



VALUE-BASED LEADERSHIP AND EMPLOYEE ENGAGEMENT: A QUALITATIVE STUDY ON THE CREATIVE INDUSTRY IN INDONESIA "

Author¹ : **Rudin**
 Affiliation : Sekolah Tinggi Ilmu Komputer 22 Januari Kendari
 Email : rudinrudy5@gmail.com
Author² : **Wiwini Sultareni**
 Affiliation : Universitas Nahdlatul Ulama Sulawesi Tenggara
 Email : wiwinsultraeniunusra@gmail.com
Author³ : **Ahmad Hamid**
 Affiliation : Universitas Nahdlatul Ulama Sulawesi Tenggara
 Email : ahmadunusra@gmail.com
Author⁴ : **Ria Rezki Amalia**
 Affiliation : Universitas Nahdlatul Ulama Sulawesi Tenggara
 Email : riareski09@gmail.com

Submitted : 9 March 2025 Accepted: 9 March 2025 Published : 10 March 2025

ABSTRACT

The creative industry in Indonesia has been growing rapidly and has become a key sector contributing to the national economy. However, many organizations in this sector face challenges in maintaining employee engagement due to fast-paced work dynamics, intense competition, and high innovation expectations. One of the main issues is the high employee turnover rate and low organizational loyalty, driven by a lack of emotional attachment to organizational values and culture. This study employs a qualitative descriptive approach using semi-structured interviews to explore how based leadership enhances employee engagement in the creative industry. The findings indicate that implementing value-based leadership emphasizes fairness, transparency, innovation, empathy, and collaboration significantly contributes to increased employee motivation and loyalty. Furthermore, organizations that support work-life balance and provide perceived support enhance the effectiveness of value-based leadership policies in fostering a positive work culture. The implications of this study highlight that leaders who consistently apply value-based leadership can create a more inclusive, innovative, and sustainable work environment. Therefore, this research provides theoretical and practical contributions for organizations seeking to optimize leadership strategies to improve employee engagement and retention in the creative industry.

Keywords: *Creative Industry; Employee Engagement; Employee Loyalty; Value-Based Leadership*

INTRODUCTION

The creative industry in Indonesia has experienced rapid development in recent years, driven by advances in digital technology and changes in people's consumption patterns. Based

on a report by the Creative Economy Agency (Bekraf), this sector has significantly contributed to the national gross domestic product (GDP) and created job opportunities for millions of individuals in various sub-sectors, such as design, film, music, and digital technology. This growth is also reinforced by increasing government support through policies and programs that encourage innovation and creativity-based entrepreneurship. In addition, the integration of the creative industry with technology has accelerated digitalization in various aspects of business, creating a more dynamic and competitive ecosystem. With such rapid development, the aspect of human resource management in this industry is becoming increasingly crucial to ensure the sustainability and competitiveness of the organization.

In the context of an organization, employee engagement (employee engagement) has been recognized as one of the main factors influencing productivity, creativity, and innovation in the workplace. Employees who have a high level of engagement tend to be more motivated in their work, have a stronger loyalty to the company, and actively contribute to the development of business ideas and strategies. A study conducted by Schaufeli and Bakker (2004) confirmed that employee engagement is positively correlated with increased individual and overall organizational performance. This shows that without optimal employee engagement, organizations in the creative industry will have difficulty maintaining competitiveness and facing increasingly complex challenges in the digital era. Therefore, understanding how employee engagement can be strengthened in creative organizations is becoming an increasingly relevant issue in the context of human resource management.

One of the key elements in creating a work environment that supports employee engagement is effective, values-based leadership. Leadership that can prioritize transparency, appreciation for creativity, and build collaborative working relationships will be better able to create working conditions that are conducive to growth and innovation. Leaders who understand the importance of organizational values and apply them in policies and interactions with employees will increase a sense of belonging and commitment employees have towards the organization. Research conducted by Bass and Avolio (1994) shows that leaders who have a clear vision and can inspire employees tend to be more successful in increasing work engagement and motivation. Therefore, strong and value-based leadership has a strategic role in supporting employee engagement in the creative industry.

In the dynamic and ever-changing creative industry work environment, effective leadership plays a role not only in strategic decision-making, but also in creating an organizational culture that is aligned with the needs and expectations of employees. The success of an organization in maintaining and increasing employee engagement will depend greatly on the extent to which leaders can build open communication, provide opportunities for employees to develop, and ensure that organizational values are consistently applied in every aspect of work. Thus, to ensure sustainable growth in the creative industry, organizations need to adopt a values-based leadership approach to create a more inclusive, innovative work environment that supports optimal employee engagement.

Despite the rapid growth of the creative industry, many organizations in the sector face significant challenges in maintaining high levels of employee engagement. Fast-paced work, intense competition, and high expectations for innovation often put employees under excessive pressure. A study by Saks (2006) showed that employee engagement levels tend to decline when individuals feel a lack of connection to the organization or when they are not being rewarded appropriately for their contributions. In the creative industry, where work is often short-term projects and flexibility is the norm, employee engagement can be a complex and difficult issue to manage. If organizations fail to maintain employee engagement, the impact can be low productivity, weak innovation, and reduced competitiveness in the marketplace.

One of the most frequently reported problems in the creative industries is a high **employee turnover rate, and low loyalty to the organization**. Many companies have difficulty retaining

talented workers because employees tend to move to other organizations that offer better opportunities or a more supportive work environment. Research conducted by Hom et al. (2017) revealed that one of the main factors causing high turnover is the lack of emotional attachment of employees to the values and culture of the organization. Without strong involvement, employees in the creative industry are more likely to seek opportunities elsewhere that are more in line with their professional and personal aspirations. This phenomenon can ultimately hinder the growth and stability of the organization, especially for companies that rely heavily on individual talent and creativity in creating business value.

One of the main causes of low employee engagement and loyalty in the creative industry is **traditional leadership that does not focus on the core values of the organization**. Leadership that only emphasizes achieving business targets without paying attention to employee welfare and intrinsic motivation often fails to build a positive and supportive work culture. Leaders who do not apply values such as transparency, appreciation, and collaboration can create a work environment that is less supportive of employee engagement. A study by Goleman (2000) showed that a leadership style that is less empathetic and does not consider organizational values can lead to decreased motivation and increased stress levels in the workplace. Therefore, a more value-oriented leadership approach is becoming increasingly important to ensure high employee engagement and maintain organizational stability in the competitive creative industry.

Theory Value Based Leadership emphasizes that a leader must adhere to ethical, moral, and integrity values in every decision-making and interaction with employees. This concept is rooted in authentic leadership theory, which asserts that leadership based on the organization's core values can create more meaningful relationships between leaders and employees (Avolio & Gardner, 2005). Leaders who apply the principles of Value Based Leadership not only focus on achieving business targets, but also pay attention to employee welfare, motivation, and professional development. Bass and Steidlmeier (1999) stated that value-based leadership can increase employee trust and loyalty, which ultimately has an impact on overall organizational performance. Therefore, this theory is one of the increasingly relevant approaches in human resource management, especially in a work environment that continues to develop such as the creative industry.

Previous research has shown that values-based leadership has a positive impact on employee engagement by creating a sense of **meaning and purpose in work**. Employees who feel that their work has values that are in line with the organization's vision will be more motivated and have a higher commitment to the company (Rego et al., 2012). In this context, Value Based Leadership plays a role in building a more inclusive work environment and empowering employees to contribute optimally. According to research conducted by Fry (2003), when leaders can instill clear values in the organization, employees will have a sense of ownership of their work and be more involved in achieving company goals. This shows that value-based leadership is not just a managerial strategy, but also a foundation for building sustainable employee engagement.

In the creative industry, the application of Value Based Leadership becomes increasingly important considering that this sector is highly dependent on innovation **and creativity** as a major factor in competitive advantage. The creative industry requires a work environment that can foster exploration of ideas and collaboration between individuals, which can only be achieved if leadership is oriented towards values that encourage innovation (Amabile & Kramer, 2011). Leaders who can communicate organizational values in an inspiring way can help employees understand how their contributions have a broader impact on the organization. With value-based leadership, employees will be more motivated to produce innovative work because they feel supported and appreciated in the organization. Therefore, the theory Value

Based Leadership is only relevant in the context of general leadership, but also a very strategic approach to managing the workforce in the creative industries.

Furthermore, research conducted by Sosik et al. (2009) emphasized that Value Based Leadership not only serves as a tool to increase employee engagement, but also as a mechanism that can help organizations face the challenges of rapid change. The creative industry, which continues to experience disruption due to technological developments and market changes, requires leaders who can maintain core values while still adapting to industry trends. Value-based leadership helps create a flexible and resilient work culture, so that employees can face change with more optimism and confidence. Thus, this theory not only provides solutions to the challenges of employee engagement in the creative industry, but also becomes a foundation for building organizational sustainability amidst increasingly fierce global competition.

Understanding how Based Leadership influences employee engagement in the creative industry in Indonesia is an important aspect in developing a more effective leadership strategy. Leaders who understand the relationship between value-based leadership and employee engagement will be better able to create a conducive work environment and support organizational growth. Research conducted by Bass and Steidlmeier (1999) shows that value-based leadership contributes to increased intrinsic motivation and employee commitment to the company. In the creative industry, where the workforce is required to be more innovative and adaptive, a value-oriented leadership strategy can be a solution to increase employee engagement and productivity. Thus, this study can provide insight for leaders in developing a leadership approach that is more in line with the unique characteristics of the creative industry.

In addition to providing insights for leaders, this research can also help organizations in the creative industry to build **a more inclusive, collaborative and innovative work culture**. Organizations that implement Based Leadership tend to have a stronger work culture because core values are applied in every aspect of operations and decision making (Avolio & Gardner, 2005). A values-based work culture can increase employee engagement by creating an environment that is more open to communication, appreciation for creativity, and support for individual development. In the long term, the implementation of values-based leadership can contribute to decreasing **turnover rates and increasing employee loyalty**, which is a major challenge in the creative industry. Therefore, this study has practical significance for organizations seeking to optimize the role of leadership in enhancing workforce engagement and retention.

From an academic perspective, this research also contributes to the development of literature on the relationship between Value **Based Leadership and employee engagement in the context of the creative industry**. Most previous studies have focused more on the manufacturing sector or traditional hierarchy-based organizations, while research on Value Based Leadership in the creative industry is still limited (Rego et al., 2012). This study fills the gap in previous research by exploring how value-based leadership can play a role in an industry that relies heavily on creativity and flexibility. By providing a deeper understanding of the implementation of value-based leadership in the Indonesian creative industry, this study is expected to enrich academic studies and become a reference for further research in the field of human resource management.

Furthermore, the implications of this study are not only limited to academic and organizational environments, but can also be used as a basis for formulating more inclusive policies in the creative industry. The government and related institutions can use these findings to design programs that encourage the implementation of value-based leadership in creative organizations, either through regulations or leadership training initiatives. The creative industry, which has a high level of competition, requires a leadership strategy that is able to **maintain a balance between achieving business goals and employee welfare**, so that value-based policies become more relevant. With this research, it is hoped that the creative industry

in Indonesia can develop more sustainably with the support of more adaptive, inclusive, and value-based leadership.

This study attempts to fill the gap in the academic literature regarding the relationship **between Value Leadership and employee engagement in the context of the creative industry**. Most previous studies have focused more on the implementation of value-based leadership in organizations that have a formal hierarchical structure, such as the manufacturing sector or government organizations (Rego et al., 2012). However, studies on the implementation of value-based leadership in the creative industry are still limited, even though this sector has unique characteristics that are different from other industries. The creative industry requires a more flexible and adaptive leadership approach, so this study plays a role in providing more comprehensive insights into how value-based leadership can be implemented effectively in a more dynamic and innovative work environment. Thus, this study makes an important contribution to enriching the literature on leadership and human resource management in the creativity-based industry.

In addition to filling the research gap, this study also has relevance to contemporary **issues regarding employee engagement and leadership challenges in the digital age**. Technological developments and changes in work patterns, including the rise of flexible work models and shifts in the preferences of younger workers, have created new challenges for organizations in maintaining employee engagement (Saks, 2006). In the creative industry, where innovation and collaboration are key success factors, value-based leadership is increasingly needed to create a work environment that supports employee motivation and loyalty. This study is expected to provide insight into how leaders can adapt their leadership strategies to meet the challenges of an increasingly complex era. By understanding these dynamics, this study will help organizations in the creative industry to adapt their leadership strategies to ongoing social and economic changes.

Furthermore, this research has contributed development **of legal policies and practices relating to human resource management in the creative industries**. As attention to the welfare of the workforce increases, regulations regarding ethical standards of leadership and employee involvement are increasingly becoming a concern for many countries (Goleman, 2000). The creative industry in Indonesia still faces various challenges in creating policies that protect employee welfare, especially in employment aspects related to job stability, work-life balance, and career development. The findings of this study can be a basis for policy makers in designing regulations or training programs that support the implementation of value-based leadership. Thus, this study not only provides academic contributions, but also has practical implications that can help create a more sustainable work environment for workers in the creative industry.

Based on the background and relevance of this research, there are two main questions that are the focus of the study. First, **what is the role of value-based leadership (Value Based Leadership) in forming and improving employee engagement in the creative industry in Indonesia?** This question focuses on how leaders can apply organizational values to increase employee motivation, loyalty, and engagement in creativity-based companies. Second, **what are the challenges faced by leaders in implementing Based Leadership to increase employee engagement in the context of the creative industry?** This question highlights the barriers faced by leaders in implementing a value-based leadership approach, especially in a highly competitive and dynamic industry environment. By answering these two research questions, this study will provide deeper insights into leadership strategies that can be applied in the creative industry to improve employee engagement and well-being.

RESEARCH METHODS

This research uses descriptive **qualitative research design** to understand in depth the relationship between Based Leadership and Employee Engagement in the creative industry in Indonesia. This approach was chosen because it allows for a more in-depth exploration of complex phenomena through the perspectives of informants (Creswell, 2014). Data were collected through semi-structured interviews with informants who have strategic roles in the organization, including CEOs, HR managers, senior employees, academics, and business consultants. Informants were selected using the technique, purposive **sampling**, to ensure their relevance to the research topic and the relevance of their experiences (Patton, 2002). Thus, this study provides a broader understanding of how value-based leadership is implemented and its impact on employee engagement.

The main instrument used in this study is a semi-structured **interview guide**, which is designed based on the theory of value-based leadership and employee engagement. Interviews were conducted either in person or online, depending on the availability of informants and field conditions. All interviews were recorded with the informant's permission and then transcribed for further analysis. Data validity was maintained through source **triangulation**, by comparing information from various informants to increase the reliability of research results (Denzin & Lincoln, 2018). The interview results were analyzed using the technique of thematic **analysis**, which allows the identification of key patterns and themes in informants' narratives regarding values-based leadership and employee engagement.

The research procedure begins with the stage of problem **identification and literature review**, which was used as a basis for compiling an interview guide. After that, informants who met the research criteria were contacted and given information regarding the objectives and procedures of the research. Data collection was carried out within a certain time frame, with each interview lasting between 30 and 60 minutes. After the data was collected, the transcription, coding, and analysis processes were carried out to find patterns that supported the research findings. The final results were further analyzed to draw conclusions that could explain the relationship between value-based leadership and employee engagement in the creative industry.

RESULTS AND DISCUSSION

Results

The results of this study indicate that the implementation of Value Based Leadership in the creative industry has a significant impact on increasing employee engagement. Informants consisting of company leaders, human resource managers, senior employees, academics, and business consultants provided in-depth insights into how leadership values are applied and the challenges faced in a dynamic business context. CEOs or founders of creative companies emphasized that value-based leadership is applied through internalizing the company's vision and core values into the work culture. This is reflected in flexible work policies, open communication, and team empowerment. One CEO stated, "When employees feel that the company's values are aligned with their values, they are more motivated to work and make maximum contributions.". Consistent implementation of values plays a role in building employee loyalty and motivation, thereby increasing their involvement in the organization.

In terms of human resource management, Value Based Leadership plays an important role in the recruitment, training, and leadership development process. HR managers or People Development stated that the company's HR policy places more emphasis on the alignment of

candidate values with the organization's culture. This approach not only increases employee engagement, but also facilitates their integration into work teams that already have strong values. One HR manager said, "Employee engagement increases when leaders implement values that facilitate employee engagement, such as empathy and appreciation for individual contributions.". However, the main challenge in implementing value-based leadership is the difficulty in measuring its direct impact on employee engagement. Therefore, in-depth interviews and employee satisfaction surveys are one of the methods to understand their perceptions of leadership in the company.

From the perspective of senior employees, value-based leadership has a positive impact on their motivation and engagement in the organization. Belief in the company's vision is a major factor that increases loyalty and commitment to work. One senior employee stated, "Leaders who apply the values of fairness, openness, and appreciation can create a more comfortable and supportive work environment.". However, there are challenges in the form of differences in interpretation of values among individuals in the organization. Some value-based policies implemented by leaders are sometimes not fully aligned with employee expectations, so more open communication is needed to align understanding of these values.

Academics who contributed to this research highlighted that in the academic literature, Value Based Leadership is associated with increased intrinsic motivation and employee job satisfaction. Several empirical studies have shown that organizations that implement value-based leadership have higher employee retention rates compared to organizations that do not implement similar principles. One academic stated, "When leaders implement clear and authentic values, employees tend to be more committed and have higher loyalty to the company.". However, in academic research, the main challenge in examining the relationship between Value Based Leadership Employee Engagement is the difficulty in quantifying the impact of value-based leadership on employee engagement. Therefore, a qualitative approach becomes more relevant in exploring the subjective experiences of employees in understanding the effects of value-based leadership.

Business consultant and coach, leadership in the creative industry highlights that the success of values-based leadership is highly dependent on the long-term commitment of leaders in internalizing and implementing these values. One business consultant gave an example of a design company that successfully increased employee engagement by implementing the principles of inclusivity and collaboration as core organizational values. The consultant stated, "Leaders who are truly consistent in implementing organizational values, will find it easier to gain employees' trust, so that their involvement in work will also increase.". However, the biggest challenge in implementing value-based leadership is balancing ideal values with business realities, especially in conditions of economic uncertainty and high operational pressure.

Overall, this study confirms that Value Based Leadership plays a crucial role in improving employee engagement in the creative industry. However, its success depends largely on the extent to which leaders can consistently implement organizational values, and how these values are translated into managerial policies and practices. Value alignment between leaders and employees is a key factor in building employee engagement and loyalty to the organization. Despite challenges in measuring the direct impact of value-based leadership, this study suggests that a qualitative approach can provide deeper insights into the subjective experiences of employees in the creative industry.

In addition, the research results show that the core **values in value-based leadership**, which is applied in the creative industry, include justice, **transparency, innovation, and empathy**. These values form the basis for decision making and interactions between leaders and employees. One interesting aspect of this finding is how leaders try to align **organizational values with the dynamics of the creative industry**, which often has a more flexible work

culture compared to other industries. A senior employee stated, “When leaders actively promote the values of fairness and transparency, employees feel more valued and have a sense of ownership of their work.”. Thus, the application of value-based leadership values that are in harmony with the hope that employees can increase work motivation and emotional involvement in the organization.

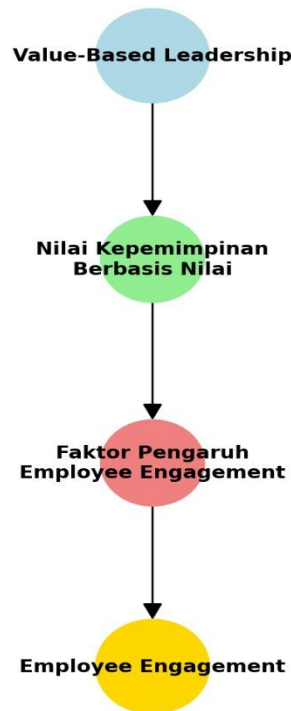
Furthermore, this study found that employee **engagement is not only influenced by value-based leadership, but also by organizational policies.** That support employee development. Organizations that implement value-based policies tend to have training **and development programs that align with organizational values.** One HR manager explained, “Values-based training helps employees understand how the organization's vision can be realized in their daily work.”. With this policy in place, employees are better able to see the relevance of their roles to the organization's long-term goals, which ultimately strengthens employee engagement. Therefore, the sustainability of value-based leadership must be supported by an integrated human resource management system.

Table 1. Relationship between Value-Based Leadership Values and Employee Engagement in the Creative Industry

| Mark Leadership | Implementation in Organization | Impact to Employee Engagement |
|------------------------|---|--|
| Justice | Objective, non-discriminatory decision making | Increase trust and employee loyalty |
| Transparency | Open communication in business strategy and organizational management | Employees feel more involved in decision making |
| Innovation | Push creativity, an experiment in work | Employees expressing their ideas more and courageously participating in the company development. |
| Empathy | Leadership that pays attention to the emotional and professional wellbeing of employees | Employees feel appreciated and more motivated to work optimally |
| Collaboration | Creating a work environment that supports teamwork and active engagement | Increase the sense of belonging to the company and strengthen cooperation between employees |

The table above shows that each value-based leadership value has different **implementation mechanisms in organizations**, but they all contribute to **increasing employee engagement.** For example, transparency in communication allows employees to feel more involved in decision-making, while the value of innovation allows them to be freer to develop creative ideas that are in line with the company's vision. Thus, the combination of these values becomes a major factor in building a work environment that is conducive to employee engagement.

Figure 1. Conceptual Framework: The Relationship between Value-Based Leadership and Employee Engagement



The chart above shows that value-based leadership consists of various core values that are applied in the organization. These values have a direct impact on the factors that influence employee engagement, like trust, **motivation, involvement in decision making, and employee innovation**. With higher employee engagement, organizations can achieve increased productivity and create a more positive and collaborative work environment.

The findings of this study are supported by previous research which shows that **values-based leadership can significantly increase employee motivation and engagement**. Research conducted by Brown & Treviño (2006) shows that leaders who apply the values of justice and transparency are better able to build **employee trust and commitment**. In addition, a study by Bass & Steidlmeier (1999) States that **value-based leaders have a stronger influence in shaping an innovative and growth-oriented organizational culture for employees..**

Furthermore, research conducted by Avolio & Gardner (2005) also emphasized that **values-based leadership can increase alignment between individual and organizational goals**, thus creating a higher sense of engagement among employees. This is in line with the findings in this study, where employees who feel their values are aligned with the values of the organization tend to be more motivated, **loyal, and active in contributing to the company**.

The results of this study also provide new insights into the **context of the creative industry, which has unique characteristics in the application of value-based leadership**. In contrast to conventional industries, creative industries place more emphasis on flexibility, **freedom of expression, and continuous innovation**. Therefore, leaders in this industry not only act as decision makers, but also as facilitators who encourage a dynamic work environment and support employee creativity.

This study confirms that **value-based leadership is a key factor in increasing employee engagement in the creative industry**. However, the implementation of these values requires **consistency, adaptation to business changes, and support systems that enable employees to thrive**. By understanding the working mechanism of value-based leadership in the context

of the creative industry, this study provides academic and practical contributions that can be used as a basis for developing more effective leadership strategies.

This conceptual framework is in line with the theory put forward by Avolio & Gardner (2005) about Authentic Leadership, which states that value-based leadership has an important role in improving the intrinsic **motivation of employees**. In addition, the theory by Bass & Steidlmeier (1999) also emphasized that leaders who apply clear and consistent values can create a **healthier, more innovative, and employee growth-oriented organizational culture**. By understanding the relationship between values-based leadership and employee engagement, organizations can develop more effective leadership strategies in improving **employee engagement, loyalty, and productivity**. This conceptual framework also provides **practical implications for companies in the creative industry to focus more on building organizational values that are authentic and relevant to employee needs**.

Discussion

The study explores how research findings on the application of Value-Based Leadership (VBL) can overcome the challenges in increasing employee engagement in the Indonesian creative industry. One of the main challenges faced is the high level of employee turnover and low loyalty to the organization. The study found that the application of VBL, which emphasizes values such as fairness, transparency, and empathy, can increase employee trust and loyalty. This is in line with previous research showing that fair and transparent leadership can increase employee commitment to the organization.

In addition, fast-paced work dynamics and high expectations for innovation often cause excessive stress for employees in the creative industry. The findings of this study suggest that leaders who implement innovation values and provide support for employee creativity can reduce this stress. By encouraging a work environment that supports experimentation and new ideas, employees feel more motivated and engaged in their work. Previous studies have also emphasized the importance of organizational support for employee creativity in increasing their engagement.

However, this study also revealed that there are challenges in maintaining consistency in the implementation of VBL values in rapidly changing business conditions. Several informants mentioned that differences in value interpretation among individuals can lead to inconsistencies in policy implementation. This suggests that effective communication and value internalization programs, such as mentoring and storytelling sessions, are needed to ensure a uniform understanding across the organization. Previous studies have also highlighted that differences in value interpretation can affect the effectiveness of leadership styles and employee engagement.

In addition, this study found that employee engagement is not only influenced by VBL, but also by organizational policies that support work-life balance and perceived organizational support. Organizations that implement flexible policies and provide support that is perceived by employees tend to have higher levels of engagement. Other studies have also shown that work-life balance and perceived organizational support have a positive effect on employee engagement in the creative industry sector.

Overall, the findings of this study confirm that consistent implementation of VBL supported by appropriate organizational policies can overcome the challenges in increasing employee engagement in the Indonesian creative industry. By instilling core values in the work culture and providing the necessary support, organizations can create a work environment that is conducive to employee engagement and loyalty. This in turn can increase organizational productivity, innovation, and competitiveness in a competitive market.

CONCLUSION

This study confirms that Value Based Leadership play a crucial role in improving employee engagement in the Indonesian creative industry. Leadership values such as fairness, transparency, innovation, empathy, and collaboration have been shown to contribute to increased employee motivation and loyalty. In addition, this study shows that organizational policies that support work-life balance and provide support that is felt by employees can strengthen the effectiveness of value-based leadership. However, there are challenges in maintaining the consistency of the application of leadership values, especially in dealing with differences in value interpretations among individuals and changing business dynamics. Thus, value-based leadership must be implemented strategically and supported by effective communication and organizational policies that are aligned with the company's vision and culture.

From a theoretical perspective, this research contributes to enriching studies on Value Based Leadership in the context of the creative industry, which was previously limited in academic literature. Practically, these findings provide insights for organizational leaders to adopt a value-based leadership approach to increase employee engagement and loyalty. In the context of strategic management, the implications of this study emphasize the importance of integrating leadership values into organizational policies and sustainable human resource management. However, this study has limitations, especially in terms of sample coverage, which is still limited to the creative industry in Indonesia. Therefore, future research can expand the geographical scope, explore quantitative research methods to measure the impact of value-based leadership more objectively, and examine other factors that can strengthen the relationship between value-based leadership and employee engagement in various industrial sectors.

REFERENCES

- Avolio, B. J., & Gardner, W. L. (2005). Authentic leadership development: Getting to the roots of positive forms of leadership. *The Leadership Quarterly*, 16(3), 315–338. <https://doi.org/10.1016/j.leaqua.2005.03.001>
- Bass, B. M., & Steidlmeier, P. (1999). Ethics, character, and authentic transformational leadership behavior. *The Leadership Quarterly*, 10(2), 181–217. [https://doi.org/10.1016/S1048-9843\(99\)00016-8](https://doi.org/10.1016/S1048-9843(99)00016-8)
- Brown, M. E., & Treviño, L. K. (2006). Ethical leadership: A review and future directions. *The Leadership Quarterly*, 17(6), 595–616. <https://doi.org/10.1016/j.leaqua.2006.10.004>
- Goleman, D. (2000). Leadership that gets results. *Harvard Business Review*, 78(2), 78–90. <https://hbr.org/2000/03/leadership-that-gets-results>.
- Hom, P. W., Lee, T. W., Shaw, J. D., & Hausknecht, J. P. (2017). One hundred years of employee turnover theory and research. *Journal of Applied Psychology*, 102(3), 530–545. <https://doi.org/10.1037/apl0000103>.
- Saks, A. M. (2006). Antecedents and consequences of employee engagement. *Journal of Managerial Psychology*, 21(7), 600–619. <https://doi.org/10.1108/02683940610690169>
- Suryati, T., Kirana, KC, & Subiyanto, A. (2023). The influence of leadership style transformational in building a culture of innovation and increasing Gen Z employee

- engagement at PT. Alfamart Tbk. Budget, 2(4), 440–451. <https://journal.areai.or.id/index.php/anggaran/article/view/1054>
- Tafsir, M., Kamase, J., Sukmawati, S., & Arfah, A. (2022). The influence of leadership transformational, organizational climate, innovative behavior and employee engagement towards employee performance with job satisfaction as an intervening variable in the Bantaeng Regency local government. *Journal of Socio Science*, 8(1), 55–71. <http://journal.lldikti9.id/sociosains/article/view/666>.
- Umihastanti, D., & Frianto, A. (2021). The influence of organizational support and employee engagement on the performance of Regional Personnel Agency employees. *Journal of Management Science*, 9(3), 1092–1100. <https://journal.unesa.ac.id/index.php/jim/article/view/16687>.
- Wahyuni, S., Tunas, B., & Yohana, CAH (2021). The influence of leadership style transformational in building a culture of innovation and increasing Gen Z employee engagement at PT. Alfamart Tbk. Budget, 2(4), 440–451. <https://journal.areai.or.id/index.php/anggaran/article/view/1054>
-