

**The Contribution of
Transformational Leadership in
Developing Intrinsic Motivation
and Creativity of Employees**

Bachelor Thesis for Obtaining the Degree

Bachelor of Science

International Management

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Affidavit

I hereby affirm that this Bachelor's Thesis represents my own written work and that I have used no sources and aids other than those indicated. All passages quoted from publications or paraphrased from these sources are properly cited and attributed.

The thesis was not submitted in the same or in a substantially similar version, not even partially, to another examination board and was not published elsewhere.

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Abstract

The world of business has undergone significant change in the past twenty-five years in conjunction with the ever-evolving state of technological advancement, cultural transformation, and consumer preferences. In response to this change, a paradigm shift has occurred in many businesses in how leadership should be perceived and executed in the workplace. Firms have altered their focus from a more traditional, transactional leadership perspective, which embodies a task-oriented leadership approach, to a more transformational leadership perspective. Transformational leadership is rooted in the principles of encouraging individuals to lead with positive company values and to cultivate an environment where every employee feels safe and comfortable. For the purpose of analysis, transformational leadership is measured through four distinctive characteristics: Idealized Influence, Inspirational Motivation, Intellectual Stimulation and Individualized Consideration. This thesis aims to determine to what extent these characteristics of transformational leadership impact the growth and development of intrinsic motivation and creativity of employees.

Primary data was collected through an online survey accessible through the online platform LinkedIn. Questions were based on a Likert-scale in order to measure participants' intrinsic motivation and creativity, as well as the characteristics of leaders in participants' work environment. Through several statistical tests, a positive and significant correlation between the independent variables: Idealized Influence, Inspirational Motivation, Intellectual Stimulation and Individualized Consideration, and the dependent variables: Intrinsic Motivation and Creativity was observed. This evaluation concludes that leaders who oversee projects driven by innovation, elasticity and fluid work environment should implement transformational leadership in order to enhance and potentially maximize their employees' potential. The results of this thesis contribute to existing literature concerning the effectiveness of transformational leadership and offer an insight into which transformational leadership characteristics are the most influential on intrinsic motivation and creativity.