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EXAMINING AND ANALYZING CREATIVITY, CONFLICT AND THEIR EFFECT ON THE CAREER SUCCESS OF CREATIVE ENTREPRENEURS IN KURDISTAN

Ridha ABDULKAREM.M.SALAH[1], Mohammad Ali MORADI[2*]

[1]Master of International Business Administration

[2]Department of commercial management, Sanandaj branch, Islamic Azad University, Sanandaj, Iran

*Corresponding Author
E_mail: ir125@yahoo.com

ABSTRACT

Creativity analysis deals with the differences in perceptions, behavior, problem solving, decision-making, and communicating with each other, whereas conflict management style (CMS) shows the behavior of individuals in response to interpersonal conflicts. Although few studies are conducted done on the relationship between entrepreneurship-creativity analysis, CMS and career success in creative analysis. In forcing to test the related hypothesis, a sample of 251 creative entrepreneurs in the Kurdistan and structural equation modeling (SEM) was used. The results showed that strengthening creativity of the creative entrepreneurs with mediation of CMS affects career success. According to cognitive psychology theories and conflict management, the paper will explore the uncharted areas between entrepreneurial cognition and conflict management in the field of entrepreneurship.

Keywords: *Creativity and Conflict, Creative Entrepreneur, Career Success*

INTRODUCTION

The creative industries are driving forces in the development of the global economy (Henry & Diberin, 2011). Creative industries include a wide range of sectors like art, craft, design, fashion, photography, advertisement, architecture, publications, media and cultural heritage (DCMS, 2011). The USA affirms the role of creative industries in creating jobs, regional innovation, and social inclusion, so these industries are a stimulation for diversification into the economy, revenue generation and trade by creating economic and employment benefits in the relevant service and production sectors (The USA, 2010).

In spite of its growing significance, entrepreneurship has not been well explored in the innovative industries yet (Cheston and Sedler-Smith, 2012). The meaning of creative entrepreneurs in this paper is the founders who set up a business in the innovative industry and manage it. Combining the theories of cognitive psychology, conflict management, and entrepreneurship literature, the paper examines how the entrepreneurial cognitive styles of entrepreneurs affect the success of the business in the innovative industries by introducing the internal CMSs between employers and followers.

Understanding entrepreneurship deals with subjective models of the entrepreneurs and how their psychological characteristics are related to entrepreneurial processes and outcomes. According to organizational psychologists, cognitive style is one of the determinants of work behavior (Alison, Chel & Hyes, 2000; Armstrong, Cole, and Sandler-Smith, 2012). The

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cognitive style deals with the differences in perception, behavior, problem solving, decision-making and establishing communication with others. Exploring understanding entrepreneurial provides a base for identifying those who can play the role of successful entrepreneurs (Alison et al., 2000). Creative entrepreneurs have a unique management style based on intuition, non-formality, and quick decision-making, whereas more conventional thinking styles do not match the unique characteristics of creative entrepreneurs (Powell, 2008). Researchers can get a better understanding of the creative industries by focusing on the unique features of creative entrepreneurs and their effects on the organizational process (Chastono Sedler-Smith, 2012).

Conflict management is connected with the process of creative thinking. Conflict is an inevitable social process in organizations and usually happens when people disagree on personal and business issues. CMS is of great importance in micro-organizations, such as small firms in the creative industries. The four significant styles in the management of interpersonal conflict are integration style, avoidance style, grammatical style, and collaborative style. CMS of entrepreneurs is of great significance in creating new economic activities. For instance, Jousseld et al. (2006) concluded that integrated approach of the leaders in conflict management could increase effectiveness. Furthermore, Liu et al. (2009) claim that proper conflict management is an effective mechanism for improving economic performance, able to reduce the negative outcomes of the conflicts between internal sectors and other stakeholders.

The cognitive style of creativity is used as a tool for describing the creative entrepreneurs' facing with inter-company conflicts and achieving desirable economic outputs. Managing conflicts of the entrepreneurs has a significant effect on firm performance, but few empirical studies have considered cognitive style connected with CMS and have not answered the questions related to those subjective attributes of the entrepreneurs that affect the proper management of intra-organizational conflicts. The present study tries to fill this gap by relying on the cognitive style of creativity, described by two distinct mental models - divergent thinking and convergent thinking (Basadore and Hofstede, 1996).

THEORY AND HYPOTHESIS

Creativity Analysis

The analysis of creativity shows the two common subjective models in idea generation. Divergent thinking refers to a positive attitude towards generation of different ideas for the problem by the perception of a world beyond conventional attitudes. On the opposite, divergent thinking shows the clarification of the nature and the facts related to the problem, and restrict the solutions and achieve a definitive response. Creative entrepreneurs welcome innovative ideas for generating valuable products and services for the customers. The cognitive creativity view is used in this paper as it shows the priorities of individual thinking in a context where creativity is at the heart of individual behavior (Basadore and Hofstede, 1996).

Studies indicate that understanding entrepreneurship has significant uses for achieving new economic outcomes (Baron, 2004; Michael et al., 2007). Nonetheless, most of the studies focus on strategic entrepreneurship dimensions in the area of understanding regarding, whereas how the entrepreneurship cognition affects social processes within the organization is overlooked yet (Michael et al., 2007).

Conflict management

In organizations, conflict is an inevitable social procedure revealing itself in incompatibility, disagreement, and inconsistency among individuals in doing their personal tasks (Teclub and Quigli, 2014). Organizational CMS by entrepreneurs is one of the decisive factors for economic performance as managing conflict of the leader affects affection, ethics, loyalty, and coordination of company members (Liu et al., 2009).

Previous studies identify four styles for managing inter-personal conflicts: integration style, avoidance style, forcing style, and collaborative style. Rahim and Magner (1995) set forth some descriptions. The integrative style involves opening up, exchanging information and examining differences to achieve an acceptable answer for both parties. The avoidance style has to do with withdrawal from the conflict situation. The forcing style shows win-lose orientation or the forcing behavior for the collaborative style is related to diminishing the differences and emphasizing on commonality to meet the concerns of the other.

Analysis of creativity and conflict management

CMS shows the behavioral state, with the studies showing that cognitive style can be useful in predicting individual behavior and the type of dealing with interpersonal conflicts.

Literature shows that convergent and divergent thinking can cause various behavioral trends (Basadore and Hofstede, 1996), and divergent thinkers can produce more ideas due to having more emotions, sensitivity and imagination - nonlinear thinking produces more ideas as well. However, there is not much empirical evidence on the effectiveness of the management of conflicts of creative entrepreneurs by the cognitive style of creativity. As a preliminary exploration, the paper studies how the creative entrepreneurs' divergence thinking is connected to the ways they manage the intra-organizational conflicts. Thus, the first hypothesis is as follows:

H1: The Divergent Style of thinking by Creative Entrepreneurs has various effects on their CMSs, such as integrating, avoidance, forcing and collaboration.

Compared to divergent thinkers, the people with a high convergence level of thinking tend to identify one or more justifiable ideas based on facts, logic, precaution, accuracy, calmness, and linear thinking (Cropley, 2006). Convergent thinking is institutionalized in logical, analytical, and moderate reasoning, which affects the behavior of individuals with others (Armstrong et al., 2012). Several theories show that the logical and objective nature of convergent thinking might have various effects on the tendencies of creative entrepreneurs in conflict management (Casipo et al., 1996), so the second hypothesis is as follows:

H2: The convergent thinking style of creative entrepreneurs has various effects on CMSs, such as integration, avoidance, forcing, and collaboration.

Entrepreneurs' success

The entrepreneurs' career success is associated with positive psychological and job outcomes, created due to new economic activity (Lau et al., 2007). In different sectors, the entrepreneurs might judge their career success in different ways, and the literature confirms the need to use entrepreneurial success indices based on specific context where new economic activity processes are actualized. Creative entrepreneurs care more about their success in their jobs career rather than their income from financial transactions (Paig et al., 2002). Thus, two indices of career success from the perspective of creative entrepreneurs are social fame and job progress.

CMS and entrepreneurs' success

The leaders' intra-organizational CMS has a direct effect on the feelings, ethics, loyalty and adaptability of followers (Liu et al., 2009). Conflict management may be greater in companies active in the creative industries, since creative thinking is only reached if internal conflicts are effectively managed and embedded in appropriate management strategies. Accordingly, the third and fourth hypotheses are as follows:

H3: CMSs of creative entrepreneurs, including integration, avoidance, forcing, and collaboration have different effects on the social fame of entrepreneurs.

H4: The conflict of creative entrepreneurs, including integration, avoidance, forcing, and collaboration have different effects on career progress of entrepreneurs.

METHODOLOGY

Research design and participants

The study uses the definition of creative industries, suggested by the Department of Culture, Media and Sports of the United Kingdom (DCMS, 2001). In addition, entrepreneurs whose companies are involved in the following creative businesses were selected as the target sample: art, craft, design, fashion, filming, advertising, architecture, publications, media and cultural heritage. The participants in the study were founding entrepreneurs who were at the head of creative business in Kurdistan. Thus, 251 creative entrepreneurs were included in the paper. The questionnaires were sent by mail. The letters sent included a cover describing the purpose of the study as well as instructions for completing the questionnaire. After three phases of the study, 251 valid questionnaires were collected, with the response rate of 26%. Twenty respondents (8%) were under 30, 50 (19.9%) between 31 and 35, 44 (17.5%) between 36 and 40, 59 (23.5%) between 41 and 45, and finally 78 people (31.1%) were over 46 years of age - 176 respondents (70%) were male and 75 (30%) were female. According to the specialty, 58 (24.6%) people were anthropologists, 52 (22%) designers, 50 (21.2%) management specialist, 44 (18.6%) engineers, 19 (8.1%) science specialists, 3 (1.3%) farmers, 2 (0.8%) physicians, and 23 (9.4) were specialists in other areas. Based on educational background, 56 (22.3%) subjects had high school diploma, 87 (34.7%) bachelor's, 100 (39.8%) master's and 8 (3.2%) PhD.

Variable indices

- *Cognitive style of creativity*

The cognitive style of creativity is measured based on a 6-item scale developed in previous studies (Basadore and Hofstede, 1996). The 6-item index has two 3-item subscales, each of which is related to divergent thinking (Cronbach's alpha = 0.68) and convergent thinking (Cronbach's alpha = 0.79). These items were measured based on 6-point Likert scale, where 1 means totally disagree and 6 totally agree.

- *CMS*

Twelve items extracted from the organizational conflict base were used to measure four conflicting personal CMSs (Rahim & Magner, 1995). ROCI-II examines the four distinct approaches of creative entrepreneurs for conflict management, called integration, avoidance, forcing and collaboration styles. The Cronbach's alpha for these four types is 0.79, 0.75, 0.83 and 0.77, respectively. The items were measured based on a five-point Likert scale, where 1 means totally disagree and 5 totally agree.

- *Entrepreneurs' success*

In this paper, social fame and career progression were used to measure the success of entrepreneurs in the creative industries' context (Lau et al., 2007; Pege and Leiter, 2002). Social fame scale has three items (Cronbach's alpha = 0.93), and the career development four items (Cronbach's alpha = 0.87). The participants' responses were measured based on two scales, where 1 means totally disagree and 5 totally agree.

Reliability and validity

Confirmatory factor analysis was used to examine the reliability and validity of the variables of the study. According to Klein (1998), the composite reliability (CR) of all latent variables should be greater than 0.6, and the average variance extracted (AVE) should be greater than 0.5, so that the convergent validity theoretical threshold is verified. According to the results in Table 1, this standard is confirmed.

Analysis

The measurement model was first tested using a confirmatory factor analysis. Then, SEM was done according to the model of measurement in forcing to estimate the compatibility of the hypothesized model with experimental data as well as hypothesis testing.

In forcing to smooth out and evaluate the great degree of bias, we used the methods introduced by Pondskaph et al. (2003). The respondents were ensured of anonymity and secrecy needed to reduce measurement. We used Harman factor test and extracted seven distinct factors for 70% of the variance, where the first factor explains 22% of it. The results showed that no single element appears, and no single agent is responsible for the major part of the variance. Therefore, the possibility of bias is low and the validity of the indices is supported.

RESULTS

Descriptive statistics and correlations

Table 2 shows descriptive statistics and correlation coefficients for the variables.

Measurement model

The results of the measurement model, as seen in Table 3, show a good fit for the data (RMSEA = 0.05; $\chi^2 = 370.11$; $GFI = 0.90$; $AGFI = 0.87$; $IFI = 0.96$; $CFI = 0.96$). The indices confirm further verification of the structural model.

Structural model

Table 3 shows the structural model compatibility indices. The results of the structural model show that the hypothesized model is consistent with the data (RMSEA = 0.06; $\chi^2 = 461.12$; $GFI = 0.87$; $AGFI = 0.84$; $IFI = 0.93$; $CFI = 0.93$).

Figure 1 shows the total structural model with path coefficients. H1, indicating that divergent cognitive styles have various effects on CMSs, is partly confirmed as divergent thinking has a positive relationship with integrative (β=0.31, p<0.01), forcing (β=0.19, p<0.01), and collaborative (β=0.27, p<0.01) styles. Hypothesis H2, indicating that convergent thinking has multiple effects on CMS, is partially confirmed as convergent thinking has a negative relation with forcing style (β=-0.20, p<0.01) and collaborative style (β=-0.34, p<0.01).

The results of testing H3 hypothesis, showing a significant relationship between CMS and the social fame of creative entrepreneurs, denotes that the integration (β=0.21, p<0.01) and

forcing (β=0.17, p<0.05) styles are related to social popularity. Test results of hypothesis 4 show a significant relationship between CMS and career progression of creative entrepreneurs, suggesting that the integrative style (β=0.38, p<0.01) and forcing style (β=0.24, p<0.01) have a positive relationship with career progression.

Table 1: Confirmatory factor analysis results

Concept	Item	Factor loading	AVE	CR
Divergent thinking	1- I enjoy the development of my imagination to generate many ideas 2- I can easily access new ideas 3- I prefer to have a non-traditional attitude about the affairs	0.77 0.54 0.70	0.46	0.71
Convergent thinking	1- I try to take my time to clarify the problem 2- I try to identify the data related to the problem 3- I try to focus on the exact description of the problem	0.74 0.85 0.67	0.57	0.80
Integrative style	1- I exchange the exact information with my followers and we solve the problem together 2- I try to get along with my followers to understand the problem 3- I try to work with the followers to find the answer	0.72 0.81 0.71	0.56	0.80
Avoidance style	1- I try to hide my opposition to followers to avoid bad feeling 2- I try to be patient and conceal my conflicts with followers 3. I try to avoid opposing with my followers	0.83 0.66 0.75	0.51	0.75
Forcing style	1 - I use my authority to make decisions in my favor 2 - I use my authority to impose ideas 3 - I sometimes use my power to win a competitive position	0.75 0.86 0.76	0.63	0.83
Collaborative style	1- I try to meet the expectations of my followers 2 - I care about the wishes of my followers 3 - I try to comprehend the wishes of my followers	0.53 0.87 0.79	0.55	0.78
Social fame	1- I have a good reputation in creative industries 2 - Many people know me in my area of work 3 - Most people in the creative industries think that I am a good creative worker	0.89 0.94 0.89	0.82	0.93
Career progress	1 - The company I have established has a cultural value for the community 2 - The company I have established confirms some of my goals I intend to achieve 3 -I have reached some of my dreams by my business 4 - I have understood the concept of progress through my business	0.75 0.88 0.84 0.71	0.64	0.87

DISCUSSION AND CONCLUSION

Understanding entrepreneurship is an embedded part of the entrepreneurial process (Michel et al., 2007) and researchers have confirmed the importance of CMS in the performance of new businesses (Liu et al., 2009). Nonetheless, few studies have been conducted on determining individual behaviors by cognitive advances in conflict management (Bukenhoff et al., 2007; Sarney et al., 2012; Ragens et al., 2010). By integrating conflict management

theories and cognitive psychology, this paper enriches current literature by presenting a theoretical model explaining the effect of the cognitive style of the creative entrepreneurs on career success mediated by the management of inter-organizational conflicts.

Our results show that the cognitive style of creativity can predict the behavioral orientation of creative entrepreneurs in conflict management. The results also show that creative entrepreneurs with higher levels of divergent thinking are more active and more positive in response to the conflicts they come across. On the contrary, the results show that convergent thinking has a negative effect on conflict management in forcing and collaborative styles. In other words, creative entrepreneurs with a higher degree of convergent thinking tend to identify the underlying issue based on the facts and information (Crapley, 2006). Thus, creative entrepreneurs have a more rational attitude towards interdisciplinary agencies than they have the authority to draw on their followers or trying to contribute to different opinions. Linking the cognitive style of creativity with CMS to creative entrepreneurs understands how divergent and convergent thinking works on their contexts of conflict management in various situations, like perception, behavior, problem solving, decision-making, and behavior with others.

Creative entrepreneurs tend to define their career success consistent with what they have done in their profession, not based on the amount of money they receive (Pige & Litrel, 2002). Accordingly, social fame and career progression reflect the career prosperity of creative entrepreneurs. Our results show that conflict management in integrated and forcing styles has a significant positive effect on social reputation and career progress. Integration and forcing styles can be considered as an active approach to conflict management (Gelfend et al., 2008) and our results show that active conflict management tends to help creative entrepreneurs reach social fame and career progression.

Limitations and future studies

These papers have some limitations. The concepts included in this study were cognitive style of entrepreneurs, behavioral styles in conflict management, and perceived career success, and the data collected based on information reported by entrepreneurs themselves. More in-depth interviews with those entrepreneurs can lead to the richness of the paper by providing more insights, testimonials, and theoretical applications for research results. Furthermore, the lack of theoretical base is one of the limitations. Our study focuses only on the cognitive style of creativity of creative entrepreneurs, CMSs, and career success. Further studies can be done to explore the behavior of creative entrepreneurs using different business models to achieve better career success. Furthermore, using new research approaches can be useful in clarifying the status quo. Qualitative Comparative Analysis (QCA) can be utilized as a useful tool for identifying a combination of creative entrepreneurial attitudes in cognitive styles, behaviors and strategic situations that might end in the creation of a new concept in the theory test (Woodside, 2013) and more positive economic outcomes in the creative industries.

Table 2: Descriptive statistics and correlations

Variable	Mean	SD	1	2	3	4	5	6	7	8
Divergent thinking	5.2	0.73	-							
Convergent thinking	5.3	0.67	0.37	-						
Integrative style	4.2	0.62	0.3	0.28	-					
Avoidance style	3.2	0.92	0.02	-0.04	0.04	-				

Forcing style	3.1	0.95	0.08	-0.03	-0.21	0.28	-			
Collaborative style	3.4	0.73	0.8	-0.08	0.03	0.36	0.32	-		
Social fame	3.2	1.02	0.21	0.09	0.16	0.12	0.14	0.14	-	
Career progress	3.7	0.89	0.33	0.19	0.29	0.07	0.16	0.11	0.63	-

N = 251

× Correlation coefficient was significant at P<0.05 level (bi-sequence)

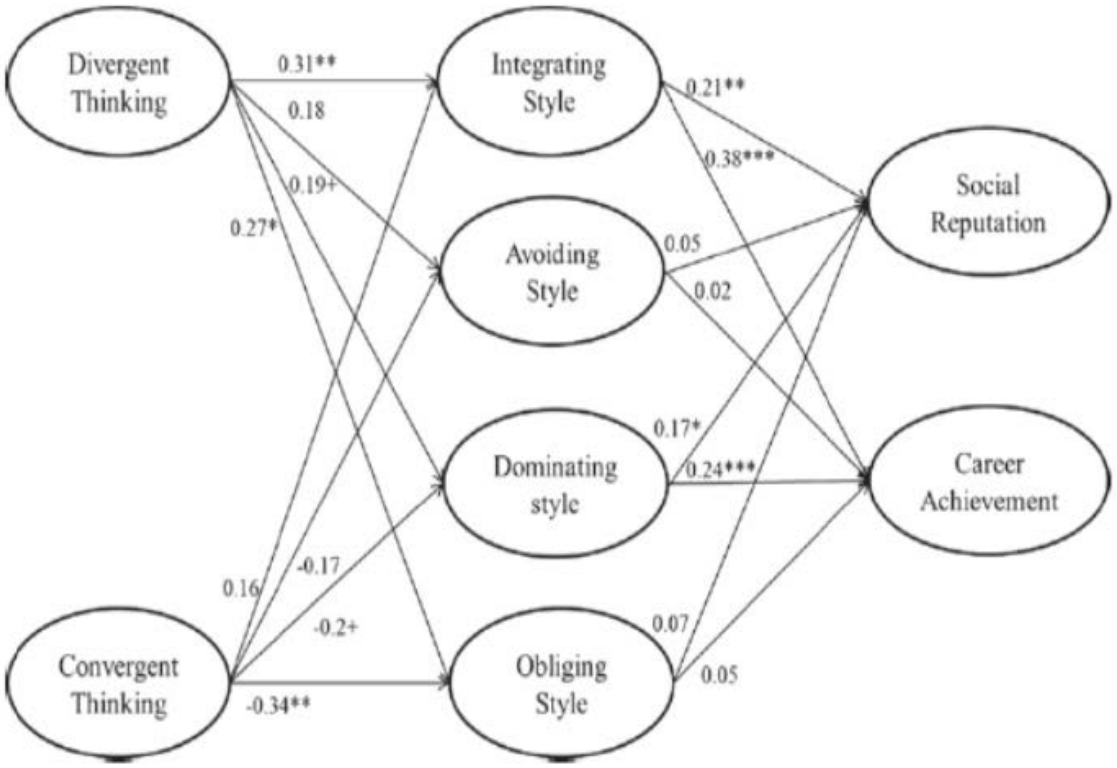
** Correlation is significant at the level of P<0.01 (bi-sequence)

Table 3: Summary of Compatibility Indices Model

Model testing	Chi square	DF	CFI	GFI	IFI	AGFI	RMSEA
1. Independent model	3139.94	300					
2. Measurement model	370.114	247	0.96	0.90	0.96	0.87	0.05
3. Structural model	461.12	257	0.93	0.87	0.93	0.84	0.06

Chi-square: values for structural and measurement models are significant at the level of P <0.001

RESULTS OF STRUCTURAL Equation Modeling



N=251

Note: + p<0.1; * p<0.05; ** p<0.01; ***p<0.001

Figure 1: Results for SEM

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