# Transformational Leadership and Employees' Creativity: A Multi-Mediation Model

Maria Saleem<sup>1</sup> Faisal Mahmood<sup>2</sup>

#### **Abstract**

This research aims to examine the relationship between transformational leadership and employees' creativity through mediating role of trust and job autonomy. The study employed cross sectional survey method for the collection of data from 187 employees working in construction and banking sectors of Pakistan. The findings reveal that transformational leadership fosters employees' creativity through trust and job autonomy. Both trust and job autonomy have statistically significant mediating effect. However, trust being the mediator, plays a more significant role in boosting up the transformational leadership and employees' creativity relationship as compared to job autonomy. This research helps to know how transformational leadership enhances employees' creativity by enlightening the mediating role of trust and job autonomy. Further, the findings of this research also help the managers to understand and create such environment which enhances employees' creativity by focusing on the factors identified in this study. This research contributes to advance the literature on the mediating role of trust and job autonomy in describing the relationship of transformational leader and employee's creativity and highlighting that trust plays a more important role to enhance creativity in contrast to job autonomy. Further, this is the first attempt to enhance the employee creativity through transformational leadership style and the mediating role of both trust and job autonomy in Pakistan.

<sup>&</sup>lt;sup>1</sup> Lahore Business School, The University of Lahore, Pakistan;

<sup>&</sup>lt;sup>2</sup> Lahore Business School, The University of Lahore, Pakistan. Correspondence concerning this article should be addressed to Faisal Mahmood, Lahore Business School, The University of Lahore, Pakistan. E-mail: faisalch62@gmail.com

*Keywords:* transformational leadership, creativity, trust, job autonomy, Pakistan

#### 1. Introduction

The creation of novel and useful ideas is indispensable for the survival and competitiveness of organizations (Gong, Huang, & Farh, 2009). Increased competition, technological change and uncertainty as well as unpredictable environment force the leaders and managers of organizations to make their employees more creative and innovative (Zhang & Bartol, 2010). Both creativity and innovations play an essential role in the strategy development process of organizations. Employee creativity is considered essential for the attainment of firm level creativity which in turn provides a competitive advantage to the organizations (Tung and Yu, 2016).

Despite the continuous research to identify the factors to foster employee creativity (Henker, Sonnentag, & Unger, 2015; Jaiswal & Dhar, 2016; Ma & Jiang, 2018; Tse, To, & Chiu, 2018), the existing stream of research remains deficient to finalize the determinants of employees' creativity. Thus, there is a need to find some other factors on a broader spectrum that can enhance Employees' Creativity other than already identified factors. In this regard, the role of a leader is crucial in promoting and enhancing creativity among employees. Leaders provide such atmosphere in which employees share their knowledge as sharing of ideas stimulates individual creativity. Previous research has shown that top managements' leadership style meaningfully impacts the creativity of employees and novelty and innovation in organizations (Jung, Chow, & Wu, 2003; Jaiswal & Dhar, 2017; Wang, Qian, Ou, Huang, Xu, & Xia, 2016; Xu, Zhao, Li, & Lin, 2017). For instance, better leadership can motivate employees and can also transform and shape employees' behaviors and urges them to think creatively (Afsar, F. Badir, & Bin Saeed, 2014).

Transformational leaders, particularly, can prove to play an essential role in resolving the conflicts and promoting the knowledge sharing which results in enhancement of employee creativity as innovative employees are vital for the attainment of firm level success (Bai, Lin, & Li, 2016). Kets de Vries and Korotov (2010) argue that the world is changing, so leaders should also change their strategies by collaborating with the employees and motivating them to outperform. Moreover, managers should encourage employees by empowering and giving them some

autonomy as transformational leadership in this respect plays a vibrant role. With the help of trust and empowerment given by a transformational leader, organizational innovation can be boosted to a greater extent (Gumusluoglu and Ilsev, 2009). Creativity can help organizations in achieving competitive advantage. To make any organization creative, leadership style is of greater importance. Hence, transformational leadership is central to enhance employees' individual innovative abilities (Mittal and Dhar, 2015). Although existing literature has documented the relationship between transformational leadership and creativity in a great deal (Afsar et al., 2014; Gong et al., 2009; Gumusluoglu & Ilsev, 2009; Jung et al., 2003; Mittal & Dhar, 2015; Pieterse, Van Knippenberg, Schippers, & Stam, 2010; Reuvers, Van Engen, Vinkenburg, & Wilson-Evered, 2008) but no final consensus has been established so far in this regard.

For organizational growth, creativity is considered to be a critical factor as the creative abilities of employee haves very resilient effects on various organizational performance outcomes. Therefore, it is a need of the hour to explore some potential factors that can enhance employee creativity; transformational leadership in this regard is considered to be a very beneficial leadership style as a transformational leader can motivate employees to bring novel and unique ideas for better organizational performance. That is why researches are now trying to investigate different mechanisms through which a transformational leader influences employee's creativity. In doing so, previous research only documented a few mechanisms like intrinsic motivation, creative process engagement, creative self-efficacy, etc. Though the finding of these researches are inspiring, yet there is a need for more job-focused mechanism to advance this research on transformational leadership and employee creativity. Hence, this research aims to investigate a mechanism that explains the relationship between transformational leader and employee creativity by incorporating the mediating role of trust and job autonomy. Therefore, this research contributes in bringing novelty to the existing body of literature by investigating a new mechanism that has not been tested so far.

The objectives of this study are to analyze a mechanism to examine the relationship of transformational leadership and employees' creativity. Further, by considering the multi-meditation of trust and job autonomy to explain the relationship between transformational leadership and employees' creativity. The rest of the study is comprised of the following sections. Section 2 explains the literature review. The methodology is discussed in Section 3. Section 4 explains the results and findings, and finally, Section 5 concludes the study.

#### 2. Literature Review

Transformational leaders may empower their employees to boost up their creativity and play a significant role in making the organizational climate more innovative and creative (Gumusluoglu & Ilsev, 2009; Mittal & Dhar, 2015). Hence, the transformational leader can enhance the employees' creativity both directly and indirectly by making the culture of the organizations more innovative and encourages their employees to discuss their ideas frequently (Jung et al., 2003). Working styles are evolving with time, for instance, from rigidly defined to knowledge-based, so, for this reason, creative minds are immensely required by the organizations (De Jong & Den Hartog, 2007). Leaders can enhance their employees' creativity by making their expectations and targets explicit and by giving them such tasks which are intellectually challenging. Moreover, they should assure moral and emotional support for their employees and provide such opportunities which are helpful in improving their skills. For this purpose, leaders can arrange the provision of various platforms like training programs, national and international conferences and precise mentoring (Dong, Bartol, Zhang, & Li, 2017). Transformational leadership is considered to make employees psychologically empowered by developing a sense of trust in organizations and both are positively linked (Gumusluoglu & Ilsev, 2009).

### 2.1 Transformational Leadership

Transformational leadership is a way through which leaders implant their expectations & suppositions into the basics of an organization (Schaubroeck, Hannah, Avolio, Kozlowski, Lord, Treviño, & Peng, 2012). It causes a change in individual and social systems and develops a positive change in the followers with the ultimate goal of transitioning followers into leaders. Burns (1978) has established the concept of transforming leadership in his research on political leaders, but later this term is used in psychology too. He has defined the concept as: "transforming leadership is a concept in which both leaders and followers help each other to move forward to the high level of morale and motivation." Another researcher Bass (1985) extended the same work by explaining the psychological mechanism that

motivates transforming and transactional leadership. He has used the term transformational instead of transforming. He has further explained how transformational leadership can be measured and how it may affect the subordinate's motivation and performance. García-Morales, Jiménez-Barrionuevo, and Gutiérrez-Gutiérrez (2012) describe transformational leadership as a leadership style where the joint concern of employees is supported and helps them towards collective goals achievement.

Unlike the transactional leader who believes in rewards and punishments, and practices dependent support of followers, the transformational leader inspires, intellectually stimulates and gives individual consideration to his followers. It requires high moral development, and now it is a universally recognized concept. It is either directive or participative. Transformational leadership promotes autonomy and challenging work, and now it holds great importance for employee's job satisfaction (Bass, 1999).

Leaders hold the authority to control many outcomes that can affect employees in the form of strategies, promotions, etc. they can motivate employees to achieve rewards. In short, leaders can influence the employees both in positive as well as in negative ways (Brown & Mitchell, 2010). Transformational leader inspires the employees to achieve the organizational goals and can also motivate the employees to work beyond the work descriptions (Svendsen, Unterrainer, & Jønsson, 2018). So, a leader should be the primary source for ethical guidance of the employees and should have an inspiring personality so that the followers can be aligned towards some moral principles. A leader can win the trust of employees if he may treat his employees fairly. Social learning theory also suggests that good leadership should influences the employees (Brown, Treviño, & Harrison, 2005). He should lead the followers in such a way that he can influence the behaviors of employees and will provide such climate in which followers follow the norms of organizations smoothly (Kolthoff, Erakovich, & Lasthuizen, 2010).

## 2.2 Transformational Leadership and Creativity

Creativity is becoming the topic of greater concern in contemporary organizations (Tierney, Farmer, & Graen, 1999). Creativity is defined as a verdict of innovation as well as usefulness (Mohr, 2013). The humanistic approach to creativity supports the concept of being more creative and argue that employees need to overcome their fears of failing to be creative and so

this theory encourages that members of the organization should advance creatively, regardless of different challenges. It is not suppression of creativity that makes us creative, but if we may get encouraged, we will be more creative (Runco & Albert, 1990). Transformational leadership increases employee creativity through personnel control. Thus, managers can formulate effective strategies and procedures to enhance creativity (Tse et al., 2018).

Li, Zhao, and Begley (2015) documented that transformational leadership and employee creativity are positively linked. Creativity in organizations and firms comes from the team & group efforts, in which people come together and share their unique skills to achieve some common goal. Creative environment develops potential employees who are the real assets of the organization. A successful organization is based on trust and willingness to cooperate (Khodyakov, 2007). Creativity is badly influenced by the harmful supervision or unethical behavior of leaders. Abusive behavior of leader leads to the low level of creativity as well as motivation (Liu, Liao, & Loi, 2012). Organizations should be established in such a way that they can promote creativity and innovation so that they can respond to the demands and needs of external environment and markets. Teamwork should be encouraged to promote creativity (Tsai, Chi, Grandey, & Fung, 2012). Job performance of the employees and creativity is positively related. Transformational leadership and employee's ability and capacity to learn have a strong positive relation with creativity (Gong, Huang, & Farh, 2009). Creativity is affected by transformational leadership and anonymity (Sosik, Kahai, & Avolio, 1998). Transformational leadership is positively related to the creativity of the follower (Jaiswal & Dhar, 2016). Creativity is used as a solution to many complex problems faced by the organizations. Moreover, taking individual differences into account is also necessary for promoting creativity (Shin & Zhou, 2003). The four dimensions given by Bass (1985) enhance the creativity of the employees, such as the intellectual stimulation urges employees to perform their tasks more innovatively and creatively because they know they will be appreciated by their leaders. Thus, by depending on the above discussion, this research hypothesize that:

*Hypothesis 1:* Transformational leadership is positively associated with individual creativity.

## 2.3 Transformational Leadership and Trust

The most famous and usually believed definition of trust is that of Rousseau (1998) which states: "a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behavior of another" (p. 395) (Kickul, Gundry, & Posig, 2005). Another definition of trust in AMJ's review is "willingness to be vulnerable" (Mayer, Davis, & Schoorman, 1995, p. 712; Scandura & Pellegrini, 2008; ). Further, trust in the workplace is the key feature of leader and follower relationship (Bligh, 2017; Le & Lei, 2018).

Trust is considered to be the vital building block of effective leadership that can help followers to perform extraordinarily. Trust enables the followers to perform beyond expectations without extra monetary compensations and they work in the direction of the leader's vision for attaining firm level goals. (Ariyabuddhiphongs & Kahn, 2017; Dirks & Skarlicki, 2004). Organizational performance can also be improved with trust that is built among leaders and followers when leaders treat their employees fairly and show faith in their inner qualities. Trust is a broader phenomenon that cannot be defined by a single static definition. It has multidimensional aspects which affect differently on the working relationships (Scandura & Pellegrini, 2008). Social identity theory also supports this concept that if leaders provide such kind of trust to their employees that their self-esteem may enhance, the organization may progress by leaps and bounds. This theory proposes that people make efforts to achieve a positive social identity or social recognition and in this way, they may boost their self-esteem and this whole activity can take place by the positive and favorable comparisons among people. If people or employees are unsatisfied, they may seek for individual distinctiveness in other competent organizations leaving the current one (Brown, 2000).

Trust is considered to be the most important part of improved organizational performance. Trust is built among leaders and followers when leaders treat their employees fairly and show their faith in their inner qualities. Trust is positively associated with positive work outcomes, attitudes, and organizational citizenship behavior and job performance. Whereas creativity is defined as a verdict of innovation as well as usefulness (Mohr, 2013). Idealized influence is one of the dimensions of transformational leadership, as leaders are trusted by their followers when the leaders put the interests and needs of employees before their own needs.

When employees have developed a considerable trust in their leaders, they would go an extra mile in performing their work more creatively (Bass, 1985). Hence, from this discussion, it is hypothesized that:

*Hypothesis 2:* The relationship between transformational leadership and employee's creativity is mediated by trust.

## 2.4 Transformational Leadership and Job Autonomy

Job autonomy is well portrayed by the extent to which employees are allowed to make independent decisions as well as feel the freedom to adopt or select the appropriate method of performing any particular task. Self-determination theory supports the concept of autonomy, as it identifies that if needs like competence, relatedness, and autonomy are satisfied, they ultimately lead to individual growth and better performance. The self-determination theory believes that human nature shows constant positive features, and all humans may have inherent growth tendencies. Moreover, people have inborn psychological needs that are the source of self-motivation and personality integration. These needs are termed as universal needs that are not learned, but are the inborn feature of humans across time, gender and culture. The self-determination theory emphasizes on humans' natural growth toward positive motivation. However, this is disenchanted if their basic needs are not fulfilled (Deci & Ryan, 2011).

Job performance can be increased to the maximum capacity by giving job autonomy to the employees. Job autonomy allows the followers to enhance their skills, knowledge and ideas. It is also said that job autonomy allows the employees to identify their responsibilities on a broader spectrum as well as help in expanding their work roles required for the particular job. For this purpose, they have to put some extra efforts, and develop strong job identity that ultimately leads to better job performance (Piccolo, Greenbaum, Hartog, & Folger, 2010). Psychological empowerment of employees is also the part of job autonomy. It develops a sense of self-determination & competence and is a great way to develop the organizational commitment and trust of employees (Zhu, May, & Avolio, 2004).

Job autonomy is considered to be a mediator that can affect the creativity of the employee. It has a significant moderating effect on the relationship between leader and creativity of employees (Wang & Cheng, 2010). Creativity enables organizations to solve problems and explore different new opportunities through the amalgamation of different thoughts

and viewpoints. The way members work with each other is a critical factor in creativity (Barczak, Lassk, & Mulki, 2010). When job autonomy is high, i.e., when employees are more autonomous, their creativity increases which indicates that there is a positive relationship between job autonomy and creativity. When leaders give space to his followers to take independent decisions to some extent, it may play a vital role in enhancing their creativity. So, this research hypothesizes that:

*Hypothesis 3:* Job autonomy mediates the relationship between transformational leadership and employee's creativity.

High level of trust among leader and follower leads to high level of performance as well as high level of organizational citizenship behavior. Leader's actions are critically observed by the followers, so leader should sustain such kind of personality that employees follow him with a certain belief. Leaders should give such sense to the employees that their values are respected, their ideas are welcomed by the organizations, and they will be treated fairly for all of their efforts (Kickul et al., 2005). Transformational leadership is positively related to the creativity of the follower. Creativity is used as a solution to many complex problems faced by the organizations. Taking individual differences into account is also necessary for promoting creativity (Shin & Zhou, 2003). Employees get intrinsically motivated and creative if leaders give them psychological empowerment. Leaders should encourage employees to be creative. Psychological empowerment leads to creative process engagement and also increases the intrinsic motivation of the employees that ultimately leads to follower's creativity (Zhang & Bartol, 2010).

The critical analysis of literature reveals that there is intense working on the relationship between transformational leadership and employee's creativity (Afsar et al., 2014; Gong et al., 2009; Gumusluoglu & Ilsev, 2009; Jung et al., 2003; Pieterse et al., 2010; Reuvers et al., 2008) but little research has been viewed by us on the mediating effect of trust and job autonomy given by the leaders on the employee creativity of employees.

## 2.5 Research Model

Figure 1 represents the research model for this research. The objective of this research is to investigate the relationship between transformational leadership and employee's creativity. Trust and job autonomy are supposed to mediate this relationship.

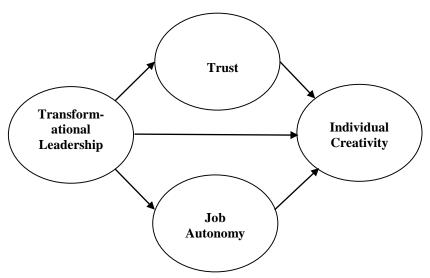


Figure 1: Theoretical model of the study

# 3 Methodology

## 3.1 Sampling and Data Collection

The structured questionnaires were adapted from previously tested instruments for a different variable. Managers and supervisors of both construction companies and banks situated in Lahore, Pakistan are surveyed during December 2016. For data collection, the human resource managers at each company were contacted to get their help in distributing questionnaires among the employees. In total, 290 questionnaires were delivered, and in return, we have received 187 valid questionnaires at the response rate of 64.48%. The demographic detail of the respondents is as follows: there are 90% males and only 10% females. Further, 42.5% respondents are in the age bracket of 18 to 28, 47.5% between 29 to 40, and rest of the respondents are in the age of less than 55 years. Moreover, 57.5% of the respondents have earned a masters degree. Regarding the experience of the respondents, 60% is between 0-5 years. Further, 72.5% of respondents are performing general management responsibilities, and 65% are at middle management level. This study makes use of Cronbach's alpha coefficient to check the reliability of 4 instruments. Mostly in social sciences, the researchers consider values of Cronbach's alpha greater than 0.60 is acceptable. In this research, the values for each variable is more than

the acceptable value. For instance, the Cronbach's alpha values for transformational leadership is 0.72 and 0.80, 0.81, 0.89 for individual creativity, trust and job autonomy respectively. Factor analysis is also performed in this research to identify the interrelated variables and see how they relate to each other. The values of communalities after performing factor analysis are greater than 0.50 that shows variance explained by each variable is statistically significant.

#### 3.2 Measures

For trust, we have adapted a questionnaire for measuring trust in organizations that has six items (Paine, 2003). For transformational leadership, we have adapted the multifactor leadership questionnaire that consists of 11 items. Further, we have adapted a questionnaire from scholarly articles of Ettlie and O'Keefe (1982) for creativity that comprises of 10 items and Beehr (1976) for job autonomy having five items. The questionnaire is based on Likert scale ranging from 1-7. In which 1= strongly disagree and 7= strongly agreed. We have analyzed the data through the significance of the hypothesis by making use of multiple linear regressions.

# 4. Results and Findings

As there is multi-mediation in the Model, we have performed this test via regression analysis supported by Hayes, 2013 through SPSS. Table 1 shows the role of transformational leadership in developing trust among employees. Transformational leadership (TL) being used as leadership style in organizations significantly developed the trust. TL has a statistical and economically significant role in the development of trust in employees at a 1% significance level. Thus, one unit increase in TL leads to 0.91 units increase in trust development in employees.

Table 2 shows the relationship between transformational leadership and job autonomy. Job autonomy is being developed by the transformational leadership style in the organization. TL has a statistical and economically significant role in the development of job autonomy in employees at a 5% significance level. Thus, one unit increase in TL leads to 0.57 units increase in job autonomy development in employees.

Table 3 shows the relationship between transformational leadership and employee creativity with mediating effects of trust and job autonomy.

 $\begin{array}{c|cccc} & & & & & & & & \\ \hline \textbf{Coefficient} & & & & & & \\ \textbf{Constant} & & 0.28 & & 0.72 \\ & & & & & & & \\ \hline \textbf{Constant} & & & & & \\ & & & & & & \\ \hline \textbf{Coefficient} & & & & \\ \hline \textbf{0.28} & & & & & \\ \hline \textbf{(0.79)} & & & & \\ \hline \textbf{TL} & & & & & & \\ \hline \textbf{0.91**} & & & & & \\ \hline \textbf{0.00} & & & & \\ \hline \textbf{(0.15)} & & & & \\ \hline \textbf{R}^2 & & & & & \\ \hline \textbf{56.35\%} & & & & \\ \hline \end{array}$ 

Table 1: Role of transformational leadership to develop trust

*Note:* Table 1 highlights the impact of transformational leadership (TL) on trust. Where \*\* represents the significance at 1% significance level.

Data Source: Self-calculated on data given by the respondents.

Table 2: Role of transformational leadership to develop job autonomy

amonomy		
	Coefficient	p-value
Constant	1.64	0.18
	(1.22)	
TL	0.57*	0.01
	(0.23) 7.29%	
$R^2$	7.29%	

*Note:* Table 2 highlights the impact of transformational leadership (TL) on job autonomy. Where \* represents the significance at 5% significance level.

Data Source: Self-calculated on data given by the respondents.

Trust has a more significant mediating effect on the relationship between transformational leadership and creativity as compared to job autonomy. TL has a statistical and economically significant positive impact on employee creativity at a 5% significance level. Hence, one unit increase in TL leads to 0.31 units increase in individual creativity. Thus, we accept our Hypothesis 1: transformational leadership is positively associated with employee creativity at a 5% significance level. Trust has a statistical and economically significant positive mediating impact on employee creativity at a 5% significance level. Hence, one unit increase in trust leads to 0.22 units increase in individual creativity. Thus, we accept our Hypothesis 2: Trust mediates in the relationship between transformational leadership and employee's creativity at 5% significance level. Job autonomy has an

economically significant positive mediating impact on individual creativity. Although job autonomy has an economically significant impact, it remains statistically insignificant. Thus, Hypothesis 3 is not accepted.

Table 3: Impact of transformational leadership on employee creativity with the mediating effects of trust and job autonomy

-	Coefficient	P-Value
Constant	2.19**	0.00
	(0.58)	
TL	0.31*	0.02
	(0.13)	
Trust	0.22*	0.01
	(0.08)	
JA	0.08	0.12
	(0.05)	
$\mathbb{R}^2$	34.65%	

*Note:* Table 3 highlights the impact of transformational leadership (TL) on job autonomy. Where \*\* & \* represents the significance at 1% & 5% significance level respectively.

Data Source: Self-calculated on data given by the respondents.

Table 4 shows the direct and indirect relationship between TL and creativity. The indirect effect explains that both trust and job autonomy have partially mediated the relationship between TL and employees creativity by 44.9%. However, the results show that in comparison to both parallel mediators, trust is a significant mediator at a 5% significance level. This may be due to the contextual differences as the measures used in this research are adopted form the existing research that is done on developed states.

### 5. Discussion and Conclusion

The purpose of this research is to empirically investigate the relationship between transformational leadership and employee creativity directly and indirectly by considering the multi mediating role of trust and job autonomy in construction and banking sectors firms of Pakistan. So the present study finds that transformational leadership (TL) plays an important role in enhancing the employees' creativity. TL has direct statistical and

economically significant positive impact on employee creativity at a 5% significance level.

Table 4: Direct and Indirect effect of TL on creativity

	The direct effect of X on Y
TL	0.31*
	(0.13)
	The indirect effect of X on Y
Trust	0.20*
	(0.09)
JA	0.05
	(0.04)
Total effect	0.3151 + 0.2571 = 0.5722
Portion of mediating variables	0.2571/0.5722= 0.449*

*Note:* Table 4 represents the direct and indirect impact of the independent variable on the dependent. Where, 0.449\* shows that the mediators explain 44% of the total effect of relationship. Data Source: Self-calculated on data given by the respondents.

Hence, one unit increase in TL leads to 0.31 units increase in individual creativity. Thus, our Hypothesis 1 is accepted, and our findings are aligned with the previous stream of literature as well for instance, the studies of Gong et al., 2009; Mittal & Dhar, 2015; Zhang & Bartol, 2010.

Further, transformational leadership and employees' creativity relationship is also investigated through the mediating role of trust. Trust being the mediator plays a significant role to explain the relationship between these two variables. Trust has a statistical and economically significant positive mediating impact on employee creativity at a 5% significance level. Hence, one unit increase in trust leads to 0.22 units increase in individual creativity. Thus, our Hypothesis 2 is also accepted. Moreover, the sense of being autonomous also plays a significant role in enhancing individual creativity. Skills developed by the transformational leadership style help enhancing the performance of employees and ultimately the organization progresses by leaps and bounds. Previous studies have also shown that a good leadership style promotes creativity and by training the supervisors to practice this style is beneficial for the

organizations (Shin & Zhou, 2003). But, the findings of this research suggest that job autonomy does not significantly mediate the transformational leadership and employees' creativity relationship. Therefore, Hypothesis 3 is not accepted. Further, the total mediation effect of trust and job autonomy is 44.9%. However, trust shows more partial mediation in comparison to job autonomy. Specifically, this research finds that transformation leadership derives employee creativity through the mediation of trust and job autonomy. But trust is a significant mediator in comparison to the job autonomy.

Findings of the study have some interesting implications for managers and organizations. For instance, managers and leaders should stimulate their followers by empowering them and by developing trust among them. They should understand that this practice may enhance an employee's creative performance. The current study found that transformational leadership and employee creativity has the strongest relationship that will help the managers to develop such an environment in their organizations that will aid in boosting the employee creativity. Pakistani organizations need to evolve their working environment by training leaders who will motivate and encourage employees to become more creative. This research has one more and important managerial implication that: it is the transformational leadership which is a most important predictor to bring change in the organizational environment and trust being mediator plays an important role as well.

This research is not free from the limitations. One important limitation of this research is that it does not consider the contextual factors as our finding shows that job autonomy is statistically insignificant and shows less mediation in comparison to the trust. This may be due to the difference in contextual factors. Moreover, the data for this research is collected from the banking and construction sectors in Lahore. Thus, this work can be extended by increasing sample size by collecting data from multiple cities and sectors. Further research should focus on contextual factors to explain the mediating role of job autonomy to explain the transformation leadership and employee creativity relationship.

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