



# Creativity cognitive style, conflict, and career success for creative entrepreneurs<sup>☆</sup>



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## ABSTRACT

Creativity cognitive style refers to individual differences in perceiving, behaving, solving problems, taking decisions, and relating to others in the creative process, whereas conflict handling style depicts individuals' behavior in response to interpersonal conflicts. Leaders' conflict management has profound impacts on group outcomes, though little work has been done to examine the relationship between entrepreneurs' creativity cognitive style, conflict handling style, and career success in creative industry sectors. Structural equation modeling is used to examine the hypotheses on a sample of 251 creative entrepreneurs in Taiwan. Results indicate that creative entrepreneurs' cognitive style influences entrepreneurial success through affecting conflict handling style. Based on the theories of cognitive psychology and conflict management, this paper sheds light on the missing link between entrepreneurial cognition and conflict handling in the entrepreneurship domain.

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## 1. Introduction

Creative industries are driving forces in the global economic development (Henry & De Bruin, 2011). Creative industries include a wide range of sectors as art, craft, design, fashion, filming, advertising, architecture, publishing, media, and cultural heritage (DCMS, 2001). The United Nations has highlighted the contribution of creative industries towards job creation, regional innovation, and social inclusion, suggesting that these industries stimulate economic diversification, revenues, and trade by producing economic and employment benefits in related services and manufacturing sectors (United Nations, 2010).

Despite its growing importance, entrepreneurship in creative industries is still under-researched (Chaston & Sadler-Smith, 2012). Creative entrepreneurs in this paper are defined as the founders who establish and remain in charge of a business in a creative industry. Through integrating theories of cognitive psychology, conflict management, and entrepreneurship literature, this paper explores how creativity cognitive styles of entrepreneurs determine career success in creative industries through affecting the way these entrepreneurs handle internal conflicts with subordinates.

Entrepreneurial cognition focuses on the entrepreneurs' mental models and how their psychological traits link to the entrepreneurial

process and outcome. According to studies of organizational psychologists, cognitive style is a determinant of individual behavior at work (Allinson, Chell, & Hayes, 2000; Armstrong, Cools, & Sadler-Smith, 2012). Cognitive style refers to consistent individual differences in perceiving, behaving, solving problems, taking decisions and relating to others (Armstrong et al., 2012). Investigating entrepreneurial cognition provides a basis for identifying those who have the potential to act as successful entrepreneurs (Allinson et al., 2000). Creative entrepreneurs are notable for a distinctive management style that is based on intuition, informality and rapid decision making, whereas the more conventional thinking styles are not in accord with the unique attributes of creative entrepreneurs (Powell, 2008). Researchers may better understand the creative industries by focusing attention on the unique attributes of creative entrepreneurs and their effects on organizational process (Chaston & Sadler-Smith, 2012).

Conflict management relates to the creative thinking process (Tekleab & Quigley, 2014). Conflict is an inevitable social process within every organization (Gelfand, Leslie, & Keller, 2008) and usually occurs when individuals encounter disagreements with other actors over task or interpersonal issues. The way entrepreneurs manage conflicts is of extraordinary importance to micro-enterprises, such as small firms in creative industries (Jehn & Bendersky, 2003). Four salient styles of handling interpersonal conflict are identified, such as integrating style, avoiding style, dominating style, and obliging style (Gelfand et al., 2008; Rahim & Magner, 1995). Entrepreneurial conflict handling style may have important implications for new venture creation (Liu, Fu, & Liu, 2009; Tjosvold, Law, & Sun, 2006). For instance, Tjosvold et al. (2006) find that team leaders' integrative approach to manage conflict enhances team effectiveness. Moreover, Liu et al. (2009) report that appropriate conflict handling of leaders is an effective mechanism

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benefiting venture performance through reducing the detrimental effects of the conflicts between CEOs and other stakeholders.

We use creativity cognitive style as the theoretical lens to explain how creative entrepreneurs can properly deal with intra-firm conflicts to accomplish desirable venture outcomes. Entrepreneurs' conflict management has a strong impact on their firm performance, but not many empirical studies have specifically linked cognitive style to conflict handling style, leaving the unanswered question on what mental traits of entrepreneurs bring about the ability to properly manage conflicts inside the organization. The present study attempts to fill this gap by adopting the creativity cognitive style characterized by two distinct mental models, namely divergent thinking and convergent thinking (Basadur & Hausdorf, 1996).

## 2. Theory and hypotheses

### 2.1. Creativity cognitive style

Creativity cognitive style reflects individuals' two habitual mental models in idea generation (Basadur & Hausdorf, 1996). Divergent thinking refers to the positive attitude towards generating many diverse ideas for one problem by perceiving the world beyond the conventional viewpoints. In contrast, convergent thinking represents the preference to clarify the nature and facts pertaining to a problem in order to narrow down the various possibilities and reach a definite solution. Creative entrepreneurs embrace creative ideation to generate customer value through the products or services they provide. The perspective of creativity cognitive style is adopted in this paper since the style reflects individuals' thinking preference in the context where creative ideation is at the heart of individual behavior (Basadur & Hausdorf, 1996; Cropley, 2006).

Research suggests that the entrepreneurial cognition represents many important implications for new venture outcomes (Baron, 2004; Mitchell et al., 2007). However, most entrepreneurial cognition studies focus on the strategic aspects of entrepreneurship (i.e. cognition for identifying and exploiting opportunities), but how entrepreneurial cognition affects social process within organization is still neglected (Mitchell et al., 2007).

### 2.2. Conflict handling style

In organizations, conflict is an inevitable social process manifested in incompatibility, disagreement, or dissonance between individuals over interpersonal or task-related affairs (Tekleab & Quigley, 2014). The way entrepreneurs manage conflicts inside the organization is a determinant of venture performance since leaders' conflict management substantially influences company members' affection, morale, loyalty, and cohesiveness (Liu et al., 2009).

Prior research identifies four styles of handling interpersonal conflict, namely integrating style, avoiding style, dominating style, and obliging style (Gelfand et al., 2008). Rahim and Magner (1995) provide descriptions. *Integrating style* involves openness, exchange of information, and examination of differences to reach a solution acceptable to both parties; *avoiding style* is associated with withdrawal and sidestepping conflict situation; *dominating style* represents win-lose orientation or forcing behavior to win one's position; and *obliging style* is associated with attempting to play down the difference and emphasizing commonalities to satisfy the concern of the other party.

### 2.3. Creativity cognitive style and conflict handling style

Conflict handling style is a reflection of behavioral posture, and research has found that cognitive style can be of help to predict how an individual responds to and deals with interpersonal conflicts (Cacioppo, Petty, Feinstein, Jarvis, & Blair, 1996; Cerni, Curtis, & Colmar, 2012).

The literature suggests that divergent thinking and convergent thinking can lead to different behavioral tendencies (Basadur & Hausdorf, 1996), and divergent thinkers may generate more ideas with their richness of sentiment, sensitivity, imagination, and non-linear thought (Basadur & Hausdorf, 1996). Nevertheless, no empirical evidence proves how creative entrepreneurs' conflict management is affected by the influence of creativity cognitive style. As an initial exploration, this study investigates how creative entrepreneurs' divergent thinking links to the way they handle intra-firm conflicts. Therefore, H1: Creative entrepreneurs' divergent thinking style has different impacts on their conflict handling styles including integrating, avoiding, dominating, and obliging.

Compared with those with divergent thinking, individuals who have a high level of convergent thinking tend to identify one or few feasible ideas based on fact, logic, prudence, accuracy, dispassion, and linear thought (Cropley, 2006). Convergent thinking is embodied in logical, analytical, and unprejudiced reasoning, which influences how individuals behave and relate to others (Armstrong et al., 2012). A variety of theories imply that the rational and objective nature of convergent thinking is likely to exert different effects across creative entrepreneurs' tendencies in handling conflicts (Cacioppo et al., 1996; Cerni et al., 2012). Therefore, H2: Creative entrepreneurs' convergent thinking style has various impacts on their conflict handling styles including integrating, avoiding, dominating, and obliging.

### 2.4. Entrepreneurial success

Career success of entrepreneurs is the positive psychological or work-related outcomes that an entrepreneur has accumulated as a result of new venture creation (Lau, Shaffer, & Au, 2007). Entrepreneurs in different sectors may judge their career success in different ways, and the literature has acknowledged the necessity of using entrepreneurial success indicators according to the specific contexts in which new venture processes occur (Lau et al., 2007). Creative entrepreneurs are concerned more with self-actualization in their creative professions than with the monetary return from economic transactions (Paige & Littrell, 2002). Thus, two indicators embody the career success perceived by creative entrepreneurs, namely social reputation and career achievement.

### 2.5. Conflict handling style and entrepreneurial success

How leaders manage conflicts within the organization has direct impacts on their members' affection, morale, loyalty, and cohesiveness (Liu et al., 2009). The degree of entrepreneurs' conflict management may be even more dominant within companies of creative industries since the collective creative ideation emerges only when internal conflicts are managed effectively and settled with appropriate handling strategies. Accordingly, Hypothesis 3: Creative entrepreneurs' conflict handling styles, including integrating, avoiding, dominating, and obliging, have different effects on the entrepreneurs' social reputation. Hypothesis 4: Creative entrepreneurs' conflict handling styles including integrating, avoiding, dominating, and obliging have different effects on their career achievement.

## 3. Methods

### 3.1. Research setting and participants

This research adopts the definition of creative industries made by the United Kingdom's Department of Culture, Media, and Sport (DCMS, 2001), and entrepreneurs whose firms engage in the following creative businesses are chosen as the target sample: art, craft, design, fashion, filming, advertising, architecture, publishing, media and cultural heritage. Participants in this study are entrepreneurs who are founders and are still in charge of creative businesses in Taiwan. A total of 954 entrepreneurs in creative industries were included. Questionnaires were sent through postal mail with a cover letter indicating the purpose of this study as well as providing an instruction for filling in the

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