



THE ROLE OF TRANSFORMATIONAL LEADERSHIP STYLE IN THE IMPROVEMENT OF HRM PRACTICES, INNOVATION AND CREATIVITY DURING THE TIME OF COVID PANDEMIC.

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Abstract

This study aims to have a conceptual view on the effect of transformational leadership on HRM practices, employee innovation and creativity during the challenging times of COVID. COVID-19 is causing a humanitarian crisis of global proportions, with hundreds of thousands of lives disrupted. COVID-19 provides many opportunities to assess, learn, and analyze leadership. The coronavirus pandemic is a complex, dynamic issue that brings various systems into play, including public health, economic, social, technical, time, emotional, environmental, and many others. All these systems are interconnected, creating even more variables as these open systems reshape constraints and possibilities. This never-before-seen dynamic requires an organization to use a systemic approach and engage in complex decision-making. Transformational leadership is a leadership style in which leaders encourage, inspire, and motivate employees to innovate and create change that will help grow and shape the company's future success. This is accomplished by setting an example at the executive level through a strong sense of corporate culture, employee ownership and independence in the workplace.

Keywords: COVID 19, Transformational leadership, HRM practices, Creativity, Innovation

1. Introduction

COVID-19 is causing a humanitarian crisis of global proportions, with hundreds of thousands of lives disrupted. COVID-19 provides many opportunities to assess, learn, and analyze leadership. The coronavirus pandemic is a complex, dynamic issue that brings various systems into play, including public health, economic, social, technical, time, emotional, environmental, and many others. All these systems are interconnected, which creates even more variables as these open systems reshape constraints and possibilities. The challenge presented to the workforce on a global level by COVID-19 has been unprecedented due to its impact on a key aspect of our existence—the survival of people and organizations.

As leaders confront situations that were never anticipated, this is also a time to encourage more initiative and decision rights at all levels of the organization, trusting that the teams and individuals who are deeply embedded in a specific context may be in the best position to come up with creative approaches to addressing unanticipated needs. Make the objective clear, but allow more flexible local autonomy. To achieve the overall objective of reducing disease transmission risks, such as flexibility to reconfigure tables and workforce rotation to maintain social distancing. This never-before-seen dynamic requires us to use a systemic approach and engage in complex decision-making. Transformational leadership is a leadership style in which leaders encourage, inspire, and motivate employees to innovate and create change that will help grow and shape the company's future success. This is accomplished by setting an example at the executive level through a strong sense of corporate culture, employee ownership and independence in the workplace. Leadership plays an important role in growing organizations and in individual performance. For stockholders to get the most out of their investments, they should produce the best services and goods possible from the optimum resources of an enterprise by improving and implementing strategic organizational decisions. A leader must provide their followers with what they need to be effective and to move towards a common vision.

Moreover, employees will be demotivated and lose confidence if their leaders refuse to provide what they have promised. Leaders need to concentrate on the employees' external and internal needs to improve employee performance. Leaders develop a vision, and then they adapt organizational and individual goals to achieve their individual and organizational priorities by sharing this perspective and by empowering their employees to overcome challenges (Robbins 2003). A competent leader gives the group guidance and leads followers to the right objectives.

Transformational leaders inspire and motivate their workforce without micromanaging — they trust trained employees to take authority over decisions in their assigned jobs. It's a management style that's designed to give employees more room to be creative, look to the future and find new solutions to old problems. Employees on the leadership track will also be prepared to become transformational leaders themselves through mentorship and training.

2. Theoretical background

Leadership Styles: Kevin Ford co-author of the book, “The Leadership Triangle” and CIO of Tag Consulting says he believes there are three kinds of successful leadership styles and that each one has its own place depending on the challenges you are facing:

Tactical: These leaders are solving pretty straightforward problems. “Tactical issues are solved by expertise. Tactical challenges are the daily bread of the operations-oriented manager”.

Strategic: These leaders are working towards the future with a vision. “Visionaries are different in that they tend to be creative or generative in their approach. They have the ability to see the future and predict specific trends,”

Transformational: This leader is a facilitator who does not make decisions or establish strategic plans but, instead, facilitates a series of conversations among key stakeholders. “Transformational leaders are driven by a strong set of values and a sense of mission. Often, the strategic leader will have a vision but cannot execute it because they cannot deal with transformative issues. A transformational leader has a more generalized vision that is one of the common good or in the best interests of the stakeholders there.

Transformational leader does not always know where things are going to wind up, only that it will be better than where we are today.” There is a time and place for each style, but when companies are looking for a turnaround or to keep from getting left behind, a transformational leader is what they are looking for.

Transformational leadership model

The concept of transformational leadership started with James V. Downton in 1973 and was expanded by James Burns in 1978. In 1985, researcher Bernard M. Bass further developed the concept to measure transformational leadership’s success. The model encourages leaders to demonstrate authentic, strong leadership with the idea that employees will be inspired to follow suit.

Transformational leadership characteristics

According to Bass, the hallmarks of a transformational leader that sets them apart from other leadership styles are:

Encourages the motivation and positive development of followers. They exemplify moral standards within the organization and encourage the same of others. Fosters an ethical work environment with clear values, priorities and standards. Builds company culture by encouraging employees to move from an attitude of self-interest to a mind-set where they are working for the common good

Transformational leadership and HRM practices

Human resource management (HRM) is recognized as having been assigned the role of implementing the plans defined by the political powers to maintain social distancing (Koirala and Acharya 2020), thus helping to reduce the spread of the virus. At the same time, the studies carried out in this area have drawn attention to

the important role of these professionals in defining strategies that allow people to work from home. This is particularly the case in the use of information technologies and the management of employees' emotional concerns, which are associated with the potential or actual impact of the crisis on their work and family dynamics. In previous years, human resource managers have dealt with different political, economic, and social crises, allowing them to compile a repository of vital knowledge to manage its impacts better (Bailey & Breslin, 2020). During the 2008 financial crisis, for example, we observed very differing responses in Europe, including the introduction of greater flexibility, changes in the structure and design of jobs and, conversely, the option of downsizing. Common HRM practices designed to help companies adapt to crisis situations, such as the economic recession, include adjustment of wages and workforce (e.g., severance, early retirement and recourse to part-time and temporary workers); reorganization of work schedules (e.g., reducing overtime and flexible working hours); stabilizing the workforce (e.g., encouraging sabbatical leave and taking recourse to layoffs); and at the level of involvement, making more intensive use of communications or altering collective labor agreements. Out of this wealth of knowledge, not only is the role of leaders also worthy of note in managing crises but, in particular, that of human resource managers, whose importance has been reinforced by the pandemic (Caligiuri et al. 2020). In this regard, the systematic literature review by Zhong et al. (2021), in which several HRM practices were identified that could assist in the management of the crisis triggered by the current pandemic, or the reflection by Butterick and Charlwood (2021) on the role of HRM in managing the inequalities experienced by different groups of workers in such a situation. In situations of the health crisis, human resource managers play an essential role in responding to the needs of workers as regards to health and safety but also handling issues of anxiety and stress that are known to be exacerbated by the need for virtual work, long working hours, and the working conditions of the "virtual offices", which are not always adequate (Caligiuri et al. 2020; Roche et al. 2011). The study by Nutsubidze and Schmidt (2021), which explored the main challenges of the current pandemic from the perspective of HRM professionals, reinforced this importance, identifying areas such as "managing employee morale, motivation and engagement," "ensuring employee mental health and well-being" or "establishing transparent communication."

Furthermore, much of the work is underpaid (Wenham et al. 2020). The crisis that COVID-19 has generated constitutes an unprecedented challenge for the workforce on a global level. A better understanding of the impact of the pandemic at work and on companies has thus become imperative to provide better guidance for individuals through this ever-changing situation. Perfect is the enemy of the good, especially during crises when prompt action is required. Most companies do not have the infrastructure to deliver excellent information or data, in real-time, on operations that could be affected during an epidemic. There will be many "known unknowns" days and weeks ahead. New online recruitment methods and online induction programs are giving further scope to HRM practices. Reviews are made online interactions are more accessible. Partial conversion of the workforce to remote working areas has also been adopted even after opening economies.

Transformational leadership on innovation and creativity

Transformational leadership has been conceptualized as a multi-dimensional concept (Bass, 1985). In their study, Avolio et al. (1999) came up with a more precise concept of transformational leadership that fused individualized consideration, idealized influence, and intellectual stimulation inspirational motivation. Using idealized influence, the leader inspires the inherent thoughts of followers by acting as a role model to gain respect, admiration and loyalty, which generates a sense of collectivity among the followers. Through one-to-one relationships with each follower in the collective setting, the leader institutionalizes the confidence of individualized consideration in which he is always concerned about each follower's needs. By inspirational motivation, a leader steers a vision for the future and shows the path for achieving goals and helps the followers realize that they can do it. Through intellectual stimulation, the leader makes the necessary cognitive resources available to the followers and stimulates them to work differently (Avolio et al., 1999). An organization's innovation climate is defined as a set of employee perceptions about the organization's work environment that encourages risk-taking behaviour, allocates sufficient resources and provides a challenging work environment for using a creative approach at work (Scott and Bruce, 1994). The construct innovation climate has received a significant amount of attention from behavioural researchers since it plays a vital role in shaping the creative behaviour of employees. Cerne et al. (2013) found that a supportive innovation climate believes that stimulating a supportive and safe climate promotes employee creativity.

Innovation and creativity are intrinsically linked (Robinson and Beesley, 2010), where creativity is the emergence of new ideas; innovation requires implementing those creative ideas (Robinson and Beesley, 2010). Thus, organizations must promote creative behaviour among their employees (Nieves et al., 2014). Nourishing creativity among employees in view of innovative results is a primary concern for leaders. Shalley et al. (2004) argued that employee creativity is attributed to the individual factors and the context in which they work.

Further, individual-level variables play a significant role in nourishing employee creativity. The present study utilizes both approaches to introduce a comprehensive model to predict employee creativity. Organizations need to be blended with leaders who can address complex problems with innovative solutions for innovation and creativity—research articles by Reiter-Palmon and Illies, Gupta, state fostering employee creativity through a specific leadership style. In recent creativity studies, transformational leadership has emerged as a strong predictor of employee creativity. Transformational leadership engenders a supportive innovation climate and mobilizes the necessary contextual resources for subordinates to exert creative behaviour. However, very few studies have addressed the subject of creativity in the Indian context. The previous studies summarise the four behavioural components of transformational leadership, i.e., inspirational motivation, intellectual stimulation, idealized influence and individualized consideration (Avolio et al., 1999); a transformational leader can easily fulfil these subordinates' needs and encourage them for creative performance.

Transformational Leadership Indicators

Transformational leadership is creating a supportive workplace through inspiration, motivation, and individual consideration. Here are some indicators to measure transformational leadership variables:

1. Idealized influence is a factor that looks at a leader's charisma, whether the leader has a strong impact and high self-confidence. A charismatic leader's actions, such as the carried values, can also be seen from a charismatic leader's actions. This dimension emphasizes that a leader must be a role model admired, appreciated, and followed by employees.
2. Inspirational motivation is the character of a leader who can apply high standards and encourage employees to achieve these standards. This character can generate high optimism and enthusiasm; in other words, the leader always inspires and motivates employees.
3. Intellectual stimulation is the character of a leader who can encourage employees to be creative and innovative and solve problems carefully and rationally. This character also encourages employees to find new, more effective ways of solving problems.
4. Individualized consideration is the character of a leader who can appreciate and understand each employee's differences. Leaders will be happy to listen to their aspirations, educate and train their employees. Leaders can see the potential and needs of employees and can facilitate it.

Organizational Innovation

In every organizational activity, people will feel that they enjoy these activities if their implementation is not monotonous. Therefore the organization itself requires a breakthrough. The breakthrough in the organization is called organizational innovation. The concept of innovation has received the attention of several researchers in the past. Organizational innovation is generally understood as a firm-level innovation in management initiatives. Organizational innovation introduces new organizational methods in business practices, workplace organizations, or company external relations. Indeed, engagement with externally sourced innovation practices raises a range of challenges resulting from growing complexity, ultimately requiring adequate organizational responses and mechanisms for managing resources and knowledge. As a result, organizational innovation can play an important role as a manifestation of the company's internal context that may determine the successful implementation of outside-sourced innovation practices.

According to Archibugi & Sirilli, past literature on innovation describes two main approaches: object-based, focusing on innovation itself, and subject-based, focusing on countries, industries, organizations, and groups implementing innovations. Organizational innovation is described as creating new, meaningful and valuable products or services in a corporate environment. Some researchers consider it an activity intended to develop ideas, implement them, react, and modify them if needed. Innovation is a critical constituent of organizational success in a competitive landscape. Organizational innovation is a variable used for new ideas, behavior, products, services, technology, and administrative practices that stimulate processes and procedures in an

organization for innovation purposes. Organizational innovation functions in a dynamic environment that demands agility and flexibility from leadership to ensure that the organization responds to changes.

Organizational Innovation Indicators

Organizational innovation introduces new organizational methods in business practices, workplace organizations, or company external relations. Here are some indicators for measuring organizational innovation variables, namely: (Tsai, 2018)

1. Organizational structures, companies affect absorption and a high level of speed in decision making.
2. Organizational learning facilities are organizational learning routines that can facilitate the formation and application of innovative ideas.
3. Organizational assumptions and experiments are organizations that adopt processes that encourage existing beliefs and experiment with new ideas.
4. Organizational practices are essential for organizations implementing managerial practices to minimize organizational change resistance. By managing change resistance, companies can better facilitate the formation and application of innovative ideas.

Employee Creativity

Employee creativity is an activity that brings about something new, idea, or idea and is applied in an organization. This activity will spur employees to create added value in them because, in today's world of work, they must have the ability to compete with other employees. Creativity focuses on developing and adopting new ideas that have not yet acquired knowledge, strategy, and coordination. Therefore the creative process is often unpredictable, and its progress usually occurs between delays, setbacks, and unexpected costs. Employees who work in an organization where management is delegated need more power and autonomy to inspire their creative behaviour. Support from an organization can increase employee creativity. The theory of creativity that falls into this category argues that creativity is best conceptualized not as a single entity but as arising from a complex system with interacting subcomponents. These must be accounted for a rich, meaningful, and valid understanding of creativity. Developing systems theory provides structure to creative individuals' knowledge through a developmental process played out in complex ways and contexts that lead to extraordinary creations. Employees will help build connections between existing knowledge and new knowledge, leading to creative ideas and solutions. Sharing information can help employees absorb new ideas and learn from others, which allows them to generate more creative ideas. Employee Creativity indicator

Employee creativity is focused on developing and adopting new ideas that have not yet acquired knowledge, strategy, and coordination. Here are some indicators for measuring employee creativity, namely:

Seeks new ideas and ways to solve problems, interested in finding new ideas and methods when facing a crisis.

Tries new ideas or methods first and desires to try new ideas and techniques to solve a problem.

It generates ground-breaking ideas related to the field, having the ability to create breakthroughs that are relevant to field conditions.

Being a good role model for creativity can be an excellent example of producing creativity.

Relationship between Transformational Leadership and Organizational Innovation

The transformational leadership effect is also influenced by creativity and innovation. Shin and Zhou state that creativity and transformational leadership have a positive effect. Leaders who in still a vision into the organization can increase creative output. An innovation-based vision can encourage innovative work behaviour. It explains that the vision will provide direction for activities and establish general guidelines for the future. Researchers state that effective leadership plays an essential role in having a supportive climate in exposing knowledge. The relationship between transformational leadership and organizational innovation is measured by looking at the organization's size, corporate culture, and culture in a country. It can be concluded that transformational leadership plays an essential role in organizational innovation. Leaders who use a transformational leadership style will try and provide more excellent opportunities for innovation. Organizations must encourage a transformational leadership style to bring about change and innovative ideas. By doing so, they will offer products exclusive to the market; this will increase their market share. Every leader or manager must adopt a transformational leadership style so that they and their employees can improve themselves to better and higher levels of motivation and morality. Previous research has found that transformational leadership can influence innovation, especially the trend towards organizational innovation. Good leaders will encourage creative ideas that promote innovation in organizations. Transformational leadership is suggested to have an impact on innovation. Transformational leadership increases innovation in an organization; in other words, the organization's desire to innovate. Leaders use inspirational motivation and intellectual stimulation, which is essential because this is useful and can develop organizational innovation. Previous researchers have examined the direct and indirect impact of transformational leadership on organizational innovation. The results explain that the relationship has a positive and significant effect.

Employee Creativity and Organizational Innovation Relationship

Innovation is considered an essential element of organizational success in a competitive landscape. Studies show that technological innovation arises from organizational innovation and that both together result in a higher level of organizational performance. If an organization continuously maintains new products and services to meet its customers' demands, the organization will be able to achieve long-term success. For a company to be successful, it needs to receive the vitality to be creative and accept innovation, and both are essential components of the same process. Creativity is the result of individuals or teams, regardless of their functional area and position in the organizational hierarchy. Whereas creativity focuses on idea production,

innovation includes idea production and implementation. Thus, creativity is the first and vital stage in innovation. Creativity is widely seen as a driver of innovation, growth, and community development.

Things You Need to Facilitate Transformation in an organization

Intellectual Stimulation: By rocking the boat and asking questions, transformational leaders constantly challenge the status quo and are not afraid of failure. They foster an environment where it is safe to have conversations, be creative and voice ideas, a place where all team members feel valued. They challenge cultural norms and inspire passion with their teams and peers.

Individualized Consideration: Don't treat people how you want to be treated; treat them the way they want to be treated. People are different and what motivates and excites you is different from your peers and co-workers. One has to learn to adapt your style to accommodate the skills and people on your team.

Inspirational Motivation: Know where you want to go and create a vision or strategy to get there and then articulate, with optimism and passion, your vision to show them how all these matter in the big picture.

Idealized Influence: Transformational leadership requires decision-making that works towards the greater good. You need to be a mentor of sorts and lead by example. Values-based leadership is necessary for driving sustainable change as this ensures that the results achieved are underpinned with a strong moral and ethical foundation; thus they can also stand up to any scrutiny or resistance to change.

Perseverance through Conflict: Experts agree that transformational change will create conflict. You're going to have people fight or ignore you. "You have to master the role by figuring out how you're going to get all these people to work with you. Doing that will change the position you have into the power you need to change the company,"

Discussion and Conclusion

There is a delicate balance between communicating in advance of all the facts and commenting late. We have seen leading companies adopt a policy of shorter, more frequent communications based on what they know and filling in details later. In the absence of a narrative from you, your teams and stakeholders may start to fill the void with misinformation and assumptions. Setting a regular cadence with a clear voice is critical. Incomplete or conflicting communications can slow the organization's response rather than provide better guidance. In a time of crisis, trust is paramount. This simple formula emphasizes the critical elements of trust for individuals and organizations:

Trust = Transparency + Relationship + Experience

Trust starts with transparency: telling what you know and admitting what you don't. Trust is also a function of relationships: some level of "knowing" each other among you and your employees, your customers, and your ecosystem. And lastly, it also depends on experience: Do you reliably do what you say? In times of growing

uncertainty, trust is increasingly built by demonstrating an ability to address unanticipated situations and a steady commitment to address the needs of all stakeholders in the best way possible.

It's also important to recognize and address the emotions of all stakeholders. This is not just about charts and numbers. Narratives can be powerful ways to acknowledge the fears that naturally surface in times of crisis while at the same time framing the opportunity that can be achieved if stakeholders come together and commit to overcoming the challenges that stand in the way. Amid crisis, Marshall McLuhan's famous observation that "the medium is the message" rings even more accurate. Many psychologists assert that the majority of communication is nonverbal. Emails, texts, and tweets miss the voice intonation, eye contact, and body language essential to trust-building communications. Encourage the use of video—especially to connect emotionally with your teams—instead of emails and other forms of communication. Just as you may feel overwhelmed by your inbox, so do your employees. The changing facets have made a new normal for all the aspects of an organization be it HRM practices, employee innovation or creativity.

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