

How Does Leadership Motivate Creativity?

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Abstract

Leadership research has demonstrated that it has impact on creativity. Considering each leadership style has unique qualities and approaches, the variables that mediate the relationship between leadership and creativity can differ quite a bit. This review of the literature systematically examined various leadership styles and their effects on creativity. In order to provide a holistic view, negative leadership styles were also taken into consideration. To gain competitive advantage, it is essential for organizations to foster creative thinking in employees and teams. Thus, the article also provides recommendations that managers can follow to create an environment that stimulates creativity.

In terms of the design and methodology, multiple empirical studies were examined for each leadership style and the findings from each of these studies were used to undertake this literature review. The empirical studies considered were performed in different countries and varied across a broad range of industries. It is clear from the review that there isn't a single leadership style that influences creativity the most. As each leadership style has unique qualities, the mediators that impact the relationship between leadership and creativity vary.

Managers can follow specific techniques based on their leadership style(s) to foster creative thinking in employees and teams. Fostering creativity not only provides competitive and strategic advantages for organizations but also increases employee satisfaction. Creativity encourages collaboration and motivates employees to work with each other.

This literature review uncovered solid theoretical frameworks on which to build models but suffers from a few limitations. As with any social science research, it can be difficult to identify causation from a web of correlated variables. These limitations of the current methodology provide open questions to be answered by further research efforts.

Keywords – Full range leadership, Moral leadership, Motivating leadership, Negative leadership, Management, Creativity.

Introduction

Creativity is essential to entrepreneurship, as the emergence of new businesses relies heavily on innovation. In an established enterprise, creativity can yield a competitive advantage, as well as a source of permanent ongoing innovation (Feng-Cheng & Tsu-Wei 2016).

The approach to leadership adopted by a manager in the workplace plays a direct and considerable role in the facilitation, inspiration and guidance of creativity for both the individual and the team. Without proper leadership, employees are not always given access to the psychological and organizational context, tools and teammates with which and whom

creativity can flourish. Nonetheless, the interplay between management and creativity is perhaps not very well understood by today's managers (Amabile & Khaire, 2008).

Martens (2011) defines creativity as "the ability to produce work that is both new and valuable". He provides the following definitions for the concepts of new and valuable:

New means unusual, unique, new point of view, varied, original, breaking from existing patterns and contributing something to the field which was not there before. *Valuable* indicates that the product meets a need or solves a problem; it is useful, effective, efficient, serves a purpose and contributes to society (Martens, 2011, emphasis added).

Creativity is therefore not simply the blind association of ideas in novel ways. It is a necessary but not sufficient condition for innovation. The resulting creative product must also provide value in the form of bringing about the solution to a problem, or proposing a more efficient method of carrying out an existing task, as an example.

Creativity and innovation are sometimes treated as indistinct ideas, but Cavazotte & Paula (2020) clarify that creativity entails the behavioural and cognitive process of idea generation, while innovation refers to the process of adopting, modifying, and promoting the implementation of these new ideas in the effort to solve problems. Creativity is therefore both important in and of itself, but also acts as the necessary first step towards innovation (Coman & Bonciu, 2014).

In order to study these issues, the present literature review considers several styles of management within predominant leadership models and analyses their effects on creativity — often expressed through mediating variables.

Full Range of Leadership

This section examines the Full Range of Leadership model and the way its main leadership styles - transactional and transformational - impact creativity.

Transactional Leadership

Transactional leaders, who "guide their followers toward established goals by clarifying role and task requirements" (Langton, Robbins & Judge, 2019), can have a negative impact on individual creativity. While there is no evidence that passive management by exception has any effect on employees' creativity, *active* management by exception — where leaders actively manage performance to avoid mistakes — hinders the tendency of followers to be creative. This can be explained by the regulatory-focus theory, which states that employees can either be promotion-oriented — hence seeking self-actualisation and rewards — or prevention-oriented — concerned with obligations and the prevention of punishment. Employees who are closely supervised tend to engage in situational prevention-focused behaviours, concentrating their efforts on conforming and refraining from generating new ideas and taking risks (Kark, Van Dij & Vashdi, 2018). In fact, transactional leadership generally has a negative impact on psychological empowerment of employees, which has been shown to often impede creativity (Feng-Cheng, 2016; Wei, Yuan & Di, 2010).

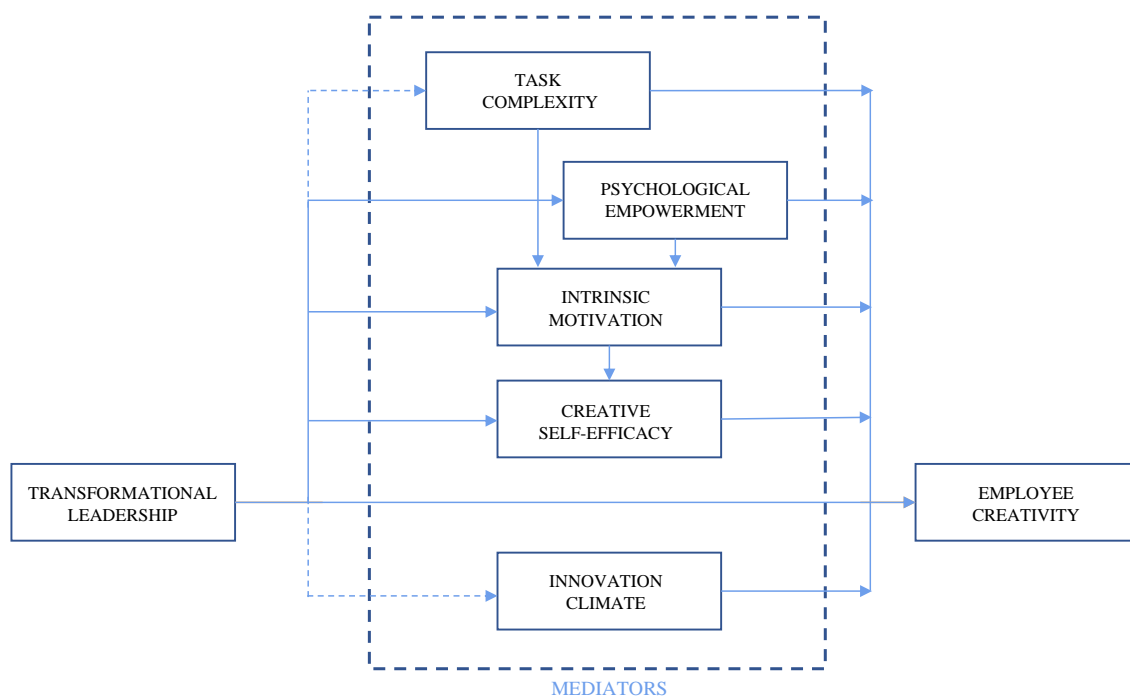
On another note, the relationship between contingent reward — another characteristic of transactional leadership — and creativity is complex. On one hand, intrinsic motivation — a person's internal desire to do something — has been found to have a favorable impact on creativity (Amabile, 1998; Horelik, 2007). On the other hand, some studies have found extrinsic rewards to be detrimental to performance when intrinsic motivation is already experienced (Horelik, 2007). Nevertheless, researchers who specifically studied the impact of

external rewards in creative settings have experienced more nuanced results. Indeed, enhanced creativity has sometimes been observed when rewards were allocated after a creative performance (Morris, 2005; Ohly, 2018). But still, defining creative performance in measurable terms remains a major challenge, one that if not overcome will ultimately hinder creative behaviour instead of promoting it. Considering all of the above, transactional leadership is generally not a leadership style to adopt with employees from which idea generation is expected.

Transformational Leadership

By going beyond the transactional and seeking to inspire followers to ‘transcend their self-interest for the good of the organization’ (Langton, Robbins & Judge, 2019), transformational leaders increase their followers’ effort and commitment. This being said, many studies have confirmed the existence of a positive link between transformational leadership and creativity (Lee *et al.* 2020; Gong, Huang & Farh, 2009; Mahmood, Uddin & Luo, 2019, Afsar & Umrani, 2019). The following portion of this article explores the role of transformational leadership in motivating creativity, studying various mediating and moderating variables such as intrinsic motivation, creative self-efficacy, task complexity and psychological empowerment.

Figure 1: Transformational leadership and creativity



First of all, intrinsic motivation strengthens the effect of transformational leadership on creative process engagement. Indeed, transformational leaders have the ability to promote intrinsic motivation through idealized influence, inspirational motivation and intellectual stimulation (Mahmood, Uddin & Luo, 2019). They express inspiring and stimulating goals, which in turn motivate followers to do their best (Lee *et al.* 2020). Furthermore, Gong, Huang & Farh (2009) affirm that through individualized consideration and their idealized influence, transformational leaders influence, coach and support followers in overcoming the fear of challenging the status quo, thereby increasing their creative self-efficacy. Developing the confidence in their creative ability was found to consequently translate into higher

creative performance at work. Researchers suggest that: ‘One potential explanation for this mediating effect is that creative self-efficacy reflects knowledge and skills as well as intrinsic motivation to be creative’ (Gong, Huang & Farh, 2009). Therefore, transformational leaders convince followers of their individual capabilities and exploit their potential to increase intrinsic motivation and creative self-efficacy, thereby enabling creative behavior. See Figure 1 to envision the connectivity between transformational leadership and creativity.

At the same time, transformational managers actively encourage their followers to question assumptions, challenge the status quo and think divergently (Lee *et al.* 2020). They provide *intellectual stimulation*, which fuels their subordinates’ creativity. Several studies investigated the moderating role of task complexity in stimulating creativity with a transformational leadership approach, demonstrating a stronger link with high task complexity (Mahmood, Uddin & Luo, 2019; Afsar & Umrani, 2019). They conclude that employees’ intrinsic motivation in accomplishing a task that is perceived as complex and challenging is heightened, thereby stimulating their engagement in the creative process (Mahmood, Uddin & Luo, 2019).

In the same vein, Mahmood Uddin & Luo (2019) state that intrinsic motivation can be improved when transformational leaders empower their subordinates. Furthermore, psychological empowerment was also found to be an independent mediator to the transformational leadership-creativity relationship in other different studies. This research revealed that transformational leadership had a significant positive impact on employees’ creativity. It was found that the higher the psychological empowerment, the more the employees’ creativity could be enhanced (Feng-Cheng, 2016).

More broadly, some studies explored the role of innovative climate as a moderator to the transformational-creativity link. They exposed that higher levels of innovation support – defined as the creation of “an organizational climate that is non-threatening psychologically, supports risk taking and motivates the employees to apply initiative” (Afsar & Umrani 2019) – strengthen the association between transformational leadership and creativity (Mahmood, Uddin & Luo 2019; Afsar & Umrani 2019). Thus, leaders also have the responsibility to establish and maintain an environment conducive to creativity, that is to say psychologically safe, open to innovative ideas and accepting of errors.

To summarize the findings around transformational leadership and its role in promoting creative behaviours in employees, it can be said that this leadership style does positively impact creativity. This is primarily due to transformational leaders’ ability to inspire intrinsic motivation, sometimes directly – through their inspiring vision and influence – and other times via empowering behaviours and challenging task assignment. Transformational leaders also promote creative self-efficacy and establish an innovative climate in which the creative process can take place. These findings demonstrate that within the full-range leadership model, transformational leadership is superior to transactional leadership in motivating employee creativity.

Moral Leadership

The next section examining more positive leadership is in the range of Moral Leadership which includes: authentic leadership, ethical leadership and servant leadership which are considered morally based forms of positive leadership (Hoch *et al.* 2018).

Authentic Leadership

‘Authentic leaders know who they are, know what they believe in and value, and act on those values and beliefs openly and candidly. Their

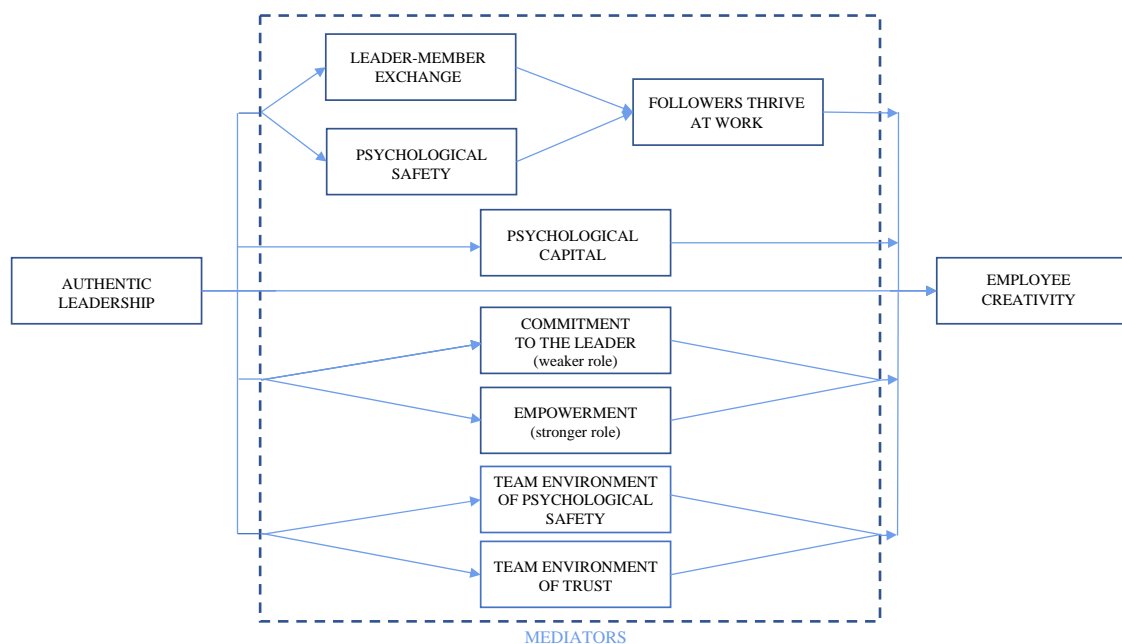
followers consider them to be ethical people.’ (Langton, Robbins & Judge, 2019)

Leader-member exchange (LMX) – the two-way relationship between leaders and followers that helps or hinders the growth of followers – and psychological safety – shared beliefs among team members in which members feel safe to engage in interpersonal risk-taking – are two variables to which authentic leaders are able to effectively contribute. A study performed in Taiwan to understand the relationship between team leaders’ authentic leadership and followers’ individual creativity concluded that there was a positive relationship between the two variables. Leader-member exchange and psychological safety were factors that helped the followers of authentic leaders thrive at work. Employees thriving at work further led to individual creativity in the workplace (Xu *et al.* 2016).

Another variable that is related to the previously mentioned mediators is psychological capital. It is the set of resources a person can use to improve their performance on the job. By performing empirical research, a study conducted in Portugal tried to examine the relationship between authentic leadership and employees’ attitudes and behaviors. The results obtained were quite similar to the previous study just referred to. Authentic leadership influenced employee creativity directly and indirectly. In an indirect relation, psychological capital played the mediating role between authentic leadership and employee creativity (Rego *et al.* 2011).

While examining other studies that were performed to explore the relationship between authentic leadership and employee creativity, a study performed in Pakistan concluded that *commitment to the leader* and *empowerment* acted as mediators between authentic leadership and employee creativity. Of the two, empowerment played a stronger role in increasing creativity (Imam *et al.* 2020). On the whole, authentic leadership emphasizes self-awareness and internal consistency proving to be a moral leadership style that influences creative thinking. See Figure 2 to see the connectivity between authentic leadership and creativity.

Figure 2: Authentic leadership and creativity



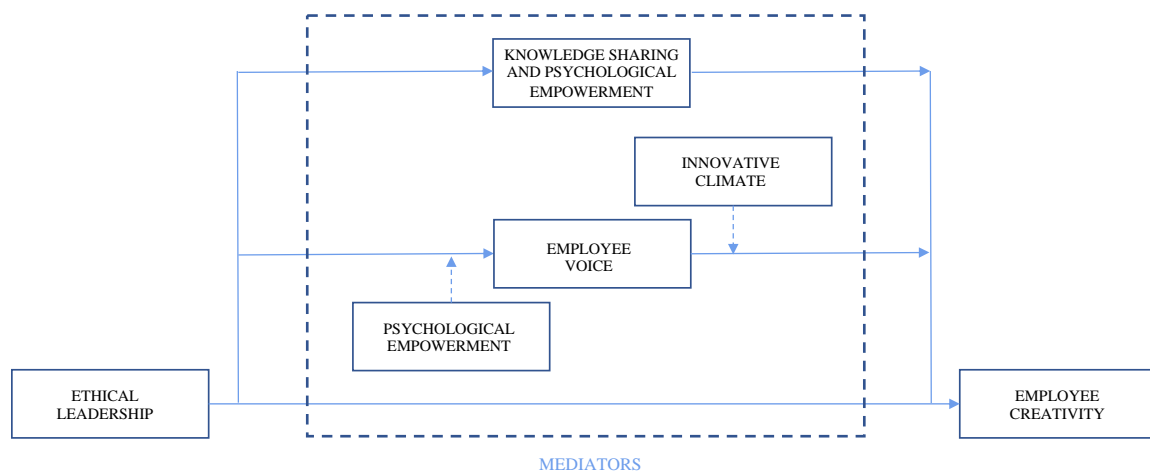
Ethical Leadership

‘Ethical Leadership focuses on the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships. (Brown, Trevino & Harrison 2005)

Multiple researchers have discussed the role played by ethical leadership on psychological empowerment of employees. A research conducted in small-sized information technology firms found ethical leadership to be an important predictor of both individual and organizational creativity. Knowledge sharing and psychological empowerment acted as mediators between ethical leadership and employee creativity (Shafique, Ahmad & Kalyar, 2019).

A similar study explored employee voice as a mediating factor in the relationship between ethical leadership and creativity. Employee voice is defined as giving people opportunities to express ideas, concerns, and perspectives with authenticity and without fear of social or workplace consequences. The study mentioned psychological empowerment as a factor influencing the relationship between ethical leadership and employee voice. It also identified innovative climate as a factor influencing the relationship between employee voice and employee creativity (Nazir *et al.* 2020). Though the primary focus of ethical leadership style is to emphasize normative standards, it still fosters creativity through the mediators discussed in this section. See Figure 3 to examine the connectivity between ethical leadership and creativity.

Figure 3: Ethical leadership and creativity



Servant Leadership

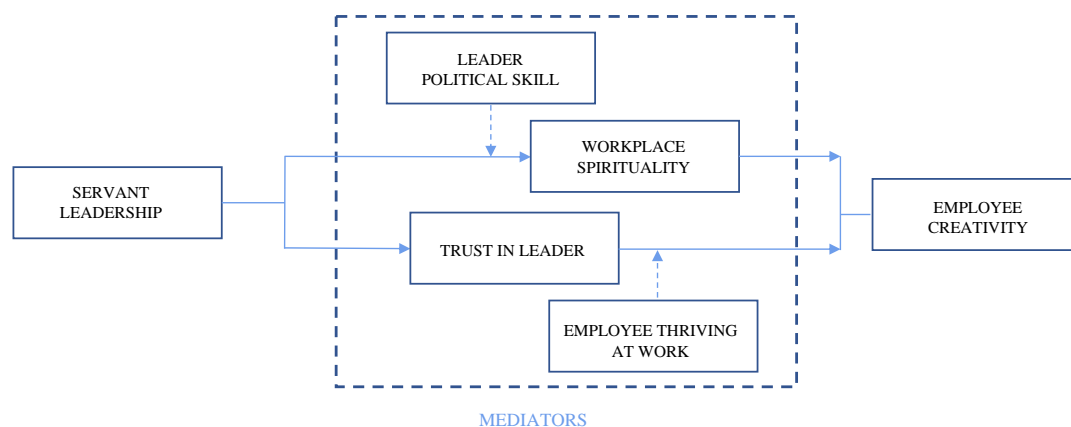
‘Servant leaders go beyond their self-interest and focus on opportunities to help followers grow and develop’ (Langton, Robbins & Judge, 2019).

Workplace spirituality has a major role to play in influencing employee creativity and multiple researchers looked at the relationship between servant leadership and this variable. A study that was conducted in the US concluded that servant leadership had a positive influence on employee creativity with workplace spirituality playing a mediating role between servant leadership and employee creativity. Furthermore, the study also stated that the higher the political skill of the leader, the stronger the relationship between servant leadership and creativity (Williams *et al.* 2016). Workplace spirituality is defined as the recognition that employees have an inner life that nourishes and is nourished by meaningful

work that takes place in the context of community (Ashmos & Duchon, 2000). Political skill is the ability to effectively understand others at work and to use this knowledge to influence others to act in ways that enhance one’s personal and/or organizational objectives (Ferris *et al.* 2005).

As with the other forms of moral leadership, servant leadership also has an impact on *trust within followers*. A study performed in India examined the influence of servant leadership on trust within followers and concluded that trust acted as a mediator between servant leadership and employee creativity. Furthermore, employees thriving at work also moderated the relationship between employee trust and employee creativity (Jaiswal & Dhar, 2017). As with all the morally positive forms of leadership, servant leadership has its unique qualities that positively influence employee creativity. See Figure 4 for examining the connectivity between servant leadership and creativity.

Figure 4: Servant leadership and creativity



Motivating Leadership

Motivating Leadership has been defined as the manifestation of Entrepreneurial (Self-leadership) and Empowering leadership styles (Lee *et al.* 2020) and is the next section to examine the relationship between the two in general as well as exploring empowerment as a relevant skill set for leaders.

Empowering Leadership

The field of organizational behavior has witnessed an increasing interest in understanding factors that promote employee creativity. One factor that has been suggested as being particularly important is empowerment (e.g., Amabile T.M., 1983, 1996; Spreitzer G.M., 1995; Zhang, 2007)

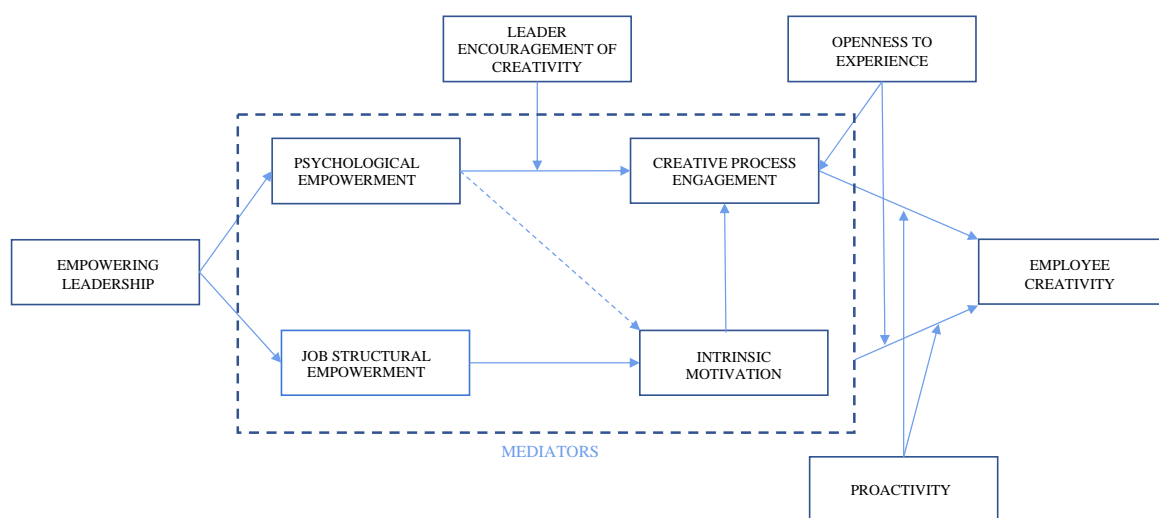
Empowering leadership is defined as leader behaviour consisting of four components: (1) enhancing the meaningfulness of work, (2) fostering participation in decision-making, (3) expressing confidence in high performance, and (4) providing autonomy from bureaucratic constraints (Ahearne, Mathieu & Rapp, 2005; Zhang, 2007).

Empowering leadership, also called “super” leadership, is a relatively new concept that involves a series of management practices to improve and enhance a subordinate’s self-influence (Liu, 2015). This leadership style is characterized by the decentralization and sharing of power that leads to increasing psychological empowerment and results in favourable outcomes. The six dimensions of empowering leadership behaviour are support

for individual development, process control, delegation of authority, outcome control, participation in decision-making and coaching for work (Robinson, 2019).

The Zhang 2007 study developed an important construct designated creative process engagement - employee involvement or engagement in creativity-relevant processes, including problem identification, information searching and encoding, and ideas and alternatives generation—and investigated the mediating effect between psychological empowerment and employee creativity. Bringing leadership theories, empowerment theories, and creativity theories together, the purpose of the study was to develop and empirically test an integrative process model linking empowerment approaches with creativity and also examine how psychological empowerment and job structural empowerment influence employee creativity via the mediating effect of employee creative process engagement and intrinsic motivation. Findings indicated that empowering leadership was positively related to psychological empowerment, which was fully mediated by creative process engagement in influencing employee creativity, job structural empowerment, intrinsic motivation and that leader encouragement of creativity interacted with psychological empowerment to further motivate employees to engage in the creative process. (Zhang, 2007). See Figure 5 to explore the connectivity between empowering leadership and creativity.

Figure 5: Empowering leadership and creativity (Zhang 2007)



Another explanatory study (Amro-Al Madadha, 2016) discussed the nature of the three major approaches of empowerment that have been examined in the literature: empowering leadership, empowerment climate and psychological empowerment, and the influence of these approaches on the creative performance of employees. The 12-item empowering leadership scale was used to measure the construct of empowering leadership in the study. (Amro-Al Madadha, 2016) and is presented in Figure 6 based upon the earlier empirical research of Ahearne et al. 2005)

The results demonstrated that empowering leadership has a positive influence on both the empowerment climate and psychological empowerment. Similarly, the empowerment climate was found to have a positive influence on psychological empowerment. Lastly, psychological empowerment demonstrated a positive influence on creative performance. (Amro-Al Madadha, 2016)

Figure 6: Measurement of empowering leadership (Ahearne et al. 2005)

EMPOWERING LEADERSHIP		
Enhancing the meaningfulness of work	1	My manager helps me understand how my objectives and goals relate to that of the company
	2	My manager helps me understand the importance of my work to the overall effectiveness of the company
	3	My manager helps me understand how my job fits into the bigger picture
Fostering participation in decision-making	4	My manager makes many decisions together with me
	5	My manager often consults me on strategic decisions
	6	My manager solicits my opinion on decisions that may affect me
Expressing confidence in high performance	7	My manager believes that I can handle demanding tasks
	8	My manager believes in my ability to improve even when I make mistakes
	9	My manager expresses confidence in my ability to perform at a high level
Providing autonomy from bureaucratic constraints	10	My manager allows me to do my job my way
	11	My manager makes it more efficient for me to do my job by keeping the rules and regulations simple
	12	My manager allows me to make important decisions quickly to satisfy customer needs.

Self-Leadership

Self-leadership is a process through which people influence themselves to achieve the self-direction and self-motivation necessary to behave and perform in desirable ways (Houghton & Neck, 2002).

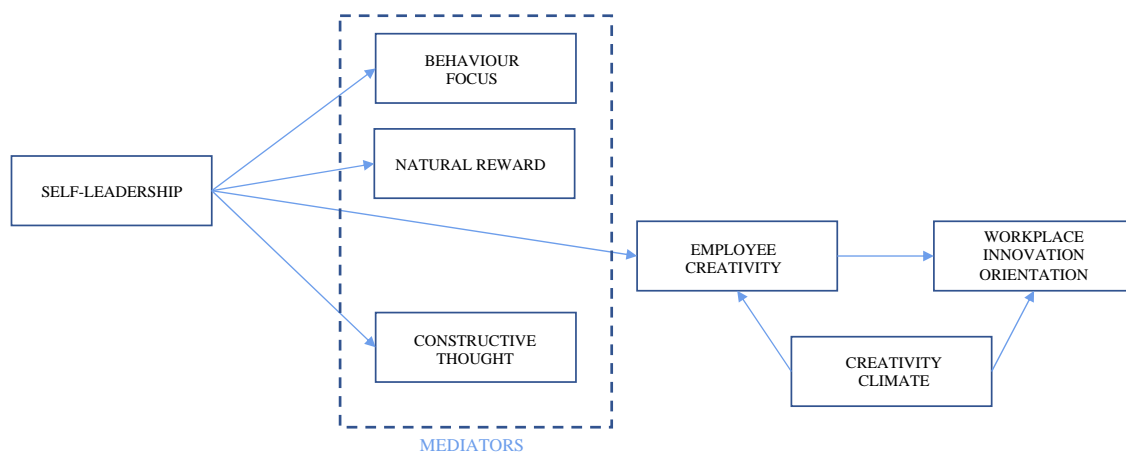
Specific behavioural and cognitive strategies related to self-leadership can be classified as behaviour-focused, natural reward and constructive thought strategies (Houghton & Neck, 2002). Self-leadership theorists have proposed that creativity and innovation are the anticipated outcomes of individual self-leadership (Houghton & Yoho, 2005).

In a study done by Koustav Ghosh (2014) at the Indian Institute of Management, a structured questionnaire using the five-point Likert scale was prepared and administered to 36 organizational respondents which is presented in Figure 7. This study empirically established that the behaviour-focused aspects of self-leadership, namely, self-observation, self-goal setting, self-reward, self-correcting feedback and practice, provide the path to individual employee creativity in the workplace. Collectively, all these factors can enhance the self-awareness of an individual employee, which in turn would stimulate him or her to try out for new ways to review and resolve the old problems.

Negative Leadership

In contrast to the theories demonstrated to promote positive changes in leadership and creativity, the following section focuses on the potentially destructive side of leaders and their impact on creativity. This section of the article will examine authoritarian and self-serving leadership as well as negative creativity as this impact upon negative leadership.

Figure 7: Self-leadership and creativity (Ghosh, 2014)



Motivation — either external or intrinsic — seems to be equally important in promoting creativity in employees either by empowerment or improving self-belief and self-reward. Research so far has correlated motivating leadership styles and their mediators to creativity positively but there is certainly scope for more research in different contextual settings since these styles of leadership are relatively novel to begin with in literature.

Authoritarian Leadership

Authoritarian leaders maintain complete control over the workforce and expect them to be entirely compliant. This type of leadership can be witnessed more frequently in socialistic cultures where there is a high-power distance between leaders and their followers (Ahmad Bodla et al. 2019).

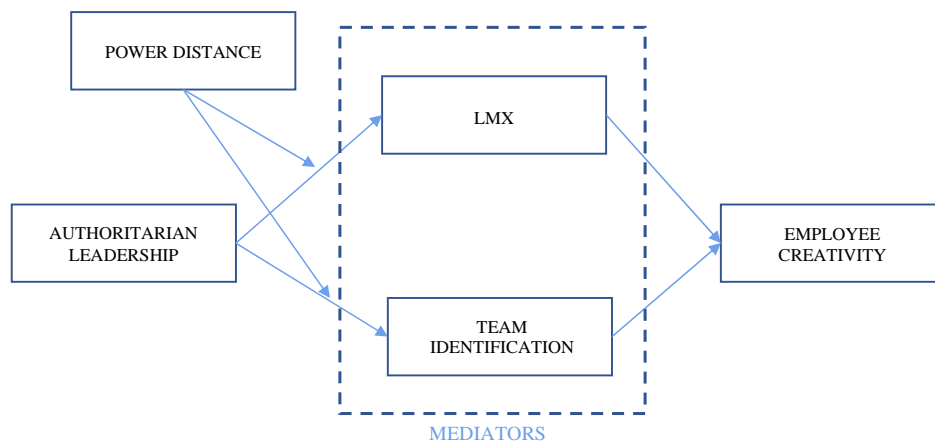
A study focusing on determining at which point authoritarian leadership begins to impact individual creativity found that authoritarian leadership does not necessarily have a negative impact on employee creativity. More specifically, they found that Leadership Member Exchange Theory (LMX) and team identification are important mediating variables to authoritarian leadership (Gu et al. 2018). See Figure 8 to explore the connectivity between authoritarian leadership and its impact upon creativity. Furthermore, LMX (Graen & Schiemann, 2013) has a direct and significant impact on the employee creativity outcome. It is suggested that organizations enhance employees' sense of belonging and promote high-quality employee-leader relationships through team-building activities and improved communication. This high-quality relationship would then provide for an increased effort from the employee, and in turn to enhanced creativity. However, this negative impact from an authoritarian leader is contingent on individual cultural factors and suggests that low power distance cultures should generally apply a more transformational or empowering leadership style, providing more employee freedom (Gu et al. 2018).

The relationship between authoritarian leadership and employee silence was also researched in a high-power distance Western culture. Employee silence due to controlling or dominating leaders was found to inhibit communication which impacts creativity (Duan et al. 2017). The importance of their findings is that the employee silence is magnified by authoritarian leaders in high distance power cultures, such as China.

A growing number of research articles have demonstrated that it is often necessary for employees to be provided with a certain level of discretionary power in order to develop useful ideas and that authoritarian leadership types can inhibit this critical process (Guo et al.

2018). In contrast, it was also suggested that negative leadership can be perceived as a paternalistic leadership style meant to mentor subordinates which otherwise increases stress levels and can generate arousal (Gu, Hempel & Yu, 2019). This arousal encourages employees to overcome challenges, ultimately making them become more curious and creative. However, an optimal outcome is contingent on the level of employee arousal. An employee that is overly aroused can see his performance impeded, whereas low levels of stress imposed can promote creativity and enhance performance. Authoritarian leadership can therefore be represented as an inverted curvilinear relationship with creativity (Gu, Hempel & Yu, 2019) where the ideal balance in stress would generate the best creativity.

Figure 8: Authoritarian leadership and its impact on creativity (Gu et al. 2018)



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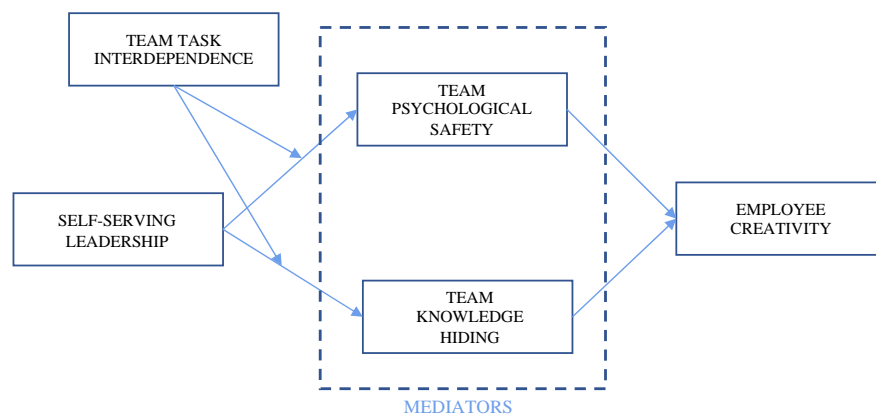
Another key finding from this study illustrates the importance of leaders also conveying moral leadership as followers will better understand that the authoritarian style employed is not to abuse them nor for selfish purposes but rather to achieve a positive goal. This highlights the importance of not unquestionably reverting to delinquent behavior merely because a leader is employing authoritarian leadership (Gu, Hempel & Yu, 2019).

Studies focused on western regions have shown that unlike China as a high-power distance culture, there are strong negative reactions to such authoritarian leaders (Gu, Hempel & Yu, 2019). This would suggest that tolerable stress levels imposed on employees to generate that arousal and creativity are lower in these western regions. Given that subordinates rely on different cues to interpret the intentions of their leaders, this would explain the varying perceptions and the perceived detrimental impacts of employing authoritarian style leadership (Gu, Hempel & Yu, 2019).

Self-Serving Leadership

A form of unethical behavior, self-serving leadership is viewed as being destructive both for the organization and its targets. More specifically, it refers to any action where a leader places their interests above their followers' needs, including the overall goals of an organization (Peng, Wang & Chen, 2018) that is presented in Figure 9. A study completed by Peng, Wang and Chen (2018) found that this type of leadership reduced team psychological safety while promoting knowledge hiding, which both have a direct impact on team creativity. They proposed the following theoretical model:

Figure 9: Self-serving Leadership and its impact on creativity
(Peng, Wang & Chen 2018)



Developing and maintaining training programs specifically highlighting the negative impacts of such behaviour on creativity and ultimately the organization would help mitigate the risk of self-serving leadership. Another method is to develop corporate policies that prevent self-serving leadership styles from emerging (Peng, Wang & Chen, 2018). Another related study found that self-serving leaders not only have a negative impact on creativity, but also reduces employee commitment, job satisfaction, organizational citizenship behaviours and employee retaliation (Decoster, Stouten & Tripp, 2019).

Negative Creativity

A study focusing on abusive supervision highlights that a creative mindset is highly sought after, as it can benefit an organization's creativity, but is associated with acts of interpersonal aggression. More specifically, leaders justify their inappropriate supervisory behaviors when they are encouraged and reinforced to be positive and creative thinkers (Qin *et al.* 2019). This concept suggests that creativity can in fact have unintended negative consequences, which can increase workplace hostility and can potentially be detrimental to workplace morality. Instead, it is suggested not necessarily to be creative as a leader, but to

support and guide subordinates through a culture of constant feedback and open communication (Qin *et al.* 2019). Introducing training activities that focus on the negative impacts of abusive supervision and where the acceptable limit lies can mitigate potential negative outcomes. An organization should also focus on identifying new recruits which demonstrate good moral self-regulation in order to avoid this negative behavior (Qin *et al.* 2019).

The three personality traits of the Dark Triad (Appelbaum *et al.* 2018) appear to closely emulate negative creativity. Narcissism can be tied to authoritarian leadership given a leader's sense of dominance, superiority and need for respect of others. Machiavellianism, defined as behaviors which include "lying and trickery through clever and dishonest means for the purposes of obtaining or achieving something" (Appelbaum *et al.* 2018) is akin to self-serving leadership. Finally, psychopathy and negative creativity are closely related as psychopaths have the tendency to manipulate or abuse their peers.

In conclusion, findings suggest one cannot deduce that all types of negative creativity are value destructive to an organization. Instead, an organization should consider a multitude of factors, including but not limited to their environment, available resources and culture when determining which creative style would best promote creativity.

Action Steps for Leaders

The review of the literature suggests that there is no single "right" management style to motivate creativity. Indeed, leadership styles affect employee and team creativity differently, through the mediators explored in various studies carried out around the globe over the past few years. These intervening variables are influenced by leadership styles, and in turn influence the creativity level of employees. From the leadership characteristics and mediators can be derived recommendations for leaders and managers who wish to stimulate creativity of their followers.

The first key to creativity is to *cultivate intrinsic motivation*. To do that, leaders need to have an inspiring vision and clearly communicate high expectations and purpose. They must set specific, stimulating and challenging goals, and connect them to the organization's mission. A balance has to be established between collective and individual goals. Self-set goals could also be encouraged. Moreover, leaders have to carefully manage rewards. As it was touched upon earlier, focusing on intrinsic reward is a safe bet, since extrinsic rewards can do more harm than good. Still, leaders should promote intelligence, for instance by assigning complex tasks and challenging ideas. Add creativity training and encouragement to the mix, and followers' belief in their own creative abilities will increase, positively impacting performance.

Another pillar of creativity is empowerment. By sharing responsibilities with their subordinates, leaders provide autonomy, which in turn allows recognition of each employee's contribution in a specific and meaningful way. Along with their independence, subordinates should be given the cognitive, emotional and material resources they need to achieve their tasks. At the same time, employees should be able to work in a safe environment, where they feel comfortable to share information and express their thoughts. To achieve this, managers can acknowledge their own weaknesses and limitations in front of the team, reduce the uncertainty by communicating effectively and be accessible to their subordinates.

This brings up the third key to motivating creativity: open communication and feedback. It is critical for leaders to maintain positive, fair and transparent interactions with their team members. The ultimate goal is to build trust, because when employees trust their leaders, they are willing to put extra efforts and they show a greater desire to be involved in creative activities. To gain trust, leaders must be honest and go beyond their self-interest to

help followers grow. Communication channels should be open between leaders and followers, and information and knowledge shared freely. Furthermore, managers should be consistent in their approach, while still understanding and adapting to the organizational context and employee's culture. Last but not least, leaders must effectively and actively listen to their employees at all times. Staying open to others' ideas signals that engaging in creativity is a desirable and valued behaviour.

Conclusion

Creativity is the process through which innovation — which plays an important role in the creation and maintenance of competitive business advantages — takes place, and as such, it presents a strategically-important area of study.

The various leadership styles explored had differing effects on the intervening mediators which in turn affect the levels of creativity within an organization. By identifying the mediators which come into play to bring about creativity, this literature review provides a framework for understanding the precise interplay between leadership and creativity.

Transactional management influences creativity most directly in the active management by exception and contingent rewards styles. Managing performance to avoid mistakes discourages the generation of new ideas by putting pressure on employees to conform. Contingent rewards, on the other hand, can encourage and promote the creative process when the rewards are seen as fair and equitable. Otherwise, rewards may disincentivize creativity.

Transformational leadership, moreover, is a style of leadership based on motivating subordinates and inspiring followers. Intrinsic motivation plays a mediating role in encouraging followers to enjoy and engage in the organization's creative effort, as does self-efficacy. Increased task complexity strengthens an employee's intrinsic motivation in accomplishing a task, and challenges their creativity.

Moral leadership is another category of leadership style which encompasses authentic, ethical, and servant leadership. Authentic leadership makes trust a central value, and is therefore thought to have a positive effect on creativity. Leader-member exchange and psychological safety are two variables which authentic leaders are readily able to influence. These leaders establish long-term exchange relationships with followers, which leads to sharing and transparency.

Ethical leadership has been found to have a strong influence on work attitudes and behaviours and is an important predictor of both individual and organizational creativity. These types of leaders promote open communication and trust, which creates psychologically safe climates, and this positively influences team creativity.

Servant leadership is a style of leadership where the leader foregoes self-interest in order to better assist the team. Servant leaders have a positive impact on employee creativity. Politically skilled servant leaders are more able to allow followers to perform activities that help them learn and grow, which increases workplace spirituality and in turn, employee creativity. As with other forms of moral leadership, servant leadership fosters trust within followers, which is beneficial for employee creativity.

In the empowering style of leadership, a manager dispenses power to subordinates, creating a network of responsibility. Empowered employees are more proactive, and this style of leadership creates a creative climate where employees feel free to make creative decisions.

Next, self-leadership is a process through which people influence themselves to be self-directed and self-motivated. This stimulates creativity through its focus on behaviours such as self-observation, self-goal setting, self-reward, self-correcting feedback, and practice.

Authoritarian leadership is a type of leadership where the leader exercises complete control over the workforce, expecting nothing but compliance in return. As expected, this has a negative impact on employee creativity. Employee silence is magnified by authoritarian leaders, decreasing creativity. Unintuitively, authoritarian leaders may stress and arouse their workforce, in turn stimulating creativity.

Self-serving leadership is a style in which the leader acts in his/her own best interests, rather than those interests of the company. This style of leadership reduces team psychological safety and encourages knowledge hiding, which together have the effect of decreasing team creativity.

Fostering creativity is not the same as removing all constraints; some creativity is not valuable because it wastes resources and doesn't yield any value to the organization. Likewise, not all creativity is constructive: negative creativity could be used to hide knowledge (e.g., fraud) or justify unethical behaviours (e.g., pranks, bullying). Links have been found between having a creative mindset and acts of interpersonal aggression, suggesting that motivating creativity may have unintended consequences.

Encouraging creativity and innovative behaviour in an organization is a balancing act: employees need to simultaneously be given enough freedom and room to be creative, yet management must guide this productivity to serve the needs of the organization (Aaltonen & Heinonen, 2016). Therefore, leaders must carefully balance the dual priorities of providing as few behavioural controls (which can stifle creativity) while not allowing boundless creativity to waste strategic resources (Aaltonen & Heinonen, 2016).

Thus, understanding one's leadership style is vital if one wishes to increase the creative potential of the employee. Practically-speaking, to encourage creativity in the workplace, managers must find ways of fostering intrinsic motivation, empowering employees, and providing them with clear communication and feedback.

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