


RELATIONSHIP BETWEEN TRANSFORMATIONAL LEADERSHIP AND ORGANIZATIONAL LEARNING SUPPORT EMPLOYEE CREATIVITY: EVIDENCE FROM VIETNAMESE SMEs

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ARTICLE INFO	ABSTRACT
<p>Article history:</p> <p>Received 24 March 2023</p> <p>Accepted 22 June 2023</p>	<p>Purpose: The current study aims to investigate the mediating role of organizational learning (OL) on the relationship between transformational leadership (TFL) and employee creativity (EC) in Vietnamese SMEs.</p> <p>Theoretical framework: The world underwent enormous and ongoing changes in SMEs after the Covid-19 pandemic. Leaders and employees must be more effective and adaptive to enhance systems and processes and meet client requests. Recently, SMEs in Vietnam have struggled to improve CEOs and staff with the professional credentials necessary to compete in the market and integrate.</p> <p>Design/methodology/approach: The framework and hypotheses were examined using SEM on SPSS and AMOS software to analyse the data after receiving 397 valid responses from SMEs in Vietnam.</p> <p>Findings: Findings confirmed that TFL positively affects EC and OL. The role of individual motivation on individual consideration outweighs those of the other characteristics of TFL. OL played a partly mediator role in the relationship between TFL and EC.</p> <p>Research, Practical & Social implications: This study provides an inventory of knowledge about the reality of OL and its mediating role on the relationship between TLF and EC, which contributes to enriching the library in overall and Vietnamese in specific in this subject.</p> <p>Originality/value: This paper is one of the first papers in the Vietnamese SMEs context to address the mediating effect of OL between TLF and EC.</p> <p>Doi: https://doi.org/10.26668/businessreview/2023.v8i7.1831</p>
<p>Keywords:</p> <p>Transformational Leadership; Organizational Learning; Employee Creativity; SMEs.</p> <div data-bbox="172 987 480 1234" style="text-align: center;">  </div>	

A RELAÇÃO ENTRE LIDERANÇA TRANSFORMACIONAL E APRENDIZAGEM ORGANIZACIONAL APOIA A CRIATIVIDADE DOS FUNCIONÁRIOS: EVIDÊNCIAS DAS PMES VIETNAMITAS

RESUMO

Objetivo: O presente estudo tem como objetivo investigar o papel mediador da aprendizagem organizacional (OL) na relação entre a liderança transformacional (TFL) e a criatividade dos funcionários (EC) nas PMEs vietnamitas.

Estrutura teórica: O mundo passou por mudanças enormes e contínuas nas PMEs após a pandemia da Covid-19. Líderes e funcionários devem ser mais eficazes e adaptáveis para aprimorar sistemas e processos e atender às solicitações dos clientes. Recentemente, as PMEs no Vietnã têm se esforçado para melhorar os CEOs e a equipe com as credenciais profissionais necessárias para competir no mercado e se integrar.

Projeto/metodologia/abordagem: A estrutura e as hipóteses foram examinadas usando SEM no software SPSS e AMOS para analisar os dados depois de receber 397 respostas válidas de PMEs no Vietnã.

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Resultados: Os resultados confirmaram que o TFL afeta positivamente o CE e o OL. O papel da motivação individual na consideração individual supera o das outras características do TFL. O OL desempenhou um papel parcialmente mediador na relação entre TFL e CE.

Implicações sociais, práticas e de pesquisa: Este estudo fornece um inventário de conhecimento sobre a realidade do OL e sua função mediadora na relação entre TFL e CE, o que contribui para enriquecer a biblioteca em geral e a vietnamita em específico nesse assunto.

Originalidade/valor: Este artigo é um dos primeiros trabalhos no contexto das PMEs vietnamitas a abordar o efeito mediador do OL entre TLF e CE.

Palavras-chave: Liderança Transformacional, Aprendizagem Organizacional, Criatividade dos Funcionários, PMEs.

LA RELACIÓN ENTRE EL LIDERAZGO TRANSFORMACIONAL Y EL APRENDIZAJE ORGANIZATIVO APOYA LA CREATIVIDAD DE LOS EMPLEADOS: EVIDENCIA DE LAS PYME VIETNAMITAS

RESUMEN

Objetivo: Este estudio pretende investigar el papel mediador del aprendizaje organizativo (OL) en la relación entre el liderazgo transformacional (TFL) y la creatividad de los empleados (EC) en las PYME vietnamitas.

Marco teórico: Tras la pandemia de Covid-19, las PYME han experimentado enormes y continuos cambios. Los líderes y los empleados deben ser más eficaces y adaptables para mejorar los sistemas y procesos y satisfacer las peticiones de los clientes. Recientemente, las PYME de Vietnam se han esforzado por dotar a sus directivos y empleados de las credenciales profesionales necesarias para competir en el mercado e integrarse.

Diseño/metodología/enfoque: El marco y las hipótesis se examinaron utilizando SEM en SPSS y el software AMOS para analizar los datos tras recibir 397 respuestas válidas de PYME de Vietnam.

Resultados: Los resultados confirmaron que TFL afecta positivamente a EC y OL. El papel de la motivación individual en la consideración individual supera al de las demás características del TFL. OL desempeñó un papel parcialmente mediador en la relación entre TFL y EC.

Implicaciones sociales, prácticas y de investigación: Este estudio proporciona un inventario de conocimientos sobre la realidad del OL y su papel mediador en la relación entre TFL y CE, lo que contribuye a enriquecer la biblioteca en general y la vietnamita en particular sobre este tema.

Originalidad/valor: Este artículo es uno de los primeros trabajos en el contexto de las PYME vietnamitas que aborda el efecto mediador del OL entre el TLF y el CE.

Palabras clave: Liderazgo Transformacional, Aprendizaje Organizativo, Creatividad de los Empleados, PYME.

INTRODUCTION

Due to ongoing economic and competitive changes, SMEs must be adaptable. The creativity of employees is essential for the long-term survival of organizations, and is positively influenced by sharing knowledge, organizational culture, and job satisfaction (Perizade & Marwa, 2021). Employees of SMEs often face challenges in expressing their creativity in daily tasks because their leaders do not provide enough motivation and encouragement for creative workers (Andleeb, Ahmad, & Aziz, 2020). Today, employees in Vietnamese SMEs lack training in skills and knowledge related to the current financial sector as well as flexibility in their daily activities (H. P. Nguyen & Dao, 2021). Leaders must possess sufficient ability to help their employees improve their creativity. They can encourage staff innovation through perceived organizational support (Suifan, Abdallah, & Al Janini, 2018).

The research problem is the lack of papers on the relationship between transformational leadership (TFL) and employee creativity (EC) mediated by organizational learning (OL) in Vietnam. This knowledge gap motivated the researcher to conduct this study in Vietnamese SMEs, building on the previous literature that had the most significant influence on the subject area. The study examines the three variables of TFL, OL, and EC. It investigates OL as a mediator in the relationship between TFL and EC to determine EC levels in SMEs in Vietnam. Additionally, the study aims to examine the relationship between TFL and EC through OL, particularly in developing countries, to fill the research gap in this area. The researchers employed a quantitative method and cross-sectional design to examine how TFL, OL, and EC interact with each other, and ethical policies and recommendations are also included.

The study provides valuable contributions to SMEs by creating techniques for developing organizational learning that aligns with their corporate goals and vision. Moreover, the findings contribute to the current literature on organizational learning and provide a foundation for organizational managers to boost their learning and training development tactics, which can further enhance employee innovation and ultimately increase overall business performance.

LITERATURE AND HYPOTHESES

Transformational Leadership (TFL)

The concept of transformational leadership was first introduced by Burns (1978) 1978, describing how leaders can induce fundamental changes in their followers' attitudes and behaviors. Transformational leaders can establish positive relationships with their members and inspire them to perform better by sharing knowledge, resources, and expertise. When leaders focus on this approach, employees tend to put greater effort and energy into performing tasks more effectively (Khaddam, Alzghoul, Khawaldeh, Alnajdawi, & Al-Kasasbeh, 2023). In other words, transformational leaders can motivate their employees to strive for and achieve goals beyond predetermined expectations by transforming their followers' attitudes, beliefs, values, and needs (Udin, 2023). To examine how TFL affects OL and EC, it is essential to understand the four primary dimensions of TFL, as pointed out by (Bass & Avolio, 1990).

Idealised Influence (II)

Leaders are often seen as positive role models by their followers, who trust their actions and judgments (Torlak & Kuzey, 2019). Leaders work simultaneously towards both

organizational goals and employees' needs to facilitate professional growth. They motivate and support employees to feel comfortable, gain confidence, and exceed expectations (Udin, 2023). To measure Transformational Leadership (II), researchers must look for indications of a leader's powerful and competent manner, commitment to others' interests, ability to inspire pride and honor in other members, and observable respect from others (Korejan & Shahbazi, 2016).

Inspirational Motivation (IM)

Leaders can effectively communicate their vision and use symbols and language to influence the thoughts and emotions of their employees (Atkinson & Pilgreen, 2011), thereby assisting their followers in achieving common objectives (Bass, Avolio, Jung, & Berson, 2003; Piccolo & Colquitt, 2006). Indicators of Inspirational Motivation (IM) include a leader's optimistic view of the future, the seriousness they attribute to tasks, their emphasis on the importance of planning, and their ability to instill hope in other members regarding attainable goals (Korejan & Shahbazi, 2016).

Intellectual Stimulation (IS)

Leaders serve as mental stimulators to challenge their followers' thoughts and encourage them to think more creatively, thereby engaging the entire organization. They provide a mental map that leads people's actions using two modes of learning: single and double-loop learning. At the organizational level, these learning modes contribute significantly to Organizational Learning (OL). Single-loop learning entails adhering to rules and continuously modifying actions to achieve the organization's objectives when current plans, values, and strategies are clear and compelling. Double-loop learning involves altering the rules by using three skills: self-awareness, honesty, and responsibility. These learning strategies aim to adapt and improve overall efficiency at all organizational levels (Argyris, 1976).

Transformational Leadership and Employee Creativity (TFL-EC)

As role models for their employees, Transformational Leaders can effectively communicate crucial expectations, offer an inspiring vision for the future, challenge high-performing workers, and provide positive employee motivation. They encourage their employees to ask relevant questions about their work and support creativity and a nurturing organizational climate, creating conditions that facilitate individual creativity (Avolio, Waldman, & Yammarino, 1991). They create an environment where employees are encouraged

to confidently develop innovative ideas to solve problems without fear of blame or failure (Herrmann & Felfe, 2014). They make assumptions, reframe and solve old problems in new ways to promote intellectual stimulation (Bass & Avolio, 1990). They encourage employees to increase their efforts in fulfilling duties, promote employee imagination (Bass et al., 2003), and facilitate or inhibit workers' actions in problem-solving, positively influencing employee creativity through moderated variables like employees' openness to experience (Ghimire, Haron, & Bhatti, 2021). Additionally, they promote Employee Creativity (EC) by emphasizing the role of promotion and participation in the creative process. Based on the above literature, the hypothesis is proposed:

H1. There is a positive relationship between TFL and EC.

Organizational Learning and Transformational Leadership (OL-TFL)

Previous studies indicate that Transformational Leadership (TFL) and Organizational Learning (OL) have a positive correlation. TFL is a critical factor in improving OL (Imran, Ilyas, & Aslam, 2016). In organizational learning, Transformative Leaders act as catalysts, coaches, facilitators, and educators (Kurland, Peretz, & Hertz-Lazarowitz, 2010). They promote open communities, organic structures, adaptable processes, and agile methods that bring about positive change and challenges institutionalized learning (Vera & Crossan, 2004). They allow their employees to acquire new knowledge, experiment with new ideas, and broaden their horizons by activating cognitive patterns and promoting employee capacity, innovation, and creativity. They foster mutual mental models in technical organizations, promote continuous learning, and sustain management, teaching, and student performance, crucial to the collective or OL (Hsiao & Chang, 2011). TFL has a positive impact on individual and group learning exploration (T. T. N. Nguyen & Luu, 2019). It creates a conducive environment for innovation by forming innovative teams and instilling a greater desire to enhance creativity (García-Morales, Lloréns-Montes, & Verdú-Jover, 2008). Leaders employing TFL directly influence OL and contribute to members' engagement and their sense of control over the learning process outcome (Imran et al., 2016; Kurland et al., 2010). They inspire their employees to explore new technologies and fresh ideas by employing new approaches and setting realistic goals.

All things above considered, H2 is proposed: There is a positive relationship between TFL and OL

Organizational Learning and Employee Creativity (OL-EC)

Numerous studies have revealed that Organizational Learning (OL) leads to creativity and provides a creative, strategic orientation for sustainable development (Chaubey, Sahoo, & Khatri, 2019). OL enables the nurturing of employee innovation and creativity, and knowledge acquisition and application have a particularly positive impact on service innovation within its framework. In order to create OL, employees must exchange information and experiences while developing their competencies. By promoting information exchange, strengthening OL ultimately leads to an increase in employee competencies (Chaubey et al., 2019). OL provides an innovative and creative viewpoint as a long-term strategic orientation to achieve competitive advantage. In the rapidly changing library domain, it is suggested that OL and TFL should be used in conjunction to manage these changes effectively. Based on the literature, the following hypothesis is proposed:

H3: There is a positive relationship between OL and EC

Transformational Leadership and Employee Creativity with OL as a Mediator (TFL-OL-EC)

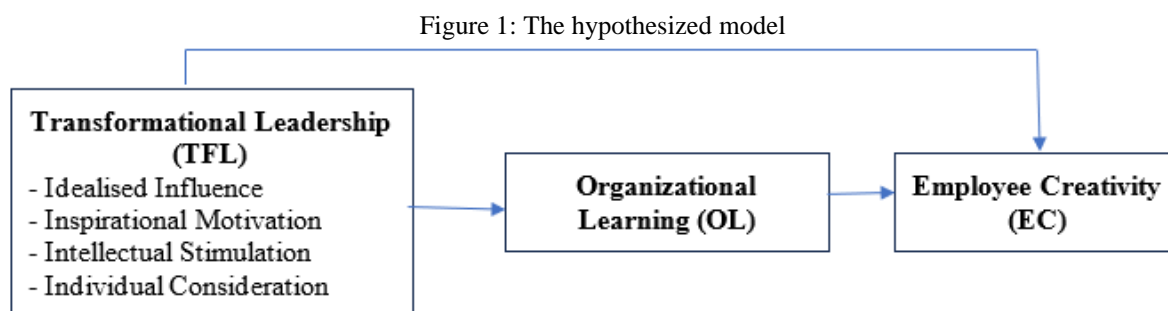
A growing number of empirical studies have been conducted to investigate the relationship between TFL, OL, and EC in various organizational settings. For example, in Spain, García-Morales et al. (2008) studied over 168 organizations to understand how TFL, OL, and EC interact to impact organizational performance. The findings confirmed that TFL helps develop organizational knowledge through the dynamic capabilities of OL and EC. OL was found to directly and indirectly influence organizational innovation, positively impacting organizational performance. Another study by Radzi, Huang, Jenatabadi, Kasim, and Son (2013) examined 168 food manufacturing companies in East Asian countries like China, Taiwan, and Malaysia, and confirmed the mediating role of OL as a link between TFL and Organizational Innovation (OI) - the implementation of EC. Their structural equation modeling (SEM) analysis revealed a positive impact between the three constructs, where OL serves as a mediator in the link between TFL and OI (Radzi et al., 2013).

Jyoti and Dev (2015) conducted a study on call center employees in India, using SEM analysis. The results showed that the combination of a transformative leader's characteristics and the employees' learning orientation had a positive impact on the formation of EC. OL was found to be a mediator in the link between TF and OI, as previously discovered by (Hsiao &

Chang, 2011). OL occurs when a leader fosters and shares ideas to encourage a desire for learning among participants (Ulrich, Jick, & Von Glinow, 1993).

Drawing from prior research and a literature review, the current paper presents the following hypotheses regarding the impact of TFL on EC through OL:

H4: OL will play a mediator role in the relationship between TFL and EC.



Source: Prepared by authors (2023)

MATERIAL AND METHODOLOGY

Sample and Data Collection

A quantitative research approach was adopted in this study, with a focus on testing rather than generating theories. Using questionnaires on a Likert scale, the participants were given a range of response options to collect data for testing the hypotheses. The survey helped the researchers examine the relationships between the variables: TFL, OL, and EC, as mentioned earlier.

The study consisted of full-time staff members in Vietnamese SME who met the selection criteria: over the age of 22, holding at least a bachelor's degree, having at least six months of work experience, and being willing to complete the survey without any influence from their relationship with the researcher.

The researcher applied the formula of Krejcie and Morgan (1970) to determine the sample size from the population size (N)= 32,886, and the desired sample size for this study was 350 respondents. After receiving permission from Vietnamese SMEs, the questionnaires were sent to them via Google Form and gained 397 responses. Most of the respondents were between the ages of 25 and 35 years and held a bachelor's degree. They had full-time work experience ranging from three to five years. These results helped the researcher confirm that the survey participants met the selection criteria for this study.

Measures

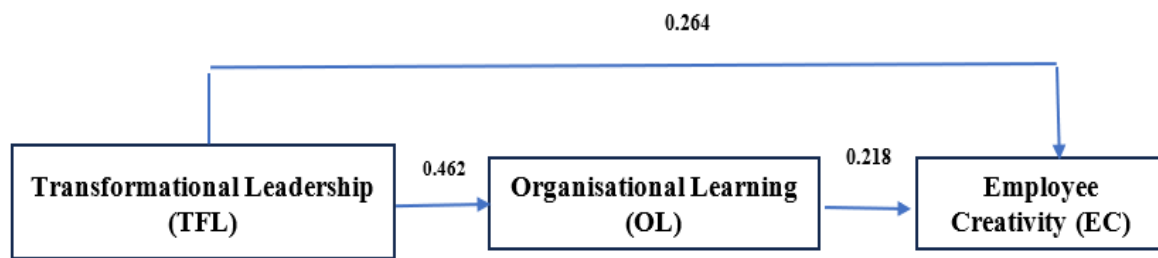
To measure TFL, the researcher used the "Multifactor Leadership Questionnaire (MLQ, 5X-Short)" (Bass & Avolio, 1996), which is comprised of 20 questions that covered its four dimensions (II, IM, IC, and IS). The EC scale of Zhou and George (2001) was employed to measure EC. For calculating OL, the author used the first two items from the scale of Kale, Singh, and Perlmutter (2000) and two items were based on Edmondson and Moingeon (1999). The responses to these items were evaluated using questions with five-point Likert scales ranging from (5) "Strongly disagree" to (1) "Strongly agree".

RESULTS AND DISCUSSION

After sorting, classifying, coding, and entering the data into the SPSS software for analysis, the data were cleaned to identify any outliers and missing values, and 61 samples were deleted accordingly. The SPSS and AMOS software were used to conduct data analysis. Exploratory Factor Analysis (EFA) was carried out on all 36 items by applying Principal Axis Factoring with Promax rotation to ascertain whether the observed variables loaded together (Osborne, Costello, & Kellow, 2008). No variables were excluded at this stage and the results were satisfactory. The value of Kaiser-Meyer-Olkin (KMO) was $.923 > .5$, and Bartlett's result was $\text{sig} = .000 < .05$, indicating a sufficient association between items (Hair, Black, Babin, Anderson, & Tatham, 2009). These findings suggest that the sampling was adequate and the chosen variables had an adequate correlation, supporting EFA.

Confirmatory Factor Analysis (CFA) was performed to estimate construct validity and unit-dimensionality appropriately (Anderson & Gerbing, 1988), evaluate the factors' structure, and assess the relationship between its pattern of loadings and the data that help refine an existing model and support its existing structure (Hair, Gabriel, & Patel, 2014). The results showed that all factor loading values were > 0.5 , indicating that the convergent validity of this study was supported. Cronbach Alpha scores of all items ranged from $.772$ to $.946$, supporting the reliability requirement of the above measures as they achieved acceptable thresholds (Cronbach, 1951). The corrected item-total correlation of all variables was over 0.3 , which was considered acceptable (De Vaus, 2002). Therefore, the scale of all constructs met the criteria (Hair et al., 2014). The Average Variance Extracted (AVE) of most constructs was > 0.5 , "ensuring the condition to compare, and their square root of AVE value was bigger than their correlation value, confirming the discriminant validity for these constructs" (Fornell & Larcker, 1981).

Figure 2 - Research model estimation results



Source: Prepared by authors (2023)

Figure 2 illustrates that the model had 567 degrees of freedom. The p-value was .000, and Chi-square was 1062.893. The Chi-square after adjusting the degree of freedom CMIN/df was 1.821, demonstrating that the requirement was met (i.e., less than 2.00). Additionally, other indicators were satisfactory, including CFI = .921 (>0.9); TLI = .926 (>0.9); IFI = .921 (>0.9), and RMSEA = .042 (satisfactory <.080). Thus, this model aligns with the collected data.

The linear structure analysis using the ML estimation method revealed that the model had 446 degrees of freedom. The Chi-square value adjusted for degrees of freedom CMIN/df had a value of 1.864, satisfying the requirement of being less than 2.00. Other criteria, including CFI = .932; TLI = .932; and RMSEA = .041 (satisfactory < .080), were also met, indicating that this model aligns with the collected data (Kline, 1998).

The results of the model analysis showed that the impact of TFL on EC was .264, which is statistically significant at 1% ($p < 0.001$), and exceeds 0 in Standardized Regression Weights. The f^2 results showed that the exogenous variable TFL had a weak impact on EC ($f^2 = .10 > .02$). The Q2 values of .02, .15, and .35 indicated weak, moderate, and strong effects, respectively (Hair Jr, Sarstedt, Ringle, & Gudergan, 2017). Thus, it can be concluded that TFL has a weak effect on EC ($Q2 = .044 > .02$), and therefore, hypothesis H1 was accepted.

The results of the linear structure analysis using the ML estimation method indicated that the model had 243 degrees of freedom. The Chi-square value adjusted for degrees of freedom CMIN/df had a value of 1.798, which satisfied the requirement of being less than 2.00. Other criteria, including CFI = .944; TLI = .939; and RMSEA = .045 (satisfactory < .080), were also met, indicating that this model fits the collected data (Kline, 1998).

The results of the model analysis revealed that the impact of TFL on OL was .462, which was statistically significant at 1% ($p < .001$), and exceeded 0 in Standardized Regression Weights. The f^2 results showed that the exogenous variable Transformational leadership had a weak impact on OL ($f^2 = .137 > .02$). The Q2 values of .15, .17, and .32 were used to indicate

weak, moderate, and strong effects, respectively (Hair Jr et al., 2017). Hence, it can be inferred that TFL has a weak effect on OL ($Q^2 = .041 > .02$), and therefore, hypothesis H2 was accepted.

The results of the linear structure analysis using the ML estimation method revealed that the model had 123 degrees of freedom. The Chi-square value adjusted for degrees of freedom CMIN/df had a value of 2.613, which was less than 3.00. Other criteria, including CFI = .927; TLI = .917; and RMSEA = .047 (satisfactory $< .080$), were also met, indicating that this model fits the collected data (Kline, 1998).

The results of the model analysis showed that the impact of OL on EC was 0.218, which was statistically significant at the 1% level ($p < .001$), and exceeded 0 in Standardized Regression Weights. The f^2 results showed that the exogenous variable OL had a weak impact on EC ($f^2 = .125 > .02$). The Q^2 values of .03, .15, and .26 were used to indicate weak, moderate, and strong effects, respectively (Hair Jr et al., 2017). Hence, it can be inferred that OL has a weak effect on EC ($Q^2 = .046 > 0.02$), and therefore, hypothesis H3 was accepted.

The study utilized SEM analysis with a Bootstrap method to examine the direct and indirect effect of TFL on EC through OL (Baron & Kenny, 1986). The study performed bootstrap 1000 times with bias-corrected confidence intervals of 95%. The results of the linear structure analysis using the ML estimation method indicated that the model had 549 degrees of freedom. The Chi-square value adjusted for degrees of freedom CMIN/df had a value of 1.816, which was less than 2.00. Other criteria, including CFI = .926; TLI = .926; and RMSEA = .038 (satisfactory $< .080$), were also met, indicating that this model fits the collected data.

The findings indicated that TFL had an indirect effect on EC through the intermediate variable OL, with .095 being greater than 0, and this effect being statistically significant with a p-value of .004 and bias-corrected confidence intervals of (.037; .182). This "confidence interval did not contain zero. This indirect effect was statistically significant," thus OL served as the intermediate variable.

The study explored whether OL acted as a partial or complete intermediate variable by assessing the direct impact of TFL on EC in the absence of OL. The results showed that the immediate effect of TFL on EC without OL was statistically significant at the 5% level ($\beta = .341$, $p < .001$). Therefore, OL was a partial intermediate variable. As a result, hypothesis H4 was accepted.

DISCUSSION

The present research partially validates earlier studies which suggest a positive and significant correlation between TFL and EC (Almheiri & Omar, 2022; Mai, Do, & Ho Nguyen, 2022). TFL is capable of promoting EC, as well as improving the creative work atmosphere (Andleeb et al., 2020). Moreover, the findings highlight the significance of the Individualised Consideration (IC) dimension of TFL in promoting EC compared to the other dimensions of TFL. Through acting as a mentor or coach and facilitating effective communication between employees, IC helps employees reach their goals, expand their abilities, and realise their potential (Pradeep & Prabhu, 2011). Transformative Leaders usually converse with staff, empathise with their needs, build personal connections, exhibit genuine compassion and support continual professional and personal development. Such actions have a significant and positive impact on employee performance.

The results of the data analysis indicate that TFL has a partial impact on OL, and hypothesis H2 is partially supported. These findings not only reinforce the earlier investigations of García-Morales et al. (2008) and Northouse (2021) but also offer more insight into the role of Inspirational Motivation (IM) in improving OL. SMEs' managers should possess a positive outlook for the future, demonstrate enthusiasm towards the tasks at hand, present a compelling vision for the future and display confidence that objectives can be met. It has been noted that if leaders abide by TFL and increase their inspirational motivation, they can expand the company's OL environment. OL and the organisation's overall performance will be improved when transformative leaders support OL. By creating a culture of accountability within the organisation, leaders can encourage employees to endorse changes by embedding an accountable company culture. Leaders can motivate employees to embrace change, foster innovative thinking and cultivate the drive for improving the organisation's performance. Consequently, employees will learn, adapt, and instigate changes within the company and its surroundings. Moreover, this finding also highlights the significance of IM concerning OL when compared to the other dimensions of TFL. The outcome of this study provides senior executives in Vietnamese SMEs with recommendations on how to promote and ensure Organizational Learning in their companies."

These findings support hypothesis H3 and are consistent with the research conducted by Abd Awang, Mohd Sapie, Yusof Hussain, Ishak, and Md Yusof (2019), who observed that organisations foster learning by amplifying the knowledge and skills of their workforce to enhance performance while creating economic well-being and development. OL is the process

of transforming thought and behaviour, stimulating employees' creativity and innovation and sustaining a competitive edge. Collective information and experience exchange among employees are thus required for OL to occur. When employees engage in team learning, they become attracted to the research team and increase organizational innovation. This study aligns with the survey conducted by Tan and Chang (2015), in which all four traits of OL, namely "systems perspective, openness and experimentation, and knowledge transfer and integration", significantly influenced the creativity of R&D engineers. OL aids the organisation in responding to or anticipating change through adaptability and transformation. Thanks to the support of leaders, individual growth should lead to OL. Managers need to be aware of each employee's strengths and weaknesses to support their development via OL

The research findings supported hypothesis H4, as OL acted as a mediator variable in the relationship between TFL and EC. This implies that when SMEs' employees recognise the significance of TFL and OL, they will endeavour to follow the leader's guidance through training and OL in the organization. There was a close association between OL and innovation, while TFL positively impacts OL in the organisation by introducing new ideas and augmenting employee creativity. Through this, leaders can bolster employees' creativity and enhance the overall Organizational performance. Based on the research's findings, the leaders should encourage employees to be more innovative and creative in their routine work. This research was conducted based on previous studies by Bass et al. (2003), who demonstrated that leaders in SMEs could act as role models for their followers. The study suggests that leaders should consider the needs of employees, motivate, and provide valuable guidance on attaining goals beyond their expectations (Hoyt, Goethals, & Riggio, 2006). The results of this study align with previous research, which indicates that leaders who promote the sharing of ideas and build OL processes in the organisation without commanding can inspire and stimulate OL among their employees, leading to enhanced learning within the organisation (Gill, 2011). Thus, OL occurs in such organisations.

These findings hold significant implications for developing leadership and management theories and practices, as well as for future directions. Leaders in SMEs should consider their employees and build closer relationships with them. The organisation can promote EC by emphasising the significance of OL in enhancing functionality and efficacy. The organisation should establish approaches for nurturing ethical and transformative leaders who can empower their employees to develop their OL and creativity. SMEs' employees can benefit from these leadership techniques by learning to think differently, creating thought processes that foster a

more extensive pool of unique ideas and solutions. Leaders can effectively manage creative employees, urging them to demonstrate OL, which helps them address innovative challenges in creative ways.

In addition, the organization should provide opportunities for staff to engage with their executives and colleagues during social gatherings or other leisure activities. Given the significant impact of TFL behaviours on employees' creativity cognition, the organisation must evaluate the personality traits of its managers. The organisation should establish strategies to develop ethical and transformative leaders who can facilitate their employees' improvement in OL and creativity. SMEs' employees can benefit from these leadership techniques by learning to think in novel ways and developing thought patterns that yield a wider array of unique ideas and solutions. Leaders can effectively manage creative employees and encourage the demonstration of OL to tackle challenging creative problems innovatively. Furthermore, the organization should provide opportunities for staff to communicate with executives and colleagues during social gatherings or leisure activities, given the enormous impact of TFL behaviours on employees' creativity cognition. It is essential that the organization examine the personality characteristics of its managers.

CONCLUSIONS

The aim of this study was to investigate the relationship between TFL and EC in Vietnamese SMEs, and the mediating role of OL. The findings strongly support the hypothesis that TFL positively impacts EC and that OL mediates this relationship, indicating that SME staff are likely to be more effective and creative when their leaders adopt a transformational approach, focusing on everyone's creative abilities and creating an open learning environment. Overall, this study reinforces the idea that TFL positively influences EC, with a deeper analysis of each dimension of TFL, highlighting that the IM and IC components were more significant predictors of the relationship than other TFL components. In other words, when organizations utilise the TFL approach and focus on the IM and IC components of leaders, SMEs' staff are more likely to be creative.

Based on these findings, organizations should foster and develop the presence of transformational leadership styles. Such executives should be actively involved in the human resource development of the organization, motivating employees to pursue a shared vision and take responsibility for their growth. SMEs' leaders must be adept at building external and internal relationships to inspire future creative acts. SMEs' employees require Organizational

support and personal motivation, depending on the workplace climate. In other words, employees can generate new ideas and approaches to improve their performance if they receive the appropriate Organizational support and personal encouragement.

Although the current research contributes to the understanding of the role of OL in the relationship between TFL and EC, it is important to note that there are some limitations. The study only gathered data from SMEs in Vietnam, which means that the results may not be applicable to all types of companies in the country. To avoid common method bias, researchers suggest that future studies use a methodology that collects data from managers, employees, and customers. Longitudinal studies can also provide a better understanding of these interactions and how they evolve over time. The study did not address cultural issues related to Vietnamese SMEs, which is crucial for proper development and implementation of the OL system.

Future studies should consider cultural variables to expand the role of leadership style and EC, and to reduce limitations. Group discussions and in-depth interviews can supplement the study and provide further insights on OL related to TFL and EC, and the data should be collected from a broader range of organizations to improve generalizability. Future researchers should use a mixed-methods approach to examine SMEs in developing and developed countries and explore other mediators that influence Employee Creativity.

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