



## THE STUDY AND ANALYSIS OF CREATIVITY, CONFLICT AND THEIR EFFECT ON CREATIVE ENTREPRENEURS' CAREER ACHIEVEMENT IN KURDISTAN PROVINCE, IRAN

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### Abstract:

Creativity analysis refers to the difference of people in perception, behavior, problem solving, decision making and making relationship with each other while conflict management represents people's behavior, responding to the inter-personal conflicts though few studies have been conducted about investigating the relationships between entrepreneurs' creativity analysis, conflict management style and career achievement in the section of creative analysis. To test the related hypothesis to a sample of 251 creative entrepreneurs in Kurdistan Province, structural equations modeling has been used. The results show that strengthening the creativity of creative entrepreneurs, mediated by conflict management style, and is effective on career achievement. According to the cognitive psychological theories and conflict management, the lost rings between entrepreneurship cognition and conflict management in the field of entrepreneurship will be specified in this study.

**Keywords:** creativity and conflict, creative entrepreneur, career achievement

### 1. Introduction

Creative industries are driving forces of global economy development (Henry and Dibrin, 2011). Creative industries include a wide range of sections such as art, crafting, designing, fashion, filming, advertisement, architecture, publications, media and cultural heritage (DCMS, 2011). The USA confirms the role of creative industries in creating job, regional innovation and social inclusion. Therefore, these industries are driving forces for diversifying economy, income-generating and business through

creating economic and career profits in related service and production sections (The USA, 2010).

Despite its growing importance, entrepreneurship hasn't been studied well in innovative industries (Chasten and Sadler Smith, 2012). By creative entrepreneurs in this study, the founders are meant, establishing a business in innovative industry and leading it. Combining cognitive psychological theories, this paper investigates conflict management and entrepreneurship literature to figure out how cognitive styles of entrepreneurs' creativity affect career achievement in innovative industries by the inclusion of internal conflict management of employers and followers.

Entrepreneurship cognition concentrates on mental models of entrepreneurs and the way of their psychological characteristics with the processes and outputs of entrepreneurship. According to the studies of organizational psychologists, cognitive style is one of determining factors in working behavior (Alison, Chel and Hayz, 2000; Armstrong, Cool and Sadler-Smith, 2012). Cognitive style refers to the difference of people in perception, behavior, problem solving, decision making and making relationship with each other. Investigating entrepreneurship cognition provides a basis for identifying those who can play the role of successful entrepreneurs (Alison et al, 2000).

Creative entrepreneurs have unique management style, based on intuition, non-formalization and quick decision making, while more common thinking styles are not compatible with exclusive features of creative entrepreneurs (Paul, 2008). Concentrating on unique characteristics of creative entrepreneurs and their effect on organizational process, the researchers can have better perception of creative industries (Chasten, Sadler-Smith, 2012).

Conflict management has a relationship with creative thinking. Conflict is an unavoidable social process in organizations and usually occur when people disagree with each other about working or personal issues. The method of conflict management is of a great importance in micro-organizations such as small companies of creative industries. Four prominent styles of inter-personal conflict management are integrating style, avoiding style, obliging style and dominating style. Entrepreneurs' conflict management style is of a great importance in creating new economic activities. As an example, Josold et al (2006) concluded that integrating approach of leaders in conflict management increases effectiveness. Moreover, Liu et al (2009) claimed that proper conflict management of a mechanism is effective on improving economic performance, capable of reducing destructive consequences of conflicts between internal sections and other stakeholders.

Creativity cognitive style is used as a tool to explain how the creative entrepreneurs encounter inter-organizational conflicts and achieve ideal economic outputs. Entrepreneurs' conflict management has a significant effect on the performance of the company but few experimental studies have related cognitive style to conflict management style and they haven't answered the related questions to those mental features of entrepreneurs, effective on correct intra-organizational conflict

management. The current study is sought to fill the gap, using cognitive style of creativity, described by two mental models of convergent and divergent thinking (Basadore and Hofstede, 1996).

## **2. Theory and hypothesis**

### **2.1 Creativity analysis**

Creative analysis reflects two common mental models in idea generation. Divergent thinking refers to the positive attitude towards generating many various ideas for problem through perceiving the world beyond common attitudes. On the contrary, convergent thinking represents clarifying the related nature and realities to the problem and limiting the solutions and achieving a certain answer. Creative entrepreneurs welcome creative ideas for producing valuable products and services for customers. The attitude of creativity cognitive style is used in this paper because it reflects the priorities of individual thinking in a context, where creative idea generation in the heart of individual behavior (Basadore and Hofstede, 1996).

The studies show that entrepreneurship cognition has pivotal functions in achieving new economic outputs (Baron, 2004; Michel et al, 2007). However, most of studies in the field of entrepreneurship cognition focus on strategic aspects of entrepreneurship while the way of entrepreneurship cognition effectiveness on intra-organizational social processes is still neglected (Michel et al, 2007).

### **2.2 Conflict management**

Conflict in organizations in an unavoidable social process which is shown in incompatibility, disagreement and inconsistency among people in their personal duties (Toclub and Quigley, 2014). Organizational conflict management style by entrepreneurs is one of determining factors of economic performance because leaders' conflict management affects the emotion, morality, loyalty and coordination of company's members (Liu et al, 2009).

The previous studies identify four styles of inter-personal conflict management: integrating style, avoiding style, obliging style and dominating style. Rahim and Magner (1995) propose some definitions. Integrating style includes openness, information exchange and investigating the differences to achieve an acceptable answer for both parties. Avoiding style refers to withdrawal of conflict position. Obliging style means win-lost direction or obliging behavior for winning and dominating style is related to the attempt for diminishing the differences and emphasizing on the common grounds to eliminate the concerns of other party.

### **2.3 Creativity analysis and conflict management**

Conflict management style reflects the behavior status and the studies indicate that cognitive style can be suitable in predicting the people's behavior and the type of encountering with inter-personal conflicts.

The literature represents that convergent and divergent thinking styles can lead to different behavioral tendencies (Basadore and Hofstede, 1996) and due to having more emotions, sensitivities and imaginations as well as nonlinear thinking style, the divergent scholars can generate more ideas. However, there aren't many experimental evidences about the manner of creative entrepreneurs' conflict management effectiveness by creativity cognitive style. As an initial exploration in this paper, the manner of relating creative entrepreneurs' divergent thinking to their methods for managing intra-organizational conflicts is investigated. Therefore, the first hypothesis is as follows:

H1: creative entrepreneur's divergent thinking style has different effects on the styles of their conflict management, including integration, avoidance, and obligation and dominating.

Compared to divergent scholars, the ones, having high convergent thinking style, tend to identify one or some justified ideas based on the facts, logic, precautions, accuracy, relaxation, and linear thinking (Kerapli, 2006). Convergent thinking has been institutionalized in logical, analytical and modest reasoning, effective on the people's behavior with others (Armstrong et al, 2012). Numerous theories show that logical and objective nature of convergent thinking is likely to have different effects on the tendencies of creative entrepreneurs in conflict management (Casipo et al, 1996).

Therefore, the second hypothesis is as follows:

H2: creative entrepreneurs' convergent thinking style has many effects on conflict management styles, including integration, avoidance, and obligation and dominating.

## **2.4 Entrepreneurs' success**

Career achievement of entrepreneurs is related to positive psychological and working outputs, created as the result of new economic activity (Lave et al, 2007). In different sections, the entrepreneurs may judge their career achievement through different methods and the literature also confirms the need to use entrepreneurship success indexes based on special contexts, in which new economic activities are realized. Creative entrepreneurs more valorize their growth in their professions than the obtained income of economic transactions (Paig and Litrel, 2002). Therefore, two indexes, related to career achievement, according to the creative entrepreneurs include: social reputation and occupation achievement.

## **2.5 Conflict management style and entrepreneurs' success**

Intra-organizational conflict management style by leaders has a direct effect on the emotions, morality, loyalty and adaptation of followers (Liu et al, 2009). The rate of conflict management may be more in active companies in creative industries because team creative idea generation is only realized when internal conflicts are effectively management and embedded in proper management strategies. On the same basis, the third and fourth hypotheses are raised:

H3: Creative entrepreneurs' conflict management styles, including integration, avoidance, and obligation and dominating, have different effects on entrepreneurs' social reputation.

H4: Creative entrepreneurs' conflict management, including integration, avoidance, obligation and dominating, have different effects on career achievement.

### **3. Methods**

#### **3.1 Developing the study and participants**

The definition of creative industries, proposed by UK Department of Culture, Media and Sports (DCMS, 2001), is used in this study. The entrepreneurs, whose company is involved in following creative businesses, were also selected as target sample: art, crafting, designing, fashion, filming, advertisement, architecture, publications, media and cultural heritage. The participants in this study were founder entrepreneurs, were still the leaders of creative business in Kurdistan Province. Totally 251 creative entrepreneurs were included in this study. The questionnaires were sent via post. The sent letters included a cover, explaining the target of study as well as an instruction for filling the questionnaire. After three phases of the study, 251 valid questionnaires were collected and the responding rate became 26%. 20 respondents (8%) were less than 30 years old, 50 (19.9%) within 31-35 years old, 44 (17.5%) within 36-40 years old, 59 (23.5%) within 41-45 years old and finally 78 (31.1%) of them were more than 46 years old. 176 respondents (70%) were male and 75 of them (30%) were female. According to the expertise, 58 ones were anthropologists (24.6%), 52 (22%) designers, 50 (21.2%) management experts, 44 (18.6%) engineers, 19 (8.1%) science experts, 3 (1.3%) farmers, 2 (0.8%) physicians and finally 23 (9.4%) were experts of other fields.

Based on educational history, 56 (22.3%) diploma, 87 (34.7%) Bachelors, 100 (39.8%) Masters and 8 ones (3.2%) had Ph.D.

#### **3.1.2 Creativity cognitive style**

Creativity cognitive style is measured based on a 6-item scale, has been developed in previous studies (Basadore and Hofstede, 1996). The 6-item scale has two 3-item subscales that each one is related to divergent thinking (Cronbach's  $\alpha=0.68$ ) and convergent thinking (Cronbach's  $\alpha=0.79$ ). These items were measured based on six-point Likert scale, in which 1 means absolutely disagree and 6 refers to absolutely agree.

#### **3.2.2 Conflict management style**

Totally 12 extracted items from the database of organizational conflict for measuring four styles of inter-personal conflict management were used (Rahim and Magner, 1995). ROCI-II evaluates four distinctive approaches of creative entrepreneurs for conflict management, known as integrating, avoiding, obliging and dominating styles. Cronbach's  $\alpha$  for the 4 types are respectively 0.79, 0.75, 0.83 and 0.77. The items

were measured based on five-point Likert scale, in which 1 refers to absolutely disagree and 5 means absolutely agree.

### **3.2.3 Entrepreneurs' success**

Social reputation and career achievement have been used in this study to measure the entrepreneurs' success in the context of creative industries (Lave et al, 2007; Paig and Litrel, 2002). Social reputation scale includes three items (Cronbach's alpha=0.93) and career achievement scale includes four items (Cronbach's alpha=0.87). Participants' answers were measured based on two scales, in which 1 means absolutely disagree and 5 means absolutely agree.

### **3.3 Reliability and validity**

To investigate the reliability and validity of variables in this study, confirmatory factor analysis has been used. According to Colin (1998), Composite Reliability (CR) of all implicit variables should be more than 0.6, and Average Variance Extracted (AVE) should be more than 0.5 to confirm the theoretical threshold of convergent validity. Based on the results of table 1, this criterion is confirmed.

### **3.4 Analysis**

Measuring model is first tested using confirmatory factor analysis. Then, structural equation modeling is conducted based on measuring model to estimate the compatibility of hypothetical model with experimental data and also test hypotheses. To eliminate and evaluate magnitude rank of method bias, we used statistical and procedural methods of Podsakiev et al, (2003). During the study, the respondents were ensured of required confidentiality and anonymity to reduce confiscating assessment. We used Harman single-factor test and extracted seven separated factors for 70% of total variance, the first factor of which explains 22%. The findings show that no single factor appear and no single-factor is responsible for major part of variance so method bias is less likely and the indicators' validity is supported.

## **4. Results**

### **4.1 Descriptive statistics and correlations**

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

### **4.2 Measuring model**

The results of measuring model, as shown in table 3, represent a good consistency for data:

$(\chi^2 = 370.11; GFI = 0.90; AGFI = 0.87; IFI = 0.96; CFI = 0.96; RMSEA = 0.05)$ .

The indicators confirm more investigation of structural model.

### 4.3 Structural model

Table 3 shows the compatibility indicators of structural model. The results of structural model indicate that hypothetical model is well compatible with data:

( RMSEA = 0.06 $\chi^2$  = 461.12; GFI = 0.87; AGFI = 0.84; IFI = 0.93; CFI = 0.93; ).

Figure 1 shows total structural model with path coefficients. H1, showing that divergent cognitive style has different effects on conflict management style, is somehow confirmed because divergent thinking style has a positive relationship with integrating style ( $\beta = 0.31, p < 0.01$ ), obliging style ( $\beta = 0.19, p < 0.1$ ) and dominating style ( $\beta = 0.27, p < 0.05$ ). H2, indicating that convergent thinking has many effects on conflict management style, is also somehow confirmed because convergent thinking has a negative relationship with obliging style ( $\beta = -0.20, p < 0.1$ ) and dominating style ( $\beta = -0.34, p < 0.01$ ).

The results of testing H3, showing that there is a significant relationship between conflict management style and social reputation of creative entrepreneurs, indicate that integrating style ( $\beta = 0.21, p < 0.01$ ) and obliging style ( $\beta = 0.17, p < 0.05$ ) are related to social reputation. The results of testing hypothesis 4, showing that there is a significant relationship between conflict management style and career achievement of creative entrepreneurs, indicate that integrating style ( $\beta = 0.38, p < 0.001$ ) and obliging style ( $\beta = 0.24, p < 0.001$ ) have positive relationship with career achievement.

**Table 1:** The results of confirmatory factor analysis

The concept	Item	Load factor	AVE	CR
Divergent thinking	1. I enjoy expanding my imagination to generate many ideas	0.77	0.46	0.71
	2. I easily come up with new ideas	0.54		
	3. I prefer to have untraditional attitude towards affairs	0.70		
Convergent thinking	1. I try to spend time for problem clarification	0.74	0.57	0.80
	2. I try to identify the related data to the problem	0.85		
	3. I try to concentrate on precise description of problem	0.67		
Integrating style	1. I exchange the new information with my followers and solve the problem together	0.72	0.56	0.80
	2. I and my followers try to perceive problem accurately	0.81		
	3- I try to collaborate with my followers to find the answer	0.71		
Avoiding style	1. I try to hide my disagreement from my followers to avoid hard feeling	0.83	0.51	0.75
	2. I try to be patient and hide my conflicts with the followers	0.66		
	3. I try to avoid disagreeing with my followers	0.75		
Obliging style	1. I use my authorities to make decisions to my own advantage	0.75	0.63	0.83
	2. I use my influence to impose the ideas	0.86		
	3. I sometimes use my power to win the competition	0.76		

Dominating style	1. I try to meet the expectations of my followers	0.53	0.55	0.78
	2. I valorize the demands of my followers	0.87		
	3. I try to realize the demands of my followers	0.79		
Social reputation	1. I have a good reputation in creative industries	0.89	0.82	0.93
	2. Many people know me in my field of working	0.94		
	3. Most of people in creative industries think of me as a good creative employee	0.89		
Career achievement	1. The company, I founded, is culturally valuable for the society	0.75	0.64	0.87
	2. The company, I founded, confirms some of goals that I want to achieve	0.88		
	3. I have realized some of my dreams through my business	0.84		
	4. I have perceived the meaning of progress through my business	0.71		

## 5. Discussion and conclusion

Entrepreneurship cognition is an integrated part of entrepreneurship process (Michel et al, 2007) and the researchers have also confirmed the importance of conflict management style in the performance of new businesses (Liu et al, 2009). However, there are few studies about the investigation of determining individual behaviors by cognitive antecedents in conflict management (Booknogh et al, 2007; Serni et al, 2012; Rognez et al, 2010). Through integrating the theories of conflict management and cognitive psychology, this study enriches the current literature using a theoretical model, explaining the effectiveness of cognitive style of creative entrepreneurs on career achievement, mediating inter-organizational conflict management.

Our findings indicate that creativity cognitive style can also predict behavioral tendencies of creative entrepreneurs in conflict management. The results also show that the creative entrepreneurs with higher divergent thinking level, are more active and positive, when they encounter the conflicts. On the other hand, the results show that divergent thinking has negative effect on conflict management in obliging and dominating styles. In other word, the creative entrepreneurs with more divergent thinking level tend to identify the main problem based on facts and information (Kerapli, 2006). Therefore, creative entrepreneurs are more rational in managing interpersonal incompatibilities, not to use their authority to make followers obey or try participate different ideas. Relating creativity cognitive style with conflict management style shows creative entrepreneurs that how divergent and convergent thinking affects their backgrounds in managing conflict in different situations such as perception, behavior, problem solving and treating others.

Creative entrepreneurs tend to define their career achievement based on what they have done in their profession rather than the rate of their income (Paig and Litrel, 2002). So social reputation and career achievement represents career achievement of creative entrepreneurs. Our findings indicate that conflict management through integrating and obliging styles has a positive significant effect on social reputation and career achievement. Integrating and obliging styles can be considered as active

approaches in conflict management (Gelfand et al, 2008) and the findings also represent that active tendency of conflict management can more contribute creative entrepreneurs to achieve social reputation and career achievement.

### 7. The limitations and future studies

This study has some specific limitations; the included concepts in this study are entrepreneurs' cognitive style, behavioral styles in conflict management and perceived career achievement and collected data based on reported information by the entrepreneurs. Deeper interviews with them, through proposing the ideas, confirmations and also more theoretical applications for research findings can enrich this study. Moreover, lack of existing theoretical principles is also another limitation. Our study is only concentrated on investigating cognitive style of creative entrepreneurs' creativity, conflict management approaches and career achievement. More studies can be conducted in order to explore the behavior of creative entrepreneurs using different business models to achieve better career achievement. Moreover, using new research approaches can be suitable for clarifying the existing situation. As a new analytical technique in testing theory (Woodside, 2013), Qualitative Compatibility Analysis (QCA) can be used as an appropriate tool for identifying a combination of creative entrepreneurs' attitudes in cognitive styles, behaviors and strategic moods, which may lead to more positive economic outputs in creative industries.

**Table 2:** Descriptive statistics and correlations

Variable	Mean	SD	1	2	3	4	5	6	7	8
Divergent thinking	5.2	0.73	-							
Convergent thinking	5.3	0.67	0.37	-						
Integrating style	4.2	0.62	0.3	0.28	-					
Avoiding style	3.2	0.92	0.02	-0.04	0.04	-				
Obliging style	3.1	0.95	0.08	-0.03	-0.21	0.28	-			
Dominating style	3.4	0.73	0.08	-0.08	0.03	0.36	0.32	-		
Social reputation	3.2	1.02	0.21	0.09	0.16	0.12	0.14	0.14	-	
Career achievement	3.7	0.89	0.33	0.19	0.29	0.07	0.16	0.11	0.63	-

N=251

×Correlation is significant at the level of P<0.05 (two sequences)

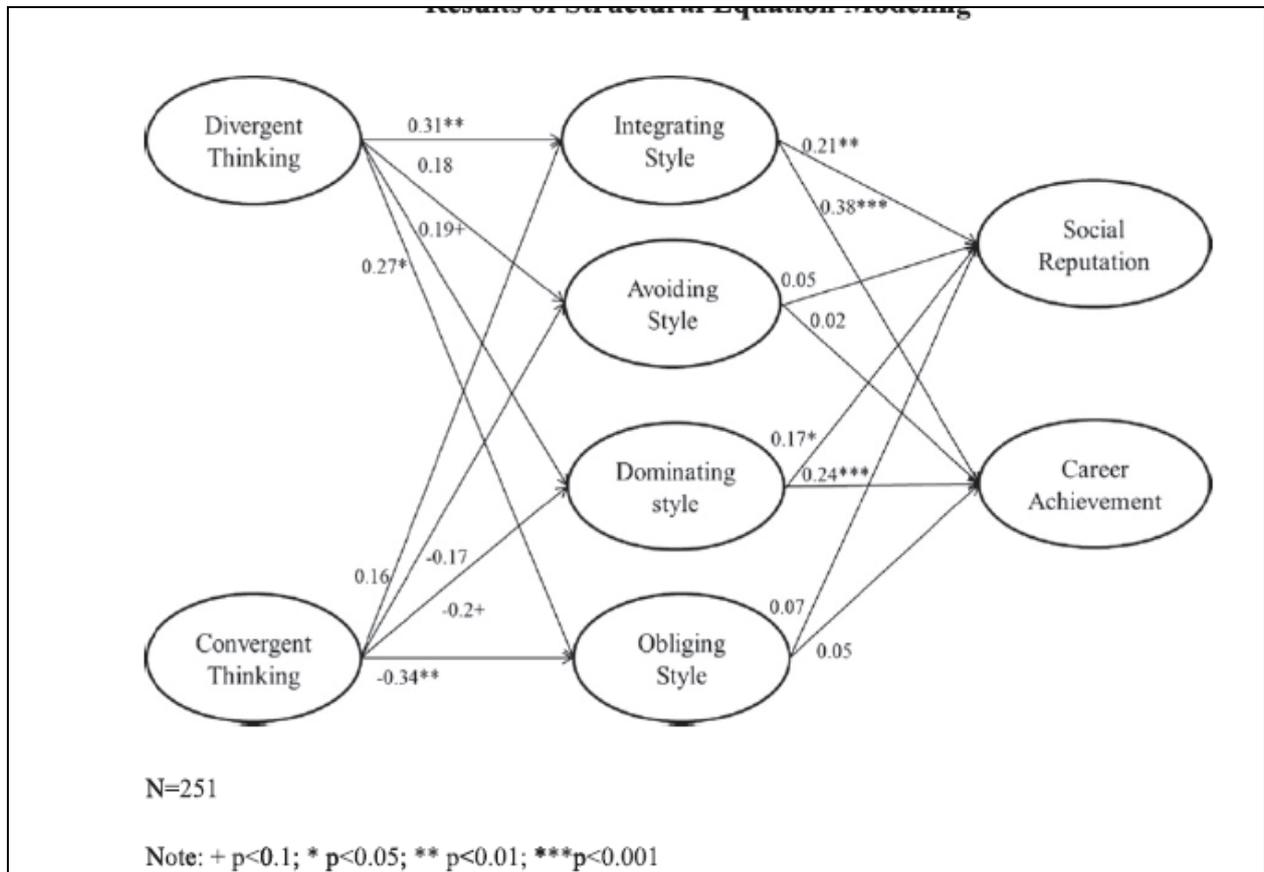
\*\* Correlation is significant at the level of P<0.01 (two sequences)

**Table 3:** The summary of model compatibility indicators

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

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

## 7.1 Results of structural equation modeling



**Figure 1:** The results for modeling structural equation

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

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