

## Employee creativity; empowering leadership and trust in leaders

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**ABSTRACT** :Creativity is the basis of innovation that refers to the intellectual thought process to create new ideas, ideas, processes, and products by individuals who work together and provide benefits to the organisation. The purpose of this study was conducted to determine the role and influence of empowering leadership on trust in leaders, and creativity of banking employees in East Kalimantan and North Kalimantan, Indonesia. The sample in this study amounted to 637 banking employees with the analysis method used was SEM. The results showed that empowering leadership, and trust in leaders had a significant positive effect on employee creativity. It is expected that creativity is able to influence the formation of employee character to do something different from others which will affect the company's image.

**KEYWORDS:** *Empowering leadership; Trust in leaders; creativity*

### I. INTRODUCTION

Excellent human resources with high quality are a clue for every organisation to be able to achieve the goals set. (Hartnell et al., 2016).. The performance of a person sought by the company depends on the ability, motivation and individual support received. So that employees are needed to achieve organisational goals (Yayuk & Wulansari, 2018).. Employees and companies are two things that cannot be separated. Employees play a major role in running the life of the company. Organisational performance is also strongly influenced by input factors and management processes in the organisation, so efforts to improve organisational performance are closely related to improving the quality of input factors and improving the quality of management processes in the organisation. (Tricahyadinata I, 2019). Employees who are satisfied with what they have received from the company will give more than what is expected and will continue to try to improve their performance. (Dong et al., 2022). Employees who feel that their organisation has provided justice, then the employee will do his job with a sense of pleasure and positivity. The creation of a creative industrial competitive advantage is necessary to compete globally (Ybema et al., 2022). (Ybema et al., 2020)Market orientation is the key to the success of a business.

Creativity is often considered a key factor by which organisations can achieve sustainable competitive advantage (Bruno & Canina, 2019; Audenaert et al., 2020).. Employee creativity is a key component of human capital, generating ideas that are novel and valuable. Creativity refers to the creation of new useful products and services, ideas, procedures or processes of individuals working together in complex social systems. (R. W. Woodman et al., 1993).. High job complexity, supportive supervision, feedback, appropriate information, and high motivation facilitate the formation of employees' creative behaviour. (Çekmecelioğlu & Özbağ, (2016); Vu et al., 2021)..

Creativity is the basis of innovation which refers to the intellectual thought process to create new ideas, ideas, processes, and products by individuals who work together and provide benefits to the organisation. Meanwhile, innovation is the successful application of creative ideas and ideas that will be useful to face organisational competition.(Amabile, 1988; Ahmed et al., 2017).. The creativity stage includes the identification of a problem and ideas to use the opportunity to solve the problems facing the organisation. The application of employees' creative ideas is indispensable to create value for the growing organisation (Rosing et al., 2010). (Rosing et al., 2010; Bruno & Canina, 2019)..

To produce creative employees, it requires the role of a leader who can empower his employees. One of the crucial factors for developing the quality of human resources in an organisation or company is the leadership factor. (Lin et al., 2020). Leaders have a significant influence on the form of creative behaviour involving employees. Various kinds of research have been conducted, one of which has proven that empowering leadership can promote creativity.

Empowering leadership tends to help improve performance and emphasises trust between leaders and subordinates in understanding the importance of organisational effectiveness. (Zhang & Bartol, 2010; Zhang & Kwan, 2018).. The main goal of the leader is to empower the team to work together as the organiser of their own group. The main task of leaders who are able to empower their subordinates is to facilitate the team, thus enabling the team to manage itself (Qian et al., 2020). Empowerment carried out by leaders (empowering leadership) has been studied from two different perspectives, namely the view of the leader's actions in managing his subordinates and the view of the employee's response to the empowering leadership. (Knezovic & Musrati, 2018)..

(S. L. Kim, 2019; M. Kim & Beehr, 2020) Empowering leadership can help create a supportive environment by conducting frequent evaluations between leaders and subordinates to produce effective and quality work. (S. L. Kim, 2019; M. Kim & Beehr, 2020) . On the other hand, each employee can assess the leader's behaviour from his or her individual personality to the leader's behaviour towards the group. Empowerment is important for individuals who will transition a team to increase productivity (Fong & Snape, 2015).

Leader support is critical to help reduce frustration and negative emotions when an employee fails an attempt (M. F. Y. Cheung & Wong, 2011; S. Y. Cheung et al., 2020). (M. F. Y. Cheung & Wong, 2011; S. Y. Cheung et al., 2020).. Empowering leadership is an example of structural empowerment, where management applies more discretion in decision-making. As a result, empowered employees are willing to put in extra effort and show a greater willingness to engage in creative activities. (Chow, 2017).

Empowering leadership is said to be successful when leaders can apply the expertise of their employees and can provide the latest information needed by their company's resources. In this process, employees can exchange information and knowledge through questions, feedback, exploration, and experiments that have never been known to take more effective actions. (M. Li & Zhang, 2016; Zhong et al., 2020)..

Employees will build trust through organisational contributions such as paying attention to welfare, listening to complaints, considering suggestions and the values held by employees. Empowering leadership can influence intrinsic motivation, which in turn will stimulate employees' motivation to learn. (Chow, 2018; Castillo-Jiménez et al., 2022; O'Donoghue & van der Werff, 2022; Vu et al., 2021)..

Trust indicates the belief that someone has competence and is willing to work fairly and ethically. Trust in a leader is a psychological state of employees that involves positive expectations about the leader's intentions or behaviour in the situation that occurs. In previous findings, it shows that leaders who care about the welfare of their followers will lead to increased trust. The mediating role of trust in leaders can serve to deal with risk and uncertainty, deal with the vulnerability of supervisor behaviour and improve attitudes and performance behaviour. (Yayuk & Wulansari, 2018; Datep & Datep Purwa Saputra, 2022).. Someone who has trust in their superiors tends to be easy to form potential work patterns (Afsar & Masood, 2018)..

When employees do not trust their leaders (for example, because the leader is perceived to lack integrity), employees will turn their backs and will result in decreased performance in the employee. Conversely, when the leader and employee's mutual relationship is based on principles, then the individual will feel that the leader can compensate for the desired behaviour (Parent-Rochelleau et al., 2020; F. Zhou & Wu, 2018).. In addition, trust in the boss will affect the safety of the team to participate openly and actively without fear of adverse consequences. (Koohang et al., 2017)..

The reason researchers use the state-owned banking sector, because banking is a sector that is quite dynamic and broad in scope, this can be seen with the development of the banking industry, especially in services or products that provide many benefits to customers. In addition, the tight competition between banks to get new customers.

On the other hand, there is an interdependent relationship between banking and business conditions and economic growth. Where healthy banking conditions are one of the supporting factors in driving the business world, especially in fulfilling its capital needs through lending. So that employees are required to keep up with developments and make themselves a creative person as one of their job objectives. Furthermore, to strengthen the results of research on employees of the state-owned banking sector, researchers chose to use preliminary studies. This preliminary study was also conducted by (Ragas et al., 2017; Tricahyadinata et al., 2020; Yayuk & Wulansari, 2018)) in their research which aims to deepen the object of their research. Based on the formulation of the problem above, the objectives of this study are as follows: To examine the effect of empowering leadership and trust in leaders on employee creativity.

## II. THEORETICAL BACKGROUND AND HYPOTHESES

### 2.1. Employee Creativity

Creativity is the ability of an individual to create. Creativity can create original or original and useful ideas about products, services, processes, and procedures. Zhou & Shalley, (2003); Cheng et al., (2021). Ideas are considered novel if they are relatively unique compared to other existing ideas in the organisation, and ideas

are considered useful if they have the potential to directly or indirectly affect the organisation, either short or long term. (Bruno & Canina, 2019; Mai et al., 2022)..

There are several expert opinions regarding employee creativity, including the following:

1. Kreitner & Kinichi, (2014: 39) According to Kreitner & Kinichi, creativity is the process of using imagination and skills to develop new and unique products, objects, processes or thoughts. This definition is seen from three types of creativity. First, someone can create something new; second, someone is able to combine or synthesise objects; and third, someone is able to improve or change things or commonly referred to as modifications.
2. Bruno & Canina, (2019) consider creativity as the bringing together of knowledge or insights from different areas of experience to produce new and better ideas.
3. T. Li & Yue, (2019) creativity is basically something new, either in the form of ideas or real work, both in the form of creative thinking characteristics and affective thinking.

In accordance with the expert opinion above, it can be concluded that employee creativity is the ability to create something new or never existed before by combining existing things into something new that has use value, and the results of creativity can be a variety of things such as products, services, processes, and procedures. When employees show trust in their leaders, employees will experience a greater increase in creative abilities and help employees create effective cooperation in the organisation. So that with mutual trust between superiors and subordinates this will affect the level of creativity of an employee. That is, the higher the trust in leader, the higher the employee's creativity. Conversely, the lower the trust in leader, the lower the employee creativity owned by an employee.

## 2.2. Relationship between Empowering Leadership and Trust in leader with Employee Creativity

The definition of leadership is outlined by Kinicki & Fugate, (2017), is a process in which an individual influences a group of individuals to achieve a common goal. The final component in leadership effectiveness, situational factors, suggests that different situations require different leader behaviours. That is, effective leadership requires the use of the correct behaviour at the right time (O'Donoghue & van der Werff, 2022).. Based on historical analysis of the leadership literature, the expansion and development of the transformational/transactional leadership typology model consists of four typologies namely directive leadership, transactional leadership, transformational leadership and empowering leadership. (Nonaka et al., (2016); Yam et al., (2021).

Empowering leadership emphasises the development of followers' self-management or self-leadership skills, in addition, encouraging self-management of subordinates' behaviour is the first basis of the empowering behaviour type of subordinates. (Cao et al., 2022).. In accordance with the opinions of the experts above, it can be concluded that empowering leadership is a leadership style that shares decision-making authority with subordinates, consults with subordinates about important decisions that may relate to the work of subordinates, provides more autonomy, and removes unnecessary bureaucratic constraints.

Research results Vu et al. (2021) stated that empowering leadership positively affects psychological empowerment, which in turn affects intrinsic motivation and creative process engagement. Nuzul et al., (2020), the results showed that empowering leadership and psychological empowerment have a positive effect on intrinsic motivation and creative process engagement. The results showed that empowering leadership and psychological empowerment have a positive and significant effect on employee creativity. Meanwhile Turek, (2021) in his research shows the result that empowering leadership has an insignificant relationship with creativity.

H<sub>1</sub> ; Empowering leadership has a significant effect on employee creativity.

H<sub>2</sub> ; Empowering leadership has a significant effect on trust in leaders.

## 2.3. Relationship between Trust in Leader and Employee Creativity

Trust is critical to organisational effectiveness. The definition of trust is outlined by Chen et al., (2021) which is a form of expression of confidence from a person or group by having a sense of comfort and security in taking actions that harm others. Ethical leadership behaviour can build trust, good working relationships that increase employee creativity to achieve organisational goals. (Joseph & Winston, 2005).

A person who has trust in his or her supervisor is likely to feel truly empowered by the supervisor and relatively easy to work for, as one does not need to be anxious or worried about the potential behaviour of the supervisor. (Afsar & Masood, 2018).. Yamagishi & Yamagishi, (1994), who developed a 6-item trust scale. Yamagishi & Yamagishi, (1994) developed a trust scale consisting of 6 items that used general statements to measure participants' beliefs about the honesty and trustworthiness of others, in general. research conducted by (S.-L. Li et al., 2017)

Empowering leadership negatively affects followers' trust in leaders in China. Followers' trust can mediate the influence of empowering leadership and counterproductive work behaviour on the organisation. Yayuk &

Wulansari, (2018) showed that empowering leadership has a positive effect on trust in leaders, and employee creativity. showed that empowering leadership has a positive effect on trust in leaders, and employee creativity. In addition, the results also show that learning motivation and trust in leaders have a positive effect on employee creativity. (Javed et al., 2018) stated that leadership ethics affect employee creativity, while trust in leader mediates the direct relationship of leadership ethics on employee creativity.

H<sub>3</sub> : Trust in leaders has a significant effect on employee creativity.

### III. METHODOLOGY

#### 3.1. Sample Procedure

The research sample was taken from banking employees in East Kalimantan, North Kalimantan Indonesia as many as 637 employees were involved in filling out the questionnaire in 2022. A total of 293 or 46% of respondents were male and 344 or 54% of respondents were female, the majority of education was Bachelor's degree 88.37%, the majority of age level 30-40 years by 45.53%. With a tenure of 66.52%. The sampling technique used in this study was purposive sampling technique, which is a sampling technique with certain considerations. (Hendryadi et al., 2019).. With a non-proportional stratified random sampling approach.

#### 3.2. Measurement

Creativity as an individual tool to express the creativity that is owned as a result of the ability to think creatively is the ability to use reason to generate ideas, create something new, original, extraordinary, valuable, both abstract, real in the form of ideas or ideas, looking for meaning and innovative problem solving. The assessment of creativity broadly falls into several measurement categories: creative products, creative cognition, creative traits, creative behaviour and achievement, Guildford, Stewart, Morris, & Santin, (2010)Each item uses a Likert scale of 1-5.

Empowering leadership as a process of sharing power with employees related to the tasks assigned to be responsible and responsive in making decisions and being able to solve problems that improve performance. Measurement of empowering leadership is adapted from Arnold et al., (2000) who developed the empowering leadership questionnaire. The measurement scale consists of dimensions, namely leading by example, participatory decision making, training, informing, and showing care/interacting with the team, each item using a Likert scale of 1-5.

Trust in leader is the willingness of the vulnerable party to the actions of the other party based on the expectation that the other will trust, monitor and control each other. (Yamagishi & Yamagishi, 1994).Each item uses a Likert scale of 1-5.

#### 3.3. Data analysis techniques

The first part of this research analysis is to conduct psychometric measurements by testing the variables of employee creativity, Empowering leadership and trust in leader. The second part of this research analysis is to test the hypothesis. Structural measurement equation modelling (SEM-PLS) data analysis using the SmartPLS 3.0 application (Hair et al., 2011).

### IV. RESULTS AND DISCUSSION

#### 4.1. Descriptive analysis

The first analysis begins with a descriptive analysis of the characteristics of respondents, namely banking employees in East Kalimantan Province and North Kalimantan Province totalling 637 employees, 293 (46%) men and 344 (54%) women. The education level of respondents is mostly undergraduate as many as 563 (88.38%) with a tenure ranging from 5-10 years.

Table 1. Characteristics of Respondents

Description	Number of Respondents (People)	Percentage
<b>Gender</b>		
Men	293	46,00
Women	344	54,00
<b>Age Level</b>		
21-30 Years	263	41,29
30-40 Years	290	45,53
40 Years and Above	84	13,19
<b>Education Level</b>		
High School	26	4,08

Description	Number of Respondents (People)	Percentage
Diploma (D3)	0	0,00
Bachelor (S1)	563	88,38
Master (S2)	48	7,54
Doctorate (S3)	0	0,00
<b>Period of Service</b>		
2 Years		
2-4 Years	137	21,51
5-10 years	422	66,25
More than 10 years	78	12,24

Source: Data processing results, 2023

#### 4.2. Structural Equation Model

This study uses measurement analysis with the explanation of the results adapting recommendations from Henseler et al. (2016), Hair et al., (2014; 2012). The first stage of this test is to evaluate the measurement model (outer model) to test validity and reliability and then evaluate the parameters (inner model) to prove the relationship between constructs or variables.

##### 4.2.1. Evaluation of the measurement model (Outer Model)

Evaluation of the measurement model is carried out to test internal consistency and construct validity (convergent and discriminatory) as done by (Hair et al., 2012). In this section, internal consistency is measured or evaluated by Cronbach's coefficient  $\alpha$  and construct reliability (CR). The test results show that all latent constructs meet the internal consistency requirements, namely  $CA > 0.70$  (EL = 0.906, TR = 0.946 and CR = 0.826). Furthermore, testing or evaluating composite reliability (CR) is in line with CA, where CR provides results in line as a whole, namely  $CR > 0.70$  (EL=0.930, TR=0.965 and CR=0.885). Thus it can be concluded that the measurement model has fulfilled the reliability requirements recommended by Vinzi et al. (2010) and Hair et al. (2012)

Construct validity is testing or measuring convergent validity and discriminant validity. Convergent validity is assessed through factor loading ( $\lambda$ ) and average variance extracted (AVE). (Fornell & Larcker, 1981) recommended a cut-off value for AVE of 0.50 and a loading factor above 0.70. As shown in Table 2. All loading factors on variables  $> 0.70$  and all AVEs are greater than 0.50 and the results can be concluded to be very satisfactory or good. (Hair et al., 2012) is to compare the AVE with the correlation.

Table 2. Item scale and measurement model

Indicator	Loading Factor	Std. dev	Cronbach $\alpha$	CR	AVE
<b>Empowering Leadership (EL)</b>			<b>0.873</b>	<b>0.893</b>	<b>0.632</b>
EL1 <- Empowering Leadership (EL)	0,813	0.010			
EL2 <- Empowering Leadership (EL)	0,857	0.012			
EL3 <- Empowering Leadership (EL)	0,896	0.045			
EL4 <- Empowering Leadership (EL)	0,869	0.073			
EL5 <- Empowering Leadership (EL)	0,826	0.071			
<b>Trust in Leader (TR)</b>			<b>0.849</b>	<b>0.886</b>	<b>0.567</b>
TR1 <- Trust in Leader (TR)	0,954	0.055			
TR2 <- Trust in Leader (TR)	0,954	0.035			
TR3 <- Trust in Leader (TR)	0,942	0.018			
<b>Creativity (CR)</b>			<b>0.880</b>	<b>0.905</b>	<b>0.519</b>
CR1 <- Creativity (CR)	0,865	0.023			
CR2 <- Creativity (CR)	0,894	0.022			
CR3 <- Creativity (CR)	0,890	0.065			
CR4 <- Creativity (CR)	0,874	0.065			

Source: Data processing results, 2023

Discriminant validity is measuring the extent to which a construct is different from other constructs. Recommended parameters in Fornell Larcker (Hair et al., 2012) is to compare AVE with the correlation



between latent variables. The measurement model is declared to have good discriminant validity if the correlation between latent variables is lower than the square of the AVE, as shown in table 3, namely the AVE squared for all latent variables is greater than the correlation between variables. Thus it can be concluded that the scale used in this study has a good construct.

Table 3 Discriminant Validity: Fornell Larcker criterion

	Creativity (CR)	Empowering Leadership (EL)	Trust in Leader (TR)
Creativity (CR)	0,816		
Empowering Leadership (EL)	0,661	0,853	
Trust in Leader (TR)	0,498	0,532	0,950

Source: Data processing results, 2023

#### 4.2.2. Evaluation of the structural model (Inner model)

After evaluating the measurement model, the next step is to evaluate the structural model. The criteria for evaluating the structural model as suggested by (Hair et al., 2014). These criteria consist of R<sup>2</sup>, f<sup>2</sup> and Q<sup>2</sup>. Next is to test the path coefficient, and path significance. R<sup>2</sup> of the dependent variable explains the amount of variance explained by the model which represents the relevant predicted value with the following cut-off values: R<sup>2</sup> values of 0.75, 0.50, or 0.25 can be categorised as strong, moderate, and weak (Hair et al., 2011). The R<sup>2</sup> values obtained for this model indicate that both variables (trust in leader and creativity) have moderate predictive power (R<sup>2</sup> = 0.46 and R<sup>2</sup> = 0.28) for the respective endogenous latent variables.

In addition to evaluating the R<sup>2</sup> values of all endogenous constructs, the change in R<sup>2</sup> value when a particular exogenous construct is eliminated from the model can be used to evaluate whether if the construct is eliminated, it will have a substantive impact on the endogenous constructs. This measurement is called f<sup>2</sup> effect size (Hair et al., 2012). Guidelines for assessing f<sup>2</sup> are values of 0.02 (small effect), 0.15 (moderate), and 0.35 (large) (Cohen, 1988; Hair et al, 2011). The analysis showed a value of f<sup>2</sup> = 0.41 (EL → CR); and 0.39 (EL → TR). The effect size values ranged from 0.39-0.41 and fell into the moderate category.

The next model evaluation is to use blindfolding to validate the crossover of each construct. A Stone-Geisser Q<sup>2</sup> value greater than zero indicates that the exogenous constructs have predictive relevance to the endogenous constructs. (Hair et al., 2011). The results showed that the Q<sup>2</sup> value for trust in leader was 0.25, and creativity was 0.30. These results indicate that empowering leadership shows moderate predictive relevance for trust in leader, and for creativity.

Finally, to test the fit of the theoretical model, the conservative parameter of the SRMR value is used, namely if the SRMR value is less than 0.08, it indicates a good fit. (Hair et al., 2011). The SRMR value based on the analysis results obtained is 0.05 (<0.08). It can be stated that for theoretical testing, the results of this analysis are good enough.

In the next step, bootstrap analysis was used to assess the significance of the path coefficients. The minimum number of bootstrap samples is 5,000 as recommended by Hair et al. (2014).

Table 4. Path Coefficient Results

	Beta Coefficient	Standard Deviation	T Statistics	P Values	Hypothesis
Empowering Leadership (EL) -> Creativity (CR)	0,551	0,059	9,397	0,000	Retrieved
Empowering Leadership (EL) -> Trust in Leader (TR)	0,532	0,045	11,818	0,000	Retrieved
Trust in Leader (TR) -> Creativity (CR)	0,205	0,060	3,403	0,001	Retrieved

Source: Data processing results, 2023

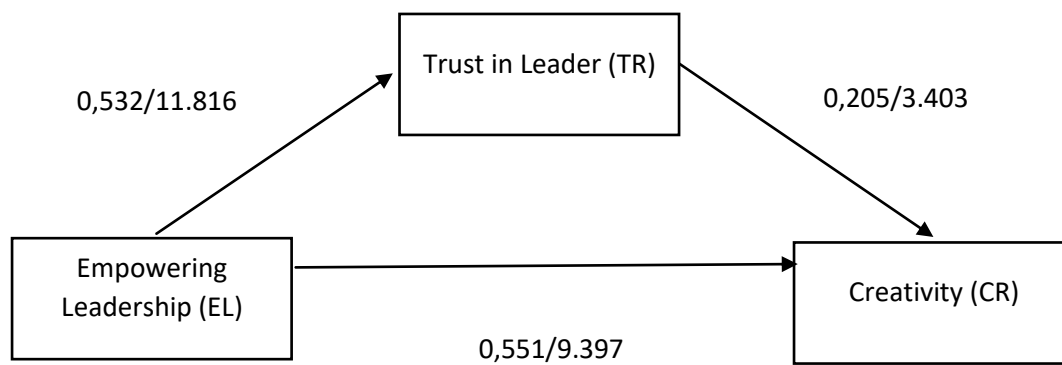


Figure 1. Structural modelling results

As shown in Table 4 and Figure 1, empowering leadership explains a significant relationship in creativity ( $\beta = 0.55$ ,  $p\text{-value} < 0.05$ ) for empowering leadership explains a significant relationship in trust in leader and creativity ( $\beta = 0.53$ ,  $p\text{-value} < 0.05$ ). While trust in leader is also able to explain a significant relationship to creativity ( $\beta = 0.20$ ,  $p\text{-value} < 0.05$ ).

### 4.3. Discussion

#### 4.3.1. Empowering leadership on creativity

The analysis results show that the empowering leadership (EL) variable has a positive and significant effect on employee creativity (CR). These results indicate that the high empowering leadership in banking will have an impact on increasing employee creativity.

Empowering leadership refers to a set of leader behaviours that share power and responsibility with employees. (Arnold et al., 2000). Creativity refers to a team that generates new ideas and solutions to maintain the company's competitive advantage (Barczak et al., 2010). (Barczak et al., 2010).. To produce creative employees, it requires the participation of a leader who can empower his employees. With leaders who empower subordinates, employees will try to find the best solutions and issue new ideas in decision making. This means that the higher the ability to empower subordinates, the higher the creativity of employees. Conversely, the lower the ability to empower subordinates, the lower the employee creativity owned by someone.

The results also show that respondents respond to the high level of empowering leadership in terms of leading by example, participatory decision making, coaching, informing, and showing care/interacting with the team on employees can increase employee creativity through fluency, elaboration, and originality.

Empowering leadership in terms of the ability to train is classified in the good category, consisting of: helping work groups to identify training needs, helping work groups to identify training needs, encouraging group members to solve problems and encouraging work group members to exchange information. Empowering leadership emphasises the development of followers' skills of self-management or self-leadership, besides encouraging self-management of subordinates' behaviour is the first basis of the type of behaviour of empowering subordinates. (Cao et al., 2022).

The results of this study are in line with research Vu et al., (2021) which states that empowering leadership positively affects psychological empowerment, which in turn affects intrinsic motivation and creative process engagement. Nuzul et al., (2020) The results showed that empowering leadership and psychological empowerment have a positive and significant effect on employee creativity. Meanwhile Turek, (2021) in his research shows the result that empowering leadership has an insignificant relationship with creativity.

By increasing collaboration between employees. When employees are empowered to make decisions and develop new ideas, they tend to work together more effectively in teams. Strong collaboration between employees from different backgrounds and disciplines can lead to creative synergies that improve the quality of solutions and innovations. Also, when employees feel empowered and valued, they tend to be more satisfied with their jobs and have higher loyalty. This can reduce employee turnover rates and retain quality talent. Employees who feel supported and have the freedom to express their creativity will tend to be more energised and productive.

Empowering leadership can be an important factor in creating a work environment that encourages employee creativity. By providing trust, support, and autonomy to employees, leaders can create ideal conditions for continuous innovation and creativity. Thus it can be concluded that empowering leadership has a positive and significant effect on employee creativity.

#### 4.3.2. Empowering leadership to trust in leader

The results of the analysis show that the empowering leadership (EL) variable has a positive and significant effect on trust in leaders (TR). These results indicate that high empowering leadership will have an impact on increasing trust in leaders.

Trust is referred to as the expectation or belief that one can depend on the leader's words and actions and that the leader will have good intentions to co-operate at all times. (Guinalfu & Jordán, 2016).. A person who has trust in their superiors, tends to be easy to form potential work patterns (Afsar & Masood, 2018).. So that with empowering leadership, employees will form positive trust. This is because leaders expect and appreciate employee participation to issue their ideas in decision making, not only that leaders also delegate authority to employees, often share information, and leaders always develop employee skills with training. This means that the higher the ability to empower subordinates owned by the leader, the higher the trust in the leader. Conversely, the lower the ability to empower subordinates, the lower the trust in leader of an employee.

In line with research conducted by Li et al., (2017) empowering leadership has a negative effect on follower trust in leaders in China Follower trust can mediate the influence of empowering leadership and counterproductive work behaviour on the organisation. Yayuk & Wulansari, (2018) showed that empowering leadership has a positive effect on follower trust. showed that empowering leadership has a positive effect on trust in leaders, and employee creativity. In addition, the results also show that learning motivation and trust in leaders have a positive effect on employee creativity. Javed et al. (2018) stated that leadership ethics affect employee creativity, while trust in leader mediates the direct relationship of leadership ethics on employee creativity.

Empowering leaders must be able to implement open and transparent communication. They share information, organisational goals, policies, and decisions clearly with employees. This way, employees feel valued and included in the decision-making process. This builds trust as employees feel they have a better understanding of the organisation's direction and vision. The importance of empowerment involves giving employees autonomy and responsibility to make work-relevant decisions. Leaders who give freedom show confidence in employees' abilities and demonstrate confidence and can perform tasks well. This can increase employees' trust in leaders as they feel valued and recognised as valuable members of the organisation.

In conclusion, empowering leadership can have a positive impact on employee trust in leaders. Transparency, open communication, giving autonomy and responsibility, listening to feedback, providing support, as well as consistency and integrity, all these factors can build a close relationship of trust between leaders and employees.

Empowering leadership involves providing support and rewards to employees. Leaders who provide resources, training, and development opportunities to their employees show concern and care for employee well-being. This can build trust in the leader as employees feel supported in their efforts to succeed and grow. Empowering leadership gives employees the freedom to take initiative and responsibility for their tasks and projects. In an environment where employees are empowered to make decisions and manage their responsibilities, they feel valued and trusted to do their jobs well. This can increase trust in leaders as employees feel that they have the freedom to innovate and achieve desired results.

Through proper empowerment, leaders can build strong and mutually beneficial trust with employees. High trust in leaders creates a positive work environment, increases employee engagement, and encourages effective collaboration to achieve organisational goals. Thus it can be concluded that empoweing leadership has a positive and significant effect on employee creativity.

#### 4.3.3. Trust in Leader on creativity

The results of the analysis show that the trust in leader (TR) variable has a positive and significant effect on employee creativity (CR). These results indicate that the high trust in leaders in banking will have an impact on increasing employee creativity.

Trust in the leader can lead to trust among employees that the leader has good leadership skills and takes good care of the work environment. (Gao & Jiang, 2019). Trust in the leader will affect the safety of the team to participate openly and actively without fear of adverse consequences. Trust in leaders makes employees feel safe, supported, and encouraged to be creative. (Chow, 2017). When employees show trust in their leaders, employees will experience a greater increase in creative abilities and help employees create effective cooperation in the organisation. So that with mutual trust between superiors and subordinates this will affect the level of creativity of an employee. That is, the higher the trust in leader, the higher the employee's creativity. Conversely, the lower the trust in leader, the lower the employee creativity owned by an employee.

The results of this study are also in line with the results of research conducted by Datep & Datep Purwa Saputra, (2022) The effect of empowering leadership has a positive relationship on trust in managers and employee performance. Furthermore, this study examines the mediating effect of trust in managers between empowering leadership and employee performance. Studies show that empowering leadership is not only suitable for Western culture, but also suitable for Indonesian culture. (Blašková et al., 2021) Motivation to learn mediates



the effect of empowering leadership on employee creativity. Trust in leader mediates the effect of empowering leadership on employee creativity.

Yayuk & Wulansari, (2018) The results showed that empowering leadership has a positive effect on learning motivation, trust in leaders, and employee creativity. In addition, the results also show that learning motivation and trust in leaders have a positive effect on employee creativity. Furthermore, learning motivation and trust in leaders are able to mediate between empowering leadership on employee creativity.

Trust in leaders can also result in giving employees space and autonomy to be creative. When employees feel trusted and valued by leaders, they are given freedom in carrying out their duties. Employees can explore their creative ideas, take initiative, and develop innovative solutions. This fosters an environment that supports creativity.

Trust in leaders helps create a culture where healthy risk-taking and experimentation are supported. Employees who have trust in leaders feel more comfortable taking risks in trying new and different things. They feel that mistakes are valued as opportunities to learn and grow. Trust in leaders can also influence creativity through the way they inspire and motivate employees. Trusted leaders can be role models who inspire employees to think outside the box, seek creative solutions, and give their best. Strong trust in leaders can trigger intrinsic motivation and drive for success, which in turn increases creativity in the organisation.

With strong trust in leaders, organisations will be able to create an environment that supports creativity, innovation and growth. High trust in leaders allows employees to be more courageous, think critically, and contribute actively in creating creative solutions that bring benefits to the company. Thus it can be concluded that trust in leaders has a positive and significant effect on employee creativity.

## V. CONCLUSION

Based on the results of hypothesis analysis and testing and discussion, it can be concluded that empowering leadership and trust in leaders have a positive and significant effect on employee creativity. These results indicate that high empowering leadership and trust in leaders will have an impact on increasing employee creativity. Trust in leader has a positive and significant effect on employee creativity. These results indicate that high trust in leaders will have an impact on increasing employee creativity.

## 5. Contribution of Research Results

This research contributes existing results regarding leaders who empower subordinates, employees will try to find the best solution and issue new ideas in decision making. This means that the higher the ability to empower subordinates, the higher the employee's creativity. Conversely, the lower the ability to empower subordinates, the lower the employee creativity owned by someone. The results of this study also show that respondents respond to the high empowerment carried out by leaders in terms of leading by example, participatory decision making, training, informing, and showing concern/interacting with the team on employees can increase employee creativity through fluency, elaboration, and originality.

## 6. Practical Implications

The importance of the role of empowering leadership in helping work groups to identify training needs, encourage group members to solve problems and encourage work group members to exchange information in an organisation. Creativity is the basis of innovation, so creativity is able to influence the formation of employee character to do something different from others which will affect the company's image. The results of the study add information for banking sector employees to increase employee creativity through developing employees' internal potential and encouragement from the company so that work can be completed properly and accurately. The importance of improving the communication between leaders and employees who have been afraid of their leaders. By putting trust in their leaders, employees will get a boost of motivation to learn new ways in the workplace.

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