



The Impact of Transformational Leadership on Employee Creativity: The Mediating Role of Intrinsic Motivation in Organizational Settings

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ABSTRACT

This study examined the impact of transformational leadership on employee creativity with the mediating role of intrinsic motivation in public and private sector organizations in Punjab, Pakistan. A quantitative research approach with a cross-sectional, survey-based correlational design was employed to test the proposed hypotheses. Data were collected from 867 employees working in schools, colleges, universities, and administrative offices through a structured self-administered questionnaire using a five-point Likert scale. Respondents from public and private sector organizations were selected using a convenience sampling technique. The data were analyzed using SPSS. Descriptive statistics, reliability analysis, correlation, regression, and mediation analyses were employed in the study. The findings showed that transformational leadership positively influences employee creativity ($\beta = 0.62, p < .01$), and intrinsic motivation ($\beta = 0.58, p < .01$). In addition, the study established that intrinsic motivation significantly and positively influences employee creativity ($\beta = 0.65, p < .01$). Mediation analysis showed that intrinsic motivation partially mediates the influence of transformational leadership on employee creativity. Overall, the findings indicate that transformational leadership enhances employee creativity both directly and indirectly through intrinsic motivation. The study contributes to transformational leadership and motivation theories by identifying intrinsic motivation as a key psychological mechanism linking leadership behaviour to employee creativity. Practically, the findings suggest that managers should adopt transformational leadership practices that strengthen employees' intrinsic motivation, thereby supporting innovation and organizational performance.

Introduction

Background of the Study

Modern organizations find it increasingly difficult to maintain a competitive edge. This is primarily due to the need to respond to the demands of a complex, fast-paced, and competitive market (Anderson et al., 2014). Most scholars and practitioners agree that innovation is key to an organization's success (Zhou & Hoever, 2014).

However, employee creativity is the starting point of all innovations. Creativity among employees is the capacity to come up with original and valuable ideas about the organization's services, products, or other processes (Amabile et al., 1996; Anderson et al., 2014; Zhou & Hoever, 2014). As organizations continue to thrive in knowledge-based economies, the need for

and benefits of increased employee creativity dominate the management discourse. Creative employees aid organizations in achieving their goals and objectives, regularly creating and identifying new opportunities and solving and uplifting the organizational status and system. Therefore, the study and understanding of the various organizational elements and their ability to stimulate employee creativity has gained momentum (Suifan et al., 2018; Lee et al., 2020).

Numerous studies have shown that among the most dominant factors of creativity in organizations is leadership. Leaders shape the workplace environment and influence employees' attitudes; therefore, they can either encourage or restrict the expression of creative behaviour. Inspirational leadership encourages employees to think beyond conventional approaches, evaluate problems from different perspectives, and participate actively in creative processes. Understanding the role of leadership in employee creativity has become increasingly important for sustaining organizational growth and innovation (Shalley et al., 2004; Hughes et al., 2018; Zheng et al., 2023).

Transformational Leadership and Employee Creativity

Transformational leadership is one of the most extensively studied leadership approaches in organizational behaviour because of its influence on employees' attitudes, motivation, and performance. The concept was introduced by Burns (1978) and was subsequently developed by Bass (1985), who explained how transformational leaders motivate followers to move beyond personal interests and work toward shared organizational goals. Transformational leadership refers to a leadership style where a leader builds followers who have a greater purpose and desire to achieve goals beyond their own. Bass and Riggio (2006) and Banks et al. (2016) point out the four dimensions of transformational leadership: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration.

These dimensions of leadership style relate to creativity as they nurture a culture of improvement and learning. Through intellectual stimulation, transformational leaders push followers to challenge the status quo and think outside the box to create solutions to the challenges the organization is facing. Transformational leaders energize and engage followers by helping them draw connections between the tasks they perform and the larger picture or vision of the organization. Through individualized consideration, transformational leaders help followers realize their goals by providing support and personal development opportunities. Transformational leadership is positively and significantly related to employee creativity and innovative behavior in many contexts (Gumusluoglu & Ilsev, 2009; Mittal & Dhar, 2015).

Existing empirical research has proved the positive association between transformational leadership and employee creativity. When employees view their leaders as transformational, they are more likely to think creatively, come up with new ideas, and innovate within the organization. Transformational leaders create an environment of support, trust, and psychological safety around their employees, and as a result, employees feel safe to work on their ideas and may not be as concerned with the possibility of criticism or failure (Shin & Zhou, 2003; Lei et al., 2021; Zheng et al., 2023).

The Role of Intrinsic Motivation

Even though the direct association between transformational leadership and employee creativity has been determined, researchers are starting to pay more attention to the psychological mechanisms of this relationship. One of the psychological mechanisms is viewed as intrinsic motivation, which is extremely important when enhancing an individual's creative performance. Intrinsic motivation refers to engaging in an activity because of the inherent interest, enjoyment, and satisfaction derived from the activity itself, rather than because of external rewards, pressures, or consequences (Deci & Ryan, 1985; Ryan & Deci, 2020).

One of the key propositions of Amabile's (1996) Componential Theory of Creativity is that intrinsic motivation is central to creativity. Intrinsically motivated individuals are more likely to work with commitment, show greater perseverance, and look for solutions to challenges. Because intrinsically motivated individuals engage in creative work for the pleasure and meaning they derive from the work, they think and work creatively and innovatively. For these reasons, intrinsic motivation is one of the best predictors of the level of creativity exhibited by employees in organizations (Amabile & Pratt, 2016; Fischer et al., 2019).

Self-Determination Theory also explains intrinsic motivation as the outcome of the satisfaction of the fundamental psychological needs of autonomy, competence, and relatedness (Jyoti & Dev, 2015; Erkutlu, 2008). Organizations that fulfill these psychological needs in their employees promote the employees' engagement, willingness, and creativity. Therefore, examining how different leadership behaviors influence employees' intrinsic motivation is essential for explaining variations in employee creativity.

Transformational Leadership and Intrinsic Motivation

Intrinsic motivation is enhanced among employees by the efforts of transformational leaders. Because transformational leaders provide a compelling vision, encouragement, and personal support for employee development, they create work contexts that enhance employees' intrinsic motivation (Brewer et al., 2016). Employees of transformational leaders perceive the work they do as having greater value and thus do the work with greater purpose and interest.

Transformational leaders, for example, encourage autonomy and empowerment by giving employees discretion in making decisions and solving problems. Such autonomy enhances employees' sense of ownership and responsibility and increases their intrinsic motivation. Along with intellectual stimulation, transformational leaders encourage employees to work creatively in order to bring about new and better ways of doing their work. Individualized consideration, in addition to the above motivational principles, serves to satisfy employees' personal needs and as such strengthens employees' intrinsic motivation (Givens, 2008; Metwally et al., 2014).

Numerous studies have identified a positive relationship between transformational leadership and intrinsic motivation. Employees under transformational leadership tend to have a high degree of psychological empowerment, which increases their motivation and commitment to work. Such motivation and commitment have a positive impact on organizational innovation and creativity (Çekmecelioğlu & Özbağ, 2016; Strukan et al., 2017).

The Mediating Role of Intrinsic Motivation

Transformational leadership may directly influence employee creativity. However, researchers are of the opinion that the intrinsic motivation of employees mediates the relationship between transformational leadership and employee creativity. A mediating variable is one which explains the process of how one variable of interest influences the other. In this instance, intrinsic motivation is a psychological variable which clarifies how transformational leadership impacts employee creativity.

Transformational leaders inspire staff by establishing reachable yet meaningful objectives and supporting both intellectual and emotional development. These adaptive leadership behaviors promote intrinsic motivation. When work is rewarding and enjoyable, employees engage and participate more. Employees who are more driven and motivated are more likely to use their cognitive resources, pursue new ideas and approaches, and understand the value in solving difficult and complex problems. As a result, intrinsic motivation enables leadership impact to result in more creative work (Amabile & Pratt, 2016).

Many studies have explored this notable relationship. Shin and Zhou (2003), for example, stated that the use of transformational leadership positively correlates with employee creativity through the enhancement of internal employee motivation and their willingness to perform a creative task. In a parallel vein, Wang and Rode (2010) explained that transformational leaders promote creativity in their followers only if employees are intrinsically motivated. More recent studies have validated that intrinsic motivation mediates the transformational leadership-employee creativity nexus considerably (Aristana et al., 2023; Weng et al., 2015).

Accordingly, this study examined the impact of transformational leadership on employee creativity, assessed its effect on employees' intrinsic motivation, investigated the relationship between intrinsic motivation and employee creativity, and tested the mediating role of intrinsic motivation in the relationship between transformational leadership and employee creativity.

Specifically, the study addressed how transformational leadership influences employee creativity and intrinsic motivation, how intrinsic motivation relates to employee creativity, and whether intrinsic motivation mediates the relationship between transformational leadership and employee creativity.

In a modern age of constant change and competition, businesses are using employee creativity for key innovations and performance that sustain a competitive edge. Transformational leadership is thought to encourage employee creativity, but these mechanisms are not yet fully understood. Past research has primarily analyzed the direct link between transformational leadership and employee creativity, but has done little to consider intrinsic motivation as a mediator. In addition, the lack of clarity and contradiction in findings across different contexts have prompted consideration into how transformational leadership cultivates employees' intrinsic motivation and creativity. This research intends to fill the existing gap by analyzing how transformational leadership impacts employee creativity while accounting for the mediating role of intrinsic motivation in an organizational context.

This research builds upon the body of knowledge surrounding leadership, motivation, and employee creativity by examining the effects of transformational leadership on creative performance. This study is important because it identifies the role of intrinsic motivation and adds to the literature on Transformational Leadership Theory and Self-Determination Theory,

particularly in the context of the workplace. The research should also be beneficial to managers, leaders, and HR practitioners and provide them with an understanding of the need for transformational leadership behaviors in their organization in order to improve employee intrinsic motivation and creativity. The research should assist the organization in developing leadership development and motivational programs that seek to enhance creativity and employee performance and also improve the organization's competitiveness in a changing business environment.

Literature Review

Research on leadership and organizations has greatly embraced transformational leadership due to its potential to motivate employees, engender innovation, and heighten workplace productivity. Burns (1978) introduced the concept of transformational leadership, which Bass (1985) subsequently developed into a comprehensive leadership model. Transformational leadership comprises four dimensions: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Bass & Riggio, 2006; Ystaas et al., 2023). Unlike transactional leadership characterized by a concentration on rewards and outcomes, transformational leadership is about creating a vision to elevate employees' levels of responsibility and loyalty.

According to Alsayyed et al. (2020), employee creativity consists of the ability to form original ideas that can constructively change the way functions or tasks are executed in an organization. This form of creativity is desirable in an organization because of the role it plays in creating new ideas that promote a competitive edge. For modern organizations, employees are expected to be the source of the creativity that is needed to keep an organization relevant to the changes in the market and the evolving technology. Due to this, many researchers have concentrated on the organizational elements that promote employee creativity. Of these elements, most have characterized leadership as the strongest of them all. This is because leaders play an instrumental role in determining the conditions of the workplace, the availability of resources, and the assistance needed for employees to be creative (Krishnan, 2004).

Several theories can be used to analyze the interconnection between transformational leadership and creativity of the employees. Transformational leadership entails leaders' intellectual stimulation of employees. Through this, the employees are encouraged to think outside the box in the traditional methods of solving problems. This is the basis of creativity and divergent thinking. Transformational leaders also have the ability to rally employees to work towards the organizational vision by creating meaning in the tasks they do. This strengthens the inclination of the employees to offer innovative and creative ideas and to be more adventurous and risk aligned. Transformational leadership is also instrumental in the individualized mentoring and growth of employees, thereby nurturing their creativity in the work environment, and ultimately, in the organization (Teymournejad & Elghaei, 2017).

Transformational leadership has been linked to increased employee creativity in a number of empirical studies. For example, Selamat et al. (2013) stated that transformational leadership promotes employee creativity through the development of an encouraging environment, which fosters creative thinking. Likewise, Molero et al. (2007) indicated that there is a positive transformational leadership - individual creativity and organizational innovation relationship. Further supporting literature continues to show that, for example, Schuh et al. (2013) stated that the creativity of employees is developed through a transformational leader who develops the employees' level of psychological empowerment and engagement. The evidence provided shows that transformational leadership is a great determinant of employee creativity, regardless of the context of the organization.

Transformational Leadership and Intrinsic Motivation

Acknowledging and understanding the role of intrinsic motivation in relation to changing employee attitudes and behavior has become imperative. Self-Determination Theory (SDT) posits that individuals are intrinsically motivated when they are engaged in an activity for the sake of the activity. Extrinsic rewards or pressure do not determine their level of engagement (Hobman et al., 2011). Intrinsically motivated individuals tend to have a higher level of engagement, persistence, and satisfaction in the tasks they perform. Several positive outcomes have been associated with intrinsic motivation in the work environment. They include organizational commitment, job satisfaction, innovation, learning, and creativity. This has heightened interest to understand the implications of different leadership styles on intrinsic motivation.

Satisfaction of the intrinsic needs of employees, namely, autonomy, competence, and relatedness, is believed to increase intrinsic motivation, and is attributed to transformational leadership. Employees' autonomy is enhanced when transformational leaders allow employees the freedom to partake in the decision-making process and the freedom to think for themselves. Moreover, transformational leadership style promotes employees' self-perception of their level of competence through professional development activities. Relatedness, one of the psychological needs, is fulfilled through the interpersonal

relationships of transformational leaders. These relationships are characterized by support, trust, and respect. Consequently, employees realize fulfillment in their work and become intrinsically more motivated (Dumay & Galand, 2012).

Multiple empirical studies validate the positive influence of transformational leadership on intrinsic employee motivation. Specifically, Bellé (2014) defined transformational leadership as a catalyst of intrinsic motivation that helps employees by designing work around the creation of meaning and work-based psychological empowerment. Alrowwad et al. (2017) stated that employees who recognize substantial levels of transformational leadership are more intrinsically motivated and engaged in their work. Furthermore, it appears that transformational leaders are best suited for crafting work-based psychological empowerment that shifts employee motivation from an externally driven influence toward intrinsic motivation. More recently, transformational leadership has been associated with enhanced employee intrinsic motivation through psychological empowerment and a strengthened sense of purpose and personal growth that align with the employees' intrinsic motivation and the overarching organizational goals (Udin, 2024). From this, transformational leadership stands out as one of the more robust predictors of intrinsic motivation in the workplace.

Intrinsic Motivation and Employee Creativity

Intrinsic motivation is one of the major driving forces of creative employee behavior. According to Amabile's (1983, 1996) Componential Theory of Creativity, creative behavior is most strongly influenced by an individual's intrinsic motivation and the private pleasure and satisfaction derived from the creative activity, rather than an externally offered reward. The more intrinsic motivation employees feel, the more cognitive effort they invest in their work, overcome challenges and explore innovative ideas. Consequently, the strong intrinsic motivation of employees helps generate unique and valuable work and enhances organizational innovation.

The link between intrinsic motivation and creativity may be explained by a few psychological factors. First, employees who are self-motivated are more likely to experience positive emotions (curiosity, excitement, etc.) that are conducive to the generation of new ideas and thinking. Second, self-motivated people are more likely to pursue and even enjoy the practice of risk-taking and thinking outside the box. This is because the motivation stems from a personal incentive and not the avoidance of a negative consequence (the fear of failure). Third, when individuals are self-motivated, they become more engrossed in the task at hand, and this development of interest facilitates the generation of ideas and the cultivation of skills that aid in creative thinking and the solution of complex problems. Thus, employees who are intrinsically motivated are more creative and self-driven than employees who are motivated by negative and positive external stimuli (Haddad et al., 2018).

There is plenty of evidence to support that the relationship between intrinsic motivation and creativity is a positive one. Empirically, Fischer et al. (2019) indicated that intrinsic motivation positively correlated with creative output at work. In studies conducted by Jiang and Chen (2018), the intrinsic motivation of employees was clearly viewed as a vital component of the creative climate and the innovative output of the organization. More recently, research has confirmed that the intrinsic motivation of employees was positively correlated with the persistence and exploration of new ideas (Patiar & Wang, 2016). Thus, organizations that are interested in improving the creativity of their employees should consider the development of the intrinsic motivation and interests of their employees.

The Mediating Role of Intrinsic Motivation in the Relationship Between Transformational Leadership and Employee Creativity

Transformational leadership is considered one of the most vital leadership styles for facilitating creativity; however, the relationship between these two variables is not direct. Researchers have started to focus on how transformational leadership may enhance employee creativity through different psychological mechanisms, and the concept of intrinsic motivation has been one of the most popular. In this case, intrinsic motivation is a mechanism through which transformational leadership may strengthen employee creativity.

Transformational leadership is characterized by the ability to intellectually inspire followers. It also involves Inspirational motivation, Individualized consideration, and Idealized influence. When employees feel that their work is enjoyable and valuable, they tend to be more motivated to perform the tasks and work involves being creative. Transformational leadership strengthens the intrinsic motivation of employees and this creativity is expressed in different ways.

Several empirical studies support this mediation effect. Shin and Zhou (2003) described how transformational leadership promotes employee creativity through the enhancement of employee motivation and their willingness to participate in creative activities. Similarly, Copeland (2016) suggested that intrinsic motivation is crucial in the mediation of transformational leadership behavior and the resultant creative outcome. More recent studies have offered the mediation effect even more compelling evidence. Aristana et al. (2023) found that intrinsic motivation mediates the relationship

between leadership and employee creativity. Furthermore, Boamah et al. (2018) argued that employees who are under the influence of transformational leadership tend to be more creative because of the motivational and engagement enhancement effects of transformational leadership. Collectively, these studies imply that if prominent leadership in an organization is able to enhance the intrinsic motivation of its employees, the intrinsic motivation will provide the means through which creativity is expressed.

Although previous studies have examined the mediating role of intrinsic motivation in contexts outside Pakistan, limited research has tested this mediation model within public and private sector organizations in Pakistan. Furthermore, existing findings have varied across organizational and cultural contexts, necessitating further empirical investigation in this under-researched setting (Shin & Zhou, 2003; Aristana et al., 2023).

Hypotheses of the study

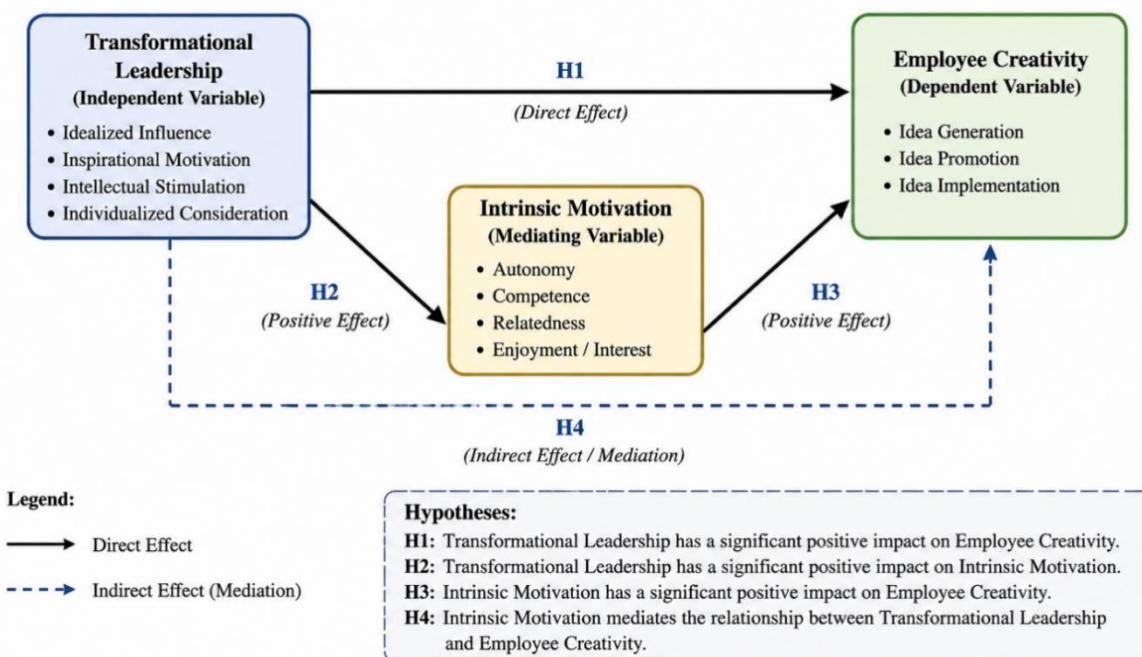
H1: Transformational leadership has a significant positive impact on employee creativity.

H2: Transformational leadership has a significant positive impact on employees' intrinsic motivation.

H3: Intrinsic motivation has a significant positive impact on employee creativity.

H4: Intrinsic motivation significantly mediates the relationship between transformational leadership and employee creativity.

Conceptual Framework



Methods

Research Design

This study employed a quantitative, cross-sectional correlational design to examine the direct and mediating relationships among transformational leadership, intrinsic motivation, and employee creativity. The study population comprised employees working in public and private sector organizations in Punjab, Pakistan, including schools, colleges, universities, and administrative offices. A total of 867 full-time employees were selected through non-probability convenience sampling based on their availability and willingness to participate.

Measures

The data collected were based on a structured self-administered questionnaire consisting of items on the three study constructs and the demographic information. Transformational leadership was measured using 10 items adapted from the Multifactor Leadership Questionnaire (Ismail et al., 2010), intrinsic motivation was measured using eight items from the

Work Preference Inventory (Amabile et al., 1994), and employee creativity was measured using seven items adapted from an established employee creativity scale (Tierney et al., 1999).

Eligible employees were sent questionnaires by both mail and e-mail. The participants were provided with information on what the study was about, that they could participate in the study voluntarily and that they could withdraw at any stage. No personally identifying information was gathered and confidentiality and security of the responses were preserved throughout the research process. In total 867 questionnaires were kept for final analysis.

Results

IBM SPSS Statistics, Version 25.0, was used to analyze the data. The dataset was checked for missing data, data-entry errors, outliers, and the relevant regression assumptions. Data were summarized using descriptive statistics and reliability was assessed by Cronbach's alpha and the hypotheses were tested using Pearson correlation, regression analysis and mediation analysis at the .05 level of significance.

Table 1: Demographic Profile of Respondents (N = 867)

Variable	Categories	Frequency (f)	Percentage (%)
Gender	Male	512	59.1
	Female	355	40.9
Age Group	20–30 years	276	31.8
	31–40 years	342	39.5
	41–50 years	182	21.0
	Above 50 years	67	7.7
Education Level	Bachelor's Degree	298	34.4
	Master's Degree	421	48.6
	MPhil/MS	112	12.9
	PhD	36	4.1
Sector Type	Public Sector	472	54.4
	Private Sector	395	45.6
Organization Type	Schools	301	34.7
	Colleges	214	24.7
	Universities	168	19.4
	Administrative Offices	184	21.2
Work Experience	Less than 5 years	221	25.5
	5–10 years	318	36.7
	11–15 years	207	23.9
	Above 15 years	121	13.9

Analyzing the demographics of the sample (N = 867), 59.1% of respondents were male and 40.9% were female. Most respondents (39.5%) were in the 31–40 age category, followed in size order by the 20–30 age category (31.8%), the 41–50 age category (21.0%), and those over 50 years old (7.7%). Regarding education, 48.6% had completed a Master's degree, 34.4% had a Bachelor's degree, 12.9% were MPhil/MS degree holders, and 4.1% were PhD degree holders. The sample contained respondents from the public sector (54.4%) and private sector (45.6%) workplace areas, with a slight majority from the public sector. The highest proportion of respondents belonged to schools (34.7%), and were followed in size order by respondents from colleges (24.7%), administrative offices (21.2%), and universities (19.4%). Regarding work experience, most had 5–10 years of work experience (36.7%), followed in size order by those with less than 5 years (25.5%), 11–15 years (23.9%), and more than 15 years of work experience (13.9%). The sample contained a variety of educational professionals, making it suitable for the analyses.

Table 2: Reliability Statistics (Cronbach's Alpha)

Variables	Number of Items	Cronbach's Alpha (α)
Transformational Leadership	10	0.91
Intrinsic Motivation	8	0.88
Employee Creativity	7	0.90
Overall Scale	25	0.93

Each of the constructs showed acceptable to excellent internal consistency. Each of these had a Cronbach's Alpha value of greater than 0.70. In particular, in this research, the reliability of the measurement instruments for transformational leadership ($\alpha = .91$), intrinsic motivation ($\alpha = .88$), and employee creativity ($\alpha = .90$) was shown to be strong.

Table 3: Descriptive Statistics and Pearson Correlation Between Transformational Leadership and Employee Creativity

Variables	Mean	SD	1	2
1. Transformational Leadership	3.82	0.71	1	
2. Employee Creativity	3.76	0.68	.62**	1

Note. N = 867. **p < .01 (two-tailed).

A correlation analysis indicated a strong positive link between employee creativity and transformational leadership ($r = .62$, $p < .01$). This was observed across the public and private sectors of Punjab, Pakistan where employee creativity was higher when there were higher levels of transformational leadership.

Table 4: Model Summary and ANOVA for the Effect of Transformational Leadership on Intrinsic Motivation

Model	R	R ²	Adjusted R ²	F	Sig.
1	0.58	0.34	0.34	448.72	< .001

Note. Dependent Variable: Intrinsic Motivation; Independent Variable: Transformational Leadership; N = 867.

Table 5: Coefficients of Regression Analysis

Variables	B	Std. Error	β	t	Sig.
(Constant)	1.12	0.08	—	14.00	<0.001
Transformational Leadership	0.68	0.032	0.58	21.18	< .001

Note. Dependent Variable: Intrinsic Motivation; ; N = 867.

The impact of transformational leadership on the intrinsic motivation of employees was evaluated through a regression analysis. The results in the ANOVA table show that the regression model held ($F = 448.72$, $p < .001$) and that the leadership style was a key determinant of the intrinsic motivation of employees in the public and private sectors of Punjab, Pakistan. The model summary recorded an R value of 0.58 which means there was a strong positive correlation between transformational leadership and the intrinsic motivation of employees. The remaining 66% was due to other factors outside this analysis.

The coefficients table gives further evidence of the importance of transformational leadership to the enhancement of the intrinsic motivation of the employees ($\beta = 0.58$, $t = 21.18$, $p < .001$). As transformational leadership increases, so does the intrinsic motivation of the employees. The unstandardized coefficient shows $B = 0.68$, meaning a unit change in transformational leadership leads to a 0.68 change in employees' intrinsic motivation. The constant ($B = 1.12$) is the intrinsic motivation of the employees when there is a total absence of transformational leadership. This leads to the support of Hypothesis 2 (H2). There exists a positive relationship of transformational leadership and the intrinsic motivation of the employees.

To examine the relationship between intrinsic motivation and employee creativity:

Table 6: Regression Analysis (ANOVA Model Summary)

Model	R	R ²	Adjusted R ²	F	Sig.
1	0.65	0.42	0.42	626.14	< .001

Note. Dependent Variable: Employee Creativity; Independent Variable: Intrinsic Motivation; N = 867.

Table 7: Coefficients of Regression Analysis

Variables	B	Std. Error	β	t	Sig.
(Constant)	0.98	0.07	—	14.00	< .001
Intrinsic Motivation	0.75	0.03	0.65	25.02	< .001

Note. Dependent Variable: Employee Creativity; N = 867.

A regression analysis was used in this study to analyze the impact of intrinsic motivation on employee creativity. The ANOVA results indicated the overall regression model was significant ($F = 626.14$, $p < .001$), supporting the notion that intrinsic motivation has a considerable effect on employee creativity for the employees of public and private sector organizations in Punjab, Pakistan. Based on the model summary, an R value of 0.65 shows a considerable positive relationship, while an R^2 value of 0.42 shows that intrinsic motivation accounts for 42% of the employee creativity variance.

According to the coefficients table, intrinsic motivation positively impacts employee creativity ($\beta = 0.65$, $t = 25.02$, $p < .001$). This reflects the relationship that, the more an employee is intrinsically motivated, the more creative an employee becomes. With the unstandardized coefficient ($B = 0.75$), a one-unit increase of intrinsic motivation leads to a 0.75-unit increase of creativity, and ($B = 0.98$) indicates the amount of creativity when intrinsic motivation is completely absent. From this information, it can be concluded that intrinsic motivation affects employee creativity, thus supporting Hypothesis 3 (H_3).

Mediation Analysis

Table 8: Standardized Direct, Indirect, and Total Effects of Transformational Leadership on Employee Creativity

Effect	β	SE	t/z	p	95% CI
Total effect of TL on EC	.620	.027	23.24	< .001	—
Direct effect of TL on EC after controlling for IM	.366	.029	12.54	< .001	—
Indirect effect of TL on EC through IM	.254	.021	12.19	< .001	[.213, .295]

Note. TL = transformational leadership; IM = intrinsic motivation; EC = employee creativity; N = 867. All coefficients are standardized. The total effect comprises the direct and indirect effects ($.366 + .254 = .620$). Approximately 40.9% of the total effect was transmitted through intrinsic motivation.

Table 9: Standardized Path Coefficients for the Mediation Model

Path	β	p
TL $\rightarrow$ IM (a)	.580	< .001
IM $\rightarrow$ EC (b)	.438	< .001
TL $\rightarrow$ EC (c')	.366	< .001

Note. TL = transformational leadership; IM = intrinsic motivation; EC = employee creativity; N = 867. The coefficient reported for IM $\rightarrow$ EC in Table 7 ($\beta = .650$) represents the unadjusted bivariate effect, whereas $\beta = .438$ represents the adjusted effect after controlling for transformational leadership. The standardized indirect effect was $.580 \times .438 = .254$.

Interpretation (APA Style)

Transformational leadership significantly predicted intrinsic motivation ($\beta = .580$, $p < .001$). After transformational leadership and intrinsic motivation were entered simultaneously as predictors of employee creativity, intrinsic motivation remained a significant predictor ($\beta = .438$, $p < .001$), while transformational leadership retained a significant direct effect ($\beta = .366$, $p < .001$). The standardized indirect effect of transformational leadership on employee creativity through intrinsic motivation was .254, with a 95% confidence interval of [.213, .295]. The direct and indirect effects were consistent with the

total effect because $.366 + .254 = .620$. Since the direct effect remained significant after intrinsic motivation was included, the findings demonstrated partial mediation and supported H4.

Discussion

This study aimed to explore how transformational leadership relates to employee creativity, considering intrinsic motivation as a mediating factor in organizations within the public and private sectors in Punjab, Pakistan. The findings of the study offer robust empirical evidence to support the hypotheses, as well as aligning with the available theoretical and empirical literature. In conclusion, the evidence indicates that transformational leadership is important for improving employee creativity, both indirectly and directly, via intrinsic motivation.

In the first hypothesis (H1), transformational leadership was found to have a major positive influence on employee creativity. The evidence supported the hypothesis and showed that the more employees perceived leaders to be transformational, the more creative the employees were. This is consistent with Carreiro and Oliveira (2019) and Chi et al. (2012), who stated that leaders who practice transformational leadership stimulate followers to think creatively and constructively by providing intellectual stimulation. The evidence of the current study, in both the public and private sectors of Punjab, Pakistan, is an addition to the existing literature, as it shows that transformational leaders encourage creativity by providing employees with the freedom, inspiration, and intellectual challenges.

The second hypothesis (H2) investigated transformational leadership and its impact on intrinsic motivation. The results indicated a robust positive relationship, meaning that transformational leadership contributes to the intrinsic motivation of employees. Freeborough and Patterson (2016) stated that transformational leadership increases intrinsic motivation, as it constructs work that is meaningfully impactful and psychologically empowering. Masi and Cooke (2000) stated that employees exposed to transformational leaderships exhibit an increase in both intrinsic motivation and work engagement. This study builds on the work of Freeborough and Patterson (2016) and Masi and Cooke (2000) by stating that within Pakistan, the transformational leadership dimensions of inspirational motivation, individualized consideration, and intellectual stimulation enhance employees' intrinsic motivation and enjoyment of work.

The third hypothesis (H3) stated that intrinsic motivation positively affects creativity in employees. Results showed that employees who display intrinsic motivation are more creative. This finding is consistent with Amabile's (1983, 1996) Componential Theory of Creativity and with evidence that intrinsic motivation supports creativity and innovation (Amabile & Pratt, 2016; Fischer et al., 2019).

The most notable aspect of this research was its examination of the fourth hypothesis (H4). This hypothesis proposed that intrinsic motivation mediated the relationship of transformational leadership and employee creativity. The evidence suggested that there is a partial mediation effect that a direct and indirect relationship of transformational leadership was evident in employee creativity. This result was supported by Shin and Zhou (2003), who proposed that motivation is the sole mechanism in which transformational leadership impacts creativity, while Wang and Rode (2010) identified that intrinsic motivation is the psychological mediation between leadership behavior and creativity. Recently, Aristana et al. (2023) presented evidence to support the mediation role of intrinsic motivation and proposed that transformational leadership causes creativity by enhancing employee intrinsic motivation and participation.

This study enriches the academic knowledge of Transformational Leadership Theory and Self-Determination Theory. The evidence from this study and from this perspective provides the support that transformational leadership is a direct and significant antecedent of creativity, and that it acts through mechanisms of motivation. Within this framework, intrinsic motivation is a vital psychological component that provides the linkage of leadership behavior and the performance of reflective creativity. This provides the basis to argue that the creativity of employees is a function of leadership behaviors, but that it is also a function of employees' psychological states.

Practically, results indicate that transformational leadership behavior should be cultivated among managers and supervisors in many organizations in Pakistan. In order to increase intrinsic motivation, organizations need to create a culture of inspiration and support among their workforce, while promoting and allowing employees the freedom to challenge the status quo. Organized, purposeful innovation, and high levels of employee performance, are achieved through a positive, motivating work environment. In today's high pressure, fast evolving organizational climate, competitive advantage rests on the ability of that organization and its people to be creative.

Conclusion

This research has studied the link between transformational leadership and employee creativity in organizations in Punjab, Pakistan, with the mediation of intrinsic motivation. It has found evidence that transformational leadership in Punjab, both in the public and private sector, positively and significantly influences employee creativity and intrinsic motivation. The research has further ascertained that intrinsic motivation positively and significantly influences employee creativity. The research has also shown that intrinsic motivation plays a significant partial mediating role in the relationship between transformational leadership and employee creativity. From these findings, it is clear that transformational leadership not only directly influences and improves the creative performance of employees, but also indirectly enhances this creativity through the development of employees' intrinsic motivation.

Overall, the analysis asserts that transformational leadership substantially increases intrinsic motivation and creativity of employees across all sectors. It claims the results are even more pronounced for employees who are intrinsically motivated. It stresses the need for transformational leadership to create an innovative environment within an organization to maximize performance. It also states the cultivation of intrinsic motivation among employees increases creativity. The research extends existing theories of leadership and motivation and provides insight to managers and policy makers on how to address motivation and creativity to increase the overall effectiveness of the organization in today's competitive environment.

Future Implications

The results of the research point to many important areas for future research and practice within organizations. It is essential that subsequent studies concentrate on transformational leadership within the different sectors and cultures to increase the validity of the findings. Researchers should consider the inclusion of other mediators and moderators such as psychological empowerment, job autonomy, and the organizational culture, and knowledge sharing to develop a wider grasp of the relationship between leadership and the construct of creativity. In addition, future researchers should consider longitudinal studies. It is imperative that organizations implement training to develop transformational leadership among their managers to create a work environment that supports and enhances employees' intrinsic motivation. This will allow organizations to create sustained competitive advantage based on employee performance and innovation.

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