and their job satisfaction showed that transformational leaders were more capable of exerting a significant and positive influence on the employees' satisfaction. (Fonseca, Porto, & Barroso, 2012; Toda et al., 2014; Batista, Kilimnik, & Neto, 2016; Silva, Nascimento & Cunha, 2017).

## H5: Transformational leadership affects job satisfaction

H6: There is an effect of job satisfaction on organizational creativity

# H7: There is a mediating effect of job satisfaction between transformational leadership and organizational creativity

## 3. Materials and methods

This research uses a quantitative approach. Research with a quantitative approach will test theory through research variables using calculations and statistical analysis as indicators to determine if there is an effect or quality relationship between variables through hypothesis testing. The independent variable in this study is transformational leadership (X), and the dependent variable in this study is organizational creativity (Y), while the mediating variable in this study is job satisfaction (Z). The data in this study will be recorded according to the Linkert scale, i.e. giving values from 1 to 5. The use of a

scale from 1 to 5 for each answer of the respondent is divided into 5 categories, namely: 1) strongly disagree; 2) do not agree; 3) simply agree; 4) I agree; 5) I strongly agree.

#### 4. Data analysis techniques

The analysis technique used in this research is based on data obtained from internal sources of the company and the results of questionnaires distributed to 100 participants. The SPSS 25 program was used to answer the first H1, second H2 and third hypotheses H3.

As for answering the fourth H4, fifth H5, sixth H6 and seventh H7 hypothesis, data processing techniques were used using PLS (Partial Least Square), which is a variable-based analysis of the Structural Equation Modeling (SEM) equation model, which allows at the same time to test the measurement model as well as test the explained structural model (Fig. 1).

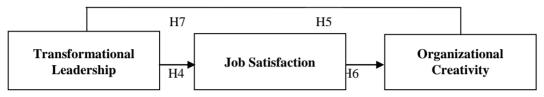


Fig. 1. Research Conceptual Model

## 5. Analysis and discussion

#### The characteristics of the study sample:

As shown in Table 1, the demographic data of the respondents in this study showed that the sample consisted of more males than females, most of them with experience, 67% of them over 30 years of age, and 52% of them having university degrees.

Descriptive Characteristics

Table 1

N=50		Frequency	Percentage
Gender	Male	59	59
	Female	41	41
Total%		100	
Age	<20 yearsold	12	12
	20-30yearsold	21	21
	>30 yearsold	67	67
Total%		100	
Years of	<1years	16	16
Employment			
	1-5years	45	45
	>5years	39	39
Total%		100	
Last education	Junior/seniorhigh	23	23
_	Diploma/bachelor	52	52
_	Others	25	25
Total%		100	

This section presents the results associated with the study of the reliability and validity of the axes vertebrae. After performing the relevant test loading, the outputs show satisfactory values greater than 0.7 than their respective fixtures as shown in Table 2.

Moreover, all fixtures show mean variance.

Extracted value (AVE) at the study level of 0.5 for its convergent validity. Hence, these results strongly explore the evidence for the discriminative validity of the measurement model construction. Table 3 presents the loading of the AVE indicator elements to assess the measurement quality of the model constructs (Hair et al., 2012). An AVE value greater than 0.5 represents convergence validity (Memon & Rahman, 2014). This study used mean validity using two methods comparing the square root of mean AVEs values with corresponding coefficients. The AVEs values for all variables are shown in Table 3. This means that the latent variable This study has a high convergence validity as all the mentioned variables exceed the value of 0.50 as recommended (Fornell & Larcker, 1981).

Outer Loading and Composite Reliability Value

Table 2

Construct	Indicator		CR		
Transformational	TL1	0.876			0.933
Leadership	TL2	0.834			
	TL3	0.965			
	TL4	0.873			
	TL5	0.821			
	TL6	0.743			
	TL7	0.932			
	TL8	0.741			
	TL9	0786			
	TL10	0.765			
Job Satisfaction	JB1		0.875		0.976
	JB2		0.862		
	JB3		0.876		
	JB4		0.864		
	JB5		0.934		
	JB6		0.765		
	JB7		0.873		
	JB8		0.754		
	JB9		0.932		
	JB10		0.876		
Organizational	OC1			0.790	0.942
Creativity	OC2			0.761	
	OC3			0.861	
	OC4			0.801	
	OC5			0.763	
	OC6			0.879	
	OC7			0.839	
	OC8			0.876	
	OC9			0.931	
	OC10			0.756	

Table 3 shows the square root of the AVE value for each construct and its correlations with other constructs. The bold diagonal values in the table represent the square root of AVE while the non-diagonal elements represent brown associations with their structures. Discriminant validity is satisfied when the square root of a structure's AVE is greater than

its correlation coefficients with other constructs (Hair et al., 2012).

The square root of the AVE value

Table 3

· <b>1</b> ······ - · · · · · · · · · · · · · · ·						
Dimension/Variable	AVE	AVE Root	TL	JS	OC	
Transformational Leadership	0.876	0.564	1.000			
Job Satisfaction	0.754	0.854	0.432	1.000		
organizational creativity	0.765	0.543	0.543	0.732	1.000	

It is noted from Table 4 that all items on transformational leadership have a high level, as the arithmetic averages ranged between (3.91-3.35), and this confirms the validity of the first hypothesis H1 about the application of transformational leadership by the institution under study (3.99-3.33). This confirms the validity of the second hypothesis H2 about achieving job satisfaction within the institution under study in all aspects, as all organizational creativity items were high, and the arithmetic averages ranged between (4.94-3.30), which confirms the validity of the third hypothesis H3, which states: The institution under study achieves organizational creativity at the active level.

Results Analysis Description

Table 4

Indicators	Mean	Category
Transformational Leadership		
Officials put the interests of the community ahead of their	3.44	High
own interests		
Provides officials an atmosphere that employees feel comfortable	3.51	High
Responsible for creating harmony among employees	3.69	High
The officials instill enthusiasm and optimism in the hearts of employees	3.48	High
Administrators suggest new ways to accomplish work tasks	3.56	High
My officials encourage me to participate in decision-making	3.91	High
The responsible employee drives creativity and continuous renewal	3.48	High
My officials are committed to the principle of equality in dealing with all employees	3.79	High
Administrators appreciate and value the achievements of employees	3.91	High
The administrator respects the convictions of employees and takes care of their requirements and desires	3.35	High
Job Satisfaction		
I am proud of the social standing my job gives me	3.72	High
The general supervision style followed in the institution gives me confidence in myself	3.91	High
My salary is commensurate with the costs and requirements of living	3.35	High
The promotion policy in the organization is clear	3.37	High
My job offers career growth opportunities	3.40	High

Continuation of Table 4

	Conti	iluation of Table 4
Employees are given opportunities to occupy senior positions	3.99	High
There is complete harmony among the members of the	3.18	High
work group	5.10	Iligii
Groups of employees have a sense of homogeneous	3.33	High
professional affiliations	3.33	Ingn
My job provides me with health insurance	3.55	High
My job helps me solve my social problem	3.57	High
Organizational creativity		•
I have the ability to spontaneously present new ideas for	3.30	High
business development		
I have fluent discussion and dialogue skills	4.94	High
I make sure to do my work in a renewed style	3.72	High
I care about dissenting opinions and criticisms to benefit from them	3.77	High
I have the ability to anticipate business problems before they occur	3.33	High
I can provide more than one solution to a single problem	3.26	High
I make sure to know the shortcomings or weaknesses in	3.93	High
what I do		
I strive to provide new and suitable ideas for work	3.87	High
Introduce new ideas that have not been presented before	3.60	High
I have the ability to come up with creative ideas	3.49	High

In this study, after processed using the PLS (partial small square) assessment model, transformational leadership is shown to have a significant impact on organizational creativity which can be seen by the T-statistics value of 6.543 > 1.96, and the Influence Coefficient of 0.657. Thus, it can be said that Hypothesis 4 acceptable.

It shows that transformational leadership has a significant impact on job satisfaction which can be seen by the T-statistics value of 5.654 > 1.96, Influence Coefficient of 0.543 and thus, it can be said that Hypothesis 5 is acceptable. Therefore, it can be concluded that the transformational leadership style applied by Malaysian institutions will be directly influential with the level of job satisfaction, and thus the dimensions of ideal influence, inspirational motivation and intellectual counseling appear. Individual consideration, organizational creativity relations in terms of satisfaction with job content, satisfaction with pay, satisfaction About job advancement opportunities, satisfaction with the work group, satisfaction with social aspects, which gives a reflection in the effect of job satisfaction on the level of organizational creativity through the value of T-statistics of 6.732 > 1.96, and the Influence Coefficient of 0.654. Thus, it can be said that Hypothesis 6 is acceptable.

To test the mediation hypothesis, Hypothesis 7, the smoothing process calculated the indirect effect. If the confidence interval does not extend to zero, it concludes that there is mediation. A 95% confidence interval estimate for the indirect effect of the examined variable (Hare et al., 2012). TC mediates the relationship between TL and OC. where it is significantly different from zero at the p-value [where \*\* denotes 1% level of significance, \* denotes 5% level of significance (p < 0.001 \*\* and 0.05 \*)] as shown in Table 6 provides support for the hypothesis 7. This study added new evidence for a significant positive mediator effect of TC on the relationship of TL and OC The results of

the mediation test show a partial mediation effect of TC on the relationship of TL and OC, supporting all the mediation hypotheses.

Path Coefficient Results

Table 5

Variable	Influence Coefficient	Standard Error	T-Statistic	Note
Transformational Leadership →	0.657	0.076	6.543	Significant
Organizational Creativity				
Transformational Leadership →	0,543	0.086	5.654	Significant
Job Satisfaction				
Job Satisfaction → Organizational	0.654	0.102	6.732	Significant
creativity				

**Note:** If based on the value of T-statistics, then the requirement for T-statistics> 1.96 (significance level 5%) can be concluded that the relationship between the variables being tested is stated to have a significant effect.

Here, all mediation is partial mediation complementary because all direct relationships in Table 5 and indirect relationships in Table 6 are in the same positive direction. Job Satisfaction. Moreover, the Malaysian enterprise sectors have adopted the transformational leadership style and used it to improve the quality of the organization in its sustainable activities. Malaysian organizations provide appropriate motivational aspects through effective performance management.

Table 6

#### Indirect Effect result

Relation	Std. beta	Std.error	<i>t</i> -value	<i>p</i> -value	5% CI LL	95%CI UL
$TL \rightarrow TS \rightarrow OC$	0.095	0.032	2.543	0.002**	0.04	0.167

**Note:** t-value  $\geq 1.96$  at p = 0.05\* significance level; t-value  $\geq 2.58$  at p = 0.001\*\* significance level.

#### 6. Conclusions

Based on the results of analyzing and testing the hypotheses that were developed in this study, we concluded that there is an acceptable level for practicing transformational leadership behaviors in the organization under study, in order to keep pace with the external environment and obtain a competitive advantage through its human resources, and from Table 4. We noticed that all of the transformational leadership items are of a high level, as the arithmetic averages ranged between (3.91-3.35), and this confirms the validity of the First hypothesis.

H1 about the application of transformational leadership by the organization under study. (3.99-3.33) This confirms the validity of the second hypothesis H2 about achieving job satisfaction within the institution under study in all aspects, as all organizational creativity items were high, and the arithmetic averages ranged between (4.94-3.30), which confirms the validity of the second hypothesis. The third hypothesis H3 states that the institution under study achieves organizational creativity at the active level. It encourages all officials to take initiatives that contribute to the process of change within the organization, by acquiring transformational leadership behaviors. There is an acceptable level of availability of dimensions of organizational creativity in the institution under study in order to achieve excellence in performance to ensure leadership. And practicing a high level of transformational leadership behaviors, and this is what was observed in the organization in

light of the current study, which is reflected in the educational level and organizational culture of the organization's members. There is also an important relationship between transformational leadership and job satisfaction within the organization under study. This result may be attributed to the golden rule that the better leadership style practiced by the organization, is to achieve higher job satisfaction for employees (Omar and Hussein, 2013). (Farrell et al. 2005) asserts that transformational leaders emphasize the basic needs of their subordinates as a priority that must be met. Finished (Negussie and Demissie, 2013) indicate that transformational leaders typically focus on motivating their subordinates to move to higher stats for inspiration and happiness. Furthermore, talented transformational leaders always give careful consideration to the needs of their subordinates and are committed to meeting these needs effectively. By doing so, they are inspiring their followers to do more that exceeds expectations (Bushra et al., 2011) and this conclusion agrees with previous research findings (eg Bushra & Naveed, 2011; Mohammad et al., 2011, 2017; Yang, 2012). Negussie & Demissie, 2013; Al edenat, 2017) who found an important relationship between transformational leadership and job satisfaction.

Finally, regarding the mediating effect of job satisfaction on the relationship between transformational leadership and organizational creativity. The results show a mediating effect of job satisfaction in the interaction between transformational leadership and organizational creativity, this means that job satisfaction is an important pathway for employee performance. Indeed, transformational leaders can improve organizational creativity of employees by working on job satisfaction on a personal and group level, transformation leaders may also create a better degree of satisfaction, when employees are inspired that they are doing better (Faith and Lestari, 2019). In general, today's organizations need to understand the importance of transformational leadership in their business as it is a very fundamental key in motivating job satisfaction which in turn leads to supporting employee performance (Atmojo, 2012). This finding is also consistent with the findings of some other researchers (Atmojo, 2012; Paracha et al., 2012; Braun et al., 2013; Andreani and Petrik 2016), (Iman and Lestari, 2019) that emphasized the mediating role of job satisfaction in the leadership effect. Transformative employee performance.

## **Implications of the Study**

Some implications for both the theoretical and practical aspects of the study results can be observed. From a theoretical point of view, the study reinforces the current theory about relationships and how the variables under study influence each other. The study proved that the positive results of organizational creativity were actually affected by the transformational leadership climate, and that job satisfaction mediated between transformational leadership and organizational creativity. However, many topics related to the effect of job satisfaction on organizational creativity outcomes remain unexplored, and therefore this research complements the existing body of knowledge with the relationship between these variables, and there are many implications that can be derived from the results from a managerial point of view. This study indicated that the creative climate was an essential component to be considered in the organization. Managers in organizations should pay attention to the dimensions of organizational creativity in order to improve the levels of job satisfaction and work performance of employees. Since the creative climate is an important precedent for employee job satisfaction and work performance, improving the organization's climate can also produce significant improvements for the latter. As the management of FGV Hodings berhad Malaysian

Foundation has all the tools of change and encourage initiatives that create a more appropriate and effective creative environment. Which led to finding ways to enhance job satisfaction among employees and to facilitate the improvement of the organization's performance by its managers without incurring significant additional costs. This made the Malaysian FGV Hodings berhad, the largest and leading global organization.

#### Limitations

This study did not conduct a pathway analysis of the relationship between the psychological climate of organizational creativity, job satisfaction and transformational leadership, so future studies should include pathway analysis using Momentary Structure Analysis (AMOS) to test the independent relationship between variables concurrently.

#### References

- 1. Khalili, A. (2016). Linking transformational leadership, creativity, innovation, and innovation-supportive climate, *Management Decision*, Vol. 54, Issue 9, pp. 2277–2293. DOI: https://doi.org/10.1108/MD-03-2016-0196.
- 2. Gisbert-López, M. C., Verdú-Jover, A. J., & Gómez-Gras, J. M. (2014). The moderating effect of relationship conflict on the creative climate innovation association: the case of traditional sectors in Spain, *The International Journal of Human Resource Management*, Vol. 25, Issue 1, pp. 47–67. DOI: https://doi.org/10.1080/09585192.2013.781525.
- 3. Mustika, H., Eliyana, A., & Agustina, T. S. (2020). The effect of leadership behaviour on knowledge management practices at the PT Power Plant of East Java, *International Journal of Innovation, Creativity and Change*, Vol. 10, Issue 12, pp. 382–391.
- 4. Mittal, S., & Dhar, R. L. (2015). Transformational leadership and employee creativity: Mediating role of creative self-efficacy and moderating role of knowledge sharing. *Management Decision*, Vol. 53, Issue 5, pp. 894–910. DOI: https://doi.org/10.1108/MD-07-2014-0464.
- 5. Boehnke, K., Bontis, N., DiStefano, J. J., & DiStefano, A. C. (2003). Transformational leadership: an examination of cross-national differences and similarities, *Leadership & Organization Development Journal*, Vol. 24, Issue 1, pp. 5–15. DOI: https://doi.org/10.1108/01437730310457285.
- 6. Simola, S., Barling, J., & Turner, N. (2012). Transformational leadership and leaders' mode of care reasoning, *Journal of Business Ethics*, Vol. 108, pp. 229–237. DOI: https://doi.org/10.1007/s10551-011-1080-x.
- 7. Fitzgerald, S., & Schutte, N. S. (2010). Increasing transformational leadership through enhancing self-efficacy, *Journal of Management Development*, Vol. 29, Issue 5, pp. 495–505. DOI: https://doi.org/10.1108/02621711011039240.
- 8. Du, S., Swaen, V., Lindgreen, A., & Sen, S. (2013). The roles of leadership styles in corporate social responsibility, *Journal of Business Ethics*, Vol. 114, No. 1, pp. 155–169. DOI: https://doi.org/10.1007/s10551-012-1333-3.
- 9. Dvir, T., Eden, D., Avolio, B. J., & Shamir, B. (2002). Impact of transformational leadership on follower development and performance: A field experiment, *The Academy of Management Journal*, Vol. 45, No. 4, pp. 735–744. DOI: https://doi.org/10.2307/3069307.
- 10. Saiyaden, M. A. (1993). Human Resource Management, New Delhi, McGraw-Hil.
- 11. Luthans, F. (1985). Organizational Behavior, McGill Illinois. 574 p.
- 12. Bharadwaj, S., & Menon, A. (2000). Making innovation happen in organizations: individual creativity mechanisms, organizational creativity mechanisms or both? *Journal of Product Innovation Management*, Vol. 17, Issue 6, pp. 424–434. DOI: https://doi.org/10.1111/1540-5885.1760424.
- 13. Gioia, D. A. (1995). Contrasts and Convergences in Creativity: Themes in Academic and Practioner. Views In: *Creative Action in Organizations: Ivory tower visions and real world voices.* Ford, C. M., & Gioia, D. A. (Eds.), Thousand Oaks, Sage Publications, p. 317.

- 14. Jones, F. B. (1995). The changing face of creativity. In: *Creative Action in Organizations: Ivory tower visions and real world voices*. Ford, C. M., & Gioia, D. A. (Eds.), Thousand Oaks, Sage Publications, p. 195.
- 15. Bass, B. M., & Riggio, R. E. (2005). *Transformational Leadership*, 2<sup>ed</sup>, USA: Lawrence Erlbaum Associates, Inc. 282 p.
- 16. Mumford, M. D., Connelly, M. S., & Gaddis, B. H. (2003). How creative leaders think: Experimental findings and cases, *The Leadership Quarterly*, Vol. 14, Issues 4–5, pp. 411–432. DOI: https://doi.org/10.1016/S1048-9843(03)00045-6.
- 17. Mumford, M. D., Scott, G. M., Gaddis, B., & Strange, J. M. (2002). Leading creative people: Orchestrating expertise and relationships, *The Leadership Quarterly*, Vol. 13, Issue 6, pp. 705–750. DOI: https://doi.org/10.1016/S1048-9843(02)00158-3.
- 18. Riaz, A., & Haider, M. H. (2010). Role of transformational and transactional leadership on job satisfaction and career satisfaction, *Business and Economic Horizons*, Vol. 1, pp. 29–38. DOI: http://dx.doi.org/10.15208/beh.2010.05.
- 19. Fonseca, A. M., Porto, J. B., & Barroso, A. C. (2012). O efeito de valores pessoais nas atitudes perante estilos de liderança, *Revista de Administração Mackenzie*, Vol. 13, No. 3, Edição Especial, pp. 122–149.
- 20. Toda, F. A., Toda, R. A., Teixeira, A. F., & Junior, J. L. (2014). Um estudosobre a relação entre oestilo de liderança do professor e a satisfação do estudante, *REUNA*, Vol. 19, pp. 147–160.
- 21. Batista, N. P. O., Kilimnik, Z. M., & Neto, M. T. R. (2016). Influência dos estilos de liderançanasatisfação no trabalho: um estudoemumaentidade de fins nãoeconômicos, *Revista de Gestão e Tecnologia*, Vol. 6, No. 3, pp. 24–39.
- 22. Silva, M. B., Nascimento, E. M., & Cunha, V. A. (2017). Satisfação dos funcionários e estilos de liderança: existe relação? Revista Capital Científico Eletrônica, Vol. 15, No. 4. DOI: https://doi.org/10.5935/2177-4153.20170030.
- 23. Hair, J. F., Sarstedt, M., Ringle, Ch. M., & Mena, J. A. (2012). An assessment of the use of partial least squares structural equation modeling in marketing research, *Journal of the Academy of Marketing Science*, Vol. 40, Issue 3, pp. 414–433. DOI: https://doi.org/10.1007/s11747-011-0261-6.
- 24. Farrell, W. M., Desch, M. D., Kaiser, M. L., Lecacheux, A., Kurth, W. S., Gurnett, D. A., Cecconi, B., & Zarka, P. (2005). A nightside source of Saturn's kilometric radiation: Evidence for an inner magnetosphere energy driver, *Geophysical Research Letters*, Vol. 32, Issue 18. DOI: https://doi.org/10.1029/2005GL023449.
- 25. Negussie, N., & Demissie, A. (2013). Relationship between leadership styles of nurese managers and nurses, job satisfaction in Jimma University Specialized Hospital, *Ethiopian Journal of Health Sciences*, Vol. 23, No. 1, pp. 49–58. Retrieved from: https://pubmed.ncbi.nlm.nih.gov/23559838.
- 26. Iman, N., & Lestari, W. (2019). The effect of leadership on job satisfaction, work motivation and performance of employees: Studies in AMIK Yapennas Kendari, African Journal of Business Management, Vol. 13 (14), pp. 465–473. DOI: https://doi.org/10.5897/AJBM2019.8794.
- 27. Atmojo, M. (2012). The influence of transformational leadership on job satisfaction, organizational commitment, and employee performance, *International Research Journal of Business Studies*, Vol. 5, No. 2, pp. 113–128. DOI: https://doi.org/10.21632/irjbs.5.2.113-128.
- 28. Andreani, F., & Petrik, A. (2016). Employee performance as the impact of transformational leadership and job satisfaction in PT Anugerahbarudenpasar, *Jurnal Manajemen dan Kewirausahaan*, Vol. 18 (1), pp. 25–32. DOI: https://doi.org/10.9744/jmk.18.1.25-32.

Received: 08.12.2023. Accepted: 20.12.2023.