## IBR-08869; No of Pages 9

# ARTICLE IN PRESS

Journal of Business Research xxx (2016) xxx-xxx

Contents lists available at ScienceDirect

## Journal of Business Research



# Cognitive diversity and team creativity: Effects of team intrinsic motivation and transformational leadership\*

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#### ARTICLE INFO

#### Article history: Received 19 June 2014 Received in revised form 19 February 2016 Accepted 22 February 2016 Available online xxxx

Keywords: Cognitive diversity Team creativity Transformational leadership Team intrinsic motivation

#### ABSTRACT

We theorized and tested an integrated model for the relationship between cognitive diversity and team creativity. This model involves team intrinsic motivation as a mediator and transformational leadership as a moderator. The Hierarchical Linear Modeling results using 62 teams revealed that transformational leadership moderated cognitive diversity's direct effect on team intrinsic motivation and indirect effect on team creativity via team intrinsic motivation, such that the effects were positive when transformational leadership was high, but negative when transformational leadership was low.

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#### 1. Introduction

Rapid technological development and intense global competition have made organizations increasingly reliant on creativity to survive and succeed (Gumusluoglu & Ilsev, 2009; Hennessey & Amabile, 2010; Yoshida, Sendjaya, Hirst, & Cooper, 2014). Teams have also been widely used in the workplace, which explains the rapid growth of literature on team creativity (e.g. Baer, Leenders, Oldham, & Vadera, 2010; Farh, Lee, & Farh, 2010). Team creativity is defined as "the production of novel and useful ideas concerning products, services, processes, and procedures by a team of employees working together" (Shin & Zhou, 2007, p. 1715). Woodman, Sawyer, and Griffin (1993) give a central place to team creativity in their model of organizational creativity. Teams can serve as an important vehicle for the development of creative ideas and, therefore, have been promoted as the focal unit for organizational innovation (Sutton & Hargadon, 1996). As a result, the last several decades have witnessed a rapid growth in the number of studies that investigate the facilitators and inhibitors of team creativity (Hülsheger, Anderson, & Salgado, 2009).

One of the most frequently examined antecedents of team creativity is team diversity. Studies on diversity and team creativity have mainly focused on functional and educational diversity (Choi, 2007; Fay, Borrill, Amir, Haward, & West, 2006; Shin & Zhou, 2007; Somech, 2006). Evidence has shown that, under certain supportive contexts, teams composed of employees with differing functional or educational backgrounds tend to be more creative. However, it is not always feasible for organizations to form cross-functional teams to take on all the innovation challenges. Many managers are facing the daunting task of stimulating creativity within their seemingly "homogenous" teams. Indeed, many teams in organizations are composed of members with similar educational or functional backgrounds, but are also expected to generate creative ideas or innovative solutions to problems. Van Knippenberg and Schippers (2007) have called for more research that examines how those seemingly less "heterogeneous" teams (e.g., teams with similar educational or functional backgrounds) manage to deliver creative team results.

Recent research on diversity and creativity (Hoever, van Knippenberg, van Ginkel, & Barkema, 2012; Kurtzberg, 2005) has shown that any team can have great potential for creativity if the team members possess or perceive high cognitive diversity, defined as perceived differences in thinking styles, knowledge, skills, values, and beliefs among team members (Kilduff, Angelmar, & Mehra, 2000; Van der Vegt & Janssen, 2003). According to the "value in diversity" perspective, team diversity allows members to pool information, combine ideas, and integrate perspectives, so that they can generate synthetic solutions to work-related problems (Williams & O'Reilly, 1998). Cognitive diversity can serve as a prerequisite condition for perspective integration and idea integration, because

http://dx.doi.org/10.1016/j.jbusres.2016.02.026 0148-2963/© 2016 Elsevier Inc. All rights reserved.

Please cite this article as: Wang, X.-H.(F.), et al., Cognitive diversity and team creativity: Effects of team intrinsic motivation and transformational leadership, *Journal of Business Research* (2016), http://dx.doi.org/10.1016/j.jbusres.2016.02.026

<sup>★</sup> This work was supported by the National Research Foundation of Korea Grant funded by the Korean Government (NRF-2010-32A-B00075).

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it brings in a wide range of knowledge, skills, ideas, and values (Shin, Kim, Lee, & Bian, 2012; Van der Vegt & Janssen, 2003). Also, even team members with similar educational and functional backgrounds can have different knowledge, skills, ideas, and values. Thus, cognitive diversity is more conceptually relevant to team creativity than other diversity dimensions such as demographic diversity, and can promote creativity even in teams whose members have similar educational or functional backgrounds. The primary purpose of our study is to investigate why, when, and how team cognitive diversity contributes to team creativity.

Two experimental studies have linked cognitive diversity with team creativity. Kurtzberg (2005) found that teams with high cognitive diversity, referring to team members' difference in their problem-solving approaches in this study, generated more creative ideas than homogenous teams. Hoever et al. (2012) found that diversity of perspectives has a positive effect on team creativity when team members are instructed to take others' perspectives, and that such moderation effect is mediated by team information elaboration. The present study continues this line of research, but advances the literature on cognitive diversity and team creativity in several ways.

First, previous studies have operationalized cognitive diversity as the extent to which members differ on one attribute (e.g., the problem-solving approach) (Kurtzberg, 2005) or on their assigned functional roles in the experiment (e.g., artistic manager vs. finance manager) (Hoever et al., 2012). By definition, cognitive diversity refers to the perceived differences among team members in a variety of different attributes (Van der Vegt & Janssen, 2003). Thus, our study adopts a broader scope of cognitive diversity and measures team members' perceived differences in such attributes as thinking styles, knowledge, skills, values, and beliefs. To fully understand the effect of cognitive diversity on team creativity in real working teams, it is important to consider the different cognitive aspects simultaneously.

Second, those studies have yet to examine the motivational mechanism through which cognitive diversity is transmitted to team creativity. Van Knippenberg, De Dreu, and Homan (2004) contend that effective team processes are contingent on team motivation, suggesting that diverse teams may actualize the potential benefits for creative performance only when team motivation is high. However, we still do not know how cognitive diversity is associated with team motivation. In order to fill this gap, this study focuses on team intrinsic motivation, defined as the extent to which team members enjoy performing a team task for itself and experience the pleasure and satisfaction inherent in the task. According to Amabile's (1996) componential theory of creativity, intrinsic motivation is the motivational mechanism of creativity or creative performance. Drawing on early theories (Amabile, 1996; Chiang, Hsu, & Hung, 2014; Deci & Ryan, 1985), we extend individual intrinsic motivation to the team level due to their functional equivalence (Morgeson & Hofmann, 1999), and consider team intrinsic motivation as a shared motivational state within a team through which the members utilize their cognitive diversity to achieve team creativity.

Third, prior studies on cognitive diversity and team creativity (Hoever et al., 2012; Kurtzberg, 2005) have not examined the influence of leadership. Managing a diverse team could be challenging, because diversity might create conflicts and tension among members due to their different views and perspectives (Mohammed & Angell, 2004;

Pelled, Eisenhardt, & Xin, 1999). As a result, team leaders can play an important role in translating team members' cognitive diversity into positive team motivation (Van Knippenberg et al., 2004). Van Knippenberg and Schippers (2007) also recommend that researchers give more attention to the moderating role of leadership in studying the effects of cognitive diversity. Despite the importance of leadership in managing cognitive diversity, the interplay between leadership and cognitive diversity remains largely unexplored (Jackson, Joshi, & Erhardt, 2003). Thus, this study aims to explore the moderation effect of transformational leadership in the relationship between cognitive diversity and team intrinsic motivation (and team creativity). Transformational leadership encourages employees to transcend their selfinterests for the good of the team and the organization, pushes them to address higher-order needs, and enables them to achieve performance beyond expectations (Bass & Riggio, 2006). Transformational leaders act as role models, provide inspirational motivation and intellectual stimulation, and show individualized consideration to followers (Wang & Howell, 2010). When leaders highly encourage employees to focus on the good of the team and organization and stimulate them intellectually, we expect that employees will be more likely to enjoy working with people who have different knowledge and views, and thus produce more creative ideas.

By proposing and testing this integrated model, we aim to extend our knowledge with regard to how, when and why cognitive diversity affects team creativity. Fig. 1 depicts our conceptual model.

#### 2. Theory and hypothesis development

#### 2.1. Cognitive diversity and team creativity

The "value in diversity" perspective (Williams & O'Reilly, 1998) posits that cognitive diversity may provoke team creativity because exposure to different or divergent perspectives may stimulate team members to generate more innovative ideas. Also, information and decision-making theories (De Dreu, Nijstad, & Van Knippenberg, 2008; De Dreu & West, 2001) suggest that cognitive diversity brings in a wide range of knowledge, skills, abilities and ideas to the team that are distinct and non-redundant. Such a broad range of knowledge and abilities can then produce more new choices, plans, and products. In addition, members with different thinking styles and value systems can use different perspectives to scan the environment and process information, thereby helping the team analyze problems using diverse angles and consider several possible alternatives (Gilson, Lim, Luciano, & Choi, 2013). As a result, those teams may be expected to make better decisions and generate more creative ideas than teams with low cognitive diversity (Jackson, May, & Whitney, 1995; Kurtzberg, 2005). Therefore, we hypothesize:

**Hypothesis 1.** Cognitive diversity is positively related to team creativity.

#### 2.2. Cognitive diversity and team intrinsic motivation

Prior studies linking diversity with team creativity have mainly focused on members' task-related activities as mediators that translate

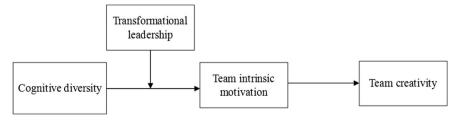


Fig. 1. Proposed relationships among variables.

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