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## **Uncovering creative and innovative leadership behaviour in SMEs**

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### **Abstract:**

Creativity and innovation are recognised as a vital pathway for small to medium enterprises (SMEs) to compete against larger and well-founded organisations (Rosenbusch et al., 2011). Of predictors of creativity and innovation, leadership behaviour appears to show one of the most influential constructs in nurturing and enhancing creative and innovative behaviours (Kissi et al., 2012). Leadership behaviour can play a vital key because it assists to produce a risk tolerant environment in which staff feel confident to go beyond the current situation and participate in the generation of novel and useful ideas (Simmons and Sower, 2012). Furthermore, leaders providing authority and delegation to individuals who have creative ideas in their mind are found to be more successful in transitions of creative thought and innovation (De Jong and Den Hartog, 2007). According to Davila et al. (2006), leadership behaviour is a key factor in managing SMEs' innovation. Therefore, the purpose of this study was to detect the creative and innovative leadership behaviour of people at management level within the SME context.

To develop a theory-based measure for the leadership behaviour construct, the concepts of five leadership theories (transformational leadership, change-oriented leadership, innovation championing, leader-member exchange and authentic leadership) were operationally defined and examined. Utilising a quantitative approach, the population sample was comprised of 514 respondents who held management and non-management positions in Australian SMEs. Internal consistency and item-total correlation of the new developed measure were tested. The psychometric properties of the measure were assessed through a rigorous method including exploratory and confirmatory factor analyses. The results indicated that the newly developed 24 item measure achieved an acceptable level of reliability and validity in measuring creative and innovative leadership behaviour.

The newly developed leadership behaviours (supporting and stimulating behaviours toward creativity and innovation, providing and motivating a shared vision, and providing individual support) will assist researchers identify a leader's individual creativity and innovative behaviour in a SME context. Moreover, the newly developed measure assists SME senior and middle management in fostering individual creativity and innovative behaviour. The study provides insights into the behaviours that leaders in SMEs utilise to motivate creativity and innovative behaviours at the individual level.

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