Transformational Leadership and Creative Performance: A Dyadic Analysis of Salespeople and Their Supervisors

Bidisha Banerjee, Elisa Alén* and Bhumika Gupta

ABSTRACT

Manuscript type: Research paper
Research aims: This paper examines the impact of transformational leadership on salespersons in India by focusing on how transformational leadership affects their creative performance, intrinsic motivation as well as trust towards their supervisors.
Design/Methodology/Approach: This study analyses the dyadic data of 120 employees and their supervisors working in companies in India. Structural equation modelling was used to test the relationship between transformational leadership and salespersons’ creative performance, intrinsic motivation and trust.
Research findings: Results suggest that transformational leadership is positively related to salespersons’ creative performance and their intrinsic motivation. On the contrary, intrinsic motivation does not influence creative performance. Findings also demonstrate the connection between transformational leadership and trust in supervisor.
Theoretical contributions/Originality: This study expands on previous works by looking at creativity in the sales context. Despite the widespread interest in this field, findings of prior studies have been inconclusive, suggesting the existent of a mediator. This study thus fill the gap by providing additional evidence of how intrinsic motivation and trust in supervisor mediates the relationship between transformational leadership and creative performance.

*Corresponding author: Elisa Alén is a lecturer at the Faculty of Business Administration and Tourism, University of Vigo, Spain. E-mail: alen@uvigo.es.
Bidisha Banerjee is an assistant professor at Future Institute of Engineering and Management, Kolkata, India. E-mail: bidisha.banerjee@teamfuture.in.
Bhumika Gupta is an associate professor at the Department Management, Telecom Ecole de Management, 91011, Evry, France. E-mail: bhumika.gupta@telecom-em.eu.
Practitioner/Policy Implications: The findings of this study suggest that there is an imperative need for leaders (such as managers or supervisors) to stimulate the creativity of salespersons so as to boost organisational goals.

Research limitations/Implications: Future studies may be conducted on a larger and more diverse samples, involving employees working in other industries and countries.

KEYWORDS: Creative Performance, Intrinsic Motivation, SEM, Transformational Leadership, Trust in Supervisor

JEL Classification: J240, M12

1. Introduction

With the rapid changes happening in the competitive global market, many firms are experiencing the pressure to continuously develop new ways of doing business which includes making innovative changes to their existing system of work and products offered. In this context, creativity plays a vital role in the organisation’s ability to produce (or adopt) and implement new products, services or processes (Van Gundy, 1987). This implies that the employees of the organisation need to be creative in order to nurture the organisation’s growth (Bai, Lin, & Li, 2016). Creative employees can offer a new way of looking at things and products. They can also provide insights into how certain processes of work can be organised. Thus, the creativity of employees plays a critical role in enabling organisations, companies and firms to face the challenges of present-day businesses (Gupta & Singh, 2014).

Over the last three decades, several definitions of creativity have been proposed and the most notable of these definitions is the one proposed by Amabile (1996) who defines it as the production of a novel and appropriate response, product or solution to an open-ended task. This definition illustrates the concept of creativity as an act of developing fresh ideas for the purpose of changing products, services and processes in the desire to achieve an organisation’s goals. Creativity is considered as the first step towards innovation. Another definition of creativity offered by Amabile (1988, p.126) is “the production of novel and useful ideas by an individual or a small group of individuals working together”. Likewise, the concept of creativity is defined by Csikszentmihalyi (1996) as a knowledge-creation process which develops, transforms and generates business values, and ultimately,
it becomes a competitive advantage for an organisation. It was further expanded to be an act, idea or product that changes or transforms an existing domain into a new one (Csikszentmihalyi, 1996).

Previous research (Williams & Yang, 1999) suggests that creativity focuses more on the personality approach and to a lesser extent, the cognitive ability approach. However, contemporary social psychologists have observed that “creativity is best conceptualised not as a personality trait or a general ability, but as a behaviour resulting from particular constellation of personal characteristics, cognitive abilities, and social environment” (Amabile, 1983, p.358). Following these arguments, recent researches (García-Morales, Jimenez-Barrionuevo, & Gutierrez-Gutierrez, 2012; Bai et al., 2016) have begun focusing on how team members interact with each other, evaluating the various contextual factors that may affect employees’ creativity within a team context. A few scholars (e.g., Miao & Wang, 2016) in the area of creativity have highlighted the importance of creativity in the sales context. They argue that the creativity of the sales force is important as it is one of the success factors which can determine customer value creation and relationship management. Furthermore, the notion of selling suggests that it is a process that would work better if the salespeople involved are able to apply creativity in their sales transactions. The basic concept of selling is that there is no single best way to sell therefore, a good salesperson needs to be creative enough to select and implement a sales strategy that is contingent upon the characteristics of the prospective customer and situation (Roman & Iacobucci, 2010). Salespeople are required to be creative in making presentations, handling objections, persuading customers, building customer rapport and transferring knowledge as well as skills from other domains to their function of sales (Wang & Netemeyer, 2004). An organisation’s success and survival thus, depends on its capability to create new knowledge and facilitate creativity. This argument suggests that salespersons are required to possess distinctive management and selling methods which can make their approaches towards selling more creative.

Despite the importance of creativity in a sales context, there is little empirical evidence in this field of study (Evans, McFarland, Dietz, & Jaramillo, 2012; Miao & Wang, 2016). Following this gap, this paper will extend on the existing knowledge by investigating the impact of transformational leadership on the creative performance, intrinsic motivation and trust of salespersons in their supervisors, within a sales
setting. Many researchers (Bai et al., 2016) are keen to understand how transformational leadership impacts on employee creativity but the empirical results being reported have been divergent, suggesting the possibility of a mediator. Intrinsic motivation and trust in supervisor have not been explicitly theorised as a mediator in past studies. Bearing this in mind, this paper examines the direct and indirect effects of transformational leadership (through intrinsic motivation and trust in supervisor) on the creative performance of employees (salespersons).

This paper is organised in the following manner. Section 2 reviews prior literature and develops the hypotheses. Section 3 highlights the research methods. Section 4 presents the research findings. Section 5 discusses the empirical results. Section 6 brings the paper to a conclusion and provides the limitations of the research and recommendations for future research.

2. Theoretical Background and Hypotheses

2.1 Transformational Leadership and Creative Performance

Transformational leadership can be defined as a form of leadership style that broadens and elevates subordinates’ goals; it also provides them with the confidence to perform beyond the expectations specified implicitly or explicitly in the exchange agreement (Dvir, Eden, Avolio, & Shamir, 2002). Transformational leadership is considered as an ideal form of leadership since relationships are organised around a collective purpose in ways that transform, motivate and enhance the actions and ethical aspirations of the subordinates (Burns, 1978). Considering that employees’ daily activities are likely to be influenced by supervisors who direct, evaluate their work as well as facilitate and impede resources and information, it is important that supervisors exert transformational leadership in order to fulfil organisational strategies and achieve organisational goals (Gupta & Singh, 2014).

Transformational leaders are those who want to develop their subordinates’ full potentials, higher needs, good value systems, moralities and motivations (Bass, 1985; Bass & Avolio, 1990; Hartog, Van Muijen, & Koopman, 1997). This type of support would in turn, motivate the subordinates to unite, change their goals and beliefs and perform better (Bass, 1990; Rafferty & Griffin, 2004). Due to this change, employees will also look beyond their self-interest so as to achieve
organisational interests. Bass and Avolio (1990) advance the work of Burns (1985) by dividing transformational leadership into four sub components: charismatic role modelling, individualised consideration, inspirational motivation and intellectual stimulation. Charismatic role modelling refers to leaders who inspire admiration, respect and loyalty. It emphasises the importance of having a collective sense of mission. Individualised consideration refers to treating subordinates as individuals and not just as members of a group (Dionne, Yammarino, Atwater, & Spangler, 2004). Leaders who display this characteristic often build one-to-one relationships with their subordinates by considering the differing needs, skills and aspirations of their subordinates. Inspirational motivation is ensured by the articulation of an exciting vision of the future where leaders show the followers how to achieve both their personal and organisational goals. Leaders who possess inspirational motivation traits are also described as leaders who express confidence in their subordinates. Finally, intellectual stimulation refers to the characteristics of a leader who broadens and elevates the interest of his/her employees. Intellectual stimulation encourages subordinates to question their own values, assumptions and beliefs and even those of their leaders (Hartog et al., 1997). Based on these descriptions, it would seem that transformational leaders would be ideal for an organisation as they are able to instil confidence in their employees (Bass & Avolio, 1990) through a combination of intellectual stimulation (e.g. encouraging novel approaches), individualised consideration (e.g., listening to each follower’s needs and concerns), inspirational motivation (e.g., clear and appealing view of the future) and charismatic leadership behaviour (e.g., contagious communication and compelling visions) (Bass, 1985).

Over the years, a number of research findings (Shin & Zhou, 2003; Bai et al., 2016; Gumusluoglu & Ilsey, 2009; Wang, Dou, & Zhou, 2012) have noted the relationship between transformational leadership and employees’ creative performance. These studies indicate that transformational leaders promote employees’ creativity by showing them new approaches to investigating old problems. This will certainly help in cultivating the subordinates’ innovation capabilities and increase the probability of developing creative solutions. Specifically, leaders who display transformational leadership can cultivate creativity in their subordinates’ performance which are factored by their level of expertise, creative-thinking skills and task motivation (Amabile, 1996). Subordinates are inspired to solve their work-related problems by identifying relevant issues and by suggesting innovative ways of
improving and resolving these issues. Additionally, transformational leaders empower their subordinates through monitoring, a process which helps subordinates to recognise their achievements, identify their performance deficiencies as well as provide assistance (Yukl, 2008). Creativity often emerges through skilled individuals who are led by supervisors who clearly set the overall goals (Amabile, 1996). Therefore, it is unlikely that creative outcomes will be realised without a large degree of support from the leaders (Gupta, Singh, Kumar, & Bhattacharya, 2012).

In the context of sales, it is expected that transformational leaders would be able to provide a more conducive working environment which supports salespersons in creating new and innovative ideas. This is because such leaders encourage their subordinates to think more divergently and to adopt a more generative and explorative manner of thinking. Transformational leaders thus, inspire the salespersons to perform beyond their expectations (Sohmen, 2013). This is an important concept because sales managers who display a higher level of transformational leadership would be more likely to develop a stronger relationship with their sales personnel (Miao & Wang, 2016). In a sales team setting where the climate comprises of an abusive supervisor, salespersons are less likely to function well because this climate signals that the salespeople are not valued (Priesemuth, Schminke, Ambrose, & Folger, 2014). In this environment, individuals have little opportunities of developing a high-psychological sense of safety and this can lead to a substantial decline of the average salesperson’s creativity (Kark & Carmeli, 2009). Therefore, this paper aims to showcase that transformational leadership can enhance salespersons’ creative performance and as a result of that, make employees more confident in their ability to generate new ideas and promotional strategies due to their intellectual thinking abilities. Ultimately, this leads to a higher level of creativity among salespersons. Thus, the hypothesis is formulated as follows:

\[ H_1: \] Transformational leadership has positive influence on a salesperson’s creative performance.

2.2 Transformational Leadership and Intrinsic Motivation

Intrinsic motivation is a reflection of the individual who chooses to engage in specific activities for his/her own inherent satisfaction rather
than for some separable consequences (Ryan & Deci, 2000). There are two types of intrinsic motivation: (1) motivation which exists within an individual inherently and (2) motivation which serves as the individual’s desire to perform a task or activity willingly. An intrinsically motivated person would act for the fun or challenge entailed rather than because of external products, pressure or reward (Ryan & Deci, 2000). Early studies looking at intrinsic motivation have discovered that from birth onwards, many individuals are engaged in exploratory, playful, and curiosity-driven behaviours, even in the absence of reinforcement or reward (White, 1959). These spontaneous behaviours clearly display the adaptive benefits of the individual, doing something not because of any particular instrumental reason but rather, for individual positive experiences associated with exercising and extending one’s capacities. These behaviours are also critical elements in a person’s cognitive, social and physical development. They are inherent in one’s interest and they allow the individual to increase his/her knowledge and skills (Ryan & La Guardia, 2000).

As mentioned earlier, transformational leadership can impact an individual’s performance and there are several reasons for postulating a link between transformational leadership and intrinsic motivation. Firstly, transformational leaders are known to empower rather than to control their subordinates (Kanungo & Mendonca, 1998). While empowerment heightens an individual’s capacity to perform, controlling approaches may minimise the individual’s intrinsic motivation (Ryan, Mims, & Koestner, 1983). Therefore, a transformational leader who is characterised as a supportive leader tends to encourage his/her subordinates to cultivate higher levels of intrinsic motivation. This is so because the leader’s encouragement enhances the employees’ tendency to become more flexible thus, they are more likely to find many alternative means to solve any problem they encounter in the process of their work (Amabile, 1996; Deci & Ryan, 1985; Shamir, House, & Arthur, 1993). Secondly, transformational leadership focuses on encouraging followers to work independently; motivating them to develop their own thinking capacity. This approach may make employees feel more competitive and in turn, boosts their intrinsic motivation levels (Deci & Ryan, 1985; Zhou & Oldham, 2001). This kind of leadership style which is supportive can promote autonomy, indirectly enhancing intrinsic motivation (Richer & Vallerand, 1995).

Several researches have reported the positive relationship between transformational leadership and intrinsic motivation.
Masterson (2011) and Montag, Maertz, and Baer (2012), for instance, have indicated that the intrinsic motivation of employees can be enhanced through transformational leadership because this type of leaders act as inspirational figures who motivate their subordinates through idea generating and idea promoting behaviours. This claim is supported by Gupta and Singh (2014) who highlight the importance of transformational leadership in enhancing idea generation and the independent realisations of implementations among employees. Moreover, transformational leaders empower and motivate their subordinates by facilitating their skill development, showing them ways to achieve their goals and creating confidence in them intrinsically. These actions can enhance their employees’ interest thereby, supporting the claim that supportive leadership can get employees to get their work done while having enjoyment and fun during such activities. In particular, transformational leadership, with its emphasis on intellectual stimulation, inspirational motivation and individual consideration, can cultivate a working environment which is conducive for learning and for motivating employees to apply their internal resources in generating creative ideas (Gong, Huang, & Farh, 2009). On the basis of previous studies, it can be observed that transformational leaders are the figures who inspire their subordinates intrinsically in generating ideas and solutions (e.g., through customer orientation) and in enhancing the creative skills of the employees thereby, resulting in their creative performance. Moreover, transformational leaders adopt long-term goals rather than short term goals (Dubinsk, Yammarino, Jolson, & Spangler, 1995) which can motivate salespersons’ creative thinking (Arnold, Palmatier, Grewal, & Sharma, 2009). In contrast, an abusive supervisory climate tends to reduce salespersons’ enjoyment of their work thereby, diminishing their individual intrinsic motivation level (Shalley & Gilson, 2004). Thus, the hypothesis is formulated as follows:

\[ H_2: \text{Transformational leadership has positive influence on a salesperson’s intrinsic motivation.} \]

2.3 Intrinsic Motivation and Creativity Performance

The effects of intrinsic motivation on creativity have been widely discussed in previous studies. For instance, Oldham and Cummings (1996) argue that people who are intrinsically motivated towards their work, perform better with creative outcomes. Amabile’s Componential
Model of Creativity also illustrates that intrinsically motivated employees are interested in their tasks and they enjoy their work due to the qualities inherent in the work. They also spend more time and effort in thoroughly identifying a problem, and they would also search for extensive information in order to generate multiple ideas from different perspectives. Through this creative process, these employees help the organisations to be more creative with their products, process and managerial system (Amabile, 1997). Intrinsic motivation “makes the difference between what an individual can do and what an individual will do” (Amabile, 1988, p. 133). This is endorsed by Simon (1967) who also indicate that the primary function of intrinsic motivation is to control attention. Intrinsic motivation can encourage the individual to be more devoted to the problem and it can also help the individual to engage in the creative process through self-regulation (Kanfer, 1990). Consequently, intrinsic motivation influences the individual into persisting with carrying out the work creatively as a result of the identification of problems. By delivering proper attention to the task, the individual thus, projects creativity.

Interpersonal events which include rewards or feedback that produces feelings of competence for an action also enhances intrinsic motivation (Deci & Ryan, 1985). This assertion suggests that creative employees who produce novel and useful ideas are likely to positively influence other people within the organisation into developing new products or concepts, making the employees feel more enthusiastic with their creative work (Shalley & Gilson, 2004). Intrinsically motivated employees would make attempts to be more creative in their work when they see that their organisation is more collaborative and co-operative and that it focuses on an innovative vision (Amabile & Kramer, 2007). Based on what employees perceive their organisations to be, intrinsically motivated employees are more inspired to explore their personal aptitudes and interest and this enhances their self-determination and self-actualisation. Consequently, this can lead to employees’ creative performance. The intrinsic motivation theory suggests a situational factor when team employees feel excited about a certain task given to them and they become highly engaged in the task for its own sake. In addition, intrinsically motivated employees are also more flexible and more likely to conduct divergent thinking, heuristic explorations and even risk taking. As a result of their intrinsic motivation level, they are more motivated to expand their knowledge bases by incorporating diverse information through an open exchange and integrated ideas,
knowledge or insights. All of these, ultimately, promote creativity (Van Knippenberg, Van Knippenberg, Monden, & De Lima, 2004). Based on these arguments, it is deduced that intrinsic motivation will enhance salespersons’ creativity. Salespersons who are intrinsically attracted to their work are more likely to come up with creative solutions to their problems; they are also more likely to champion the idea of others, identify opportunities for new products, or possibly, generate novel but operable work-related ideas as well. Hence, hypothesis three is formulated as follows:

\[ H_3: \text{A salesperson’s intrinsic motivation has positive influence on his/her creative performance.} \]

2.4 Transformational Leadership and Trust in Supervisor

It has been widely acknowledged that trust is an important determinant of individual effectiveness (Searle, Den Hatog, & Weibel, 2011). The concept of trust has been defined and conceptualised in many different ways. Trust has been defined as “the willingness of a party to be vulnerable to the action of another party based on the expectation that others will perform a particular action that is important to the trust or, irrespective to the ability to monitor or control the other party” (Mayer, Davis, & Schoorman, 1995, p.712). Another definition of trust is raised by Lewicki, Mcallister, and Bies (1998) who see trust as confident and positive expectations regarding the action of other parties. In the context of sales, trust in supervisor refers to the salespersons’ trust towards his/her supervisor on issues related to the salesperson’s distribution of rewards, sanctions and resources.

Previous research (Casimir, Waldman, Bartram, & Yang, 2006; Jung & Avolio, 2000; Pillai, Schriesheim, & Williams, 1999; Podsakoff, MacKenzie, Moorman, & Fetter, 1990) provide the empirical evidence which supports the idea that transformational leadership can promote the trust of subordinates in their supervisors. In their study, Podsakoff et al. (1990) report a direct link between transformational leadership and trust in supervisor whereby the transformational leaders increase their subordinates’ trust through the exchange of social relationship between supervisors and subordinates. Jung and Avolio (2000) assert that transformational leaders may gain subordinates’ trust by developing a shared vision and demonstrating an individualised consideration for the subordinates’ needs and the capability of both parties to achieve
Transformational Leadership and Creative Performance: A Dyadic Analysis of Salespeople and Their Supervisors

that vision. Subordinates who do not trust their leaders such as their supervisors, will not be able to concentrate on value producing activities. Instead, they focus on protecting themselves (Deconinck & Berth, 2013). Additionally, transformational leaders are the icons who support their subordinates as transformational leadership behaviour will be relevant in every situation (Yukl, 1999).

Transformational leaders consider subordinates’ needs over their own needs, sharing their successes and risks with their subordinates (Limsila & Ogunlana, 2008) and this makes subordinates have more trust in their supervisors. Transformational leaders inspire their subordinates by communicating and sharing their future goals with their subordinates thereby, providing meaning for the task at hand (Bacha, 2014). Through intellectual stimulation, transformational leaders help their subordinates to become more innovative and creative (Erkuthe, 2008) henceforth, enhancing subordinates’ trust in their supervisors. As the relationship between both parties enhances, subordinates will also generate a higher level of trust especially when their supervisors build a considerate relationship with each of them individually, paying attention to each individual’s growth or achievement by acting as a coach or mentor. These approaches would develop the potentials of subordinates (Limsila & Ogunlana, 2008), which in turn, would also create obligations for the subordinates to reciprocate thus, showing a greater trust in their supervisors (Dirks & Ferrin, 2002). Based on this, hypothesis is formulated as follows:

H₄: Transformational leadership has positive influence on a salesperson’s trust in supervisor.

2.5 Trust in Supervisor and Creative Performance

Numerous studies (e.g., Burke, Sims, Lazzara, & Salas, 2007) have shown that subordinates’ trust in the leader can be manifested through desirable outcomes such as more positive attitudes and behaviours, a greater exchange of knowledge and ideas (Renzl, 2008) and superior performance (Neves & Caetano, 2009). Employees who trust their supervisors will be able to focus more on their work (Mayer & Gravin, 2005). They will also work more willingly, produce higher quality of work, feel more comfortable and have a higher confidence to suggest creative ideas (Mayer et al., 1995, Scott & Bruce, 1994; Madjar & Ortiz-Walters, 2009). More specifically, subordinates who trust their
supervisors and who believe that the supervisors will provide the necessary resources and support will also generate a higher level of creativity. In contrast, subordinates who lacked trust in their supervisors will have little attention and focus on the activities performed. In short, it can be expected that subordinates’ trust in their supervisors can free the cognitive and attention resources of the employees thereby, allowing them to engage in more complex and cognitively demanding activities which provide more opportunities for them to perform more work. Thus, trust in the supervisor can positively affect subordinates’ creativity.

Prior empirical works have demonstrated that there is a positive link between trust in supervisors and subordinates’ psychological perception of a safe environment (May, Gilson, & Harter, 2004; Edmondson & Moingeon; 1996). Subordinates who trust that their supervisors are considerate, protective and benevolent are more likely to feel safer; they also engage more in their work and they tend to try new ways of doing things (Edmondson & Moingeon, 1996; May et al., 2004). Subordinates who perceive a certain degree of safety would be more likely to participate fully in their work (Anderson, Hardy, & West, 1990; West, 1990) and this could lead to the expected creativity. Subordinates with a higher level of trust in their supervisors will also exhibit a higher level of creativity. Within the sales setting, salespersons are required to be creative in their presentation skills while persuading customers. They are also expected to be creative in transferring knowledge and skills from other domains to the function of sales (Wang & Netemeyer, 2004). Salespersons are expected to be more confident in their work because confidence makes them feel more comfortable and better able to develop new ideas. They are also expected to be more motivated in their work so that they perform better at their jobs. This can only occur when they trust that their sales managers/supervisors support them. Thus, the hypothesis is formulated as follows:

H₅: A salesperson’s trust in supervisor has a positive influence on his/her creative performance.

2.6 Mediating Effect of Trust in Supervisor and Intrinsic Motivation

The preceding hypotheses associate the relationship between transformational leadership and intrinsic motivation, trust in supervisor and creative performance. Implicitly, the discussion also
Transformational leadership affects creative performance through intrinsic motivation and trust in supervisor. This implies that subordinates who have a trustworthy relationship with their supervisors will psychologically feel safer in getting involved in their work and attempting new methods or approaches to solve problems, ultimately, this can lead to better creativity. Notwithstanding this, employees who are intrinsically motivated would also conduct more divergent thinking skills, initiate heuristic explorations and even take risks. Under the auspices of a transformational leader, all of these can lead to higher creativity. With that in mind, this study argues that a salesperson’s trust in supervisor and intrinsic motivation play the mediating role in the relationship between transformational leadership and creative performance. Following these lines of reasoning, the hypotheses are formulated as follows:

**H$_6$:** A salesperson’s trust in supervisor mediates the relationship between transformational leadership and creative performance.

**H$_7$:** Intrinsic motivation mediates the relationship between transformational leadership and creative performance.

### 3. Research Methodology

The constructs used in this study were measures adapted from the previous literature and were modified slightly to suit the context of this study. Transformational leadership was measured with eight items adapted from Bass and Avolio (1990). These items assessed the extent of transformational leadership behaviours based on four different characteristics – inspirational motivation, intellectual stimulation, individualised consideration and charismatic role modelling. Based on the recommendation of Evans et al. (2012), three items were adopted to measure intrinsic motivation. Trust in supervisor was assessed by using the three items developed by McKenzie, Podsakoff, and Rich (2001) while creative performance was measured based on the seven items developed by Wang and Netemeyer (2004). Respondents were asked to rate their perceptions based on a 7-point Likert scale ranging from 1 (strongly disagree) to 7 (strongly agree).

This study employed a survey method, using a questionnaire to test the conceptual model and hypotheses developed. The focus of this study are companies of various sectors that are located in Kolkata, Bangalore and Delhi. These cities were chosen because they represent the
industrial cities of India. The sampling frame for this study was drawn from the list of companies registered with the Ministry of Corporate Affairs, India. The total population extracted from Kolkata, Bangalore and Delhi amounted to 136,659, 52,545 and 194,420 respectively. The companies requested to participate in this study were selected based on the random number of each respective location. Only companies that employed more than 50 employees were chosen for this study since they may plausibly, have a sales department. Since it was impossible to know the fulfilment of that requirement in advance, the first question served as a filter when a company was contacted. Companies that agreed to participate were guaranteed confidentiality and informed that upon request they would receive a summary of the research findings. Relevant information regarding the project was forwarded to the Human Resource (HR) managers or the sales managers of the targeted companies during the initial stage of contact. Of the 50 companies that fulfil the condition of having more than 50 employees, only 31 agreed to participate. The most common reason detected for non-participation in this study include: (1) Employees are usually traveling so they hardly come to the office. In this regard, the companies would have difficulties in distributing the questionnaire to both the subordinates and their supervisor as is required by the research design; or (2) The company is not willing to participate because of its policy. The data presented in this study were those collected from employees and their supervisors, working for companies in India between June and September, 2012.

The unit of analysis used in this study are individuals. The distribution of instrument was dispersed in different proportions based on the input given by the HR manager or sales manager of the respective companies. Following their direction, a total of 250 pairs of questionnaire were distributed (each pair includes one for a salesperson and another for his/her supervisor). Two different sets of questionnaires were sent: one for the salesperson and one for the supervisor. Based on the information provided by the companies, a code was assigned to each supervisor and each salesperson in order to ensure their anonymity, non-biasness and better identification of the respondents. Transformational leadership, intrinsic motivation and trust in supervisor were evaluated by the salespersons while creative performance was appraised by their supervisor because this construct refers to their employee’s creative performance.
Table 1: Respondents’ Demographics

<table>
<thead>
<tr>
<th>Sectors</th>
<th>Percentage</th>
<th>Employee</th>
<th>Supervisor</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Age</td>
<td>Seniority in the company</td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>41.6</td>
<td>37.48</td>
<td>12.82</td>
</tr>
<tr>
<td>Information technology</td>
<td>6.7</td>
<td>32.25</td>
<td>2.38</td>
</tr>
<tr>
<td>Banking</td>
<td>10.8</td>
<td>29.15</td>
<td>3.65</td>
</tr>
<tr>
<td>Insurance</td>
<td>12.5</td>
<td>32.87</td>
<td>2.71</td>
</tr>
<tr>
<td>Automobiles</td>
<td>10</td>
<td>30.58</td>
<td>3.34</td>
</tr>
<tr>
<td>Consumer durables</td>
<td>4.2</td>
<td>37</td>
<td>2.92</td>
</tr>
<tr>
<td>FMCG</td>
<td>0.9</td>
<td>32</td>
<td>1</td>
</tr>
<tr>
<td>Media</td>
<td>2.5</td>
<td>27.67</td>
<td>1.67</td>
</tr>
<tr>
<td>Logistics</td>
<td>10.8</td>
<td>30</td>
<td>2.12</td>
</tr>
<tr>
<td>Global mean</td>
<td>100</td>
<td>33.8</td>
<td>6.97</td>
</tr>
</tbody>
</table>

Note: n.a - not available
Of the 250 pairs distributed, only 120 pairs of completed questionnaires were received from 9 different sectors. A comparison of the respondents’ profiles for the different sectors was made by performing an analysis of the variance (ANOVA) test to determine any potential bias. The results reveal a significant effect but only in the case of age and in the length of time of the position currently held by the employees. The rest of the variables analysed yielded similar results for all groups and this indicates that the issue at hand may not be a substantial concern.

In this study, the number of respondents for a given supervisor ranged from 1 to 10. Specifically, there were 34 supervisors and 120 subordinates, for a total of 120 supervisors – subordinate dyads. Of the total number of subordinates, 94.2 per cent were men and 5.8 per cent were women. As can be seen in Table 1, the mean age of the subordinates was 33.8 years with the mean seniority in the company and organisational tenure of the present position held being 6.97 years and 8.6 years respectively. Of the 34 supervisors, 88.3 per cent were men while 11.7 per cent were women. The mean age of the supervisors was 37.58 years, the mean organisational tenure as a supervisor in the organisation was 9.98 years and the mean organisational tenure of their present post is 3.8 years.

4. Analysis and Findings

Structural Equation Modeling (SEM) was used to examine the hypothesised model with a two-stage model estimation as recommended by Anderson and Gerbing (1988). In this approach, a confirmatory factor analysis (CFA) was performed first followed by structural model analysis.

4.1 Confirmatory Factor Analysis

A confirmatory factor analysis (CFA) was performed so as to validate the psychometric properties of the measurements. This was done by investigating its convergent and discriminant validity. Convergent validity, which refers to the degree of correlations between two or more measures of the same concept, was evaluated through the factor loadings while composite reliability and average variance extracted were employed as indicators to ascertain the convergent validity (Chin, 1998). As represented in Table 2, loadings for a total of 17 items are above
0.6. However, four items were removed since they loaded below the recommended value. The composite reliability values for all constructs are 0.57 or greater. Although one of the composite reliability – creative performance, is below the recommended value of 0.6 (Nunnally, 1978), it is very close to. Therefore, this value is acceptable.

The Cronbach’s alpha is also noted to be above the recommended 0.80 level (Bagozzi & Yi, 1988; Bollen, 1989). Simultaneously, the Average Variance Extracted (AVE) values for all constructs are above 0.45. Two of the constructs- transformational leadership and creative performance, however have AVE values of 0.45 and 0.47 respectively, which are below but very close to the recommended value of 0.5 (Nunnally, 1978). Hence these values are acceptable.

Table 2: Convergent Validity

<table>
<thead>
<tr>
<th>Measures</th>
<th>Factor (*) Loading</th>
<th>Cronbach Alpha</th>
<th>Composite Reliability</th>
<th>Extracted Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transformational Leadership</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expressed confidence that goals would be achieved.</td>
<td>0.67</td>
<td>0.87</td>
<td>0.86</td>
<td>0.45</td>
</tr>
<tr>
<td>Talked enthusiastically about what needed to be accomplished.</td>
<td>0.76</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acted in ways that build your respect.</td>
<td>0.76</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Displayed a sense of power and confidence.</td>
<td>0.71</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sought out differing perspectives when solving the problem.</td>
<td>0.67</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reexamined critical assumptions to question whether they are appropriate.</td>
<td>0.67</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Suggested new ways of looking at how to solve the problem.</td>
<td>0.63</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To look at the problem from many different angles</td>
<td>0.65</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Intrinsic Motivation</strong></td>
<td></td>
<td>0.81</td>
<td>0.81</td>
<td>0.57</td>
</tr>
<tr>
<td>Obtain a sense of accomplishment from your work.</td>
<td>0.77</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feel a sense of personal growth and development in your work.</td>
<td>0.83</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Get a feeling of stimulations and sense of challenging involvement in your work.  

<table>
<thead>
<tr>
<th><strong>Trust in Supervisor</strong></th>
<th>0.71</th>
<th>0.83</th>
<th>0.83</th>
<th>0.61</th>
</tr>
</thead>
<tbody>
<tr>
<td>I feel quite confident that my manager will always try to treat me fairly</td>
<td>0.77</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My manager would never try to gain an advantage by deceiving his or her salespeople</td>
<td>0.72</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I feel a strong faith in the integrity of my manager.</td>
<td>0.88</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Creative Performance**

<table>
<thead>
<tr>
<th></th>
<th>0.79</th>
<th>0.57</th>
<th>0.47</th>
</tr>
</thead>
<tbody>
<tr>
<td>Making sales presentations in innovative ways</td>
<td>Deleted</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coming up with new ideas for satisfying customer needs</td>
<td>Deleted</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carrying out sales tasks in ways that are resourceful</td>
<td>0.54</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Generating and evaluating multiple alternatives for novel customer problems.</td>
<td>0.72</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Having fresh perspectives on old problems</td>
<td>Deleted</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improvising methods for solving a problem when an answer is not apparent.</td>
<td>0.77</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Generating creative selling ideas.</td>
<td>0.74</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: * All the factor loadings are significant at p<0.05.

In this study, a discriminant validity test was also conducted so as to ensure that the measures did not reflect other variables. As suggested by Fornell and Larcker (1981), discriminant validity can be examined by comparing the squared correlations between the constructs and the variance extracted for a construct. As shown in Table 3, all the scales appear to have a substantially higher AVE value when compared to their squared correlation with other constructs, hence demonstrating the achievement of the discriminant validity. In total, the measurement model demonstrates adequate convergent and discriminant validity.
Table 3: Discriminant Validity

<table>
<thead>
<tr>
<th></th>
<th>Transformational leadership</th>
<th>Intrinsic motivation</th>
<th>Trust in supervisor</th>
<th>Creative performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformational leadership</td>
<td>0.45*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intrinsic motivation</td>
<td>0.267</td>
<td>0.57*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust in supervisor</td>
<td>0.324</td>
<td>0.139</td>
<td>0.61*</td>
<td></td>
</tr>
<tr>
<td>Creative performance</td>
<td>0.256</td>
<td>0.104</td>
<td>0.271</td>
<td>0.47*</td>
</tr>
</tbody>
</table>

Note: * Diagonal elements report the AVE and other matrix entries report the squared correlation estimation between them

4.2 Structural Model Analysis

Assuming that the measurement model satisfies the psychometric assessment, a structural model was constructed based on the results of the measurement model. The analysis resulted in $\chi^2 = 1.74$, $p = .05$, implying that the model fits the data well. Additionally, all fit indices achieve the recommended threshold values (GFI = .82, CFI = .89, RMSEA = .07, SRMR = .04). The model explained 6 per cent variance in intrinsic motivation, 48 per cent variance in creative performance and 13 per cent variance in trust in supervisor (Figure 1).

The result of the structural model was used to test the hypotheses. The examination of the hypotheses was based on the $t$-value. A value which is greater than 1.96 represents a significant path. As shown in Table 4, transformational leadership is found to have a positive effect on creative performance ($\beta= 0.23; t = 2.119; p < .05$), intrinsic motivation ($\beta= 0.23; t = 2.138; p < .05$), and trust in supervisor ($\beta= 0.36; t = 3.378; p < .001$). Hence $H_1$, $H_2$ and $H_4$ are supported. Additionally, the analysis also reports that trust in supervisor has a positive significant relationship with creative performance ($\beta= 0.58; t = 4.198; p < .001$). Therefore, $H_5$ is also supported. In contrast, intrinsic motivation is found to be insignificantly related to creative performance ($\beta= -0.11; t = 1.13; p = .07$). Hence, $H_3$ is rejected.
Table 4: Structural Model Analysis

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Transformational leadership → Creative performance</th>
<th>Intrinsic motivation → Creative performance</th>
<th>Transformational leadership → Intrinsic motivation</th>
<th>Intrinsic motivation → Creative performance</th>
<th>Transformational leadership → Trust in supervisor</th>
<th>Trust in supervisor → Creative performance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Estimated path coefficient</td>
<td>Standard error</td>
<td>Critical ratio</td>
<td>Hypothesis</td>
<td>Estimated path coefficient</td>
<td>Standard error</td>
</tr>
<tr>
<td>H1</td>
<td>0.23</td>
<td>0.7877</td>
<td>2.119</td>
<td>Accepted</td>
<td>0.23</td>
<td>0.153</td>
</tr>
<tr>
<td>H2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H3</td>
<td></td>
<td></td>
<td></td>
<td>Rejected</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Coefficients are standardized; **p< .05; *** p< .001

Figure 1: Structural Estimates of Hypothesised Model.

This study follows the procedure of Baron and Kenny (1986) in analysing the mediating effect of trust in supervisor and intrinsic motivation on the relationship between transformational leadership
and creative performance. To establish mediation, four conditions must be met. First, a direct link between the independent and dependent variable must be established. Second, the independent variable must be associated with the mediating variable. Third, the mediator must be significantly related to the dependent variable when both the mediating variables are predictors of the dependent variable. Fourth, the relationship between the independent and dependent variable must be significantly reduced when the mediator is added.

As indicated in Table 4, transformational leadership has a significant relationship with trust in supervisor and creative performance, thereby, satisfying the first and second condition stated above. Trust in supervisor is also reported to have a significant relationship with creative performance thereby, satisfying the third condition. The fourth step is to include the mediator - trust in supervisor, into the model so as to examine whether it reduces the effect. It was found that the inclusion of trust in supervisor reduced the variance from 0.23 to 0.21 thereby, indicating trust in supervisor as a mediator. Thus, $H_6$ is supported.

With regards to intrinsic motivation, Table 4 reports that transformational leadership has a significant relationship with creative performance and intrinsic motivation, thereby, satisfying the first and second condition above. However, the relationship between intrinsic motivation and creative performance is not supported thereby, indicating that the third condition is not realised. From this outcome, it is deduced that there is insufficient empirical evidence to support intrinsic motivation as the mediator between transformational leadership and creative performance. Thus, $H_7$ is rejected.

5. Discussion

Despite prior studies (e.g., Miao & Wang, 2016) have illustrated creativity of the sales force as one of the key success factors in customer value creation and relationship management, research in this particular area is still under explored (Evans et al., 2012). This study offers theoretical and practical contributions to the discipline of transformational leadership by demonstrating the importance of transformational leadership in enhancing creative performance, in the context of sales. Exploring creativity in the domain of personal selling provides insights into understanding how competitive advantage can be gained by building stronger customer relationships. Selling tasks such as finding new prospects, uncovering and identifying customer
needs, and tailoring solutions to those needs, all require creative thinking (Wang & Netemeyer, 2004). Despite the exhausting research on sales performance (e.g., Miao & Evans 2013; Rapp, Agnihotri, & Baker, 2015; Shannahan, Bush, & Shannahan, 2013), little effort has been made to investigate the antecedents of salesperson creativity. The current study fills this void by building and testing a conceptual model that evaluates the influence of other variables on creative performance. It is now widely recognised that leadership behaviours can exert a significant impact on employees. However, there is comparatively, less information about the underlying mechanisms through which leaders influence the creative performance of their followers.

Studies have indicated that transformational leaders influence salespersons’ creativity through the provision of a more conducive work environment which supports subordinates in generating new innovative ideas. Under transformational leadership, salespersons are also found to be capable of thinking more divergently and exploring new ideas. This is consistent with prior empirical works (Shin & Zhou, 2003; Bai et al., 2016; Gumusluoglu & Ilsey, 2009; Wang et al., 2012). Supporting previous reports of transformational leadership, the findings of this study endorse the fact that transformational leadership has a positive and direct influence on creative performance. Moreover, the results of this study also highlight the importance of the relationship existing between transformational leadership and trust in supervisor. In general, transformational leaders build the subordinates’ trust through their social relationship exchanges. This can lead the salesperson who trusts his/her leader who may be the supervisor or the sales manager, to become more confident in his/her work as a result of their ease of feeling in developing new ideas. Further, these salespersons are also reported to be more motivated in performing their work more creatively since they feel more motivated when they can trust their leaders. This finding is supported by the works of Deconinck and Beth (2013) and Limsila and Ogunlana (2008). This study specifically contributes to the transformational leadership literature by demonstrating the connection between transformational leadership and trust in supervisor, as has been pointed out by several creative theorists (Casimir et al., 2006; Jung & Avolio 2000; Pillai et al., 1999). It has been addressed that transformational leaders build the subordinates’ trust through their social relationship exchanges. From this study, results show that trust in supervisor fully mediates the effects on creative performance, as hypothesised. Thus, it can be deduced that employees who trust their
leaders or supervisors will become more confident in their work. They will feel more comfortable in generating new ideas and as a result, become more motivated in their work because they want to perform their work creatively.

This study contributes to the understanding of transformational leadership and intrinsic motivation. The findings are found to be congruent with past research, pointing to a positive association between transformational leadership and intrinsic motivation (e.g., Shin & Zhou, 2003). In particular, as transformational leaders empower their followers rather than control them (Kanungo & Mendonca, 1998), followers or subordinates are intrinsically motivated to perform their work. In contrast with previous works (Deci & Ryan, 1985; Zhou & Oldham, 2001), this study finds insubstantial evidence to report on the positive relationship between intrinsic motivation and creative performance. The difference in the finding of this study could plausibly be attributed to the culture context. Gupta (2014) has argued that India has a distinctive culture which may lead to different attitudes and behaviours. Being a collective society (Gupta & Singh, 2012), Indian employees would be more comfortable working in a paternalistic relationship (superior-subordinate roles) (Sinha & Sinha, 1990). In this aspect of the Indian culture, the role of the superior is to provide guidance and protection to the subordinate, nurturance and care, and the role of the subordinate in return, is to be loyal and deferent to the supervisor (Aycan, Kanungo, Mendonca, Yu, Deller, Stahl, & Kurshid, 2000). Likewise, Gupta and Singh (2012) also state that Indians are highly status conscious and are dependence prone. They seek assistance, support, suggestions and attention even in situations where they are capable of functioning on their own (Sinha, 2008). Thus, in this context of the Indian culture, subordinates would be more motivated to work if their leaders or supervisors are involved in the process of identifying work-related problems and in solving them too (Mumford, Scott, Gaddis, & Strange, 2002). In the context of this study, it is possible that the cultural context of India may have been the factor contributing to the inconsistency of the results. Besides the cultural effect, other factors that were not included in the model may also play a contributing role showing the insignificant relationship between intrinsic motivation and creative performance as reported by the low variance of intrinsic motivation noted in this study.

The outcome of this study implies that supportive managers or supervisors act as a catalyst to their subordinates in generating intrinsic motivation towards their work. A trustworthy relationship between
supervisors and subordinates is also necessary in order to encourage more flow of championing old ideas and innovating new ideas within an organisation. This is important in the sales context as the daily tasks of the salespersons is to search for new sales channels, identify customer needs and seek for novel and useful promotion methods that would improve sales performance. All of these tasks require creativity. Being part and parcel of today’s globalised market, sales managers need to encourage their subordinates to come up with new selling strategies which will delight customers thus, sales managers are encouraged to stimulate their subordinates through various mechanisms such as enhancing salespersons’ intrinsic motivation and developing a trustworthy relationship. By doing so, transformational leadership behaviour could boost the creative performance of the salespersons involved.

6. Future Research and Limitations

While this study may provide useful insights on the impact of transformational leadership on the creative performance of salespersons in India, there are some limitations that need to be addressed. In particular, it would be interesting for future studies to incorporate more variables as moderators or mediators such as proactive and self-efficacy in investigating the relationship between transformational leadership and creative performance in the competitive sales market.

Although the response rate was fairly high, this study was unable to determine if the respondents in the study differed from those who did not respond. Therefore, it is possible that the findings could be bias in some ways. Moreover, with a relatively restrained sample size focusing only on Indian employees working in the sales department, the generalisability of this study may be limited. Further studies therefore, should rely on a larger and more diverse sample that could provide greater statistical power to yield findings that could be more generalisable for employees working in other industries and countries.
References


Transformational Leadership and Creative Performance: A Dyadic Analysis of Salespeople and Their Supervisors


May, D.R., Gilson, R.L., & Harter, L.M. (2004). The psychological conditions of meaningfulness, safety, and availability and the engagement of


Transformational Leadership and Creative Performance: A Dyadic Analysis of Salespeople and Their Supervisors


Transformational Leadership and Creative Performance: A Dyadic Analysis of Salespeople and Their Supervisors


