

# Relationship Between Leadership Styles and Organizational Creativity

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## Abstract

**Purpose:** Empirical research on entrepreneurship in organizations has brought disparate and often contradictory evidence related to the impact of leadership on creativity in organizations. The purpose of this paper is to explore and discuss the impact of different leadership styles on creativity, with the view to formulating an integrated conceptual model that links creative novelty and creative practicality with leadership.

**Methodology:** The author applied the methodology of meta-theoretical review. In accordance with the principles of theoretical *bricolage*, a new conceptual model was built on the basis of the multidimensional creativity theory and the leadership theory. In her analysis, the author took into account leadership styles that have already been subject to research; each of them was mapped in the two-dimensional space of organizational creativity.

**Findings:** In order to fully understand the reasons for differences in organizational creativity, the drivers of divergences in the space of creative novelty and creative practicality need to be clarified. Greater knowledge about the impact of leadership styles on the structure and configuration of organizational creativity is necessary. In this paper, the author provides a theoretical framework that illustrates manners in which leadership influences organizational creativity. The model clarifies the role that leadership plays in shaping a unique configuration of organizational creativity, and consequently in ensuring the necessary internal adaptation of an organization.

**Originality:** The value of this research lies in the situational interpretation of various leadership styles in the context of their impact on organizational creativity. The analysis goes beyond the conventional discussion about leadership and creativity, focused on establishing whether a given leadership style proves beneficial or not for organizational creativity. The paper identifies particular effects that several key leadership styles have on organizational creativity; they are depicted in a new theoretical framework.

**Keywords:** organizational creativity, leadership styles, conceptual framework

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## Introduction

The purpose of this paper is to organize and provide a synthesis of research findings pertaining to the impact of leadership style on creativity in organizations. A recent qualitative study carried out among 29 leaders resulted in identifying three key dimensions of leadership: "... origins and determinants of visions; forms of influence and manners in which leaders influence their supporters and associates; attributes that enable leaders to impact the situation" (Kozminski, 2013, p. 81). The discussion outlined in this paper pertains to the second aspect. We shall focus in particular on multiple forms of leadership influence aimed at stimulating creativity in organizations.

Over the past 30 years, much effort has been made to analyse the differences and similarities of different leadership styles. Many studies were devoted to transactional and transformational leadership, or to charismatic leadership, and recently attention has been shifted to authentic, servant and responsible leadership (Carter and Greer, 2013). Research findings have expanded and improved our understanding of the impact that leadership style has on the results obtained by the members of an organization and by teams. In particular, we have extended our knowledge on how leadership can be conducive to or hinder creative behaviour. The aim of this paper is to establish in particular how different leadership styles affect creativity in organizations. Although classic leadership styles (e.g. task-oriented and people-oriented) remain fundamental concepts, this study focuses on leadership styles that are of interest to contemporary researchers.

The remaining part of the study is divided into three sections. The first outlines the results of academic research on the impact of leadership on creativity and builds up on the earlier review (Bratnicka, 2011). The second presents a conceptual framework capturing the current state of knowledge about interacting leadership styles, mediators and moderators. The entire system is based on the Cartesian system of two variables: creative innovation and creative usability. The last part comprises an outline of potential further research directions.

## Overview of key studies pertaining to the role of leadership in stimulating creativity

Puccio, Mance and Murdoch (2011) describe leadership as a factor that inspires changes, while creativity is understood as a process leading towards change. Involvement into creative thinking and stimulating other people's creativity are the inalienable hallmarks

of leadership that leads to organizational transformation. Creative leaders stimulate the creativity of their subordinates, use their imagination in order to provide their staff with new directions of development and build an organizational culture that is conducive to creativity. Against this background, the issue of transformational leadership is revealed.

Shin and Zhou (2003) undertook research aimed at establishing links between the creativity of an individual employee and transformational leadership. It transpires that transformational leadership has a positive impact on the creativity of an individual, whereas conservation – individual value favouring correctness and harmony of human relations and of relations between a person and a group – reinforces this relationship. Intrinsic motivation plays a double role. It conciliates transformational leadership with individual creativity. Furthermore, it fulfils the same function with respect to the moderated relationship between transformational leadership, conservation and individual creativity.

According to Gong, Huang and Farha (2009), the positive relationship between learning orientation and creativity, and between transformational leadership and creativity, are mediated by the sense of self-efficacy. In addition, a positive impact of learning orientation on the creativity of an employee increases over time similarly to the positive impact of transformational leadership.

Effective leaders can supplement behaviour typical of transformational leadership with transactional leadership, which is a combination of exchange based on contingent rewards and of management by exception (Judge and Piccolo, 2004). Qu, Janssen and Shi (2010) took this into account in their research: they observed that management by exception adversely affects the creativity of employees. This relationship was strengthened by an intervening variable, namely identification with the leader. The interacting trio comprising transactional leadership, identification with the leader and a climate conducive to innovation has a significant impact on the creativity of an employee (Wang and Rode, 2010). In particular, from the point of view of employees who identify with the leader, the relationship between transformational leadership and creativity is stronger in a highly innovative climate.

Transformational leadership adversely affects creativity because of the subordinates' dependence on the leader that it this style generates (Kollman, Stöckmann, Krell and Buchwald, 2011). Only the empowerment of subordinates reduces their dependence on the leader and transforms the dependence's negative impact on creativity into a positive one. Transformational leadership also regulates the impact of other organizational

factors on creativity (Shin, Kim, Lee and Bian, 2012). Therefore, the relationship between the cognitive diversity of the team – the perceived differences in thinking styles, knowledge, skills, values and beliefs of individual members of the team – and the creativity of a given team member (as measured by self-assessment and evaluation by the direct supervisor) is controlled by creative self-efficacy.

A significant positive relationship has been observed between the supervisor's focus on promotion and the creativity of employees (Wu, McMullen, Neubert and Yi, 2008). Mesdaghinia, Atwater and Keller (2010) point out as follows: (1) management by exception is negatively related to the effectiveness of creative tasks, (2) transformational leadership positively affects efficiency in the implementation of creative tasks, (3) a laissez-faire style adversely affects the effectiveness of creative tasks. High quality of leader – subordinate relationships (LMX) has a positive impact on individual creativity (Akinlade, Liden and El-Akremiti, 2011). Creative self-efficacy is the intervening variable in the observed dependence.

One cannot overestimate the role of trust in one's superior as a source of personal creativity. It is inspired by both the superior's fairness (treating subordinates with respect and dignity) and equitable sharing of information (with honesty, providing thorough explanations). Trust in one's superior means that the subordinate believes that the superior's actions will advance their interests, or at least that the superior will not act against them. Trust forms the basis for high quality exchange relationships between superiors and subordinates (high level of LMX). This translates into sharing information and knowledge (as one of the forms of creative behaviour) and, finally, into an enhanced creativity of the employee (Khazanachi and Masterson, 2011).

Wang and Cheng (2010) confirmed the positive impact of benevolent leadership on employees' creativity. This relationship is reinforced by a high level of identification and autonomy at work, combined with performing a creative role (employees perceiving their creativity as a central part of "who they are"). In addition, low level of identification with a creative role and autonomy at work erases the discussed relationship. Research findings obtained by Zhang and Bartol (2010) lead to the conclusion that empowering leadership has a positive impact on psychological empowerment, whereas empowering leadership's impact is impossible unless subordinates experience psychological empowerment.

Change-oriented attitude is key to stimulating creativity by the leader – such is the main conclusion of the study conducted by Hemlin and Olson (2011). An important complement to change-oriented attitude is leadership behaviour typical of the integrative style.

After having analysed the empirical data of one hundred forty-two ICT employees and two hundred and sixty direct sale employees, it has been established that there is a positive relationship between management style and the creativity of subordinates (Nieckarz, 2009).

An integrated model aggregating identification with the leader and social climate conducive to creativity has recently been constructed (Yoshida, Hirst, Sendjaya, Cooper, Bingyi and Xu, 2011). It has been established that team creativity increases if the leader acts in favour of the team's interests (servant leadership) and helps his/her subordinates develop. Subordinates' social identification with the leader intermediates in this relationship. The role of mediation is strengthened in a climate that is conducive to creativity and innovation.

Sijborn, Janssen and VanYperen (2011) observed that proficiency-oriented leaders are more prone to adopt their subordinates' ideas than efficiency-oriented leaders. MacMahon and Ford (2011) have developed and operationalized the concept of heuristic transfer in leadership, that is the transfer by the leader of experience-based mental tools used to identify, explore and solve problems – general practice-based principles that subordinates can use when they perform tasks assigned to them. Leadership heuristic transfer is positively related to employee creativity. These researchers have also found that the superior's focus on promotion positively affects employee creativity, and that this positive impact takes place via developmental feedback.

Finally, Houghton and DiLiello (2010) have noticed that perceived organizational support for creativity has a positive impact on individual creativity and that this relationship is supported by participation in the professional development of management staff. Choi, Anderson and Veillette (2009) have proven the inhibiting impact of aversive leadership, based on coercion, intimidation and punishment.

## **Leadership and creativity in organizations – a comprehensive approach**

Various empirical studies presented in this paper have been summarized in Table 1, which highlights the distinguishing features of leadership relevant to employee creativity, as well as intervening variables that regulate the relationship between leadership and creativity. Structural representation includes only those items whose important role has been confirmed in previous empirical studies. For reasons of simplicity, it has been assumed that effectiveness in the implementation of creative tasks is synonymous

with an employee's creativity. Although it does not have a dynamic character (feedback between the analysed variables has not been taken into account), it reflects the complexity of the leadership – creativity relationship.

**Table 1.** Leadership and employee creativity: style, mediators and moderators

Leadership styles	Intervening variables	Control variables
Transformative leadership	Intrinsic motivation	Personal conservation (protection)
Transactional leadership	Sense of self-efficacy	Social identification with the leader
Management by exception	Dependence on the leader	Identification with the team
Leader's focus on promotion	Developmental feedback	Employees' focus on prevention
Laissez-faire	Employee's focus on promotion	Innovative climate
Structure initiation	Organizational distance between leaders and their subordinates	Empowerment of subordinates
Benevolent leadership	Sense of creative self-efficacy	Autonomy of work
Quality of exchange between supervisors and subordinates	Involvement in the creative process	Distance of authority
Empowering leadership	Sharing information	Identification with the creative organizational role
Integrative leadership	Empowerment of subordinates	Communication style used by subordinates in contacts with the leader
Change-oriented attitude	Social identification with the leader	Improving mature leadership
Servant leadership		Improving youth leadership
Leader's motivation to achieve (proficiency versus efficiency)		Creative abilities of subordinates
Leader's heuristic transfer		Close supervision
Organizational support		Encouraging creativity by the leader

Source: own study.

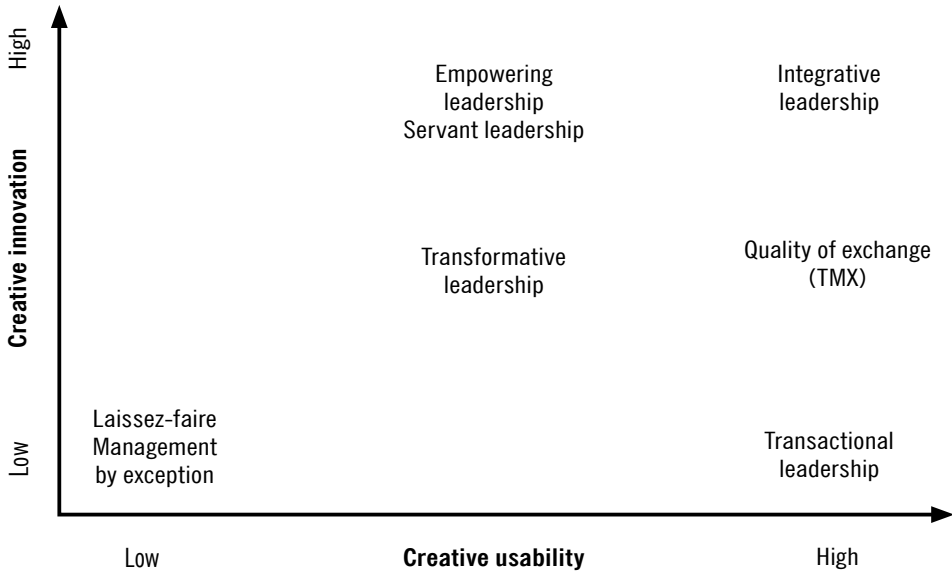
The main driving force for an employee comprises sixteen elements: (1) transformational leadership, (2) transactional leadership, (3) management by exception, (4) leader's focus on promotion, (5) laissez-faire style, (6) structure initiation, (7) benevolent leadership, (8) the quality of exchange between superiors and subordinates, (9) empowering leadership, (10) integrative style, (11) change-oriented attitude, (12) servant leadership, (13) leader's motivation to achieve, (14) leader heuristic transfer, (15) organizational support (16) unfavourable leadership. Furthermore, empirical studies indicate the existence of a number of intervening variables. At least eleven of them play a crucial role in the process, namely: (1) intrinsic motivation, (2) sense of self-efficacy, (3) dependence on the leader, (4) developmental feedback, (5) employee's focus on promotion, (6) organizational

distance between the leader and his/her subordinates, (7) sense of creative self-efficacy, (8) involvement in the creative process, (9) empowerment of subordinates, (10) social identification with the leader, (11) sharing of information. We must not forget about fourteen factors that limit the impact of leadership on creativity (control variables), such as: (1) individual conservation (protection), (2) identification with the team, (3) employee's focus on prevention, (4) innovative climate, (5) autonomy at work, (6) distance of authority, (7) identification with the creative organizational role, (8) communication style used by subordinates in relation to the leader, (9) improving mature leadership, (10) improving youth leadership, (11) creative talent of subordinates, (12) close supervision, (13) encouraging creativity by the leader, (14) social identification with the leader. Furthermore, the empowerment of subordinates and identification with the leader appear in this context in a double capacity – both as intervening variables and control variables. Together they create an organizational configuration of thirty-seven elements. Although the list is not exhaustive and further studies are likely to reveal new indicators, the large range of variables evidences the complexity of interrelations between leadership and individual creativity in organizations. In this situation, a frame structure is necessary for organizing the research findings on the impact of leadership on creativity in organizations.

## **Managerial leadership and organizational creativity – a conceptual framework**

The starting point for constructing a support structure explaining the relationship between leadership and creativity consists in assuming that organizational creativity is two-dimensional. Organizational creativity is thus understood as the generation of new and useful ideas (Bratnicka, 2013). In other words, it is a formative construct consisting of two complementary dimensions: creative innovations and creative usability.

These two dimensions of organizational creativity become reference points for each leadership style, as illustrated in Figure 1. For reasons of simplicity, the figure includes only the most important leadership styles. The relationships outlined indicate the existence of links between different leadership styles and configurations of organizational creativity. These relationships have been inferred from empirical evidence, which remains extremely limited. Although we begin to understand how leadership style can affect different dimensions of organizational creativity, further research in this area is necessary.

**Figure 1.** Leadership and organisational creativity

Source: own study.

## Conclusion

Studies conducted thus far have been purely theoretical. Relationships between leadership styles and organizational creativity should be subject to empirical tests. At the same time, it is worth noting that different dimensions of leadership styles may overlap. It would therefore be advisable to reflect on a broader metacategory (Yukl, 2012), which would include all components of leadership that has an impact on creativity. In this context, it seems reasonable to introduce a new construct, namely creative leadership (Bratnicka and Laska, 2014). Thus far, all studies have focused solely on the individual and team level. No analysis has been conducted with respect to the entire organization, which would mean referring to strategic leadership (Carter and Greer, 2013).

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