



Transformational leadership dimensions and employee creativity in China: A cross-level analysis[☆]



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ABSTRACT

China's rapid economic growth is staggering but the country still has a long way to go before becoming a center for innovation and creativity. We examine whether or not transformational leadership can encourage employee creativity, using a Chinese-specific transformational leadership model. The study proposes a positive relationship between organization-level transformational leadership and individual level creativity which will be mediated by psychological safety climate. Analyses of multisource and multilevel data from 123 branches of a retail bank in mainland China show that two dimensions of transformational leadership, moral modeling and individualized consideration, are positively related to employee creativity. Although these two dimensions relate to a psychologically safe organizational climate, the climate does not relate to employee creativity. We discuss the findings in light of the Chinese cultural context.

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1. Introduction

China has become a global manufacturing powerhouse, but as the country's labor cost advantage gradually diminishes, labor-intensive mass production will cease to be a viable means for sustained economic growth. It will need to encourage innovation in its companies and creativity in its employees. China is moving in that direction: it has rapidly expanded its spending on education and research; it has attracted a lot of R&D centers from abroad; and its companies have increased their level of innovation (e.g., number of patents) substantially. Research in the West suggests that transformational leaders contribute to innovation and creativity in organizations (e.g., Sosik, Kahai, & Avolio, 1999). If the same holds true in China, encouraging transformational leadership may constitute one element of the country's strategy to move to the next stage of development.

Although researchers often study both transformational leadership and creativity in organizations, few have conducted studies in China using indigenous measures to represent transformational leadership. In the current study, we review recent research presenting a Chinese model of transformational leadership, propose hypotheses linking transformational leadership dimensions to employee creativity, test them using multi-level data from a bank, and discuss the results in light of cultural influences on leadership research.

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The study contributes to the literature by using a model of transformational leadership that accounts for the influence of the Chinese culture. Further, the present study heeds van Knippenberg and Sitkin's (2013) call to use separate dimensions of transformational leadership rather than the usual practice of combining them into one overall scale. Our multi-source, multi-level data also increase the conceptual and empirical strength of the study.

2. Transformational leadership in China

Transformational leadership theory (Bass, 1985) was developed in the U.S. and most research studies have emanated from the West. Its most influential model is the one serving as the basis for the "Multi-factor Leadership Questionnaire" (MLQ; Avolio, Bass, & Jung, 1999). According to that model, transformational leadership has four dimensions: inspirational motivation – the degree to which a leader articulates an appealing vision to followers, communicates optimism about future goals, and provides meaning for the task at hand; individualized consideration – the degree to which a leader acts as a mentor or coach and attends to each follower's needs and concerns; intellectual stimulation – the degree to which a leader stimulates activity through job autonomy, empowerment, and encouragement; and idealized attributes and influences – the degree to which a leader shows charisma and emphasizes the importance of purpose, commitment, and the ethical consequences of decisions.

Bass (1997) argues that the transformational leadership paradigm transcends national boundaries because a wide range of cultures in Europe, Asia, South America, and Africa have shown the same conception and relationships. However, more recently Li and Shi (2005) posit

that we cannot assume that models of leadership in the West will transfer directly to countries like China. They construct a new measurement of China-specific dimensions of transformational leadership. Taking an inductive approach, they generate, screen, and categorize items using multiple samples and find that Chinese employees define the construct domain of transformational leadership somewhat differently than Westerners. They identify four dimensions of Chinese transformational leadership: (1) moral modeling, based on altruism, freedom from corruption, fairness, and hard work, (2) charisma, based on passion and courage, (3) vision articulation, based on providing employees with clear vision and direction, and (4) individualized consideration, based on showing concern for individual employees and their families. Researchers have increasingly adopted Li and Shi's (2005) scale under the Chinese context and have related it to outcomes such as employee well-being, trust, commitment, and satisfaction (e.g., Liu, Siu, & Shi, 2010; Pillai, Kohles, Bligh, Carsten, & Brodowsky, 2011). So far, however, most studies employing the measure have focused on the individual level.

Some of Li and Shi's (2005) dimensions are very similar to those identified by the MLQ. Specifically, charisma and vision articulation are largely equivalent to the MLQ's dimensions of idealized attributes and inspirational motivation, respectively. But there also are notable differences. First, Li and Shi's moral modeling dimension focuses on leaders' ethical use of position power (e.g., rejecting corruption and abuse of power), while idealized influence in the MLQ includes more general behaviors like leader expressions of their social values or beliefs (e.g., diversity or environmental protection) in the hope of increasing subordinate respect and identification with the leader. Second, Li and Shi's individualized consideration dimension is broader in content than the Western dimension of the same name in that Chinese leaders attend not only to employee work-related needs and career development but also their non-work and family member needs.

Lastly, the MLQ's intellectual stimulation dimension, which describes a leader's tendency to empower subordinates and encourage them to challenge existing policies, is missing from Li and Shi's (2005) model. China's higher power distance culture (Farh, Hackett, & Liang, 2007) may account for the absence of empowerment behaviors from Li and Shi's dimensions. Robert, Probst, Martocchio, Drasgow, and Lawler (2000) explain that "In more vertical national cultures, those who are at the top are expected to take charge, to be in control, to give orders, and to know what is right" (p. 645). In China, employees expect transformational leaders to exercise an active role in the workplace through their guidance, structure setting, and role modeling.

3. Transformational leadership and employee creativity

Creativity is an individual's tendency to produce novel and useful ideas (Sun, Zhang, Qi, & Chen, 2012; Zhang & Bartol, 2010). Previous studies have reported a significant relationship between transformational leadership and creativity in the U.S. (e.g., Sosik et al., 1999), Turkey (e.g., Gumusluoglu & Ilsev, 2009), Korea (e.g., Shin & Zhou, 2003), and China (e.g., Sun et al., 2012), but they all employed the MLQ and relied on its intellectual stimulation dimension and empowerment argument to justify the effects of creativity. The underlying assumption is that leader intervention and control unnecessarily obstruct employee creativity, and job autonomy makes employees more creative. Most studies use an overall score of transformational leadership without testing for dimension-level effects.

Although delegation of power to subordinates is absent from Li and Shi's (2005) Chinese transformational leadership model, we expect that two dimensions of the Chinese model will predict creativity while the other two will not. For Li and Shi's (2005) moral modeling dimension, a moral leader is characterized as diligent, altruistic, and unbiased, which creates a desire in subordinates to follow this role model by contributing to the good of the organization. In China, interpersonal relationships are not strongly governed by formal and explicit contracts

or rules. Instead, Confucianism emphasizes individual self-regulation and moral growth as a means to achieve harmonious interpersonal relationships (Woods & Lamond, 2011). Parents, teachers, and leaders especially are expected to demonstrate traditional moral values, which promote perceptions of fairness in families, schools, and work organizations. Fairness has related to trust (Aryee, Budhwar, & Chen, 2002) and lower stress levels (Tepper, 2001). Stress has strongly related to rigidity, the opposite of creativity (e.g., Staw, Sandelands, & Dutton, 1981). Given the stifling effects of rigidity, moral modeling should predict higher levels of employee creativity. Furthermore, employees identify with moral leaders (Avolio, Gardner, Walumbwa, Luthans, & May, 2004) and focus on tasks instead of politics. Thus,

H1a. Moral modeling has a positive relationship with creativity.

The dimension of individualized consideration indicates concern by a supervisor for an employee's personal and family life as well as their work life. Work–family balance in contemporary China differs from an American-based model (Ling & Powell, 2001), and family roles and work roles are more likely to intertwine in collectivistic cultures like China (Yang, 2005). On the one hand, even after decades of economic reform, Chinese enterprises continue to serve as the primary providers of social welfare benefits (Yang, Chen, Choi, & Zou, 2000). Employees often regard leaders as if they were the parents or elder brothers/sisters of a large family, thus expecting them to go beyond the work domain to help with family problems, such as marriage reconciliation or children's enrollment into local schools. On the other hand, the effects of such family-friendly help would permeate into work domain, and due to social exchange norms (Blau, 1964), increase an employee's reciprocity obligation. In other words, if a superior shows highly individualized consideration, an employee will want to engage in behaviors that are helpful and take whatever action is necessary to solve problems for the organization, which should include developing creative solutions. Thus,

H1b. Individualized consideration has a positive relationship with creativity.

The relationships of the other two dimensions (vision articulation and charisma) with creativity are less clear. If a supervisor articulates a clear vision, then employees will have a better defined goal (Bass, 1997), but they may or may not choose to pursue it or may do so passively without much psychological engagement or creativity. As measured by Li and Shi (2005), charisma is primarily a judgment by an employee regarding a supervisor's job-related competence and motivation. These characteristics are personal to the supervisor and may or may not influence an employee toward creative behavior. Therefore, we do not provide hypotheses for these two dimensions, though we examine the relationships of the two dimensions and the overall scale with creativity on an exploratory base.

The predictions above offer different reasons to explain why each dimension of transformational leadership will or will not relate to creativity, which complements van Knippenberg and Sitkin's (2013) argument that we should examine these dimensions separately.

4. Transformational leadership and psychological safety climate

In recent years, much attention has been shown to identifying mediators of the relationship of transformational leadership with a host of outcomes. In a "non-exhaustive" review of the last fifteen years of research on the topic, van Knippenberg and Sitkin (2013) identify "52 different mediators predicting 38 different outcomes" (p. 29). Climate is one of them and has predicted outcomes such as team innovation (Eisenbeiss, Van Knippenberg, & Boerner, 2008), organizational innovation (Jung, Chow, & Wu, 2003), and organizational entrepreneurship (Ling, Simsek, Lubatkin, & Veiga, 2008). Past research

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