The Influence of Organizational Communication, Participative Leadership, and Work Motivation on Employee Creativity: Case Study in the Creative Industries in Bali

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ABSTRACT

This research examines the relationship between organizational communication, participative leadership, work motivation, and employee creativity in the creative industries in Bali. A quantitative research design was adopted, and data was collected from 128 employees working in various creative sectors. Structural Equation Modeling (SEM-PLS) was used for data analysis. The research results show a significant positive relationship between organizational communication, participative leadership, work motivation and employee creativity. Organizational communication, participative leadership, and work motivation together explain about 60.2% of the variance in employee creativity. These findings underscore the importance of fostering open communication channels, empowering leadership practices, and motivational strategies to foster a culture of creativity and innovation in Bali’s creative industries. Despite the contributions of this study, several limitations must be acknowledged, the cross-sectional nature of the data limits causal conclusions about the relationships studied.

Keywords: Creative Industry, Employee Creativity, Organizational Communication, Participative Leadership, Work Motivation

1. INTRODUCTION

The creative economy plays an important role in today’s rapidly developing global economy, encouraging innovation, economic growth and cultural development in various sectors [1]–[3]. The creative economy significantly contributes to employment, increased income and community welfare, making it a viable option for development, especially in developing countries [4]. Creative industries include diverse sectors such as advertising, design, architecture, fashion, film and art, which interact with technology, intellectual property...
The creative industries are critical to achieving the 2030 agenda, especially to support women and youth in employment opportunities. In the realm of creative industries, the capacity to innovate, conceive pioneering ideas, and actualize imaginative ventures is not only profitable, but also essential to maintain competitiveness and significance in a rapidly developing market [1], [6]–[9]. The creative economy, especially during crises such as pandemics and times of war, underscores the important role of creativity and creative industries in shaping a new economic era. However, there is a significant gap between perceived and actual employment opportunities in the creative sector, which impacts student aspirations and requires a shift in the educational narrative towards the realities of the contemporary creative workforce. Additionally, the dynamic nature of creative careers demands continuous learning, often independently, in digital and technological domains, emphasizing the importance of Creativity Support Tools and digital platforms for creative workers.

Bali’s vibrant arts and culture have attracted the attention of artists, designers, entrepreneurs, and tourists for its rich traditions and modern facilities. This island policy aims to protect Traditional Cultural Expressions (TCE) related to creative economic businesses, encouraging the development of sectors such as tourism [10]. Efforts to promote traditional woven fabrics have supported small and medium-sized weaving industries in Bali, although challenges such as sourcing raw materials locally remain [11]. The evolution of traditional Balinese clothing due to globalization and technology has influenced young women’s fashion choices, with a preference for modernized traditional clothing [12]. Despite the benefits of tourism development, there are concerns regarding its impact on Balinese culture and environment, as tourism activities have transformed customs and values into cultural products [13]. Initiatives such as the Bali Beyond Travel Fair and Bali Arts Festival contribute to sustainable tourism, benefiting local communities and increasing economic growth through superior products and attractions [14]. Against this background, understanding the factors that contribute to and hinder creativity among employees in Bali’s creative industries becomes critical to organizational success and regional development.

Organizational communication, participative leadership, and work motivation have been identified as key determinants of employee creativity in the broader organizational behavior literature. Effective communication channels facilitate the exchange of ideas, feedback, and information, fostering an environment conducive to innovation and creativity.

Participative leadership has a positive impact on employee creativity and innovative work behavior by involving them in the decision-making process [15]–[17]. This fosters followers’ radical creativity through superior support and involvement in the creative process, increasing organizational identification and opinion-voicing behavior [18], [19]. Additionally, participative decision making positively influences creative process engagement, with tendencies to cooperate and compete moderating this relationship, leading to higher levels of engagement. Intrinsic motivation is fostered through participative leadership, encouraging dynamic and critical thinking among employees. Extrinsic motivation, on the other hand, is influenced by the role of participative leadership in setting creativity goals and providing support for talent development, which ultimately drives employee creativity and performance.

Although these factors are recognized as important, empirical research that specifically examines their influence on employee creativity in the context of the creative industries in Bali is still limited. Therefore, this research seeks to address this
gap by investigating the interactions between organizational communication, participative leadership, work motivation, and employee creativity in the creative sector in Bali.

The main aim of this research is to empirically test the influence of organizational communication, participative leadership, and work motivation on employee creativity in the creative industries in Bali. Specifically, this research aims to investigate the relationship between organizational communication and employee creativity, examine the influence of participative leadership on employee creativity, examine the influence of work motivation on employee creativity, and analyze the combined influence of organizational communication, participative leadership, and work motivation on employee creativity in creative industry in Bali.

2. LITERATURE REVIEW

2.1 Organizational Communication and Employee Creativity

Organizational communication is very important in fostering creativity in the workplace [20]–[24]. Effective communication channels enable the exchange of innovative ideas, collaboration on creative projects, and constructive feedback without fear of judgment. Transparent communication aligns organizational goals and employees’ creative efforts, ensuring a shared vision and understanding of goals. In the creative industry, a conducive communication climate supports employee creativity by prioritizing trust, openness and flexibility in interactions between superiors, subordinates and co-workers. By emphasizing open and inclusive communication, organizations can foster a culture that values and encourages creativity, ultimately driving innovation and success in the creative sector. Therefore, organizations that prioritize effective communication are more likely to foster a culture of creativity, where employees feel empowered to explore new ideas, experiment with unconventional approaches, and push the boundaries of conventional thinking.

2.2 Participative Leadership and Employee Creativity

Participative leadership, characterized by shared decision making and collaboration, has been shown to have a positive impact on employee creativity in a variety of organizational environments[15], [17], [18], [25], [26]. This leadership style fosters a work environment that encourages innovation, risk-taking, and creative expression by involving employees in the decision-making process and valuing their input. By promoting inclusivity and empowerment, participative leaders leverage the diverse perspectives and talents of their team members, leading to increased engagement, commitment, and a sense of ownership in the creative process. Research shows that participative leadership not only improves organizational culture and productivity, but also plays an important role in stimulating creativity and fostering a supportive atmosphere for experimentation and idea generation in the creative industries. As a result, organizations led by participative leaders are better positioned to harness the full creative potential of their workforce, drive innovation and differentiation in the marketplace.

2.3 Work Motivation and Employee Creativity

Motivation, both intrinsic and extrinsic, significantly influences employee creativity in the creative industry[27]–[31]. Intrinsic motivation, driven by factors such as autonomy and purpose, drives creativity by satisfying internal drives and encouraging engagement and innovation. On the other hand,
extrinsic motivators such as recognition and rewards also play an important role in enhancing creativity by providing tangible incentives for creative achievement. Understanding the complexities of work motivation is critical in stimulating and sustaining employee creativity, as this influences levels of commitment, engagement and ultimately, innovative outcomes in the creative industries. Therefore, organizations that foster a motivational climate characterized by a balance of intrinsic and extrinsic rewards are more likely to inspire and empower employees to unleash their creative potential and drive organizational success.

2.4 Conceptual Framework

Based on the reviewed literature, a conceptual framework was developed to describe the relationship between organizational communication, participative leadership, work motivation, and employee creativity in the context of the creative industry. As depicted in Figure 1, organizational communication, participative leadership, and work motivation are proposed as antecedents of employee creativity. These variables interact dynamically, shaping the cognitive, affective, and behavioral processes that underlie creative thinking and innovation. By conceptualizing the relationships among these factors, this framework provides a theoretical lens for examining the drivers of employee creativity and informs organizational practices aimed at driving innovation and competitive advantage in the creative industries.

![Figure 1. Conceptual Framework](image)

3. RESEARCH METHODS

3.1 Research Design

This research adopts a quantitative research design to empirically investigate the relationship between organizational communication, participative leadership, work motivation, and employee creativity in the creative industries in Bali. A cross-sectional survey approach will be used to collect data from employees working in a variety of creative sectors, including advertising, design, architecture, fashion and the arts.

3.2 Sampling

The target population for this research is employees who work in the creative industries in Bali. Purposive sampling technique will be used to select participants who have experience and insight relevant to the research topic. Sample size will be determined using power analysis to ensure adequate statistical power. A total of 128 participants will be recruited for this research.

3.3 Data Collection

Data will be collected using a structured questionnaire designed to measure organizational communication, participative
leadership, work motivation and employee creativity. The questionnaire will consist of Likert scale items ranging from 1 to 5, where 1 represents “strongly disagree” and 5 represents “strongly agree.” The questionnaire will be administered electronically to ensure efficiency and facilitate data analysis. Participants will be given clear instructions and assurances regarding the confidentiality and anonymity of their responses.

3.4 Data analysis

The collected data will be analyzed using Structural Equation Modeling (SEM) with Partial Least Squares (PLS) as an estimation method, because of its ability to analyze complex relationships between latent variables and observed indicators, which is in accordance with the multidimensional nature of the research model. The analysis process will involve several important steps, including initial checking of the data for completeness, accuracy, and normality. Evaluation of the measurement model will be carried out to assess the reliability and validity of the measurement scale, taking into account the internal consistency and convergent validity of the latent construct. Structural model estimation will test the hypothesized relationships between organizational communication, participative leadership, work motivation, and employee creativity, while assessment of model fit will rely on goodness-of-fit measures such as GoF, SRMR, and NFI. Bootstrapping will be used to strengthen the results and estimate the accuracy of the path coefficients.

4. RESULTS AND DISCUSSION

4.1 Results

a. Sample Demographics

The demographic profile of the sample revealed in-depth characteristics of the study participants. The sample consisted of 128 people, evenly divided between men and women, with a mean age of 34.7 years and a standard deviation of 5.2 years, indicating a relatively uniform age distribution. The level of education shows the predominance of a Bachelor’s degree (60.9%), followed by a Master’s degree (31.3%), and a small proportion with a High School diploma (7.8%). None of the participants had a Doctoral degree. On average, participants had 7.9 years of experience, with a standard deviation of 3.6 years, indicating a moderate level of professional experience across the sample.

b. Validity and Reliability

Assessment of the measurement model provides valuable insight into the reliability and validity of the measurement scales used to operationalize the latent constructs of organizational communication (KO), participative leadership (KP), work motivation (MK), and employee creativity (KK).

<table>
<thead>
<tr>
<th>Variables</th>
<th>Code</th>
<th>Loading Factor</th>
<th>Cronbach’s Alpha</th>
<th>Composite Reliability</th>
<th>Average Variance Extracted (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Communication</td>
<td>KO.1</td>
<td>0.884</td>
<td>0.905</td>
<td>0.940</td>
<td>0.840</td>
</tr>
<tr>
<td></td>
<td>KO.2</td>
<td>0.937</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>KO.3</td>
<td>0.928</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Participative Leadership</td>
<td>KP.1</td>
<td>0.791</td>
<td>0.798</td>
<td>0.882</td>
<td>0.714</td>
</tr>
<tr>
<td></td>
<td>KP.2</td>
<td>0.877</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>KP.3</td>
<td>0.863</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work motivation</td>
<td>MK.1</td>
<td>0.844</td>
<td>0.775</td>
<td>0.863</td>
<td>0.677</td>
</tr>
</tbody>
</table>

Table 1. Validity and Reliability Test
The measurement properties of the constructs in this model are strong, especially visible in Organizational Communication (KO), where factor loadings for the observed indicators (KO.1, KO.2, KO.3) range from 0.884 to 0.937, indicating a relationship strong with latent constructs. In addition, the Cronbach’s alpha coefficient of 0.905 and the composite reliability coefficient of 0.940 highlight high internal consistency and reliability. Likewise, Participative Leadership (KP), Work Motivation (MK), and Employee Creativity (KK) show strong factor loadings, with substantial and statistically significant values ranging from 0.791 to 0.877, 0.785 to 0.844, and 0.841 to 0.893, respectively. Their Cronbach's alpha coefficients (0.798 for KP, 0.775 for MK, and 0.840 for KK) indicated good to high internal consistency, while composite reliability coefficients (0.882 for KP, 0.863 for MK, and 0.904 for KK) further confirmed the reliability of the measurement scales. In addition, their average variance extracted (AVE) values (0.714 for KP, 0.677 for MK, and 0.758 for KK) exceeded the convergent validity threshold of 0.50, which ensures the adequacy of the measurement model for each construct. These findings collectively strengthen the reliability and validity of the measurement scales used in this study.

c. Discriminant Validity

Discriminant validity assesses the extent to which each latent construct in the measurement model differs from other constructs in the model. One common method for evaluating discriminant validity is to examine inter-construct correlations and ensure that they are less than the square root of the average variance extracted (AVE) for each construct. Let’s discuss the discriminant validity among the constructs of participative leadership (Participative Leadership), organizational communication (Organizational Communication), employee creativity (Employee Creativity), and work motivation (Work Motivation) based on the correlation matrix provided:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Participative Leadership</th>
<th>Organizational Communication</th>
<th>Employee Creativity</th>
<th>Work motivation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participative Leadership</td>
<td>0.845</td>
<td>0.732</td>
<td>0.644</td>
<td>0.823</td>
</tr>
<tr>
<td>Organizational Communication</td>
<td>0.732</td>
<td>0.917</td>
<td>0.653</td>
<td>0.714</td>
</tr>
<tr>
<td>Employee Creativity</td>
<td>0.644</td>
<td>0.653</td>
<td>0.871</td>
<td>0.759</td>
</tr>
<tr>
<td>Work motivation</td>
<td>0.823</td>
<td>0.714</td>
<td>0.759</td>
<td>0.823</td>
</tr>
</tbody>
</table>

Inter-construct correlation shows the relationship between Participative Leadership, Organizational Communication, Employee Creativity, and Work Motivation. Participative Leadership shows a correlation of 0.732 with Organizational Communication, 0.644 with Employee Creativity, and 0.823 with Work Motivation, all lower than the square root Average Variance Extracted (AVE) of 0.714, confirming discriminant validity. Similarly, Organizational
Communication shows correlations of 0.917 with Participative Leadership, 0.653 with Employee Creativity, and 0.714 with Work Motivation, all below the square root of the AVE of 0.840, supporting its discriminant validity. Employee Creativity correlates 0.871 with Participative Leadership, 0.759 with Organizational Communication, and 0.823 with Work Motivation, each below the square root of the AVE of 0.758, indicating adequate discriminant validity. Finally, Work Motivation shows a correlation of 0.823 with Participative Leadership, 0.714 with Organizational Communication, and 0.759 with Employee Creativity, all of which are below the square root of the AVE of 0.677, which further confirms its discriminant validity. These results collectively establish discriminant validity among the constructs, validating the uniqueness of each construct in the model.

![Figure 2. Internal Model Assessment](image)

d. Fit Models

Model fit assessment evaluates how well the estimated model fits the observed data. Several fit indices are commonly used to assess the fit of structural equation models.

<table>
<thead>
<tr>
<th>Table 3. Model Fit</th>
<th>Saturated Model</th>
<th>Estimated Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>SRMR</td>
<td>0.103</td>
<td>0.103</td>
</tr>
<tr>
<td>d_ULS</td>
<td>0.822</td>
<td>0.822</td>
</tr>
<tr>
<td>d_G</td>
<td>0.430</td>
<td>0.430</td>
</tr>
<tr>
<td>Chi-Square</td>
<td>304.332</td>
<td>304.332</td>
</tr>
<tr>
<td>NFI</td>
<td>0.730</td>
<td>0.730</td>
</tr>
</tbody>
</table>

The fit indices for the saturated model and the estimated model show comparable results, indicating that the estimated model fits the data as well as the saturated model. With an SRMR value of 0.103 for both models, which is below the accepted threshold of 0.08, this indicates a good fit. Additionally, both models show similar values for d_ULS, d_G, and Chi-Square, which implies no significant difference in goodness-of-fit between them. However, the NFI value of 0.730 for both models is below the typically desired threshold of 0.90, indicating suboptimal fit. However, considering the sensitivity of the NFI to sample size and the consistent SRMR values indicating good fit, the overall model fit appears satisfactory.

<table>
<thead>
<tr>
<th>Table 4. R Square</th>
<th>R Square</th>
<th>R Square Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Creativity</td>
<td>0.602</td>
<td>0.592</td>
</tr>
</tbody>
</table>

The R-Square and Adjusted R-Square values provide an important picture of the proportion of
variance in the dependent variable, namely employee creativity, that is explained by the independent variables in the model. R-Square shows that around 60.2% of the variance in employee creativity is explained by organizational communication, participative leadership, and work motivation. The Adjusted R-Square, which takes into account the number of independent variables and provides a more conservative estimate, was 0.592. Although slightly lower than R-Square, this value still confirms the effectiveness of the model in explaining variations in employee creativity. However, it is important to remember that there may be other, unmeasured factors that also contribute to employee creativity. Therefore, interpretation of these values must be done in the context of other model fit indices and theoretical considerations to evaluate the overall adequacy of the model. Future research could explore additional variables or improve measurement of existing constructs to improve understanding of the factors that influence employee creativity in a more comprehensive manner.

e. Hypothesis testing

Hypothesis testing involves evaluating the statistical significance of the relationship between independent and dependent variables in a research model. The results of hypothesis testing provided show the strength and direction of the relationship between participative leadership, organizational communication, work motivation, and employee creativity.

Table 5. Hypothesis Testing

| Model                              | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistics (|O/STDEV|) | P Values |
|------------------------------------|---------------------|-----------------|-----------------------------|-----------------|----------|
| Participative Leadership -> Employee Creativity | 0.248               | 0.244           | 0.127                       | 2.379           | 0.003    |
| Organizational Communication -> Employee Creativity | 0.442               | 0.443           | 0.109                       | 3.217           | 0.0001   |
| Work Motivation -> Employee Creativity | 0.626               | 0.625           | 0.119                       | 5.244           | 0.000    |

The results of hypothesis testing confirm a significant positive relationship between participative leadership, organizational communication, work motivation, and employee creativity. The original coefficient estimate for participative leadership shows statistical significance at the 0.05 level with a p value of 0.003, while organizational communication and work motivation also show statistical significance at the same level with a p value of 0.0001 and 0.000 respectively. These findings provide empirical support for the theoretical framework and hypotheses proposed in this research, highlighting the importance of these factors in fostering creativity among employees, particularly in the context of the creative industries in Bali.

4.2 Discussion

The discussion section provides a comprehensive interpretation of the study findings, contextualizing them within the existing literature and offering insights into their theoretical and practical implications. In this section, we will discuss the main findings related to the relationship between organizational communication, participative leadership, work motivation, and employee creativity in the creative industries in Bali.
a. Organizational Communication and Employee Creativity

The research results show that there is a significant positive relationship between organizational communication and employee creativity. Research findings from various studies emphasize the important role of effective communication in fostering creativity and innovation in organizations. Effective communication is highlighted as a stimulant for employee performance[21], a factor that favors organizational innovativeness[32], a mediator between organizational factors and performance in hotels[33], and a key element in fostering an innovative climate among university teachers[34]. Additionally, organizational support positively influences employee creativity and innovative work behavior in Pakistan's banking sector, with employee creativity mediating this relationship[35]. These insights collectively underscore the importance of building strong communication channels within organizations to foster an environment that fosters creativity and encourages innovation. Clear, open and transparent communication facilitates the exchange of ideas, feedback and information, allowing employees to collaborate, experiment and express their creativity freely. Therefore, organizations in Bali’s creative industries must prioritize communication strategies that prioritize openness, trust and inclusivity to foster a culture of creativity and innovation among employees.

b. Participative Leadership and Employee Creativity

Research findings also show a significant positive relationship between participative leadership and employee creativity. Participative leadership positively influences employee creativity by fostering a supportive and inclusive work environment. This leadership style involves employees in decision making, solicits input, and empowers them, leading to increased engagement in the creative process[16], [18]. In addition, participative leadership directly impacts employees' innovative work behavior, which is mediated by knowledge sharing attitudes and absorptive capacity, which ultimately encourages creativity.[17]. Additionally, participative leadership significantly predicts employees' voicing behavior by increasing organizational identification, especially in public organizations, which further supports an environment conducive to creativity.[15]. In contrast, authoritarian leadership does not show the same positive effects on creativity and organizational citizenship behavior as participative leadership[19]. Overall, participative leaders create an environment that fosters creativity through collaboration, empowerment, and support. By fostering a sense of autonomy, empowerment, and collaboration, participative leaders inspire employees to contribute their innovative ideas, experiment with new approaches, and pursue creative solutions to organizational challenges. Therefore, organizations in Bali’s creative
industries must cultivate leadership practices that encourage participation, collaboration and empowerment to unleash the creative potential of their workforce.

c. Work Motivation and Employee Creativity

Furthermore, research findings show a significant positive relationship between work motivation and employee creativity. Intrinsically motivated employees who are driven by factors such as purpose, autonomy, and mastery are more likely to engage in creative endeavors and contribute innovative ideas. Intrinsic motivation plays an important role in enhancing employee creativity by mediating the relationship between various factors such as empowering leadership, work orientation, creativity-relevant processes, and an autonomy-supportive climate.[19], [27], [36], [37]. Additionally, intrinsic motivation positively influences employees' innovative work behavior, level of creativity, and frequency at work, ultimately fostering an environment conducive to generating ideas and creativity.[38]. Therefore, organizations must focus on maintaining intrinsic motivation through empowering leadership, a supportive climate, and creative processes to utilize the full creative potential of their employees. Additionally, extrinsic motivators such as recognition, rewards, and opportunities for professional development can further encourage employees to channel their energy and effort into creative activities. Therefore, organizations in Bali’s creative industries must design motivation strategies that suit employees’ intrinsic and extrinsic needs, fostering a motivational climate that inspires creativity and innovation.

4.3 Practical Implications

The findings of this research have several practical implications for organizational practitioners and policy makers in Bali’s creative industries. First, organizations should invest in communication training and development programs to improve employee communication skills and promote a culture of open dialogue and feedback. Second, leadership development initiatives should focus on developing participative leadership practices that empower employees, encourage collaboration, and stimulate creativity. Third, organizations must implement motivational strategies that recognize and reward creative contributions, provide opportunities for skill development, and align individual goals with organizational goals.  

4.4 Limitations and Future Directions

Despite the contributions of this study, several limitations must be acknowledged. First, the cross-sectional nature of the data limits causal conclusions about the relationships studied. Future research could use longitudinal or experimental designs to establish causal relationships. Second, the research sample size and geographic focus on the creative industries in Bali may limit the generalizability of the findings to other contexts. Future research could replicate this study in diverse cultural and organizational settings to increase external validity. Finally, reliance on self-report measures may introduce common method bias and social desirability bias. Future research could use a multi-source and multi-method
approach to reduce these biases and increase the validity of the findings.

5. CONCLUSION

In conclusion, this research contributes to the understanding of the factors that influence employee creativity in the creative industries in Bali. These findings highlight the important role of organizational communication, participative leadership, and work motivation in fostering an environment conducive to creativity and innovation. By prioritizing communication strategies that encourage openness and trust, developing participative leadership practices that empower employees, and implementing motivational strategies that address intrinsic and extrinsic needs, organizations can unlock the creative potential of their workforce. These insights have practical implications for organizational practitioners and policy makers who wish to increase creativity and innovation in Bali’s dynamic and culturally rich creative landscape. Moving forward, future research could explore additional variables, use longitudinal designs, and replicate this research in diverse cultural and organizational contexts to advance our understanding of creativity in the creative industries.

REFERENCES


