



Uncovering Creative and Innovative Leadership Behaviour in SMEs

Ashkan Khalili

*PhD Candidate, School of Management, College of Business, RMIT University,
Melbourne, Australia*

Dr Nuttawuth Muenjohn

*Senior Lecturer, School of Management, College of Business, RMIT University,
Melbourne, Australia*

Dr Adela McMurray

*Professor, School of Management, College of Business, RMIT University,
Melbourne, Australia*



Presentation Outline

- Introduction
- Literature Review
- Development of the Measure
- Validation of the Measure
- Theoretical Contributions and Practical Implications



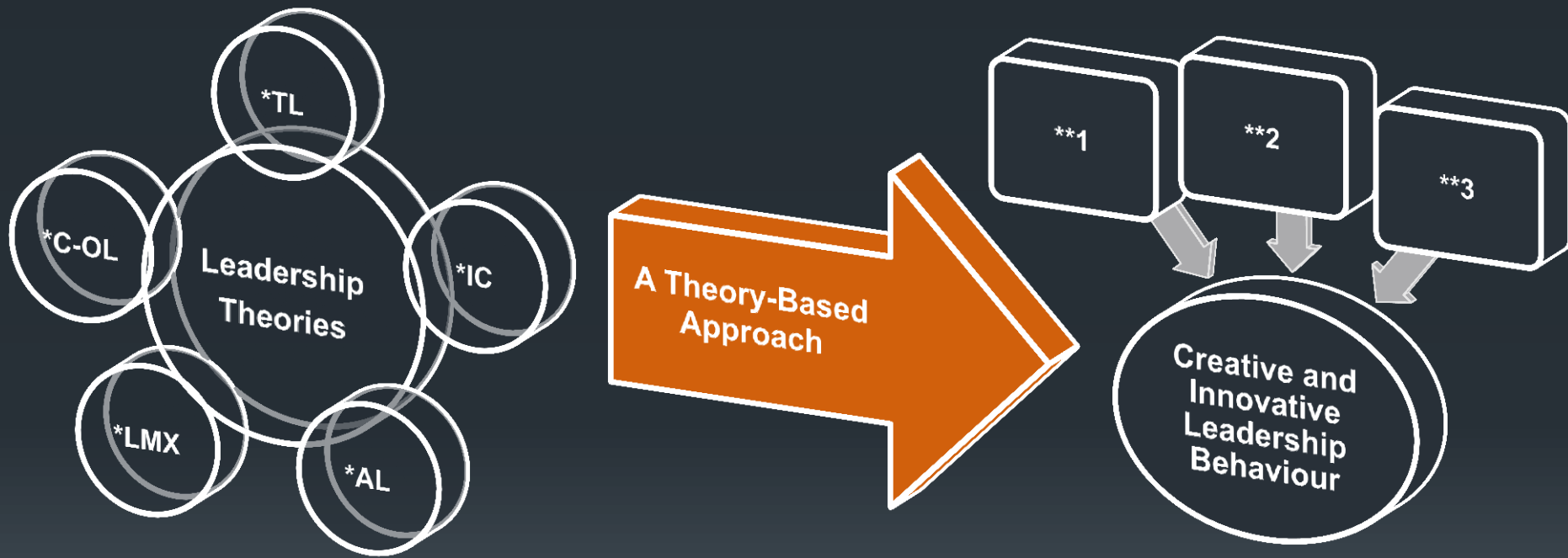
Introduction

- Creativity and innovation are recognised as important elements for SMEs
- Researchers have identified many predictors of creative performance and innovative behaviour
- Leadership behaviour has reported as the most important constructs on creative and innovative behaviours
- A call by scholars that a comprehensive construct of the impact of leadership on creativity and innovation is required

Literature Review

- Leadership is a process whereby an individual influences a group of individuals to achieve a common goal (Northouse, 2012).
- Creativity is defined as the production or generation of new and useful ideas, processes and products (Amabile, 1988).
- Innovative behaviour is defined as the implementation or application of new thoughts (West & Farr, 1989).
- Leaders have a powerful source of influence on employees' work behaviours (Yukl, 2010). Employees' creative and innovative behaviours in the workplace are no exception.
- Managers of innovation are people who exert influence and motivate employees to work collaboratively to perform creative results (Vroom & Jago, 2007).

Development of the Measure



*TL: Transformational Leadership; IC: Innovation Champion; AL: Authentic Leadership; LMX: Leader-Member Exchange; C-OL: Change-Oriented Leadership

**1: Supporting and Stimulating Behaviours for Creativity and Innovation; 2: Providing and Motivating a Shared Vision; and 3: Providing Individual Support

Validation of the Measure

- **Pre-Test:** 8 SME managers and employees, and 2 academic experts
- **Pilot Study:** 44 managers and employees
- **Main Study:** 514 individuals (leaders and non-leaders)
- **Reliability Test:** Cronbach alpha = 0.964; Item-total correlations = ranging between 0.65 and 0.78
- **Exploratory Factor Analysis (EFA):** Kaiser-Meyer-Olkin (KMO) = 0.954; Bartlett's test of sphericity = (<0.05)
- **Confirmatory Factor Analysis (CFA):** $X^2/df = 3.33$; CFI = 0.933; TLI = 0.923; IFI = 0.933; and RMSEA = 0.068; Factor loadings = ranging from 0.68 to 0.85; SMC > 0.50



Theoretical Contributions and Practical Implications

- Contribution to the leadership, creativity and innovation literature at the individual level
- Contribution to the SME literature
- The newly developed and validated measure



References

- Amabile, T. M. 1988. A model of creativity and innovation in organizations. In B. M. Shaw & L. L. Cummings (Eds.), *Research in Organizational Behavior*, 10, 123-167.
- Vroom, V. H., & Jago, A. G. 2007. The role of the situation in leadership. *American Psychologist*, 62, 17-24.
- West, M. A., & Farr, J. L. 1989. Innovation at work: psychological perspectives. *Social Behavior*, 4, 15-30.
- Yuan, F., & Woodman, R. W. 2010. Innovative behavior in the workplace: the role of performance and image outcome expectations. *Academy of Management Journal*, 53(2), 323-342.
- Yukl, G. 2010. *Leadership in organizations* (7th ed.). Upper Saddle Rive, NJ: Prentice-Hall.



Thank You