

**THE RELATIONSHIP BETWEEN  
TRANSFORMATIONAL LEADERSHIP  
AND ORGANISATIONAL CREATIVITY**

by

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## SUMMARY

**Title:** The relationship between transformational leadership and organisational creativity

**Key words:** transformational leadership, organisational creativity, inspirational motivation, individualised consideration, idealised influence, intellectual stimulation, task environment, social context, problem-solving processes.

This research comprised an investigation into the relationship between transformational leadership and organisational creativity. The overall aim of the research was to determine whether creativity in organisations can be linked to transformational leadership behaviours. A literature review was done to conceptualise transformational leadership and organisational creativity and to identify the theoretical relationship between these concepts. During the investigation it was found that a relationship does exist between transformational leadership and organisational creativity. A one-way ANOVA analysis and post hoc analysis were performed to address the empirical research questions. The descriptive statistics were analysed in terms of senior management and middle management, and their raters. The data analysis revealed that the research results were largely supportive of the theoretical research findings on the relationship between transformational leadership and organisational creativity. With regard to senior management, it was found that most raters rated their teams as creative, despite the fact that a relationship between transformational leadership and organisational creativity could not be determined due to the small sample size. With regard to middle management, it was found that a correlation existed between inspirational motivation, idealised influence (attributes and behaviour) and organisational creativity.

It was further found that there was a correlation between senior management's perceptions of their transformational leadership attributes and their direct

reportees' perceptions. There were significant differences between middle managers' perceptions of certain elements of transformational leadership and that of their direct reportees.

## **CHAPTER 1**

### **SCIENTIFIC ORIENTATION OF THE RESEARCH**

This study focuses on transformational leadership and organisational creativity. In this chapter the background of and motivation for the research, the problem statement, the aims of the research and the paradigmatic perspective as a research model are set out. The research design, research method and chapter division are also given.

#### **1.1 BACKGROUND AND MOTIVATION FOR THE RESEARCH**

Leadership evolved over the years. By the early 1980s, a variety of new environmental trends came to light. Business leaders had to deal with the globalisation of the economy; deregulation of major industries; increased entrepreneurial activity; accelerated technological developments; a more diverse, educated and skilled workforce; and more complex networks of organisational stakeholders (Nicoll, 1986).

Cascio (1995) says that in a continuously changing global arena, developing the potential of the workforce is critical for organisations that want to remain competitive. Whereas in the past managers were expected to plan, organise, instruct and control, they now have to be able to coach, empower and lead effectively (Meyer, 2002).

Leadership can be defined as “a social influence process in which the leader seeks the voluntary participation of subordinates in an effort to reach organisational goals” (Kreitner & Kinicki, 2004:595). This implies that managers have to adapt to changing circumstances and adjust their leadership styles accordingly. Kinsman (1986:19) concurs with this view by stating:

With the advent of new organisational systems, technologies and changing social demands and values of employees, organisations are changing their structures in the direction of more autonomous, smaller units. This shift calls for a new type of leadership which emphasises democratic processes, individual improvement, entrepreneurship, and the legitimisation of intuitive processes.

Bass (1985:xiii) also agrees with this view but states that “breakthroughs come slowly in leadership practice, theory, and research.” He maintains that “a shift in paradigm is in order”, that it is time to go beyond transactional leadership and that “another concept is required to go beyond these limits.” His stance is that “to achieve follower performance beyond the ordinary limits, leadership must be transformational. Followers’ attitude, beliefs, motives and confidence needs to be transformed from a lower to a higher plane of arousal and maturity” (Bass, 1985:xiii). Kotter (1999) holds that the fundamental purpose of leadership is to produce change and that leadership appeals to the values of the follower by satisfying the basic human need for achievement, belonging, recognition, self-esteem, a feeling of control over one’s life and the ability to live up to one’s ideals.

Drucker (1998) states that as organisations move from hierarchical structures to networked organisations with decreased hierarchy and unclear lines of authority, the need arises to explore varied forms of leadership that can go beyond or even oppose conventional leadership styles. According to Cascio (1998:930), “more often today’s networked, interdependent, culturally diverse organisation requires transformational leadership”. With the evolution of organisations, the characteristics of effective leadership have also evolved. Previously, an effective leader was typified by reward-for-effort behaviour and a corrective manner, which characterises transactional leadership. In recent years, there has been a shift towards descriptions such as intellectually stimulating, inspirational, visionary,

charismatic and development focused, which are typically characteristics of a transformational leader (Bass & Avolio, 1997).

A transactional leader practices in line with a constructive transaction system (where rewards are given for effort and good performance and accomplishments are recognised), management by exception (where corrective action is taken when deviations from rules occur) and passive management (where the leader only intervenes if deviations occur) (Werner & Roythorne-Jacobs, 2009). In contrast to this, a transformational leader is characterised by idealised influence that provides direction and instils pride, respect and trust; he or she provides inspirational motivation by having high expectations, making these known and articulating shared goals in simple ways. A transformational leader is also intellectually stimulating; facilitates innovation and creativity in problem solving; and promotes a questioning culture with regard to beliefs, assumptions and values. He or she practices individualised consideration by treating each individual in a unique manner, and coaching and advising subordinates to realise their full potential (Bass & Avolio, 1997).

Bass and Avolio (1997) maintain that over a short period of time, the leadership culture of an organisation can shift positively only to the extent that management has transformed its leadership stance. It can therefore be deduced that since the organisational environment is evolving, leadership has to do the same in order for organisations to remain competitive and effective.

A study that was conducted in a Canadian organisation showed that transformational leadership ratings correlated with primary aspects of organisational culture such as innovation, willingness to take risks and structural complexity (Bass & Avolio, 1997). Leaders who rated higher on transformational leadership were also seen as more innovative, willing to take risks and less bureaucratic (Bass & Avolio, 1997). According to Hall (1996), organisational culture can be viewed as a process which is initiated by collaboration that

stimulates commitment and creativity and results in a productive organisational culture. This is referred to as the competence process (Hall, 1996). A leader who is able to achieve maximum commitment and creativity is also able to reach an outcome of collective competence (Hall, 1996).

Hall (1996) explains that individuals act in a committed and creative manner in their personal duties because it assists them to feel positive about themselves. This is referred to as personal competence. Leaders have to provide opportunities where individuals can express their personal competence, which will result in increased productivity and will enhance organisational competence. When individuals express their personal knowledge and skills in their work, they perform in a competent manner. The competence process therefore creates a context in which individual commitment and creativity can be practiced and demonstrated simultaneously (Hall, 1996). Leaders have the ability to mobilise a competence process that positions an organisation to meet changing demands (Hall, 1996). A study that was conducted by Schlechter (2000) investigated the relationship between organisational culture as defined by the competence process and organisational performance. The findings of this study showed that if a healthy, creative and productive organisational culture is created through the implementation of the competence process dimensions, it will result in a significant decrease in stock losses and labour turnover and a substantial increase in profits (Schlechter, 2000).

The abovementioned clearly depicts the importance of leadership and creativity as research constructs.

## **1.2 PROBLEM STATEMENT**

An overview of the literature on creativity shows that although some progress has been made in understanding individuals' creativity, research on creativity in work teams lags behind (Shalley, Zhou & Oldham 2004). Campion, Medsker and Higgs (1993) say that the lack of research on team creativity is unfortunate since teams are widely used in the work environment. Although Jung and Avolio (1999) and Taggar (2002) researched idea production in groups, they did very little field research on what elements contribute to the creativity of teams that are made up of regular employees instead of management teams. It is thought that although extensive research has been done on creativity and innovation, little research has been done on cross-cultural creativity (Mostafa & El-Masry, 2008). Furthermore, Jung (2001) points out that only a few studies have investigated the relationship between leadership styles and creativity in work teams.

This study explores whether there is indeed a relationship between transformational leadership and organisational creativity.

### **1.2.1 Questions relating to the literature review**

The literature review will be undertaken to answer the following questions:

- 1) What is meant by transformational leadership?
- 2) What is meant by organisational creativity?
- 3) What is the theoretical relationship between transformational leadership and organisational creativity?

### **1.2.2 Questions relating to the empirical study**

The following questions will be addressed by the empirical study:

- 1) What are the levels of transformational leadership and creativity in an organisation?

- 2) What is the relationship between transformational leadership and organisational creativity?
- 3) What conclusions and recommendations can be formulated from the results of the study?

### **1.3 AIMS OF THE RESEARCH**

The aims of the research can be formulated as follows.

#### **1.3.1 General aim**

The general aim of this research is to ascertain whether a relationship exists between transformational leadership and organisational creativity.

#### **1.3.2 Specific aims**

The specific aims of this research are as follows:

##### ***Theoretical aims***

The theoretical aims of this study are to

- 1) conceptualise transformational leadership
- 2) conceptualise organisational creativity
- 3) determine the theoretical relationship between transformational leadership and organisational creativity

##### ***Empirical aims***

The empirical aims of this study are to

- 1) determine the levels of transformational leadership and creativity in an organisation
- 2) determine the relationship between transformational leadership and organisational creativity
- 3) compare self-ratings for transformational leadership and rater ratings for transformational leadership between leaders and the people who report directly to them

#### **1.4 PARADIGMATIC PERSPECTIVE OF THE RESEARCH**

This study will be conducted in the field of organisational psychology and will be grounded in existential/humanistic psychology. Organisational psychology is an applied field of psychology that incorporates its theories and assumptions in the organisational context to assess, develop and positively impact employees, groups and organisational systems (Bergh, 2009). According to Munsterberg (as cited in Robbins, 2005), organisational psychology refers to the scientific study of human behaviour to extract common patterns and to explain individual differences.

Humanistic psychology focuses on the positive aspects of conscious mental activity; it maintains that human beings strive towards psychological growth, self-actualisation and autonomy, and with willpower can overcome environmental limitations (Theron, 2009). According to Ivey, D'Andrea, Ivey and Simek-Morgan (2002), the existential-humanistic perspective suggests that people are able to act in the world, determine their own destinies and make their own decisions. It lends itself to relationships (that people know themselves through their relationships with the world and specifically through their relationships with other people) and encompasses a deep underlying element of caring and of individual free choice (Ivey et al., 2002). The Rogerian approach links up with the existential-humanistic approach and suggests that people can move forward, are able to act on the world and are aware that the world acts on them, and focus on

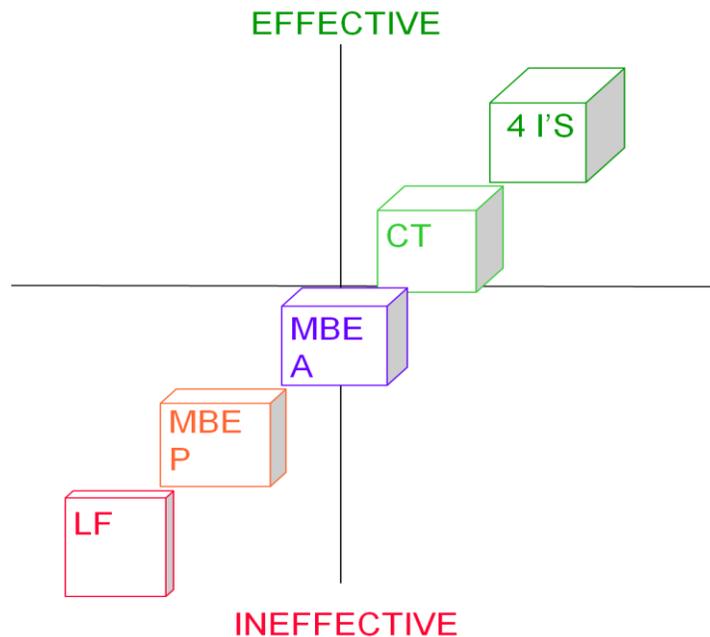
the here-and-now (Ivey et al., 2002). According to Ivey et al. (2002), the Rogerian approach accepts and puts all the principles of the existential-humanistic paradigm into practice by recognising the infinite variety of life experiences and viewing being-in-the-world as an opportunity rather than a setback.

As an integrated approach, this paradigm is characterised by the notion that suffering provides an opportunity for “soul searching” and earnest reflection so that meaning in life can be restored and one can move to a more authentic, integrated existence and can get on with the real business of living (Burston, 2003). Rogers (1967:166) believed that the purpose of all life is to become “that self which one truly is”. According to Bozarth, and Lago and MacMillan (as cited in Ivey et al., 2002), when a person gets truly in touch with his or her inner self, he or she will move towards positive action and fulfilment. The humanistic approach is highly applicable in the work context and in Industrial and Organisational Psychology.

This study focuses on leadership and organisational culture as defined by the competence process (Hall, 1996), with specific focus on organisational creativity.

Leadership is viewed as the ability to impact a group of individuals and direct them towards the attainment of goals (Robbins, 2005). Another definition that builds on the aforementioned is that leadership is a social process whereby individuals are persuaded to work voluntarily, passionately and persistently towards achieving a collective goal (Roythorne-Jacobs & Werner, 2009). Various leadership models exist; however, for the purposes of this study, the full range leadership model that was developed by Bernard M. Bass and Bruce J. Avolio is used. This model provides a coherent view of leadership as something that can be developed – a work in progress.

Figure 1: Transformational leadership model (Bass & Avolio, 1994)



This model focuses on four transformational leadership styles (also referred to as the four I's of transformational leadership, namely idealised influence, inspirational motivation, individualised consideration and intellectual stimulation (Bass & Avolio, 1997). These transformational leadership styles, which are a focus area of this study, are further explained in chapter 2.

The model also refers to constructive transaction (CT), which is an exchange process whereby the leader and follower come to an agreement on their roles and responsibilities in order to reach specified goals, for which the leader provides rewards (e.g. praise, salary increases and promotions) when his or her followers perform to his or her satisfaction. Constructive transaction is moderately effective in motivating followers (i.e. to a lesser extent than transformational leadership) (Antonakis & House, 2002).

According to Bass and Avolio (1997), the model identifies three ineffective leadership styles that are typified by active corrective leadership (e.g. focussing

on mistakes), passive corrective leadership (waiting for things to go wrong and then intervening) and laissez-faire leadership (avoidance or non-leadership). Both the active and passive corrective leadership styles are viewed as transactional leadership and rely on management by exception (Bass, 1985). There are two types of management by exception: active and passive. Active management by exception is characterised by a leader who actively searches for deviations from expectations and takes action when this occurs; passive management by exception describes a leader who is often reluctant to intervene and only intervenes when problems become difficult to ignore. Management by exception leaders are inclined to avoid initiating change and taking risks; they prefer to maintain the status quo (Bass, 1985).

According to Burns (1978), in transactional leadership, the leader and follower have a relationship that advances the interests of both parties; however, there is no deep, long-lasting link that binds them. They are basically self-interested participants in an exchange process (Burns, 1978). According to Bass (1985), transactional leadership includes role clarification, the implementation of structure, attempts to meet subordinates' social needs, and the allocation of rewards and punishment in relation to performance.

Bass (1985) suggests that a relationship exists between transactional leadership and transformational leadership. It is therefore important to note that transformational leadership augments the effectiveness of transactional leadership; it does not replace transactional leadership (Yammarino & Bass, 1990).

The next model that is relevant for this research is called the competence process (Hall, 1996). This process is defined by collaboration, commitment and creativity; it is characterised by the fact that leadership should allow for the release of competence and the realisation of potential, which translates into the organisation having the ability to respond to environmental demands (Hall, 1996).

Creativity in itself is the end result of the competence process and is characterised by work, social and problem-solving processes. Social processes are viewed as the most crucial because they define the way in which individuals relate to each other when they work (Hall, 1996). Creativity is the dimension that will be explored in this study.

The primary argument of the competence process in understanding organisational culture is that individuals are capable of accomplishing what have to be accomplished; they strive to be competent. They need to do their best and in demonstrating their capacity to do well, they realise their potential. A leader therefore acts as a catalyst in creating a favourable work environment that permits the expression of capability and potential. This is achieved by managing conditions for collaboration and commitment, which ultimately culminates in creativity.

After having given a brief outline of the competence process, it is only fitting at this stage to provide a theoretical overview of the competence process within the context of organisational culture.

The competence process stems from the belief in human competence, which is a primary conviction that the individuals within organisations are capable of doing what has to be done. It is founded on the premise that individuals have the capacity to deal productively with each other and with the demands and challenges that present themselves (Hall, 1996). The competence process provides another means of viewing leadership and the complex processes that are evident in organisations. As a classification tool, it brings together critical theoretical and empirical inputs to leadership theory and as an evaluative tool, it creates a frame of reference for integrating diverse theories on challenges relating to productivity and morale (Hall, 1996).

By assuming that employees are capable of doing what has to be done, it can be inferred that they have the capacity to solve problems associated with productivity and that they have the required initiative to organise the tools they work with and the skills required for optimal performance. Most importantly, it can be inferred that they are mobilised by the need to do these things well. It is on this capacity and the drive for optimal performance that the competence process is founded (Hall, 1996).

### ***The competence motive***

A competence motive exists, which is the desire of people to demonstrate their competence – a personal need to perform well. This makes the leaders' role simpler in terms of unleashing potential and catalysing the expression of individual competence. This theory has been supported by psychologists such as Robert White (1959) and Brewster Smith (1969), who alluded to the notion that in addition to the capacity for competence, a personal need to perform also exists (Hall, 1996).

As a primary means for survival, people learn to be competent. It is important to note that competence is seen as personally satisfying to individuals; it is viewed as growth, both biologically and psychologically. When people demonstrate personal competence, it evokes in them feelings of efficacy and self-worth. As a result, it can be inferred that people want to be competent and that this in itself is intrinsically rewarding (Hall, 1996).

In terms of the leader's role in unleashing personal competence in individuals, this can better be understood by means of the fact that people want to be competent and that they have the desire to perform. Therefore, the role of the leader is to establish a context within which competence can be freely demonstrated. This role can only be performed if leaders are sensitive and aware of the competence motive and how it operates (Hall, 1996).

One can say that individual competence can be applied in the organisational context and that leaders play a significant part in unleashing this competence. As stated above, when people are capable of doing what has to be done, competence is presumed. However, it should be noted that individual's performance in organisations today is not always optimal; in fact, in organisations today performance is clearly an issue. Simply put, the problem is that people are not realising their full potential because they are not doing what they are capable of doing (Hall, 1996). According to Hall (1996), the reason for this is management. Management has curbed competence in that safe environments have not been created where efficacy, personal worth and the basic expression of competence can thrive. Individuals become frustrated, angry and demotivated when their full potential is not realised. Managers act on behalf of organisations and are directly liable for the attitude, the personal drive and competence expectations that are prevalent in employees within organisations. In effect, managers set the boundaries – either high or low – on the output of employees (Hall, 1996).

Leaders should therefore be sensitive when organising and managing organisational environments so that they can permit and promote competence. In order for this to be done, the components of competence should be investigated further.

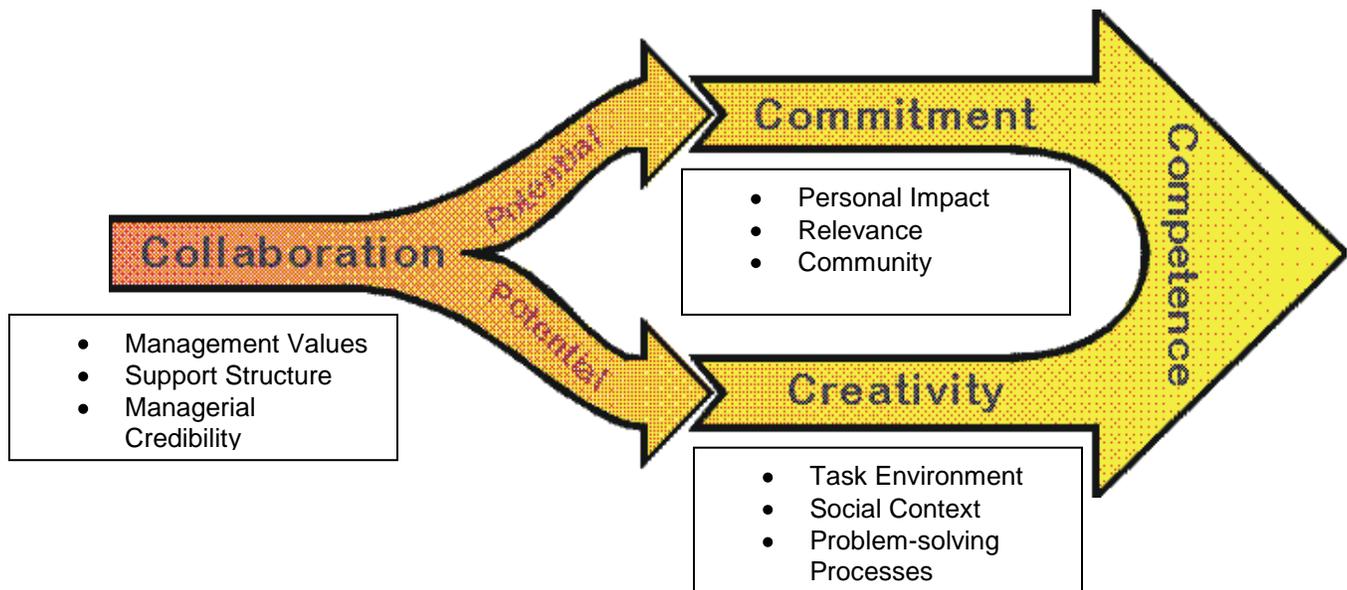
Questions that arise are: How do leaders create conditions for competence in their organisations? How do they promote and reward the competence motive? How do leaders ensure that organisational goals are aligned with that of individuals within organisations? How do leaders encourage individuals to make organisational tasks their own? The answer, according to Hall (1996), is that they construct a culture that is based on an expectation of competence.

The competence process comprises three cultural dimensions: collaboration, commitment and creativity. According to Hall (1996), creativity is a key element in

determining and outlining the competent response. Commitment is equally important in this process. In the culture building process creativity demands commitment, and both stem from collaboration. Collaboration is the source from which both commitment and creativity flow (Hall, 1996). It can be said that collaboration mobilises the potential for commitment of those who do collaborate, and this leads to creativity on the part of those who are committed.

Figure 2 depicts the structure of the competence process. Collaboration is shown as the prime mover in a sequence which leads to competence that mobilises performance. As shown, both commitment and creativity flow from collaborative opportunities and merge to yield the competent response, which is linked to performance (Hall, 1996).

*Figure 2: The competence process (Hall, 1996)*



The basic premise of the competence process is that creativity and commitment define the competent response. Collaboration is the source from which the potential for commitment and creativity flow. For the purposes of this study, the creativity dimension is explored as a component of organisational culture.

## 1.5 RESEARCH DESIGN

The research design refers to the outline or plan of the strategy or procedure that will be followed in attempting to answer the research questions (Christensen, 1994).

### 1.5.1 Research variables

In this research, the independent variable is transformational leadership and the dependant variable is organisational creativity.

### 1.5.2 Type of research

A quantitative research method is proposed to determine whether a relationship exists between transformational leadership and organisational creativity. The research is a quantitative study due to the accurately identified terms of the variables (Mouton & Marais, 1996).

According to Mouton and Marais (1996), three types of research goals are found, namely:

- 1) *Exploratory research*, which indicates that the goal of the research is to explore a relatively unknown area.
- 2) *Descriptive research*, which is viewed on the one hand as an in-depth description of a specific individual, situation, group, organisation, tribe, subculture, interaction or social objects and on the other hand as the frequency with which a specific characteristic or variable is found in a sample.
- 3) *Explanatory research*, which indicates causality between variables or events.

With regard to the literature review and empirical part of this study, this research study can be categorised as explanatory research.

### **1.5.3 Unit of analysis**

Individual leaders and their immediate subordinates in the work environment will be analysed. Senior and middle managers will be analysed in terms of transformational leadership and their subordinates will be analysed in terms of the extent to which organisational creativity is experienced in their teams.

#### ***Measures to ensure the reliability and validity of the study***

With regard to the literature review, the theoretical content will be based on the most current sources that are available. Regarding the empirical study, reliable and valid questionnaires will be used to conduct this study. The sampling method that will be used is representative of the company and the analysis of the sample will be done using proven statistical techniques.

## **1.6. RESEARCH METHOD**

This study is divided into two phases. Phase 1 is the literature review and phase 2 is the empirical study.

### **Phase 1: Literature review**

Phase 1 consists of the following two steps:

#### *Step 1*

The literature review explores transformational leadership and organisational creativity theory.

*Step 2*

This study is conducted to ascertain whether a theoretical relationship exists between transformational leadership and organisational creativity.

**Phase 2: Empirical study**

Phase 2 consists of the following four steps:

*Step 1: Population and sample*

In this step the population is identified and the sample extracted.

Non-probability sampling is used (Terre Blanche & Durrheim, 1999). This is a sampling technique where the probability of each element of the population of the sample is unknown. This method of sampling allows for purposive/convenient selection of individuals (leaders) and their direct reportees. Purposive sampling is used, where teams are identified (a leader and subordinates) and the multifactor leadership questionnaire (MLQ) and organisational culture analysis (OCA) are administered to each individual.

*Step 2: Measuring instruments*

The measuring instruments are identified and a motivation for their inclusion in this study is discussed in detail.

Each leader completed one MLQ (self-questionnaire) and each direct reportee completed one OCA and one MLQ (rater questionnaire). The “self-rating” and the “rater rating” scores are used for the MLQ and the “actual score” (as it is) rather than the “desired score” (as I would like it to be) are used for the OCA. The variables are analysed for two categories: senior management and direct reportees and middle management and direct reportees.

*Step 3: Data collection*

Focus groups interviews were held with managers and their teams, during which the MLQ and OCA questionnaires were explained, distributed and collected by the researcher. In these focus groups the purpose of the study was explained to the participants and their confidentiality was guaranteed.

*Step 4: Data analysis*

34 MLQ “self-rating” item scores (one per leader) were extracted and tabulated. Subscale scores on the MLQ were calculated by obtaining the average of the items that relate to each subscale. Descriptive statistics such as the mean and standard deviation were calculated for each subscale in order to investigate the relative standing of the sample on these aspects. The average subscale scores on the MLQ for leaders and subordinates were compared in order to study the leaders’ self-ratings compared to that of their subordinates. These results indicate the transformational scores of senior management and middle management as viewed by their immediate subordinates, and the self-ratings of senior and middle management, so that the self-ratings and rater ratings on the MLQ can be compared.

In terms of the OCA, subscale scores could not be calculated (see chapter 4) and therefore the analyses were done per item. The relationship between the transformational leadership ratings and the creativity scores will be investigated in order to establish the relationship between the two constructs. The data was analysed by means of the Statistical Package for Social Sciences (SPSS16).

## **1.7 CHAPTER DIVISION**

The chapters of this study are as follows:

Chapter 1: Scientific orientation of the research

Chapter 2: Transformational leadership

Chapter 3: Organisational creativity

Chapter 4: Empirical study

Chapter 5: Research results

Chapter 6: Conclusions, limitations and recommendations

## **1.8 SUMMARY**

In this chapter the background of and motivation for the research, the problem statement, the aims of the research, the paradigmatic perspective, the research design, the research method and the chapter division of this study were set out and discussed.

## **CHAPTER 2**

### **TRANSFORMATIONAL LEADERSHIP**

This chapter explores different approaches to leadership. It focuses specifically on transformational leadership in terms of its definition and dimensions, and gives a critique thereof.

#### **2.1 APPROACHES TO LEADERSHIP**

Current interest in leadership seems to be at a peak. This is clearly visible in survey results that emphasise heightened attention and resources that are dedicated to leadership development (Day, 2001). Many organisations see leadership as a foundation for competitive advantage and invest in it accordingly (Day, 2001). Bodla and Nawaz (2010) point out that leadership as a field of study is an expanding area of research that is viewed by scholars as a topic which is worthy of research and recognition. In addition, organisations are continuously changing and there is monumental interest in the fact that employees are more than commodities to be exploited. Ismail, Mohamed, Sulaiman, Mohamad and Yusaf (2011) state that leadership is key in determining organisational competitiveness in the global economy. It can therefore be said that increasingly more attention is being paid to leadership as a field of research and that as organisations evolve rapidly, leadership has to evolve in order to remain effective.

According to Robbins (2000), there are four primary approaches to leadership, namely: trait theory, behavioural theory, contingency theory and neocharismatic theory.

### **2.1.1 Trait theory**

According to Robbins, Odendaal and Roodt (2009), trait theories are theories which identify traits that differentiate leaders from non-leaders. The theory of leadership traits is founded on the assumption that there are six traits that differentiate leaders from non-leaders. They are (1) ambition and energy, (2) the desire to lead, (3) honesty and integrity, (4) self-confidence, (5) intelligence and (6) job relevance knowledge. Robbins et al. (2009) found that certain traits heighten the probability of a person's success as a leader; however, none of the traits guarantee success. Trait theories suggest that leaders are born leaders and that these characteristics are viewed as fixed, inborn and applicable across conditions (Hersey, Blanchard & Johnson, 2001). According to the research findings of these authors, it can be concluded that traits can predict leadership even though the opposite was suggested 20 years ago. It can also be concluded that traits can be used to more effectively predict the emergence of leaders and the manifestation of leadership than to differentiate between effective and ineffective leaders (Robbins & Judge, 2011). Nonetheless, one of the primary criticisms against these theories is that they ignore the effect of the situation on leadership behaviour. Horner (1997) concurs with this view by stating that trait theory ignores situational and environmental factors that play a role in a leader's level of effectiveness.

### **2.1.2 Behavioural theory**

Behavioural theories arose from the 1940s to the 1960s and propose that leaders display specific behaviours which differentiate them from non-leaders (Hersey et al., 2001). Behavioural theorists suggest that it is possible to train individuals as leaders. Various studies contributed to the understanding of behavioural theories, such as the Ohio State studies, the University of Michigan studies and the managerial grid (Robbins et al., 2009). According to Horner (1997), although several behavioural theories were identified and studied, one cannot assume that any one theory is more or less valid or more useful than another.

### **2.1.3 Contingency theory**

Contingency theories recognise that predicting leadership success is more intricate than isolating traits or favourable behaviour (Robbins et al., 2009). Contingency theorists maintain that the type of leadership is determined by the situation. These situations include the degree of structure of the task that is being performed, the quality of leader–member relations, the leaders' position power, subordinates' role clarity, group norms, the availability of information, subordinates' acceptance of leaders' decisions and the maturity of subordinates (Robbins et al., 2009). Various models have contributed to the understanding of contingency theories, such as Fiedler's model (Fiedler, 1967), path-goal theory (House & Mitchell, 1974), Hersey-Blanchard's situational theory (Hersey & Blanchard, 1974, 1993) and the leader–member exchange theory (Robbins et al., 2009). Certain contingency theories (e.g. situational favourability – Fiedler, 1967) are viewed as relatively simplistic in nature, but in general differ from and build on the trait and behaviour theories of leadership (Maslanka, 2002).

### **2.1.4 Neocharismatic theory**

According to Robbins (2000), neocharismatic theories of leadership have three common elements: firstly, they highlight symbolic and emotionally appealing leader behaviours; secondly, they begin to explain how it is possible for some leaders to reach high levels of follower commitment; and thirdly, they place a decreased emphasis on theoretical complexity. The most widely known of these theories are the charismatic, transactional and transformational leadership theories (Robbins et al., 2009).

#### *(1) Charismatic leadership theory*

According to Robbins and Judge (2011), the sociologist Max Weber pioneered discussions in charismatic leadership. However, the first

researcher to research charismatic leadership in the context of organisational behaviour was Robert House, who developed charismatic leadership theory (Robbins & Judge, 2011). This theory suggests that followers make attributions of heroic or extraordinary leadership abilities when they observe certain behaviours. Some examples of individuals who are viewed as charismatic leaders are Nelson Mandela, John F. Kennedy and Martin Luther King Jr. (Robbins et al., 2009).

(2) *Transactional leadership*

Most leadership theories (e.g. the Ohio State studies, Fiedler's model and path-goal theory) are based on transactional leaders (Robbins & Judge, 2011). Transactional leaders motivate their followers to achieve established goals by clarifying their roles and task requirements. According to Ivancevich and Matteson (1999), transactional leadership refers to the exchange role of a leader. The leader assists the follower to identify what must be done to achieve the desired results. In doing this, the leader takes into consideration the person's self-concept and esteem needs. This type of leadership is typified by constructive transaction and management by exception. It has been found that when this type of leadership is used, followers show increased performance and satisfaction; they believe that by accomplishing objectives, desired rewards will be received. However, it has also been found that in transactional leadership there is no differential influence, only a formal influence that is derived from organisational position; there is no trust between individuals, only an agreement; and there is no interpersonal relationship, only a contractual relationship (Trapero & De Lozada, 2010).

(3) *Transformational leadership*

This type of leadership was born as a response to current-day search for meaning and as a result of rapid change. It takes into consideration the characteristics of both leaders and managers; reiterates the vision a leader shares with group members; and highlights the importance of preparing individuals for change (Tappen, 2001). Transformational leadership inspires followers to transcend their own self-interests for the good of the organisation. It inspires or motivates followers; gains commitment from followers; changes the attitudes, beliefs and goals of individuals; changes the norms of the organisation; helps subordinates to feel that they are considered as individuals; assists in creative problem solving; and communicates a new vision of the organisation (Avolio, Bass & Jung, 1999; Landrum, Howell & Paris, 2000).

Transformational leadership is a well-known and widely researched topic in a variety of disciplines (Bass, 1985; Bass & Avolio, 1990b). Much of the research on leadership in the past decade has focused specifically on the theory of transformational leadership, which is viewed as perhaps the most dominant model of effective leadership (House & Shamir, 1993). According to Trapero and De Lozada (2010), the literature on leadership argues for a different type of leadership that can respond to the transition towards more modern organisational models. According to Bass (1985), one type of leadership that responds to a new form of leadership is transformational leadership. This leadership theory is also called “cutting-edge leadership theory” (Robbins, 2005). Today, this type of leadership is receiving increased attention in terms of continuous research and development (Bodla & Nawaz, 2010).

## **2.2. DEFINITION OF TRANSFORMATIONAL LEADERSHIP**

The distinction between transactional leadership and transformational leadership was pioneered by Downton (1973), who accounted for variances among revolutionary, rebellious, reform and ordinary leaders; however, it was Burns (1978) who further explained the distinction between transactional and transformational leaders and coined the term “transformational leadership” to describe the ideal situation between leaders and followers. Unlike transactional leadership, transformational leadership requires the leader to understand and support the needs of his or her followers by searching for higher-order needs and engaging his or her followers as whole individuals (Denhardt & Campbell, 2006). According to Bass (1985), the transactional leader works within the constraints of the organisation, while the transformational leader changes the organisation. Transformational leaders act in a manner that achieves optimum results by using one or more of the following four strategies: idealised influence, inspirational motivation, intellectual stimulation and individualised consideration (Antonakis & House, 2002).

Since Burns developed the terms “transactional leadership” and “transformational leadership”, it will prove useful to explore his definitions. Burns (1978) defined transformational leaders as leaders who influence their followers to strive towards achieving certain goals that represent their values and motivations – the aspirations and expectations of both leaders and followers. Burns (1978) insisted that in order for leaders to have the greatest impact on their followers, they have to motivate their followers to act by appealing to common values and by satisfying the higher-order needs of their followers (such as their aspirations and expectations).

For Burns (1978), transformational leadership translates into morality in that it heightens the level of human conduct and the ethical desire of both the leader and the follower. Denhardt and Campbell (2006) explain that Burns’ view of transformation as ethical and value-based has evolved and that what is now

more readily accepted is Bass's version of transformational leadership. Bass (1985), who formalised the theory of transformational leadership, concurs with the views of Burns by stating that transformational leaders motivate their followers to exceed expectations by increasing their awareness of the importance of goals (which translates into them rising above their own interests for the good of the group and the organisation) and appealing to their higher-order needs. Bass (1985) also uses the terms "transformational leadership" and "transactional leadership", but his theory differs from Burns in various ways (Bass, 1985; Bass & Steidlmeier, 1999). Unlike Burns, Bass does not view transformational and transactional leadership as two separate ends of a spectrum. Rather, Bass's view is that the two approaches are independent and complementary (Alimo-Metcalf & Alban-Metcalf, 2001).

Various other definitions of transformational leadership exist, which complement each other. Bennis and Nanus (as cited in Pawar & Eastman, 1997) state that transformational leadership occurs when leaders and followers inspire each other to reach an elevated level of motivation. Bass (1990b) concurs with this view by defining transformational leadership as superior leadership behaviour that occurs when leaders broaden and raise the interests of their subordinates, when they create awareness and acceptance of the mission of the group, and when they encourage their subordinates to put their own self-interests aside for the benefit of the group.

For the purposes of this study, transformational leadership is defined as the leadership style of leaders or managers who encourage individual team members to exceed expectations by inspiring them to reach higher levels of motivation.

## **2.3 DIMENSIONS OF TRANSFORMATIONAL LEADERSHIP**

Based on the above definition of transformational leadership, the following dimensions of this type of leadership can be identified.

### **2.3.1 Idealised influence**

Idealised influence, which can be divided into idealised influence attributes and idealised influence behaviour, is characterised by leaders being role models to their followers (Bass & Avolio, 1997). It is generally defined in terms of subordinates' reactions to their leader and the leader's behaviour. According to Bass and Avolio (1997), an example of an attribution item is: "The leader reassures others that challenges will be overcome." An example of a behavioural item is: "The leader emphasises the importance of having a shared sense of mission."

Leaders who possess idealised influence (attributes and behaviour) display determination in their pursuit of objectives, show high standards of moral and ethical conduct, sacrifice self-gain for the good of others, and share the success and attention they receive (Antonakis & House, 2002). In turn, these leaders are respected and trusted, and their followers aspire to imitate them. This is the emotional component of leadership (Antonakis & House, 2002). Followers invest a great deal of trust and confidence in such leaders. Leaders who have these characteristics positively stimulate and inspire others with whom they work and create a vision of what can be achieved with increased personal effort (Bass & Avolio, 1997).

### **2.3.2 Inspirational motivation**

Inspirational motivation paints a picture of the future that is optimistic and achievable (Bass, 1988). It refers to leaders who inspire and motivate their followers to attain ambitious goals that previously might have seemed impossible

to reach by elevating their followers' expectations and instilling in them confidence that they can reach the ambitious goals, thereby creating a self-fulfilling prophecy (Antonakis & House, 2002; Bass, 1997). Inspirational leaders lead their followers towards achieving shared goals and a mutual understanding of what is correct and critical. They present visions of what is achievable and provide means of attaining it (Bass & Avolio, 1997). They heighten meaning and encourage positive expectations (Bass, 1988).

### **2.3.3 Intellectual stimulation**

The third dimension of transformational leadership (intellectual stimulation) depicts leadership actions that encourage followers to use their imagination and to question the status quo (Bass & Avolio, 1997). The leader provides ideas, questions assumptions and encourages his or her followers to do the same. These leaders encourage innovation and creativity in problem solving (Antonakis & House, 2002). Their followers are encouraged to question their own beliefs, assumptions and values and (when required) those of the leader, which may be outdated or not appropriate for solving existing problems. As a result, their followers develop the ability to solve future problems that may not be anticipated by the leader (Bass & Avolio, 1997). Leaders become intellectually stimulating to the point that they can distinguish, understand, conceptualise and express to their followers the threats and opportunities that the organisation faces, as well as the strengths and weaknesses of, and the relative advantages for, the organisation (Bass & Avolio, 1997).

### **2.3.4 Individualised consideration**

The fourth and final dimension of transformational leadership (individualised consideration) refers to leaders giving personal attention to each individual's needs for achievement and growth by performing the role of coach or mentor (Bass & Avolio, 1997). The followers of these leaders are developed to reach higher levels of performance. Examples of this include novel learning

opportunities that are created together with a supportive climate, individual differences in terms of needs and aspirations are acknowledged and accepted, two-way communication between the leader and the follower is encouraged, and interactions with followers are personalised (Bass & Avolio, 1994). A leader who effectively practices individualised consideration listens effectively. Tasks are delegated as a way to develop followers and are monitored by the leader in a non-threatening way (Bass & Avolio, 1994). In addition to this, individualised consideration is represented by leaders who not only recognise and satisfy their followers' current needs, but expand and heighten those needs in an effort to maximise and develop the full potential of their followers (Bass & Avolio, 1997).

According to Denhardt and Campbell (2006), transformational leadership results in a relationship of mutual stimulation and elevation that changes followers into leaders and can alter leaders to become moral agents. It is important to note that transformational leadership does not replace transactional leadership; it augments transactional leadership in achieving the objectives of the leader, the group and ultimately the organisation (Waldman & Bass, 1986; Howell & Avolio, 1993). Transformational leaders may be transactional when required, although it should be highlighted that transactional leadership is often recommended for lower levels of performance or non-significant change – as was proven through numerous surveys of industrial, military, governmental and religious leaders (Bass & Avolio, 1993).

It seems that transformational leadership, and its dimensions, is viewed as the most effective type of leadership in organisations today. Transformational leadership requires leaders to appeal to followers' common values; these leaders must attempt to fulfil the higher-order needs of their followers and must guide them to increased levels of motivation. Transactional leadership, which is on the opposite end of the continuum, is viewed as an exchange process of task accomplishment for rewards between leaders and followers. One can deduce from this that transactional leadership and transformational leadership do not

exist in isolation from one another. They are both on opposite ends of a leadership continuum, and one augments the other. It is also important to note that the levels of transformational leadership that are required might differ depending on the followers as individuals.

## **2.4 IMPORTANCE OF TRANSFORMATIONAL LEADERSHIP**

According to Anderson (1992), transformational leadership means the exertion of a transforming and developmental impact on individuals, groups and organisations with the desired outcome being the enhancement of quality of life and the effectiveness of one's own and others' performance in various environments. Therefore, leadership plays a very important role on all three levels of organisational behaviour: organisational level, group level and individual level. The role of transformational leadership on these levels is discussed below.

### **2.4.1 Organisational level**

Whether it is political, economic or social, superior leadership has been proven to be critical to the growth and well-being of an organisation (Bennis & Nanus, 1985; Burns, 1978; Gardner, 1990). The power of good leadership leads to the establishment of organisational missions, the attainment of goals, addressing problems through innovation and creativity, reaching decisions, the execution of tasks, the development of trust and cooperation, forging close relationships, and the growth and development of individuals (Fairholm, 1991; Greenleaf, 1998; Robbins & Judge, 2011).

### **2.4.2 Group level**

As teams become more prominent in the work environment, the role of the leader in supporting and guiding team members becomes more critical (Robbins & Judge, 2011). According to Robbins et al. (2009), the challenge for most

managers is to learn how to become an effective team leader. They have to develop skills such as patience in sharing information, learning to trust others, giving up authority and learning the art of knowing when to intervene. Robbins and Judge (2011) explain that team leaders have four main priorities, namely: liaising with external constituencies, troubleshooting, managing conflict and coaching.

### **2.4.3 Individual level**

Redmond, Mumford and Teach (1993) point out that leadership defines goals, controls critical resources and provides rewards through an interactive leadership process. In other words, leaders create an environment in which followers can engage in creative efforts to accomplish their goals. Kinsman (1986) aptly states that instead of being addicted to power and control in management, future leaders should empower individuals to be their own leaders. Adams and Spencer (1986) echo the definitions that are set out above by saying that leadership entails focusing on a vision and inspiring individuals to work towards this vision in ways that positively impact their own sense of purpose while upholding a commitment to integrity and truth. This means that leadership should not only result in a positive impact on individuals, but also includes empowering individuals.

Leadership is a critical element in the success of an organisation. Dynamic and effective leadership involves creating and following a vision and plan of action, guaranteeing that organisations are focused on the client, and establishing an environment that is conducive to employees optimising productivity and innovation (Bemowski, 1996).

According to Conger (1992), there is a lack of leadership in many organisations. The ability and will to lead are often non-existent due to a lack of opportunity and investment in the process. Instead of unleashing, harnessing and motivating

latent leadership abilities, many organisations discourage leadership skills in order to preserve the status quo. These organisations bear the cost of lost leadership and ultimately organisational effectiveness.

Leadership does not only involve a leader, but embraces the empowerment of followers – and empowered followers ultimately optimise productivity. The market place is changing and the ripple effect of this is felt throughout organisations. As a result, increased attention and resources are being invested in the leadership arena.

Transformational leadership is becoming increasingly important and more apparent at all levels of organisations. Because of this, leaders should learn how to empower individuals in order to have empowered teams, which will result in increased productivity for the organisation.

## **2.5 CRITIQUE OF TRANSFORMATIONAL LEADERSHIP**

Although transformational leadership is viewed in a positive light and has been supported in research, it does have a dimension that can be experienced negatively by followers if it is exploited. According to Bass and Steidlmeier (1999), transformational leadership has a potentially immoral and unethical dimension that can be exploited by an unprincipled leader and inflicted on naive and unsuspecting followers. Gini (1995) concurs with this view by stating that the ethics of transformational leadership are questionable. Hitler may be used as an example of transformational leadership gone wrong. He appealed to the values of the German race but instead of fulfilling his followers' needs and ambitions, he led them to destruction. He was a powerful charismatic leader who sought his own fulfilment through the abuse of power.

Bass and Steidlmeier (1999) argue that transformational leadership can be viewed as immoral in the sense that it allows individuals to sacrifice their own life

plans for the sake of the organisation's needs. Burns (1978) also pointed out that transformational leadership has a moral slant since it raises the level of human conduct and ethical ambitions of both the leader and the follower, and therefore has a transforming impact on both these aspects.

According to Avolio and Bass (1990), transformational leadership tends to be most effective, followed by constructive transaction, active management by exception, passive management by exception and laissez-faire leadership.

A study that was conducted by Yammarino and Bass (1990) indicated that there may be optimum levels of transformational leadership for individual followers. Some followers may require higher levels of transformational behaviours from a leader than others. These researchers (Yammarino and Bass, 1990) found that in comparison with transactional leadership, transformational leadership is increasingly being associated with follower effort and satisfaction and also perceived leader effectiveness. Furthermore, leadership that is individually considerate, intellectually stimulating, and brings about confidence and inspiration in the follower, can result in even greater outcomes. Transformational leadership affects vital follower attitudes and work-related outcomes such as trust in management (Jung & Avolio, 2000; Pillai, Schriesheim & Williams, 1999), organisational commitment (Barling, Weber & Kelloway, 1996), satisfaction with leadership (Hater & Bass, 1988), work performance (Barling et al., 1996) and combined business unit performance (Howell & Avolio, 1993).

As is the case with many other theories, transformational leadership has a negative side. However, it can be argued that with high moral values and ethics being important for both the leader and the follower, the dark side of transformational leadership is diminished and its positive attributes are highlighted. It is important to note that if any element or theory is put into practice in an exploitative or unethical manner, it can yield negative results. Although this

negative dimension of transformational leadership should not be ignored, every attempt should be made to minimise or eliminate such a result.

Even though transformational leadership can be viewed as a double-edged sword, the focus on the study of transformational leadership is still important and holds definite benefits for the organisation and for individuals within the organisation. Transformational leadership has an influence on followers' values and attitudes. This influence empowers them to aid organisational transformation (Yukl, 1989; Fairholm, 1994). Fairholm (1994:3) states: "It is the cumulative result of individuals who change in conformance to a shared vision and shared values that changes the organisation for the better."

In the South African context, countless institutions have had to rethink their manner of operating and their philosophy as a result of the abolition of apartheid. The police force must now operate as a service of law enforcement; managers must be able to develop varied groups; agencies must equip themselves to deal with diverse groups from even more diverse backgrounds; and leaders in the business environment must attempt to find ways to develop a multitude of employees who have been disadvantaged for hundreds of years (Bass & Avolio, 1997).

In order to achieve this magnitude of change, a new paradigm in leadership is required where the focus can shift from the norm of quantity to that of quality and speed (Bass & Avolio, 1997). Only by doing this will both profit and non-profit organisations remain competitive players in the arenas in which they operate (Drucker, 1993).

The changing organisational platform requires a new and dynamic type of leadership across the globe. Evolving South African organisations require a novel manner of leading their employees – individuals who are diverse in every aspect of the word. In addition to this, research evidence in various countries show that

transformational leadership is indeed the superior and most preferred manner of leading organisations today.

## **2.6 SUMMARY**

This chapter focused on transformational leadership. It explored approaches to leadership and the role of leadership, and focussed specifically on transformational leadership (which is the type of leadership that is explored for the purposes of this study) in terms of its definition and dimensions. Criticism against this type of leadership was also explored.

## **CHAPTER 3**

### **ORGANISATIONAL CREATIVITY**

This chapter focuses on organisational creativity as a component of organisational culture. It explores approaches to creativity and then focuses specifically on the definitions of creativity. The dimensions of creativity, its role, a critique of creativity, and the theoretical integration of transformational leadership and organisational creativity are explored.

#### **3.1 APPROACHES TO CREATIVITY**

According to Amabile (1982), research on creativity has focussed on individual and intra-individual factors; according to Ford (1996), research in other fields (specifically sociology) has centred around macro issues concerning the influence of the environment on creativity. Pirola-Merlo and Mann (2004) state that while research on creativity from either a macro or a micro perspective has made considerable progress, both approaches seem to function in isolation of each other. However, in recent years significant advances have been made in linking the macro and micro levels (i.e. the work environment and intra-individual elements).

One theory that links environmental factors to intra-individual factors is Amabile's (1988, 1997) componential model of organisational innovation. This model identifies three intra-individual factors which are vital to creativity (domain-relevant knowledge, creativity-relevant skills and motivation) and three characteristics of the work environment in an organisation that impact individual creativity (organisational motivation to innovate, resources and management practices).

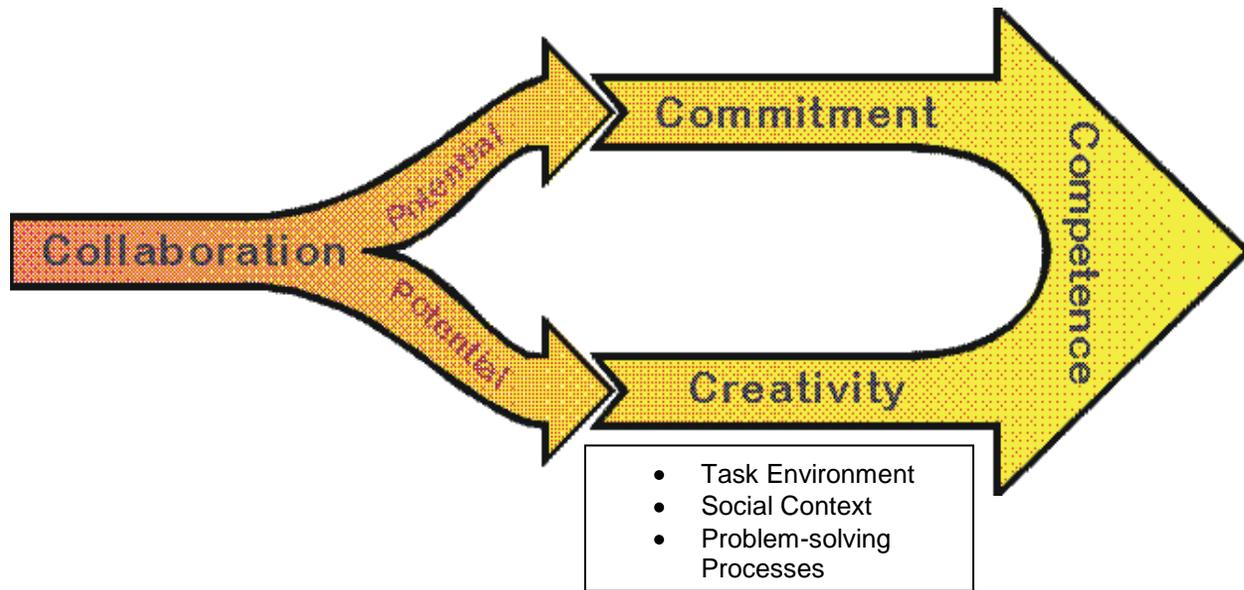
A second theory that links the work environment with intra-individual factors to explain creativity is Ford's (1996) theory of creative individual action. This theory

describes three individual characteristics that relate to the elements of Amabile's (1988, 1997) model, namely: sense making, motivation, and knowledge and ability. These elements work together with the individual's context to determine the extent of the creative actions the individual undertakes.

Another theory of creativity that is relevant to this study is West's (1990) model of team climate for innovation. West (1990) describes four team climate factors that are vital to innovation, namely: vision, participative safety, task orientation and support for innovation. All four factors have been found to predict creative performance in a variety of studies (Agrell & Gustafson, 1994; Bain, Mann & Pirola-Merlo, 2001; Burningham & West, 1995).

Finally, creativity is also viewed as a component of the competency model as described by Hall (1996) (refer to chapter 1 of this dissertation). Collaboration is viewed as the trigger of the competence process and commitment mobilises the process by providing the energy; however, it is with the creativity dimension that the competence process merges. Organisational competence requires creative problem solving (Hall, 1996). It is in the creativity dimension, that the conditions for collaboration and commitment are executed. Leaders require creative people and they are found in organisations. The question that arises is whether or not leaders encourage the expression of creativity. As shown in figure 6 below, the conditions that support the creativity dimension are the work process, the social process and the problem-solving process (Hall, 1996).

Figure 3: Conditions for creativity (Hall, 1996)



The first condition for creativity is the task environment. It is accepted that employees will not be able to unleash their creative potential if their work is unstructured, objectives are not defined and priorities are not set (i.e. the task environment is not set) (Hall, 1996). The task environment can either encourage creativity or it can stifle it completely. Leaders can stifle creativity by standardising work, exercising rigid control over the key resources for a task, punishing deviations from approved procedures and highlighting conformity as a work objective. Therefore, in order for leaders to encourage and unleash creativity that is specific to the task environment, it is critical that they assure people of their creative capabilities by supporting reliance on individual standards, allocating resources without being prompted to do so, experimenting and rewarding innovation (Hall, 1996).

The social context, which is the second condition for creativity, is defined as the manner in which employees can relate to each other while doing their work; it has a direct impact on productivity. The social context determines whether work will be socially stimulating (Hall, 1996). This condition requires thoughtful and careful management in support of creativity. Leaders must realise that people

have a need to interact with each other in the workplace in order to exchange ideas, share work experiences and simply talk about any area of interest during the course of their work. Leaders should be sensitive to these moments and should encourage and provide for these situations. It is during these moments that employees are most creative and problems get solved (Hall, 1996).

The third condition for creativity is the problem-solving process. The way in which employees approach problem-solving tasks together is another element of competence. The task environment can be managed and the social context can be inspiring, but unless the problem-solving processes are done in a creative manner, innovation will not be present in finding solutions (Hall, 1996). As a result, this process can either hamper creativity or encourage it, which will result in originality and innovative solutions. Managers must have an appreciation for the critical nature of problem-solving processes to the creativity condition and should monitor, teach, initiate and allow for the use of competent processes (Hall, 1996).

In order for creativity to arise and to be realised, problem-solving processes must be managed in a way that encourages employees to use their imagination, conflict must be viewed and managed as a much needed precondition for creativity, common problems must be managed for common acceptance and the rewards for attempting should outweigh the costs of failing (Hall, 1996). The leader is key in facilitating an environment that is conducive to creativity.

From the abovementioned, it can be said that various approaches to creativity exist and that current research includes both the macro and micro elements of creativity. For the purposes of this study, creativity as a component of the competence model will be investigated as a result of its relationship with leadership. According to Hall (1996), this approach is defined through collaboration, commitment and creativity, and is characterised by the fact that leadership should allow for the release of competence and the realisation of

potential (which translates to the organisation having the ability to respond to environmental demands).

### **3.2 DEFINITION OF CREATIVITY**

A variety of research has been done on the concept of creativity (Getzels, 1964; Greeno, 1978; Sternberg, 1999). According to Chand and Runco (1992), most contemporary views on creativity infer that creative performance requires problem finding, divergent thinking and the evaluation of possible solutions. Couger (1995:113) defines divergent thinking as thinking in various ways or searching for different answers to a question that can have many correct answers. Couger (1995:113) views evaluation as making decisions about the accuracy, quality or suitability of information. Ansborg and Hill (2002) build on these definitions and state that creativity involves linking ideas that can be viewed as being unrelated. Therefore, it can be assumed that the creative thinker must focus on factors that are relevant to the current problem, while still attending to apparently irrelevant information that might prove insightful.

According to Amabile (1996), creativity entails combining previously unrelated elements into something new or borrowing ideas, insights or actions from one context and adapting them for another context. Amabile (1998) explains that creative thinking includes the manner in which individuals approach existing problems and find solutions to them. One can therefore infer that creativity is the result of an individual's creative thinking skills and knowledge that is founded on previous experience.

Mumford and Gustafson (1988) say that creativity necessitates seeing things from various perspectives; finding new solutions to old problems; and combining previously unrelated processes, products or materials into something new and more effective than before. Creativity necessitates that teams are willing to move away from traditional means of doing things, challenge the status quo, put in

effort to generate new and useful ideas, coordinate and assist each other, and – most importantly – persist when challenges arise (Amabile, 1988; Zhou & George, 2001).

Sternberg (1999:450) states that two prominent characteristics of creativity are originality and usefulness. Tomas (1999) concurs with this view by stating that creativity entails the generation of original ideas. However, Shalley and Perry-Smith (2001) argue that besides originality, appropriateness is critical so that creative ideas can be separated from farfetched ideas that might be unrealistic to implement. Kao (1991) suggests that creativity can be defined as a personal process which results in outcomes that are novel, useful and understandable.

As stated previously, according to Hall (1996), creativity is part of the competence process. The primary argument of the competence process in understanding organisational culture is that individuals are capable of accomplishing what has to be accomplished and that they strive to be competent. They need to do their best and in demonstrating their capacity to do well, they realise their potential. A leader therefore acts as a catalyst for creating a favourable work environment that permits the expression of capability and potential. This is achieved through managing conditions for collaboration and commitment, which ultimately culminates in creativity.

The abovementioned definitions imply that what one does is creative if it is new, different, helpful and understandable. For the purpose of this study, creativity is defined as the identification of problems and finding new and different solutions to the problems by questioning norms in order to achieve innovative and useful outcomes.

### **3.3 DIMENSIONS OF CREATIVITY**

Organisational competence theory, also called the competence process by Hall (1996), is used for the purposes of this study. The primary argument of the competence process and the conditions for/dimensions of creativity were discussed in section 3.1 above.

The basic premise of the competence process is that creativity and commitment define the competent response. Collaboration is regarded as the source from which the potential for commitment and creativity flow. For the purposes of this study, creativity is explored as a component of organisational culture.

### **3.4 IMPORTANCE OF CREATIVITY**

Similar to leadership, creativity can be viewed at various levels, namely the organisational, team and individual levels.

#### **3.4.1 Organisational creativity**

Ever-increasing competition necessitates organisations to continuously reinvent themselves. Ray (1987) states that there is an immense focus on structural solutions to ensure organisational creativity, innovation and efficiency. In a similar vein, Handzic and Chaimungkalanont (2004) state that organisations are compelled to go further than acquiring, gathering and using current knowledge; they also have to focus on new knowledge creation for innovation because creativity and innovation are viewed as the primary enablers of long-term organisational economic success. These authors argue that by driving creativity and modifying personal creativity into organisational creativity, organisations will secure their long-term business success. According to Nonaka, Toyama and Konno (2000), generating novel ideas is imperative for the survival of organisations in an ever-changing global context. Within this environment,

creativity is viewed as a replacement of customary practices to enhance organisational efficiency.

In addition, it is believed that creativity paves the way for innovation; it is increasingly viewed as the primary element which will set apart organisations that will survive into the 21<sup>st</sup> century (Koehler, 1989). According to Basadur, Pringle and Kirkland (2002), creativity can be developed, enhanced and managed by organisations. Research has found that organisational elements such as job complexity and supervision style aid creative performance (Amabile, 1988). Mott (1972) suggests that effective organisations are both efficient and creative and that the results of enhancing creativity can be seen in terms of new products and processes, increased efficiency, higher levels of motivation, job satisfaction, teamwork and strategic thinking across the organisation.

In a study that was conducted by Awamleh (1994) on managerial creativity in terms of gender, age, education, organisational level and length of service, it was found that the most critical barriers to creativity are those that are linked to organisational culture. This means that an organisation's culture can enhance or hinder its creativity.

Creativity should be applied in all organisational procedures because it plays a significant role in overcoming challenges that can prevent the accomplishment of individual, team and organisational goals (Koehler, 1989). According to Ray (1987), creativity can flourish at all organisational levels and can be seen in all stages of business; personal creativity leads to organisational creativity.

### **3.4.2 Team creativity**

Although creativity is considered an organisational characteristic, it can also be viewed as a team characteristic. Many organisations have increased their focus towards team-based work processes to heighten their responsiveness and their

ability to promote innovation (Mohrman, Cohen & Mohrman, 1995). According to Pirola-Merlo and Mann (2004), organisations should not only be concerned with promoting creativity among individual employees, but also with developing creative teams. In a study on Swedish engineers that was conducted by Ekvall (2000), it was found that project teamwork and creative methods support creativity.

According to Shalley et al. (2004) and Amabile (1996), team creativity is defined as the production of new and useful ideas about products, services, processes and procedures by a team of employees. According to Pirola-Merlo and Mann (2004), creativity can occur as team members interact with each other by sharing, building on and filtering ideas together.

Pirola-Merlo and Mann (2004) also say that group interaction can have an effect on individual creativity and that there is a relationship between individual/personal creativity and group creativity. On the one hand, team creativity can be viewed as an added task where each individual's creativity adds to the creativity of the group (Pirola-Merlo & Mann, 2004) and on the other hand, team creativity can be seen as a disjunctive task where the most creative ideas (which can stem from individual creativity) are accepted by the team and determine the team's creativity (Steiner, 1972). Taggar (2002) says that individual creativity can provide the building blocks of novel and useful ideas, but the interaction of team members and team processes play a vital role in determining how these building blocks are developed into team creativity.

It can therefore be said that there is a definite relationship between individual creativity and team creativity. While team creativity might not necessarily be completely dependent on individual creativity, individual creativity can play a crucial role in team creativity.

### 3.4.3 Individual creativity

Rubin (1968) observes that because everyone has the potential to be creative, most individuals have more creativity than they use. He says further that varying situations unleash creativity in different individuals. An overview of the literature suggests that a set of personal characteristics exists that are linked to creative achievement (Barron & Harrington, 1981; Davis, 1989). These personal characteristics range from biographical elements to assessments of cognitive styles and intelligence (Amabile, 1983; Barron & Harrington, 1981; Davis, 1989). Thus research has shown that a core set of personal characteristics (including wide interests, attraction to complex tasks, intuition, tolerance of ambiguity and self-confidence) correlate positively with measures of creativity.

According to Ray (1987), individuals have to develop their own vision and creativity before they are able to align themselves with the organisation's vision. He explains that creativity is vital to well-being and effectiveness in any career; creativity resounds through all individuals, although it is often repressed due to obstacles such as fear and judgement. However, despite these obstacles, individual creativity can be unleashed by allowing it to be steadily experienced. According to Amabile (1997), employees who share a common vision and show empathy towards each other are usually intrinsically motivated and have a passion for what they do. These employees ultimately display more creativity.

Jung (2001) states that an individual cannot achieve a high level of creativity if he or she lacks the motivation to use his or her creative ability. Certain individual characteristics enhance levels of creativity for the individual, the team and ultimately for the organisation, including the level of comfort to disagree and the ability to think and speak objectively (Amabile, 1998).

Creativity on an individual level is critical for organisations to be effective (Amabile, 1988; Oldham & Cummings, 1996). Herbig and Jacobs (1996) are of

the opinion that creativity is possibly the most important instrument that a manager possesses because it can lead to the enhancement of business and customer goals. Creativity can therefore be pivotal in ensuring market success and process efficiency.

We can deduce from the above that creativity is vital to the longevity of organisations, it should span all aspects of an organisation and it is linked to organisational culture. Creativity is innate (a characteristic that is within every individual) and certain conditions or situations allow for creativity and its potential to be realised. As a result, it can be regarded as an organisational, team and individual characteristic.

### **3.5 CRITIQUE OF ORGANISATIONAL CREATIVITY**

Creativity in teams imposes conflicting demands on a team (Shin & Zhou, 2007). On the one hand, it requires accessibility to a variety of perspectives and information; on the other, it requires that team members share the information and perspectives they already possess in order to provide each other with intellectual stimulation and to cooperate with each other to find new and more effective ideas (Shin & Zhou, 2007). Koehler (1989) argues that creativity involves risk taking. However, many individuals are hesitant to take risks, the status quo is preferred and risk taking is viewed as synonymous with making mistakes, being seen as foolish and looked down upon for being different.

Koehler (1989) points out that leaders are human, with certain habits or set ways of doing things; if they create an environment for their teams in which novel ideas are regarded as a threat or innovation is not rewarded, their creativity will be stifled. Koehler (1989) states that leaders must create a context in which creativity can emerge and develop in order to ensure the organisation's survival and advancement.

According to Magyari-Beck (1994), creativity lacks a concrete scientific grounding for assessment methods, specifically the consensual assessment approach to creativity which is supported by Amabile (1982) and is suggested as being subjective. Amabile (1994) argues that the consensual assessment approach is reliable and looks at the subjective views of experts, which can change over time. Isaksen (1995) supports this view by stating that although the theoretical basis of the approach remains unstable, 50 years of testing has shown that it has immense potential for enabling us to understand creativity. Handzic and Chaimungkalanont (2004) concur with the view of Magyari-Beck (1994) by stating that one of the challenges of creativity is the difficulty of measuring it.

Nakamura (2000) states that while creativity appears to be unreservedly advantageous, this is not always the case. One of the reasons for this is that creativity can place existing products (and processes) at risk. Some efforts will fail and give way too little, while other efforts that result in successful new products may be rewarded in abundance. Nakamura (2000) also states that even though successful new products may lead to great returns, organisations and employees whose products are replaced by the successful new products are inevitably harmed. The imbalance of rewards lends itself to the belief that an economy which spends much of its resources on creative efforts might have greater inequality than one that is less creative. The rewards of creativity go to those who are the fastest; long hours are frequently related to creative endeavours, and it involves risk and change (Nakamura, 2000).

It can therefore be said that while creativity can be viewed as a positive attribute of organisations today, the idea of creativity (as argued above) does not go unquestioned. The researcher is of the opinion that the value of organisational creativity outweighs critique thereof and that this study can contribute positively to the lack of research on creativity in teams and on the relationship between leadership and creativity.

### **3.6 THEORETICAL INTEGRATION OF TRANSFORMATIONAL LEADERSHIP AND ORGANISATIONAL CREATIVITY**

According to Cameron and Quinn (1999) leadership is a critical factor in understanding the culture of an organisation. As a result, depending on the organisation's culture, a specific leadership style may prevail which should be aligned to the culture of the organisation in order to ensure harmony (Cameron & Quinn, 1999). In terms of the competence process (Hall, 1996) that was discussed in chapter1 of this dissertation, creativity is an integral part of an organisation's culture. It can therefore be said that creativity and leadership style are related.

As was pointed out in section 3.1 above, collaboration is regarded as the trigger of the competence process and commitment mobilises the process by providing the energy; however, it is with the creativity dimension that the competence process merges. Organisational competence requires creative problem solving (Hall, 1996) and it is in the creativity dimension, that the conditions for collaboration and commitment are executed. Leaders require creative people and creative people are found in organisations.

An overview of the literature revealed that leadership can have a strong, definite effect on the processes and outcomes of organisational creativity (Mumford, Scott, Gaddis & Strange, 2002). Furthermore, transformational leadership may be specifically pertinent to organisational creativity (Bass, 1985; Shamir, 1990; Sosik, Avolio & Kahai, 1997). Bryman (1996) and Rickards and Clark (2005) explain that there has been a shift from leadership behaviours to the leadership process, specifically to transformational leadership. According to Bass (1999), transformational leadership is a means of providing an empowering environment where independence, job satisfaction and commitment thrive under challenging and inspiring work conditions. Rickards, Chen and Moger (2001) point out that

this is paving the way for consideration of the link between leadership and creative team performance.

Leaders play a critical role in teams because they identify the goals of their teams and facilitate the process by supporting their followers to realise their potential while working together to achieve the goals (Bass, 1990a). According to Judge and Bono (2000), in theory transformational leadership increases team productivity since it increases team identification and motivation by elevating the accomplishment of team goals, communicating the vision and emphasising collective outcomes (Bass, 1985; Shamir, House, & Arthur, 1993). In addition, transformational leadership encourages team members to find new perspectives on problem solving and provides individualised consideration (Bass, 1985). As a result, transformational leadership seems to be appropriate for managing teams and striving for creativity since the transformational leader is pivotal in facilitating a creative approach to problem solving.

Inspirational motivation, idealised influence, intellectual stimulation and individualised consideration are elements of transformational leadership (Bass, 1985). Transformational leaders offer inspirational motivation and apply idealised influence by expressing a compelling vision and acting as role models to mobilise their teams and to motivate team members to achieve higher levels of performance (Bass, 1985). By highlighting the value of working together as a team, transformational leaders heighten their team members' awareness of task interdependence and the value of common goals (Shamir, 1990); by demonstrating idealised behaviours, they instil in team members the conviction that their affiliation with the team will increase their social identity. Therefore, members are more likely to identify with their team (Van Knippenberg, 1999). Teams that are led by transformational leaders are more likely to focus on common goals and leverage differences to accomplish their goals instead of allowing differences to negatively impact how they work together in teams (Shin & Zhou, 2007). As a result, leaders' inspirational motivation and idealised

influence increase team identification, which in turn allows them to work optimally and facilitates creativity.

Furthermore, by assisting teams to harness their differences more effectively, transformational leaders can increase their teams' creativity-related processes. Leaders who are intellectually stimulating guide their teams' awareness towards discovering new and improved methods and investigating and testing new techniques (Bass & Avolio, 1990a; Shin & Zhou, 2003). This can encourage team members to invent creative ideas and can lead to them valuing varying perspectives. Therefore, intellectual stimulation enables team members to work together more effectively by listening to varying perspectives and merging different ideas together to find a novel and useful outcome.

Lastly, individualised consideration ensures that individual needs and wants are taken into consideration, individuality and diverse opinions are valued, and individual expression is supported (Bass, 1985). Transformational leaders encourage their teams to be creative in exploring ideas without the fear of them being punished. In assisting team members to develop their capabilities and to value individuality, transformational leaders support individual team members so that they can share diverse points of view and develop capabilities as a team – which facilitates greater team creativity (Shin & Zhou, 2007). In addition to this, the four I's of transformational leadership seems to guide the teams' attention towards thinking broadly and being creative (Bass & Avolio, 1990a; Shin & Zhou, 2003).

A study that was conducted by Al-Beraidi and Rickards (2003) in Saudi Arabia found that the creative performance of teams can be enhanced by leadership involvement and that transformational leadership was optimal for encouraging innovative behaviours. Another study that was conducted by Abu-Taieh (2003) found a significant correlation between leadership and innovative behaviour.

Although it is argued in the literature that transformational leaders motivate their followers to follow creative approaches rather than traditional ones in solving problems (Avolio & Bass, 1988; Bass, 1985; Howell & Avolio, 1993), there has been very little empirical evidence to support this. Jung (2001) is of the opinion that investigating the role of transformational leadership in creativity could prove useful in determining the role of leaders in group contexts. Although there have been few studies on leadership and creativity, most of the studies that were conducted found that specific leader behaviours have an influence on creativity in teams, for example democratic, considerate and participative leader behaviours were positively related to follower creativity (Hage & Dewar, 1973. Maier, 1970). A more recent study found that leader behaviour such as constructive problem solving and team self-efficacy led to higher subordinate creativity (Redmond et al., 1993). In addition, in their study Sosik, Kahai and Avolio (1998) found a positive correlation between transformational leadership and group creativity in an electronic group meeting context. Finally, Van der Colff (2002) states that leaders in the 21<sup>st</sup> century are required to involve employees in decision making (collaboration); they have to believe that employees will rise to the occasion (commitment) and have to give employees the freedom to find novel ways of working (creativity).

Although studies that focus on the relationship between transformational leadership and organisational creativity are few, it is very clear that there is a definite need for transformational leadership to facilitate innovative thinking, or creativity, so that organisations can maintain a sustainable competitive advantage in the future (Schuitema, 2001; Davidson, 2002).

The literature therefore suggests that a positive relationship exists between transformational leadership and organisational creativity; however, studies that allude to this relationship are few and far between. The researcher believes that in order for organisations to survive the challenges of the 21<sup>st</sup> century, it is critical to conduct this research.

### **3.7 RESEARCH HYPOTHESES**

Based on the discussion in the previous section, the following research hypotheses are formulated:

- 1) H0: There is no relationship between transformational leadership and organisational creativity.
- 2) H1: There is a relationship between transformational leadership and organisational creativity.
- 3) H0: There is no relationship between the self-ratings and rater ratings.
- 4) H1: There is a relationship between the self-ratings and rater ratings.

### **3.8 SUMMARY**

In this chapter organisational creativity was discussed. The chapter explored the approaches to creativity and focussed on the definitions of creativity. The dimensions and role of creativity were examined, a critique of creativity was given, and the theoretical integration between transformational leadership and organisational creativity was explored. This enabled the researcher to theoretically determine the characteristics of organisational creativity, and the relationship between transformational leadership and organisational creativity. The remaining specific aims of the literature review have therefore been achieved.

## **CHAPTER 4**

### **EMPIRICAL STUDY**

This chapter focuses on the empirical part of this study. It explains the population and the sample, the identification of and motivation for the psychometric instruments, and the data collection and data analysis.

#### **4.1 POPULATION AND SAMPLE**

The empirical study was conducted at a division of a multinational organisation in the agricultural sector. The company, which produces leading seed brands for large-acre crops (such as corn, cotton and oilseeds) and small-acre crops (such as vegetables), had 286 employees. The main focus of the company is to assist farmers to get a more sustainable yield by producing more while also conserving more through biotechnology.

The 286 employees of the company served as the population for the study and a purposive sample of 12 senior managers and 22 middle managers were selected. The sample of their subordinates consisted of 58 employees who reported directly to senior management and 88 employees who reported directly to middle management. A purposive sampling technique was used so that careful selection of managers (senior and middle) with more than one direct reportee was achieved. The minimum requirement for employment at the company was a matriculation qualification. Since business was conducted in English, it was assumed that the employees were able to understand English and complete the questionnaire in English.

## **4.2 MEASURING INSTRUMENTS**

Both the psychometric instruments that were used in the research are discussed in terms of the justification for their inclusion in this study and their aim and rationale, administration, interpretation, validity and reliability. The measuring instruments that were used were the multifactor leadership questionnaire (MLQ) and the organisational culture analysis (OCA).

### **4.2.1 Multifactor leadership questionnaire (MLQ)**

Transformational leadership was measured by means of the MLQ, which was developed by Bass and Avolio (1985).

#### ***Justification for inclusion***

Various measures that assess transformational leadership exist, namely the Conger-Kanungo scale, the leadership practices inventory (LPI), the global transformational leadership scale (GTL) and the MLQ.

Conger and Kanungo (1994) developed and tested a 25-item questionnaire that included six behavioural dimensions of charismatic leadership, namely: environmental sensitivity; sensitivity to members' needs; does not maintain the status quo; vision and articulation; personal risk; and unconventional behaviour. Conger, Kanungo, Menon and Mathur (1997) performed a principle component analysis with varimax rotation on the 25 items of the scale, which revealed firm psychometric properties of the assessment with sufficient reliability, convergent and discriminant validity coefficients and a sound six-factor structure; however, specific problems still remained unaddressed, namely dimensionality parsimony, scale conciseness and the validation process.

In addition to the Conger-Kanungo scale, the LPI (which was developed by Kouzes and Posner – 1990) measures five leadership dimensions (identified by Kouzes and Posner – 1987) that include challenging the process (alpha = .81); inspiring a shared vision (alpha = .90); enabling others to act (alpha = .89); modelling the way (alpha = .86); and encouraging the heart (alpha = .94). In addition, each of the five scales is measured by six items, which brings the total number of items to 30.

According to Carless, Wearing and Mann (2000), the GTL is viewed as a concise measure that is aligned with transformational leadership theory. It consists of eight items, namely: communicates a clear and positive vision of the future; treats staff as individuals; supports and encourages their development; gives encouragement and recognition to staff; fosters trust, involvement and co-operation among team members; encourages thinking about problems in new ways and questions assumptions; is clear about his or her values and practices what he or she preaches; and instills pride and respect in others and inspires me by being highly competent. Carless et al. (2000) found that Cronbach's alpha was calculated as .93 and that both the convergent and discriminant validity of the GTL were strong.

According to Conger and Hunt (1999), the MLQ is the most broadly used and researched instrument to measure transformational leadership. It can be used to measure perceptions of leadership and the effectiveness of team leaders, supervisors, managers and executives at various organisational levels. The MLQ focuses on development, since it includes items that assess the effect the leader has on both the personal and intellectual development of the self and others. In essence, it is built on the premise that leaders should develop themselves in order to be able to effectively develop others (Bass & Avolio, 1997). Various versions of the MLQ have been used in organisations in the United States, Belgium, Canada, Germany, Switzerland, Great Britain, India, Ireland, the Netherlands, Italy, Spain, Japan, Israel, New Zealand, Taiwan, Australia, Mexico,

Venezuela, China, Malaysia, Singapore, Korea and South Africa (Bass & Avolio, 1997). In addition to this, the MLQ has been studied and used for approximately 100 doctoral dissertations, theses and research investigations in Europe, Asia and Africa (Bass & Avolio, 1997).

Based on the above, the researcher is of the opinion that the MLQ is ideal to assess the transformational leadership construct in the South African context.

### ***Aim and rationale of the MLQ***

The MLQ measures nine leadership dimensions, including five transformational leadership scales (inspirational motivation, idealised influence, individualised consideration, intellectual stimulation and attributed charisma); constructive transaction; two corrective leadership scales (active and passive management by exception); and an avoidant leadership scale (laissez faire) (Bass & Avolio, 1997). It contains 45 items that identify and measure primary leadership and effectiveness behaviours that are shown in prior research to be strongly related to both individual and organisational success (Bass & Avolio, 1997).

For the last 15 years, the MLQ has been the primary means whereby reliable differentiation between highly effective and ineffective leaders was done in a variety of organisations, including military, government, educational, manufacturing, technology, church, correctional, hospital and volunteer organisations (Bass & Avolio, 1993).

### ***Validity***

Bass and Avolio (1997) provide evidence of the convergent and discriminant validity of the MLQ scales. In 14 independent empirical studies, the relationship between the leadership factor scores and rated outcomes generally confirmed the predictions of the full range of leadership development model.

Transformational leadership was generally more positively correlated with the three outcome measures when compared to constructive transaction, management by exception and laissez faire leadership. Constructive transaction was also positively correlated with the three outcomes, but to a lower extent. Management by exception and laissez-faire leadership were either not correlated with the rated outcomes or were negatively correlated.

The MLQ has been criticised for its lack of discriminant validity with regard to the factors that are included in a survey and for having behavioural, impact and attribution items in the same scale (Bass & Avolio, 1997). Nevertheless, further analysis and meta-analysis continue to support the validity of the full range of leadership development model (Bass & Avolio, 1997).

### ***Reliability***

The reliability for these leadership scales range from  $\alpha = 0.73$  to 0.91 (Bass & Avolio, 1997). Research that included 3570 respondents from a variety of organisations showed coefficient alpha reliability coefficients for the MLQ rater form scales for 2080 cases with a range of 0.81 to 0.96 using Spearman Brown's estimated reliability formula (Bass & Avolio, 1997).

Test-retest reliability over a six-month period was computed for the factor scales using data that was collected on 33 mid-level to upper level managers who were employed by a Fortune 500 organisation. The test-retest reliabilities ranged from 0.44 to 0.74 for the self-ratings and 0.53 to 0.85 for the ratings by others. It should be noted here that the group of managers who were included in the study received team development and individual training during the six-month period. Seeing that there was some focus on finding and adapting behaviours that were assessed by the MLQ between the first and second administration of the questionnaire, it can be inferred that the training that the training had an impact on the self-ratings (Bass & Avolio, 1997).

In another study, test-retest correlations were done for 76 participants before and after the full range of the leadership development model was used between six months to two years later. The test-retest reliability for this sample ranged from 0.72 to 0.92 (Bass & Avolio, 1997).

### ***Administration***

The MLQ can be administered with ease to individuals or groups, depending on the needs of the participants and the researcher or consultant. In order for it to be most effective, it should be administered to all the associates of the leader who is being assessed. If this is not possible, those who rate a particular leader should be randomly selected by a neutral party. The questionnaire, which takes approximately 15 minutes to complete, can be completed without direct supervision because it has simple, clear instructions and sample items (Bass & Avolio, 1997).

Since the questionnaire is self-explanatory, the key aspect of its administration is privacy and anonymity; therefore, strict confidentiality must be communicated and upheld with the respondents (Bass & Avolio, 1997).

With regard to the practical administration of the MLQ, raters assess (on a five-point scale) the degree to which they have observed the leader's behaviour in terms of 32 specific behaviours, while additional leadership items are attribute ratings. The behaviours and attributes form the nine components of transformational, transactional or laissez-faire leadership. The leader who is being assessed completes the MLQ as a form of self-rating. In the same way as his or her raters, the leader assesses the frequency with which he or she believes displays the same types of leadership behaviours toward his or her associates (who are either below, above or at the same organisational level as the leader) (Bass & Avolio, 1997).

### ***Interpretation***

The MLQ report is generated using data collected from the MLQ response sheets. It consists of computer-generated charts, tables and narrative in a standard format (Bass & Avolio, 1997).

The first part of the report shows the scales and lists six items to illustrate each leadership scale. This section is a synopsis of the leadership scales that are measured by the MLQ (Bass & Avolio, 1997). The section entitled "Comparison to Organisational Norms" shows the average of the raters' judgments of each leadership style for the leader compared to a normative sample. The section entitled "Graphs of Leadership Styles" graphically depicts the average scale values for the nine leadership styles and gives a comparison of scale values across rater levels. The section of the report that is entitled "The Relationship Between MLQ Scales, Leadership Style, and Effectiveness" shows which transformational behaviours are positively linked to more effective leadership and that the transactional and non-leadership scales are less effective (Bass & Avolio, 1997). The section "Interpreting Your Results" spells out the aim of the graph and describes each leadership style and its outcomes. The section "Pattern of Responses" shows the charts of each scale for all rater levels and the average of the raters' assessment. The section "Agreement in Ratings" gives the standard deviation of the raters' scale scores for each leadership scale. The section "Leadership Outcomes" portrays the average of the rater assessment for each leadership outcome item and the section "Pattern of Item Responses" shows how the leader and raters evaluated each MLQ item. The report ends with the section "Tips for Building Your Leadership", which contains tips for interpreting the report and what the leader can do to enhance his leadership behaviours (Bass & Avolio, 1997).

The MLQ feedback report is designed in such a way that feedback can initially be given in terms of a broad analysis (scale by scale) that is followed by a detailed

analysis (item by item). It takes approximately one hour to review and discuss the MLQ report either in a group or with individuals. It is expected that the individual who gives the leader who was assessed feedback should have reviewed the full range of leadership model prior to discussing the report with the leader (Bass & Avolio, 1997).

#### **4.2.2 Organisational culture analysis (OCA)**

Organisational creativity was measured by the organisational culture analysis (OCA), which was developed by Hall (1996).

##### ***Justification for inclusion***

A synopsis of the literature reveals that there are various approaches to assess creativity, namely psychometric (Torrance, 1984), experiential (Sternberg & Davidson, 1995), biographical (Gruber & Wallace, 1993), biological (Mednick, 1962), computational (Boden, 1994) and contextual (Csikszentmihalyi, 1996) approaches.

Mednick (1962) developed the remote associates test (RAT), which consists of 30 three-word associations and a common associate that provides the solution word. The respondent is required to respond with a single word, which is associatively linked to all three of the stimulus words. Studies that were conducted using the RAT had varying results: a study by Mednick (1962) showed positive correlations between RAT scores and ratings of creativity, while other studies (Datta, 1964) concluded that the production of remote verbal associations is not a critical element of behavioural creativity. It is the researcher's opinion that the RAT is still a viable option for assessing creativity since creativity is still displayed when two or more apparently unrelated components are linked to form a new concept or idea.

In a study that was conducted by Shin and Zhou (2007), a measure that was aligned with the literature on creativity (Amabile, 1996) and consisted of four items was created to assess team creativity. The item was rated on a seven-point scale by supervisors. It is useful to mention that supervisor ratings are broadly used and accepted in the literature on creativity and innovation (Van der Vegt & Janssen, 2003; Zhou & Shalley, 2003). In Shin and Zhou's study (2007), Cronbach's alpha for this measure was 0.79.

Another instrument (which is based on the work of Deshpande, Farley & Webster – 1993) measures innovative culture on a 12-point scale and focuses on aspects that include encouraging creativity, being receptive to new ideas, decentralising decision making and encouraging open communication.

A 17-item instrument that specifically measures barriers to organisational creativity was developed on the basis of the research instrument of Wong and Pang (2003). According to Mostafa (2005), this instrument was found to be valid and reliable.

Another instrument, which is based on the work of Bennet (2001) and Anakwe and Greenhaus (1999), was designed to measure creativity. This instrument includes a self-reporting scale and the scale items are rated on a five-point Likert-scale. Thorough procedures were performed to ensure the reliability and validity of this instrument (Handzic & Chaimungkalanont, 2004). The reliability of responses to the items was measured using Cronbach alpha coefficients and creativity scored 0.77. According to Nunnally (1978), scores above 0.6 are viewed as satisfactory.

The OCA has been administered to over 400 000 individuals in 43 different countries around the globe. The South African norm is 7893 people (Schlechter, 2000).

According to Schlechter (2000), a key element of the OCA is the representative normative foundation that is present for it, which means that the results from the OCA can be assessed on the basis of a national and international sample of organisations. In order to ascertain this level of comparison, the OCA has been administered to over 3000 employees across various levels in a broad cross-section of South African organisations. The samples were chosen in such a way that they were as representative as possible since they were taken from organisations of varying sizes and from various sectors (manufacturing, service, etc.).

The researcher is of the opinion that the OCA is an ideal instrument to use for the purposes of this study and in the South African context.

### ***Aim and rationale***

The OCA is grounded in the theory of organisational competence, which was developed over the last 50 years. The OCA was constructed over a six-month period with a specific focus on organisational conditions. The final product was a 40-item survey to measure conditions for competence within an organisation. This survey makes provision for individuals to describe competence conditions both in terms of how they actually exist in their organisations (actual conditions) and as they, the survey participants, ideally wish them to be (desired conditions) (Hall, 1996).

The OCA describes scores for three dimensions and 10 supporting conditions of competence (as discussed in chapter 3 of this dissertation). The three dimensions of competence are:

- 1) collaboration
- 2) commitment
- 3) creativity

The 10 supporting conditions that underlie the three dimensions are:

- 1) leadership/management values
- 2) support structure
- 3) leader/managerial credibility
- 4) climate
- 5) impact
- 6) relevance
- 7) community
- 8) task environment
- 9) social context
- 10) problem-solving processes

### ***Validity***

The OCA is one of few measuring instruments that have been validated through a methodical research process that was carried out within specific operating organisations globally (Schlechter, 2000). The organisations comprised a wide range of industries, from supermarket chains to a school system (Hall, 1996). The OCA was designed over six months by focusing on organisational conditions, practices and values.

### ***Reliability***

Cronbach's alpha test of reliability was used to develop the OCA. The responses of 159 individuals showed an alpha of 0.928 and this result was cross-validated with a second group of 120 people, which showed an alpha of 0.924 (Hall, 1996).

### ***Administration***

Three capsule answers (A, B and C) are provided for each of the 40 questions. These are points of reference and each one is a short description of a specific condition that is frequently identified in organisations. In totality, they give a variety of answers. One description can be completely accurate, another completely inaccurate and the last fractionally accurate. The respondent must firstly ascertain which of the three descriptions (A, B or C) is “most characteristic” and, secondly, what the “degree” of the description’s accuracy is (Schlechter, 2000).

The respondent will initially read all three descriptions to ascertain which one describes the situation in his or her organisation the best. If, for example, he or she selects A, he or she must then settle on how accurate A really is. If it is completely accurate, the respondent has to mark the circle corresponding to AA; if it is very accurate but not excessively accurate, he or she has to mark Ab. This rating is defined as “Distinctly A, but with aspects of B as well” (Schlechter, 2000).

In the same way, opposites can also be combined. For example, if the respondent selects A as most characteristic but believes that elements of C are visible, he or she can mark the Ac rating. Furthermore, each question has to be rated twice: “As it is” and “As I would like it to be”. This means that both an accurate assessment of the current situation and a rating that is based on how the employee would ideally like the organisation to be should be obtained (Schlechter, 2000).

### ***Interpretation***

According to Hall (1996), the OCA allows for respondents to describe competence conditions as they are and as they ideally wish them to be. With

regard to the latter, Hall (1996) argues that the OCA can provide information on the authenticity of the competence concept for organisations and if discrepancies exist between the actual and desired conditions, it can provide information about productive orientation and associated feelings. The OCA report provides detailed information of work environmental support conditions (i.e. policy priorities) and leadership practices in the organisation. It analyses work conditions as they currently are (actual working conditions) and as individuals would like them to be in order for them to do their best work (desired working conditions). As a result, the OCA reflects the dimensions and work environmental conditions of both the “actual” and the “desired” organisational culture of the organisation (Hall, 1996).

The scores in the OCA report are reported in percentiles. The percentile scores provide a general comparison with other organisations, which contributes to the normative database. Percentile scores show relative standing (Hall, 1996).

### **4.3 DATA COLLECTION**

For this study, a report was generated that included all the leaders and their subordinates. The researcher then identified the sample. Instructions were given to all the participants in a classroom-based environment and the questionnaires were completed in the same environment. The completed questionnaires were then collected by the researcher.

### **4.4 DATA ANALYSIS**

Following data capturing of all the item scores in two separate data sets (one for subordinates and one for leaders), the raw scores that were included in the data sets were imported onto the Statistical Package for the Social Sciences (SPSS17). Subscale scores were calculated for the MLQ for all the raters on the one hand and for leaders on the other hand. The average MLQ scores of the subordinates who rated the same leader were aggregated into the leader data

set. The data sets for the leaders therefore consisted of their own individual MLQ ratings and the average MLQ ratings of the subordinates who rated them.

Descriptive statistics were calculated for all the subscale scores for subordinates and are reported below. The significance of differences between the self-rating of the leaders and the average rating of them by others was investigated by means of a paired samples T-test.

The relationship between the subscale scores of the MLQ and the OCA was calculated by means of a one-way ANOVA. In order to investigate the relationship between creativity and the MLQ results, the mean MLQ score of the respondents who chose A, B and C respectively was compared by means of a one-way ANOVA. Post hoc analyses were subsequently performed, where ANOVAs were significant. This addresses the main focus of the study, which is the relationship between transformational leadership and organisational creativity.

The research was concluded by drawing conclusions and highlighting possible recommendations with respect to the research questions and for the group that formed the sample.

#### **4.5 SUMMARY**

This chapter focussed on the population, the sample, the measuring instruments and the research methodology that were used in the empirical phase of the study.

## CHAPTER 5

### RESEARCH RESULTS

In this chapter the research results are reported, interpreted and integrated.

#### 5.1 BIOGRAPHICAL DATA

The following biographical data were gathered to analyse the sample that was identified.

##### 5.1.1 Distribution of sample according to group

The distribution of the sample according to group is presented in table 5.1 below.

*Table 5.1: Distribution of sample according to group*

Number of senior managers	Number of direct reportees to senior managers	Number of middle managers	Number of direct reportees to middle managers	Total number of participants
12	58	22	88	180

The sample consisted of 180 participants from four different groups within the organisation. The results therefore apply specifically to these groups. Since the organisation comprised 290 employees, the sample represented 62% of the organisation in total.

##### 5.1.2 Distribution of sample according to tenure

The distribution of the sample according to tenure is presented in table 5.2 below.

*Table 5.2: Distribution of sample according to tenure*

<b>Tenure</b>	<b>Number of participants</b>	<b>Percentage</b>
<i>Less than 1 year</i>	5	3%
<i>1–2 years</i>	35	19%
<i>3–5 years</i>	25	14%
<i>6–10 years</i>	33	18%
<i>11–15 years</i>	44	24%
<i>16–20 years</i>	21	13%
<i>More than 20 years</i>	17	9%

According to the results, the majority of the sample (24%) had been employed by the organisation for a period of 11 to 15 years. The smallest portion (3%) was the group of employees who had been employed by the organisation for a period of less than one year. It can therefore be concluded that the majority of employees tended to remain in the organisation's employment for longer than one year, but not for more than 20 years.

### **5.1.3 Distribution of sample according to age group**

The distribution of the sample according to age group is shown in table 5.3 below.

*Table 5.3: Distribution of sample according to age group*

<b>Age group</b>	<b>Number of participants</b>	<b>Percentage</b>
<i>20 years and younger</i>	0	0%
<i>21–25 years</i>	5	3%
<i>26–30 years</i>	9	5%
<i>31–35 years</i>	34	19%
<i>36–40 years</i>	31	17%
<i>41–45 years</i>	44	24%
<i>46–50 years</i>	23	13%
<i>51 years and older</i>	34	19%

The majority of the sample group (24%) was aged 41 to 45 years, while the smallest portion of the sample group (3%) was 21 to 25 years old. The ages of the sample group therefore ranged from 21 to 51 years or older, with most of the participants being older than 40 years.

#### **5.1.4 Distribution of sample according to gender**

The distribution of the sample according to gender is shown in table 5.4 below.

*Table 5.4: Distribution of sample according to gender*

<b>Gender</b>	<b>Number of participants</b>	<b>Percentage</b>
<i>Male</i>	121	67%
<i>Female</i>	59	33%

Men formed the majority of the sample group with a representation of 67%, while women represented 33% of the group. This mirrored representation in the

organisation, where men represented 66% and women represent 34% of the total employees.

### 5.1.5 Distribution of sample according to ethnicity

The distribution of the sample according to ethnicity is shown in table 5.5 below.

*Table 5.5: Distribution of sample according to ethnicity*

<b>Ethnicity</b>	<b>Number of participants</b>	<b>Percentage</b>
<i>African</i>	27	15%
<i>Asian</i>	11	6%
<i>White</i>	139	77%
<i>Coloured</i>	3	2%

The majority of the sample group (77%) was white, while the smallest portion (2%) was coloured. This reflected the composition of the organisation, where white people were the largest group (66%), followed by African people (26%), and the Indian and Coloured groups who were 4% each.

## 5.2 DESCRIPTIVE STATISTICS PER CATEGORY

### 5.2.1 Descriptive statistics: Raters of senior management (MLQ)

The analysis of the sample produced the following descriptive statistics.

*Table 5.6: Transformational leadership (MLQ) descriptive statistics: Raters of senior management*

<b>Dimension</b>	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Standard deviation</b>
<i>Inspirational motivation</i>	58	1.00	4.00	3.1810	0.75625
<i>Idealised influence (attributes)</i>	58	0.50	4.00	3.0474	0.83437
<i>Idealised influence (behaviour)</i>	58	0.75	4.00	2.9310	0.80947
<i>Individualised consideration</i>	58	0.75	4.00	2.8060	0.91412
<i>Intellectual stimulation</i>	58	0.75	4.00	2.7931	0.78519

Table 5.6 above contains the descriptive statistics of the raters of senior management. This group scored senior management the highest in terms of inspirational motivation (mean: 3.1810), followed by idealised influence (attributes) (mean: 3.0474), idealised influence (behaviour) (mean: 2.9310), individualised consideration (mean: 2.8060) and intellectual stimulation (mean: 2.7931). Given that the scores on the MLQ range from 0 to 4, it can be said that the mean scores are on the higher end of the scale, which means that the raters rated senior management favourable on these dimensions of transformational leadership. Given the small standard deviations that are shown above, there was no significant variety in the scores of the raters for senior management.

It can be concluded from these results that the direct reportees to senior management regarded their managers as leaders who inspired and motivated their followers to reach ambitious goals by elevating their expectations and instilling confidence in them that the goals were attainable (Antonakis & House, 2002; Bass, 1997). The results also show that these reportees viewed senior management as role models who showed determination in the pursuit of goals,

displayed high standards of moral and ethical conduct, sacrificed self-gain for the good of others, and shared the success and attention they received (Antonakis & House, 2002). Senior management was also viewed by the direct reportees as giving personal attention to each individual's needs for achievement and growth by performing the role of coach or mentor (Bass & Avolio, 1994). Finally, the direct reportees to senior management viewed their managers as leaders who encouraged them to use their imagination and to question the status quo (Antonakis & House, 2002).

*Figure 4: Transformational leadership (MLQ) descriptive statistics: Raters of senior management*

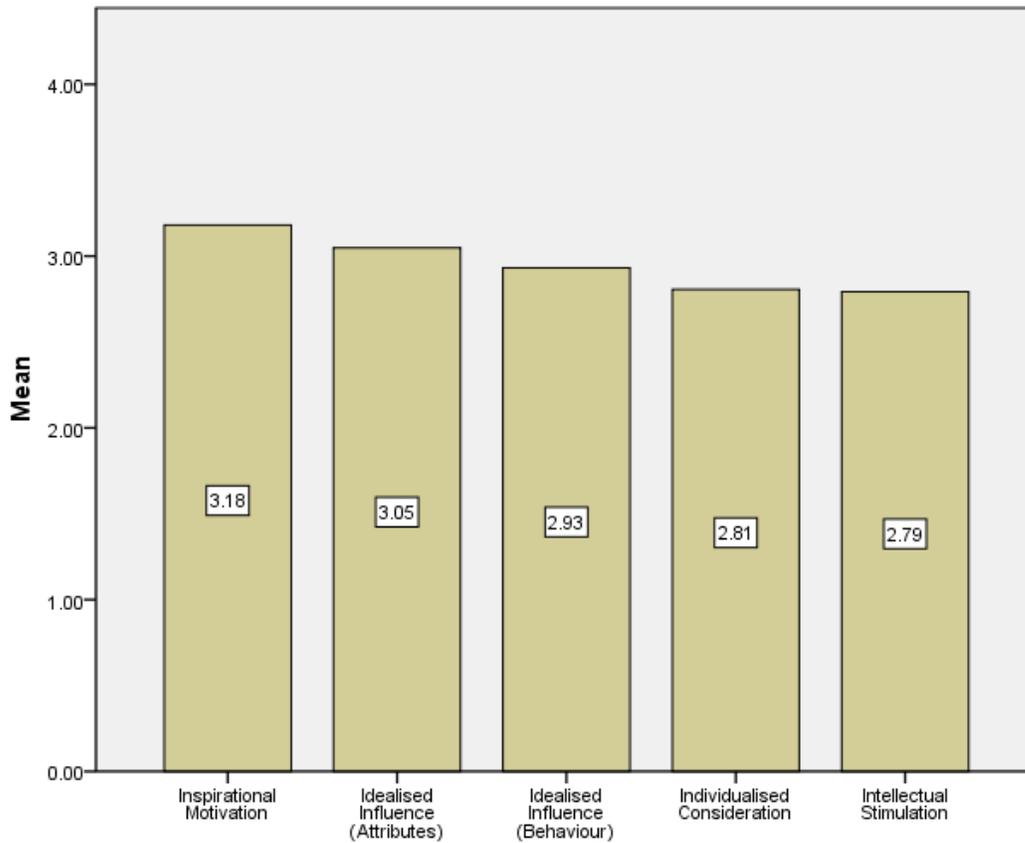


Figure 4 above is a graphical representation of the means of the dimensions of transformational leadership.

## 5.2.2 Descriptive statistics: Raters of senior management (OCA)

No subscale scores were reported since they were not meaningful. As a result, the frequencies are reported below.

*Table 5.7: Frequencies per item (OCA): Raters of senior management*

OCA29					
		Frequency	Per cent	Valid per cent	Cumulative per cent
Valid	1	5	8.6	8.6	8.6
	2	38	65.5	65.5	74.1
	3	15	25.9	25.9	100.0
	Total	58	100.0	100.0	

OCA30					
		Frequency	Per cent	Valid per cent	Cumulative per cent
Valid	1	7	12.1	12.1	12.1
	2	30	51.7	51.7	63.8
	3	21	36.2	36.2	100.0
	Total	58	100.0	100.0	

OCA31					
		Frequency	Per cent	Valid per cent	Cumulative per cent
Valid	1	25	43.1	43.1	43.1
	2	25	43.1	43.1	86.2
	3	8	13.8	13.8	100.0
	Total	58	100.0	100.0	

OCA32					
		Frequency	Per cent	Valid per cent	Cumulative per cent
Valid	1	16	27.6	27.6	27.6
	2	10	17.2	17.2	44.8
	3	32	55.2	55.2	100.0
	Total	58	100.0	100.0	

OCA33					
		Frequency	Per cent	Valid per cent	Cumulative per cent
Valid	1	46	79.3	79.3	79.3
	2	3	5.2	5.2	84.5
	3	9	15.5	15.5	100.0
	Total	58	100.0	100.0	

OCA34					
		Frequency	Per cent	Valid per cent	Cumulative per cent
Valid	1	3	5.2	5.2	5.2
	2	17	29.3	29.3	34.5
	3	38	65.5	65.5	100.0
	Total	58	100.0	100.0	

OCA35					
		Frequency	Per cent	Valid per cent	Cumulative per cent
Valid	1	12	20.7	20.7	20.7
	2	3	5.2	5.2	25.9
	3	43	74.1	74.1	100.0
	Total	58	100.0	100.0	

OCA36					
		Frequency	Per cent	Valid per cent	Cumulative per cent
Valid	1	44	75.9	75.9	75.9
	2	8	13.8	13.8	89.7
	3	6	10.3	10.3	100.0
	Total	58	100.0	100.0	

OCA37					
		Frequency	Per cent	Valid per cent	Cumulative per cent
Valid	1	18	31.0	31.0	31.0
	2	15	25.9	25.9	56.9
	3	25	43.1	43.1	100.0
	Total	58	100.0	100.0	

OCA38					
		Frequency	Per cent	Valid per cent	Cumulative per cent
Valid	1	31	53.4	53.4	53.4
	2	5	8.6	8.6	62.1
	3	22	37.9	37.9	100.0
	Total	58	100.0	100.0	

OCA39					
		Frequency	Per cent	Valid per cent	Cumulative per cent
Valid	1	43	74.1	74.1	74.1
	2	8	13.8	13.8	87.9
	3	7	12.1	12.1	100.0
	Total	58	100.0	100.0	

OCA40					
		Frequency	Per cent	Valid per cent	Cumulative per cent
Valid	1	35	60.3	60.3	60.3
	2	16	27.6	27.6	87.9
	3	7	12.1	12.1	100.0
	Total	58	100.0	100.0	

Table 5.7 above shows the frequencies per item for the OCA questions on creativity of the raters of senior management. Question 29 shows that the vast majority of the raters chose option B. Option B in this case was the most creative choice of all the options that were provided for this question. There was an almost equal spread between options B and C as the most frequently chosen options for question 30. Options B and C in this case reveal choices that are less creative in content. With regard to question 31, the raters of senior management chose equally between options A and B. These options are the most creative choices for this particular question. Question 32 shows a more even spread among the options that were chosen for this question. However, the most widely chosen option (option C) was the most creative in content.

The majority of the raters of senior management chose option A for question 33 and most of the raters chose option C for questions 34 and 35. These options were the most creative options for the questions. For question 36, most of the raters chose option A, which was also the most creative option for this question. The raters seemed to choose almost equally between options A and C for question 37; however, both these options are conflicting in nature because option A is more creative and option C is less creative in content. For question 38, the raters preferred options A and C, although these options are more creative in content. For question 39, most of the raters chose option A, which is the most creative option. For question 40, most of the raters chose option A; however, this is the least creative option for this particular question.

The analysis showed that the raters of senior management chose the most creative options for all the OCA questions on creativity, except for questions 30, 37 and 40. Question 30 concerned the allocation of work assignments and questions 37 and 40 concerned decision making.

According to Hall (1996), a leader is a key determinant in facilitating an environment that is conducive to creativity; he or she should create a task environment by supporting reliance on individual standards, making resources freely available, encouraging experimentation and rewarding innovation. Hall (1996) also states that leaders should encourage a social context where employees can exchange ideas and work experiences in order to solve problems more creatively. By focusing on these aspects, senior management will encourage and enable their direct reportees to contribute positively to their work assignments and the decision-making process.

### 5.2.3 Descriptive statistics: Raters of middle management (MLQ)

Table 5.8 below shows the descriptive statistics of the group who rated the middle management.

*Table 5.8: Transformational leadership (MLQ) descriptive statistics: Raters of middle management*

<b>Dimensions</b>	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Standard deviation</b>
<i>Inspirational motivation</i>	88	0.25	4.00	2.9659	0.93555
<i>Idealised influence (attributes)</i>	88	0.00	4.00	2.8864	0.99706
<i>Idealised influence (behaviour)</i>	88	0.00	4.00	2.8722	0.88327
<i>Individualised consideration</i>	88	0.25	4.00	2.6875	1.01657
<i>Intellectual stimulation</i>	88	0.00	4.00	2.6790	0.84158

This group scored middle management highest on inspirational motivation (mean: 2.9659), followed by idealised influence (attributes) (mean: 2.8864), idealised influence (behaviour) (mean: 2.8722), individualised consideration (mean: 2.6875) and intellectual stimulation (mean: 2.6790).

It can therefore be said that the raters of middle management rated these managers as favourable on these dimensions of transformational leadership, although not as favourable as the raters of senior management rated their managers. It can also be deduced that there was no significant variety in the scores of the raters of middle management, given the small standard deviations shown above.

From these results, one can conclude that the direct reportees to middle management regarded their managers as leaders who inspired and motivated their followers to reach ambitious goals by elevating their expectations and instilling in them confidence that these goals were attainable (Antonakis & House, 2002; Bass, 1997). The results also show that the direct reportees to middle management viewed them as role models who showed determination in the pursuit of goals, displayed high standards of moral and ethical conduct, sacrificed self-gain for the good of others, and shared the success and attention they received (Antonakis & House, 2002). Middle management was also viewed by their direct reportees as giving personal attention to each individual's needs for achievement and growth by performing the role of coach or mentor (Bass & Avolio, 1994). Finally, the direct reportees to middle management viewed them as leaders who encouraged them to use their imagination and question the status quo (Antonakis & House, 2002).

Figure 5: Transformational leadership (MLQ) descriptive statistics: Raters of middle management

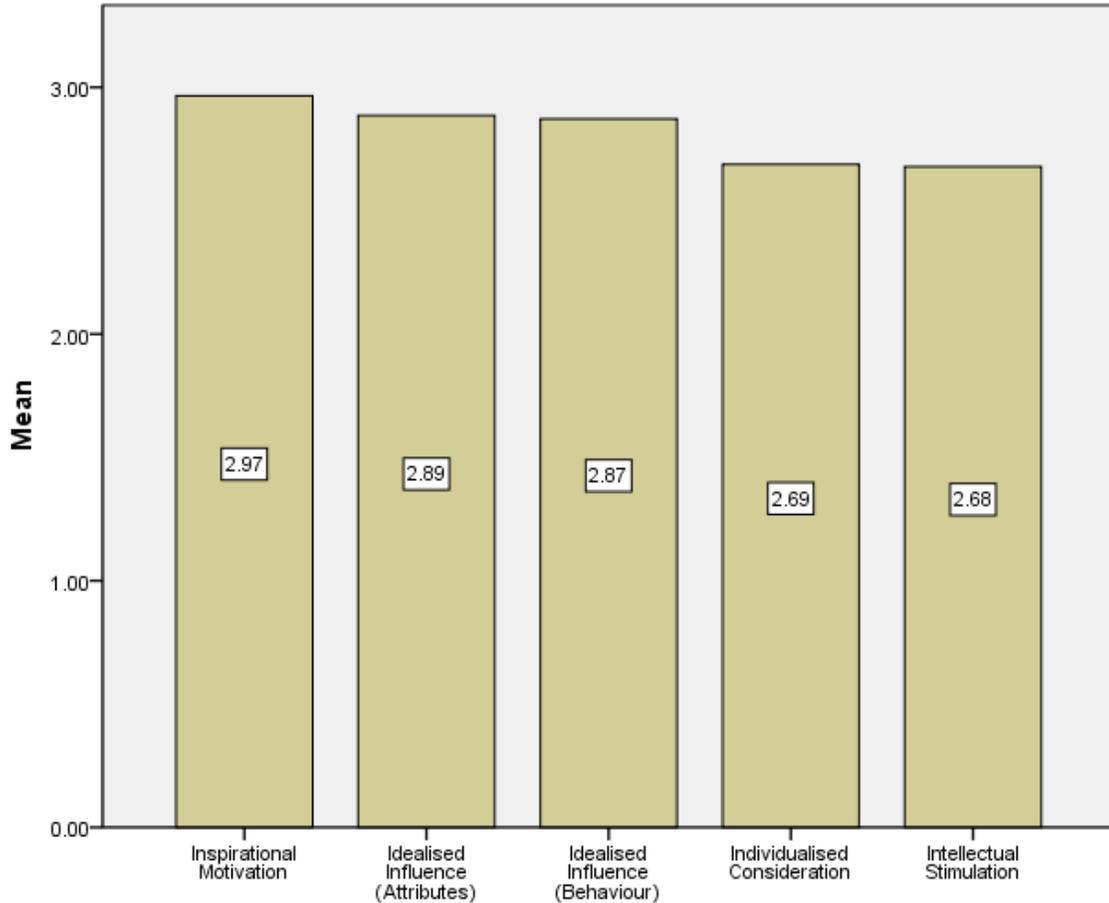


Figure 5 is a graphical representation of the means that were mentioned above.

Although both categories of management in this particular organisation were rated favourably overall, senior management was rated higher than middle management in terms of the transformational leadership dimensions. An interesting finding was that the descending sequence in which both categories of management were rated was exactly the same: inspirational motivation followed by idealised influence (attributes), idealised influence (behaviour), individualised consideration and intellectual stimulation.

According to Bass (1988), leaders who have these dimensions are optimistic about the future and communicate this to their subordinates; they are role models to their followers and positively inspire those whom they lead (Bass & Avolio, 1997). These leaders coach each individual member of their teams and give personal attention to each individual's needs for achievement and growth (Bass & Avolio, 1994). They encourage their followers to use their imagination and to question the status quo (Antonakis & House, 2002).

#### 5.2.4 Descriptive statistics: Raters of middle management (OCA)

Table 5.9 below contains the frequencies per item for the OCA questions on creativity of the raters of middle management.

*Table 5.9: Frequencies per item (OCA): Raters of middle management*

OCA29					
		Frequency	Per cent	Valid per cent	Cumulative per cent
Valid	1	13	14.8	14.8	14.8
	2	30	34.1	34.1	48.9
	3	45	51.1	51.1	100.0
	Total	88	100.0	100.0	

OCA30					
		Frequency	Per cent	Valid per cent	Cumulative per cent
Valid	1	18	20.5	20.5	20.5
	2	45	51.1	51.1	71.6
	3	25	28.4	28.4	100.0
	Total	88	100.0	100.0	

OCA31					
		Frequency	Per cent	Valid per cent	Cumulative per cent
Valid	1	43	48.9	48.9	48.9
	2	39	44.3	44.3	93.2
	3	6	6.8	6.8	100.0
	Total	88	100.0	100.0	

OCA32					
		Frequency	Per cent	Valid per cent	Cumulative per cent

Valid	1	37	42.0	42.0	42.0
	2	28	31.8	31.8	73.9
	3	23	26.1	26.1	100.0
	Total	88	100.0	100.0	

OCA33					
		Frequency	Per cent	Valid per cent	Cumulative per cent
Valid	1	53	60.2	60.2	60.2
	2	15	17.0	17.0	77.3
	3	20	22.7	22.7	100.0
	Total	88	100.0	100.0	

OCA34					
		Frequency	Per cent	Valid per cent	Cumulative per cent
Valid	1	12	13.6	13.6	13.6
	2	29	33.0	33.0	46.6
	3	47	53.4	53.4	100.0
	Total	88	100.0	100.0	

OCA35					
		Frequency	Per cent	Valid per cent	Cumulative per cent
Valid	1	36	40.9	40.9	40.9
	2	10	11.4	11.4	52.3
	3	42	47.7	47.7	100.0
	Total	88	100.0	100.0	

OCA36					
		Frequency	Per cent	Valid per cent	Cumulative per cent
Valid	1	53	60.2	60.2	60.2
	2	19	21.6	21.6	81.8
	3	16	18.2	18.2	100.0
	Total	88	100.0	100.0	

OCA37					
		Frequency	Per cent	Valid per cent	Cumulative per cent
Valid	1	26	29.5	29.5	29.5
	2	31	35.2	35.2	64.8
	3	31	35.2	35.2	100.0
	Total	88	100.0	100.0	

OCA38					
		Frequency	Per cent	Valid per cent	Cumulative per cent
Valid	1	47	53.4	53.4	53.4

	2	16	18.2	18.2	71.6
	3	25	28.4	28.4	100.0
	Total	88	100.0	100.0	

<b>OCA39</b>					
		Frequency	Per cent	Valid per cent	Cumulative per cent
Valid	1	56	63.6	63.6	63.6
	2	14	15.9	15.9	79.5
	3	18	20.5	20.5	100.0
	Total	88	100.0	100.0	

<b>OCA40</b>					
		Frequency	Per cent	Valid per cent	Cumulative per cent
Valid	1	41	46.6	46.6	46.6
	2	21	23.9	23.9	70.5
	3	26	29.5	29.5	100.0
	Total	88	100.0	100.0	

For question 29, most of the raters of middle management chose option C, which was the more creative option for this question. Most of the raters chose option B for question 30, which was the least creative option for this question. For question 31, the raters chose almost equally between options A and B, which are the most creative options for this question. Although the frequency distribution showed a better spread in the ratings, most of the raters chose option A for question 32. This was the least creative option for this question.

For questions 33 and 34, most of the raters of middle management chose options A and C respectively, which were the most creative options for these questions. For question 35, the raters chose almost equally between options A and C, which were the more creative options in content for this question. Option A was mostly selected by the raters for question 36, which again was the most creative option. For question 37, the raters chose equally between options B and C. In this case option B was the most creative option, whereas option C was the least creative option.

For questions 38, 39 and 40, most of the raters of middle management selected option A. For questions 38 and 39, this option was more creative in content; however, for question 40, this option was the least creative in nature.

This analysis showed that the raters of middle management chose the most creative options for all the OCA questions on creativity, except for questions 30, 32, 37 and 40. Question 30 concerned the allocation of work assignments, question 32 time management, and questions 37 and 40 decision making. One can therefore conclude that most of the raters of middle management rated their teams as creative in nature, with the exception of the allocation of work assignments, time management and the decision-making process.

According to Hall (1996), a leader is instrumental in facilitating an environment that encourages creativity and should create a task environment by supporting reliance on individual standards, making resources freely available (including time), encouraging experimentation and rewarding innovation. Hall (1996) also states that leaders should encourage a social context where employees can exchange ideas and work experiences in order to solve problems more creatively. By focusing on these aspects, middle management will encourage their direct reportees to contribute positively to their work assignments and the decision-making process; they will promote experimentation and innovation in the completion of tasks in a manner that takes cognizance of time.

### **5.3 RELATIONSHIP BETWEEN TRANSFORMATIONAL LEADERSHIP (MLQ) AND ORGANISATIONAL CREATIVITY (OCA)**

#### **5.3.1 Relationship between transformational leadership (MLQ) and organisational creativity (OCA): Senior management and direct reportees (middle management)**

For the senior management group, four differences were identified as being significant. However, looking at the number of respondents who chose options A, B and C for questions 33 and 39, it is clear that meaningful comparisons cannot be made since the vast majority of the respondents chose one option (option A in both cases). The only comparison that can be made in terms of subgroup size is for question 32, where a statistically significant difference was found with regard to idealized influence (behaviour). However, post hoc analyses showed no meaningful subgroup differences.

#### **5.3.2 Relationship between transformational leadership (MLQ) and organisational creativity (OCA): Middle management and direct reportees**

In order to investigate the relationship between creativity and the MLQ results for the middle management group, the mean MLQ scores of the respondents who chose options A, B and C were compared by means of one-way ANOVA. Post hoc analyses were subsequently performed where ANOVAs were significant.

The results are summarised in table 5.10 below.

*Table 5.10: Post hoc analysis (OCA): Raters of middle management*

QUESTION NUMBER	TRANSFORMATIONAL LEADERSHIP DIMENSION	p value	Results of post hoc analysis
29	Inspirational motivation	0.049	No significant pairwise differences
29	Intellectual stimulation	0.001	Significant differences: A and B; B and C
29	Individualised consideration	0.028	Significant differences: A and C
30	Idealised influence (behaviour)	0.033	Significant differences: A and B
30	Intellectual stimulation	0.033	Significant differences: A and B
31	Idealised influence (behaviour)	0.006	Significant differences: B and C
32	Idealised influence (behaviour)	0.001	Significant differences: A and B; A and C
34	Idealised influence (behaviour)	0.000	Significant differences: A and B; A and C
34	Inspirational motivation	0.006	Significant differences: A and B; A and C
34	Individualised consideration	0.013	Significant differences: A and C
35	Idealised influence (behaviour)	0.041	No significant pairwise differences
37	Idealised influence (attributes)	0.014	Significant differences: A and C
37	Inspirational motivation	0.002	Significant differences: A and B; B and C
37	Intellectual stimulation	0.007	Significant differences: A and C
37	Individualised consideration	0.009	Significant differences: A and B; B and C

The post hoc analysis of the OCA and MLQ scores which the raters of middle management gave (table 5.10) revealed the following.

With regard to inspirational motivation, the ratings for questions 34 and 37 of the OCA showed significant differences. For question 34, the respondents who

chose option B or option C gave a significantly higher score on inspirational motivation than those who chose option A. For question 37, the respondents who chose option C gave a significantly higher score on inspirational motivation than those who chose option A or option B. These options refer to finding new opportunities and sharing ideas, and leaders who encourage their teams to do this. According to Antonakis and House (2002), leaders who have inspirational motivation inspire their followers to reach goals that previously might have seemed unattainable and they instil confidence in their followers to find new ways of achieving ambitious goals.

Questions 29, 34 and 37 showed significant differences with regard to individualised consideration. The mean individualised consideration score for the respondents who chose option A for question 29 was significantly higher than for the respondents who chose option C. For question 34, the respondents who chose option C gave a significantly higher score on individualised consideration than those who chose option A. The ratings for question 37 showed that the respondents who chose option C gave a significantly higher score on individualised consideration than the respondents who chose option A or option B. A common thread for these responses could not be found in relation to individualised consideration. As a result, one cannot say with certainty that there is a relationship between individualised consideration and creativity.

With regard to intellectual stimulation, the responses for questions 29, 30 and 37 all showed significant differences. For question 29, the respondents who chose option B gave a significantly higher score on intellectual stimulation than those who chose option A or option C. For question 30, the respondents who chose option B gave a significantly higher score on intellectual stimulation than those who chose option A. For question 37, the respondents who chose option C gave a significantly higher score on intellectual stimulation than those who chose option A. In this case, it can also be said that no common theme could be found with regard to these responses; therefore no relationship can be established.

The responses to question 37 showed a significant difference with regard to idealised influence (attributes). The mean score for idealised influences (attributes) of the respondents who chose option C for question 37 was significantly higher than for those who chose option A. It is clear that if an organisation was seen to prefer approaches that had worked previously, leaders were rated as lower on idealised influence (attributes) than when the organisation was viewed as striking a balance between what is required to complete a given task and what organisational boundaries are. With regard to idealised influence (behaviour), the ratings for questions 30, 31, 32 and 34 all showed significant differences. For question 30, individuals who chose option B gave a significantly higher score for idealised influence (behaviour) than those who chose option A. Similarly, for question 31, the respondents who chose option B also gave a higher score for this particular dimension than those who chose option C. For question 32, the respondents who chose options B and C scored idealised influence (behaviour) significantly higher than those who chose option A. Similarly, for question 34, the respondents who chose options B and C scored idealised influence (behaviour) significantly higher on than those who chose option A. The common theme in all the responses mentioned above are that leaders encourage individual team members to get whatever resources they require in order to complete tasks; to treat time as just another factor to consider when planning tasks; and to discuss work with each other by creating opportunities to do so. Only two responses contained elements that were low on creativity, such as time utilisation and its full use in the productive effort, and hiring individuals for specific tasks on the basis of their specific training or aptitude. It can therefore be said that most of the responses that were significant correlated positively with idealised influence (behaviour).

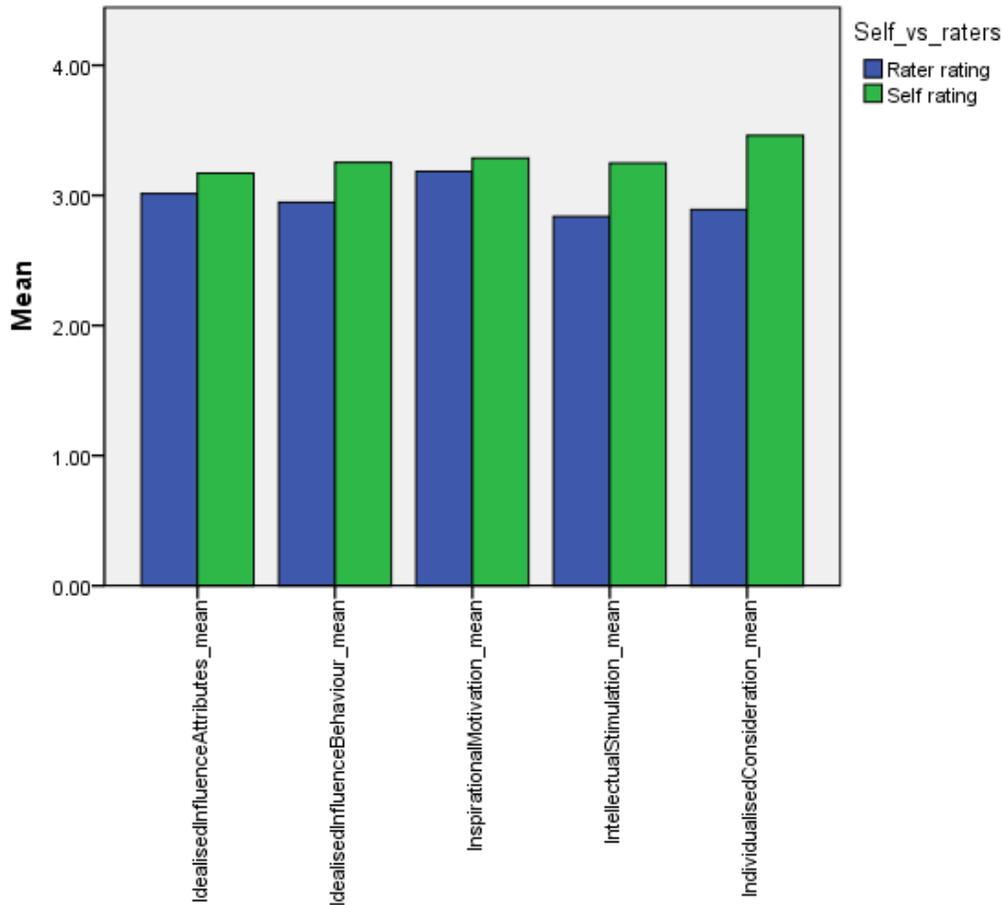
From the results above, one can deduce that there is a correlation between the abovementioned elements of transformational leadership (i.e. inspirational motivation and idealised influence [attributes and behaviour]) and organisational creativity with regard to middle management and their direct reportees.

According to the literature review for this study (chapter 3 of this dissertation), transformational leaders offer inspirational motivation to their followers and apply idealised influence by expressing a compelling vision and acting as role models to mobilise and motivate the teams they lead to achieve higher levels of performance (Bass, 1985). By highlighting the value of working together as a team, transformational leaders heighten team members' awareness of task interdependence and the value of common goals (Shamir, 1990). By demonstrating idealised behaviours, transformational leaders instil in team members the conviction that their affiliation with the team will increase their social identity; therefore, members are more likely to identify with their team (Van Knippenberg, 1999). Teams that are led by transformational leaders are more likely to focus on common goals and to leverage differences in order to accomplish their goals than to allow differences to negatively impact how they work together as teams (Shin & Zhou, 2007). As a result, middle management's inspirational motivation and idealised influence ought to increase team identification in their direct reportees, which in turn will enable them to work optimally and creatively.

#### **5.4 COMPARISON BETWEEN TRANSFORMATIONAL LEADERSHIP (MLQ) SELF-RATINGS AND THE RATER RATINGS FOR SENIOR MANAGEMENT BY DIRECT REPORTEES (MIDDLE MANAGEMENT)**

Senior management's self-ratings and the rater ratings for them are compared in figure 6 below.

Figure 6: Senior management self-ratings and rater ratings (MLQ)



In the above figure, it is clear that senior management's self-ratings for idealised influence (attributes), idealised influence (behaviour), inspirational motivation, intellectual stimulation and individualised consideration were higher than the raters' scores for these dimensions of transformational leadership. This means that senior managers view themselves as stronger on the transformational leadership dimensions than what their subordinates (middle management) perceive them to be.

Table 5.11 (on the following page) gives a more detailed picture of the comparison between senior management's self-ratings and their direct reportees' (middle management's) ratings of them. The mean scores for the rater ratings ranged from 2.8914 to 3.1841, while the mean scores for the self-ratings ranged

from 3.1696 to 3.4613. With regard to the significance values, there seems to be no significant difference between the variance of the groups. There is only a significant difference in the means for individualised consideration (0.009 – equal variances assumed).

The results seem to indicate that although there were variances between senior management's self-ratings and middle management's ratings on the dimensions of transformational leadership, no significant differences are apparent. One can therefore deduce that senior management's perceptions of their transformational leadership attributes and their direct reportees' perceptions of their leaders' transformational leadership attributes were aligned.

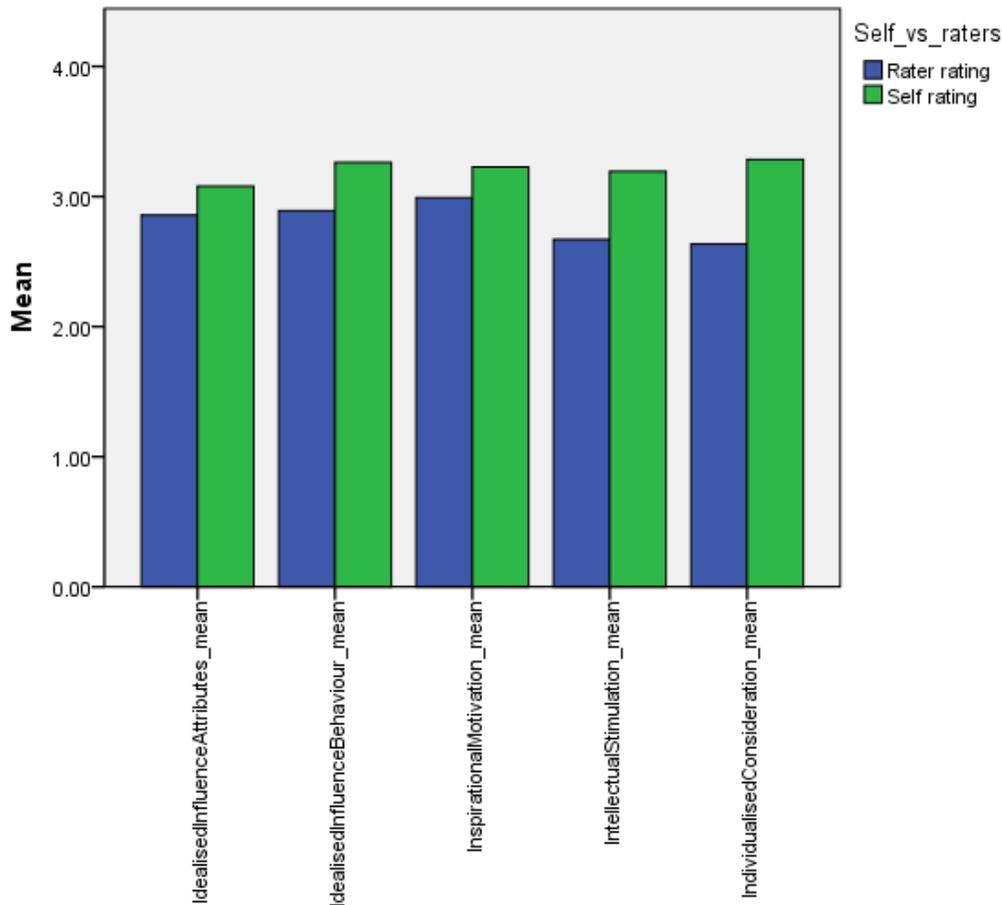
Table 5.11: T-test: Senior management self-ratings and rater ratings (MLQ)

						Levene's test for equality of variances	T-test for equality of means						
												95% confidence interval of the difference	
Dimension	Self-rating vs rater rating	Mean	Standard deviation		F	Significance	t	df	Significance (two-tailed)	Mean difference	Standard error difference	Lower	Upper
Idealised influence (attributes) – mean	Rater rating	3.0129	0.47438	Equal variances assumed	1.294	0.267	-0.873	22.000	0.392	-0.15670	0.17957	-0.52910	0.21570
	Self-rating	3.1696	0.40237	Equal variances not assumed			-0.873	21.429	0.393	-0.15670	0.17957	-0.52968	0.21628
Idealised influence (behaviour) – mean	Rater rating	2.9469	0.65483	Equal variances assumed	0.857	0.364	-1.293	22.000	0.209	-0.30608	0.23672	-0.79700	0.18484
	Self-rating	3.2530	0.49357	Equal variances not assumed			-1.293	20.449	0.210	-0.30608	0.23672	-0.79917	0.18701
Inspirational motivation – mean	Rater rating	3.1841	0.52557	Equal variances assumed	0.660	0.425	-0.526	22.000	0.604	-0.10157	0.19308	-0.50200	0.29885
	Self-rating	3.2857	0.41370	Equal variances not assumed			-0.526	20.850	0.604	-0.10157	0.19308	-0.50329	0.30014
Intellectual stimulation – mean	Rater rating	2.8387	0.56298	Equal variances assumed	0.448	0.510	-1.943	22.000	0.065	-0.40832	0.21010	-0.84404	0.02741
	Self-rating	3.2470	0.46127	Equal variances not assumed			-1.943	21.181	0.065	-0.40832	0.21010	-0.84502	0.02839
Individualised Consideration – mean	Rater Rating	2.8914	0.57073	Equal variances assumed	2.456	0.131	-2.869	22.000	0.009	-0.56989	0.19866	-0.98188	-0.15790
	Self-rating	3.4613	0.38449	Equal variances not assumed			-2.869	19.279	0.010	-0.56989	0.19866	-0.98528	-0.15451

## 5.5 COMPARISON BETWEEN TRANSFORMATIONAL LEADERSHIP (MLQ) SELF-RATINGS AND THE RATER RATINGS FOR MIDDLE MANAGEMENT BY DIRECT REPORTEES

Middle management's self-ratings and the rater ratings for them are compared in figure 7 below.

Figure 7: Middle management self-ratings and rater ratings (MLQ)



It is clear in figure 7 above that middle managers' self-rating for idealised influence (attributes), idealised influence (behaviour), inspirational motivation, intellectual stimulation and individualised consideration were higher than the raters' scores for these dimensions of transformational leadership. This means that middle management viewed themselves as stronger on these

transformational leadership dimensions than their subordinates (team members) perceived them to be.

Table 5.12 (on the following page) gives a more detailed view of the comparison between middle management's self-ratings and their ratings by their direct reportees (team members). The mean scores for the rater ratings ranged from 2.6356 to 2.9908, while the mean scores for the self-ratings ranged from 3.0795 to 3.2841. With regard to the significance values, there seems to be a significant difference of 0.021 between the variance for the groups on the individualised consideration dimension. It is also clear from the table that there are significant differences in the means for idealised influence (behaviour) (0.043 – equal variances assumed), intellectual stimulation (0.006 – equal variances assumed) and individualised consideration (0.003 – equal variances assumed).

The results seem to indicate that there were significant variances between middle management's self-ratings and the rater ratings (of team members) for the individualised consideration dimension. The results also show that there were significant differences between the scores for idealised influence (behaviour) and intellectual stimulation.

One can therefore deduce that for individualised consideration, the middle managers rated themselves significantly higher on playing the role of mentor or coach (Bass & Avolio, 1994) than their direct reportees perceived them to be. With regard to idealised influence (behaviour), the middle managers rated themselves significantly higher on their determination in pursuing goals and their moral and ethical conduct (Antonakis & House, 2002) than their direct reportees perceived them to be. With regard to intellectual stimulation, the middle managers rated themselves significantly higher on encouraging their subordinates to use their imagination and to question the status quo (Antonakis & House, 2002) than their direct reportees perceived them to be.

Table 5.12: T-test: Middle management self-ratings and rater ratings (MLQ)

				Levene's test for equality of variances	T-test for equality of means							95% Confidence interval of the difference	
Dimensio n	Self-rating vs rater rating	Mean	Standard deviation		F	Signific ance	t	df	Significa nce (two- tailed)	Mean difference	Standard error difference	Lower	Upper
Idealised influence (attributes) – mean	<b>Rater rating</b>	2.8573	0.83751	Equal variances assumed	1.551	0.220	-1.004	42.000	0.321	-0.22229	0.22143	-0.66917	0.22458
	<b>Self-rating</b>	3.0795	0.61425	Equal variances not assumed			-1.004	38.522	0.322	-0.22229	0.22143	-0.67037	0.22578
Idealised influence (behaviour) – mean	<b>Rater rating</b>	2.8909	0.61530	Equal variances assumed	0.005	0.944	-2.091	42.000	0.043	-0.37048	0.17722	-0.72813	-0.01283
	<b>Self-rating</b>	3.2614	0.55890	Equal variances not assumed			-2.091	41.618	0.043	-0.37048	0.17722	-0.72823	-0.01274
Inspirational motivation – mean	<b>Rater rating</b>	2.9908	0.64319	Equal variances assumed	0.031	0.862	-1.264	42.000	0.213	-0.23646	0.18712	-0.61408	0.14116
	<b>Self-rating</b>	3.2273	0.59716	Equal variances not assumed			-1.264	41.770	0.213	-0.23646	0.18712	-0.61414	0.14123
Intellectual stimulation – mean	<b>Rater rating</b>	2.6712	0.64254	Equal variances assumed	0.257	0.615	-2.918	42.000	0.006	-0.52198	0.17890	-0.88302	-0.16094
	<b>Self-rating</b>	3.1932	0.53969	Equal variances not assumed			-2.918	40.784	0.006	-0.52198	0.17890	-0.88334	-0.16062
Individualised consideration – mean	<b>Rater rating</b>	2.6356	0.84249	Equal variances assumed	5.756	0.021	-3.161	42.000	0.003	-0.64851	0.20514	-1.06250	-0.23452
	<b>Self-rating</b>	3.2841	0.46481	Equal variances not assumed			-3.161	32.700	0.003	-0.64851	0.20514	-1.06602	-0.23100

## 5.6 INTEGRATION OF THE RESULTS

The results revealed that senior management was rated favourably on the dimensions of transformational leadership and that the raters of senior management chose the most creative options for almost all the OCA questions on creativity. Although a relationship between transformational leadership and organisational creativity cannot be determined due to the small sample size, most of the raters of senior management rated the teams they operate in as creative in nature. The descriptive statistics revealed that the raters of middle management rated their managers favourably on the dimensions of transformational leadership, although not as favourably as the raters of senior management rated seniors managers. With regard to the OCA, the raters of middle management chose the most creative options for almost all the questions on creativity. An interesting finding was that the descending sequence in which both categories of management was rated on the dimensions of transformational leadership was exactly the same.

With regard to the relationship between transformational leadership and organisational creativity, a relationship could not be established between senior management and their direct reportees since no meaningful comparisons could be made. With regard to the relationship between transformational leadership and organisational creativity of middle management and their direct reportees, the results revealed that there was a correlation between some dimensions of transformational leadership and organisational creativity.

The self-ratings and rater ratings for the dimensions of transformational leadership dimensions were compared between senior management and their direct reportees and between middle management and their direct reportees. The results revealed that senior management rated themselves higher on the transformational leadership dimensions than their subordinates perceive them to be. No significant differences could be established between the self-ratings and

the rater ratings. It can therefore be concluded that there is alignment between both sets of ratings. With regard to middle management and their direct reportees, middle managers rated themselves higher on the transformational leadership dimensions than their subordinates perceived them to be. The results indicate that there were significant differences between the self-ratings of middle management and that of their team members on certain dimensions of transformational leadership. It can therefore be concluded that there were significant differences in middle management's perceptions of their ratings on certain dimensions of transformational leadership and the raters' perceptions thereof.

With regard to the hypotheses that were formulated for this study (see chapter 3 of this dissertation), the H0 hypotheses cannot be rejected since the results showed that there was a relationship between transformational leadership and organisational creativity and between the self-ratings and rater ratings.

## **5.7 SUMMARY**

In this chapter the research results were reported, interpreted and integrated.

## **CHAPTER 6**

### **CONCLUSIONS, LIMITATIONS AND RECOMMENDATIONS**

#### **6.1 INTRODUCTION**

This chapter is aimed at formulating conclusions about the objectives of the study that were stated in chapter 1 of this dissertation. The limitations of the study will be discussed and recommendations will be made for future research.

#### **6.2 CONCLUSIONS**

The following conclusions were reached.

##### **6.2.1 Conclusions: Literature review**

The following conclusions were drawn from the literature review:

- The first specific aim of this study was to conceptualise transformational leadership. This was achieved by defining the concept of transformational leadership, identifying the dimensions of the concept and discussing criticism thereof. The researcher found that transformational leadership is multidimensional and that the levels of transformational leadership that are required may change depending on followers' needs. The researcher also found that although transformational leadership do have some negative aspects, this type of leadership is viewed as the most effective type of leadership in organisations today. For the purpose of this research, transformational leadership was defined as the leadership style of leaders or managers who encourage individual team members to exceed expectations by inspiring them to attain higher levels of motivation. Based on this definition, transformational leadership is characterised by idealised influence (attributes and behaviour), inspirational motivation, intellectual stimulation and individualised consideration.

- The second aim of the study was to explain organisational creativity. This was achieved by exploring approaches to creativity, defining the concept of organisational creativity, and discussing its dimensions and role. The researcher found that organisational creativity has various dimensions and that it is viewed as a positive attribute in organisations today. However, very little research has been done on creativity in teams and on the relationship between leadership and creativity. For the purpose of this study, creativity was defined as the identification of problems, finding new and different solutions to problems by questioning norms in order to achieve innovative and useful outcomes. Based on this definition, creativity is characterised by the task environment, the social context and the problem-solving process.
- The third aim of the study was to determine the theoretical relationship between transformational leadership and organisational creativity. The researcher found that a theoretical relationship exists between organisational creativity and leadership. The literature review showed that leadership can have an effect on organisational performance.

The specific aims of the literature review were reached and the research questions that related to the literature review were answered.

### **6.2.2 Conclusions: Empirical study**

The following conclusions were drawn from the empirical study:

#### ***Conclusions for the levels of transformational leadership and creativity in an organisation***

The following conclusions can be made about the results for the levels of transformational leadership and creativity in an organisation.

Senior management was rated favourably on all the dimensions of transformational leadership. The mean scores of all the dimensions were on the higher end of the scale. Because the standard deviations of the dimensions were small, it can be concluded that the raters were mostly in agreement on their scores. It can therefore be said that the raters of senior management rated their leaders high on the transformational leadership dimensions.

In terms of the OCA, the raters of senior management chose the most creative options for all the questions on creativity, except for three questions: question 30 concerned the allocation of work assignments and questions 37 and 40 concerned decision making. It can therefore be concluded that the raters of senior management rated their leaders favourably in terms of creativity, except for the allocation of work assignments and involvement in decision making.

With regard to middle management, the descriptive statistics revealed that the raters of middle management rated their managers high on the dimensions of transformational leadership, although not as favourably as senior management was rated.

In terms of the OCA, the raters of middle management chose the most creative options for all the questions on creativity, except for four questions. The questions that were not rated favourably concerned the allocation of work assignments, time management and decision making.

It can therefore be concluded that although both categories of management were rated favourably overall on the dimensions of transformational leadership, the senior management in this particular organisation was rated higher than the middle management was rated. With regard to creativity, it can be concluded that both categories of management were rated favourably on creativity, except for the questions that related to the allocation of work assignments, time management and decision making. An interesting finding was that the allocation

of work assignments and decision making seemed to be rated lower for both categories of management.

***The relationship between transformational leadership and organisational creativity with regard to senior management and their direct reportees***

Meaningful comparisons could not be made for the senior management group and the post hoc analysis showed no meaningful subgroup differences. Therefore, a relationship between transformational leadership and organisational creativity for the senior management group could not be established.

***The relationship between transformational leadership and organisational creativity with regard to middle management and their direct reportees***

The post hoc analysis of the OCA and MLQ scores of the raters of middle management revealed the following:

There was a relationship between inspirational motivation and questions on the OCA that pertained to creativity. These questions included finding new opportunities and sharing ideas, and leaders encouraging their teams to do this. These elements are true of a leader who possesses inspirational motivation.

There was a relationship between idealised influence (attributes), idealised influence (behaviour) and transformational leadership. With regard to idealised influence (attributes), it was found that if an organisation prefers “tried and tested” approaches, the leaders were rated lower on idealised influence. With regard to idealised influence (behaviour), four questions on the OCA showed significant differences. It was found that most responses that were significant correlated positively to idealised influence (behaviour).

It can therefore be concluded from the results that a correlation exists between inspirational motivation, idealised influence (attributes and behaviour) and organisational creativity.

***A comparison between the MLQ self-ratings and rater ratings for senior management and their direct reportees (middle management)***

The results revealed that the senior management's self-ratings on the dimensions of transformational leadership were higher than their raters' ratings. However, although variances exist between the ratings of senior managers and their raters' ratings, there seemed to be no significant differences. It can therefore be concluded that although senior management viewed themselves as stronger on the dimensions of transformational leadership than their raters perceived them to be, the difference is not statistically significant.

***A comparison between the MLQ self-ratings and rater ratings for middle management and their direct reportees***

The results indicate that middle management rated themselves higher on the transformational leadership dimensions than their subordinates perceived them to be and that there were significant differences between the self-ratings of middle management and their rater ratings on individualised consideration, idealised influence (behaviour) and intellectual stimulation. It can therefore be deduced that the perceptions of middle management and that of their direct reportees differed significantly on the abovementioned dimensions of transformational leadership.

### **6.3 LIMITATIONS**

The following limitations were identified.

#### **6.3.1 Limitations: Literature review**

- There is a lack of published resources on the relationship between transformational leadership and organisational creativity.
- There are limited current published resources on transformational leadership in the South African context.

#### **6.3.2 Limitations: Empirical study**

- Little research has been conducted on creativity in teams.
- There is a lack of empirical studies on the relationship between transformational leadership and organisational creativity.
- Because a scoring key was not included in the OCA, the researcher had to devise a scoring key and this might have had an effect on the data analysis and the results that were received.
- The sample group did not represent the racial demographics of the South African population, which made it difficult to draft conclusions for certain race groups. The sample was, however, representative of the employees of the agricultural company.
- This study focussed on transformational leadership and organisational creativity as measured by the MLQ and OCA instruments. Other dimensions that were measured by these instruments can therefore not be compared with the research results for this study.
- Because this study was conducted in one organisation, any generalisation of the findings to organisations in general would be risky.

## **6.4 RECOMMENDATIONS**

The following recommendations for future research and for the practical application of this study are suggested.

### **6.4.1 Recommendations for future research**

- Investigate and use an alternative instrument to measure organisational creativity (an instrument other than the OCA).
- Investigate further race group differences on the relationship between transformational leadership and organisational creativity.
- Investigate the relationship between transformational leadership and organisational creativity for various divisions of a multinational organisation and draw conclusions on the basis of cultural differences.
- Investigate concepts such as transformational leadership and organisational creativity from a South African perspective.
- Conduct a longitudinal study that focuses not only on the relationship between transformational leadership and organisational creativity at a given point but over a longer time period. This will be valuable to determine the stability of the measuring instruments used.
- Conduct a study on the relationship between transformational leadership and actual and desired creativity scores as measured by the OCA.

### **6.4.2 Managerial implications of this study**

- Include transformational leadership concepts in leadership development programmes.
- Include organisational creativity concepts such as the impact of the task environment, the social context and the problem-solving in coaching and mentoring courses for leadership development programmes.

- Give increased attention to the social context and the task environment of teams by sharing ideas, making resources freely available, encouraging experimentation and rewarding innovation.

## **6.5 SUMMARY**

This chapter concludes this research study. The general aim of the study (i.e. to ascertain whether a relationship exists between transformational leadership and organisational creativity) has been achieved.

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