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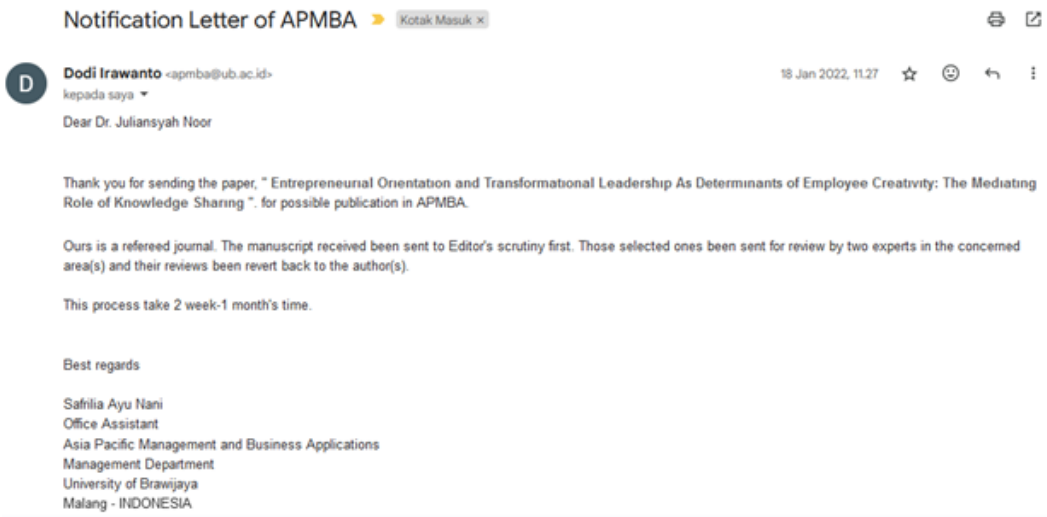

Notification Letter of APMBA

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Dodi Irawanto <apmba@ub.ac.id>
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18 Jan 2022, 11.27

Dear Dr. Juliansyah Noor

Thank you for sending the paper, " Entrepreneurial Orientation and Transformational Leadership As Determinants of Employee Creativity: The Mediating Role of Knowledge Sharing ". for possible publication in APMBA.

Ours is a refereed journal. The manuscript received been sent to Editor's scrutiny first. Those selected ones been sent for review by two experts in the concerned area(s) and their reviews been revert back to the author(s).

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Best regards

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Entrepreneurial Orientation and Transformational Leadership As Determinants of Employee Creativity: The Mediating Role of Knowledge Sharing

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Abstract

Many studies have been investigated in recent years on entrepreneurial orientation in financial firms. However, these rarely link transformational leadership, entrepreneurial orientation, and employee creativity through knowledge sharing. Therefore, this research

aims is to determine the impact of transformational leadership (TRL) and entrepreneurial orientation (EO) on employee creativity (EC) through knowledge sharing (KS). This study was gathered data from 280 employee-manager dyads at 20 financial firms in Indonesia. To evaluate mediator factors, we used a two-step method to SEM. The finding indicates that the TRL and EO influence KS and EC. Additionally, the results show the significant positive effect of TRL, EO, and EC through KS. Thus, the TRL, OE., and EC can be increased through KS by encouraging employees to share KS to contribute to EC. This article seeks to contribute to the current organizational behavior theory by elucidating the mediation role of KS. Additionally, some intriguing discoveries are presented that have not been investigated previously by other studies.

Keywords

Transformational Leadership, Entrepreneurial Orientation, Employee Creativity; Knowledge Sharing

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Introduction

Creativity is an essential antecedent of job outcome, and therefore it is an important factor when studying fields such as human resources management practice and organizational behavior (Oldham & Cummings, 1996; Henker, Sonnentag, & Unger, 2015). Creativity is also an essential topic within financial firms. However, concerning the creativity of financial firms' employees, state that it is "greatly affected by the financial firms' environment." (Semedo, Coelho, & Ribeiro, 2017). In the prior study, Ouakouak and Ouedraogo (2017) examined three predictors of employee creativity: knowledge sharing, personal beliefs, and business ethics. Even though all these predictors are essential, Ouakouak and Ouedraogo (2017) suggest "the single most researched and dominant concept of employee creativity in the field." Simultaneously, they explore that the use of this concept in financial firms is confined.

On the other hand, Huang, Hsieh, and He (2016) note that within a financial firm, it is also important to do knowledge-sharing ("explicit knowledge sharing and tacit knowledge sharing") positively affect employee creativity. Even though such knowledge is not unique to financial firms, these firms may have to "deal with them" more often (Daghfous, Belkhodja, & Linda, 2013). Thus, Huang et al. (2016) describe the impact of financial firms' industry on creativity. A question emerges what this entails for financial firm managers and their leadership style. While Ouakouak and Ouedraogo (2017) uses knowledge sharing variables as independent variables of employee creativity, few other researchers have examined the effect of leadership style on knowledge sharing within a financial firm. For instance, Yin. et al. (2020) demonstrated that transformational leadership (TRL) and entrepreneurial orientation (EO) influence employee creativity (EC). Similarly, Zhang, Sun, Jiang, Zhang, and Sun (2019) demonstrated that transformational leadership and entrepreneurial orientation increase employee creativity and knowledge sharing (KS).

A recent study focused on transformational leadership (TRL) and entrepreneurial orientation (EO). Many human resource studies have addressed this leadership style and entrepreneurial orientation in the last decade (Kumar, Del, Chierici, & Graziano, 2020; Abdelgawad, Zahra, Svejenova, & Sapienza, 2013). While researching other styles, such as forms of chameleon leadership (Ruiz-Palomino & Bañón-Gomis, 2017), it is undoubtedly relevant. We will confine ourselves to the effect of TRL and EO on EC in this section.—our primary object of study—because achieving higher levels of performance is an important goal of TRL (Yukl & William L. Gardner, 2019). Concerning our topic, knowledge sharing has been proposed to connect this leadership style and entrepreneurship to creativity (Huang, Hsieh, & He, 2016; Sha, Lei, Song, & Islam, 2020).

Problem formulation

Hence, this article combines financial firms' findings of (a) knowledge sharing and creativity and (b) transformational leadership, entrepreneurial orientation, and knowledge sharing. A combination like this could answer the question of how knowledge-sharing can be affected in financial firms. In this case, we sought to address the research question that follows: "Do transformational leadership and entrepreneurial orientation affect employee creativity via knowledge sharing in financial firms?" The theory on TRL in non-financial firms shows that this leadership style positively affects employee creativity (Chow, 2018). In this article, we will argue that TRL and EO affect the EC of financial firms. One example is reducing organizational conflict and employee turnover. This reduction will positively affect knowledge-sharing processes, which will have a positive impact on employee creativity.

In the article's second section, we develop the existing theoretical framework to address our research question, resulting in four hypotheses. We discuss the data and measurement in the

third section. Then, we present our findings using "structural equation modeling" (SEM) in the fourth section. We demonstrate that the outcomes corroborate our initial model. The article concludes with the conclusion and some of the research limitations.

Literature review

Transformational leadership and employee creativity

As many studies have demonstrated, leaders can affect their employees' creativity in a variety of ways. For example, leaders can articulate job knowledge that demonstrates "explicit knowledge sharing" rather than "sharing knowledge quietly." Through it, they lead individual efforts and their employees through creative processes and job outcomes. (Dong, Bartol, Zhang, & Li, 2016). Moreover, the leader is the main determinant of entrepreneurial orientation (Yukl & William L. Gardner, 2019; Razavi & Ab Aziz, 2017). Furthermore, TRL is a proven leadership style that has a relationship with creativity. In this particular leadership style, a leader's behavior is frequently described as the driving force of creativity (Hussain, Abbas, Lei, Haider, & Akram, 2017; Han, Seo, Yoon, & Yoon, 2016). For the following three reasons; (1) individual considerations will act as rewards for employees by motivating and recognizing; (2) through supportive innovation, autonomy, and challenges, intellectual stimulation will increase employee exploratory thinking; (3) inspiring motivation stimulates employees' idea development by motivating them to operate in ways that contradict their vision. In addition, Bass and Bass (2008) describe that transformational leaders who increase the self-efficacy of their employees can have a positive influence on their creativity. This is as improved employee self-efficacy causes increased creativity (Song, He, Wu, & Zhai, 2020; Prochazka, Gilova, & Vaculik, 2017). There is another power to encouraging employee creativity that transformational leaders use, namely emotional relationships. According to Bass and Bass (2008), among transformational leaders, attributes s are developing emotional links with their employees. As Thompson (2018) argued, the relationship is expected to lead to higher levels of creativity. Based on these reasons and prior study findings, we propose that:

H1. Transformational leadership has a positive link to employee creativity

Entrepreneurial orientation and employee creativity

The entrepreneurship orientation and employee creativity are less focused due to the appropriate link between organizational structure, management style, and employee creativity (Ferreira, Coelho, & Moutinho, 2020). However, entrepreneurial orientation exclusively influences employee creativity (Lumpkin & Dess, 1996). First, creativity brings innovation. Such a change section introduces new products and services that bring new development and competition. Ultimately, these innovations increase organizational creativity or effort. Second, a proactive attitude in new markets makes pricing higher than competitive markets (Ferreira et al., 2020). Third, competition increases the desire of companies that directly impact competitors to improve the state of the market. Furthermore, competitive aggressiveness and proactive attitudes are related to creativity in different ways. Fourth, risk-taking tends to be speculative in recognized emerging markets. Risk strategies are factors that develop a positive and significant link between creativity and risk-taking. According to Fillis and Rentschler (2010), innovation and organization are the best predictors of increased creativity. Similarly, Hammerschmidt, Eggers, Kraus, Jones, and Filser (2020) expressed entrepreneurial orientation as a fundamental component of the success of every business. De Pittino et al. (2018) strongly recommend that higher KS strengthens the relationship between EO and creativity. Supporting this, Sung and Choi (2019) propose that KS and EO can lead to higher creativity. Therefore, previous literature

provides a clear picture of the direct impact that entrepreneurial orientation has had on organizational creativity. With this evidence, we propose that:

H2. Entrepreneurial orientation is expected to be positively linked to employee creativity

Knowledge sharing as mediator

In terms of social interaction and tasks, transformational leadership, entrepreneurial orientation, knowledge sharing, and employee creativity, any organization is similar to a partner. Positive attitudes and conduct via organization goals are evidenced by positive links between co-workers and their leaders. Stress is impacted by negative links between co-workers and supervisors (Labrague, Nwafor, & Tsaras, 2020). In sharing their knowledge with supervisors and co-workers, employee relationships represent a prominent social exchange relationship regarding organizational citizen behavior (Lee, Jang, & Lee, 2018). Individuals in social identity theory divide themselves into two major types.: leader-member relationships and co-worker relationships (Sepdiningtyas & Budi Santoso, 2017). Interpersonal relationships between leaders and employees are linked to social systems within an organization. Lee et al. (2018) describe that employee in the context of TRL interact more often with their leaders and gain the assistance, trust, encouragement, and inspiration of their leaders. Therefore, they are more satisfied and trust in leaders, and by extension, are more receptive to forming and maintaining high-quality relationships with their leaders. However, the social aspect of relationships on knowledge sharing has been overlooked.

In an organization, employees can gain employment knowledge by knowledge sharing (explicit knowledge and tacit knowledge) to perform their responsibilities. "Explicit knowledge" relates to academic or "know-what" knowledge described "in formal, printed, or electronic media, often based on established work processes, using a people-to-documents approach" (Smith, 2001). "Tacit knowledge" relates to "the practice, action-oriented knowledge" or "know-how" "based on practice, acquired through personal experience, rarely expressed openly," often resembling intuition (Smith, 2001). KS is critical for an organization's progress, and explicit knowledge is critical for employees to fulfill their jobs (Zebal, Ferdous, & Chambers, 2019). Employees with explicit knowledge tend to carry out their work more flexibly and effectively (López-Cabarcos, Srinivasan, & Vázquez-Rodríguez, 2020). With this conceptualization, we propose that:

H3. Transformational leadership positively impact employee creativity via knowledge sharing

H4. Entrepreneurial orientation positively impacts employee creativity via knowledge sharing

The model in Figure 1 summarizes our expectations, which are postulated in the four hypotheses.

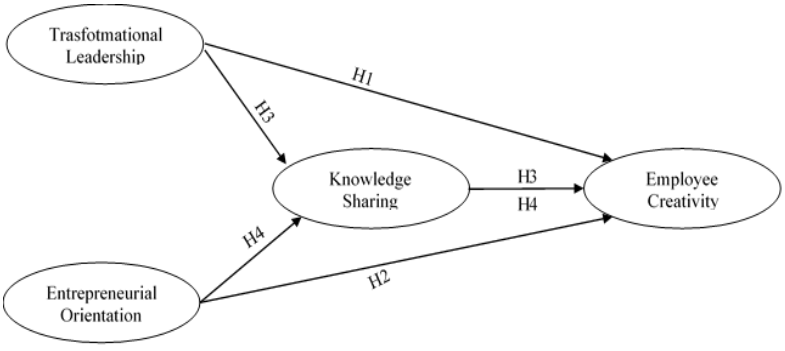

Figure 1. Research Model

Reseach methodology

Our investigation focused on financial firm employees in Indonesia. To reduce the influence of the varying environment of work. Our sample was restricted to "knowledge employees," removing, for example, non-staff employees. Palvalin, Voordt, and Jylhä (2017) describe knowledge employees as individuals who possess a high level of competence, education, or experience whose primary responsibilities include creating, distributing, or applying knowledge.

Sample

The population is about 780 employees in "administrative support," "policy," "supervision," "project management" occupational classifications. A representative sample of 400 employees was taken from these. Due to the absence of some e-mail addresses, we contacted complete an online survey by this e-mail. Three hundred twenty employees answered in total. Regrettably, not all participants filled the questionnaire in its entirety, leaving 280 useable responses (a rate of effective response of 87.5 percent).

Fifty-four percent of these participants were female, comparable regarding the proportion of female workers (55 percent). The average age of the participants was 36.2 years, slightly higher than the organization's average (39.8 years). Employees distribution by occupational classifications and pay rate mainly was consistent with the organization's population—even though employees in lower occupational classifications and on lower pay rates were represented. Regarding occupational classifications, 51% of participants worked as administrative employees, 19% as policy analysts, 12% as project managers, and 18% as supervisors.

Instruments and measurements

This section discusses measuring the variables included in the research model. The employ of a survey does have several significant limitations that we can only measure employee perceptions. Furthermore, we do not make comparisons between financial and non-financial firms. As a result, this article only explains how financial firms' characteristics are essential in linking TRL, EO, KS, and EC.

Employee creativity (EC). We used a five-item scale to measure employee creativity (Ouakouak & Ouedraogo, 2017). Respondents could rate each item on a five-point scale of Likert ranging from completely "disagree (1)" "to" completely "agree (5)". Statistical significance was found for each standardized loadings, and the internal reliability value was 0.69. Even though substantially less than the 0.70 internal consistency threshold commonly applied. We deem this appropriate because the items are based on a reliable value in previous studies (Ouakouak & Ouedraogo, 2017) because internal reliability, which is used to gauge internal consistency, similarly affects the number of items used (Hair et al., 2018).

Transformational leadership (TRL). We used Henker, Sonnentag, and Unger's (2015) 6-item scale to measure TRL. Again, responses were categorized on a five-point scale of Likert "ranging from" completely "disagree (1)" "to" "completely agree (5)." Each of the loading factors was exceeded "0.50" and was statistically significant. Cronbach's α was 0.71.

Entrepreneurial orientation (EO). A five-item scale is used to measure entrepreneurial orientation. The scale is adapted from Covin and Miller (2014) on a five-point Likert scale ranging from 1, "Strongly Disagree" to 5, "Strongly Agree". According to the findings of confirmatory factor analysis (CFA), one of the items ("I come up with new of and practical ideas to improve creativity") was omitted from this item. The five items had statistically significant loading factors of more than 0.50, and the scale items had a Cronbach's α of 0.79.

Knowledge sharing (KS). Knowledge sharing is adapted from Zhang, Sun, Jiang, Zhang, and Sun (2019). Five items are used on a five-point

Likert scale in this variable, ranging from 1, "Strongly Disagree" to 5, "Strongly Agree." Each loading factor exceeded 0.50 and was statistically significant. The internal reliability was 0.82 for the KS measure.

Control variable. This analysis used four control variables: gender ("1 = female"), age, attainment, education, and manager position (1 = manager position). The last two are Nonaka and Takeuchi (1995), who contended that the nature of the employment could affect knowledge sharing. Individuals with more difficult occupations, for example, are predicted to put greater effort and perseverance. It appears logical to suppose that personnel with a higher level of education and those in managerial roles will have a more difficult job.

Data Analysis

This study analyzed the data using a two-step SEM technique (Anderson & Gerbing, 1988). In this study, we evaluated all loading factors of variables, and we used a CFA to determine the model's fit. We investigated the hypothesized structural model to determine the variables' validity. We used a bootstrapping method because two of our four hypotheses contain the effect of mediation (Hayes, 2018). This method estimates the parameters model in its simplest form and standard errors derived entirely from the sample, no using to any theoretical distribution of sampling. We synthesized 5,000 samples (with substitution) based on the samples observed throughout our investigation. it can obtain reliable estimations of the anticipated value and the statistical variance from these samples (Byrne, 2020). AMOS version 23 was used to conduct the CFA and SEM. The models' overall fit was assessed employing a range of fit indices, both relative and absolute, including CMIN/DF "chi-square," CFI "comparative fit index," and GFI "goodness of fit index"; RMSEA "root mean square error of approximation."

Discussion and Conclusion

Discussion

The first step is to investigate all of the study variables' factor structures (Anderson & Gerbing, 1988). Base on the CFA results, the measurement model is then re-specification. In this case, the re-specification model was enhanced by the addition of some correlations between errors. The measurement model that resulted was a good fit for the data (CMIN/DF = 1.227, CFI =0.99, GFI =0.93, RMSEA =0.33), with significant loadings of each indicator onto the relevant factor and all loadings greater than 0.50. These findings corroborate the hypothesized correlations between indicators and variables, so establishing the variables' convergent validity. Items associated with the same variable were consistently more closely correlated than items associated with other factors, indicating discriminant validity. Additionally, Bagozzi and Phillips (1982) suggest that the structure model in SEM achieved discriminant validity when the re-specification model's chi-square value is much less than the initial models. The re-specification model's chi-square value (CMIN = 156.020/DF = 1.248) is lower than the initial model's (CMIN = 523.513/DF = 3.586). Thus, discriminant validity has been established for this model. The study presents the mean, standard deviations, and correlation coefficients (Table 1). All correlations are statistically significant at the 0.01 level. EC is a high correlation with all other factors, particularly with KS (0.780).

Table 1. The Result of Means, Standard Deviations, and Correlation

		M	SD	1	2	3
1.	Transformational leadership (TRL)	2.35	0.854	-		
2.	Entrepreneurial orientation (EO)	2.64	0.912	.518**	-	
3.	Knowledge sharing (KS)	2.32	0.751	.664**	.540**	-
4.	Employee creativity (EC)	2.56	0.806	.672**	.576**	.780**

*ρ< 0.5; **ρ < 0.1

The Structural Model

We proposed to test a causal model that resulted in an SEM. Several fit indices were employed to evaluate the overall model. The calculated values of model fit were 1.85 (CMIN/DF), 0.93 (GFI), and 0.97 (CFI), indicating that the model fits well. Additionally, the RMSEA value of 0.043 (PClose = 0.542) suggests a strong model fit. Only significant associations (α = 0.05) are presented in Figure 2 of the resultant model. The numbers in parenthesis represent the explained variance. The numeric values on the lines represent the standardized regression coefficients (β). The analysis proceeded to the examination of the control variables. Control factors such as education and age were omitted from the final model due to their lack of significance. Thus, the final model contained only manager role and gender as control variables. This final model fit the data satisfactorily. (CMIN/DF = 1.55, GFI = 0.94, CFI = 0.99, RMSEA = 0.040 PClose = 0.742).

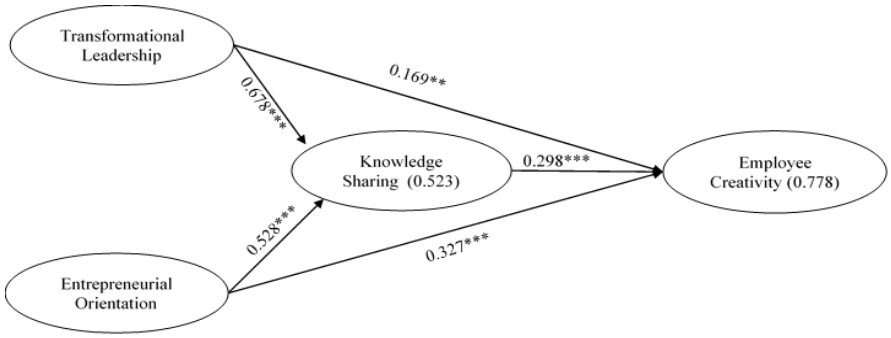

Figure 2. Structural Equation Modelling Results

As illustrated in Figure 2, our findings mainly corroborate the initial model. However, since our hypothesis includes the effects of mediation, we need further testing to see if mediation does occur. Table 3 summarizes both direct and indirect effects. The direct impacts are equivalent to the standardized regression coefficients presented in Figure 2. We employed a bootstrapping approach to evaluate our mediation hypothesis. Along with robust estimates, bootstrapping processes generate "bias-corrected confidence intervals," which allow us to assess the significance of indirect effects. The indirect effects can be found in the lower half of the table. Additionally, because we measured our concepts using several variables, we can divide all indirect effects into the specific effects of each variable. When examining our mediation hypotheses (3-4), we initially analyze the aggregate indirect effect before examining the specific effects in greater detail.

Table 2. Results of Direct and Indirect Effects

Dependent Variables		
Independent Variables	Employee Creativity	Knowledge Sharing
Direct Effects		
Transformational leadership	H1: 0.146* (0.082)	0.383** (0.107)
Entrepreneurial orientation	H2: 0.417** (0.063)	0.439** (0.064)
Gender	0.132** (0.013)	ns

Manager	ns	0.119** (0.012)
Indirect effects		
Transformational leadership via knowledge sharing	H3: 0.170** (0.050)	-
Entrepreneurial orientation via knowledge sharing	H4: 0.195** (0.067)	-

Note. ns = non-significant

*ρ < 0.05; **ρ < 0.01

First, we hypothesized that transformational leadership is positively linked with employee creativity. The findings indicate that these two variables have a positively direct effect (β = 0.146, SE = 0.082, p < 0.05), thus, the data support H1. Second, we hypothesized that entrepreneurial orientation is positive linked with employee creativity. The findings indicate that these two variables have a positive direct effect (β = 0.417, SE =0.063, p < 0.01), thus, the data support H2. Third, we hypothesized that knowledge sharing mediates the effect of transformational leadership on employee creativity. In Table 3, the findings indicate that transformational leadership has a statistically significant indirect effect on employee creativity (β = 0.170, SE= 0.050, p < .01), thus the data fully support H3. Fourth, we hypothesized that knowledge sharing mediates the effect of transformational leadership on employee creativity. In Table 3, the findings indicate that entrepreneurial orientation has a statistically significant indirect effect on employee creativity (β =0.195, SE = 0.067, p < .01). Thus, the data partly support H4. Our findings are summarized in Table 3.

Table 3. Hypothesis Testing Results

H1. Transformational leadership is expected to be positively related to employee creativity.	Supported
H2. Entrepreneurial orientation has a positive influence on employee creativity	Supported
H3. Transformational leadership positively impact employee creativity via knowledge sharing	Partially Supported
H4: Entrepreneurial orientation positively impact employee creativity via knowledge sharing	Fully Supported

Conclusions

Overall, the findings have shown that such leadership styles are related to employee creativity. According to the author's analysis, there are two relationships; (1) there is a direct effect of TRL on KS and EC, and (2) there are direct effects of EO on KS and EC. Transformational leadership (TRL) and entrepreneurial orientation (EO) have indirect effects on employee creativity (EC). First, knowledge sharing (KS) partly mediates the relationship between TRL and EC. Second, entrepreneurial orientation (EO) and employee creativity (EC) also have an indirect relationship.

The study explores the influence of transformational leadership (TRL) and entrepreneurial orientation (EO) on knowledge sharing (KS) and employee creativity (EC) in Indonesian financial firms. This research contribution can guide managers and majority shareholders to enhance EC by making their leaders willing to KS and focus by developing effective and transparent TRL. Numerous limitations influence the analysis and findings. Firstly, our study focuses exclusively on "knowledge workers" in the financial firm. Hence, future study is required to ascertain whether the results can be generalized to other non-financial sectors.

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Notes on Contributor

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Summary of Reviewers Comments Accepted-**Minor Revision**

Dear Yumhi, et.al

The Author Posing The Interesting Topics With **Entrepreneurial Orientation and Transformational Leadership As Determinants of Employee Creativity: The Mediating Role of Knowledge Sharing.** After initial screening by editor and sent to two reviewers, the reviewers founds that

1. The article has less complete component (abstract, introduction, problem formulation, literature review, research methodology, discussion and conclusion).
2. The literature review is a great relevant and recent (min number of references 60% of total references less than 10 years)
3. Stratified random are rigorous
4. Quality of discussion is conclusive and well integrated

Please revise within 1 weeks of acceptance this letter and in meanwhile we will publish your abstract in the due course. Again congratulations for your article that accepted in our journal to be published on Vol 10 No 3 2022.

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Entrepreneurıal Orıentatıon and Transformatıonal Leadershıp As Determınants of Employee Creatıvıty: The Medıatıng Role of Knowledge Sharıng

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Abstract
Several studies have been investigated in recent years on entrepreneurial orientation in financial firms. However, these rarely link transformational leadership, entrepreneurial orientation, and employee creativity through knowledge sharing. Therefore, this research aims is to determine the impact of transformational leadership (TRL) and entrepreneurial orientation (EO) on employee creativity (EC) through knowledge sharing (KS). This study was gathered data from 280 employee-manager dyads at 20 financial firms in Indonesia. To evaluate mediator factors, we used a two-step method to SEM. The finding indicates that the TRL and EO influence KS and EC. Additionally, the results show the significant positive effect of TRL, EO, and EC through KS. Thus, the TRL, OE., and EC can be increased through KS by encouraging employees to share KS to contribute to EC. This article seeks to contribute to the current organizational behavior theory by elucidating the mediation role of KS. Additionally, some intriguing discoveries are presented that have not been investigated previously by other studies.

Keywords
Transformational Leadership; Entrepreneurial Orientation; Employee Creativity; Knowledge Sharing
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Introduction

Creativity is an essential antecedent of job outcome, and therefore it is an important factor when studying fields such as human resources management practice and organizational behavior (Oldham & Cummings, 1996; Henker, Sonnentag, & Unger, 2015). Creativity is also an essential topic within financial firms. However, concerning the creativity of financial firms' employees, state that it is "greatly affected by the financial firms' environment." (Semedo, Coelho, & Ribeiro, 2017). In the prior study, Ouakouak and Ouedraogo (2017) examined three predictors of employee creativity: knowledge sharing, personal beliefs, and business ethics. Even though all these predictors are essential, Ouakouak and Ouedraogo (2017) suggest "the single most researched and dominant concept of employee creativity in the field." Simultaneously, they explore that the use of this concept in financial firms is confined.

On the other hand, Huang, Hsieh, and He (2016) note that within a financial firm, it is also important to do knowledge-sharing ("explicit knowledge sharing and tacit

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knowledge sharing") positively affect employee creativity. Even though such knowledge is not unique to financial firms, these firms may have to "deal with them" more often (Daghfous, Belkhodja, & Linda, 2013). Thus, Huang et al. (2016) describe the impact of financial firms' industry on creativity. A question emerges what this entails for financial firm managers and their leadership style. While Ouakouak and Ouedraogo (2017) uses knowledge sharing variables as independent variables of employee creativity, few other researchers have examined the effect of leadership style on knowledge sharing within a financial firm. For instance, Yin. et al. (2020) demonstrated that transformational leadership (TRL) and entrepreneurial orientation (EO) influence employee creativity (EC). Similarly, Zhang, Sun, Jiang, Zhang, and Sun (2019) demonstrated that transformational leadership and entrepreneurial orientation increase employee creativity and knowledge sharing (KS).

A recent study focused on transformational leadership (TRL) and entrepreneurial orientation (EO). Many human resource studies have addressed this leadership style and entrepreneurial orientation in the last decade (Kumar, Del, Chierici, & Graziano, 2020; Abdelgawad, Zahra, Svejenova, & Sapienza, 2013). While researching other styles, such as forms of chameleon leadership (Ruiz-Palomino & Bañón-Gomis, 2017), it is undoubtedly relevant. We will confine ourselves to the effect of TRL and EO on EC in this section.—our primary object of study—because achieving higher levels of performance is an important goal of TRL (Yukl & William L. Gardner, 2019). Concerning our topic, knowledge sharing has been proposed to connect this leadership style and entrepreneurship to creativity (Huang, Hsieh, & He, 2016; Sha, Lei, Song, & Islam, 2020).

Problem Formulation

Hence, this article combines financial firms' findings of (a) knowledge sharing and creativity and (b) transformational leadership, entrepreneurial orientation, and knowledge sharing. A combination like this could answer the question of how knowledge-sharing can be affected in financial firms. In this case, we sought to address the research question that follows: "Do transformational leadership and entrepreneurial orientation affect employee creativity via knowledge sharing in financial firms?" The theory on TRL in non-financial firms shows that this leadership style positively affects employee creativity (Chow, 2018). In this article, we will argue that TRL and EO affect the EC of financial firms. One example is reducing organizational conflict and employee turnover. This reduction will positively affect knowledge-sharing processes, which will have a positive impact on employee creativity.

In the article's second section, we develop the existing theoretical framework to address our research question, resulting in four hypotheses. We discuss the data and measurement in the third section. Then, we present our findings using "structural equation modeling" (SEM) in the fourth section. We demonstrate that the outcomes corroborate our initial model. The article concludes with the conclusion and some of the research limitations.

Literature Review

Transformational Leadership and Employee Creativity

As many studies have demonstrated, leaders can affect their employees' creativity in a variety of ways. For example, leaders can articulate job knowledge that demonstrates "explicit knowledge sharing" rather than "sharing knowledge quietly." Through it, they lead individual efforts and their employees through creative processes and job outcomes. (Dong, Bartol, Zhang, & Li, 2016). Moreover, the leader is the main determinant of entrepreneurial orientation (Yukl & William L. Gardner, 2019; Razavi & Ab Aziz, 2017). Furthermore, TRL is a proven leadership style that has a

relationship with creativity. In this particular leadership style, a leader's behavior is frequently described as the driving force of creativity (Hussain, Abbas, Lei, Haider, & Akram, 2017; Han, Seo, Yoon, & Yoon, 2016). For the following three reasons; (1) individual considerations will act as rewards for employees by motivating and recognizing; (2) through supportive innovation, autonomy, and challenges, intellectual stimulation will increase employee exploratory thinking; (3) inspiring motivation stimulates employees' idea development by motivating them to operate in ways that contradict their vision. In addition, Bass and Bass (2008) describe that transformational leaders who increase the self-efficacy of their employees can have a positive influence on their creativity. This is as improved employee self-efficacy causes increased creativity (Song, He, Wu, & Zhai, 2020; Prochazka, Gilova, & Vaculik, 2017). There is another power to encouraging employee creativity that transformational leaders use, namely emotional relationships. According to Bass and Bass (2008), among transformational leaders, attributes s are developing emotional links with their employees. As Thompson (2018) argued, the relationship is expected to lead to higher levels of creativity. Based on these reasons and prior study findings, we propose that:

H1. Transformational leadership has a positive link to employee creativity

Entrepreneurial Orientation and Employee Creativity

The entrepreneurship orientation and employee creativity are less focused due to the appropriate link between organizational structure, management style, and employee creativity (Ferreira, Coelho, & Moutinho, 2020). However, entrepreneurial orientation exclusively influences employee creativity (Lumpkin & Dess, 1996). First, creativity brings innovation. Such a change section introduces new products and services that bring new development and competition. Ultimately, these innovations increase organizational creativity or effort. Second, a proactive attitude in new markets makes pricing higher than competitive markets (Ferreira et al., 2020). Third, competition increases the desire of companies that directly impact competitors to improve the state of the market. Furthermore, competitive aggressiveness and proactive attitudes are related to creativity in different ways. Fourth, risk-taking tends to be speculative in recognized emerging markets. Risk strategies are factors that develop a positive and significant link between creativity and risk-taking. According to Fillis and Rentschler (2010), innovation and organization are the best predictors of increased creativity. Similarly, Hammerschmidt, Eggers, Kraus, Jones, and Filser (2020) expressed entrepreneurial orientation as a fundamental component of the success of every business. De Pittino et al. (2018) strongly recommend that higher KS strengthens the relationship between EO and creativity. Supporting this, Sung and Choi (2019) propose that KS and EO can lead to higher creativity. Therefore, previous literature provides a clear picture of the direct impact that entrepreneurial orientation has had on organizational creativity. With this evidence, we propose that:

H2. Entrepreneurial orientation is expected to be positively linked to employee creativity

Knowledge Sharing as Mediator

In terms of social interaction and tasks, transformational leadership, entrepreneurial orientation, knowledge sharing, and employee creativity, any organization is similar to a partner. Positive attitudes and conduct via organization goals are evidenced by positive links between co-workers and their leaders. Stress is impacted by negative links between co-workers and supervisors (Labrague, Nwafor, & Tsaras, 2020). In sharing their knowledge with supervisors and co-workers, employee relationships represent a prominent social exchange relationship regarding organizational citizen behavior (Lee, Jang, & Lee, 2018). Individuals in social identity theory divide themselves into

two major types.: leader-member relationships and co-worker relationships (Sepdiningtyas & Budi Santoso, 2017). Interpersonal relationships between leaders and employees are linked to social systems within an organization. Lee et al. (2018) describe that employee in the context of TRL interact more often with their leaders and gain the assistance, trust, encouragement, and inspiration of their leaders. Therefore, they are more satisfied and trust in leaders, and by extension, are more receptive to forming and maintaining high-quality relationships with their leaders. However, the social aspect of relationships on knowledge sharing has been overlooked.

In an organization, employees can gain employment knowledge by knowledge sharing (explicit knowledge and tacit knowledge) to perform their responsibilities. "Explicit knowledge" relates to academic or "know-what" knowledge described "in formal, printed, or electronic media, often based on established work processes, using a people-to-documents approach" (Smith, 2001). "Tacit knowledge" relates to "the practice, action-oriented knowledge" or "know-how" "based on practice, acquired through personal experience, rarely expressed openly," often resembling intuition (Smith, 2001). KS is critical for an organization's progress, and explicit knowledge is critical for employees to fulfill their jobs (Zebal, Ferdous, & Chambers, 2019). Employees with explicit knowledge tend to carry out their work more flexibly and effectively (López-Cabarcos, Srinivasan, & Vázquez-Rodríguez, 2020). With this conceptualization, we propose that:

H3. Transformational leadership positively impact employee creativity via knowledge sharing

H4. Entrepreneurial orientation positively impacts employee creativity via knowledge sharing

The model in Figure 1 summarizes our expectations, which are postulated in the four hypotheses.

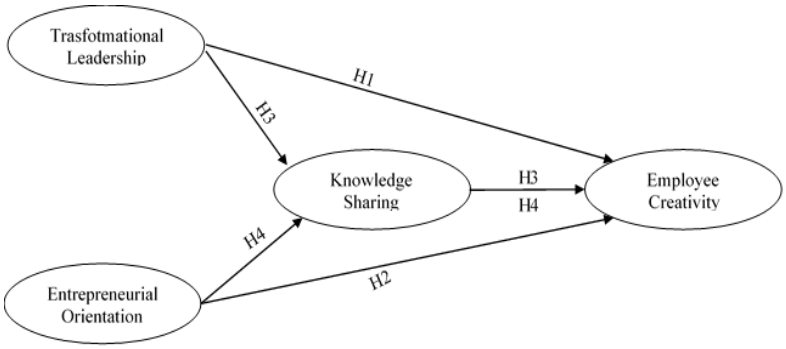

Figure 1. Research Model

Reseach Methodology

Our investigation focused on financial firm employees in Indonesia. To reduce the influence of the varying environment of work. Our sample was restricted to "knowledge employees," removing, for example, non-staff employees. Palvalin, Voordt, and Jylhä (2017) describe knowledge employees as individuals who possess a high level of competence, education, or experience whose primary responsibilities include creating, distributing, or applying knowledge.

Sample

The population is about 780 employees in "administrative support," "policy," "supervision," "project management" occupational classifications. A representative sample of 400 employees was taken from these. Due to the absence of some e-mail addresses, we contacted complete an online survey by this e-mail.

Three hundred twenty employees answered in total. Regrettably, not all participants filled the questionnaire in its entirety, leaving 280 useable responses (a rate of effective response of 87.5 percent).

Fifty-four percent of these participants were female, comparable regarding the proportion of female workers (55 percent). The average age of the participants was 36.2 years, slightly higher than the organization's average (39.8 years). Employees distribution by occupational classifications and pay rate mainly was consistent with the organization's population—even though employees in lower occupational classifications and on lower pay rates were represented. Regarding occupational classifications, 51% of participants worked as administrative employees, 19% as policy analysts, 12% as project managers, and 18% as supervisors.

Instruments and Measurements

This section discusses measuring the variables included in the research model. The employ of a survey does have several significant limitations that we can only measure employee perceptions. Furthermore, we do not make comparisons between financial and non-financial firms. As a result, this article only explains how financial firms' characteristics are essential in linking TRL, EO, KS, and EC.

Employee creativity (EC). We used a five-item scale to measure employee creativity (Ouakouak & Ouedraogo, 2017). Respondents could rate each item on a five-point scale of Likert ranging from completely "disagree (1)" "to" completely "agree (5)". Statistical significance was found for each standardized loadings, and the internal reliability value was 0.69. Even though substantially less than the 0.70 internal consistency threshold commonly applied. We deem this appropriate because the items are based on a reliable value in previous studies (Ouakouak & Ouedraogo, 2017) because internal reliability, which is used to gauge internal consistency, similarly affects the number of items used (Hair et al., 2018).

Transformational leadership (TRL). We used Henker, Sonnentag, and Unger's (2015) 6-item scale to measure TRL. Again, responses were categorized on a five-point scale of Likert "ranging from" completely "disagree (1)" "to" "completely agree (5)." Each of the loading factors was exceeded "0.50" and was statistically significant. Cronbach's α was 0.71.

Entrepreneurial orientation (EO). A five-item scale is used to measure entrepreneurial orientation. The scale is adapted from Covin and Miller (2014) on a five-point Likert scale ranging from 1, "Strongly Disagree" to 5, "Strongly Agree". According to the findings of confirmatory factor analysis (CFA), one of the items ("I come up with new of and practical ideas to improve creativity") was omitted from this item. The five items had statistically significant loading factors of more than 0.50, and the scale items had a Cronbach's α of 0.79.

Knowledge sharing (KS). Knowledge sharing is adapted from Zhang, Sun, Jiang, Zhang, and Sun (2019). Five items are used on a five-point Likert scale in this variable, ranging from 1, "Strongly Disagree" to 5, "Strongly Agree." Each loading factor exceeded 0.50 and was statistically significant. The internal reliability was 0.82 for the KS measure.

Control variable. This analysis used four control variables: gender ("1 = female"), age, attainment, education, and manager position (1 = manager position). The last two are Nonaka and Takeuchi (1995), who contended that the nature of the employment could affect knowledge sharing. Individuals with more difficult occupations, for example, are predicted to put greater effort and perseverance. It appears logical to suppose that personnel with a higher level of education and those in managerial roles will have a more difficult job.

Data Analysis

This study analyzed the data using a two-step SEM technique (Anderson & Gerbing, 1988). In this study, we evaluated all loading factors of variables, and we used a CFA to determine the model's fit. We investigated the hypothesized structural model to determine the variables' validity. We used a bootstrapping method because two of our four hypotheses contain the effect of mediation (Hayes, 2018). This method estimates the parameters model in its simplest form and standard errors derived entirely from the sample, no using to any theoretical distribution of sampling. We synthesized 5,000 samples (with substitution) based on the samples observed throughout our investigation. it can obtain reliable estimations of the anticipated value and the statistical variance from these samples (Byrne, 2020). AMOS version 23 was used to conduct the CFA and SEM. The models' overall fit was assessed employing a range of fit indices, both relative and absolute, including CMIN/DF "chi-square," CFI "comparative fit index," and GFI "goodness of fit index"; RMSEA "root mean square error of approximation."

Discussion and Conclusion

Discussion

The first step is to investigate all of the study variables' factor structures (Anderson & Gerbing, 1988). Base on the CFA results, the measurement model is then re-specification. In this case, the re-specification model was enhanced by the addition of some correlations between errors. The measurement model that resulted was a good fit for the data (CMIN/DF = 1.227, CFI =0.99, GFI =0.93, RMSEA =0.33), with significant loadings of each indicator onto the relevant factor and all loadings greater than 0.50. These findings corroborate the hypothesized correlations between indicators and variables, so establishing the variables' convergent validity. Items associated with the same variable were consistently more closely correlated than items associated with other factors, indicating discriminant validity. Additionally, Bagozzi and Phillips (1982) suggest that the structure model in SEM achieved discriminant validity when the re-specification model's chi-square value is much less than the initial models. The re-specification model's chi-square value (CMIN = 156.020/DF = 1.248) is lower than the initial model's (CMIN = 523.513/DF = 3.586). Thus, discriminant validity has been established for this model. The study presents the mean, standard deviations, and correlation coefficients (Table 1). All correlations are statistically significant at the 0.01 level. EC is a high correlation with all other factors, particularly with KS (0.780).

Table 1. The Result of Means, Standard Deviations, and Correlation

		M	SD	1	2	3
1.	Transformational leadership (TRL)	2.35	0.854	-		
2.	Entrepreneurial orientation (EO)	2.64	0.912	.518**	-	
3.	Knowledge sharing (KS)	2.32	0.751	.664**	.540**	-
4.	Employee creativity (EC)	2.56	0.806	.672**	.576**	.780**

*ρ< 0.5; **ρ < 0.1

The Structural Model

We proposed to test a causal model that resulted in an SEM. Several fit indices were employed to evaluate the overall model. The calculated values of model fit were 1.85 (CMIN/DF), 0.93 (GFI), and 0.97 (CFI), indicating that the model fits well. Additionally, the RMSEA value of 0.043 (PClose = 0.542) suggests a strong model fit. Only significant associations ($\alpha = 0.05$) are presented in Figure 2 of the resultant model. The numbers in parenthesis represent the explained variance. The

numeric values on the lines represent the standardized regression coefficients (β). The analysis proceeded to the examination of the control variables. Control factors such as education and age were omitted from the final model due to their lack of significance. Thus, the final model contained only manager role and gender as control variables. This final model fit the data satisfactorily. (CMIN/DF = 1.55, GFI = 0.94, CFI = 0.99, RMSEA = 0.040 PClose = 0.742).

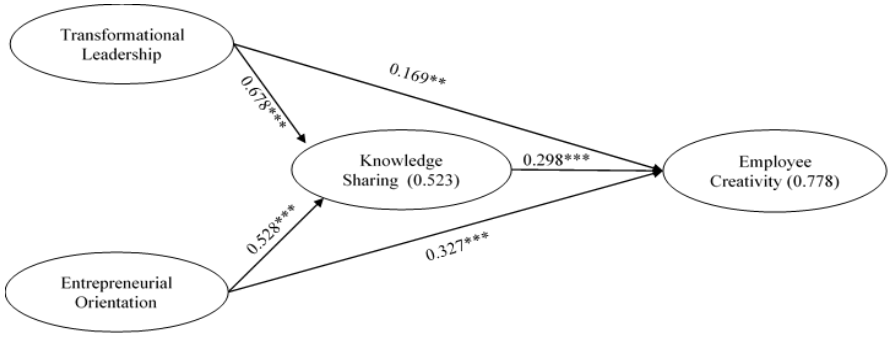

Figure 2. Structural Equation Modelling Results

As illustrated in Figure 2, our findings mainly corroborate the initial model. However, since our hypothesis includes the effects of mediation, we need further testing to see if mediation does occur. Table 3 summarizes both direct and indirect effects. The direct impacts are equivalent to the standardized regression coefficients presented in Figure 2. We employed a bootstrapping approach to evaluate our mediation hypothesis. Along with robust estimates, bootstrapping processes generate "bias-corrected confidence intervals," which allow us to assess the significance of indirect effects. The indirect effects can be found in the lower half of the table. Additionally, because we measured our concepts using several variables, we can divide all indirect effects into the specific effects of each variable. When examining our mediation hypotheses (3-4), we initially analyze the aggregate indirect effect before examining the specific effects in greater detail.

Table 2. Results of Direct and Indirect Effects

Dependent Variables		
Independent Variables	Employee Creativity	Knowledge Sharing
Direct Effects		
Transformational leadership	H1: 0.146* (0.082)	0.383** (0.107)
Entrepreneurial orientation	H2: 0.417** (0.063)	0.439** (0.064)
Gender	0.132** (0.013)	ns
Manager	ns	0.119** (0.012)
Indirect effects		
Transformational leadership via knowledge sharing	H3: 0.170** (0.050)	-
Entrepreneurial orientation via knowledge sharing	H4: 0.195** (0.067)	-

Note. ns = non-significant
*ρ < 0.05; **ρ < 0.01

First, we hypothesized that transformational leadership is positively linked with employee creativity. The findings indicate that these two variables have a positively direct effect (β = 0.146, SE = 0.082, p < 0.05), thus, the data support H1. Second, we hypothesized that entrepreneurial orientation is positive linked with employee creativity. The findings indicate that these two variables have a positive direct effect (β = 0.417, SE =0.063, p < 0.01), thus, the data support H2. Third, we hypothesized that

knowledge sharing mediates the effect of transformational leadership on employee creativity. In Table 3, the findings indicate that transformational leadership has a statistically significant indirect effect on employee creativity (β = 0.170, SE= 0.050, p < .01), thus the data fully support H3. Fourth, we hypothesized that knowledge sharing mediates the effect of transformational leadership on employee creativity. In Table 3, the findings indicate that entrepreneurial orientation has a statistically significant indirect effect on employee creativity (β =0.195, SE = 0.067, p < .01). Thus, the data partly support H4. Our findings are summarized in Table 3.

Table 3. Hypothesis Testing Results

H1. Transformational leadership is expected to be positively related to employee creativity.	Supported
H2. Entrepreneurial orientation has a positive influence on employee creativity	Supported
H3. Transformational leadership positively impact employee creativity via knowledge sharing	Partially Supported
H4: Entrepreneurial orientation positively impact employee creativity via knowledge sharing	Fully Supported

Conclusions

Overall, the findings have shown that such leadership styles are related to employee creativity. According to the author's analysis, there are two relationships; (1) there is a direct effect of TRL on KS and EC, and (2) there are direct effects of EO on KS and EC. Transformational leadership (TRL) and entrepreneurial orientation (EO) have indirect effects on employee creativity (EC). First, knowledge sharing (KS) partly mediates the relationship between TRL and EC. Second, entrepreneurial orientation (EO) and employee creativity (EC) also have an indirect relationship.

The study explores the influence of transformational leadership (TRL) and entrepreneurial orientation (EO) on knowledge sharing (KS) and employee creativity (EC) in Indonesian financial firms. This research contribution can guide managers and majority shareholders to enhance EC by making their leaders willing to KS and focus by developing effective and transparent TRL. Numerous limitations influence the analysis and findings. Firstly, our study focuses exclusively on "knowledge workers" in the financial firm. Hence, future study is required to ascertain whether the results can be generalized to other non-financial sectors.

Notes on Contributors

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