ORIGINAL CONTRIBUTION

Moderating Role of Organizational Based Self Esteem and Relationship between Transformational Leadership and Creativity

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Abstract— Based on the in-depth and systematic research of organizational-based self-esteem (OBSE) theoretical literature, this paper makes a sort of main research issues such as the connotation, measurement method, antecedents and results, and moderating effect of OBSE, to clarify the research status of organizationally based self-esteem (OBSE) theory. The study aimed to investigate the moderating role of organizational-based self-esteem OBSE between transformational leadership and creativity, as well as to investigate the effect of transformational leadership on creativity. A total of 172 employees took part in the survey, and 165 of those responses were legitimate for the exam. The findings indicate that organization-based self-esteem moderates the association between transformational leadership and creativity, as indicated by hierarchical regression analysis. The findings also demonstrate that transformational leadership significantly and favourably influences creativity. The study's findings emphasize the value of transformational leadership, creativity, and organizational-based self-esteem. According to the study, in order to retain employee efficiency, human resources management should develop practices that will increase trust and self-esteem based on organizational principles. It should also improve the relationship between the organization and its workforce in order to achieve a high level of creativity. The further research trend of the theory and the preliminary discussion on the management of organizational-based self-esteem (OBSE) of employees.

Index Terms— Transformational leadership, Creativity, Organizational-based self-esteem
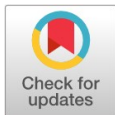
Introduction

Due to global competition and rising consumer demand for more sophisticated and unique goods and services. Organizations are facing several challenges (Mohamed & Otman, 2021); increasing organizational innovation capacity is now one of the main objectives for organizations. Numerous academics have attempted to pinpoint and elucidate the elements that foster or impede creativity and innovation through their investigation of a wide range of organizational contexts and management levels. This paper investigates when leadership is related to creativity, examining the mechanisms by which leaders can facilitate or hinder the creativity of employees. The study investigates the moderation impact of organizational-based self-esteem between transformational leadership and creativity.

Recently, considerable research on factors influencing innovation and creativity has been examined; on the other hand, a few studies have been done on individual factors affecting creativity and organizational innovation.

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Although few studies have been carried out on the relationship between the independent variables (Organizational-based self-esteem, transformational leadership, and creativity), the current study is necessitated by some gap in the literature. Based on a literature review of the factors influencing organizational innovation, there is a lack of studies on organizational-based self-esteem as a critical factor that enhances organizational innovation and creativity (Zennouche, Zhang, & Wang, 2014).

Lastly, organizational research has long demonstrated that the link between two factors can be moderated by a third variable. For a better understanding of the connection between transformational leadership and creativity, the current study also included organizational self-esteem as a potential moderating variable.

Theoretical evidence (Rank et al., 2009) supported the inclusion of organizational-based self-esteem as a moderator in this study. The importance of establishing organizational-based self-esteem in the transformational leadership and creativity relationship cannot be undermined. Organizational-based self-esteem between transformational leadership and innovation within the organization has been recognized as a very important element in achieving employee efficiency and a high level of creativity.

Because the above literature stated a lack of research on organizational-based self-esteem, transformational leadership, and creativity as the dependent variables, the study aims to examine the predictive role of organizational-based self-esteem and organizational-based self-esteem as a moderator between transformational leadership and creativity.

The first section of our study provides an overview of transformational leadership and its connection to creativity. It also provides a brief overview of organizational self-esteem. The second section covers the research framework, methodology, and research instruments. The third section analyzes the data using correlation and hierarchical regression analysis. Finally, the fourth section discusses the study's conclusion.

Creativity and transformational leadership

In (Burns, 1978) study on "political leadership" coinestudy on "political leadership" coined the term "transformational leadership" and distinguished between it and transactional leadership. Bass deepened and developed Burns' research and formally initiated the theory of transformational leadership. He believes that transformational leadership is to make subordinates realize the role and value of organizational goals by clearly presenting the mission and vision of the organization, motivating subordinates, and prompting subordinates to surpass themselves and strive to achieve higher organizational goals constantly (B. Bass, 1985). (B. M. Bass & Avolio, 1996) defined transformational leadership as four elements: charismatic influence, inspirational vision, intellectual stimulation, and individual care, and correspondingly developed a multi-factor leadership style scale, which provides a reference for subsequent empirical research: Through charisma, a leader inspires admiration, respect, and loyalty in employee's, and reinforces the importance of having a collective sense of purpose; through individualized consideration, a leader develops a one-to-one relationship with his followers and understands and consider their different needs, skills and expectations; through inspiring motivation, the leader ex- presses an exciting vision for the future, shows followers how to achieve them, and ex- presses his belief that he can do it; through intellectual stimulation, a leader amplifies and promotes the interests of his employee's (B. M. Bass & Avolio, 1990) and motivates followers to think about old problems in new ways (B. Bass, 1985). Transformational leadership behaviour and the relationship between innovation and creativity in the workplace determinants are closely related and include vision, support for innovation, autonomy, encouragement, recognition and challenge (Elkins & Keller, 2003). A leader's actions are likely to be "creative" in the following ways: intellectual stimulation through support for creativity, autonomy, and challenge "enhances exploratory thinking"; motivational motivation "provides encouragement in the idea generation process" by inspiring followers to work toward the organization's vision (B. M. Bass & Avolio, 1996; Sosik, Kahai, & Avolio, 1998). Many studies show that transformational leadership has a significant positive impact on organizational performance. Scholars conducted research on the efficacy of transformational leadership from the organizational level, and they found a strong positive correlation between transformational leadership and organizational performance. The two dimensions of charismatic influence and vision inspiration in transformational leadership are the two dimensions that affect enterprise performance. The characteristics of charismatic influence, inspirational vision, and intellectual stimulation in transformational leadership can promote the communication and learning process within the organization, thereby making the organization more innovative. Therefore, transformational leadership is an essential factor driving organizational innovation through the employee's creativity. Compared with the relationship between transformational leadership and organizational performance, the research conclusions on the impact of transformational leadership on organizational innovation tend to be more consistent, and empirical research results generally show that there is a significant positive relationship between the two. At present, few studies at home and abroad have conducted empirical analysis on the impact of transformational leadership on creativity. This study will explore this question and propose the following research hypotheses.

Organization-based self-esteem

In the late 1980s, the concept of self-esteem served as the foundation for the development of organization-based self-esteem, or OBSE. Employees' self-perceptions of their own significance, effectiveness, competence, and worthiness within their company are reflected in OBSE (Chan, Huang, Snape, & Lam, 2013). Numerous research has demonstrated that: OBSE is correlated with employees' job satisfaction within the organization, the organization's identity and commitment; turnover intention, organizational performance, and organizational citizenship behaviour are significantly related (Carson, Carson, Lanford, & Roe, 1997; Pierce & Gardner, 2004). High OBSE will affect individuals' cognition and emotion and then affect their behaviour, thereby bringing about organizational performance. Additionally, the development of employee OBSE is a result of an employee's experience within a particular organization. Since employees will receive different organizational experiences from different organizations, the ability of an organization to manage employee OBSE is strongly path-dependent, which makes competition challenging. At the same time, workers' well-being is maintained by global self-esteem (Pierce, Gardner, & Crowley, 2016). One of the most crucial psychological tools available to workers for managing pressures and stresses is OBSE (Perinelli, Alessandri, Cepale, & Fraccaroli, 2022).

In organizational behaviour and psychology, the idea of organization-based self-esteem (OBSE), which measures the self-efficacy of organizational members, has emerged as a prominent research topic. Organization-Based Self-Esteem (OBSE) can be defined as "the value or sense of worth that employees feel in the workplace" (Payne, 2007). This is also known as the degree to which workers feel they may fulfil their requirements by taking on different responsibilities inside the company (Pierce, Gardner, Dunham, & Cummings, 1993). According to (Chan et al., 2013), employees' judgments of their own "importance, significance, effectiveness, competence, and value within the organization" are reflected in OBSE. This organizational value is based on its organization, relationships, and experience (Pierce, Gardner, Cummings, & Dunham, 1989). Higher OBSE employees believe they are important, productive, and meaningful members of the organizations where they work (Pierce et al., 1989). Low levels, on the other hand, are more passive in their response to changing circumstances and more sensitive to external stimuli (Ganster & Schaubroeck, 1991; Pierce et al., 1993). Researchers found that OBSE has been associated with work commitment and job satisfaction in terms of job attitude (Orth & Robins, 2022).

While it is conceptually and empirically based on organizational self-esteem that it is easier to be creative, transformational leadership, by definition, gives employees a lot of freedom. Moreover, leaders can actively address the self-perceived value of individuals as members of the organization involved in OBSE by expressing the need to create work outcomes, articulating the organization's values, and calling attention to the effectiveness of participating in processes that may lead to employee growth. Organizing innovation results. Organizational Self-Esteem (OBSE) is the self-worth of individuals as members of an organization (Pierce et al., 1989). This emphasis will likely attract the employee's attention and encourage their efforts to be creative (Scott & Bruce, 1994; Srull & Wyer, 1980). Numerous research has demonstrated that OBSE moderates the relationship between leadership and personal creativity, and employee outcomes have taken OBSE into consideration as a moderator (Tsai & Chang, 2012) since this association is more significant for employees with low OBSE when these employees question whether their ideas or efforts are helpful to the organization. (Rank, Nelson, Allen, & Xu, 2009). Most personal innovation research blends vision building with other aspects of transformational leadership. There is no prior research that we could locate that broke down the relationship between creativity, OBSE, and transformational leadership. However, some studies show empirical links with alternative measures such as creative output. More innovations have emerged in firm-level research due to shared goals and principles. Here, we propose a similar treatment at the individual level.

Research method

Conceptual model

Figure 1 illustrates the conceptual framework of the investigation, containing three variables
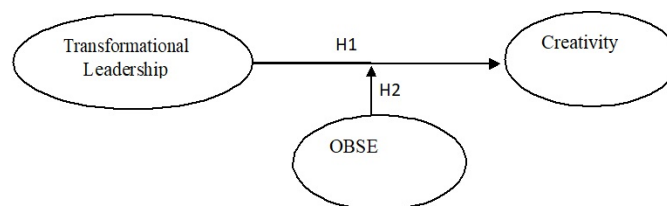

Fig. 1 *Conceptual framework of the study*

- Transformational leadership;
- Organization-based self-esteem;

- Creativity;

In this study, as shown in Figure 1, transformational leadership was the independent variable. The model suggests that organizational-based self-esteem moderates the relationship between transformational leadership and creativity when creativity is the dependent variable. After examining the organizational-based self-esteem moderating role between transformational leadership and creativity (H2), we first examine the direct effect of transformational on creativity (H1). Our study hypothesis developed as follows:

H1: There is a significant positive relationship between transformational leadership and creativity.

H2: Organizational-based self-esteem moderates the relationship between transformational leadership and creativity.

Instruments of research

Questionnaires were distributed to employees of industrial companies, and 172 surveys from employees were returned via email, seven of which were excluded from the research because they were incomplete. Hence, 165 questionnaires were included in the analysis. Our study consisted of three variables: transformational leadership, creativity and organizational-based self-esteem.

Transformational leadership

The Multi-Factor Leadership Questionnaire (MLQ-Form 5X) (B. M. Bass & Avolio, 1996) had twenty-one items on a 5-point Likert scale (1=strongly disagree to 5=strongly agree) that were used in the study to measure transformational leadership. Avolio, Bass, and Jung (1999), the response to the minimize items was reworded in reverse. We used the 12 items from the (MLQ –From 5X) that address transformational leadership without transactional leadership and Laissez-faire leadership instead of the nine items that were removed from the questionnaires that discussed Laissez-faire leadership and transactional leadership. Four dimensions make up the concept that (B. M. Bass & Avolio, 1996) for transformational leadership: (1) idealized influence, (2) motivational motivation, (3) intellectual stimulation, and (4) individualized consideration.

Organization-based self-esteem

(Pierce et al., 1989) organizational-based self-esteem scale was used to measure it. It is a 10-item survey that gauges how much staff members think they are important and useful to the company. A 5-point Likert-type scale was used, with 1 denoting strong disagreement and 5 denoting strong agreement.

Creativity

Creativity was measured through a 13-item scale, three of which were adopted by (Scott & Bruce, 1994), ten by (Zhou & George, 2001), and five of which ranged from 1 (not all) to 5 features.

We consulted with a number of experts to examine the questionnaire items' capacity, coverage, comprehensibility, logic, and application to the stated research aims in order to guarantee the validity and reliability of the tools used in the study. The reliability of the subjects (n = 165) ranged from 0.73 to 0.91.

RESULTS

Correlation analysis

The correlation, mean, and standard deviation between organizational-based self-esteem and transformational leadership are shown in Table 1.

Table I
Descriptive statistic and correlation relation among transformational, OBSE and Creativity

	M	SD	1	2	3
Creativity	50.10	2.972	1	.420**	.277**
OBSE	58.20	6.904		1	.296**
TFL	41.75	3.825			1

N**. The correlation is significant at the 0.01 level

As shown in Table 1, the mean value of creativity is 50.10. Organization-based self-esteem = 58.20; for transformational leaders = 40.65. A positive significant correlation between transformational leadership and creativity was found (r = .277; p < 0.01). A significant

positive correlation was found between transformational leadership and OBSE (r = .296; p < 0.01). Creativity was significantly associated with OBSE (r = .420; p < 0.01). Transformational leadership was associated with a lower mean (M = 40.65) and standard deviation (SD = 4.904) in the study sample. The findings offer initial evidence in favour of Hypothesis 1. The first hypothesis proposes a favourable relationship between creativity and transformational leadership.

Hierarchical regression analysis

Regression analysis shown in Table 2, the variables were tested for significance (p < 0.01), resulting in hierarchical multiple regression results. Consistent with Hypothesis 2, a significant interaction between organizational-based self-esteem (OBSE) and transformational leadership was found to affect creativity (P = .000). The following hierarchical model was created using multiple regression analysis, as indicated in Table 2, to test the hypothesis that there are multiple influencing factors that have the potential to have an impact. More specifically, the hypothesis aims to determine whether organizational-based self-esteem moderates the relationship between transformational leadership (TFL) and creativity. A hierarchical multiple regression analysis was performed using the following equation to test the hypothesis that the potential to influence is a function of multiple influencing factors and, more specifically, whether organizational-based self-esteem moderates the relationship between transformational leadership (TFL) and creativity. The overall model was significant,
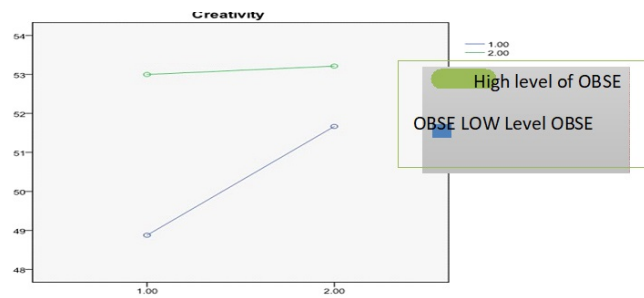

Fig. 2 *Moderating effect; transformational leadership, OBSE, and creativity*

Table II
Regression analysis

Model	Beta In	T	Sig.	Collinearity Statistics	
OBSE	.385a	5.389	.000	.385	.901
TFL*OBSE	.670a	6.619	.000	.455	.421
TFL*OBSE	.525b	3.906	.000	.291	.234

      a. A sort of. Predictors in the model: (constant), TFL
b. Predictors in the model: (constant), TFL, OBSE
C. Dependent Variable: Creativity

Discussion

The findings demonstrated that when employees had a high level of organizational-based self-esteem, transformational leadership had a greater positive impact on their creativity.
      This study aimed to examine the moderating role of organizational-based self-esteem and the relationship between transformational leadership and employee's creativity. The results showed that transformational leadership was a significant predictor of creativity. Based on a literature review, leader-based organizational self-esteem moderates the link between transformational leadership and creativity. These results not only support previous research showing that employees tend to be more creative when they understand their importance but also demonstrate that organizational-based self-esteem can play an essential role in directing employees to value effective processes for achieving creativity and organizational competence. This study demonstrates that organizational-based self-esteem plays a vital role in the process of transformational leadership affecting creativity, with a high moderating effect value. Research with organizations as samples confirmed that environmental dynamics and environmental competitiveness have a significant moderating effect on the effect of transformational leadership style, which indicates that the effectiveness of transformational leadership is related to certain situational conditions. However, this study confirms the critical moderating role of OBSE on the effect of transformational leadership style on creativity. Therefore, the conclusion of this study is a helpful supplement and extension to the research scope and research viewpoints of

previous scholars. Based on the study's empirical analysis, it can be deduced that, in the examined businesses, enhancing creativity capacities is a necessary step in the transformational leadership style's transition into ideal performance outcomes. No matter how well a transformational leadership style performs inside an organization, producing excellent performance results will be challenging if innovation is bottlenecked. This offers a plausible rationale for the prevalence of transformational leadership styles among leaders in numerous businesses. Consequently, it is imperative to enhance the development of creativity and establish it on the foundation of transformational leadership styles. This study demonstrates the moderating role between transformational leadership and creativity. This difference may help explain previous research that did not show this moderating effect when other potential effects were considered.

Previous studies have demonstrated that creativity depends on the selection of numerous individual difference variables, such as the factor studies in this study OBSE when taking into account other areas that we did not include for future research. Examining the degree to which these individual difference variables interact with different facets of creativity to affect employee performance could be an intriguing avenue for future research. To develop something desired or a novel and useful idea, for example, people with strong creative self-efficacy or creativity-oriented personalities (e.g., open to experience, proactive) may prefer to persevere at different stages of the creative process. In the current study, our focus is on self-esteem (OBSE), a significant 'upstream' moderator in our model that links transformational leadership to creativity through its effect on creativity. Therefore, we also focus on the theoretically most important intervention variables. At the same time, research provided by (Tierney, Farmer, & Graen, 1999) suggests that OBSE may affect creativity. Future research developments may involve creativity-related variables, and OBSE remains an important determinant.

Conclusion

A few inferences can be drawn from the study's findings. According to the study's findings, an employee's creativity in achieving the goals of the business depends heavily on their sense of organizational self-esteem. The same was noted for transformational leadership, which is crucial for achieving creativity. Both of the elements had a significant impact on creativity. The relationship between transformational leadership and creativity is moderated by organizational base self-esteem. These results led to the following conclusion: managers must cultivate trust, establish a culture that will support organizationally-based self-esteem, and strengthen the bond between the organization and their workforce in order to maintain organizational boundaries and achieve employee creativity.

Acknowledgment

Conflicts of Interest

The author declares no conflict of interest.

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