

An Empirical Analysis of the Relation between Entrepreneur's Leadership and Team Creativity: The Role of Psychological Empowerment, Cognitive Diversity, and Environmental Uncertainty

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Abstract : Creativity is regarded as vital for new ventures' development since the whole process of entrepreneurship is rooted in the creation and exploration of new ideas. The entrepreneurial leader is central to the entrepreneurial team, who plays an especially important role in this process. However, few scholars have studied the impact entrepreneurs' leadership styles on the creativity of entrepreneurial teams. In this study, we integrate the historically disjointed literatures of leadership style and team creativity under entrepreneurship circumstance to understand why and when entrepreneurs' different leadership style relates to team creativity. Focus on answering the following questions: Is humility leadership necessarily better than narcissism leadership at increasing the creativity of entrepreneurial teams? Moreover, in which situations humility leadership or narcissism leadership is more conducive to the entrepreneurial team's creativity? Based on the componential theory of creativity and entrepreneurial cognition theory, we explore the relationship between entrepreneurs' leadership style and team creativity, treating team cognitive diversity and environmental uncertainty as moderators and psychological empowerment as mediators. We tested our hypotheses using data gathered from 64 teams and 256 individual members from 53 new firms in China's first-tier cities such as Beijing and Shanghai. We found that there was a significant positive relation between entrepreneurs' humble leadership and psychological empowerment, and the more significant the positive correlation was when the environmental uncertainty was high. In addition, there was a significant negative relation between entrepreneurs' narcissistic leadership and psychological empowerment, and the negative relation was weaker in teams with a high team cognitive diversity value. Furthermore, both entrepreneurs' humble leadership and team psychological empowerment were significantly positively related to team creativity. While entrepreneurs' narcissistic leadership was negatively related to team creativity, and the negative relationship was weaker in teams with a high team cognitive diversity or a high environmental uncertainty value. This study has some implications for both scholars and entrepreneurs. Firstly, our study enriches the understanding of the role of leadership in entrepreneurial team creativity. Different from previous team creativity literatures, focusing on TMT and R&D team, this study is a significant attempt to demonstrate that entrepreneurial leadership style is particularly relevant to the core requirements of team creativity. Secondly, this study introduces two moderating variables, cognitive diversity and environmental uncertainty, to explore the different boundary conditions under which the two leadership styles play their roles, which is helpful for entrepreneurs to understand how to leverage leadership to improve entrepreneurial team creativity, how to recruit cognitively diverse employees to moderate the effects of inappropriate leadership to the team. Finally, our findings showed that entrepreneurs' humble leadership makes a unique contribution to explaining team creativity through team psychological empowerment.

Keywords : entrepreneurs' leadership style, entrepreneurial team creativity, team psychological empowerment, team cognitive diversity, environmental uncertainty

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