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# Transformational leadership, change readiness, and creativity

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TRANSFORMATIONAL LEADERSHIP, CHANGE READINESS, AND  
CREATIVITY

A Thesis

Presented to

The Faculty of the Department of Psychology

San Jose State University

In Partial Fulfillment

of the Requirements for the Degree

Master of Science

by

Stephanie Lutz Allen

May 2007

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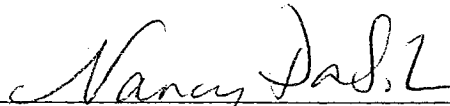
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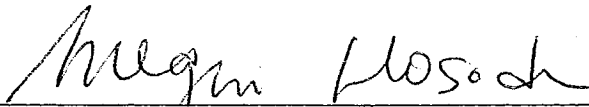
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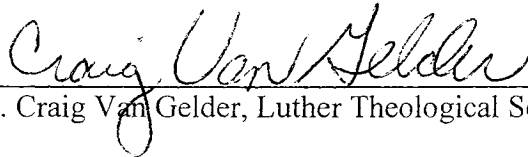
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## ABSTRACT

### TRANSFORMATIONAL LEADERSHIP, CHANGE READINESS, AND CREATIVITY

by Stephanie Lutz Allen

This study examines the relationship between leadership style and organizational members' readiness for change and valuing of creativity. Based on Bass and Avolio's full range leadership theory, it was hypothesized that transformational leadership dimensions would positively and strongly relate to members' perception of organizational change readiness and valuing of creativity, transactional leader dimensions would positively but less strongly relate, and passive-avoidant dimensions would negatively relate to members' perceptions of organizational change readiness and valuing of creativity.

The sample included 182 church members from six West Coast Protestant congregations, who rated the pastor of their church on leadership style, and rated their organization on change readiness and valuing creativity. The results indicate that transformational leadership positively related to change readiness and valuing creativity, and that passive-avoidant leadership negatively related to change readiness and creativity. In addition, the presence of transformational leadership behavior was found to be the most important leadership behavior for influencing creativity and the absence of passive-avoidant leadership behavior was most important for change readiness. The transactional leader behavior of contingent reward was found to relate positively to both outcome variables, but was not found to be significant in the regression analysis.

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To each one of us gifts have been given, as Christ has apportioned it. And his gifts were that some should be apostles, some prophets, some evangelists, some pastors and teachers for equipping God's people for the work of ministry.

The apostle Paul in a letter to the Ephesus church (Ephesians 4:7,11)

### Introduction

Organizations have always needed to change and reinvent themselves in order to have a viable long term future, but with increased global competition, a mobile society, and the speed of change due to technological innovation, this need is now being more acutely felt (Luecke, 2003). People move frequently, have little brand loyalty, and have a plethora of options available, all of which make it difficult to remain viable without constant change (Kanter, Stein, & Jick, 1992). But for-profit corporations are not the only types of organizations identifying the need to adapt and innovate. In one type of non-profit organization, the Protestant congregation in the United States, many have also identified a need to change, not in order to stay competitive, but to meet the needs of a changing, mobile society and pave the way for a viable future as an organization (Heuser & Shawchuck, 1993).

Leadership is key in transforming organizations, and is stressed across a variety of perspectives. In a study of organizations that made the shift from mediocre to sustained profitability, Collins (2001) identifies leadership as the first and most important element in helping companies achieve greater effectiveness. Leadership is a key aspect in the

organizational change models outlined by Kotter (1995), Kanter et al. (1992), and Luecke (2003). Kotter (1995) claims that “management’s mandate is to minimize risk and to keep the current system operating. Change, by definition, requires creating a new system, which in turn always demands leadership” (p. 60). Phelen (2005) asserts the critical nature of the leader’s role in organizational revitalization.

If organizational change and innovation theoretically depend on leadership, what type of leadership would be most conducive to successful implementation of change? Bass’s (1985) *full range leadership model* proposes that of three types of leaders (transformational, transactional, and laissez-faire), transformational leaders are more likely to emerge and be effective in stressful times requiring change (see Figure 1).

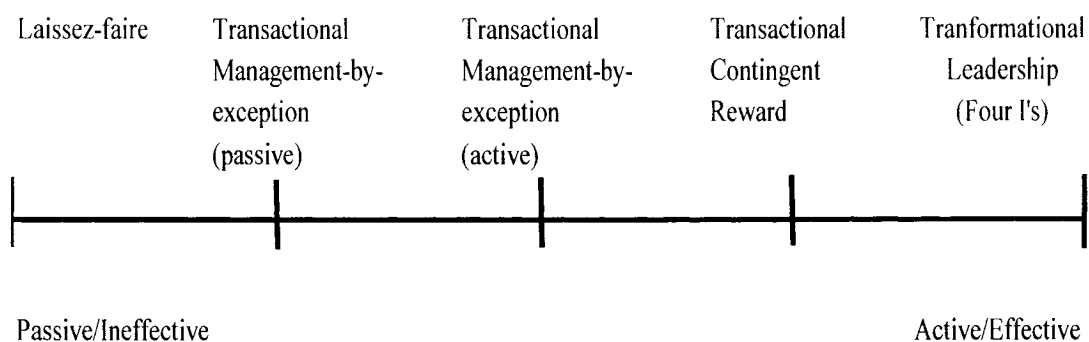


Figure 1. Continuum of Full Range Leadership Model

*Transformational* leaders are concerned with the transformation of the organizations and the individuals within it, and to that end, influence their followers to transcend their own self interests for the good of the group by raising their commitment to the importance of the organization’s vision. *Transactional* leaders, Bass’s second type, emphasize the

transaction or exchange that takes place between leader and follower, such that there is clarity about what is expected and what rewards will be offered if expectations are met. *Laissez-faire* leaders avoid leadership responsibility, and nothing is transacted or made clear between the leader and follower (Avolio & Bass, 2002). The transactional and laissez-faire leader work within the organization as it exists; the transformational leader changes the organization (Bass, 1985). The purpose of this study is to examine the question of whether transformational leaders are more likely than transactional or laissez-faire leaders to lead in such a way that the organizational members think their organization is open to change and values creativity. The type of organization that forms the context of this study is the Protestant congregation in the United States.

## Review of Literature

### *Development of the Full Range Leadership Model*

The concept of the full range leadership model combined aspects of House's (1977) theory of charismatic leaders and Burns' (1978) theory of two types of leaders, transformational and transactional. Sociologist Max Weber (1947) first popularized the concept of the charismatic leader, who reveals a transcendent mission, which in and of itself may be appealing to followers, but is acted on because followers believe the leader to be extraordinarily gifted. The word "charisma," originally from the Greek, means simply "gift." House (1977), building on Weber's concept of leader charisma, defined charisma as a special personality characteristic which results in a person being treated as a leader. Charismatic leaders are strong role models, appear competent to followers, communicate high expectations for followers, and exhibit confidence in the follower's abilities to meet these expectations. They are able to inculcate follower trust, respect, identification with the leader, and commitment to the leader's goals (House, 1977).

In his political science treatise on leadership, Burns (1978) incorporated the aspect of charisma in the category of transformational leadership, and distinguished it from transactional leadership. The latter refers to the more typical interaction of leader and follower which focuses on the exchange of expectations and rewards, often of a more short term nature. Examples of transactional leadership would be politicians who promise lower taxes in exchange for votes, managers who offer employees a promotion for meeting goals, and teachers who offer good grades for student performance. Both leader and follower are aware of what they have to offer each other, but there is no

enduring purpose that binds them together, such as a mutual transcendent goal that gives meaning to people's lives and provides some purpose greater than individual self interest to work towards. For example, Ben & Jerry's Homemade does not just sell ice cream to make money, they set as their goal to operate a company in such a way that local and global communities are benefited, the environment is cared for, and workers are empowered and treated justly (Dessler, 1999). By contrast, transformational leaders engage followers in such a way that the level of motivation and morality in both the leader and follower are heightened, such as Ben and Jerry's Homemade's attempt to have all employees responsibly assess the firm's environmental impact in all areas of operation. This type of leader is attentive to followers' needs and tries to help followers reach their potential, while also contributing to more meaningful or longer term goals. Burns points to Mohatma Gandhi and Martin Luther King Jr. as transformational leaders, who inspired their followers, raised their hope for a better future, and transformed their countries at the same time. Burns claimed that these two leadership types exist as a dichotomy, in which the leader is either one or the other. Burns writes from a political science framework, theorizing that reform, revolutionary, and heroic leaders are transformational but typical political leaders in western democracy are transactional leaders, because the nature of the relationship is one of exchanging promises for votes.

In contrast, Bass extended Burns' theory, by positing the leadership types as a continuum based on three types of leaders, rather than a dichotomy of two types. Bass also took Burns' assertions from the realm of political science, and applied them to business and non-profit organizations, examining the possibilities of a CEO, middle

manager, pastor or school principle as exhibiting one of the three leadership styles of the full range model. Bass defined these styles as follows. First, transformational leaders are charismatic leaders who encourage their followers to perform beyond expectations, and include the four I's of (a) *Idealized influence charisma*: the leader is admired and trusted by being a role model, taking risks and avoiding use of power for personal gain; (b) *Inspirational motivation charisma*: the leader inspires followers towards a shared vision by providing meaning and challenge to the followers' work; (c) *Intellectual stimulation*: the leader stimulates innovation and creativity by encouraging followers to question assumptions, reframe problems, and approach old situations in new ways; and (d) *Individualized consideration*: the leader considers each follower's needs and desires individually, seeking to help each one develop his or her potential (Avolio & Bass, 2002).

These four dimensions are usually inter-correlated with one another, and this led to criticisms of multicollinearity, but several studies focusing on the components of the full range leadership model have found these to be four separate factors of one leadership type (Antonakis, Avolio, & Sivasubramaniam, 2003; Avolio, Bass, & Jung, 1999). These four dimensions are seen as interrelated and mutually reinforcing, for example, inspirational motivation will raise a follower's self-efficacy, which is then reinforced through individual consideration from the leader, but inspirational motivation and individualized consideration are distinct factors (Antonakis et al., 2003). In the leadership profile, a transformational leader would display all four, but keeping the dimensions separate has benefits for research and leadership development (Antonakis et al., 2003). For research, limiting the typology to three leadership styles of

transformational, transactional and laissez-faire does not provide the range of factors relevant to assessing leader behavior, and for practical training, it is more effective in coaching leaders to let an individual know what factor they may be low in and thus need to target for improvement, rather than just telling them they are or are not transformational (Antonakis et al., 2003).

The second type of leader, transactional, consists of three dimensions of (a) *Contingent reward*: behaviors focused on clarifying role and task requirements and providing followers with material or psychological rewards; (b) *Management-by-exception active*: corrective actions and vigilance on the part of leader to make sure follower meets goals; and (c) *Management-by-exception passive*: corrective actions only after noncompliance has occurred or mistakes have already been made (Antonakis et al., 2003). The distinction between active and passive management-by-exception is based on the timing of the leader's intervention (Howell & Avolio, 1993). In the more active form, the leader monitors the follower's performance to anticipate mistakes or problems in order to intervene immediately with corrective action. In the more passive form of management-by-exception, the leader only clarifies standards and takes corrective action after mistakes have occurred. Unlike the dimensions of transformational leadership, a leader is not expected to display all three of these dimensions to be transactional, but only one is sufficient (Bass, 1999). There is confusion about these three dimensions. Sometimes management-by-exception passive is listed under transactional leadership, and sometimes it is listed under the third type, laissez-fair (Northouse, 2004), probably for reasons related to it being an ineffective leadership style, as can be seen below.



The third type, *laissez-faire*, consists of one dimension, the passive avoidance of leadership. As the French phrase implies, *laissez-faire* leaders take a “hands-off” approach, in which they abdicate responsibility, delay decisions, give no feedback, and make little effort to help the follower grow (Northouse, 2004). This third typology is also called “passive-avoidance” and often includes management-by-exception passive and *laissez-faire* (Bass, Jung, Avolio, & Berson, 2003).

The organization of the full range leadership model as outlined above is the typology presented in literature for the purposes of education and training (Avolio & Bass, 2002; Northouse, 2004). The dimensionality of these constructs and factor structure has been debated in the literature, alongside with the validity of the Multifactor Leadership Questionnaire (MLQ) developed to measure these constructs. Two studies were conducted to evaluate the factors in this theory and the items included in the MLQ. In the first study (Avolio et al., 1999) data from 14 samples including 3786 respondents describing their leader were studied in a confirmatory factor analysis based on an 80 item MLQ. The instrument was revised to the 36 item MLQ 5X based on six factors: charisma-inspirational (combined idealized influence and inspirational charisma), intellectual stimulation, individualized consideration, contingent reward, management-by-exception-active, and passive-avoidant leadership (combined passive-management-by-exception and *laissez-faire*). The model that showed the best fit with these factors was the 3-fold typology of two higher order correlated factors: transformational leadership (charismatic/inspiration, intellectual stimulation), developmental/transactional

(individualized consideration and contingent reward), and a third uncorrelated factor, corrective/avoidant (management-by-exception and laissez-faire).

The second study (Antonakis et al., 2003), using the MLQ 5X and 2279 male and female respondents who evaluated same gender leaders, recommend a 9-factor structure based on the 3-fold typology: transformational (consisting of five factors, idealized influence attributed and idealized influence behavior, inspirational motivation, intellectual stimulation and individualized consideration), transactional (consisting of three factors: contingent reward, management-by-exception active, and management-by-exception passive), and laissez-faire (consisting of one factor). The authors of this study did not give any reason for why or how between the factors increased from 6 to 9 between these two studies, why charisma was split into two factors of idealized influence attributed and idealized influence behavior, why individualized influence was moved from transactional to transformational leadership, or why management-by-exception was moved from the third typology of corrective/avoidant to the second typology of transactional leadership. This confusion is probably contributing to the tendency of researchers to make their own call in simplifying the structure for the purposes of their study, usually without giving reasons why they have made that decision.

Many studies aggregate the multidimensional components of transformational and transactional into one construct, such that leaders are compared based on a leader's score as either transformational or transactional, and few studies examine the passive-avoidant leader. The scoring of the MLQ is designed for this dual purpose, to give the leader a score as falling in one of the three leader typologies, and to give an indication of

performance on each dimension within a typology. For training purposes, it is better to give the individual specific feedback on each dimension, which gives the leader more information about how to improve. For example, it is better to give a leader feedback that they need to provide more intellectual stimulation for followers, because they were low in that dimension, than to just say that they need to be more transformational (Antonakis et al., 2003). See Appendix A for an outline of the research reviewed in this study and their use of these leadership constructs and sub-dimensions. Here it can be seen that aggregating the constructs under the three typologies is the most common method of the past six years of research. The lack of specificity regarding how researchers are using the typologies and dimensions is a weakness in the research on full range leadership model.

Both transformational (the four I's) and transactional (contingent reward and active-management-by-exception) leader behaviors are effective, however, the leadership theory consists of a continuum, in which there is an augmentation effect. A leader's effectiveness is augmented, or enlarged, if they display behaviors further to the right of the continuum. Effectiveness is defined as overall leader effectiveness, satisfaction with leader, and extra effort of followers from leader's behavior (Kennard, 2002).

Transformational leadership is more effective than transactional/contingent reward, which is more effective than active-management-by-exception (Bass, 1997). Passive - management-by-exception and laissez-faire leadership are both ineffective styles, the former is less ineffective than the latter (Bass, 1997). Empirically, the four I's of transformational leadership correlate more highly with effectiveness than does the first

factor of transactional leadership, contingent reward, which in most circumstances is positively associated with effectiveness (Bass, 1999). In turn, contingent reward correlates more highly with effectiveness than does active-management-by-exception, and passive-management-by-exception and laissez-faire are both almost always negatively correlated to leader effectiveness (Bass, 1999). As the most effective type, transformational leaders also incorporate transactional aspects of leadership, and in reality leaders can display the different behaviors at different times (Avolio et al., 1999).

This is a contrast to Burns, who viewed the two types of transformational and transactional leadership as a dichotomy, in which the leader was either one or the other. To illustrate the interaction of these leader behaviors, the consistent honoring of agreements (transactional) would contribute to perceptions of consistency and dependability needed for the kind of trust necessary to be a transformational leader (Shamir, 1995). In this way, full leadership theory goes beyond the idea of a leader with charisma who can inspire people, in that the transformational leader can also lead in practical ways of developing people, providing clarity of tasks, and making sure that resources are available.

For the purposes of this study, the full range leadership model consists of three typologies. The first is transformational leadership, consisting of idealized influence/charisma, inspirational motivation, intellectual stimulation, and individualized consideration. The second typology is transactional leadership consisting of two dimensions of contingent reward and active-management-by-exception, following the intentions of the most recent edition of the MLQ. The third typology will be referred to

as passive-avoidance leadership, and will include the dimensions of passive-management-by-exception and laissez-faire, following the example of the authors responsible for originating the full range leadership model in recent research (Bass et al., 2003). Another reason is that management-by-exception passive is ineffective, and thus it does not make sense to include it under the typology of transactional leadership, which is found to be effective (see Appendix B). The dimensions under the three types of leaders will be included in the hypotheses of this study in order to retain a fuller picture of leadership and its dimensions, and because leaders in reality do portray the full range of leadership behaviors, though they may primarily fall in one type or another.

#### *Review of Research on Full Range Leadership Model*

The full range leadership model has been well researched, and linked to a variety of outcomes such as leader effectiveness, and subordinate effectiveness, effort, satisfaction, and commitment (DeGroot, Kiker, & Cross, 2000). Two meta-analytic studies of transformational leadership show the performance enhancing potential of transformational leadership can be seen (DeGroot et al., 2000; Lowe, Kroeck, & Sivasubramaniam, 1996). Lowe, et al (1996) examined 39 studies, including eight from the military, using three transformational leader dimensions of charisma (idealized influence and inspirational motivation), intellectual stimulation, individualized consideration, and two transactional dimensions of contingent reward and management-by-exception (active and passive). Theorizing that level of leader (high versus low in hierarchy), organizational setting (public versus private) would moderate the correlations between leader style and effectiveness revealed some surprising results. Effectiveness

was operationalized in two ways, as subordinate perceptions and by organizational measures of performance (such as unit performance). Contrary to expected results, transformational leader behaviors were more commonly observed in public versus private organizations, and were more commonly found in lower level than higher level leaders. But transformational leader behaviors were found in both public and private organizations, and in both levels of leaders, indicating that transformational leader behavior is relevant across types of organizations and levels of leadership. As expected, there were higher positive relationships between subordinate perceptions of leader effectiveness and transformational leader behavior, as compared to organizational measures of leader effectiveness.

DeGroot et al. (2000) extend this work by comparing studies using common method versus multiple sources, and found that although both types of studies showed robust correlations of transformational leadership and leader effectiveness, the relationships were weaker for studies using multiple sources rather than using one source. Thus the authors conclude that measures should be drawn from multiple sources. These authors also found that transformational leadership was more effective at increasing group performance versus individual performance, and theorize that this could be due to groupthink impacting the leader-group effectiveness relationship. This also suggests that leader behavior has more impact at group level versus the individual level (DeGroot et al., 2000).

Many of the original studies confirming the full range leadership theory were conducted within the military (Avolio & Bass, 2002). In the most recent study within the

military, Bass, Jung, Avolio, and Berson (2003) studied unit performance in times of high stress and uncertainty. Aggregating transformational and transactional items into one dimensional construct each, they found that for sergeants (more distant leader) ratings of transformational leadership were more predictive of unit performance, but for platoon leaders (close leader) both transactional and transformational leadership ratings predicted successful unit performance in terms of tactical military exercises. The authors argue that perhaps in a stressful situation within a military setting followers need high levels of transactional leadership for clarity. It could be possible that this is evidence against Bass's theorized augmentation effect of transformational over transactional leadership. For both distant and close leaders, laissez-faire leadership was counterproductive to performance. Higher ratings of transformational leadership were also linked to greater unit cohesion and potency (collective efficacy). Studies within business have examined transformational leadership and performance. For example, in a study of Canadian bank managers, Howell, Neufeld, and Avolio (2005) found that transformational leadership positively predicted business unit financial performance over a one year period. Unlike the study by Bass et. al (2003), Howell et al. (2005) found the opposite results between close and distal leaders, such that ratings of transformational leadership did not predict business unit performance for geographically distant leaders as much as it did for close leaders.

Bass (1997) asserts that the full range leadership model holds up across organizational types and cultures, with few exceptions. Research bears this out, as the model has been studied in a variety of organizational settings, with different types of

leaders and cultures, such as African-American churches (Langley & William, 2003), religious orders of the Roman Catholic church (Druskat, 1994), the US military (Bass et al., 2003), a Singapore hospital (Avolio, Zhu, Koh, & Bhatia, 2004), school principals (Leithwood & Steinbach, 1991), community leaders (Berson, Shamir, Avolio, & Popper, 2001), and business leaders of all levels (Bono & Judge, 2003; Howell & Higgins, 1990; Howell et al., 2005; Madzar, 2001; Waldman & Yammarino, 1999). Transformational leaders have been found to be effective in medium or high collectivist cultures within China, India and Kenya (Walumbwa & Lawler, 2003). Males and females both exhibit the range of leadership behaviors within the model, however, female leaders exhibit more transformational leader behaviors than men (Druskat, 1994; Northouse, 2004). Both male and female followers rate being more satisfied with transformational leaders than transactional ones (Druskat, 1994).

Transformational leadership encourages positive employee behavior and attitudes and discourages negative ones. In a study of engineers in a medical technology company, Madzar (2001) found that leadership style significantly influences a subordinate's willingness to seek information of all types, such that transformational leaders enhance their subordinate's proactive stance in seeking information from their leaders above their transactional counterparts. Two studies found that transformational leaders influence other positive employee behavior such as organizational commitment and empowerment among Singapore nurses (Avolio et al., 2004), organizational commitment, and job satisfaction (with supervisor, co-worker, and work in general) among finance workers in China, India, and Kenya (Walumbwa & Lawler, 2003). The latter study also found that



transformational leadership was negatively linked to employee withdrawal behaviors, defined as intention to quit or disengage from the work. In a study using multiple methods (field assessment in nine organizations--business, government, and non-profit--and laboratory experiment), Bono and Judge (2003) found that transformational leadership was linked to follower self-concordance, job performance, satisfaction with job and leader, and organizational commitment. Self-concordance is an aspect of employee motivation such that job related tasks and goals express the individual's authentic interests and values. Therefore, this study gives empirical support to the motivational effects of transformational leadership in regard to follower self engagement and meaningfulness of work (Bono & Judge, 2003). Podsakoff, MacKenzie, Moorman, and Fetter (1990) found that transformational leader behavior indirectly effected five organizational citizenship behaviors (OCBs: altruism, conscientiousness, courtesy, civic virtue and sportsmanship), an effect that was mediated by trust in the leader. Interestingly, they also found that transactional leader behavior had a direct, positive effect on two OCBs of altruism and sportsmanship. This again contradicts Bass' assertion that there is an augmentation effect of transformational leadership over transactional leadership (Bass, 1997).

While some researchers focus on the impact of leadership on follower's behaviors and attitudes, others focus on the leader within the leader-follower relationship. Berson and Avolio (2001) examined transformational leaders in terms of their goal orientation and communication style within an Israeli telecommunications firm facing the change of deregulation. The authors found that transformational leaders were rated as more

effective communicators in terms of three communication styles: open communication, careful listening, and careful transmitting of information. Transformational leaders had direct reports who showed relatively high agreement on organizational goals, as opposed to leaders low in transformational behaviors. Transformational leaders were also more likely to fit the “prospector” typology of goal orientation, defined as a more rapid response to change, more risk taking, and seeking out new opportunities.

Shamir (1995) examined the effect of close (immediate supervisor) versus distant (higher management) charismatic leaders on follower’s attributions of leader characteristics, finding that distant leaders were characterized more as having rhetorical skills, a sense of mission, being persistent with respect to the mission, being courageous (in terms of expressing opinions) and not conforming to social pressures. Close leaders were characterized more as being sociable, open, considerate of others, having a sense of humor, expertise in their field, setting high performance standards for themselves and others, and being original or unconventional in their behavior. Howell and Avolio (1993) found that the personality construct of internal locus of control is positively associated with transformational leaders, such that transformational leader behavior mediates the relationship between leader locus of control and business unit performance. Locus of control refers to whether a person believes that what happens to them is under their control (internal) or beyond it (external) (Landy & Conte, 2004). Therefore the authors’ assert that leaders who have greater confidence in their ability to influence their environment will be more likely to exhibit transformational leader behavior, and this leads to greater performance of followers. Howell and Higgins (1990) found that

transformational leader behavior is positively linked to the five personality characteristics of innovators which are risk taking, innovation, social adroitness (skills), achievement orientation, and endurance.

In a literature review, Waldman and Yammarino (1999) propose an extended theory of leader charisma such that CEO charisma effects top and distal leaders within an organization at the same time, resulting in higher cohesion, charismatic leadership at all levels, and greater unit and overall organization performance. One commonality in the research is the ability of top transformational leaders to influence followers across the levels of the organization, as well as close transformational leaders to influence immediate subordinates. In a meta-analysis using a broad range of contexts, Antonakis et al. (2003) confirms this, finding that the nine dimensions of the full range leadership model are stable across contextual conditions, including environmental risk (crisis versus stable situations), gender of leader, and leader hierarchical level.

In summary, transformational leadership is linked to positive follower attitudes and behaviors such as commitment, job satisfaction, organizational citizenship behavior, follower ability to find meaning and engagement in their work, intent to remain in the job, and willingness to be proactive in seeking information from the leader.

Transformational leaders are more likely to be rated as effective leaders and communicators, and have followers who understand and agree with organizational goals. They are more likely to have personality traits of innovators and have an internal locus of control. Transformational leaders can be found in all organizational levels and across a variety of cultures and types of organizations.

### *Full Range Leadership Model and Organizational Change*

In theory, transformational leadership is linked to organizational change (Bass, 1997). An important part of the definition of transformational leadership is efforts to improve or transform the organization as a whole, while also helping each follower develop his or her potential. Transformational leaders inspire followers with a vision, which gives a conceptual map of where the organization is headed. These leaders act as change agents, who initiate and implement new directions within organizations (Northouse, 2004). The goal of transformational leadership is revitalized organizations, through long-term development of people and the institutions they make up so that both can adapt, prosper, change, and grow (Kouzes & Posner, 2002). Bass (1997) asserts that while transactional leaders accept the organization as it is and work within the established framework, transformational leaders seek to change the operating framework for the better. Rules and regulations dominate the transactional organization, whereas adaptability is a characteristic of the transformational organization (Bass, 1997).

Waldman and Yammarino (1999) propose the theory, based on a literature review of leadership and charisma, that adaptive organizational cultures will foster the emergence of top leaders predisposed to show charismatic behaviors. This charismatic behavior of top leaders will then reinforce the adaptive culture, help to change dysfunctional aspects of the organizational culture, and have a cascading impact such that leaders at all levels of the organization will show more charismatic leader behavior. The authors do not answer the “which comes first” conundrum, whether it is adaptive culture or charismatic leadership. According to Bass (1985), transformational leaders are more

likely to be accepted in organizations in which there is receptivity to change and a propensity for risk taking.

There is some empirical evidence supporting the claim that transformational leadership is effective in bringing about organizational change dynamics. In one study, which addresses the conundrum of the possible interaction between receptive environment and transformational leadership, Howell and Avolio (1993) found that unit support for innovation moderates the relationship between two transformational leader behaviors (intellectual stimulation and individualized consideration) and business unit performance, suggesting that transformational leaders perform better in environments described as innovative. But leader charisma/inspirational motivation positively affected performance regardless of the level of support for innovation.

Berson et al. (2001) examined strength of vision content on the part of the leader. After community leaders were categorized into one of three leadership types by followers, video-tapes of the leaders' vision statements were content analyzed. It was found that leaders perceived by followers to be transformational produced vision statements that were rated as "stronger" in terms of optimism, confidence, and future-oriented themes than vision statements produced by leaders perceived to be transactional. The authors assert that this finding fits with the literature, in which transformational leaders are more often described as optimistic, inspiring confidence and strategic in setting direction for the organization (Berson et al., 2001). Howell and Higgins (1990) found that employees who championed an organizational change were higher in transformational characteristics than employees who did not champion the change. This

finding is confirmed in the study by Berson and Avolio (2004) which found that leaders rated as transformational by their followers were more likely to exhibit a “prospector strategy” in their perception and articulation of strategic goals, meaning they were more likely to take risks and make changes.

Another set of studies shows transformational leadership as being relevant to change dynamics within the setting proposed in this study, Protestant religious organizations. Langley and Williams (2003) examined pastor’s leadership style within the African-American church and the church’s sociopolitical involvement in the community, defined as political involvement, social programs, and community involvement/outreach. Results indicated that African-American churches with transformational leaders were more likely to be involved in sociopolitical activity within the community. However, the study relied solely on self-report of the leaders for ratings of both their own leadership style and the church’s involvement in the community. Onen (1987) found that Methodist clergy rated as being transformational by church members led churches with higher Sunday church attendance and membership growth than clergy who were not rated as transformational.

Kennard (2002) studied pastors from the Church of God denomination in Ohio, and found that pastors were more likely to exhibit transformational than transactional behaviors, and were more likely to be transformational than leaders in business and industrial organizations. This confirms Bass’s (1998) assertion that higher rates of transformational leadership can be expected for members of the clergy, as compared to norms for the general population. This could be due to the unique clergy role of

overseeing services (such as weddings and funerals) and preaching sermons, in which people experience clergy in public speaking roles intended to inspire others. Kennard also found that pastors functioning at higher levels of “meaning making” exhibited greater frequency of transformational leadership behavior. Higher levels of meaning making were defined as heightened capacities for integration, adaptability, collaboration, and creativity. These capacities were deemed essential for church leaders, who needed to navigate the turbulent, postmodern era of the twenty-first Century.

The full range leadership model is a relevant theory to use in studying congregations, as it has been found to be a stable theory across organizational types (Bass, 1997) and has been useful in several studies of Protestant congregations in the US (Kennard, 2002; Langley & William, 2003; Onen, 1987). Applying the concept of transformational leadership to clergy as leaders brings the theory full circle. Although the theory was developed in the field of psychology and business, and applied mainly to the military and for-profit organizations, the theory has its roots in Weber’s (1947) original assertion of the charismatic leader, which he developed from the charismatic “prophets” and “saviors” of religion who were given a “divine gift” or “charisma.” Here, he is alluding to the writings of the apostle Paul, from the New Testament, where leaders are given gifts, or “charismata” from Christ for their leadership work. Therefore, the full range leadership model should be applicable within a congregational setting, and will be used in this study to examine clergy leadership style in the context of change readiness and creativity in the congregation.

The purpose of this study is to explore whether church members' perceptions of the pastor's leadership style are related to their perceptions of the organization's readiness to change and valuing of creativity. Congregations are a unique type of non-profit religious organization, in which a life cycle of birth, formation, stability, decline, and death are identified as a predictable path unless there is an ongoing effort at renewal before decline or death sets in (Mann, 2000). The seeds of decline are often found in successes, and many congregations are stuck in their past successes, which requires change to break the cycle of stability to decline (Leas & Parsons, 1993). The pastor of a congregation plays a key role in this life cycle, through providing the leadership to raise questions of renewal and help a congregation face needed changes (Mann, 2000). A problem identified in many congregations is that they are over-managed and under-led, because congregations exert pressure on the pastor to prioritize managing daily activities, rather than actively lead due to fear of changes that may come (Heuser & Shawchuck, 1993). Therefore one would expect that a more transformational pastor would be leading in such a way that the congregation is more open to make changes and more likely to value the generation of creative ideas than in a congregation lead by a transactional or laissez-faire pastor.

#### *Full Range Leadership Model and Change Readiness*

Various definitions exist for the concept of change readiness, and a widely agreed upon definition is still forthcoming. Change readiness as a construct was developed out of the change management literature, and began with the work of Kurt Lewin (1951) who describes organizational change as a three step process of unfreezing, moving, freezing.



In this theory, change readiness is thought of as unfreezing, in which organizational members are prepared for change efforts. Schein (1987) extended this theory, defining the unfreezing stage as “creating motivation and readiness to change,” through making disconfirmation known (e.g., expected outcomes are not occurring), allowing anxiety about this information to motivate people toward change but also providing psychological safety to deal with the changes needed. Miller, Johnson, and Grau (1994) use the phrase “openness to change,” which they define as a two dimensional construct of support for change and positive affect about the potential consequences of change. Armenakis, Harris, and Mossholder (1993) define change readiness as the “cognitive precursor to the behaviors of either resistance to, or support for, a change effort” (p. 681). These authors assert that readiness means altering an individual’s cognitions, in addition to altering the shared cognitions of all organizational members. Building on the work of Armenakis et al., Bernerth (2004) claims that a common definition is emerging, in which change readiness is defined as “a state of mind reflecting a willingness or receptiveness to change the way one thinks” (p. 39). Whether it is called unfreezing, reorientation, readiness, or openness to change, there seems to be an attempt to describe a similar organizational process, that of altering cognitions of organizational members in an effort to facilitate organizational change (Bernerth, 2004). For the purposes of this study, Bernerth’s (2004) definition of change readiness will be the one used, as it is the emerging definition, with some empirical support, as will be seen below.

Change management as a topic consists of many different approaches to change (By, 2005), and there exists very little empirical evidence to support the various theories

(Burnes, 2004). Numerous articles and books suggest factors that may be associated with change readiness, but with little empirical work in this specific area (Wanberg & Banas, 2000). Armenakis and Harris (2002) see change as three overlapping and continuous phases consisting of readiness, adoption, and institutionalization. They claim that readiness is determined by the effectiveness of the change message, which should include five categories of discrepancy (why change?), efficacy (can we change?), appropriateness (why this change?), principle support (who supports the change?) and personal valence (what is in it for me?). The effectiveness of these aspects of the change message was demonstrated in two different case studies, and provide evidence for the importance of actively creating readiness for change (Armenakis & Harris, 2002; Armenakis et al., 1993).

Using Armenakis et al.'s (1993) definition of change readiness, Eby, Adams, Russell, and Gaby (2000) conducted an empirical study examining individual, work group, and contextual variables related to employee's perceptions of readiness to change within a national sales organization which was about to undergo significant change from an individual to team based system of work. They found that preference for working in teams, trust in peers, perceived organizational support, participation at work (employee empowerment), and perception of flexible policies and procedures were all the variables that created a climate conducive to change readiness. Interestingly, trust in leaders was not related to change readiness, however, in a multivariate analysis of the sets of variables, the three contextual variables of flexible policies and procedures, logistics and systems support, and trust in leaders were more useful predictors of change readiness

than the other types of variables such as trust in peers, self-efficacy for change, and perceived participation. These findings indicate that there is still much more research to be done regarding various individual and contextual variables and their relationship to change readiness.

Two studies provide empirical support based on Miller et al.'s (1994) two dimensional definition of openness to change: support for change and positive affect about potential consequences of change. The first study examined the influence of individual need variables and information environment variables (sufficient understanding of change) on openness to change in a national sales organization at the beginning of planned change (Miller et al. 1994). They found that employees who received ample information about the change in a timely manner and who had a high need for achievement were more willing to participate in organizational change. Contrary to what was expected, anxiety about the change was not related to openness to change.

The second study on openness to change examined individual and contextual variables within Housing Urban Development workers undergoing tremendous change due to government policies (Wanberg & Banas, 2000). A positive relationship was found between change self-efficacy and change acceptance, meaning that employees are more likely to incorporate change into their work if they have confidence in their ability to perform their job after the change. This was a key finding, because self-efficacy can be changed with intervention, unlike the three personality variables (i.e., self-esteem, optimism, and perceived control) that were also positively related to change acceptance

(Wanberg & Banas, 2000). The authors point out that some organizations are attempting to develop inventories to assess a manager's tendencies to resist change, and these three personality characteristics would be critical ones to examine in any assessment.

Theoretically, transformational leadership and organizational change readiness are linked. Transformational leadership includes, within its definition, efforts towards helping the organization and individuals change. Change readiness is achieved through a proactive attempt by change agents to prepare organizational members for upcoming changes (Armenakis et al., 1993), and one would expect change agents to display more transformational leader behaviors rather than transactional or laissez-faire behaviors. Armenakis et al. (1993) theorize that the effectiveness of change strategies is dependent on the change agent using them, and that credibility, trustworthiness, sincerity, and expertise would all be key attributes of an effective change agent. The first three of these attributes are also critical in the definition of the transformational leader. Based on Wanberg and Banas' (2000) finding that personality characteristics of self-esteem, optimism, and internal locus of control are related to willingness to accept change, and the fact that these personality characteristics are linked to transformational leaders, one would also expect transformational leaders to be likely and able to inspire change readiness.

Likewise, it would be expected that passive leaders by default would not be actively preparing people for change. Change readiness is a cognitive state that is a precursor to behaviors such as cooperation with change or active/passive resistance to change (Armenakis et al., 1993). Resistance is a negative reaction to a change effort, and

according to Lewin (1951), resistance is a failure to effectively unfreeze the organization before attempting to implement change. Therefore, one would expect that in organizations of more passive leaders who lack transformational leadership, there would be less readiness for change, and more possibility for resistance to change efforts.

This study extends the work of Eby et al. (2000) by examining leadership as a contextual link to change readiness. In their study, trust in leaders was not found to be directly related to change readiness, but was significant as part of contextual influences in the dominant analysis. In this work, leadership as a broader construct than follower trust in leader is examined. For the purposes of this study, transformational leadership is examined using four dimensions of idealized influence/charisma, inspirational motivation, intellectual stimulation, individualized consideration. The transactional leadership consists of the two dimensions of contingent reward and management-by-exception active, and passive/avoidance leadership will consist of two dimensions of management-by-exception passive and laissez-faire. Change readiness is assessed at the individual level, and examines the extent to which the church members perceive their organization as ready for change.

Hypothesis 1a-d: Members' perceptions of the pastor's transformational leadership dimension of (a) *idealized influence/charisma*, (b) *inspirational motivation*, (c) *intellectual stimulation*, and (d) *individual consideration* will be positively related to members' perceptions of the organization's change readiness.

Hypothesis 2a-b: Members' perceptions of the pastor's transactional leadership dimension of (a) *contingent reward*, and (b) *active-management-by-exception*

will be positively related to members' perceptions of the organization's change readiness, but less so than the four dimensions of transformational leadership.

Hypothesis 3a-b: Members' perceptions of the pastor's passive-avoidance leadership dimension of (a) *passive-management-by-exception*, and (b) *laissez-faire* will be negatively related to members' perceptions of the organization's change readiness.

#### *Full Range Leadership Model and Creativity*

There is some empirical evidence linking creativity to transformational leaders. One set of three studies examined transformational leadership and participation in electronic brainstorming. In the first study, a longitudinal laboratory experiment was conducted to examine the effects of leadership style (transformational or transactional) on group potency and effectiveness in work groups performing creativity tasks using a Group Decision Support System (GDSS) (Sosik, Avolio, & Kahai, 1997). There were two sessions, and in session 1, the task was idea generation, operationalized as three creative output dimensions: fluency, flexibility, and originality. In session 1 it was found that, contrary to expectations, transactional leadership had the stronger effect than transformational leadership on idea generation. In session 2, the task was the effectiveness of the report the group generated, operationalized as the creative output, innovativeness, and value addition of the groups' recommendation reports. Here it was found that transformational leadership had the stronger effect than transactional leadership. In the second study, significant positive relationships were found between group creativity and one dimension of transformational leadership (inspirational

motivation) and between one transactional dimension (goal setting/task clarity) (Sosik, Avolio, & Kahai, 1998a). Surprisingly, there were significant negative relationships between group creativity and the other two dimensions of transformational leadership, intellectual stimulation and individualized consideration. Reasons for this could be that although the leaders had face to face time at the beginning of the experiment, most of their interaction was through comments on the computer, and thus the impact of these two dimensions could be different in a computer mediated environment as compared to face to face interaction. In addition, the timing of the comments of leaders towards the beginning of the computer interaction could have been seen as critical and thus dampening creativity rather than encouraging it (Sosik et al., 1998a). By contrast in the third study, where transformational leadership was a composite score, transformational leaders were able to motivate higher levels of creative performance in both of two sessions held one week apart (Sosik, Avolio, Kahai, & Jung, 1998b). Taken together, these studies provide some support for the link of transformational and transactional leadership to creativity within an experimental setting, but research is needed on the link of leadership and creativity in organizational and face to face encounters.

Several studies indirectly examine creativity and innovation with the full range leadership model. In a study of champions of innovation within a Canadian business implementing technology change, Howell and Higgins (1990) found that champions of innovation exhibit the four I's of transformational leaders to a greater extent than non-champions. The champions of innovation were defined as employees involved in the innovation project who emerged to promote the innovations, as opposed to those who did

not. This designation was based on ratings by peers. This study also showed that transformational leadership behaviors and championing change are found among informal leaders within an organization (Howell & Higgins, 1990). Keller (1992) found that two dimensions of transformational leadership (charisma/inspirational motivation and intellectual stimulation) were strong predictors of project quality ratings for scientific research groups. The group work depended on creativity and innovation in order to achieve scientific breakthroughs, and thus his study provides a link of transformational leadership and creativity within a scientific setting.

### *Creativity*

Creativity is defined in various ways, but one definition of creativity is the production of novel and useful ideas in any domain (Amabile, Conti, Coon, Lazenby, & Herron, 1996). Creativity is the root of innovation, which is defined as the successful implementation of creative ideas within an organization (Amabile et al., 1996). Several aspects about this definition of creativity require elaboration. First, the idea is considered novel or original as compared to other ideas currently available or in use in the organization (Oldham, 2003). Second, the ideas are potentially relevant or useful to the organization which employs the individual, and being useful could mean that the idea inspires others to generate new ideas that are useful. A novel idea could be original in the sense of being new to the employee's organization, but not being new to other organizations and novelty is not identical with scope or magnitude, e.g. it could be either a frame-breaking idea or an incremental and adaptive idea (Oldham, 2003). Others combine these definitions of creativity and innovation, and do not make a distinction



between creative ideas and implementation of ideas. Woodman, Sawyer, and Griffin (1993) define organizational creativity as the creation of valuable and useful new product, service, idea, procedure, or process by individuals working together in a complex social system, i.e. creative behavior or the products of creative behavior placed within an organizational context. For the purposes of this paper, Amabile et al.'s (1996) definition of creativity will be used, in which creativity refers to the generation of novel ideas, as separated from innovation, the bringing of creative ideas to successful implementation.

Creativity research has often examined one of three variables: the characteristics of the creative person, the organizational structures for the implementation of innovation, or the social environment that can influence the level and frequency of creative behavior, i.e., the context of creativity, the work environment perceptions that can influence the creative work that is done in an organization (Amabile et al., 1996). In a review of the literature, Oldham (2003) identifies four contextual conditions that have been researched: 1) a safe, non-judgmental climate, 2) organizational responsiveness to creative ideas, 3) encouragement from others for idea sharing, and 4) practices that enhance organizational commitment, which in turn influences a person's willingness to share creative ideas. In a study assessing the climate for creativity, Amabile et al. (1996) found that organizational encouragement, supervisory and work group supports, sufficient resources, challenging work and freedom combine to produce a climate conducive to creativity, whereas organizational impediments and work load pressures impede creativity.

Theoretically leadership would be linked to creativity, as a key to creating the type of conducive environment described above, however, leadership is for the most part absent from the creativity research (Mumford, Scott, Gaddis, & Strange, 2002). In developing a theoretical framework for creativity, Woodman et al. (1993) asserts that participative leadership style should enhance creativity and autocratic styles should decrease creativity. Two studies stand out as directly examining creativity and leadership. The first study (Tierney, Farmer, & Graen, 1999) used the LMX (leader-member exchange) theory of leadership, in which leaders form different relationships with each follower, some close and high quality (characterized as “in-group”), and other relationships more distant and low quality (characterized as “out-group”) (Northouse, 2004). Tierney et al. (1999) examined R&D employees and cognitive style of problem solving in a large chemical company, using multiple creativity indicators, leader ratings and two archival sources.

The authors found that cognitive innovators (more creative problem solving style) displayed high levels of creative output, no matter what kind of relationship they had to their supervisor. However, cognitive adaptors (more conventional problem solving style) in higher quality leader/member relationships were consistently more creative than were their counterparts in low quality leader/member relationships (Tierney et al., 1999). This suggests that leadership is a key contextual ingredient to inspiring creativity for people of average creative ability, but leadership does not augment creativity for people with more innate creative cognitive abilities, and also suggests that quality of the manager/employee relationship may account for employees’ motivation to be creative (Tierney et al., 1999).

The second study (Amabile, Schatzel, Moneta, & Kramer, 2004) was based on the two-factor style theory of leadership, in which leadership consists of two types of behavior: task-oriented and relationship-oriented (Northouse, 2004). This two part study was also based on the “componential theory” of creativity, in which support provided by immediate supervisor exerts influence on the follower’s creativity through direct help with a project, the development of follower expertise, and the enhancement of subordinate intrinsic motivation (Amabile et al., 2004). In the first quantitative part of this study, peers rated the creativity of subordinates working on creative products in seven different companies in three types of industries (chemicals, high tech, and consumer products), and it was found that perceived leader support in terms of task and relationship orientation was positively related to peer-rated creativity of subordinates. The second, qualitative part of the study consisted of in-depth interviews with select participants from study one, to determine how exactly a leader’s task and relationship behavior provide leader support for creativity. It was found that leaders displayed support for their subordinates by monitoring progress efficiently and fairly, consulting with them on important decisions, supporting them emotionally, and recognizing them for good work. Conversely, leaders display a lack of support by monitoring progress inefficiently and unfairly, giving unclear or inappropriate task assignments, and failing to address important problems (Amabile et al., 2004). Abilities found to be critical for leaders of creativity were skill in communication and other aspects of interpersonal interaction, an ability to obtain useful ongoing information about a project, an openness

to and appreciation of subordinates' ideas, and empathy for subordinates' feelings, including their need for recognition (Amabile et al., 2004).

The present study will extend the work of Tierney et al. (1999) and Amabile et al. (2004) by examining creativity and leadership from the perspective of transformational leadership theory. The behaviors and abilities of leaders found by Amabile et al. (2004) to be related to follower creativity are similar to transformational leader behavior of individual consideration and intellectual stimulation, in which leaders provide individual consideration for follower's needs, including recognition and support needs, and provide the intellectual stimulation in terms of challenging ideas and consulting on major decisions. Amabile et al. (2004) study was based on the prior finding (Amabile, 1979) that intrinsic rewards stimulate creativity, and extrinsic rewards may dampen creativity, and therefore, transformational leaders should stimulate creativity in followers because they raise followers' motivation and commitment to transcendent goals, which are intrinsic by nature. Conversely, transactional leader behavior of contingent reward could dampen follower creativity, as it is based on offering extrinsic rewards such as pay or promotion.

However, transactional leader behavior could be positively related to creativity, as it is similar to monitoring progress found in Amabile et al. (2004), because transactional leaders provide clarity for the task and resources for the task to be done. Given Tierney et al.'s (1999) finding that leader behavior does influence the creativity of more average people, one would expect transformational leaders within a congregation to influence creativity, because a typical congregation consists of people from a variety of abilities

and backgrounds. As with the outcome variable of change readiness, creativity is assessed at the individual level, and examines the extent to which the members perceive their organization as valuing creativity in their work together.

Hypothesis 4a-d: Members' perceptions of the pastor's transformational leadership dimension of (a) *idealized influence/charisma*, (b) *inspirational motivation*, (c) *intellectual stimulation*, and (d) *individual consideration* will be positively related to members' perceptions of the organization's valuing of creativity.

Hypothesis 5a-b: Members' perceptions of the pastor's transactional leadership dimension of (a) *contingent reward* and (b) *active-management-by-exception* will be positively related to members' perceptions of the organization's valuing of creativity, but less so than the three dimensions of transformational leadership.

Hypothesis 6a-b: Members' perceptions of the pastor's passive-avoidance leadership dimension of (a) *passive-management-by-exception* and (b) *laissez-faire* will be negatively related to members' perceptions of the organization's valuing of creativity.

## Method

### *Participants*

Based on DeGroot et al.'s (2000) finding that studies using observer report of the leader's style showed less inflated results than studies using a leader's self report of their style, this study relied on observer report to assess the leader's style. Participants were church members reporting on the leadership style of their respective pastor. The church members also rated change readiness and creativity of their church as an organization. The members were recruited from six churches within a west coast Presbytery of the Presbyterian Church in the United States of America (PCUSA), in which the pastor had been in the position for at least five years, to ensure that his leadership had an influence in the congregation's life and culture.

### *Procedure*

All six of the churches were pastored by a male, so gender was not a confounding variable. An announcement was made during the Sunday morning church service, asking the members to fill out a paper and pencil survey after the service. Of the 870 church members who were invited to participate in this study, 182 people returned surveys, for a response rate of 21%. The sample was mainly older, longer tenured church members, a majority of whom were female, which is reflective of church membership in the PCUSA. The average age was 55, with 3.5% in the youngest category (*18-29*), and 4.6 % in the oldest (*80 or over*). The average tenure in the church was 17 years ( $SD = 12.41$ ), and 66% were female, with 34% male.

### *Measures*

*Leadership style.* Leadership style was assessed using a form of the 36 question MLQ (Form 5X) instrument (Avolio & Bass, 2002) adapted for use in a congregation (see Appendix C for the full listing of the items used in this study). Participants were asked to respond to statements using a five point Likert-type response (0=*Not at all*, 1=*Once in a while*, 2=*Sometimes*, 3=*Fairly often*, 4=*Frequently, if not always*). Three leadership styles were assessed, transformational (TF), transactional (TA), and passive-avoidant (PA). Transformational leadership was examined using 4 dimensions of charisma (C), inspirational motivation (M), intellectual stimulation (IS), and individualized consideration (IC). Example items for charisma are, “The pastor articulates a compelling vision of the future,” for intellectual stimulation, “The pastor gets me to look at problems from many different angles,” and for individualized consideration, “The pastor considers me as having different needs, abilities and aspirations from others.” Transactional leadership consisted of the two dimensions of contingent reward (CR) and active-management-by-exception (AMbE). An example item for contingent reward is, “The pastor provides me with assistance in exchange for their efforts,” and for active-management-by-exception, “The pastor keeps track of all mistakes.” Passive-avoidant leadership was assessed as two dimensions, an example for passive-management-by-exception (PMbE) is, “The pastor demonstrates that problems must become chronic before taking action,” and an example item for laissez-faire (LF) is

“The pastor avoids making decisions.” Reliabilities for these scales are reported in the results section.

*Change readiness.* Change readiness was assessed with nine items adapted for use in a congregation setting from Daley (1991), Jones and Bearley (1986), and Tagiaferri (1991) (cited in Eby et al., 2000). Example items are, “People here act as agents of change,” and “It is really not possible to change things around here” (reverse coded). Participants were asked to respond using the same five point Likert-type response as in the MLQ (0=*Not at all*, 1=*Once in a while*, 2=*Sometimes*, 3=*Fairly often*, 4=*Frequently, if not always*). Reliabilities for these scales are reported in the results section.

*Valuing creativity.* Organizational valuing of creativity was assessed using six items adapted for congregational use from Farmer, Tierney, and Kung-McIntyre (2003), in which participants responded using the same five point Likert scale as the MLQ. Example items are, “I feel creativity is supported and encouraged here” and “I can do creative work here without feeling threatened by others.” Reliabilities for these scales are reported in the results section.

*Demographics.* Age was measured with seven categories; 18-29, 30-39, 40-49, 50-59, 60-69, 70-79 and 80 or over. Other demographic information requested was gender and tenure in the church.



## Results

### *Descriptive Statistics*

*Descriptive statistics of leadership items.* Overall, the participants rated their pastors as highest in the four transformational dimensions, in the following order: inspirational motivation ( $M = 3.35$ ,  $SD = .70$ ), charisma ( $M = 3.22$ ,  $SD = .62$ ), individual consideration ( $M = 2.96$ ,  $SD = .82$ ) and intellectual stimulation ( $M = 2.89$ ,  $SD = .75$ ). They rated the pastors high in contingent reward, almost as high as the transformational dimensions ( $M = 2.86$ ,  $SD = .78$ ). Fifty percent of them responded between a 3 (*Fairly often*), and 4 (*Frequently, if not always*) on these five dimensions. For the remaining transactional dimension and two passive-avoidant dimensions, the pastors were rated in descending order in keeping with the order of the full range leadership model of effective leaders, with active-management-by-exception ( $M = 1.46$ ,  $SD = .87$ ), passive-management-by-exception ( $M = 1.22$ ,  $SD = .95$ ), and lastly laissez-faire ( $M = .91$ ,  $SD = .88$ ). In summary, these members rated their pastors as high in the four transformational dimensions (C, M, IS and IC) and one transactional dimension, contingent reward (CR), and much lower in the other transactional dimension of active-management-by-exception (AMbE), and two passive-avoidant dimensions of passive-management-by-exception (PMbE) and laissez-faire (LF).

*Descriptive statistics of change readiness and valuing creativity items.* The members rated the churches highest in valuing creativity ( $M = 3.04$ ,  $SD = .86$ ) with 62% responding between a 3 (*Fairly often*), and 4 (*Frequently, if not always*) on this outcome variable. They rated their churches slightly lower in change readiness ( $M = 2.58$ ,  $SD =$

.82), with 40% responding between a 3 (*Fairly often*), and 4 (*Frequently, if not always*).

Overall, members thought their churches displayed change readiness and valued creativity.

*Normality.* None of the scale items demonstrated kurtosis, however, most were positively or negatively skewed, reflective of the fact that most church members rated their pastors as high in transformational characteristics, moderate to high in transactional characteristics and low in passive-avoidant characteristics. Items not skewed were active-management-by-exception (items 4 and 22), passive-management-by-exception (item 17), contingent reward (item 11), change readiness (items 2-4, 5,7, and 8). Since the negative or positively skewed items represent analysis at item level, it may not be a problem for correlations of variable means and were therefore left in further analyses.

#### *Factor Analysis of Leadership Scale*

First, an exploratory factor analysis was run with all leadership subscale items, using oblimin rotation because the dimensions were theorized to be correlated. In this analysis, three factors emerged, explaining 35% of variance. The first factor consisted of most of the subscale items for the four transformational dimensions of C, M, IS and IC and one subscale item for the transactional dimension of CR. The second factor consisted of all the items for the two passive-avoidant leadership items of PMbE and LF. The third factor consisted of the remaining items of the transactional dimension of CR, along with the remaining transformational items. Thus, passive-avoidant items clearly formed their own factor, distinctive from transformational or transactional items. But the

transformational items and transactional items might be too highly inter-correlated to form separate factors within an exploratory factor analysis.

Based on these results, two further factor analyses were done, on the transformational items separate from the transactional and passive-avoidant items. First, a forced four factor analysis was run on the four transformational items (C, M, IS and IC), using oblimin rotation. Here it was found that many items cross loaded among the four factors. It was decided that due to high inter-correlations among the four transformational subscales (ranging from  $r = .64$  to  $r = .84$ ), there was only one factor of transformational leadership (labeled TF), which was used in subsequent analysis. Second, an exploratory factor analysis was run using the two transactional subscale items (CR and AMbE) and two passive avoidant subscales items (PMbE and LF). Here it was found that the first factor consisted of the two passive-avoidant subscale items (PMbE and LF, loading .77 to .60), the second factor was one transactional subscale of AMbE items (loading .77 to .72), and the third was the other transactional subscale of CR items (loading .80 to .62). (See Table 1.) These three factors explained 45% of the variance. It was decided from this last factor analysis that the two passive-avoidant subscale items (PMbE and LF) are one factor, and only the transactional dimensions of CR and AMbE form two separate factors as hypothesized.

**Table 1**  
**Factor Analysis**  
*Pattern Matrix for Transactional and Passive Avoidant Dimensions*

Description	Item #	Factor		
		1	2	3
Passive Avoidant Factor				
Avoids getting involved when important issues arise.	LF	5	.77	
Waits for things to go wrong before taking action.	PMbE	12	.73	
Demonstrates that problems must become chronic before...	PMbE	20	.73	
Fails to interfere until problems become serious.	PMbE	3	.72	
Delays responding to urgent questions.	LF	33	.65	
Is absent when needed.	LF	7	.64	
Avoids making decisions.	LF	28	.63	
Shows firm believer in "if ain't broke, don't fix it."	PMbE	17	.60	
Active Management by Exception Factor				
Keeps tracks of all mistakes.	AMbE	24	.77	
Concentrates full attention on dealing with complaints...	AMbE	22	.76	
Directs my attention towards failure to meet goals.	AMbE	27	.72	
Focuses attention on irregularities, problems and exceptions.	AMbE	4	.72	
Contingent Reward Factor				
Expresses satisfaction when I meet expectations.	CR	35		.80
Discusses in specific terms who is responsible for achieving...	CR	11		.76
Makes clear how people can benefit if our goals are achieved.	CR	16		.70
Provides me with assistance in exchange for my efforts.	CR	1		.62

In summary, all the analyses were run with four leadership factors consisting of: transformational leadership (combined C, M, IS and IC dimensions), contingent reward, active-management-by-exception, and passive-avoidant (combined PMbE and LF).

### *Reliability*

Reliability estimates using the four leadership subscales based on the factor analysis showed internal consistency of the MLQ for this sample. Reliability of the transformational scales was high,  $\alpha = .92$  and comparable to Bass et al.'s (2003)  $\alpha = .97$  (see Table 2). Reliability for contingent reward ( $\alpha = .75$ ) and active-management-by-

exception ( $\alpha = .71$ ) was not high, but were above the criterion set by Nunnally (1978) of .70, and so these two subscales demonstrate sufficient internal consistency. Passive-avoidant showed a lower internal consistency estimate than in Bass et al.'s (2003) study of  $\alpha = .92$ , with  $\alpha = .85$  for the present study, but was still high. Both outcome variables showed internal consistency with very high Cronbach's alphas, with  $\alpha = .92$  for both change readiness and valuing creativity.

### *Test of Hypotheses*

*Correlations.* The Pearson correlations of the four leadership factors with the outcome variables were as expected, except that contingent reward was almost as high as the transformational factor, but still slightly less (see Table 2).

**Table 2**  
*Correlations between Leadership, Change Readiness and Creativity Variables (N=174)*

Variable	M	SD	1	2	3	4	5	6
1. Transformational	3.13	.63	<b>.92</b>					
2. Contingent Reward	2.86	.78	.78 **	<b>.75</b>				
3. Active Management by Exception	1.46	.87	.17 *	.17 *	<b>.71</b>			
4. Passive Avoidant	1.05	.85	-.50 **	-.44 **	.02	<b>.85</b>		
5. Change Readiness	2.58	.86	.52 **	.44 **	.05	-.57 **	<b>.92</b>	
6. Valuing Creativity	3.04	.82	.67 **	.60 **	.12	-.44 **	.67 **	<b>.92</b>

Notes: \* $p < .05$ , \*\* $p < .01$

Cronbach's Alpha on diagonal.

Transformational leadership correlated highest with valuing creativity,  $r = .67$ ,  $p < .01$ , then secondly with change readiness,  $r = .52$ ,  $p < .01$ , and both were significant.

Contingent reward showed a similar pattern to transformational leadership, with slightly

lower but still significant correlations with valuing creativity,  $r = .60, p < .01$ , and with change readiness,  $r = .44, p < .01$ . Next, passive-avoidant was negatively and significantly correlated to both outcome variables of change readiness,  $r = -.57, p < .01$ , and valuing creativity,  $r = -.44, p < .01$ . And last, active-management-by-exception showed weak, positive correlations, with valuing creativity,  $r = .12, p > .05$ , and change readiness,  $r = .05, p > .05$ .

*Hypotheses.* Hypotheses 1a-d and 4a-d stated that members' perceptions of the pastor's transformational leadership dimensions of (a) idealized influence/charisma, (b) inspirational motivation, (c) intellectual stimulation, and (d) individual consideration would be positively related to members' perceptions of the organization's change readiness (H1a-d) and valuing creativity (H4a-d). Because the hypothesized four transformational dimensions were combined into one factor, these hypotheses not receive support as they were stated. However, the combined transformational factor performed as the four separate dimensions were expected, and was positively and significantly related to both change readiness and valuing creativity.

Hypotheses 2a-b and 5a-b stated that members' perceptions of the pastor's transactional leadership dimension of (a) contingent reward, and (b) active-management-by-exception would be positively related to members' perceptions of the organization's change readiness (H2a-b) and valuing creativity (H5a-b), but less so than the four dimensions of transformational leadership. Contingent reward was positively and significantly related to change readiness and valuing creativity, and less so than transformational leadership, but not by much, thus H2a and H5a are supported. In

keeping with H2b and H5b, the second transactional dimension of active-management-by-exception was not significantly related to change readiness and valuing creativity, thus H2b and H5b were not supported.

Hypotheses 3a-b and 6a-b stated that members' perceptions of the pastor's passive-avoidance leadership dimension of (a) passive-management-by-exception, and (b) laissez-faire would be negatively related to members' perceptions of the organization's change readiness (H3a-b) and valuing creativity (H6a-b). Because the hypothesized two transactional dimensions were combined into one factor, these hypotheses were not supported as they were stated. But similar to the combined transformational dimensions, the combined passive-avoidant factor performed as the two separate dimensions were expected in H3a-b and in H6a-b, and was significantly and negatively correlated to change readiness and valuing creativity. In summary, the correlations demonstrated that the variables related as expected based on this sample, and laid the ground work for further analyses of multiple regression, which are based on correlations.

#### *Additional Analyses*

*Multiple regression correlations.* Two multiple regression correlation (MRC) analyses were run, one for each criterion variable; change readiness and creativity, because MRC is a set of statistical techniques designed to assess the relationship between two or more predictor variables and one continuous criterion variable. The method used was standard MRC because each set of variables in this study are continuous.

*MRC for change readiness.* In the first analysis, all four leadership predictor variables, transformational, contingent reward, active-management-by-exception and passive-avoidant were entered with the criterion variable, change readiness. Here it was found that the overall relationship was significant, with  $R^2 = .40$ ,  $F(4,168) = 27.00$ ,  $p < .01$  (See Table 3).

**Table 3**  
*Multiple Regression Correlation Analysis for Change Readiness (N=173)*

<u>Change Readiness</u>	$\beta$	Sig.	t	pr <sup>2</sup>	R	R <sup>2</sup>	F	df
Transformational	.27**	.00	2.67	.04				
Contingent Reward	.04	.66	.45	.00				
Active-Mngement-by-Exception	.00	.94	.07	.00				
Passive-Avoidant	-.41**	.00	-5.85	.17				
Model Summary for Change Readiness:					.63	.40	27.00	4, 168

$\beta$ = Standardized regression coefficient, Sig.= p value, t= Significance statistic,

pr<sup>2</sup>= Squared partial correlation coefficient, unique variance contribution of variable, R= Multiple correlation coefficient,

R<sup>2</sup>= amount of total variance accounted for in model summary, F= F-value for R<sup>2</sup>, df= Degrees of freedom

In a comparison and evaluation of the individual predictors, it was found that two leadership styles were significant, transformational and passive-avoidant leadership. The largest regression coefficient was found for passive-avoidant, which was negative,  $\beta = -.41$ ,  $t = -5.85$ ,  $p < .01$  and accounts for 17% of unique variance in the model. The second significant regression coefficient was found for transformational leadership, which was positive,  $\beta = .27$ ,  $t = 2.67$ ,  $p < .01$ , and accounts for 4% of unique variance in this model. The other two transactional leadership predictors of contingent reward and active-



management-by-exception were not found to be significantly contributing to the relationship.

In summary, the leadership behaviors at the two extremes of the full range leadership model, transformational and passive-avoidant, are the most important factors in determining whether church members perceive their church as open to change. Given that passive-avoidant leadership had the highest beta score and accounts for 17% of unique variance, after accounting for the other predictors, this is the most important predictor in determining change readiness.

*MRC for valuing creativity.* In the second analysis, all four leadership predictor variables of transformational, contingent reward, active-management-by-exception and passive-avoidant were entered with the second criterion variable, valuing creativity. Here it was found that the overall relationship was significant, with  $R^2 = .47$ ,  $F(4,168) = 37.82$ ,  $p < .01$  (see Table 4).

**Table 4**  
*Multiple Regression Correlation Analysis for Valuing Creativity (N=173)*

<u>Valuing Creativity</u>	$\beta$	Sig.	t	pr <sup>2</sup>	R	R <sup>2</sup>	F	df
Transformational	.46**	.00	4.83	.12				
Contingent Reward	.18	.05	2.00	.02				
Active-Mngement-by-Exception	.01	.85	.20	.00				
Passive-Avoidant	-.13**	.04	-2.05	.02				
Model Summary for Valuing Creativity:					.69	.47	37.82	4, 168

$\beta$ = Standardized regression coefficient, Sig.= p value, t= Significance statistic,

pr<sup>2</sup>= Squared partial correlation coefficient, unique variance contribution of variable, R= Multiple correlation coefficient,

R<sup>2</sup>= amount of total variance accounted for in model summary, F= F-value for R<sup>2</sup>, df= Degrees of freedom

In comparing and evaluating the individual predictors, two were significant, transformational and passive-avoidant leadership. One variable, contingent reward, was not significant at  $p = .05$ , but was significant at  $p = .10$ . The largest regression coefficient was found for transformational leadership, which was positive,  $\beta = .46$ ,  $t = 4.83$ ,  $p < .01$  and accounts for 12% of unique variance in the model. The second significant regression coefficient was found for passive-avoidant leadership, which was negative,  $\beta = -.13$ ,  $t = -2.05$ ,  $p < .01$ , and accounts for 2% of unique variance in this model. The third highest regression coefficient was found for the first transactional dimension of contingent reward,  $\beta = .18$ ,  $t = 4.83$ ,  $p = .10$ , and also accounts for 2% of unique variance. The second transactional dimension, active-management-by-exception, was not found to be contributing significantly to the relationship.

*Exploratory Comparisons.* Lastly, exploratory comparisons examined whether there were differences in perception of the pastor's leadership style or the church's change readiness and valuing creativity based on church membership, age, tenure, or gender of participants (see Table 5).

These exploratory analyses were conducted by comparing means based on these categories of church membership, age, tenure, and gender. For the purposes of these comparisons, a grouped variable was created for tenure, consisting of *1-5 years*, *6-15 years*, *16-29 years* and *30-55 years*. The newer tenured groups spanned fewer years, because a greater difference exists per year when a person is new to an organization, versus when one has been in an organization for 30 years or more.

**Table 5**  
*Mean Differences by Church, Age, Tenure, and Gender*

	Pastor TF L.ship		Pastor CR L.ship		Pastor AMbE L.ship		Pastor P-A L.ship		Church Change Readiness		Church Valuing Creativity	
	<i>M</i>	<i>SD</i>	<i>M</i>	<i>SD</i>	<i>M</i>	<i>SD</i>	<i>M</i>	<i>SD</i>	<i>M</i>	<i>SD</i>	<i>M</i>	<i>SD</i>
<u>Church</u>												
Church 1	3.36	0.37	3.08	0.59	1.43	0.86	0.79	0.51	2.24	0.79	3.12	0.47
Church 2	3.16	0.59	2.76	0.70	1.54	0.97	1.25	0.92	2.49	0.83	3.12	0.76
Church 3	3.32	0.66	2.95	0.91	1.59	1.00	1.12	0.98	2.86	0.95	3.33	0.80
Church 4	2.88	0.59	2.62	0.80	1.24	0.61	1.05	0.80	2.41	0.82	2.51	0.80
Church 5	3.40	0.48	3.07	0.60	1.60	0.96	0.47	0.53	3.24	0.63	3.70	0.36
Church 6	2.84	0.68	2.58	0.70	1.40	0.80	1.12	0.81	2.35	0.69	2.83	0.83
<u>Age</u>												
18-29	2.94	0.76	2.86	0.88	1.31	0.66	0.83	0.90	2.39	1.27	2.31	1.00
30-39	3.33	0.64	2.82	0.83	1.48	0.87	0.81	0.87	2.57	0.93	2.94	0.79
40-49	3.01	0.66	2.64	0.73	1.42	0.65	1.07	0.92	2.43	0.89	2.80	0.84
50-59	3.09	0.69	2.84	0.83	1.49	0.82	1.13	0.94	2.51	0.87	3.07	0.86
60-69	3.16	0.55	2.84	0.77	1.16	0.79	0.94	0.67	2.63	0.71	3.12	0.74
70-79	3.23	0.53	3.07	0.75	1.83	0.98	1.10	0.84	2.85	0.88	3.31	0.75
80 or over	3.02	0.89	3.01	0.78	1.85	1.40	1.55	1.08	2.39	1.00	3.04	0.85
<u>Tenure</u>												
1-5 yrs	3.27	0.67	2.92	0.76	1.51	1.00	0.80	0.81	2.78	0.96	3.12	0.93
6-15 yrs	2.97	0.66	2.64	0.84	1.55	0.84	1.16	0.95	2.54	0.85	2.83	0.85
16-29 yrs	3.09	0.62	2.87	0.76	1.42	0.72	1.14	0.84	2.57	0.73	3.10	0.77
30-55 yrs	3.25	0.51	3.04	0.68	1.22	0.86	1.00	0.74	2.45	0.85	3.23	0.60
<u>Gender</u>												
male	3.06	0.62	2.73	0.75	1.62	0.83	1.09	0.92	2.45	0.87	2.83	0.92
female	3.16	0.64	2.91	0.79	1.37	0.88	1.03	0.82	2.64	0.85	3.14	0.75

TF (Transformational), CR (Contingent Reward), AMbE (Active-Management-by-Exception), and P-A (Passive-Avoidant). *M* (Mean) and *SD* (Standard Deviation)

In terms of comparing the six churches, the pastors were rated similarly by their church, only two scored below an average of 3 (*Fairly often*) for transformational leadership. For contingent reward and passive-avoidant leadership, they were rated similarly. All the churches were rated lower in change readiness than valuing creativity, and all were about .50 points lower on ratings on average for change readiness in comparison to valuing creativity. The pastor who scored the highest on transformational

leadership also belonged to the church rated the highest on both change readiness and valuing creativity, and it was the only church scoring over a three on change readiness.

There were no differences in rating the pastors or the churches based on age, except that both the youngest age group (*18-29*) and the oldest group (*80 or over*) rated their churches the lowest on change readiness. Interestingly, in comparing this to tenure, there were no differences in views of pastor or valuing creativity, but for change readiness, the group that rated the church highest on change readiness was the newest group (*1-5 years* at the church). Even still, the newest group rated their church below a middle score of three ( $M = 2.80, SD = .96$ ).

In terms of gender, females across the board were slightly more positive about their pastors and their churches than were the males, rating the pastors higher in transformational and contingent reward leader behaviors, and lower in the negative leader behaviors of active-management-by-exception and passive-avoidant. Likewise, they rated their churches more positively on change readiness and valuing creativity.

### *Summary of Results*

For valuing creativity, leader behaviors at the two extremes of the full range leadership model (transformational and passive-avoidant) are the most important factors in influencing the outcomes variable of valuing creativity. The transactional behavior of contingent reward tended to be important for valuing creativity, given that it contributes the same amount of unique variance (2%) as passive-avoidant leadership. Unlike the change readiness outcome variable, for valuing creativity, transformational leadership,

not passive-avoidant is the most important predictor, given that it had the highest beta score and accounts for 12% of the variance.

Hypotheses 1a-d, 4a-d, 3a-b, and 6a-b posited separate dimensions for transformational and passive-avoidant leadership, which was not born out in the factor analysis, and therefore it is postulated that these are two factors, transformational and passive-avoidant leadership. While not supported as originally stated, these hypotheses do receive partial support because transformational leadership was significantly and positively related to change readiness and valuing creativity, and passive-avoidant leadership was significantly and negatively related to change readiness and valuing creativity. In particular, passive-avoidant leadership behaviors were found to be most influential for organizational change readiness, and transformational leadership behaviors were found to be most influential for valuing creativity. For H2a-b and H5a-b regarding the transactional dimensions, H2a and H5a regarding contingent reward was supported, because although contingent reward was significantly and positively related to the outcome variables, almost as high as the transformational variable, it was not found to significantly contribute to these outcome variables in the MRC, showing them to be less important than the combined transformational variable. Hypothesis 2b and 5b regarding active-management-by-exception was not supported.

## Discussion

This study examined the relationship between leadership style and organizational member's readiness for change and valuing of creativity. The results indicate that based on this sample of participants from six Protestant church organizations, the full range leadership model consists of four factors of (a) transformational, (b) contingent reward, (c) active-management-by-exception, and (d) passive-avoidant leadership. Based on correlations, transformational leadership was positively related to change readiness and valuing creativity, as was contingent reward leadership, but slightly less so than transformational leadership. Active-management-by-exception was weakly related to change readiness and valuing creativity, and passive-avoidant leadership was negatively related to change readiness and valuing creativity. In the MRC analyses, transformational and passive-avoidant leadership were found to be the important factors influencing change readiness and valuing creativity. Further, transformational leadership was the most important variable in influencing valuing creativity, and passive-avoidant was the most important in influencing change readiness.

### *Implications*

This study provides support that church members' perceptions of the pastor's transformational leadership is positively related to their perceptions of the organization's readiness for change and valuing creativity. The more church members perceive that a pastor demonstrates the transformational behaviors of inspiring, motivating and challenging people, the more likely they perceive that their church is willing to make changes and be supportive of creative idea generation in their organizational life, a

connection which is even more important for valuing creativity. Conversely, members' perceptions of the pastor's passive-avoidant leadership style is negatively related to readiness for change and valuing creativity. Thus, the more members perceive that a pastor demonstrates passive-avoidant leadership behaviors of taking a hands-off approach and only taking actions when problems appear, the less likely they perceive that the church would be willing to make changes and support creativity in their midst, a connection which is even important for change readiness.

Why was passive-avoidant leader behavior most important for change readiness (accounting for 17% of the variance), and transformational most important for valuing creativity (accounting for 12% of the variance)? Perhaps passive-avoidant leader behavior on the part of the pastor would make a congregation nervous about changes. It makes sense that if a pastor is laissez-faire in their style of leadership, and only take actions when problems develop if at all, people would not feel confident or ready to make changes. A do-nothing approach to leadership fits with the inaction of not making changes. In terms of creativity, perhaps the more critical leader behaviors would be transformational ones such as inspiring the members, challenging their way of looking at things, taking risks, and modeling innovative behavior. It makes sense that the more a leader displays these behaviors, the more a congregation would value creative idea generation.

The implications of these results for pastors and those who work with them, such as seminary professors or judicatory staff, is that if encouraging change and creativity within the local congregation is a goal, pastors should seek to inspire members toward a

shared vision, challenge them intellectually to think through significant issues, develop their individual potential as they work together, be a role model for the vision and be a leader who avoids using power for personal gain. These behaviors will be all the more important if they want to encourage people toward creativity in their work. Likewise, pastors should seek to refrain from solely taking corrective actions after mistakes have already been made, or problems have already developed, and avoid a hands off approach in which they abdicate responsibility, delay decision making, and provide no feedback to church members, nor put out any effort to help them develop in their abilities as individuals. Refraining from these leadership behaviors will be all the more important for congregations looking to make changes.

The study provides some evidence that member's perception of a pastor's contingent reward behavior is related to change readiness and valuing creativity. The high correlation of contingent reward with these two outcome variables, and the significance of contingent reward with valuing creativity at the .09 level in the regression analysis all indicate that this variable is important enough to warrant further consideration. Thus possibly relevant for change readiness and valuing creativity is for the pastor to demonstrate contingent reward behaviors such as seeking to clarify role and task requirements and providing their followers with material and psychological rewards. Given that an important clergy role is providing inspiration within public speaking roles, perhaps churches recognize that they can not expect a clergy to be good at everything, and are willing for other leaders, such as staff or volunteers, to provide the clarity regarding the work, i.e., how it is getting done and who is doing what. Also, given that



church members do not volunteer their time for material benefits, it makes sense that the greater impact on them would be transformational leader behaviors which inspire efforts based on more transcendent motivations of working towards the greater good of the organization. Another possible reason this showed up as important in correlations but not in the MRC analysis, may be the difficulty people had with the transactional items on the MLQ. These items might not translate as well in church culture (see further comments in the *Limitations* section).

What is one to make of the fact that both the youngest (18-29) and the oldest age groups (70-79) both scored their churches the lowest on change readiness, and that the newcomers (1-5 years tenure) rated the church highest on change readiness? This points to the common knowledge that people function differently based on age and tenure, e.g. one could be in their 20's but have been at the church all their life, and so be a long tenured member. Perhaps the newer tenured members had not yet experienced attempting to change some aspect of organizational life, and so had not experienced as many frustrations. They might not have had time to serve on the church's board, nor seen the inner workings of the church as an organization. Therefore, newer tenured members may view the church differently than younger members regarding change readiness.

Also interesting in the exploratory analyses is that women rate both their pastors and their churches more positively on all leadership factors and on both organizational variables of change readiness and valuing creativity. Given that females comprise a majority of most churches, as was found in this sample (66%), it is positive news for

pastors that the majority gender within their congregation holds a more optimistic view of both their leadership and the church.

The most interesting implication arising from the exploratory analyses is grappling with the question of why, on average, the participants rated their churches higher on valuing creativity (four churches' members rated their church over a three on average) than on change readiness (only one church's members rated their church over a three). Perhaps within an organization that is less open to change, there is room within the accepted way to express creativity. For example, within the church service, perhaps the order of worship does not change, but within the set elements, one can express a certain prayer with creativity, or try out a creative idea in how one does the children's sermon. This raises the issue of creativity, in relation to change. Must one change to make room for creative idea generation, or can creativity flourish within an organization resistant to change? The correlation between the two outcome variables of change readiness and valuing creativity were high ( $r = .67, p < .01$ ), suggesting that they are related (see comments in *Future Research*).

### *Limitations*

Some limitations regard the participants and sample size. The sample size is small, with 182 surveys returned and low response rate of 21%. Also, asking for volunteers after a Sunday service meant that the sample was not random, and there could be confounding variables entering the analysis based on the type of person who would volunteer, such as age (younger people are more likely to have children requiring attention) or personality characteristic difference (based on the type of person who would

volunteer versus those who would not). The sample was based on six churches within one West coast presbytery of a Protestant denomination, which limits the extent to which these results can be generalized to other regions of the country and church denominations. The participants consisted of mainly females, over 50 years of age, and although this is reflective of these six congregation's membership, it might make these results less generalizable to other churches and organizations.

Another limitation is the possible lack of relevance of certain items on the MLQ for use in the congregational setting. While previous studies have found the MLQ relevant for this setting (Armenakis & Harris, 2002; Kennard, 2002; Langley & William, 2003), the researcher in this study did receive verbal and written comments from the participants that certain items did not fit. These complaints fell into two categories. First, people did not think that they had worked closely enough with the pastor in a leadership role to answer some of the questions. An example quote would be, "I haven't had enough interaction with Pastor X except listening to his sermons. I don't belong to any committee, etc." In other words, some church members felt they only knew the pastor from listening to a sermon once a week, and this limited contact did not give them enough experience with the pastor to answer questions from a leadership instrument intended for situations such as immediate supervisor or military unit leader.

Second, people expressed discontent with some items of the MLQ (especially items in the transactional and passive-avoidant dimensions), citing that the items did not fit with the role of pastor, the theology, or the culture of their church. An example quote would be for contingent reward item 1 "The pastor provides me with assistance in

exchange for my efforts.” The member wrote, “At first glance, circling ‘frequently’ would be the desirable behavior, i.e. he helps me in exchange for me helping him, a desirable corporate behavior. As a pastor, however, this is not a desirable bargain. Ideally, he would provide help to those who need it, regardless of whether they provide anything in return. Think of God’s grace.” Other comments showed similar attempts to overlay Christian theology onto a question written for leadership within a secular setting, and so misinterpreting the question.

And lastly, it is important to point out that these results indicate members’ perceptions of the congregation’s openness to change and supportiveness of creativity, it does not actually indicate whether any of these churches are engaging in relevant or effective change and creative behavior in their organization. Hopefully, the perceptions that people in the church are open to change and value creativity would lead to behaviors that would enhance effective change within the congregation, but it can not be assumed. Also, all the analyses were done at the individual level, and it would be informative to do an analysis at the organizational level, comparing churches to one another, and comparing the pastor’s perception of their leadership style and whether their congregation is open to change and values creativity to the perceptions of their members.

#### *The Extent to which the Findings Generalize to Non-Church Organizations*

The issue of whether the average church member has a close enough relationship to the pastor to assess leadership style limits the ability of these results to be applied to other types of organizations, in which typically a close leader/supervisor is assessed by a subordinate. In this way, the study confirms the findings by Shamir (1995) who found

that when rating the charisma of a leader, close and distant leaders were characterized differently by followers. However, given Antonakis et al.'s (2003) finding based on a meta-analysis that the full range leadership model and MLQ are stable across contextual conditions, gender of leader, and hierarchical level, and Bass's (1997) finding that it is a stable theory across organizational types, including non-profit and church organizations, these results may be generalized to other types of organizations.

#### *Future Research*

Further research should be directed at examining the connection between leadership style, change readiness, and valuing creativity within other types of organizations, to see if these results can in fact be generalized to these other types of profit or non-profit organizations.

Within the church, further studies could explore the connection between pastor leadership style, change readiness, and valuing creativity at the organizational level, comparing the pastor's perceptions to that of members, to examine if there are differences by church. Also, further studies using the MLQ may benefit from including more congregations, but only including members who have served with the pastor in significant leadership functions, to avoid the possibility that participants do not think they have enough direct experience with the pastor to adequately assess his/her leadership style. Also, future studies could either use a different leadership instrument which is more fitting to church culture, or further adapt the MLQ, in order to avoid confusion regarding specific items.

And lastly, future studies could explore the relationship of change readiness to creative idea generation. These two outcome variables were highly correlated, indicating that there is some type of relationship present, but what is it? The participants in this study rated their churches as slightly higher in valuing creativity than in being open to change. Is there a reason for this difference? For creativity to be expressed and eventually be manifested in innovation (the successful implementation of creative ideas) would there need to be change readiness present in an organization?

#### *Contributions to Leadership, Change Readiness, and Creativity Research*

This study adds to the body of leadership research linking leadership to people's perceptions of the readiness within their organization for change, and the extent to which the people within the organization value creativity. This research extends the work of Eby et al. (2000), who found that trust in leader was not directly related to change readiness, but was a significant part of the contextual influences. In this study, a more direct link was found between leadership and change readiness. This study adds to the body of creativity research, by adding leadership behavior to the list of other contextual conditions, such as non-judgmental climate, organizational responsiveness to new ideas, encouragement from others for idea sharing and practices which enhance organizational commitment (Oldham, 2003). What is not known is how these types of contextual conditions influence or interact with each other, and further research could examine the possibility of leadership behavior as an antecedent to these contextual conditions which encourage creativity.

This study links transformational and passive-avoidant leader behavior to change readiness and valuing of creativity. The question is raised as to the connection of contingent reward behavior and these two organizational outcomes, as well as raising the question of the relationship of change readiness to valuing creativity. Can an organization value creativity but lack readiness for change? Can contingent reward behavior be covered by someone other than the designated leader? How might the presence of transformational leader behavior be more significant for valuing creativity, and the absence of passive-avoidant behavior be more significant for change readiness within the organization?

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*Appendix A*

## Categorization of Research and Dimensionality of Full Range Leadership Constructs

Author	Year	TF-4 I's	TA-CR	PA	TF Sub-dim.	TA Sub-dim.	PA Sub-dim.
Howell et al.	2005	Yes	Yes	No	No	No	No
Avolio et al.	2004	Yes	No	No	No	No	No
Berson et al.	2004	Yes	No	No	No	No	No
Bass et al.	2003	Yes	Yes	Yes	No	No	No
Bono & Judge	2003	Yes	No	No	No	No	No
Langley & Kahnweiler	2003	Yes	Yes	Yes	No	No	No
Walumbwa & Lawler	2003	Yes	No	No	No	No	No
Kennard	2002	Yes	Yes	No	No	No	No
Berson et al.	2001	Yes	No	No	No	No	No
Madzar	2001	Yes	Yes	No	No	No	No
DeGroot et al.	2000	No	No	No	Yes-II,IM	No	No
Sosik et al.	1998	No	Yes	No	Yes	No	No
Sosik et al.	1998	Yes	No	No	No	No	No
Sosik et al.	1998	Yes	Yes	No	No	No	No
Lowe et al.	1996	Yes	Yes	No	No	No	No
Druskat	1994	Yes	Yes	Yes	No	No	No
Howell & Avolio	1993	No	No	No	Yes	Yes	Yes
Keller	1992	Yes	No	No	Yes	No	No
Howell & Higgins	1990	Yes	No	No	No	No	No
Owen	1987	Yes	Yes	Yes	No	No	No

TF-4 I's: study aggregates idealized influence/motivation, intellectual stimulation & individualized consideration

TA-CR: Study uses contingent reward, treats TA as one dimension.

PA: Study aggregates laissez faire and management-by-exception active/passive.

TF Sub-dimension: Study treats 4 I's as separate dimensions, using all 4, except where noted.

TA Sub-dimensions: Study treats some combination of CR and management-by-exception as separate

PA Sub-dimensions: Study treats some combination of laissez-faire and management-by-exception as separate

*Appendix B*

## Full Range Leadership Model Typology and Sub-Dimensions Used In This Study

Transformational Leadership: (TF)	Highly Effective
<ul style="list-style-type: none"><li>• Idealized Influence Charisma (C)</li><li>• Inspirational Motivation (M)</li><li>• Intellectual Stimulation (IS)</li><li>• Individualized Consideration (IC)</li></ul>	
Transactional Leadership: (TA)	Moderately Effective
<ul style="list-style-type: none"><li>• Contingent Reward (CR)</li><li>• Management-by-Exception/Active (AMbE)</li></ul>	
Passive-Avoidant Leadership: (PA)	Not Effective
<ul style="list-style-type: none"><li>• Management-by-Exception/Passive (PMbE)</li><li>• Laissez-faire (LF)</li></ul>	

*Appendix C*

## Scale Items for Leadership, Organizational Change Readiness, and Valuing Creativity

MLQ, Full Range Leadership Items Original:

The person I am rating...

1. Provides me with assistance in exchange for my efforts.
2. Re-examines critical assumptions to question whether they are appropriate.
3. Fails to interfere until problems become serious.
4. Focuses attention on irregularities, mistakes, exceptions and deviations from standards.
5. Avoids getting involved when important issues arise.
6. Talks about my most important values and beliefs.
7. Is absent when needed.
8. Seeks differing perspectives when solving problems.
9. Talks optimistically about the future.
10. Instills pride in me for being associated with him/her.
11. Discusses in specific terms who is responsible for achieving performance targets.
12. Waits for things to go wrong before taking action.
13. Talks enthusiastically about what needs to be accomplished.
14. Specifies the importance of having a strong sense of purpose.
15. Spends time teaching and coaching.
16. Makes clear what one can expect to receive when performance goals are achieved.
17. Shows that he/she is a firm believer in "If it ain't broke, don't fix it."
18. Goes beyond self-interest for the good of the group.
19. Treats me as an individual rather than just as a member of a group.
20. Demonstrates that problems must become chronic before taking action.
21. Acts in ways that builds my respect.
22. Concentrates his/her full attention on dealing with mistakes, complaints and failures.
23. Considers the moral and ethical consequences of decisions.
24. Keeps track of all mistakes.
25. Displays a sense of power and confidence.
26. Articulates a compelling vision of the future.
27. Directs my attention towards failures to meet standards.
28. Avoids making decisions.
29. Considers me as having different needs, abilities, and aspirations from others.
30. Gets me to look at problems from many different angles.
31. Helps me to develop my strengths.
32. Suggests new ways of looking at how to complete assignments.
33. Delays responding to urgent questions.
34. Emphasizes the importance of having a collective sense of mission.
35. Expresses satisfaction when I meet expectations.
36. Expresses confidence that goals will be achieved.



MLQ Adapted:

1. The pastor provides me with assistance in exchange for my efforts.
2. The pastor re-examines critical assumptions to question whether they are appropriate.
3. The pastor fails to interfere until problems become serious.
4. The pastor focuses attention on irregularities, problems, and exceptions.
5. The pastor avoids getting involved when important issues arise.
6. The pastor talks about his/her most important values and beliefs.
7. The pastor is absent when needed.
8. The pastor seeks differing perspectives when solving problems.
9. The pastor talks optimistically about the future.
10. The pastor instills pride in me for being associated with him/her.
11. The pastor discusses in specific terms who is responsible for achieving specific targets.
12. The pastor waits for things to go wrong before taking action.
13. The pastor talks enthusiastically about what needs to be accomplished.
14. The pastor specifies the importance of having a strong sense of purpose.
15. The pastor spends time teaching and coaching.
16. The pastor makes clear how people can benefit if our goals are achieved.
17. The pastor shows that he/she is a firm believer in "If it ain't broke, don't fix it."
18. The pastor goes beyond self-interest for the good of the group.
19. The pastor treats me as an individual rather than just as a member of a group.
20. The pastor demonstrates that problems must become chronic before taking action.
21. The pastor acts in ways that build my respect.
22. The pastor concentrates his/her full attention on dealing with complaints and failures.
23. The pastor considers the moral and ethical consequences of decisions.
24. The pastor keeps track of all mistakes.
25. The pastor displays a sense of power and confidence.
26. The pastor articulates a compelling vision of the future.
27. The pastor directs my attention towards failures to meet goals.
28. The pastor avoids making decisions.
29. The pastor considers me as having different needs, abilities, and aspirations from others.
30. The pastor gets me to look at problems from many different angles.
31. The pastor helps me to develop my strengths.
32. The pastor suggests new ways of looking at how to do ministry.
33. The pastor delays responding to urgent questions.
34. The pastor emphasizes the importance of having a collective sense of mission.
35. The pastor expresses satisfaction when I meet expectations.
36. The pastor expresses confidence that goals will be achieved.

#4, Changed "mistakes" to "problems." Mistake is not a common term to use in church culture. People don't make "mistakes," the organization has "problems." There would be hesitancy to admit that someone makes mistakes, because most of the people doing

church work are volunteers. But everyone knows there are problems and could relate to that term. Omitted the phrase “deviations from standards,” because the word standards could get confused with theological standards, which would take the person’s mind in a whole other direction. In the Presbyterian church “standards” could refer to ordination standards, which means correct theology.

#11, Changed “performance” to “specific targets” because performance would not be a word used in church culture, especially if we’re talking about the work of volunteers.

#16, the wording seems more for supervisor/subordinate, I changed the wording to reflect member’s efforts working in a volunteer association like a church.

#22, took out “mistakes” in this sentence.

#27 change “meet standards” with “meet goals”. People in church have goals, but don’t think in terms of performance standards.

#32 “Complete assignments” is how people in a corporate setting would describe work, where as “how to do ministry” more reflects how people in a church would describe work.

Organizational Change Readiness Items Original: (Eby et al., 2000)

1. When changes are made in this organization, employees usually lose out in the end (reverse).
2. It is really not possible to change things around here (reverse).
3. Employees here do not take action until a mistake has occurred (reverse).
4. Employees here act as agents of change.
5. Employees here will not change or alter a process until a problem develops (reverse).
6. Employees here believe they should do their jobs the same what they have always done (reverse).
7. Employees here are resistant to change (reverse).
8. Employees here will only learn new ways if they are forced to (reverse).
9. Employees here believe "if it ain't broke, don't fix it" (reverse).
10. When changes are made in this church, people usually lose out in the end (reverse).

Organizational Change Items Adapted:

1. It is really not possible to change things around here (reverse).
2. People here do not take action until a problem has occurred (reverse).
3. People here act as agents of change.
4. People here will not change or alter a process until a problem develops (reverse).
5. People here believe they should do their work the same what they have always done it (reverse).

6. People here are resistant to change (reverse).
7. People here will only learn new ways if they are forced to (reverse).
8. People here believe "if it ain't broke, don't fix it" (reverse).

“Employees” changed to “people,” because that term didn’t fit for church, where members as volunteers are evaluating pastor as leader.

#3 “Mistake” changed to “problems.”

Organizational Valuing of Creativity Items Original:

(Farmer, Tierney and Kung-McIntyre, 2003)

1. Top management is very supportive of creative work.
2. I feel creativity is supported and encouraged here.
3. New ideas or concepts are fostered.
4. Top management values creative work.
5. I can do creative or innovative work without feeling threatened by others.
6. New ideas are encouraged.

Valuing Creativity Items Adapted:

1. The leadership at this church is very supportive of creative work.
2. I feel creativity is supported and encouraged here.
3. New ideas or concepts are fostered.
4. The leadership at this church values creative work.
5. I can do creative work here without feeling threatened by others.
6. New ideas are encouraged.

#1 “Top management” changed to “leadership” because a church doesn’t have management. “Leadership” as a general term was chosen rather than the “pastor,” because the participants are evaluating the church as an organization at this point, and not the pastor in particular. There are many layers and types of leaders in a church, besides the designated pastor.

#5 “Innovative” removed, because of distinction between the definition of creativity and innovation, and the item risks double barreling.