The Relationship between Transformational Leadership and Organizational Creativity of Refah Kargaran Bank' Staff in Tehran

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ABSTRACT
The present study aimed to investigate the relationship between transformational leadership and organizational creativity of Refah Kargaran Bank' staff. The method used in this study was practical in terms of objective and descriptive-correlational in terms of data collection. The statistical population of this study consisted of all staff of Refah Kargaran Bank in Tehran that the total number of them were 700 people. Moreover, 240 people including 146 males and 92 females were considered among them using simple and stratified random sampling and Morgan table. In order to collect information, two standard questionnaire namely Oliver's multifactor leadership style (2000) and Torrance's creativity (1959) were used that Cronbach's alpha coefficient was used for assessing the reliability of questionnaires. The amount of coefficient for the first and the second questionnaire were 0.81 and 0.77, respectively; also the content validity was used to assess the validity of the questionnaire and it was confirmed by relevant experts. Data obtained from the questionnaire analyses were performed using SPSS software in both descriptive (frequency distribution, frequency percent, standard deviation, mean, graphs) and inferential statistics (Spearman correlation coefficient, Shapiro-Wilkie test, multivariate regression). The results showed that there was a significant positive correlation among all aspects of the transformational leadership and organizational creativity of Refah K. Bank's staff; there was a significant positive correlation between idealized influence and organizational creativity of Refah K. Bank's staff; there was a significant positive relationship between inspirational motivation and organizational creativity of Refah K. Bank's staff; there was a significant positive relationship between intellectual stimulation and organizational creativity of Refah K. Bank's staff; there was a significant positive correlation between individual consideration and organizational creativity of Refah K. Bank's staff.

INTRODUCTION

Today Creativity forms an important part of organizational life because the rapid changes sweeping all over the world has greatly changed the activities of organization so that Organizations and their managers are forced to find new ways to adapt to changes and developments in the world for their efforts. Therefore, all organizations need new ideas and exquisite and fresh views to survive. New thoughts and ideas are blown into the body like a spirit and save it from destruction, but compact and tough competition, consumer's taste and demand ended in the unpredictability of the organizations' affairs. In such circumstances, to maintain contact with the customer, not to lose market share, supplying the customers' needs and tastes, achieving an appropriate share of the global market, success in dealing with customers, and so on, new ideas and new ways must be achieved [6].

Therefore, successful organizations are those organizations that creativity and innovation form the spearhead of their movement. In other words, today's organizations must be dynamic to survive and their directors and staff should be creative and innovative in order to comply with changes and respond to the needs of society. We can say in the global economy and the current increasing competition, creativity and innovation are the key to survival and success of the organization so that lack of creativity and innovation equals destruction of the organization. An organization that didn't have creativity and innovation

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cannot survive and will disappear over time [26]. In fact, creativity is the interaction between talent, process, and the environment by which an individual or group produces new and useful conceptual product as the defined social context [17]. It is also believed by Torrance [32] Creativity composed of the following four dimensions which are:

Fluency: it is the ability to establish a significant relation between thought and expression, which is measured by the number of ideas or solutions at a specified time; Originality, ability to think in unconventional ways and contrary to common practice or habit which is along with unusual, strange, and subtle answers; Flexibility: it refers to the ability to think in different ways to solve a new problem; Elaboration includes the ability to pay attention to details during the activity [30].

Also organizations should be able to create strategies for directing and controlling these changes by the aid of transformational leaders in order to adapt to today's changing world and institutionalize the atmosphere of creativity and innovation in organization. Transformational leadership refers to the practice of leadership that seeks to personally drive followers in the orbit beyond temporary benefits through idealized influence (charisma), inspirational motivation, intellectual stimulation and individual consideration, [4]; Indeed, transformational leaders using tools like idealized influence, which means the actual pattern and causes favorable display and behavior of staff [21] Inspirational motivation means engaging the followers in outlining future prospects and motivating them [19] intellectual stimulation means to challenge the thoughts, feelings, imagination, creativity, and innovation of followers in order to increase their knowledge [8] and individual consideration seeks to achieve the desired needs and develop the potential power of the organization's staff [12] and following the intellectual stimulation of their followers and stimulate their innovative ideas in the whole organization, create a kind of flexible atmosphere that challenge the feeling of their staff and look for new innovative approaches in their jobs [10]. On the other hand, these leaders cause to increase the followers' motivation, increase effectiveness and improve organizational performance and also increase their efficiency [24].

The purpose of transformational Leadership is beyond satisfying immediate needs. Transformational leaders make use of optimism and intelligence charisma and many of his personal abilities to promote the ideals of others, and also promote individuals and organizations to higher performance [31].

However, along with this paper, we similar studies are conducted that we briefly refer to some of them: Shoghi [28] found in a study entitled "The relationship between effective factors of CE in the metal industry of Kaveh Industrial Zone" that there is a significant correlation between the factors influencing entrepreneurship. So that there is a significant relationship between managers' leadership style and its dimensions with the creativity of the staff; there is a significant relationship between organizational structure and its dimensions with the creativity of staff; in this study, dimensions of leadership styles including transformational and transactional leadership; dimensions of organizational structure including the recognition, complexity, and concentration; dimensions of creativity including fluency, originality, flexibility and elaboration of details and also dimensions of organizational culture including engaging in work, persistence, adaptability and mission. Arabiyoung et al. [3] found out in a study that there is a significant relationship between the transformational leadership and its dimensions (idealized influence, inspirational motivation, intellectual stimulation and personal consideration) with CE there. Bigharaz et al. [5] in a study entitled "studying the relationship between transformational leadership and creativity of staff" found that there is a significant relationship between the transformational leadership and its dimensions (idealized, intellectual stimulation, inspirational motivation, and personal consideration) with creativity of staff. Hasanpour [11] found in a study that transformational leaders can play a role in empowering the individuals and give them a sense of meaningfulness and usefulness and make them self-confident in their jobs. Amirkabiri et al. [2] found that there is a significant relationship between the transformational and transactional leadership style and organizational commitment. Shoghi & Mortezavi [30] in a study entitled "The relationship between managers' leadership style and creativity of staff using Sashkin model" found that there is a significant relationship between leadership style and the staff's creativity. Vaccaro et al. [33] has found that transformational leaders with intellectual stimulation of the stimulating their motivation facilitate innovative activities at the organization level. Ramanaidu [25] in a study entitled "The discovery of the relationship between transformational leadership, organizational culture, emotional commitment and staff performance: A case study of educational institutions in Malaysia" found that organizational culture is positively associated with the transformational leadership and staff performance and also transformational leadership has a mediating role in the relationship between organizational culture and staff performance. Moriano & Molero [19] found in a study that the transformational leadership has a positive effect on entrepreneurial behavior of employees. Jili et al. [20] found in a study that the transformational leadership and empowerment are positively associated with job satisfaction and result in higher organizational performance. Makri & Scandura [18] found in a study that the main effects of creativity and operational leadership behaviors are on the quantity of innovation. Results also showed that the highest level of innovation exists in two sections of operational and creative leadership and there is a positive and significant relationship between creative and operational leadership and the amount of innovation. Gumusluglu & Ilsev
[10] in a study entitled "transformational leadership, individual creativity and organizational innovation" found that there is a positive and significant relationship between the transformational leadership and staff's creativity and transformational leadership affects the creativity of staff through psychological empowerment; results also showed that transformational leadership has a positive relationship with organizational innovation. Paulsen et al [22] found that the transformational leadership style promotes innovation. Agbor [1], found in a study that in order to provide the space for creativity and innovation in the organization, leaders should use strategies that encourages creativity and innovation. Therefore, leadership is a factor and a source of organizational creativity and innovation. Keskin [16] found in a study that organizational culture can be used to promote and support creativity and innovation. Jung [15] found in a study that the creativity of individuals under the transformational management is significantly more than creativity of individuals under the pragmatic management.

Due to the nature of banks which mostly put the service activities in their agenda and since Refah K. Bank has been for many years and is one of the leading and competitive banks in the service domain, research on organizational creativity is essential and urgent for Refah K. Bank and is considered as the research priorities of this bank in 2014. Therefore, given the nature of banks which mostly put the service activities in their agenda, the need for research in the areas which offer innovation in the services makes essential. In the present study we sought to answer the question whether there is a significant relationship between transformational leadership and the organizational creativity of Refah K. Bank's staff in Tehran?

Due to this question and by using the conducted research, the following research hypotheses were formulated:

1. There is a relationship between transformational leadership and the organizational creativity of Refah K. Bank's staff.
2. There is a relationship between idealized influence and the organizational creativity of Refah K. Bank's staff.
3. There is a relationship between inspirational motivation and the organizational creativity of Refah K. Bank's staff.
4. There is a relationship between intellectual stimulation and the organizational creativity of Refah K. Bank's staff.
5. There is a relationship between individual consideration and the organizational creativity of Refah K. Bank's staff.

Methodology:

The method used in this study was practical in terms of objective and descriptive and correlational in terms of data collection. The statistical population of this study consisted of all staff of Refah Kargaran Bank in Tehran that the total number of them were 700 people that 240 people including 146 males and 92 females were considered among them using simple and stratified random sampling and Morgan table. In order to collect information, two standard questionnaires namely Oliver's multifactor leadership style (2000) and Torrance's creativity (1959) were used that their indices are displayed in table (1). The content validity was used to assess the validity of the questionnaire and it was confirmed by relevant experts, also Cronbach's alpha coefficient was used for assessing the reliability of questionnaires that the amount of coefficient for the first and the second questionnaire were 0.81 and 0.77, respectively; this high amount of reliability, namely over 0.70, suggests the reliability of measurement tool. For answering questions in the multifactor leadership style questionnaire (MLQ) five-point likert scale and in creativity questionnaire three-point Likert scale were used, respectively. Questionnaires were distributed among a group of Refah K. Bank's staff in Tehran and after receiving questionnaires data analysis was performed through techniques of descriptive statistics (frequency distribution, frequency percent, standard deviation, mean, graphs) and inferential statistics (Spearman correlation coefficient, Shapiro-Wilk test, multivariate regression).

| Table 1: research structures, dimensions, and items |
|---|---|---|
| structures | Variables dimensions | Number of questions | Amount of alpha |
| Transformational leadership | Idealized influence | 8 | 0.73 |
| | Inspirational motivation | 4 | 0.62 |
| | Intellectual stimulation | 4 | 0.82 |
| | Individual consideration | 4 | 0.68 |
| | | total | 0.81 |
| Creativity | fluency | 16 | 0.79 |
| | flexibility | 11 | 0.81 |
| | originality | 22 | 0.71 |
| | Elaboration on details | 11 | 0.77 |
| | | total | 0.77 |

Findings:
Due to the high volume of sample, the Shapiro-Wilk test was used to determine the normality of the variables. The summary of calculations is shown in Table 2:

<table>
<thead>
<tr>
<th>Variables</th>
<th>Test Statistics</th>
<th>Significance Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Idealized influence</td>
<td>0.947</td>
<td>0.01</td>
</tr>
<tr>
<td>Inspirational motivation</td>
<td>0.933</td>
<td>0.01</td>
</tr>
<tr>
<td>Intellectual stimulation</td>
<td>0.917</td>
<td>0.01</td>
</tr>
<tr>
<td>Individual consideration</td>
<td>0.949</td>
<td>0.01</td>
</tr>
<tr>
<td>Transformational leadership</td>
<td>0.946</td>
<td>0.01</td>
</tr>
<tr>
<td>Organizational creativity</td>
<td>0.992</td>
<td>0.71</td>
</tr>
</tbody>
</table>

As it can be seen from the above table, the significance level of the test only in the criterion variable (organizational creativity) was greater than 0.05, it means only organizational creativity was normally distributed, while data on the components of transformational management is not symmetric, therefore the Spearman test is used to determine correlation.

**Hypotheses Testing:**

Due to the abnormal component of leadership transformational, sub-hypotheses and main hypothesis were tested using the Spearman correlation coefficient and multivariate regression, respectively. The results are shown in Table 3:

<table>
<thead>
<tr>
<th>Transformational leadership components</th>
<th>Organizational creativity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Idealized influence</td>
<td>Spearman correlation coefficient (r)</td>
</tr>
<tr>
<td>Inspirational motivation</td>
<td>0.519</td>
</tr>
<tr>
<td>Intellectual stimulation</td>
<td>0.532</td>
</tr>
<tr>
<td>Individual consideration</td>
<td>0.511</td>
</tr>
</tbody>
</table>

With regard to the relationship between the components of transformational leadership and organizational creativity which were significant at 0.01, it can be concluded with the reliability of (99%) there was a significant positive correlation between the components of transformational leadership (idealized influence, inspirational motivation, intellectual stimulation, individual consideration) and organizational creativity of Refah K. Bank’s staff. In other words, it can be concluded that with increase in "idealized influence", "inspirational motivation", "intellectual stimulation" and "individual consideration" of managers, the "organizational creativity" of staff increases.

The main hypothesis: There is a relationship between transformational leadership and the organizational creativity of Refah K. Bank’s staff. To investigate the correlations in one model (the main hypothesis), multiple regression (stepwise method) was used that the results are shown in Table 4:

<table>
<thead>
<tr>
<th>Model</th>
<th>Predicted variables entered in the model</th>
<th>Correlation coefficient</th>
<th>Square of correlation coefficient</th>
<th>Adjusted correlation</th>
<th>$\Delta R^2$</th>
<th>Significance level</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Intellectual stimulation</td>
<td>0.610</td>
<td>0.372</td>
<td>0.367</td>
<td>0.372</td>
<td>0.01</td>
</tr>
<tr>
<td>2</td>
<td>Idealized influence</td>
<td>0.649</td>
<td>0.421</td>
<td>0.411</td>
<td>0.048</td>
<td>0.01</td>
</tr>
<tr>
<td>3</td>
<td>Idealized influence Individual consideration</td>
<td>0.668</td>
<td>0.447</td>
<td>0.432</td>
<td>0.026</td>
<td>0.02</td>
</tr>
</tbody>
</table>

As shown in Table 4, among dimensions of transformational leadership, three dimensions of intellectual stimulation, idealized influence, and individual consideration were entered into the model, so that the correlation between intellectual stimulation variable and organizational creativity equals 0.610; in other words, intellectual stimulation alone could explain almost 37.2% of changes relating to organizational creativity of Refah K. Bank’s staff (3720 = 2 R). In model 2, when idealized influence is added to the model, the 2 R increases to 0.421; in other words, approximately 42.1% of the variance in organizational creativity variable is explained by the linear relationship with idealized influence and intellectual stimulation variables in which the share of idealized influence variable is almost equal to 4.8%. Accordingly, the share of individual consideration in the changes of organizational creativity was approximately 2.6%. As it is seen, inspirational motivation component is removed from the model. Because by adding it to the model, the amount of value R2 does not change to the extent that is statistically significant. Also, the calculations of the F statistics show that the squared multiple correlation is significant at the 0.01 level.
Table 5 shows the output-dimensional computer model of regression coefficients:

<table>
<thead>
<tr>
<th>Variables entered in the model</th>
<th>B</th>
<th>SE</th>
<th>(Beta)</th>
<th>t</th>
<th>Significance level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intellectual stimulation</td>
<td>-0.4</td>
<td>0.5</td>
<td>0.252</td>
<td>2.7</td>
<td>0.01</td>
</tr>
<tr>
<td>Idealized influence</td>
<td>1.0</td>
<td>0.4</td>
<td>0.266</td>
<td>2.6</td>
<td>0.02</td>
</tr>
<tr>
<td>Individual consideration</td>
<td>1.4</td>
<td>0.6</td>
<td>0.230</td>
<td>2.3</td>
<td>0.02</td>
</tr>
</tbody>
</table>

The regression equation can be written based on the data in Table 5 as follows:

1.4(individual consideration) + 1.02(idealized influence) + 1.7(intellectual stimulation) = -8.4(anticipated organizational creativity) (Y)

Based on the above regression model it can be said that by increasing one unit in intellecual stimulation, idealized influence, and individual consideration 1.7, 1.02 and 1.4 units are added to the organizational creativity of Refah K. Bank's staff in Tehran.

**Conclusion:**

The reflection of global inevitable changes affected the organizations and institutions, especially banks and the bank management by entrusting new authorities along with the new responsibilities finds new life. Since banks are proposed as a competitive financial organization and competing with rivals for bank managers is of major issues and challenges. Identification and application of transformational leadership style in the banking system cause the staff to achieve the goals necessary to reach a high level of arousal for this purpose it is necessary to identify the objectives of the bank employees to take advantage of the maximum capacity and creatively and with feeling of inner satisfaction and pleasure seek creative and innovative ideas in order to achieve organizational goals. Therefore, this study investigated the importance of the relationship between transformational leadership and organizational creativity of Refah K. Bank's staff in Tehran. In the following, we conclude based on the existing hypotheses in the study:

This study indicated that there was a significant positive relationship between the transformational leadership and organizational creativity of Refah K. Bank's staff. Also, there was a significant positive relationship between the components of transformational leadership (idealized influence, inspirational motivation, intellectual stimulation, individual consideration) and organizational creativity of Refah K. Bank's staff. These findings have been confirmed by studies, for example, Shoghi et al. [29] showed in a study entitled "explanation of the relationship between transformational leadership and creativity of staff" that there is a significant relationship between the transformational leadership and creativity of staff with its dimensions (idealized influence, inspirational motivation, intellectual stimulation and individual consideration). Qasemi [23] found a significant positive relationship among the three styles of transformational, interactive and participatory leadership with self-efficiency of staff. Hsiao & Chang [13] found in a study that organizational learning and transformational leadership have a positive relationship with organizational innovation. Chao et al. [7] found in their research that transformational leadership has a positive effect on innovative behavior of employees in the manufacturing industry. Nguyen [20], found in a study that the transformational and transactional leadership styles are positively associated with applying knowledge management. The evidence also showed that the appropriate leadership style (transformational or transactional) had the largest share in the organizational culture and leaders can directly or indirectly affect the knowledge management through organizational culture. Jimenez et al. [14] found in a study that there was a positive relationship among the organizational learning and innovation, creativity, and performance and the impact of organizational learning on innovation and creativity is more than performance. Gumusluoglu & Ilse [10] found that the transformational leadership through psychological empowerment affects the creativity of staff and the results of hierarchical linear modeling showed that there is a significant positive relationship between transformational leadership and creativity of staff.

Based on the findings of study, the following suggestions are proposed:

1) Using intellectual stimulation to the challenge thoughts, imagination and creativity of their followers and identifying their values and beliefs.
2) They shouldn’t criticize staff's mistakes while doing tasks in new ways because this will suppress the creativity in staff. Also, they should pay attention to the individual differences of the staff.
3) They should collect and investigate ideas, successful or unsuccessful experiences, solutions and innovations and new strategies in these areas through creation of think tanks and suggestions.
4) Managers entrust staff so that a sense of independence and freedom bring about in their work.
5) Managers provide an environment in which conflict and involvement among staff and different organizational units are prevented so that it helps the empowerment of staff and their capabilities' development.
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