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**Pro-growth Working Environment Concept to Enhance  
Followers' Creativity in Start-ups Business**

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Abstract:	This study aims to analyze the role of transformational leadership on followers' creative performance through pro-growth working environment values based on developmental interaction capability and psychological empowerment in start-up businesses in Indonesia and to test a new pro-growth working environment concept in that model. This study uses a Structural Equation Model (SEM) using data analysis tools, namely WarpPLS. The research design used is a survey method, and data collection was carried out using questionnaires sent directly to the research respondents. In this study, the population is start-up business employees in Indonesia. The sampling technique is purposive sampling, and the samples in this study are 270 respondents. The results indicate that all the variables significantly influence each other. The existence of transformational leadership, a pro-growth working environment, entrepreneurial values based on development interaction capability, and the right psychological empowerment can influence creative performance to get even better results.

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Plain Language Summary - SO-23-0620

This study examines how transformational leadership affects followers' creative performance through pro-growth working environment values based on developmental interaction capability and psychological empowerment in Indonesian start-up enterprises. This work employs WarpPLS to analyze a Structural Equation Model (SEM). This research includes Indonesian start-up business workers as many as 270. Results show that all factors strongly affect each other. Transformational leadership, a pro-growth workplace, entrepreneurial principles centered on developing interaction capability, and psychological empowerment can improve creative performance.

For Peer Review

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**Pro-growth Working Environment Concept to Enhance Followers' Creativity in Start-ups Business**

**Abstract**

This study aims to analyze the role of transformational leadership on followers' creative performance through pro-growth working environment values based on developmental interaction capability and psychological empowerment in start-up businesses in Indonesia and to test a new pro-growth working environment concept in that model. This study uses a Structural Equation Model (SEM) using data analysis tools, namely WarpPLS. The research design used is a survey method, and data collection was carried out using questionnaires sent directly to the research respondents. In this study, the population is start-up business employees in Indonesia. The sampling technique is purposive sampling, and the samples in this study are 270 respondents. The results indicate that all the variables significantly influence each other. The existence of transformational leadership, a pro-growth working environment, entrepreneurial values based on development interaction capability, and the right psychological empowerment can influence creative performance to get even better results.

**Keywords:** Transformational Leadership, Pro-Growth Working Environment, Entrepreneurial Values-Based Development Interaction Capability, Psychological Empowerment, Followers Creative Performance, Corporate Sustainability, Process Innovation

**1. INTRODUCTION**

Regarding how big and great the advancement of technology and information development is, it will be easier for organizations to achieve their goals with human resources. Employee

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performance will increase if human resources are abundant and meet needs (Nugroho et al., 2020). Regarding human resource management in an organization, followers are one of the most important components to gaining a competitive advantage. So, leaders must figure out how to handle it well so that it becomes a key factor in the success of the organization. This requires more research.

With the development of a dynamic and competitive environment, organizations need more creative followers. It encourages organizations to maximize followers' creative performance, a series of creative-related actions and behaviors carried out by followers to achieve organizational goals. According to Trong (2020), high work performance is possible if employees understand their abilities, job characteristics, and the proper method of responding to all work, despite its challenges. Increasing the number of followers' creative performances will help achieve organizational goals and improve performance. Followers' creativity has received much attention in the literature because it is believed to be important for organizational success and will impact success in various jobs and industries (Naidoo, 2016). Followers' creative performance is the collective result of all the abilities and efforts of followers to achieve organizational targets. The creative performance will have many benefits, including generating new ideas, products, and procedures that encourage innovation and become a source of organizational competitive advantage. Furthermore, it can assist the innovation process through the realization of successful ideas that are essential for organizational success and enable sustainable growth.

This research was conducted to fill the research gap on the role of transformational leadership on followers' creative performance by adopting Freud's theory of work and organization (Diamond, 1996) through human capacity and capability at work, work processes, and the work environment. These things are then synthesized into a new concept, a pro-growth working environment, which is then poured into a conceptual model to increase followers' creative performance (Frishammar, 2014; Dziallas, 2018; Schwarz & Nielsen, 2018). Therefore, this research will develop a new conceptual model from the perspective of Freud's theory of work and organization (Diamond, 1996) as a novelty that will be tested empirically. A growth-oriented work environment is a novel concept of a pro-growth working environment (Setiawan, Eliyana, & Suryani, 2020). This concept will be appropriate for start-up businesses that are known to be very dynamic. Generally, a start-up business is defined as a business established within the last five years in Indonesia.

Several studies have concluded that transformational leadership has an impact on how organizations develop their human resources. Someone with a transformational leadership style

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3 is known to have an influence that makes followers feel motivated to develop themselves to  
4 become better people than they are today (Gita & Yuniawan, 2016). Transformational  
5 leadership can also bring significant changes to followers and organizations (Hasib et al.,  
6 2020). The concept of transformational leadership and a pro-growth working environment will  
7 create entrepreneurialism value-based development interaction capability. It refers to leaders'  
8 and organizations' ability to assist followers in developing knowledge and competencies  
9 through a growth-oriented work atmosphere or environment, which is also a novelty concept  
10 synthesized from entrepreneurship and value-based development interaction capability  
11 (Setiawan, Eliyana, & Suryani, 2020). Therefore, interactions between leaders and followers  
12 can produce development initiatives that add value to completing the required responsibilities.  
13 This interaction between leaders and followers will help followers complete the work process  
14 properly because their knowledge, competence, and individual capacities will increase (Manss,  
15 2017 ; Sulistyani & Ferdinand, 2018).

16 Furthermore, the concept of a pro-growth working environment and entrepreneurial value can  
17 be associated with a creative environment in the organization, so followers are expected to have  
18 the ability to absorb knowledge and demonstrate good competence, which will make them  
19 think positively and experience psychological empowerment (Abdulrab et al., 2018; Bin Saeed,  
20 Afsar, Shahjehan, & Imad Shah, 2019; Mostafa Ahmed Mohammed, 2017). To realize creative  
21 performance within the organization, these followers must be confident enough to do their jobs  
22 well.

23 This research refers to a start-up business or a business or trading venture that has just been  
24 started or has not been operating for a long time (more precisely, less than five years of  
25 operation). It is in the development phase, which is undergoing a process to find the right  
26 market segment for this business (Salamzadeh & Kesim, 2015). According to the results of the  
27 ranking.com start-up survey in 2019, Indonesia is ranked fifth worldwide, as shown in Table  
28 1, with a total number of start-up businesses owned by 2,180 start-up businesses.

29 The development of start-up businesses in Indonesia is known to be quite fast. However, the  
30 readiness of human resources (HR) still needs to be improved for the government to improve  
31 the capabilities of its HR in Indonesia. According to katadata.co.id, the global creativity index  
32 in Indonesia in 2015, it was noted that Indonesia was ranked 115th out of 139 countries, based  
33 on three indicators, namely technology, talent, and tolerance. A start-up business is designed  
34 to find new business models to achieve big profits. Not a few start-up businesses have failed.  
35 According to the Forbes.com website, 90% of the start-ups created worldwide have failed.  
36 There are many reasons why start-ups fail, including internal conflicts, wrong predictions of

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3 market needs, running out of funds, team disharmony, and bad corporate leadership patterns  
4 (Katadata, 2016).

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6 Various leadership patterns can be applied to start-up businesses, and these leadership styles  
7 will determine the success and sustainability of the start-up business. In previous studies, it was  
8 found that transformational leadership is an effective leadership pattern for start-up businesses,  
9 in which the leader uses energy to create a creative environment and empower its members,  
10 which will impact the success of the start-up business ( Reid, Anglin, Baur, Short, & Buckley,  
11 2018 ; Sheehan, Garavan, & Morley, 2020 ; You & You, 2019 ; Zuraik, 2017 ). As a result, the  
12 context of transformational leadership will be used in this start-up business research. The  
13 impact of transformational leadership on followers' creative performance in the presence of a  
14 pro-growth working environment, entrepreneurial values based on development interaction  
15 capability, and psychological empowerment as mediation are novel findings from this study,  
16 particularly as they relate to research objects that lead to employees in several Indonesian start-  
17 up companies. Followers' creative performance that is realized correctly with the influence of  
18 the variables used correctly is expected to overcome existing phenomena and make companies  
19 that can develop sustainably better.  
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## 32 2. LITERATURE REVIEW

### 33 Theoretical basis

#### 34 *Transformational Leadership*

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36 Leadership is one of a leader's abilities to lead an organization. Leadership is the ability to  
37 encourage a group to achieve organizational goals, and the success or failure of an organization  
38 depends on the leaders (Barika et al., 2020). Transformational leadership denotes the process  
39 by which a leader can motivate followers to strive for group versus personal goals through  
40 charisma, inspirational motivation, intellectual stimulation, and individual judgment (Bass,  
41 1987). Transformational leadership is based on the principle of developing subordinates by  
42 evaluating the abilities and potential of each subordinate in carrying out their duties or work  
43 and seeing the possibility of expanding the responsibilities and authority of subordinates in the  
44 future (Bastari et al., 2020). In addition, in guiding changes to strategy, structure, mission, and  
45 organizational culture to promote product and job innovation, transformational leadership is  
46 known to bring significant changes to followers and organizations (Hasib et al., 2020).  
47 Transformational leadership will be able to show consideration for the leader to followers and  
48 inspire them to be the best and develop their leadership skills (Bakker et al., 2022).  
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#### *Pro-Growth Working Environment*

Studies conducted under the Australian Social Security Act (1991) showed that capability to work indicates the ability to complete work continuously, even when it is done independently (Gillespie, 2011). In work oriented towards an interactive model, the personal development of followers, working relations, job opportunities, and quality of service are usually emphasized to create a conducive work environment (Setiawan et al., 2020). The work environment is very important and needs to be considered by the organization (organizational environment) because it will determine the future steps of the organization. The organizational work environment usually refers to a series of physiological-social-psychological characteristics that the people in that environment directly or indirectly feel, and the work environment is considered a key factor in determining the performance of a team or work unit (Manfield & Newey, 2018) and is required to always be adaptive to change (Frishammar, 2014). Through the concepts described, a new concept can be synthesized called the Pro-growth Working Environment, which is a work environment that encourages personal growth and is characterized by empowering interactions, enthusiasm for progress, and challenging responsibilities.

#### *Entrepreneurial Values-Based Development Interaction Capability*

Knowledge in organizations needs to be managed, and the process of managing knowledge is more popularly known as knowledge management, which is very dependent on the role of Knowledge Sharing (Zhu, 2016). Knowledge sharing between leaders, followers, and co-workers is known to educate each individual to increase their skills and competencies, and this is called the concept of developing interaction (Karpen, Bove, Lukas, & Zyphur, 2015). Significant effort has been devoted to understanding entrepreneurial interaction behavior. Until now, individual and organizational factors have been known to facilitate entrepreneurial interaction behavior. Through this process, there will be developmental interactions that will shape individuals to create entrepreneurial added values in their work life, which in this study is called the entrepreneurial concept values-based developmental interaction capability (Sulistiyani & Ferdinand, 2018).

#### *Psychological Empowerment*

Employees with psychological empowerment will be motivated to work more creatively and effectively by changing the way they view themselves and their work (Syabarrudin et al., 2020). By increasing psychological empowerment, employees will be more confident and realize their potential, which can help employees appreciate their work. Al Harbi et al. (2019)

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defines psychological empowerment as a set of four cognitions that reflect an individual's orientation to his work role: meaning, competence, self-determination, and impact. Through psychological empowerment, followers will be encouraged to have confidence in their abilities due to self-confidence, so they are encouraged to prove their abilities through better work results (Healy, 2017; Kang, Lee, & Kim, 2017; Matsuo, 2019). In conclusion, psychological empowerment is a motivational process that is deliberately carried out to influence the empowerment of a person (followers). Good empowerment requires support from other people in the form of motivation that can influence how followers think and work to be more innovative. That is why psychological empowerment is important to apply in the workplace.

*Followers' Creative Performance*

Creativity is creative work through new work that is accepted as work that can be maintained or useful and satisfying by a group at one time (Anggarwati & Eliyana, 2015). In other words, existing products put forward something new and must be valid, useful, and satisfying. Creative followers have received extensive attention in the literature because it is believed to be important for organizational success (Naidoo, 2016). Social interaction within the organization will majorly contribute to Followers creative performance. Followers' creativity has integrated aspects in forming personality, motivational, cognitive, leadership behavior, co-worker behaviors, job context, social network, and working environment (Jain & Jain, 2017). Therefore, creative follower performance is defined as a form of follower performance that has useful new ideas and can become a critical asset for competitive organizational performance (Cai, 2018).

**Hypothesis Development**

*Transformational Leadership and Pro-Growth Working Environment*

Transformational leadership can create significant changes for followers and organizations by creating the ability to direct changes in organizational strategy, mission, structure, and culture, which can promote what the organization needs (Mustika, Eliyana, & Agustina, 2020), like the right work environment for followers. Transformational leadership is associated with more job development (finding resources and seeking challenges) through adaptability, especially for employees with low organizational identity. Setiawan et al. (2020) aim to develop a new conceptual model, namely the Pro-Growth Working Environment (PWE), through a work and organization theory perspective by Freud, which is unified from the concept of human capacity and work capability, work processes, and the environment work. Thus, the Pro-Growth

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3 Working Environment is heavily influenced by leadership in the work environment, especially  
4 through transformational leadership. In carrying out work effectively and efficiently, a pro-  
5 growth working environment is needed to support the things being implemented so that they  
6 function properly (Priarso et al., 2019) through the influence of transformational leadership.  
7 Previous studies on transformational leadership, organizational support, and the work  
8 environment have stated that transformational leadership can create a conducive work  
9 environment for followers to experience both cognitive and affective growth to form creative  
10 behavior (Ng, 2016; Wang, Demerouti, & Le Blanc, 2017; Setiawan et al., 2020). Based on  
11 this, this study hypothesizes that:

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18 *H1: Transformational leadership has a significant influence on pro-growth working*  
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#### 23 24 *Pro-growth Working Environment and Entrepreneurial Values based Developmental* 25 *Interaction Capability* 26

27 In a growth-oriented work environment, there will be an interactive relationship between  
28 leaders, followers, and co-workers due to knowledge sharing, collaboration, and empowering  
29 patterns (Ribeiro & Cherobim, 2017; Sun, Yao, Zhang, Chen, & Liu, 2016). The organizational  
30 ability to design a growth-oriented work environment can create followers who seek positive  
31 values in the work process so that individual and team capabilities will increase well (Han et  
32 al., 2017; Matošková & Směšná, 2017; Setiawan et al., 2020; Sulistyani & Ferdinand, 2018).  
33 Setiawan et al. (2020) aim to develop a new conceptual model regarding the capability of  
34 developing entrepreneurial values-based interactions or Entrepreneurial Values-Based  
35 Development Interaction Capability (EVBDIC), which is unified from the concept of  
36 knowledge, work interactions within organizations and also entrepreneurial values. Sulistyani  
37 & Ferdinand (2018) aimed to develop a conceptual model by proposing the concept of a value  
38 orientation to develop interactions used with several criteria, such as having to be in a teamwork  
39 position for department heads, supervisors, and strategic staff. The results of this study indicate  
40 that knowledge sharing has an impact on value-based interactive development capabilities. The  
41 value will affect the work team's performance based on the ability to interact. In addition, the  
42 value-based interactive development function can adjust the impact of knowledge sharing on  
43 work-team performance. Based on this, this study hypothesizes that:

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57 *H2: Pro-growth Working Environment has a significant effect on Entrepreneurial Values*  
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### *Entrepreneurial Values based on Developmental Interaction Capability and Psychological Empowerment*

Knowledge sharing and interactions worth knowing will make followers more confident because they feel confident that they have cognitive abilities that will encourage them effectively. Psychological empowerment will become a very important capital for followers to dare to act (Feiz et al., 2017; Healy, 2017; Setiawan et al., 2020). Setiawan et al. (2020) aim to develop a new conceptual model capable of developing entrepreneurial values-based interactions that are unified from the concepts of knowledge, work interactions within organizations, and entrepreneurial values. According to Hayter (2016), entrepreneurship assumes knowledge is an important source of innovation, economic dynamism, and growth. Information about organizational goals and skills outcomes through knowledge sharing will be important concerning jobs in psychological empowerment. It can also give them a better sense of control over decision-making. Based on this, this study hypothesizes that:

*H3: Entrepreneurial values based on developmental interaction capability have a significant effect on psychological empowerment*

### *Pro-growth Working Environment and Psychological Empowerment*

The Pro-growth Working Environment can significantly influence followers' cognitive, affective, emotional, and behavioral aspects to be ready to be empowered because these followers have been given the opportunity and are involved in the process (Setiawan et al., 2020; Gretchen M. Spreitzer, 1996). In addition, Matsuo (2019) has shown a direct influence of positive interaction on the development of work experience and learning goal orientation on psychological empowerment. In this research, the development of work experience will show a good work environment that can increase psychological empowerment. According to Javed et al. (2018), workplace events such as performance evaluation, work environment, and formal assistance can affect psychological empowerment. Setiawan et al. (2020) intend to create a new conceptual model, the Pro-Growth Working Environment (PWE), based on Freud's work and organization theory, that is unified from the concepts of human capacity and work capability, work processes, and work environment. According to Manfield & Newey (2018), improvements in the right work environment can result in greater employee professionalism, increased psychological empowerment, increased job satisfaction, decreased fatigue, and higher retention rates. Based on this, this study hypothesizes that:

*H4: Pro-growth Working Environment has a significant effect on Psychological Empowerment*

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### *Psychological Empowerment and Followers Creative Performance*

The key element of creative performance is the followers' readiness to be empowered. Often, creative performance cannot be achieved when followers do routines or have habits at work and do not have a great will to try new things. It is known that psychological empowerment and followers' creative performance are two things that cannot be separated in the organizational concept. The psychological empowerment of the followers largely determines the level of the followers' creative performance, and different responses to work will create changing levels of pressure and ambivalence that affect Followers' Creative Performance (Abdulrab et al., 2018; Abualoush, Obeidat, Tarhini, Masa'deh, & Al-Badi, 2018; Abukhait et al., 2019). When employees believe they are capable and are given the necessary means for productive work, they will have scope for self-determination beyond work arrangements. Therefore, they can easily shape the desired results based on their actions, and they will be more likely to focus on generating solution-oriented ideas in a more conscientious and enduring manner. As a result, employees with psychological empowerment will tend to show more creative performance in the organization. In addition, previous research supports the relationship between psychological empowerment and creative performance (Seibert et al., 2011; Zhang & Bartol, 2010). Based on this, this study hypothesizes that:

*H5: Psychological empowerment has a significant effect on Followers' Creative Performance*

### *Pro-growth Working Environment and Followers Creative Performance*

In studying organizational behavior, the working environment can make organizational members feel safe and comfortable and generate enthusiasm for creating new ideas that will influence individual attitudes in bringing out innovative behavior through creativity. A pro-growth work environment will create a strong work environment to support followers' creative performance, such as through organizational and supervisory encouragement, work group support, freedom, and sufficient resources, which will greatly arouse followers to have creative performance (Yeh & Huan, 2017). In the Pro-growth Working Environment, followers will be encouraged to have creative self-efficacy and motivation. However, the organization provides supportive resources, leaders, and challenging work to create social networks that mutually build each other to increase Followers' Creative Performance (Cai, 2018; Marcos-Cuevas, Nätti, Palo, & Baumann, 2016; Setiawan et al., 2020 ). Setiawan et al. (2020) in their research aim to develop a new conceptual model, namely the Pro-growth Working Environment (PWE), from the perspective of Freud's work and organization theory, which is synthesized from the concept of human capacity and capability in work, work processes, and the work environment.

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Seeing the adequacy of individual resources is one form of organizational support for employee creativity. The work environment has been considered in terms of cognitive, emotional, and physical resources for developing innovation processes through creativity (Ma et al., 2020).

Based on this, this study hypothesizes that:

*H6: Pro-growth working environment has a significant effect on followers' creative performance*

#### *Transformational Leadership and Followers' Creative Performance*

Research on the influence of leadership in stimulating creative and innovative abilities in individuals is known to have been carried out by many scholars, especially focusing on understanding the relationship between transformational leadership and creative followers (Chaubey et al., 2019). Individual consideration, inspirational motivation, and idealized influence can help followers to work more creatively because the leaders have given them great expectations. Through innovative ideas, leadership can reflect aspects of follower behavior and motivate them to innovate through creativity (Sandvik Alexander, 2018). Thus, creative performance is a vision-based motivational process behind transformational leadership (Yeh & Huan, 2017). Transformational leadership will encourage followers to try new things, improve their abilities, and develop innovation. Therefore, there is a significant and positive relationship between transformational leadership and followers' creative performance (Afsar & Masood, 2017; Chaubey, Sahoo, & Khatri, 2019; Khalili, 2016). In addition, according to Yang et al. (2019), the right level of transformational leadership can encourage employees to be motivated and guided by their leaders to exceed performance expectations and to act proactively and creatively. Based on this, this study hypothesizes that:

*H7: Transformational leadership significant effect on Followers' Creative Performance*

#### *Transformational Leadership and Followers' Creative Performance through a Pro-Growth Working Environment*

Transformational leadership inspires employees to overcome self-interest by changing their ideals, passions, interests, and values to achieve higher performance (Yang et al., 2019). Transformational leaders can identify their employees' developmental needs and ensure that skill development is carried out properly for each employee. Facilitating individuals as the focus of transformational leaders is a determinant of creating the right pro-growth working environment and producing maximum creative performance within a company. However, the innovation process depends on employees' knowledge, skills, and related experience to create

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3 value for the company because organizational learning and workplace relationships may trigger  
4 the impact of transformational leaders on creative performance (Yeh & Huan, 2017). The Pro-  
5 Growth Working Environment is known to help the process of generating new ideas for  
6 products, services, and business processes. This will demonstrate a positive relationship  
7 between the transformational leadership style and the creation of a pro-growth working  
8 environment to produce creative performance (Marcos-Cuevas et al., 2016 ; Ragins, 2016 ;  
9 Setiawan et al., 2020). Based on this, this study hypothesizes that:

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15 *H8: Transformational leadership has a significant effect on followers' creative performance*  
16 *through a pro-growth working environment.*  
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22 *Transformational Leadership and Followers' Creative Performance Through a Pro-Growth*  
23 *Working Environment and Psychological Empowerment*

24 Transformational leadership can help develop a pro-growth working environment and  
25 psychological empowerment through how leaders form the team, set the right expectations,  
26 and motivate the team to think of new ideas. It can be done through a discussion process that  
27 creates a pro-growth working environment and psychological empowerment, which will  
28 embed capabilities and stimulate new ideas that are useful for achieving better organizational  
29 goals (Bin Saeed et al., 2019; Harbi et al., 2019; Javed, Abdullah, Zaffar, Haque, & Rubab,  
30 2018). Therefore, there is a significant and positive relationship between transformational  
31 leadership and followers' creative performance through the pro-growth working environment  
32 and psychological empowerment (Lee et al., 2019; Matsuo, 2019; Setiawan et al., 2020). Based  
33 on this, this study hypothesizes that:

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41 *H9: Transformational leadership has a significant effect on followers' creative performance*  
42 *through a pro-growth working environment and psychological empowerment.*  
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48 *Transformational Leadership and Followers' Creative Performance Through a Pro-Growth*  
49 *Working Environment, Entrepreneurial Values Based on Developmental Interaction*  
50 *Capability, and Psychological Empowerment*

51 Previous studies have shown a positive relationship between transformational leadership and  
52 followers' creative performance through a pro-growth working environment, entrepreneurial  
53 values based on developmental interaction capability, and psychological empowerment. A  
54 leader will play an important role in influencing the psychological condition of employees  
55 because transformational leadership will affect the psychological climate of safe employees  
56 (Naidoo, 2016). They are related to the four dimensions of transformational leadership,  
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3 especially individual consideration and inspirational motivation (Bin Saeed et al., 2019; Lee et  
4 al., 2019; Matsuo, 2019). Employees who acquire a pro-growth working environment,  
5 entrepreneurial value-based developmental interaction capability, and psychological  
6 empowerment, in general, will be motivated to work more creatively and effectively. It is due  
7 to a shift in employees' attitudes toward themselves and their jobs. Through a pro-growth  
8 working environment, entrepreneurial values based on developmental interaction capability,  
9 and psychological empowerment, employees will experience increased self-confidence and  
10 become more aware of their potential.

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12 In addition, a pro-growth working environment, entrepreneurial values based on developmental  
13 interaction capability, and psychological empowerment also help employees appreciate their  
14 work more. When these values appear in employees, their behavior will automatically change  
15 and they will become more creative to produce something that impacts the organization. It will  
16 be related to Followers creative performance, bearing in mind that creativity is important.  
17 Therefore, a pro-growth working environment, entrepreneurial values based on developmental  
18 interaction capability, and Psychological empowerment play a role in increasing the possibility  
19 of followers' creative performance at work (Abdulrab et al., 2018; Boyd, McGarry, & Clarke,  
20 2016; Feiz et al., 2017; Han et al., 2017; Harbi et al., 2019; Rapp, Gilson, Mathieu, & Ruddy,  
21 2016; Setiawan et al., 2020). Based on this, this study hypothesizes that:

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34 *H10: Transformational leadership has a significant effect on followers' creative performance*  
35 *through a pro-growth working environment, entrepreneurial values-based developmental*  
36 *interaction capability, and psychological empowerment.*

### Figure 1. Conceptual Framework

## 3. RESEARCH METHODS

### Research Approach

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48 This study uses a quantitative approach through a correlation pattern that uses scientific  
49 principles, namely empirical, objective, measurable, rational, and systematic. This study  
50 examined some of the subjects who were representatives of the population through survey  
51 methods using questionnaires directly to research respondents. The independent variable of  
52 this research is transformational leadership (X), the dependent variable of this research is  
53 followers' creative performance (Y), and the mediator variables of this research are a pro-  
54 growth working environment (Z1), entrepreneurial values-based development interaction  
55 capability (Z2) and psychological empowerment (Z3).  
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### **Data Collection Technique**

In this study, the population used was start-up business employees in Indonesia. Employees of start-up businesses are those who work in companies that have only recently started or established themselves. The business must also be active, and the business must be managed independently and not as an additional line of business from an established company (Salamzadeh & Kesim, 2015), so the population in this study cannot be known with certainty (unknown populations). The sampling technique for this research is purposive sampling, so the sample used in this study is some employees (followers) from start-up businesses in Indonesia who follow special characteristics with research objectives that are expected to be able to answer research problems.

### **Measurement**

This study measures transformational leadership variable using items adapted from the Multifactor Leadership Questionnaire (MLQ) Form 5X-Short by Avolio et al. (1999), pro-growth working environment variable using items by Blumberg & Pringle (1982), entrepreneurial values-based development interaction capability variable referring to the instrument by Frappaolo (2017), psychological empowerment variable using items by Spreitzer (1995), and followers' creative performance using items from Farmer et al. (2003).

### **Data analysis technique**

The data analysis technique used in this study is the Structural Equation Model (SEM) or structural equation model using data analysis tools, namely WarpPLS. Several tests must be carried out in this study to fulfill the requirements for conducting data analysis, namely the validity test, reliability test, Confirmatory Factor Analysis (CFA) test and model test, hypothesis test, and mediation test.

## **4. RESULTS AND DISCUSSION**

### **Results**

Start-up business employees in Indonesia who were the respondents in this study were mostly male (52.96%), 25 years old (66.66%), working in the food and beverage business (35.9%), and dominated by employees who work in companies that have been operating for 1-2 years (33.70%). Furthermore, each item has an average value of 3.50 to 4.50, meaning all variables in the start-up business have been relatively good.

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3 All criteria have reached the expected value limits or have met the recommended critical limits  
4 of Goodness of fit indices so that the results of this modeling are acceptable or feasible analysis.  
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6 In addition, the variables used are Transformational Leadership (X), Pro-Growth Working  
7 Environment (Z1), Entrepreneurial Values-Based Development Interaction Capability (Z2),  
8 Psychological Empowerment (Z3), and Followers' Creative Performance (Y), also shown that  
9 it meets the requirements of validity and reliability.

10 The next stage is testing structural relationships on direct and indirect influence paths. There is  
11 a significant influence between one variable and another if the p-value < 0.05 (Hair et al.,  
12 2017).  
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**Table 1**  
**Results of Testing the Effect of Inter-Variables**

**Figure 2. SEM Structural Models**

The results of testing the direct effect structural model, as presented in Table 1 and Figure 2, prove that all hypotheses have a significantly positive effect on one another. According to the above description, the main determinant factor is follower creative performance (Y). This research is Psychological Empowerment (Z3). It is known from the path coefficient value, which is the largest compared to other direct path coefficients, namely the influence of Transformational Leadership (X) and Pro-Growth Working Environment (Z1). The Psychological Empowerment variable (Z3) itself is influenced by two factors, namely Pro-Growth Working Environment (Z1) and Entrepreneurial Values-based Development Interaction Capability (Z2). The main factor influencing Psychological Empowerment (Z3) is Entrepreneurial Values based on Development Interaction Capability (Z2), which is indicated by a larger path coefficient.

### Discussion

The research analyzes the effect of Transformational Leadership (X) on Followers' Creative Performance (Y), with the pro-growth working environment (Z1), entrepreneurial values based on development interaction capability (Z2), and psychological empowerment (Z3) as mediating variables. According to the findings of this study, transformational leadership has a significant positive impact on the pro-growth working environment. It shows that there is a positive and significant relationship, which shows that the better the Transformational

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3 leadership in the start-up business, the Pro-growth of the working environment is also getting  
4 better. It will be related to leadership, an important factor in the company, which makes  
5 leadership able to have a major influence on the work environment in the company for the  
6 better. The results of this study are known to be in line with the opinions of Frishammar (2014;  
7 Wang, Demerouti, & Le Blanc (2017), which state that leaders, as holders of organizational  
8 constraints (in this case, business start-ups), can move members of the organization to achieve  
9 their goals. The goal in question is a conducive work environment in the form of a pro-growth  
10 working environment. The study's findings show that a pro-growth work environment has a  
11 significantly positive influence on entrepreneurial values-based developmental interaction  
12 capability. In the context of this study, the intended stimulus is a good start-up business work  
13 environment, while the intended response is interaction capability. This study's results align  
14 with Ribeiro & Cherobim (2017), Sun, Yao, Zhang, Chen, & Liu (2016). A good work  
15 environment, in this case, the Pro-Growth Working Environment, will have a good interactive  
16 relationship (Setiawan et al., 2020).

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18 The results of testing the hypothesis after the data is processed with the analytical techniques  
19 used also show that Entrepreneurial Values based on developmental interaction capability have  
20 a significantly positive effect on Psychological Empowerment. It shows that there is a positive  
21 and significant relationship which shows that the better the Entrepreneurial Values based on  
22 developmental interaction capability in start-up businesses, the better psychological  
23 empowerment will also be. The results of this study support that knowledge sharing and  
24 valuable interactions in start-up businesses will make followers more self-confident because  
25 they feel confident that they have abilities cognitively and will encourage them effectively.  
26 Thus, psychological empowerment in the start-up business will be valuable for followers to  
27 dare to act forward (Feiz et al., 2017; Healy, 2017; Setiawan et al., 2020). Furthermore, these  
28 findings indicate that a pro-growth work environment has a significant positive effect on  
29 psychological empowerment. It shows that there is a positive and significant relationship which  
30 shows that the better the Pro-growth working environment in the start-up business, the better  
31 the Psychological Empowerment will be. A good work environment in a start-up company will  
32 improve the psychological empowerment of followers working. This result is in line with and  
33 supports the opinion that a growth-oriented work environment can empower followers,  
34 including job characteristics that will continue to experience dynamic development  
35 (Muhammad Shahnawaz, 2016; Wagner, Heil, Hellweg, & Schmedt, 2019).

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37 The pro-growth working environment also has a significant positive influence on Followers'  
38 creative performance. It demonstrates that there is a positive and significant relationship,  
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indicating that the better the pro-growth working environment in a start-up business, the better the creative performance of followers. This study's results are known to align with the opinion (Yeh & Hua, 2017). The working environment, according to the study of organizational behavior, makes start-up business members feel safe and comfortable, and it generates enthusiasm for creating new ideas, influencing individual attitudes, and bringing out innovative behavior in start-up businesses. The results of this study also support that in the Pro-growth Working Environment, followers are encouraged to have creative self-efficacy and motivation. On the other hand, the organization provides leaders, supportive resources, and challenging work to create social networks that build each other to increase Followers' Creative Performance (Jain & Jain, 2017; Karpen et al., 2015; Marcos-Cuevas et al., 2016; Setiawan et al., 2020). It shows that there is a positive and significant relationship which shows that the better the Psychological Empowerment in the start-up business, the better the creative performance of Followers will be. This study's results align with the opinion (Jha, 2017; Mostafa Ahmed Mohammed, 2017), which states that the key element of creative performance is followers' readiness to be empowered. Psychological empowerment will be a follower's perspective on the meaning of work and the follower's willingness to cognitively generate new ideas in the start-up business, which, of course, can be triggered by patterns of leadership, interaction, and the work environment, including the work culture in the start-up business. The results of this study also support the results presented by Abdulrab et al. (2018) and Abukhait et al. (2019). Transformational leadership is also known to have a significant positive influence on Followers' creative performance. Followers' creative performance is also improving as a result of transformational leadership in the start-up business. The results of this study are in line with and support the research of Afsar & Masood (2017), Chaubey, Sahoo, & Khatri (2019), and Khalili (2016), who stated that transformational leadership affects the creativity of followers. The results of this study indicate that transformational leadership will act as a creative force in start-up businesses that can introduce new and useful ideas, which can also increase process effectiveness in start-up businesses as a whole. Transformational leadership can affect the Pro-growth working environment indirectly. Thus, the better the Transformational leadership in the start-up business, the better the Pro-growth working environment will be, which can indirectly improve Followers' creative performance in the start-up business. The results of this study are supported by several previous studies, namely Aa Marcos-Cuevas et al. (2016), Ragins (2016), and Setiawan et al. (2020). Previous studies only partially discussed the relationship between variables. Thus, the results of testing the effect of this mediation are new findings. Apart from that, this research is also an extension

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of the research by Setiawan et al. (2020), which only focused on developing the concept of measuring pro-growth working environments, while this research has accommodated hypothesis testing regarding one of the driving factors for pro-growth working environments. The findings of this study suggest that transformational leaders in start-up businesses can identify employee development needs and ensure that skill development is carried out properly for each employee in the start-up business. Apart from that, Transformational leadership is also known to indirectly influence Followers' Creative Performance through the Pro-Growth Working Environment and Psychological Empowerment. The results of this study support the results of Jha's research (2017), Lee et al (2019), Matsuo (2019), and Setiawan et al. (2020). This study's findings contributed in the form of new discoveries. Transformational leadership can help develop a pro-growth working environment and psychological empowerment in start-up businesses through how transformational leaders form teams, set the right expectations, motivate, and assist teams in thinking of new ideas. Furthermore, the transformational leader will stimulate the knowledge that is transformed into capabilities that are embedded in every employee. Thus, the stimulation results will present new ideas for improving followers' creative performance in a start-up business.

Finally, these findings indicate that transformational leadership can indirectly influence followers' creative performance through a pro-growth work environment, entrepreneurial values, based developmental interaction capability, and psychological empowerment. This research is known to be an extension of Setiawan et al. (2020). This study explains that the effect of a pro-growth working environment on entrepreneurial values based on developmental interaction capability is one of the mediating components of transformational leadership on followers' creative performance. Employees in start-up businesses will gain a pro-growth working environment, entrepreneurial value-based developmental interaction capability, and psychological empowerment in general, which will motivate them to work more creatively and effectively. It is due to a change in the employee's perspective on the start-up business, which is better for himself and his work. Through a pro-growth working environment, entrepreneurial values based on developmental interaction capability, and psychological empowerment, employees in start-up businesses will experience an increase in self-confidence and become more aware of their potential. Thus, the results of this study support, expand, and develop the results that have been put forward by (Abdulrab et al., 2018; Boyd et al., 2016; Feiz et al., 2017; Han et al., 2017; Harbi et al., 2019; Rapp et al., 2016).

## 5. CONCLUSION

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3 Based on the data processing results regarding this research model, it can comprehensively  
4 explain the driving factors of Followers' creative performance through Transformational  
5 Leadership, Pro-growth working environment, Entrepreneurial Values based on developmental  
6 interaction capability, and Psychological Empowerment. The results show significant and  
7 positive influences between the direct and indirect relationships between the variables used.  
8 Transformational Leadership (X) has a positive and significant effect on Followers' creative  
9 performance (Y) through Pro-growth working environment (Z1) and Psychological  
10 Empowerment (Z3). It is known that Transformational Leadership (X) has a positive and  
11 significant effect on Followers' creative performance (Y) through a Pro-growth working  
12 environment (Z1), Entrepreneurial Values based developmental interaction capability (Z2) and  
13 Psychological Empowerment (Z3). According to Naidoo (2016), Creative followers have  
14 received a lot of attention in the literature because it is thought to be important for  
15 organizational success and will impact success in a variety of jobs and industries. In conclusion,  
16 this study shows that followers' creative performance in start-up businesses can experience  
17 better improvements when they get the right influence through the role of the empowerment  
18 environment in supporting the influence of transformational leadership.  
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### 32 **Managerial Implications**

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34 The results of this study can be used as material for consideration in selecting start-up leaders,  
35 recruiting employees, and training to develop leadership skills for leaders within the company.  
36 In addition, the results of this study have provided an overview for start-up business managers  
37 regarding the importance of increasing the Pro-growth working environment, especially from  
38 the aspect of Progressive spirit: Togetherness, which means that start-up companies can pay  
39 more attention to togetherness by bonding between employees or between employees and  
40 superiors in certain ways to strengthen the bond between one another in a start-up company.  
41 Increasing psychological empowerment is also very important, especially in the competence  
42 aspect, by conducting various kinds of training or coaching its employees' soft and hard skills.  
43 Based on the discussion and conclusions outlined in this study, this research can also be used  
44 as a recommendation for company management to measure the influence of transformational  
45 leadership on followers' creative performance in start-up businesses with the help of Pro-  
46 growth Working Environment variables, Entrepreneurial Values Based Developmental  
47 Interaction Capability, and Psychological Empowerment. It is known to have a positive impact  
48 not only on organizational development but also on followers' relationships and individual  
49 development, influencing in encouraging personal growth, which is characterized by  
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3 empowering interactions, enthusiasm to move forward through challenging responsibilities,  
4 being able to create entrepreneurial added values in their work life, and participating in a  
5 motivational process that aims to increase the success of followers.  
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### 10 **Limitations**

11 This research has certainly been conducted to the best knowledge and ability. There are several  
12 limitations that researchers must consider for future research because this study itself still has  
13 several areas for improvement, such as using a cross-sectional research design. Longitudinal  
14 study designs can provide more reliable general results. Therefore, further researchers are  
15 advised to conduct research using time-lag and longitudinal analysis. Second, this study did  
16 not include a moderator role, which could influence relationships. Future research may do so.  
17 Third, the drawback of this study is that the sample used is still a company with limited  
18 operating experience. Hence, the sample still needs to describe the start-up business as a whole  
19 but is limited to the start-up population with limited operations.  
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For Peer Review

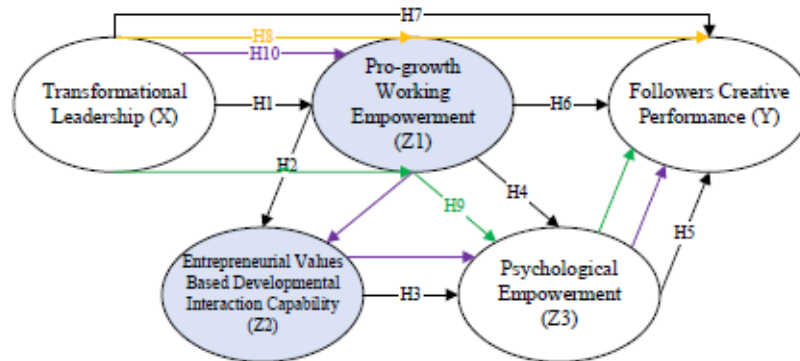


Figure 1. Conceptual Framework

Table 1

Results of Testing the Effect of Inter-Variables

No.	Relation	Coefficient	P-values	Information
1.	Transformational Leadership (X) towards a Pro-growth working environment (Z1)	0.732**	<0.001	Significant
2.	Pro-growth working environment (Z1) on Entrepreneurial Values based on developmental interaction capability (Z2)	0.771**	<0.001	Significant
3.	Pro-growth working environment (Z1) towards Psychological Empowerment (Z3)	0.330**	<0.001	Significant
4.	Entrepreneurial Values based developmental interaction capability (Z2) on Psychological Empowerment (Z3)	0.484**	<0.001	Significant
5.	Pro-growth working environment (Z1) towards Followers' creative performance (Y)	0.243**	<0.001	Significant
6.	Psychological Empowerment (Z3) Followers' creative performance (Y)	0.409**	<0.001	Significant
7.	Transformational Leadership (X) towards Followers' creative performance (Y)	0.143**	0.008	Significant

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8.	Transformational Leadership (X) towards Followers' creative performance (Y) through a Pro-growth working environment (Z1)	0.178**	<0.001	Significant
9.	Transformational Leadership (X) towards Followers' creative performance (Y) through a Pro-growth working environment (Z1) and Psychological Empowerment (Z3)	0.099**	0.002	Significant
10.	Transformational Leadership (X) on Followers' creative performance (Y) through Pro-growth working environment (Z1), Entrepreneurial Values based developmental interaction capability (Z2), and Psychological Empowerment (Z3)	0.112**	<0.001	Significant

Note: \* significant at , \*\* significant at , ns not significant

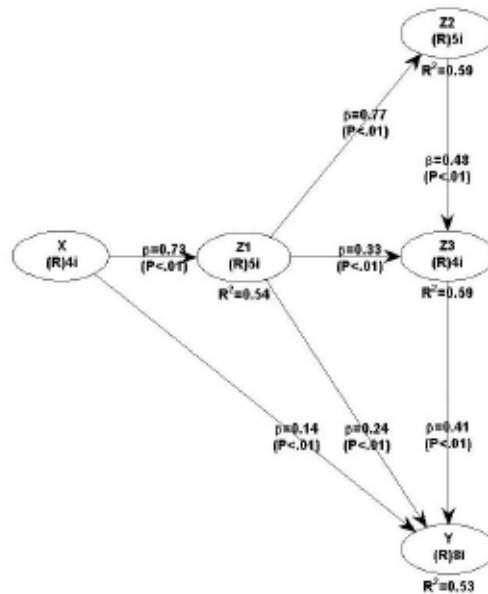


Figure 2. SEM Structural Models

Bukti konfirmasi review pertama dan artikel yang di resubmit

24 Maret 2023



Anis Elyana &lt;anis.elyana@feb.unair.ac.id&gt;

**SAGE Open - Decision on Manuscript ID SO-23-0620**

1 pesan

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24 Maret 2023 pukul 23.44

24-Mar-2023

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Manuscript ID SO-23-0620 entitled "Pro-growth Working Environment Concept to Enhance Followers' Creativity In Start-ups Business" which you submitted to SAGE Open, has been reviewed. The comments of the reviewer(s) are included at the bottom of this letter.

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Reviewer(s)' Comments to Author:

Reviewer: 1

Comments to the Author

I do wish you would have identified the creative employees by a term other than "followers." Creative employees are much more than just followers, but have leadership characteristics of their own. I do agree that leadership style plays a big role in business success and sustainability.

Reviewer: 2

Comments to the Author

Please updates bibliography

Justify methodology

SEM used to have to be detailed (fit Index and measurement model)

## **Pro-growth Working Environment Concept to Enhance Followers' Creativity in Start-ups Business**

### **Abstract**

This study aims to analyze the role of transformational leadership on followers' creative performance through pro-growth working environment values based on developmental interaction capability and psychological empowerment in start-up businesses in Indonesia and to test a new pro-growth working environment concept in that model. This study uses a Structural Equation Model (SEM) using data analysis tools, namely WarpPLS. The research design used is a survey method, and data collection was carried out using questionnaires sent directly to the research respondents. In this study, the population is start-up business employees in Indonesia. The sampling technique is purposive sampling, and the samples in this study are 270 respondents. The results indicate that all the variables significantly influence each other. The existence of transformational leadership, a pro-growth working environment, entrepreneurial values based on development interaction capability, and the right psychological empowerment can influence creative performance to get even better results.

**Keywords:** Transformational Leadership, Pro-Growth Working Environment, Entrepreneurial Values-Based Development Interaction Capability, Psychological Empowerment, Followers Creative Performance, Corporate Sustainability, Process Innovation

## 1. INTRODUCTION

Regarding how big and great the advancement of technology and information development is, it will be easier for organizations to achieve their goals with human resources. Employee performance will increase if human resources are abundant and meet needs (Nugroho et al., 2020). Regarding human resource management in an organization, followers are one of the most important components to gaining a competitive advantage. So, leaders must figure out how to handle it well so that it becomes a key factor in the success of the organization. This requires more research.

With the development of a dynamic and competitive environment, organizations need more creative followers. It encourages organizations to maximize followers' creative performance, a series of creative-related actions and behaviors carried out by followers to achieve organizational goals. According to Trong (2020), high work performance is possible if employees understand their abilities, job characteristics, and the proper method of responding to all work, despite its challenges. Increasing the number of followers' creative performances will help achieve organizational goals and improve performance. Followers' creativity has received much attention in the literature because it is believed to be important for organizational success and will impact success in various jobs and industries (Naidoo, 2016). Followers' creative performance is the collective result of all the abilities and efforts of followers to achieve organizational targets. The creative performance will have many benefits, including generating new ideas, products, and procedures that encourage innovation and become a source of organizational competitive advantage. Furthermore, it can assist the innovation process through the realization of successful ideas that are essential for organizational success and enable sustainable growth.

This research was conducted to fill the research gap on the role of transformational leadership on followers' creative performance by adopting Freud's theory of work and organization (Diamond, 1996) through human capacity and capability at work, work processes, and the work environment. These things are then synthesized into a new concept, a pro-growth working environment, which is then poured into a conceptual model to increase followers' creative performance (Frishammar, 2014; Dziallas, 2018; Schwarz & Nielsen, 2018). Therefore, this research will develop a new conceptual model from the perspective of Freud's theory of work and organization (Diamond, 1996) as a novelty that will be tested empirically. A growth-oriented work environment is a novel concept of a pro-growth working environment (Setiawan, Eliyana, & Suryani, 2020). This concept will be appropriate for start-up businesses that are

known to be very dynamic. Generally, a start-up business is defined as a business established within the last five years in Indonesia.

Several studies have concluded that transformational leadership has an impact on how organizations develop their human resources. Someone with a transformational leadership style is known to have an influence that makes followers feel motivated to develop themselves to become better people than they are today (Gita & Yuniawan, 2016). Transformational leadership can also bring significant changes to followers and organizations (Hasib et al., 2020). The concept of transformational leadership and a pro-growth working environment will create entrepreneurialism value-based development interaction capability. It refers to leaders' and organizations' ability to assist followers in developing knowledge and competencies through a growth-oriented work atmosphere or environment, which is also a novelty concept synthesized from entrepreneurship and value-based development interaction capability (Setiawan, Eliyana, & Suryani, 2020). Therefore, interactions between leaders and followers can produce development initiatives that add value to completing the required responsibilities. This interaction between leaders and followers will help followers complete the work process properly because their knowledge, competence, and individual capacities will increase (Manss, 2017 ; Sulistyani & Ferdinand, 2018).

Furthermore, the concept of a pro-growth working environment and entrepreneurial value can be associated with a creative environment in the organization, so followers are expected to have the ability to absorb knowledge and demonstrate good competence, which will make them think positively and experience psychological empowerment (Abdulrab et al., 2018; Bin Saeed, Afsar, Shahjehan, & Imad Shah, 2019; Mostafa Ahmed Mohammed, 2017). To realize creative performance within the organization, these followers must be confident enough to do their jobs well.

This research refers to a start-up business or a business or trading venture that has just been started or has not been operating for a long time (more precisely, less than five years of operation). It is in the development phase, which is undergoing a process to find the right market segment for this business (Salamzadeh & Kesim, 2015). According to the results of the ranking.com start-up survey in 2019, Indonesia is ranked fifth worldwide, as shown in Table 1, with a total number of start-up businesses owned by 2,180 start-up businesses.

The development of start-up businesses in Indonesia is known to be quite fast. However, the readiness of human resources (HR) still needs to be improved for the government to improve the capabilities of its HR in Indonesia. According to katadata.co.id, the global creativity index in Indonesia in 2015, it was noted that Indonesia was ranked 115th out of 139 countries, based

on three indicators, namely technology, talent, and tolerance. A start-up business is designed to find new business models to achieve big profits. Not a few start-up businesses have failed. According to the Forbes.com website, 90% of the start-ups created worldwide have failed. There are many reasons why start-ups fail, including internal conflicts, wrong predictions of market needs, running out of funds, team disharmony, and bad corporate leadership patterns (Katadata, 2016).

Various leadership patterns can be applied to start-up businesses, and these leadership styles will determine the success and sustainability of the start-up business. In previous studies, it was found that transformational leadership is an effective leadership pattern for start-up businesses, in which the leader uses energy to create a creative environment and empower its members, which will impact the success of the start-up business ( Reid, Anglin, Baur, Short, & Buckley, 2018 ; Sheehan, Garavan, & Morley, 2020 ; You & You, 2019 ; Zuraik, 2017 ). As a result, the context of transformational leadership will be used in this start-up business research. The impact of transformational leadership on followers' creative performance in the presence of a pro-growth working environment, entrepreneurial values based on development interaction capability, and psychological empowerment as mediation are novel findings from this study, particularly as they relate to research objects that lead to employees in several Indonesian start-up companies. Followers' creative performance that is realized correctly with the influence of the variables used correctly is expected to overcome existing phenomena and make companies that can develop sustainably better.

## **2. LITERATURE REVIEW**

### **Theoretical basis**

#### ***Transformational Leadership***

Leadership is one of a leader's abilities to lead an organization. Leadership is the ability to encourage a group to achieve organizational goals, and the success or failure of an organization depends on the leaders (Barika et al., 2020). Transformational leadership denotes the process by which a leader can motivate followers to strive for group versus personal goals through charisma, inspirational motivation, intellectual stimulation, and individual judgment (Bass, 1987). Transformational leadership is based on the principle of developing subordinates by evaluating the abilities and potential of each subordinate in carrying out their duties or work and seeing the possibility of expanding the responsibilities and authority of subordinates in the future (Bastari et al., 2020). In addition, in guiding changes to strategy, structure, mission, and organizational culture to promote product and job innovation, transformational leadership is

known to bring significant changes to followers and organizations (Hasib et al., 2020). Transformational leadership will be able to show consideration for the leader to followers and inspire them to be the best and develop their leadership skills (Bakker et al., 2022).

### ***Pro-Growth Working Environment***

Studies conducted under the Australian Social Security Act (1991) showed that capability to work indicates the ability to complete work continuously, even when it is done independently (Gillespie, 2011). In work oriented towards an interactive model, the personal development of followers, working relations, job opportunities, and quality of service are usually emphasized to create a conducive work environment (Setiawan et al., 2020). The work environment is very important and needs to be considered by the organization (organizational environment) because it will determine the future steps of the organization. The organizational work environment usually refers to a series of physiological-social-psychological characteristics that the people in that environment directly or indirectly feel, and the work environment is considered a key factor in determining the performance of a team or work unit (Manfield & Newey, 2018) and is required to always be adaptive to change (Frishammar, 2014). Through the concepts described, a new concept can be synthesized called the Pro-growth Working Environment, which is a work environment that encourages personal growth and is characterized by empowering interactions, enthusiasm for progress, and challenging responsibilities.

### ***Entrepreneurial Values-Based Development Interaction Capability***

Knowledge in organizations needs to be managed, and the process of managing knowledge is more popularly known as knowledge management, which is very dependent on the role of Knowledge Sharing (Zhu, 2016). Knowledge sharing between leaders, followers, and co-workers is known to educate each individual to increase their skills and competencies, and this is called the concept of developing interaction (Karpen, Bove, Lukas, & Zyphur, 2015). Significant effort has been devoted to understanding entrepreneurial interaction behavior. Until now, individual and organizational factors have been known to facilitate entrepreneurial interaction behavior. Through this process, there will be developmental interactions that will shape individuals to create entrepreneurial added values in their work life, which in this study is called the entrepreneurial concept values-based developmental interaction capability (Sulistiyani & Ferdinand, 2018).

### ***Psychological Empowerment***

Employees with psychological empowerment will be motivated to work more creatively and effectively by changing the way they view themselves and their work (Syabarrudin et al., 2020). By increasing psychological empowerment, employees will be more confident and realize their potential, which can help employees appreciate their work. Al Harbi et al. (2019) defines psychological empowerment as a set of four cognitions that reflect an individual's orientation to his work role: meaning, competence, self-determination, and impact. Through psychological empowerment, followers will be encouraged to have confidence in their abilities due to self-confidence, so they are encouraged to prove their abilities through better work results (Healy, 2017; Kang, Lee, & Kim, 2017; Matsuo, 2019). In conclusion, psychological empowerment is a motivational process that is deliberately carried out to influence the empowerment of a person (followers). Good empowerment requires support from other people in the form of motivation that can influence how followers think and work to be more innovative. That is why psychological empowerment is important to apply in the workplace.

### ***Followers' Creative Performance***

Creativity is creative work through new work that is accepted as work that can be maintained or useful and satisfying by a group at one time (Anggarwati & Eliyana, 2015). In other words, existing products put forward something new and must be valid, useful, and satisfying. Creative followers have received extensive attention in the literature because it is believed to be important for organizational success (Naidoo, 2016). Social interaction within the organization will majorly contribute to Followers creative performance. Followers' creativity has integrated aspects in forming personality, motivational, cognitive, leadership behavior, co-worker behaviors, job context, social network, and working environment (Jain & Jain, 2017). Therefore, creative follower performance is defined as a form of follower performance that has useful new ideas and can become a critical asset for competitive organizational performance (Cai, 2018).

## **Hypothesis Development**

### ***Transformational Leadership and Pro-Growth Working Environment***

Transformational leadership can create significant changes for followers and organizations by creating the ability to direct changes in organizational strategy, mission, structure, and culture, which can promote what the organization needs (Mustika, Eliyana, & Agustina, 2020), like the right work environment for followers. Transformational leadership is associated with more job development (finding resources and seeking challenges) through adaptability, especially for

employees with low organizational identity. Setiawan et al. (2020) aim to develop a new conceptual model, namely the Pro-Growth Working Environment (PWE), through a work and organization theory perspective by Freud, which is unified from the concept of human capacity and work capability, work processes, and the environment work. Thus, the Pro-Growth Working Environment is heavily influenced by leadership in the work environment, especially through transformational leadership. In carrying out work effectively and efficiently, a pro-growth working environment is needed to support the things being implemented so that they function properly (Priarso et al., 2019) through the influence of transformational leadership. Previous studies on transformational leadership, organizational support, and the work environment have stated that transformational leadership can create a conducive work environment for followers to experience both cognitive and affective growth to form creative behavior (Ng, 2016; Wang, Demerouti, & Le Blanc, 2017; Setiawan et al., 2020). Based on this, this study hypothesizes that:

*H1: Transformational leadership has a significant influence on pro-growth working environment*

### ***Pro-growth Working Environment and Entrepreneurial Values based Developmental Interaction Capability***

In a growth-oriented work environment, there will be an interactive relationship between leaders, followers, and co-workers due to knowledge sharing, collaboration, and empowering patterns (Ribeiro & Cherobim, 2017; Sun, Yao, Zhang, Chen, & Liu, 2016). The organizational ability to design a growth-oriented work environment can create followers who seek positive values in the work process so that individual and team capabilities will increase well (Han et al., 2017; Matošková & Směšná, 2017; Setiawan et al., 2020; Sulistyani & Ferdinand, 2018). Setiawan et al. (2020) aim to develop a new conceptual model regarding the capability of developing entrepreneurial values-based interactions or Entrepreneurial Values-Based Development Interaction Capability (EVBDIC), which is unified from the concept of knowledge, work interactions within organizations and also entrepreneurial values. Sulistyani & Ferdinand (2018) aimed to develop a conceptual model by proposing the concept of a value orientation to develop interactions used with several criteria, such as having to be in a teamwork position for department heads, supervisors, and strategic staff. The results of this study indicate that knowledge sharing has an impact on value-based interactive development capabilities. The value will affect the work team's performance based on the ability to interact. In addition, the

value-based interactive development function can adjust the impact of knowledge sharing on work-team performance. Based on this, this study hypothesizes that:

*H2: Pro-growth Working Environment has a significant effect on Entrepreneurial Values Based Developmental Interaction Capability*

### ***Entrepreneurial Values based on Developmental Interaction Capability and Psychological Empowerment***

Knowledge sharing and interactions worth knowing will make followers more confident because they feel confident that they have cognitive abilities that will encourage them effectively. Psychological empowerment will become a very important capital for followers to dare to act (Feiz et al., 2017; Healy, 2017; Setiawan et al., 2020). Setiawan et al. (2020) aim to develop a new conceptual model capable of developing entrepreneurial values-based interactions that are unified from the concepts of knowledge, work interactions within organizations, and entrepreneurial values. According to Hayter (2016), entrepreneurship assumes knowledge is an important source of innovation, economic dynamism, and growth. Information about organizational goals and skills outcomes through knowledge sharing will be important concerning jobs in psychological empowerment. It can also give them a better sense of control over decision-making. Based on this, this study hypothesizes that:

*H3: Entrepreneurial values based on developmental interaction capability have a significant effect on psychological empowerment*

### ***Pro-growth Working Environment and Psychological Empowerment***

The Pro-growth Working Environment can significantly influence followers' cognitive, affective, emotional, and behavioral aspects to be ready to be empowered because these followers have been given the opportunity and are involved in the process (Setiawan et al., 2020; Gretchen M. Spreitzer, 1996). In addition, Matsuo (2019) has shown a direct influence of positive interaction on the development of work experience and learning goal orientation on psychological empowerment. In this research, the development of work experience will show a good work environment that can increase psychological empowerment. According to Javed et al. (2018), workplace events such as performance evaluation, work environment, and formal assistance can affect psychological empowerment. Setiawan et al. (2020) intend to create a new conceptual model, the Pro-Growth Working Environment (PWE), based on Freud's work and organization theory, that is unified from the concepts of human capacity and work capability, work processes, and work environment. According to Manfield & Newey (2018),

improvements in the right work environment can result in greater employee professionalism, increased psychological empowerment, increased job satisfaction, decreased fatigue, and higher retention rates. Based on this, this study hypothesizes that:

*H4: Pro-growth Working Environment has a significant effect on Psychological Empowerment*

### ***Psychological Empowerment and Followers Creative Performance***

The key element of creative performance is the followers' readiness to be empowered. Often, creative performance cannot be achieved when followers do routines or have habits at work and do not have a great will to try new things. It is known that psychological empowerment and followers' creative performance are two things that cannot be separated in the organizational concept. The psychological empowerment of the followers largely determines the level of the followers' creative performance, and different responses to work will create changing levels of pressure and ambivalence that affect Followers' Creative Performance (Abdulrab et al., 2018; Abualoush, Obeidat, Tarhini, Masa'deh, & Al-Badi, 2018; Abukhait et al., 2019). When employees believe they are capable and are given the necessary means for productive work, they will have scope for self-determination beyond work arrangements. Therefore, they can easily shape the desired results based on their actions, and they will be more likely to focus on generating solution-oriented ideas in a more conscientious and enduring manner. As a result, employees with psychological empowerment will tend to show more creative performance in the organization. In addition, previous research supports the relationship between psychological empowerment and creative performance (Seibert et al., 2011; Zhang & Bartol, 2010). Based on this, this study hypothesizes that:

*H5: Psychological empowerment has a significant effect on Followers' Creative Performance*

### ***Pro-growth Working Environment and Followers Creative Performance***

In studying organizational behavior, the working environment can make organizational members feel safe and comfortable and generate enthusiasm for creating new ideas that will influence individual attitudes in bringing out innovative behavior through creativity. A pro-growth work environment will create a strong work environment to support followers' creative performance, such as through organizational and supervisory encouragement, work group support, freedom, and sufficient resources, which will greatly arouse followers to have creative performance (Yeh & Huan, 2017). In the Pro-growth Working Environment, followers will be encouraged to have creative self-efficacy and motivation. However, the organization provides supportive resources, leaders, and challenging work to create social networks that mutually

build each other to increase Followers' Creative Performance (Cai, 2018; Marcos-Cuevas, Nätti, Palo, & Baumann, 2016; Setiawan et al., 2020 ). Setiawan et al. (2020) in their research aim to develop a new conceptual model, namely the Pro-growth Working Environment (PWE), from the perspective of Freud's work and organization theory, which is synthesized from the concept of human capacity and capability in work, work processes, and the work environment. Seeing the adequacy of individual resources is one form of organizational support for employee creativity. The work environment has been considered in terms of cognitive, emotional, and physical resources for developing innovation processes through creativity (Ma et al., 2020). Based on this, this study hypothesizes that:

*H6: Pro-growth working environment has a significant effect on followers' creative performance*

### ***Transformational Leadership and Followers' Creative Performance***

Research on the influence of leadership in stimulating creative and innovative abilities in individuals is known to have been carried out by many scholars, especially focusing on understanding the relationship between transformational leadership and creative followers (Chaubey et al., 2019). Individual consideration, inspirational motivation, and idealized influence can help followers to work more creatively because the leaders have given them great expectations. Through innovative ideas, leadership can reflect aspects of follower behavior and motivate them to innovate through creativity (Sandvik Alexander, 2018). Thus, creative performance is a vision-based motivational process behind transformational leadership (Yeh & Huan, 2017). Transformational leadership will encourage followers to try new things, improve their abilities, and develop innovation. Therefore, there is a significant and positive relationship between transformational leadership and followers' creative performance (Afsar & Masood, 2017; Chaubey, Sahoo, & Khatri, 2019; Khalili, 2016). In addition, according to Yang et al. (2019), the right level of transformational leadership can encourage employees to be motivated and guided by their leaders to exceed performance expectations and to act proactively and creatively. Based on this, this study hypothesizes that:

*H7: Transformational leadership significant effect on Followers' Creative Performance*

### ***Transformational Leadership and Followers' Creative Performance through a Pro-Growth Working Environment***

Transformational leadership inspires employees to overcome self-interest by changing their ideals, passions, interests, and values to achieve higher performance (Yang et al., 2019).

Transformational leaders can identify their employees' developmental needs and ensure that skill development is carried out properly for each employee. Facilitating individuals as the focus of transformational leaders is a determinant of creating the right pro-growth working environment and producing maximum creative performance within a company. However, the innovation process depends on employees' knowledge, skills, and related experience to create value for the company because organizational learning and workplace relationships may trigger the impact of transformational leaders on creative performance (Yeh & Huan, 2017). The Pro-Growth Working Environment is known to help the process of generating new ideas for products, services, and business processes. This will demonstrate a positive relationship between the transformational leadership style and the creation of a pro-growth working environment to produce creative performance (Marcos-Cuevas et al., 2016 ; Ragins, 2016 ; Setiawan et al., 2020). Based on this, this study hypothesizes that:

*H8: Transformational leadership has a significant effect on followers ' creative performance through a pro-growth working environment.*

#### ***Transformational Leadership and Followers' Creative Performance Through a Pro-Growth Working Environment and Psychological Empowerment***

Transformational leadership can help develop a pro-growth working environment and psychological empowerment through how leaders form the team, set the right expectations, and motivate the team to think of new ideas. It can be done through a discussion process that creates a pro-growth working environment and psychological empowerment, which will embed capabilities and stimulate new ideas that are useful for achieving better organizational goals (Bin Saeed et al., 2019; Harbi et al., 2019; Javed, Abdullah, Zaffar, Haque, & Rubab, 2018). Therefore, there is a significant and positive relationship between transformational leadership and followers' creative performance through the pro-growth working environment and psychological empowerment (Lee et al., 2019; Matsuo, 2019; Setiawan et al., 2020). Based on this, this study hypothesizes that:

*H9: Transformational leadership has a significant effect on followers' creative performance through a pro-growth working environment and psychological empowerment.*

#### ***Transformational Leadership and Followers' Creative Performance Through a Pro-Growth Working Environment, Entrepreneurial Values Based on Developmental Interaction Capability, and Psychological Empowerment***

Previous studies have shown a positive relationship between transformational leadership and followers' creative performance through a pro-growth working environment, entrepreneurial values based on developmental interaction capability, and psychological empowerment. A leader will play an important role in influencing the psychological condition of employees because transformational leadership will affect the psychological climate of safe employees (Naidoo, 2016). They are related to the four dimensions of transformational leadership, especially individual consideration and inspirational motivation (Bin Saeed et al., 2019; Lee et al., 2019; Matsuo, 2019). Employees who acquire a pro-growth working environment, entrepreneurial value-based developmental interaction capability, and psychological empowerment, in general, will be motivated to work more creatively and effectively. It is due to a shift in employees' attitudes toward themselves and their jobs. Through a pro-growth working environment, entrepreneurial values based on developmental interaction capability, and psychological empowerment, employees will experience increased self-confidence and become more aware of their potential.

In addition, a pro-growth working environment, entrepreneurial values based on developmental interaction capability, and psychological empowerment also help employees appreciate their work more. When these values appear in employees, their behavior will automatically change and they will become more creative to produce something that impacts the organization. It will be related to Followers creative performance, bearing in mind that creativity is important. Therefore, a pro-growth working environment, entrepreneurial values based on developmental interaction capability, and Psychological empowerment play a role in increasing the possibility of followers' creative performance at work (Abdulrab et al., 2018; Boyd, McGarry, & Clarke, 2016; Feiz et al., 2017; Han et al., 2017; Harbi et al., 2019; Rapp, Gilson, Mathieu, & Ruddy, 2016; Setiawan et al., 2020). Based on this, this study hypothesizes that:

*H10: Transformational leadership has a significant effect on followers' creative performance through a pro-growth working environment, entrepreneurial values-based developmental interaction capability, and psychological empowerment.*

### **Figure 1. Conceptual Framework**

## **3. RESEARCH METHODS**

### **Research Approach**

This study uses a quantitative approach through a correlation pattern that uses scientific principles, namely empirical, objective, measurable, rational, and systematic. This study

examined some of the subjects who were representatives of the population through survey methods using questionnaires directly to research respondents. The independent variable of this research is transformational leadership (X), the dependent variable of this research is followers' creative performance (Y), and the mediator variables of this research are a pro-growth working environment (Z1), entrepreneurial values-based development interaction capability (Z2) and psychological empowerment (Z3).

### **Data Collection Technique**

In this study, the population used was start-up business employees in Indonesia. Employees of start-up businesses are those who work in companies that have only recently started or established themselves. The business must also be active, and the business must be managed independently and not as an additional line of business from an established company (Salamzadeh & Kesim, 2015), so the population in this study cannot be known with certainty (unknown populations). The sampling technique for this research is purposive sampling, so the sample used in this study is some employees (followers) from start-up businesses in Indonesia who follow special characteristics with research objectives that are expected to be able to answer research problems.

### **Measurement**

This study measures transformational leadership variable using items adapted from the Multifactor Leadership Questionnaire (MLQ) Form 5X-Short by Avolio et al. (1999), pro-growth working environment variable using items by Blumberg & Pringle (1982), entrepreneurial values-based development interaction capability variable referring to the instrument by Frappaolo (2017), psychological empowerment variable using items by Spreitzer (1995), and followers' creative performance using items from Farmer et al. (2003).

### **Data analysis technique**

The data analysis technique used in this study is the Structural Equation Model (SEM) or structural equation model using data analysis tools, namely WarpPLS. Several tests must be carried out in this study to fulfill the requirements for conducting data analysis, namely the validity test, reliability test, Confirmatory Factor Analysis (CFA) test and model test, hypothesis test, and mediation test.

## **4. RESULTS AND DISCUSSION**

## **Results**

Start-up business employees in Indonesia who were the respondents in this study were mostly male (52.96%), 25 years old (66.66%), working in the food and beverage business (35.9%), and dominated by employees who work in companies that have been operating for 1-2 years (33.70%). Furthermore, each item has an average value of 3.50 to 4.50, meaning all variables in the start-up business have been relatively good.

All criteria have reached the expected value limits or have met the recommended critical limits of Goodness of fit indices so that the results of this modeling are acceptable or feasible analysis. In addition, the variables used are Transformational Leadership (X), Pro-Growth Working Environment (Z1), Entrepreneurial Values-Based Development Interaction Capability (Z2), Psychological Empowerment (Z3), and Followers' Creative Performance (Y), also shown that it meets the requirements of validity and reliability.

The next stage is testing structural relationships on direct and indirect influence paths. There is a significant influence between one variable and another if the p-value < 0.05 (Hair et al., 2017).

**Table 1**  
**Results of Testing the Effect of Inter-Variables**

**Figure 2. SEM Structural Models**

The results of testing the direct effect structural model, as presented in Table 1 and Figure 2, prove that all hypotheses have a significantly positive effect on one another. According to the above description, the main determinant factor is follower creative performance (Y). This research is Psychological Empowerment (Z3). It is known from the path coefficient value, which is the largest compared to other direct path coefficients, namely the influence of Transformational Leadership (X) and Pro-Growth Working Environment (Z1). The Psychological Empowerment variable (Z3) itself is influenced by two factors, namely Pro-Growth Working Environment (Z1) and Entrepreneurial Values-based Development Interaction Capability (Z2). The main factor influencing Psychological Empowerment (Z3) is Entrepreneurial Values based on Development Interaction Capability (Z2), which is indicated by a larger path coefficient.

## **Discussion**

The research analyzes the effect of Transformational Leadership (X) on Followers' Creative Performance (Y), with the pro-growth working environment (Z1), entrepreneurial values based on development interaction capability (Z2), and psychological empowerment (Z3) as mediating variables. According to the findings of this study, transformational leadership has a significant positive impact on the pro-growth working environment. It shows that there is a positive and significant relationship, which shows that the better the Transformational leadership in the start-up business, the Pro-growth of the working environment is also getting better. It will be related to leadership, an important factor in the company, which makes leadership able to have a major influence on the work environment in the company for the better. The results of this study are known to be in line with the opinions of Frishammar (2014; Wang, Demerouti, & Le Blanc (2017), which state that leaders, as holders of organizational constraints (in this case, business start-ups), can move members of the organization to achieve their goals. The goal in question is a conducive work environment in the form of a pro-growth working environment. The study's findings show that a pro-growth work environment has a significantly positive influence on entrepreneurial values-based developmental interaction capability. In the context of this study, the intended stimulus is a good start-up business work environment, while the intended response is interaction capability. This study's results align with Ribeiro & Cherobim (2017), Sun, Yao, Zhang, Chen, & Liu (2016). A good work environment, in this case, the Pro-Growth Working Environment, will have a good interactive relationship (Setiawan et al., 2020).

The results of testing the hypothesis after the data is processed with the analytical techniques used also show that Entrepreneurial Values based on developmental interaction capability have a significantly positive effect on Psychological Empowerment. It shows that there is a positive and significant relationship which shows that the better the Entrepreneurial Values based on developmental interaction capability in start-up businesses, the better psychological empowerment will also be. The results of this study support that knowledge sharing and valuable interactions in start-up businesses will make followers more self-confident because they feel confident that they have abilities cognitively and will encourage them effectively. Thus, psychological empowerment in the start-up business will be valuable for followers to dare to act forward (Feiz et al., 2017; Healy, 2017; Setiawan et al., 2020). Furthermore, these findings indicate that a pro-growth work environment has a significant positive effect on psychological empowerment. It shows that there is a positive and significant relationship which shows that the better the Pro-growth working environment in the start-up business, the better the Psychological Empowerment will be. A good work environment in a start-up company will

improve the psychological empowerment of followers working. This result is in line with and supports the opinion that a growth-oriented work environment can empower followers, including job characteristics that will continue to experience dynamic development (Muhammad Shahnawaz, 2016; Wagner, Heil, Hellweg, & Schmedt, 2019).

The pro-growth working environment also has a significant positive influence on Followers' creative performance. It demonstrates that there is a positive and significant relationship, indicating that the better the pro-growth working environment in a start-up business, the better the creative performance of followers. This study's results are known to align with the opinion (Yeh & Hua, 2017). The working environment, according to the study of organizational behavior, makes start-up business members feel safe and comfortable, and it generates enthusiasm for creating new ideas, influencing individual attitudes, and bringing out innovative behavior in start-up businesses. The results of this study also support that in the Pro-growth Working Environment, followers are encouraged to have creative self-efficacy and motivation. On the other hand, the organization provides leaders, supportive resources, and challenging work to create social networks that build each other to increase Followers' Creative Performance (Jain & Jain, 2017; Karpen et al., 2015; Marcos-Cuevas et al., 2016; Setiawan et al., 2020). It shows that there is a positive and significant relationship which shows that the better the Psychological Empowerment in the start-up business, the better the creative performance of Followers will be. This study's results align with the opinion (Jha, 2017; Mostafa Ahmed Mohammed, 2017), which states that the key element of creative performance is followers' readiness to be empowered. Psychological empowerment will be a follower's perspective on the meaning of work and the follower's willingness to cognitively generate new ideas in the start-up business, which, of course, can be triggered by patterns of leadership, interaction, and the work environment, including the work culture in the start-up business. The results of this study also support the results presented by Abdulrab et al. (2018) and Abukhait et al. (2019). Transformational leadership is also known to have a significant positive influence on Followers' creative performance. Followers' creative performance is also improving as a result of transformational leadership in the start-up business. The results of this study are in line with and support the research of Afsar & Masood (2017), Chaubey, Sahoo, & Khatri (2019), and Khalili (2016), who stated that transformational leadership affects the creativity of followers. The results of this study indicate that transformational leadership will act as a creative force in start-up businesses that can introduce new and useful ideas, which can also increase process effectiveness in start-up businesses as a whole.

Transformational leadership can affect the Pro-growth working environment indirectly. Thus, the better the Transformational leadership in the start-up business, the better the Pro-growth working environment will be, which can indirectly improve Followers' creative performance in the start-up business. The results of this study are supported by several previous studies, namely Aa Marcos-Cuevas et al. (2016), Ragins (2016), and Setiawan et al. (2020). Previous studies only partially discussed the relationship between variables. Thus, the results of testing the effect of this mediation are new findings. Apart from that, this research is also an extension of the research by Setiawan et al. (2020). which only focused on developing the concept of measuring pro-growth working environments, while this research has accommodated hypothesis testing regarding one of the driving factors for pro-growth working environments. The findings of this study suggest that transformational leaders in start-up businesses can identify employee development needs and ensure that skill development is carried out properly for each employee in the start-up business. Apart from that, Transformational leadership is also known to indirectly influence Followers' Creative Performance through the Pro-Growth Working Environment and Psychological Empowerment. The results of this study support the results of Jha's research (2017), Lee et al (2019), Matsuo (2019), and Setiawan et al. (2020). This study's findings contributed in the form of new discoveries. Transformational leadership can help develop a pro-growth working environment and psychological empowerment in start-up businesses through how transformational leaders form teams, set the right expectations, motivate, and assist teams in thinking of new ideas. Furthermore, the transformational leader will stimulate the knowledge that is transformed into capabilities that are embedded in every employee. Thus, the stimulation results will present new ideas for improving followers' creative performance in a start-up business.

Finally, these findings indicate that transformational leadership can indirectly influence followers' creative performance through a pro-growth work environment, entrepreneurial values, based developmental interaction capability, and psychological empowerment. This research is known to be an extension of Setiawan et al. (2020). This study explains that the effect of a pro-growth working environment on entrepreneurial values based on developmental interaction capability is one of the mediating components of transformational leadership on followers ' creative performance. Employees in start-up businesses will gain a pro-growth working environment, entrepreneurial value-based developmental interaction capability, and psychological empowerment in general, which will motivate them to work more creatively and effectively. It is due to a change in the employee's perspective on the start-up business, which is better for himself and his work. Through a pro-growth working environment, entrepreneurial

values based on developmental interaction capability, and psychological empowerment, employees in start-up businesses will experience an increase in self-confidence and become more aware of their potential. Thus, the results of this study support, expand, and develop the results that have been put forward by (Abdulrab et al., 2018; Boyd et al., 2016; Feiz et al., 2017; Han et al., 2017; Harbi et al., 2019; Rapp et al., 2016).

## **5. CONCLUSION**

Based on the data processing results regarding this research model, it can comprehensively explain the driving factors of Followers' creative performance through Transformational Leadership, Pro-growth working environment, Entrepreneurial Values based on developmental interaction capability, and Psychological Empowerment. The results show significant and positive influences between the direct and indirect relationships between the variables used. Transformational Leadership (X) has a positive and significant effect on Followers' creative performance (Y) through Pro-growth working environment (Z1) and Psychological Empowerment (Z3). It is known that Transformational Leadership (X) has a positive and significant effect on Followers' creative performance (Y) through a Pro-growth working environment (Z1), Entrepreneurial Values based developmental interaction capability (Z2) and Psychological Empowerment (Z3). According to Naidoo (2016), Creative followers have received a lot of attention in the literature because it is thought to be important for organizational success and will impact success in a variety of jobs and industries. In conclusion, this study shows that followers' creative performance in start-up businesses can experience better improvements when they get the right influence through the role of the empowerment environment in supporting the influence of transformational leadership.

### **Managerial Implications**

The results of this study can be used as material for consideration in selecting start-up leaders, recruiting employees, and training to develop leadership skills for leaders within the company. In addition, the results of this study have provided an overview for start-up business managers regarding the importance of increasing the Pro-growth working environment, especially from the aspect of Progressive spirit: Togetherness, which means that start-up companies can pay more attention to togetherness by bonding between employees or between employees and superiors in certain ways to strengthen the bond between one another in a start-up company. Increasing psychological empowerment is also very important, especially in the competence aspect, by conducting various kinds of training or coaching its employees' soft and hard skills.

Based on the discussion and conclusions outlined in this study, this research can also be used as a recommendation for company management to measure the influence of transformational leadership on followers' creative performance in start-up businesses with the help of Pro-growth Working Environment variables, Entrepreneurial Values Based Developmental Interaction Capability, and Psychological Empowerment. It is known to have a positive impact not only on organizational development but also on followers' relationships and individual development, influencing in encouraging personal growth, which is characterized by empowering interactions, enthusiasm to move forward through challenging responsibilities, being able to create entrepreneurial added values in their work life, and participating in a motivational process that aims to increase the success of followers.

### **Limitations**

This research has certainly been conducted to the best knowledge and ability. There are several limitations that researchers must consider for future research because this study itself still has several areas for improvement, such as using a cross-sectional research design. Longitudinal study designs can provide more reliable general results. Therefore, further researchers are advised to conduct research using time-lag and longitudinal analysis. Second, this study did not include a moderator role, which could influence relationships. Future research may do so. Third, the drawback of this study is that the sample used is still a company with limited operating experience. Hence, the sample still needs to describe the start-up business as a whole but is limited to the start-up population with limited operations.

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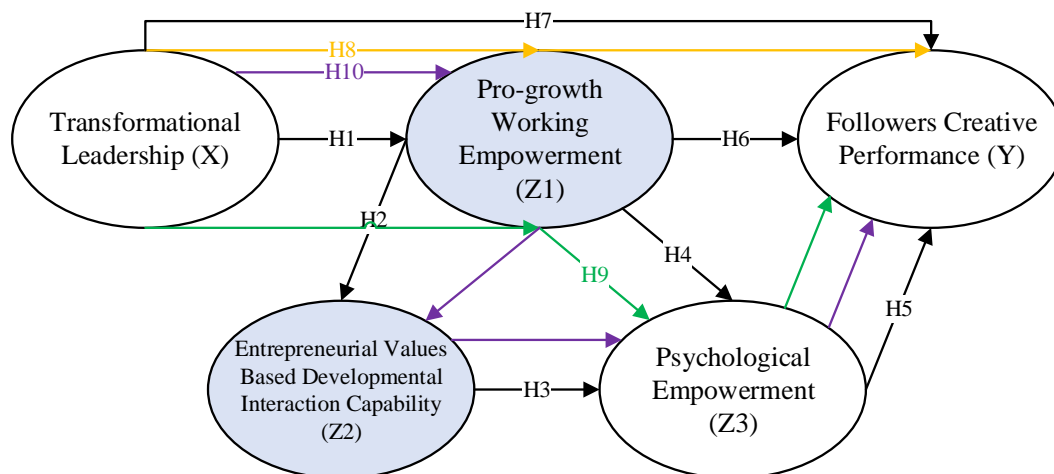
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**Figure 1. Conceptual Framework**

**Table 1**

**Results of Testing the Effect of Inter-Variables**

No.	Relation	Coefficient	P-values	Information
1.	Transformational Leadership (X) towards a Pro-growth working environment (Z1)	0.732**	<0.001	Significant
2.	Pro-growth working environment (Z1) on Entrepreneurial Values based on developmental interaction capability (Z2)	0.771**	<0.001	Significant
3.	Pro-growth working environment (Z1) towards Psychological Empowerment (Z3)	0.330**	<0.001	Significant
4.	Entrepreneurial Values based developmental interaction capability (Z2) on Psychological Empowerment (Z3)	0.484**	<0.001	Significant
5.	Pro-growth working environment (Z1) towards Followers' creative performance (Y)	0.243**	<0.001	Significant
6.	Psychological Empowerment (Z3 ) Followers' creative performance (Y)	0.409**	<0.001	Significant
7.	Transformational Leadership (X) towards Followers' creative performance (Y)	0.143**	0.008	Significant

8.	Transformational Leadership (X) towards Followers' creative performance (Y) through a Pro-growth working environment (Z1)	0.178**	<0.001	Significant
9.	Transformational Leadership (X) towards Followers' creative performance (Y) through a Pro-growth working environment (Z1) and Psychological Empowerment (Z3)	0.099**	0.002	Significant
10.	Transformational Leadership (X) on Followers' creative performance (Y) through Pro-growth working environment (Z1), Entrepreneurial Values based developmental interaction capability (Z2), and Psychological Empowerment (Z3)	0.112**	<0.001	Significant

Note: \* significant at  $p < 0.05$ , \*\* significant at  $p < 0.01$ , <sup>ns</sup> not significant

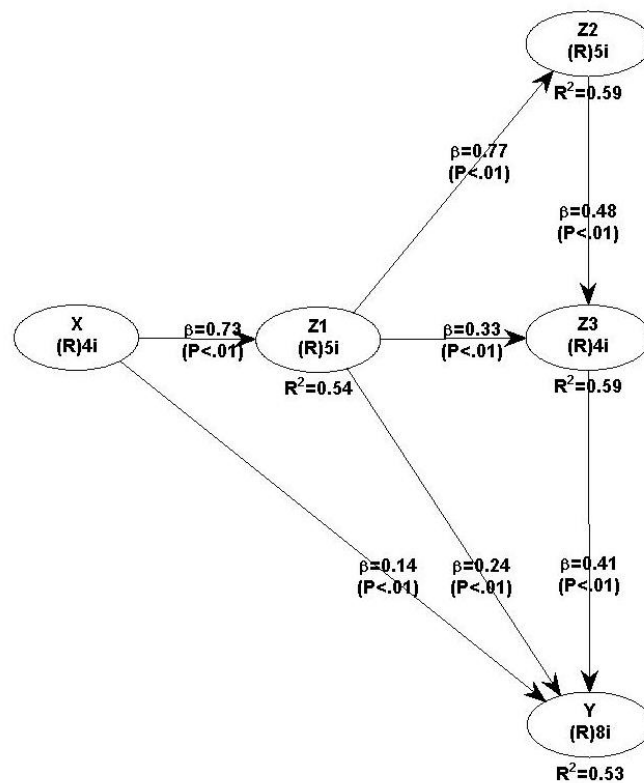


Figure 2. SEM Structural Models

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## **Pro-growth Working Environment Concept to Enhance Followers' Creativity in Start-ups Business**

### **Abstract**

This study aims to analyze the role of transformational leadership on followers' creative performance through pro-growth working environment values based on developmental interaction capability and psychological empowerment in start-up businesses in Indonesia and to test a new pro-growth working environment concept in that model. This study uses a Structural Equation Model (SEM) using data analysis tools, namely WarpPLS. The research design used is a survey method, and data collection was carried out using questionnaires sent directly to the research respondents. In this study, the population is start-up business employees in Indonesia. The sampling technique is purposive sampling, and the samples in this study are 270 respondents. The results indicate that all the variables significantly influence each other. The existence of transformational leadership, a pro-growth working environment, entrepreneurial values based on development interaction capability, and the right psychological empowerment can influence creative performance to get even better results.

**Keywords:** Transformational Leadership, Pro-Growth Working Environment, Entrepreneurial Values-Based Development Interaction Capability, Psychological Empowerment, Followers Creative Performance, Corporate Sustainability, Process Innovation

## **6. INTRODUCTION**

Regarding how big and great the advancement of technology and information development is, it will be easier for organizations to achieve their goals with human resources. Employee performance will increase if human resources are abundant and meet needs (Nugroho et al., 2020). Regarding human resource management in an organization, followers are one of the most important components to gaining a competitive advantage. So, leaders must figure out how to handle it well so that it becomes a key factor in the success of the organization. This requires more research.

With the development of a dynamic and competitive environment, organizations need more creative followers. It encourages organizations to maximize followers' creative performance, a series of creative-related actions and behaviors carried out by followers to achieve organizational goals. According to Trong (2020), high work performance is possible if employees understand their abilities, job characteristics, and the proper method of responding to all work, despite its challenges. Increasing the number of followers' creative performances will help achieve organizational goals and improve performance. Followers' creativity has received much attention in the literature because it is believed to be important for organizational success and will impact success in various jobs and industries (Naidoo, 2016). The concept of followers is different from subordinates because both followers and leaders work toward the same goal. Also, they believe in the organization's goals and are committed to achieving them. While subordinates refer to those who report their work to their superiors (Chalief, 2009). Followers' creative performance is the collective result of all the abilities and efforts of followers to achieve organizational targets. The creative performance will have many benefits, including generating new ideas, products, and procedures that encourage innovation and become a source of organizational competitive advantage. Furthermore, it can assist the innovation process through the realization of successful ideas that are essential for organizational success and enable sustainable growth.

This research was conducted to fill the research gap on the role of transformational leadership on followers' creative performance by adopting Freud's theory of work and organization (Diamond, 1996) through human capacity and capability at work, work processes, and the work environment. These things are then synthesized into a new concept, a pro-growth working environment, which is then poured into a conceptual model to increase followers' creative performance (Frishammar, 2014; Dziallas, 2018; Schwarz & Nielsen, 2018). Therefore, this

research will develop a new conceptual model from the perspective of Freud's theory of work and organization (Diamond, 1996) as a novelty that will be tested empirically. A growth-oriented work environment is a novel concept of a pro-growth working environment (Setiawan, Eliyana, & Suryani, 2020). This concept will be appropriate for start-up businesses that are known to be very dynamic. Generally, a start-up business is defined as a business established within the last five years in Indonesia.

Several studies have concluded that transformational leadership has an impact on how organizations develop their human resources. Someone with a transformational leadership style is known to have an influence that makes followers feel motivated to develop themselves to become better people than they are today (Gita & Yuniawan, 2016). Transformational leadership can also bring significant changes to followers and organizations (Hasib et al., 2020). The concept of transformational leadership and a pro-growth working environment will create entrepreneurialism value-based development interaction capability. It refers to leaders' and organizations' ability to assist followers in developing knowledge and competencies through a growth-oriented work atmosphere or environment, which is also a novelty concept synthesized from entrepreneurship and value-based development interaction capability (Setiawan, Eliyana, & Suryani, 2020). Therefore, interactions between leaders and followers can produce development initiatives that add value to completing the required responsibilities. This interaction between leaders and followers will help followers complete the work process properly because their knowledge, competence, and individual capacities will increase (Manss, 2017 ; Sulistyani & Ferdinand, 2018).

Furthermore, the concept of a pro-growth working environment and entrepreneurial value can be associated with a creative environment in the organization, so followers are expected to have the ability to absorb knowledge and demonstrate good competence, which will make them think positively and experience psychological empowerment (Abdulrab et al., 2018; Bin Saeed, Afsar, Shahjehan, & Imad Shah, 2019; Mostafa Ahmed Mohammed, 2017). To realize creative performance within the organization, these followers must be confident enough to do their jobs well.

This research refers to a start-up business or a business or trading venture that has just been started or has not been operating for a long time (more precisely, less than five years of operation). It is in the development phase, which is undergoing a process to find the right market segment for this business (Salamzadeh & Kesim, 2015). According to the results of the ranking.com start-up survey in 2019, Indonesia is ranked fifth worldwide, as shown in Table 1, with a total number of start-up businesses owned by 2,180 start-up businesses.

The development of start-up businesses in Indonesia is known to be quite fast. However, the readiness of human resources (HR) still needs to be improved for the government to improve the capabilities of its HR in Indonesia. According to katadata.co.id, the global creativity index in Indonesia in 2015, it was noted that Indonesia was ranked 115th out of 139 countries, based on three indicators, namely technology, talent, and tolerance. A start-up business is designed to find new business models to achieve big profits. Not a few start-up businesses have failed. According to the Forbes.com website, 90% of the start-ups created worldwide have failed. There are many reasons why start-ups fail, including internal conflicts, wrong predictions of market needs, running out of funds, team disharmony, and bad corporate leadership patterns (Katadata, 2016).

Various leadership patterns can be applied to start-up businesses, and these leadership styles will determine the success and sustainability of the start-up business. In previous studies, it was found that transformational leadership is an effective leadership pattern for start-up businesses, in which the leader uses energy to create a creative environment and empower its members, which will impact the success of the start-up business ( Reid, Anglin, Baur, Short, & Buckley, 2018 ; Sheehan, Garavan, & Morley, 2020 ; You & You, 2019 ; Zuraik, 2017 ). However, there were studies which stated that transformational leadership did not have a significant role on followers' creative performance (Brown, 2008; Wang et al., 2014). Based on this contradicting result, this study found a research gap to measure the role of transformational leadership on followers' creative performance. As a result, the context of transformational leadership will be used in this start-up business research. The conceptual framework of transformational leadership on followers' creative performance in the presence of a pro-growth working environment, entrepreneurial values based on development interaction capability, and psychological empowerment as mediation is a new model proposed by this study, specifically in the context of Indonesian start-up companies. Furthermore, Pro-growth Working Environment and Entrepreneurial Value Based Development Interaction Capability are newly developed concepts (Setiawan et al., 2020). Followers' creative performance that is realized correctly with the influence of the variables used correctly is expected to overcome existing phenomena and make companies that can develop sustainably better.

## **7. LITERATURE REVIEW**

### **Theoretical basis**

#### ***Transformational Leadership***

Leadership is one of a leader's abilities to lead an organization. Leadership is the ability to encourage a group to achieve organizational goals, and the success or failure of an organization depends on the leaders (Barika et al., 2020). Transformational leadership denotes the process by which a leader can motivate followers to strive for group versus personal goals through charisma, inspirational motivation, intellectual stimulation, and individual judgment (Bass, 1987). In addition, the transformational leadership style can also be described as a form of empowering followers with a sense of autonomy and responsibility, which can increase commitment and efficiency by facilitating growth and providing evidence into practice to achieve organizational goals (Al-Thawabiya et al., 2023). Transformational leadership is based on the principle of developing subordinates by evaluating the abilities and potential of each subordinate in carrying out their duties or work and seeing the possibility of expanding the responsibilities and authority of subordinates in the future (Bastari et al., 2020). In addition, in guiding changes to strategy, structure, mission, and organizational culture to promote product and job innovation, transformational leadership is known to bring significant changes to followers and organizations (Hasib et al., 2020). Transformational leadership will be able to show consideration for the leader to followers and inspire them to be the best and develop their leadership skills (Bakker et al., 2022).

### ***Pro-Growth Working Environment***

Studies conducted under the Australian Social Security Act (1991) showed that capability to work indicates the ability to complete work continuously, even when it is done independently (Gillespie, 2011). In work oriented towards an interactive model, the personal development of followers, working relations, job opportunities, and quality of service are usually emphasized to create a conducive work environment (Setiawan et al., 2020). The work environment is very important and needs to be considered by the organization (organizational environment) because it will determine the future steps of the organization. The organizational work environment usually refers to a series of physiological-social-psychological characteristics that the people in that environment directly or indirectly feel, and the work environment is considered a key factor in determining the performance of a team or work unit (Manfield & Newey, 2018) and is required to always be adaptive to change (Frishammar, 2014). Through the concepts described, a new concept can be synthesized called the Pro-growth Working Environment, which is a work environment that encourages personal growth and is characterized by empowering interactions, enthusiasm for progress, and challenging responsibilities.

### ***Entrepreneurial Values-Based Development Interaction Capability***

Knowledge in organizations needs to be managed, and the process of managing knowledge is more popularly known as knowledge management, which is very dependent on the role of Knowledge Sharing ( Zhu, 2016 ). Knowledge sharing between leaders, followers, and co-workers is known to educate each individual to increase their skills and competencies, and this is called the concept of developing interaction ( Karpen, Bove, Lukas, & Zyphur, 2015 ). Significant effort has been devoted to understanding entrepreneurial interaction behavior. Until now, individual and organizational factors have been known to facilitate entrepreneurial interaction behavior. Through this process, there will be developmental interactions that will shape individuals to create entrepreneurial added values in their work life, which in this study is called the entrepreneurial concept values-based developmental interaction capability ( Sulistyani & Ferdinand, 2018 ).

### ***Psychological Empowerment***

Employees with psychological empowerment will be motivated to work more creatively and effectively by changing the way they view themselves and their work (Syabarrudin et al., 2020). Researchers have paid considerable attention to the concept of empowerment as a psychological and motivational construct due to its significance to both organizations and individuals. Furthermore, psychological empowerment is expressed as individuals' intrinsic motivational experience based on cognition about themselves in relation to the work role by having confidence in their abilities in terms of exchanging and utilizing knowledge, which can provide a foundation for motivation and empowerment to carry out the required tasks in an effective manner (Yasir et al., 2023). By increasing psychological empowerment, employees will be more confident and realize their potential, which can help employees appreciate their work. Al Harbi et al. (2019) defines psychological empowerment as a set of four cognitions that reflect an individual's orientation to his work role: meaning, competence, self-determination, and impact. Through psychological empowerment, followers will be encouraged to have confidence in their abilities due to self-confidence, so they are encouraged to prove their abilities through better work results (Healy, 2017; Kang, Lee, & Kim, 2017; Matsuo, 2019). In conclusion, psychological empowerment is a motivational process that is deliberately carried out to influence the empowerment of a person (followers). Good empowerment requires support from other people in the form of motivation that can influence how followers think and work to be more innovative. That is why psychological empowerment is important to apply in the workplace.

### ***Followers' Creative Performance***

Creativity is creative work through new work that is accepted as work that can be maintained or useful and satisfying by a group at one time (Anggarwati & Eliyana, 2015). In other words, existing products put forward something new and must be valid, useful, and satisfying. Creative followers have received extensive attention in the literature because it is believed to be important for organizational success (Naidoo, 2016). Social interaction within the organization will majorly contribute to Followers creative performance. Followers' creativity has integrated aspects in forming personality, motivational, cognitive, leadership behavior, co-worker behaviors, job context, social network, and working environment (Jain & Jain, 2017). Therefore, creative follower performance is defined as a form of follower performance that has useful new ideas and can become a critical asset for competitive organizational performance (Cai, 2018).

### **Hypothesis Development**

#### ***Transformational Leadership and Pro-Growth Working Environment***

Transformational leadership can create significant changes for followers and organizations by creating the ability to direct changes in organizational strategy, mission, structure, and culture, which can promote what the organization needs (Mustika, Eliyana, & Agustina, 2020), like the right work environment for followers. Transformational leadership is associated with more job development (finding resources and seeking challenges) through adaptability, especially for employees with low organizational identity. Setiawan et al. (2020) aim to develop a new conceptual model, namely the Pro-Growth Working Environment (PWE), through a work and organization theory perspective by Freud, which is unified from the concept of human capacity and work capability, work processes, and the environment work. Thus, the Pro-Growth Working Environment is heavily influenced by leadership in the work environment, especially through transformational leadership. In carrying out work effectively and efficiently, a pro-growth working environment is needed to support the things being implemented so that they function properly (Priarso et al., 2019) through the influence of transformational leadership. Previous studies on transformational leadership, organizational support, and the work environment have stated that transformational leadership can create a conducive work environment for followers to experience both cognitive and affective growth to form creative behavior (Ng, 2016; Wang, Demerouti, & Le Blanc, 2017; Setiawan et al., 2020). Based on this, this study hypothesizes that:

*H1: Transformational leadership has a significant influence on pro-growth working environment*

### ***Pro-growth Working Environment and Entrepreneurial Values based Developmental Interaction Capability***

In a growth-oriented work environment, there will be an interactive relationship between leaders, followers, and co-workers due to knowledge sharing, collaboration, and empowering patterns (Ribeiro & Cherobim, 2017; Sun, Yao, Zhang, Chen, & Liu, 2016). The organizational ability to design a growth-oriented work environment can create followers who seek positive values in the work process so that individual and team capabilities will increase well (Han et al., 2017; Matošková & Směšná, 2017; Setiawan et al., 2020; Sulistyani & Ferdinand, 2018). Setiawan et al. (2020) aim to develop a new conceptual model regarding the capability of developing entrepreneurial values-based interactions or Entrepreneurial Values-Based Development Interaction Capability (EVBDIC), which is unified from the concept of knowledge, work interactions within organizations and also entrepreneurial values. Sulistyani & Ferdinand (2018) aimed to develop a conceptual model by proposing the concept of a value orientation to develop interactions used with several criteria, such as having to be in a teamwork position for department heads, supervisors, and strategic staff. The results of this study indicate that knowledge sharing has an impact on value-based interactive development capabilities. The value will affect the work team's performance based on the ability to interact. In addition, the value-based interactive development function can adjust the impact of knowledge sharing on work-team performance. Based on this, this study hypothesizes that:

*H2: Pro-growth Working Environment has a significant effect on Entrepreneurial Values Based Developmental Interaction Capability*

### ***Entrepreneurial Values based on Developmental Interaction Capability and Psychological Empowerment***

Knowledge sharing and interactions worth knowing will make followers more confident because they feel confident that they have cognitive abilities that will encourage them effectively. Psychological empowerment will become a very important capital for followers to dare to act (Feiz et al., 2017; Healy, 2017; Setiawan et al., 2020). Setiawan et al. (2020) aim to develop a new conceptual model capable of developing entrepreneurial values-based interactions that are unified from the concepts of knowledge, work interactions within organizations, and entrepreneurial values. According to Hayter (2016), entrepreneurship

assumes knowledge is an important source of innovation, economic dynamism, and growth. Information about organizational goals and skills outcomes through knowledge sharing will be important concerning jobs in psychological empowerment. It can also give them a better sense of control over decision-making. Based on this, this study hypothesizes that:

*H3: Entrepreneurial values based on developmental interaction capability have a significant effect on psychological empowerment*

### ***Pro-growth Working Environment and Psychological Empowerment***

The Pro-growth Working Environment can significantly influence followers' cognitive, affective, emotional, and behavioral aspects to be ready to be empowered because these followers have been given the opportunity and are involved in the process (Setiawan et al., 2020; Gretchen M. Spreitzer, 1996). In addition, Matsuo (2019) has shown a direct influence of positive interaction on the development of work experience and learning goal orientation on psychological empowerment. In this research, the development of work experience will show a good work environment that can increase psychological empowerment. According to Javed et al. (2018), workplace events such as performance evaluation, work environment, and formal assistance can affect psychological empowerment. Setiawan et al. (2020) intend to create a new conceptual model, the Pro-Growth Working Environment (PWE), based on Freud's work and organization theory, that is unified from the concepts of human capacity and work capability, work processes, and work environment. According to Manfield & Newey (2018), improvements in the right work environment can result in greater employee professionalism, increased psychological empowerment, increased job satisfaction, decreased fatigue, and higher retention rates. Based on this, this study hypothesizes that:

*H4: Pro-growth Working Environment has a significant effect on Psychological Empowerment*

### ***Psychological Empowerment and Followers Creative Performance***

The key element of creative performance is the followers' readiness to be empowered. Often, creative performance cannot be achieved when followers do routines or have habits at work and do not have a great will to try new things. It is known that psychological empowerment and followers' creative performance are two things that cannot be separated in the organizational concept. The psychological empowerment of the followers largely determines the level of the followers' creative performance, and different responses to work will create changing levels of pressure and ambivalence that affect Followers' Creative Performance (Abdulrab et al., 2018; Abualoush, Obeidat, Tarhini, Masa'deh, & Al-Badi, 2018; Abukhait et

al., 2019). When employees believe they are capable and are given the necessary means for productive work, they will have scope for self-determination beyond work arrangements. Therefore, they can easily shape the desired results based on their actions, and they will be more likely to focus on generating solution-oriented ideas in a more conscientious and enduring manner. As a result, employees with psychological empowerment will tend to show more creative performance in the organization. In addition, previous research supports the relationship between psychological empowerment and creative performance (Seibert et al., 2011; Zhang & Bartol, 2010). Based on this, this study hypothesizes that:

*H5: Psychological empowerment has a significant effect on Followers' Creative Performance*

### ***Pro-growth Working Environment and Followers Creative Performance***

In studying organizational behavior, the working environment can make organizational members feel safe and comfortable and generate enthusiasm for creating new ideas that will influence individual attitudes in bringing out innovative behavior through creativity. A pro-growth work environment will create a strong work environment to support followers' creative performance, such as through organizational and supervisory encouragement, work group support, freedom, and sufficient resources, which will greatly arouse followers to have creative performance (Yeh & Huan, 2017). In the Pro-growth Working Environment, followers will be encouraged to have creative self-efficacy and motivation. However, the organization provides supportive resources, leaders, and challenging work to create social networks that mutually build each other to increase Followers' Creative Performance (Cai, 2018; Marcos-Cuevas, Nätti, Palo, & Baumann, 2016; Setiawan et al., 2020). Setiawan et al. (2020) in their research aim to develop a new conceptual model, namely the Pro-growth Working Environment (PWE), from the perspective of Freud's work and organization theory, which is synthesized from the concept of human capacity and capability in work, work processes, and the work environment. Seeing the adequacy of individual resources is one form of organizational support for employee creativity. The work environment has been considered in terms of cognitive, emotional, and physical resources for developing innovation processes through creativity (Ma et al., 2020). Based on this, this study hypothesizes that:

*H6: Pro-growth working environment has a significant effect on followers' creative performance*

### ***Transformational Leadership and Followers' Creative Performance***

Research on the influence of leadership in stimulating creative and innovative abilities in individuals is known to have been carried out by many scholars, especially focusing on understanding the relationship between transformational leadership and creative followers (Chaubey et al., 2019). Individual consideration, inspirational motivation, and idealized influence can help followers to work more creatively because the leaders have given them great expectations. Through innovative ideas, leadership can reflect aspects of follower behavior and motivate them to innovate through creativity (Sandvik Alexander, 2018). Thus, creative performance is a vision-based motivational process behind transformational leadership (Yeh & Huan, 2017). Transformational leadership will encourage followers to try new things, improve their abilities, and develop innovation. Therefore, there is a significant and positive relationship between transformational leadership and followers' creative performance (Afsar & Masood, 2017; Chaubey, Sahoo, & Khatri, 2019; Khalili, 2016). In addition, according to Yang et al. (2019), the right level of transformational leadership can encourage employees to be motivated and guided by their leaders to exceed performance expectations and to act proactively and creatively. Based on this, this study hypothesizes that:

*H7: Transformational leadership significant effect on Followers' Creative Performance*

### ***Transformational Leadership and Followers' Creative Performance through a Pro-Growth Working Environment***

Transformational leadership inspires employees to overcome self-interest by changing their ideals, passions, interests, and values to achieve higher performance (Yang et al., 2019). Transformational leaders can identify their employees' developmental needs and ensure that skill development is carried out properly for each employee. Facilitating individuals as the focus of transformational leaders is a determinant of creating the right pro-growth working environment and producing maximum creative performance within a company. However, the innovation process depends on employees' knowledge, skills, and related experience to create value for the company because organizational learning and workplace relationships may trigger the impact of transformational leaders on creative performance (Yeh & Huan, 2017). The Pro-Growth Working Environment is known to help the process of generating new ideas for products, services, and business processes. This will demonstrate a positive relationship between the transformational leadership style and the creation of a pro-growth working environment to produce creative performance (Marcos-Cuevas et al., 2016 ; Ragins, 2016 ; Setiawan et al., 2020). Based on this, this study hypothesizes that:

*H8: Transformational leadership has a significant effect on followers' creative performance through a pro-growth working environment.*

***Transformational Leadership and Followers' Creative Performance Through a Pro-Growth Working Environment and Psychological Empowerment***

Transformational leadership can help develop a pro-growth working environment and psychological empowerment through how leaders form the team, set the right expectations, and motivate the team to think of new ideas. It can be done through a discussion process that creates a pro-growth working environment and psychological empowerment, which will embed capabilities and stimulate new ideas that are useful for achieving better organizational goals (Bin Saeed et al., 2019; Harbi et al., 2019; Javed, Abdullah, Zaffar, Haque, & Rubab, 2018). Therefore, there is a significant and positive relationship between transformational leadership and followers' creative performance through the pro-growth working environment and psychological empowerment (Lee et al., 2019; Matsuo, 2019; Setiawan et al., 2020). Based on this, this study hypothesizes that:

*H9: Transformational leadership has a significant effect on followers' creative performance through a pro-growth working environment and psychological empowerment.*

***Transformational Leadership and Followers' Creative Performance Through a Pro-Growth Working Environment, Entrepreneurial Values Based on Developmental Interaction Capability, and Psychological Empowerment***

Previous studies have shown a positive relationship between transformational leadership and followers' creative performance through a pro-growth working environment, entrepreneurial values based on developmental interaction capability, and psychological empowerment. A leader will play an important role in influencing the psychological condition of employees because transformational leadership will affect the psychological climate of safe employees (Naidoo, 2016). They are related to the four dimensions of transformational leadership, especially individual consideration and inspirational motivation (Bin Saeed et al., 2019; Lee et al., 2019; Matsuo, 2019). Employees who acquire a pro-growth working environment, entrepreneurial value-based developmental interaction capability, and psychological empowerment, in general, will be motivated to work more creatively and effectively. It is due to a shift in employees' attitudes toward themselves and their jobs. Through a pro-growth working environment, entrepreneurial values based on developmental interaction capability,

and psychological empowerment, employees will experience increased self-confidence and become more aware of their potential.

In addition, a pro-growth working environment, entrepreneurial values based on developmental interaction capability, and psychological empowerment also help employees appreciate their work more. When these values appear in employees, their behavior will automatically change and they will become more creative to produce something that impacts the organization. It will be related to Followers creative performance, bearing in mind that creativity is important. Therefore, a pro-growth working environment, entrepreneurial values based on developmental interaction capability, and Psychological empowerment play a role in increasing the possibility of followers' creative performance at work (Abdulrab et al., 2018; Boyd, McGarry, & Clarke, 2016; Feiz et al., 2017; Han et al., 2017; Harbi et al., 2019; Rapp, Gilson, Mathieu, & Ruddy, 2016; Setiawan et al., 2020). Based on this, this study hypothesizes that:

*H10: Transformational leadership has a significant effect on followers' creative performance through a pro-growth working environment, entrepreneurial values-based developmental interaction capability, and psychological empowerment.*

### **Figure 1. Conceptual Framework**

## **8. RESEARCH METHODS**

### **Research Approach**

This study uses a quantitative approach through a correlation pattern that uses scientific principles, namely empirical, objective, measurable, rational, and systematic. This study examined some of the subjects who were representatives of the population through survey methods using questionnaires directly to research respondents. The independent variable of this research is transformational leadership (X), the dependent variable of this research is followers' creative performance (Y), and the mediator variables of this research are a pro-growth working environment (Z1), entrepreneurial values-based development interaction capability (Z2) and psychological empowerment (Z3). Investigating mediating variables can help eliminate wrong assumptions regarding the relationship between the independent variable and the dependent variable. By analysing mediating variables, researchers can explore the relationships deeper and gain a better understanding of the mechanisms.

### **Data Collection Technique**

In this study, the population used was start-up business employees in Indonesia. The sampling technique for this research is purposive sampling, so the sample used in this study is some employees (followers) from start-up businesses in Indonesia who have special characteristics relevant with research objectives to answer research problems. Employees of start-up businesses are those who work in companies that have only started or established within the last 5 years. The business must also be active, managed independently and not as an additional line of business from an established company (Salamzadeh & Kesim, 2015). Researchers referred to Hair et al.'s (2014) rule that the number of samples required for SEM-based research is 10 times the number of reflective indicators. The total number of indicators is 27, so the required minimum sample size is 27 times 10, or 270 respondents, which means the size has been reached.

### **Measurement**

This study measures transformational leadership variable using items adapted from the Multifactor Leadership Questionnaire (MLQ) Form 5X-Short by Avolio et al. (1999), pro-growth working environment variable using items by Blumberg & Pringle (1982), entrepreneurial values-based development interaction capability variable referring to the instrument by Frappaolo (2017), psychological empowerment variable using items by Spreitzer (1995), and followers' creative performance using items from Farmer et al. (2003).

### **Data analysis technique**

The data analysis technique used in this study is the Structural Equation Model (SEM) or structural equation model using data analysis tools, namely WarpPLS. Several tests must be carried out in this study to fulfill the requirements for conducting data analysis, namely the validity test, reliability test, Confirmatory Factor Analysis (CFA) test and model test, hypothesis test, and mediation test. The PLS bootstrapping technique in this study is a resampling method used to calculate the standard errors and confidence intervals for the path coefficients in the PLS model. This method is based on a random sample of observations with replacement from the original data, and the PLS model is calculated for each of these samples. By using the PLS bootstrapping technique, a large number of bootstrap samples can be generated from the original data, which can be used to calculate the different path coefficients for each sample. Then, the confidence interval for the path coefficient is calculated from the obtained sample distribution.

## **9. RESULTS AND DISCUSSION**

### **Results**

Start-up business employees in Indonesia who were the respondents in this study were mostly male (52.96%), 25 years old (66.66%), working in the food and beverage business (35.9%), and dominated by employees who work in companies that have been operating for 1-2 years (33.70%). Furthermore, each item has an average value of 3.50 to 4.50, meaning all variables in the start-up business have been relatively good.

Validity check with Pearson correlation, the research instrument is declared valid if the correlation value is  $\geq 0.30$ . The significance level used is 5% (0.05). If an item does not meet validity, it is deleted and a validity test is performed again. Based on the results of data analysis, all items in the questionnaire have a correlation value of more than 0.300. Thus, all items meet validity.

**Table 1**  
**Validity Test Results**

The stage after testing the validity is testing the reliability of the instrument. The reliability test was carried out by looking at the alpha-cronbach coefficient value for each variable. A variable is called reliable (consistent) if it has an alpha-Cronbach coefficient of more than 0.600. Based on data analysis, all variables in the questionnaire have Cronbach's alpha value, which is more than 0.600. Thus, all research instruments to measure variables have fulfilled reliability.

**Table 2**  
**Reliability Test Results**

All criteria have reached the expected value limits or have met the recommended critical limits of Goodness of fit indices so that the results of this modeling are acceptable or feasible analysis. In addition, the variables used are Transformational Leadership (X), Pro-Growth Working Environment (Z1), Entrepreneurial Values-Based Development Interaction Capability (Z2), Psychological Empowerment (Z3), and Followers' Creative Performance (Y), also shown that it meets the requirements of validity and reliability.

**Table 3**  
**Results of Testing the Goodness of fit**

The next stage is testing structural relationships on direct and indirect influence paths. There is a significant influence between one variable and another if the p-value < 0.05 (Hair et al., 2017).

**Table 4**  
**Results of Testing the Effect of Inter-Variables**

**Figure 2. SEM Structural Models**

The results of testing the direct effect structural model, as presented in Table 1 and Figure 2, prove that all hypotheses have a significantly positive effect on one another. According to the above description, the main determinant factor is follower creative performance (Y). This research is Psychological Empowerment (Z3). It is known from the path coefficient value, which is the largest compared to other direct path coefficients, namely the influence of Transformational Leadership (X) and Pro-Growth Working Environment (Z1). The Psychological Empowerment variable (Z3) itself is influenced by two factors, namely Pro-Growth Working Environment (Z1) and Entrepreneurial Values-based Development Interaction Capability (Z2). The main factor influencing Psychological Empowerment (Z3) is Entrepreneurial Values based on Development Interaction Capability (Z2), which is indicated by a larger path coefficient.

## **Discussion**

The research analyzes the effect of Transformational Leadership (X) on Followers' Creative Performance (Y), with the pro-growth working environment (Z1), entrepreneurial values based on development interaction capability (Z2), and psychological empowerment (Z3) as mediating variables. According to the findings, transformational leadership has a significant positive impact on the pro-growth working environment. It shows that there is a positive and significant relationship, which shows that the better the Transformational leadership in the start-up business, the Pro-growth of the working environment is also getting better. It will be related to leadership, an important factor in the company, which makes leadership able to have a major influence on the work environment in the company for the better. The results of this study are known to be in line with the opinions of Frishammar (2014; Wang, Demerouti, & Le Blanc (2017), which state that leaders, as holders of organizational constraints (in this case, business start-ups), can move members of the organization to achieve their goals. The goal in

question is a conducive work environment in the form of a pro-growth working environment. The findings show that a pro-growth work environment has a significantly positive influence on entrepreneurial values-based developmental interaction capability. In the context of this study, the intended stimulus is a good start-up business work environment, while the intended response is interaction capability. This study's results align with Ribeiro & Cherobim (2017), Sun, Yao, Zhang, Chen, & Liu (2016). A good work environment, in this case, the Pro-Growth Working Environment, will have a good interactive relationship (Setiawan et al., 2020).

The results also show that Entrepreneurial Values based on developmental interaction capability have a significantly positive effect on Psychological Empowerment. It shows that there is a positive and significant relationship which shows that the better the Entrepreneurial Values based on developmental interaction capability in start-up businesses, the better psychological empowerment will also be. The results of this study support that knowledge sharing and valuable interactions in start-up businesses will make followers more self-confident because they feel confident that they have abilities cognitively and will encourage them effectively. Thus, psychological empowerment in the start-up business will be valuable for followers to dare to act forward (Feiz et al., 2017; Healy, 2017; Setiawan et al., 2020). Furthermore, these findings indicate that a pro-growth work environment has a significant positive effect on psychological empowerment. It shows that there is a positive and significant relationship which shows that the better the Pro-growth working environment in the start-up business, the better the Psychological Empowerment will be. A good work environment in a start-up company will improve the psychological empowerment of followers working. This result is in line with and supports the opinion that a growth-oriented work environment can empower followers, including job characteristics that will continue to experience dynamic development (Muhammad Shahnawaz, 2016; Wagner, Heil, Hellweg, & Schmedt, 2019).

The pro-growth working environment also has a significant positive influence on Followers' creative performance. It demonstrates that there is a positive and significant relationship, indicating that the better the pro-growth working environment in a start-up business, the better the creative performance of followers. This study's results are known to align with research from Yeh & Hua (2017). The working environment, according to the study of organizational behavior, makes start-up business members feel safe and comfortable, and it generates enthusiasm for creating new ideas, influencing individual attitudes, and bringing out innovative behavior in start-up businesses. The results of this study also support that in the Pro-growth Working Environment, followers are encouraged to have creative self-efficacy and motivation.

On the other hand, the organization provides leaders, supportive resources, and challenging work to create social networks that build each other to increase Followers' Creative Performance (Jain & Jain, 2017; Karpen et al., 2015; Marcos-Cuevas et al., 2016; Setiawan et al., 2020). It shows that there is a positive and significant relationship which shows that the better the Psychological Empowerment in the start-up business, the better the creative performance of Followers will be. This study's results align with the opinion (Jha, 2017; Mostafa Ahmed Mohammed, 2017), which states that the key element of creative performance is followers' readiness to be empowered. Psychological empowerment will be a follower's perspective on the meaning of work and the follower's willingness to cognitively generate new ideas in the start-up business, which, of course, can be triggered by patterns of leadership, interaction, and the work environment, including the work culture in the start-up business. The results of this study also support the results presented by Abdulrab et al. (2018) and Abukhait et al. (2019). Transformational leadership is also known to have a significant positive influence on Followers' creative performance. Followers' creative performance is also improving as a result of transformational leadership in the start-up business. The results of this study are in line with and support the research of Afsar & Masood (2017), Chaubey, Sahoo, & Khatri (2019), and Khalili (2016), who stated that transformational leadership affects the creativity of followers. The results of this study indicate that transformational leadership will act as a creative force in start-up businesses that can introduce new and useful ideas, which can also increase process effectiveness in start-up businesses as a whole.

Transformational leadership can affect the Pro-growth working environment indirectly. Thus, the better the Transformational leadership in the start-up business, the better the Pro-growth working environment will be, which can indirectly improve Followers' creative performance in the start-up business. The results of this study are supported by several previous studies, namely Aa Marcos-Cuevas et al. (2016), Ragins (2016), and Setiawan et al. (2020). Previous studies only partially discussed the relationship between variables. Thus, the results of testing the effect of this mediation are new findings. Apart from that, this research is also an extension of the research by Setiawan et al. (2020). which only focused on developing the concept of measuring pro-growth working environments, while this research has accommodated hypothesis testing regarding one of the driving factors for pro-growth working environments. The findings of this study suggest that transformational leaders in start-up businesses can identify employee development needs and ensure that skill development is carried out properly for each employee in the start-up business. Apart from that, Transformational leadership is also known to indirectly influence Followers' Creative Performance through the Pro-Growth

Working Environment and Psychological Empowerment. The results of this study support the results of Jha's research (2017), Lee et al (2019), Matsuo (2019), and Setiawan et al. (2020). This study's findings contributed in the form of new discoveries. Transformational leadership can help develop a pro-growth working environment and psychological empowerment in start-up businesses through how transformational leaders form teams, set the right expectations, motivate, and assist teams in thinking of new ideas. Furthermore, the transformational leader will stimulate the knowledge that is transformed into capabilities that are embedded in every employee. Thus, the stimulation results will present new ideas for improving followers' creative performance in a start-up business.

Finally, these findings indicate that transformational leadership can indirectly influence followers' creative performance through a pro-growth work environment, entrepreneurial values, based developmental interaction capability, and psychological empowerment. This research is known to be an extension of Setiawan et al. (2020). This study explains that the effect of a pro-growth working environment on entrepreneurial values based on developmental interaction capability is one of the mediating components of transformational leadership on followers' creative performance. Employees in start-up businesses will gain a pro-growth working environment, entrepreneurial value-based developmental interaction capability, and psychological empowerment in general, which will motivate them to work more creatively and effectively. It is due to a change in the employee's perspective on the start-up business, which is better for himself and his work. Through a pro-growth working environment, entrepreneurial values based on developmental interaction capability, and psychological empowerment, employees in start-up businesses will experience an increase in self-confidence and become more aware of their potential. Thus, the results of this study support, expand, and develop the results that have been put forward by (Abdulrab et al., 2018; Boyd et al., 2016; Feiz et al., 2017; Han et al., 2017; Harbi et al., 2019; Rapp et al., 2016).

## **10. CONCLUSION**

Based on the data processing results regarding this research model, it can comprehensively explain the driving factors of Followers' creative performance through Transformational Leadership, Pro-growth working environment, Entrepreneurial Values based on developmental interaction capability, and Psychological Empowerment. The results show significant and positive influences between the direct and indirect relationships between the variables used. Transformational Leadership (X) has a positive and significant effect on Followers' creative performance (Y) through Pro-growth working environment (Z1) and Psychological

Empowerment (Z3). It is known that Transformational Leadership (X) has a positive and significant effect on Followers' creative performance (Y) through a Pro-growth working environment (Z1), Entrepreneurial Values based developmental interaction capability (Z2) and Psychological Empowerment (Z3). According to Naidoo (2016), Creative followers have received a lot of attention in the literature because it is thought to be important for organizational success and will impact success in a variety of jobs and industries. In conclusion, this study shows that followers' creative performance in start-up businesses can experience better improvements when they get the right influence through the role of the empowerment environment in supporting the influence of transformational leadership.

### **Managerial Implications**

The results of this study can be used as material for consideration in selecting start-up leaders, recruiting employees, and training to develop leadership skills for leaders within the company. In addition, the results of this study have provided an overview for start-up business managers regarding the importance of increasing the Pro-growth working environment, especially from the aspect of Progressive spirit: Togetherness, which means that start-up companies can pay more attention to togetherness by bonding between employees or between employees and superiors in certain ways to strengthen the bond between one another in a start-up company. Increasing psychological empowerment is also very important, especially in the competence aspect, by conducting various kinds of training or coaching its employees' soft and hard skills. Based on the discussion and conclusions outlined in this study, this research can also be used as a recommendation for company management to measure the influence of transformational leadership on followers' creative performance in start-up businesses with the help of Pro-growth Working Environment variables, Entrepreneurial Values Based Developmental Interaction Capability, and Psychological Empowerment. It is known to have a positive impact not only on organizational development but also on followers' relationships and individual development, influencing in encouraging personal growth, which is characterized by empowering interactions, enthusiasm to move forward through challenging responsibilities, being able to create entrepreneurial added values in their work life, and participating in a motivational process that aims to increase the success of followers.

### **Limitations**

This research has certainly been conducted to the best knowledge and ability. There are several limitations that researchers must consider for future research because this study itself still has

several areas for improvement, such as using a cross-sectional research design. Longitudinal study designs can provide more reliable general results. Therefore, further researchers are advised to conduct research using time-lag and longitudinal analysis. Second, this study did not include a moderator role, which could influence relationships. Future research may do so. Third, the drawback of this study is that the sample used is still a company with limited operating experience. Hence, the sample still needs to describe the start-up business as a whole but is limited to the start-up population with limited operations.

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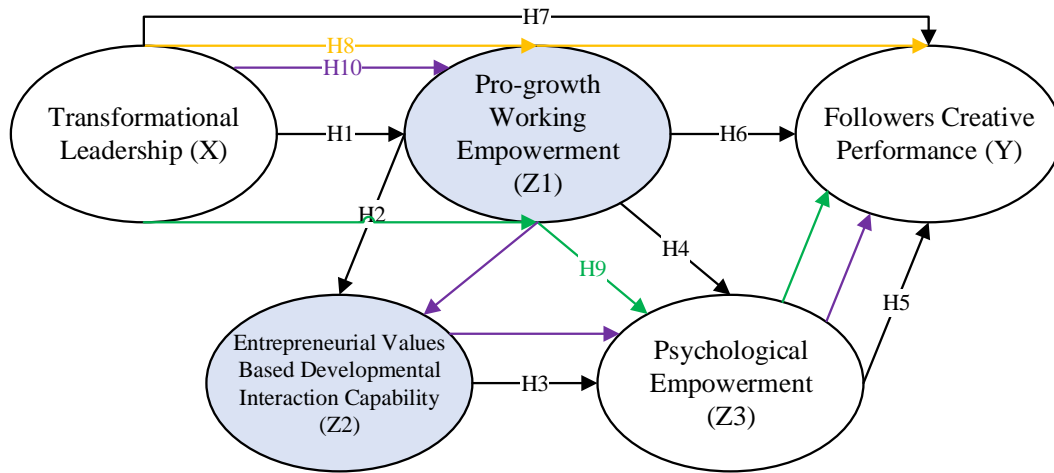
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**Figure 1. Conceptual Framework**

**Table 1**  
**Validity Test Results**

Variable	Indicator	Item	Corrected Total Correlation	Results
Transformational Leadership (X)	Idealized Influence (X.1)	X.1.1	0.598	Valid
		X.1.3	0.629	Valid
		X.1.4	0.621	Valid
		X.1.5	0.553	Valid
		X.1.6	0.710	Valid
		X.1.7	0.583	Valid
	Inspirational Motivation (X.2)	X.2.1	0.585	Valid
		X.2.2	0.679	Valid
		X.2.3	0.621	Valid
		X.2.4	0.602	Valid
	Intellectual Stimulation (X.3)	X.3.1	0.648	Valid
		X.3.2	0.639	Valid
		X.3.3	0.660	Valid
		X.3.4	0.662	Valid
		X.3.5	0.621	Valid
	Individualized Consideration (X.4)	X.4.1	0.564	Valid
X.4.2		0.594	Valid	
X.4.3		0.639	Valid	
X.4.4		0.515	Valid	
Pro-Growth Working Environment (Z1)	Challenging Tasks: Achievement oriented (Z.11)	Z1.1.1	0.389	Valid
		Z1.1.2	0.551	Valid

Variable	Indicator	Item	Corrected Total Correlation	Results
	<i>Challenging Tasks: Cognitive stimulation (Z.12)</i>	Z1.2.1	0.518	Valid
		Z1.2.2	0.460	Valid
	<i>Empowering Dynamics: Supportive Engagement (Z.13)</i>	Z1.3.1	0.644	Valid
		Z1.3.2	0.531	Valid
	<i>Empowering Dynamics: Inspiring Work Life (Z.14)</i>	Z1.4.1	0.626	Valid
		Z1.4.2	0.549	Valid
	<i>Progressive Spirit: Extra Roles Willingness (Z.15)</i>	Z1.5.1	0.586	Valid
		Z1.5.2	0.530	Valid
	<i>Progressive Spirit: Togetherness (Z.16)</i>	Z1.6.1	0.649	Valid
		Z1.6.2	0.656	Valid
<i>Entrepreneurial Values Based Developmental Interaction Capability (Z2)</i>	<i>Interacting For Improving The Work Process (Z2.1)</i>	Z2.1.1	0.687	Valid
	<i>Interacting Actively In Combining Knowledge And Skills (Z2.2)</i>	Z2.2.1	0.691	Valid
	<i>Interacting For Getting Ways In Increasing Our Individual Capacity (Z2.3)</i>	Z2.3.1	0.722	Valid
	<i>Idea Generation (Z2.4)</i>	Z2.4.1	0.700	Valid
		Z2.4.2	0.667	Valid
		Z2.4.3	0.706	Valid
	<i>Supporting Others To Act Entrepreneurially (Z2.5)</i>	Z2.5.1	0.625	Valid
		Z2.5.2	0.669	Valid
<i>Psychological Empowerment (Z3)</i>	<i>Meaning (Z3.1)</i>	Z3.1.1	0.556	Valid
		Z3.1.2	0.587	Valid
		Z3.1.3	0.646	Valid

Variable	Indicator	Item	Corrected Total Correlation	Results
	<i>Competence (Z3.2)</i>	Z3.2.1	0.534	Valid
		Z3.2.2	0.592	Valid
		Z3.2.3	0.541	Valid
	<i>Self-Determination (Z3.3)</i>	Z3.3.1	0.659	Valid
		Z3.3.2	0.540	Valid
		Z3.3.3	0.655	Valid
	<i>Impact (Z3.4)</i>	Z3.4.1	0.677	Valid
		Z3.4.2	0.644	Valid
		Z3.4.3	0.640	Valid
<i>Followers creative performance (Y)</i>	<i>Tries New Ideas Or Methods First (Y.1)</i>	Y.1.1	0.600	Valid
	<i>Seeks New Ideas And Ways To Solve Problems (Y.2)</i>	Y.2.1	0.641	Valid
	<i>Generates Ground-Breaking Ideas Related To The Field (Y.3)</i>	Y.3.1	0.688	Valid
	<i>A Good Role Model For Creativity (Y.4)</i>	Y.4.1	0.661	Valid
	<i>Critical Thinking (Y.5)</i>	Y.5.1	0.591	Valid
		Y.5.2	0.506	Valid
	<i>Risk Taking Behavior (Y.6)</i>	Y.6.1	0.636	Valid
		Y.6.2	0.675	Valid
	<i>Creative Work Process (Y.7)</i>	Y.7.1	0.638	Valid
Y.7.2		0.631	Valid	
<i>Problem Solving (Y.8)</i>	Y.8.1	0.615	Valid	

**Table 2**  
**Reliability Test Results**

Variable	Cronbach Alpha	Result
<i>Transformational Leadership (X)</i>	0.927	Reliable
<i>Pro-growth working environment (Z1)</i>	0.865	Reliable
<i>Entrepreneurial Values based developmental interaction capability (Z2)</i>	0.898	Reliable
<i>Psychological Empowerment (Z3)</i>	0.891	Reliable

Variable	Cronbach Alpha	Result
<i>Followers creative performance (Y)</i>	0.896	Reliable

**Table 3**  
**Results of Testing the Goodness of fit**

No	Model Fit	(P Value)	Results
1	Average path coefficient (APC)	0.444 (P<0.001)	Significant
2	Average R-squared (ARS)	0.563 (P<0.001)	Significant
3	Average adjusted R-squared (AARS)	0.560 (P<0.001)	Significant
4	Average block VIF (AVIF)	2.672	Ideally
5	Average full collinearity VIF (AFVIF)	2.762	Ideally
6	Tenenhaus GoF (GoF)	0.603	Large
7	Sympson's paradox ratio (SPR)	1.000	Ideally
8	R-squared contribution ratio (RSCR)	1.000	Ideally
9	Statistical suppression ratio (SSR)	1.000	Acceptable
10	Nonlinear bivariate causality direction ratio (NLBCDR)	1.000	Acceptable

**Table 4**  
**Results of Testing the Effect of Inter-Variables**

No.	Relation	Coefficient	P-values	Information
1.	Transformational Leadership (X) towards a Pro-growth working environment (Z1)	0.732**	<0.001	Significant
2.	Pro-growth working environment (Z1) on Entrepreneurial Values based on developmental interaction capability (Z2)	0.771**	<0.001	Significant
3.	Pro-growth working environment (Z1) towards Psychological Empowerment (Z3)	0.330**	<0.001	Significant
4.	Entrepreneurial Values based developmental interaction capability (Z2) on Psychological Empowerment (Z3)	0.484**	<0.001	Significant
5.	Pro-growth working environment (Z1) towards Followers' creative performance (Y)	0.243**	<0.001	Significant
6.	Psychological Empowerment (Z3 ) Followers' creative performance (Y)	0.409**	<0.001	Significant

7.	Transformational Leadership (X) towards Followers' creative performance (Y)	0.143**	0.008	Significant
8.	Transformational Leadership (X) towards Followers' creative performance (Y) through a Pro-growth working environment (Z1)	0.178**	<0.001	Significant
9.	Transformational Leadership (X) towards Followers' creative performance (Y) through a Pro-growth working environment (Z1) and Psychological Empowerment (Z3)	0.099**	0.002	Significant
10.	Transformational Leadership (X) on Followers' creative performance (Y) through Pro-growth working environment (Z1), Entrepreneurial Values based developmental interaction capability (Z2), and Psychological Empowerment (Z3)	0.112**	<0.001	Significant

Note: \* significant at  $p < 0.05$ , \*\* significant at  $p < 0.01$ , <sup>ns</sup> not significant

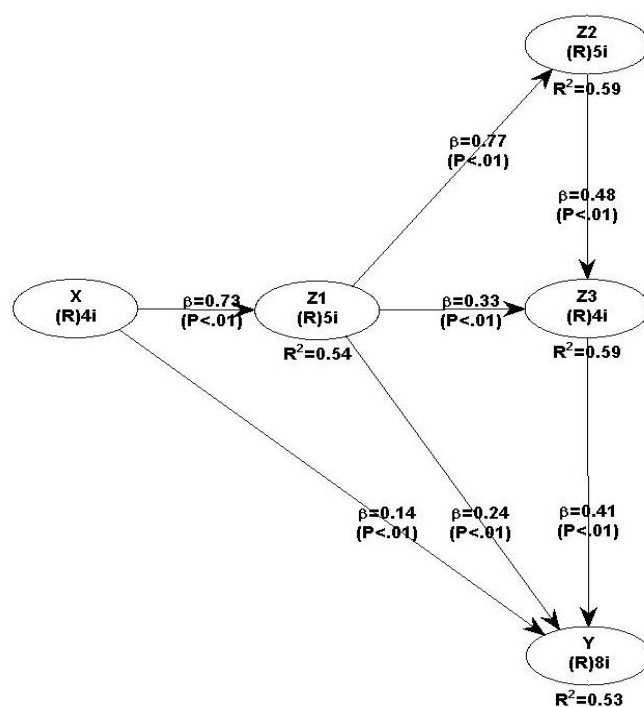


Figure 2. SEM Structural Models

**Bukti konfirmasi artikel accepted**

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Dear Dr. Anis Eliyana:


It is a pleasure to accept your manuscript entitled "Pro-growth Working Environment Concept to Enhance Followers' Creativity in Start-ups Business" in its current form for publication in Sage Open.

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