

8.3 The role of a leader in shaping a creative environment and developing innovation management

In the current context of globalization, digital transformation, and the high dynamics of the business environment, the issue of ensuring organizational competitiveness comes to the forefront. One of the key factors that determines an enterprise's ability to adapt to change and ensure sustainable development is its innovation capacity, which largely depends on the creative potential of its personnel. Thus, a manager acts not only as an organizer of processes but also as a leader who shapes a creative environment and stimulates innovative thinking within the team [225].

Creativity in management is the ability to generate new ideas, solutions, and approaches that have practical value for achieving organizational goals. In this context, the concept of a "creative environment" refers to a set of organizational, psychological, social, and technological conditions that promote the emergence, implementation, and support of creative initiatives [226]. Effective leadership plays a central role in creating such conditions and, therefore, in the development of innovation management.

The creative environment within an organization is a key factor in the emergence, development, and implementation of new ideas, innovative solutions, technologies, and management approaches. It provides a foundation for enhancing the enterprise's competitiveness, contributes to increased labor productivity, and strengthens business flexibility and adaptability to external changes. In today's rapidly evolving economy, creating such an environment has become a priority task for innovation-oriented leaders and managers. Scientific research emphasizes that a creative environment does not form spontaneously but is the result of deliberate managerial actions supported by an appropriate corporate culture and organizational structure [225].

The formation of a creative environment requires the establishment of several conditions, among which ensuring employees' psychological safety is of primary

importance. Employees must feel confident that their ideas will be treated with respect, even if they contradict generally accepted views or appear risky. Such an atmosphere encourages openness, initiative, and the free expression of unconventional approaches. In addition, organizing effective interaction among employees through teamwork and interdisciplinary discussions is crucial. Team collaboration fosters a synergistic effect, where the combination of diverse ideas and experiences enables the discovery of innovative solutions that may not be attainable through individual efforts [227].

Stimulating creativity is another key element in the formation of a creative environment. Management should implement systems of both material and non-material incentives, including rewards for new ideas, moral recognition, opportunities for professional development, and involvement in decision-making processes. Creativity should be an integrated component of the organization's motivational policy, and employees must clearly understand that their initiatives genuinely influence internal processes [228]. At the same time, it is essential to provide resource support for the implementation of innovations — access to informational, financial, technological, and time resources is a necessary condition for the successful realization of creative ideas.

Organizational culture plays a significant role in the development of a creative environment. When corporate culture is dominated by values of openness, trust, mutual respect, learning, risk-taking, and curiosity, it creates an overall climate favorable to creative activity. Conversely, an authoritarian or overly formalized culture hinders the development of initiative, as employees may fear taking responsibility for unconventional decisions. An effective culture supports managerial flexibility, continuous improvement, experimentation, and team-based innovation support.

The defining features of a creative environment within an organization include a high level of psychological safety, support from leadership, the availability of space for autonomous action, open communication channels, access to necessary resources, motivational support, and a culture oriented toward innovation. These factors provide the conditions under which employees freely generate ideas, show initiative, and strive for continuous improvement. A creative environment is formed gradually, through

deliberate changes in managerial approaches, corporate values, and the organization's daily practices. Only with a consistent policy from leadership to support innovation, build flexible structures, and maintain open communication is it possible to ensure the stable development of employees' creative potential and the implementation of the organization's innovation strategy.

One of the key functions of a modern manager is to identify and support employee creativity. This involves not only creating conditions for generating new ideas but also systematizing, evaluating, and integrating them into managerial practice. A manager must be able to recognize employees' potential, build a motivation system that supports their creative self-fulfillment, and cultivate a culture of trust and open idea exchange [229].

A crucial factor in this process is the management style. Research shows that democratic, liberal, or adaptive leadership styles foster higher levels of employee engagement in creative activity, while authoritarian styles, by contrast, hinder innovation processes [228]. A manager must possess a high level of emotional intelligence to enable effective communication, reduce conflict, and foster constructive problem-solving. Emotional intelligence, as defined by D. Goleman, is the ability to recognize one's own emotions and those of others, manage them, and use this information to guide thinking and behavior and to manage relationships [230]. In the field of management, this ability becomes critically important, as it helps to create a favorable socio-psychological climate in the team, enhance employee motivation, resolve conflicts, and foster a trustworthy atmosphere in which productivity and employee loyalty increase.

Studies show that a high level of emotional intelligence positively correlates with leadership effectiveness, particularly in the ability to influence others, inspire, create a shared team vision, and manage change [230]. A leader with developed emotional intelligence better understands the emotional needs of their subordinates, builds strong interpersonal relationships, demonstrates empathy, and maintains control over their own emotional state. This enables effective management of both individual employees and the team as a whole. For example, in stressful situations or during crises, a leader

capable of emotional self-regulation shows calmness, stability, and confidence, which influences the psychological state of employees and contributes to the maintenance of productivity [231].

One of the main tasks of a modern leader is the ability to communicate with different personality types, unite the team around a common goal, and direct their efforts. This is only possible with a deep understanding of others' emotional reactions, the ability to “read” the team's mood, foresee potential conflicts, and regulate interpersonal relationships. A high level of emotional intelligence helps avoid authoritarianism and instead supports a leadership style based on cooperation, flexibility, respect, and active listening. This ensures not only more harmonious organizational functioning but also promotes the engagement of employees' creative potential, which is particularly important in an innovation-driven economy.

Regarding the relationship between emotional intelligence and intellectual abilities, studies show that these two traits can complement each other but may also function independently [232]. Traditional intelligence (IQ) determines the capacity for logical thinking, analysis, planning, and solving complex problems — all of which are undoubtedly essential for strategic management. However, a high IQ does not guarantee emotional maturity, self-regulation, or empathy. There are many examples of leaders with high intelligence who have failed due to emotional instability, inability to build effective interpersonal relationships, or excessive control. Conversely, leaders with moderate intelligence but high emotional intelligence often achieve significant success due to their communication skills, influence, adaptability, and emotional flexibility.

Thus, the most effective managers combine a high level of cognitive development with deep emotional understanding. Studies indicate that in team-based and constantly changing environments, emotional intelligence plays a decisive role in achieving leadership outcomes and ensuring the sustainable development of the organization [233]. This highlights the need for its development not only on a personal level but also within the framework of professional managerial training — through

educational courses, coaching, and training aimed at enhancing self-awareness, empathy, effective communication skills, and emotional self-regulation.

A leader with a high level of emotional intelligence has a significant advantage in managing both people and processes. These are the leaders who shape an organizational culture that fosters innovation, employee development, and long-term success.

Creative thinking by a leader is one of the key components of innovation management. Thanks to an unconventional approach to situation analysis, the ability to identify new opportunities, and the formulation of non-standard solutions, the leader becomes a catalyst for change within the company. This type of thinking allows them to form a development vision, define strategic directions for innovation, and respond effectively to environmental challenges [234].

Modern management science increasingly emphasizes the role of leadership in creating a favorable climate for innovation. The concept of an "innovative leader" reflects the manager's ability to drive change, implement new initiatives, and inspire employees toward creativity and unconventional approaches [235]. Such a leader is capable of elevating the company to a new level of development by using the creative potential of personnel as a strategic advantage.

Innovation management, in turn, is an organizational mechanism that ensures the effective implementation of innovation across all areas of the enterprise's activity. Its key tasks include the development and implementation of innovation strategy, management of innovation projects, and stimulation of employees' creative activity. In this system, the manager acts not only as an initiator of change but also as a coordinator of innovation activities, ensuring their integration with other business processes [227].

A special place in innovation management is occupied by the formation of a team capable of creative collaboration. The leader must be able to build multidisciplinary groups that combine different types of thinking, knowledge, and experience. This approach creates conditions for a synergistic effect, where the result of teamwork exceeds the sum of individual efforts [236].

Equally important is the motivation for creative work. Motivation for creative work is one of the key aspects of personnel management in the context of the innovative development of organizations. In today's business environment, where the importance of non-standard thinking, flexibility, and the ability to adapt is constantly increasing, the success of a company largely depends on how effectively the creativity of employees is stimulated. In this process, the leading role belongs to the creative leader, who is not only capable of organizing activity but also of creating an inspiring environment that encourages initiative, idea generation, and their transformation into innovative solutions. As noted by A. Maslow in his hierarchy of needs, self-actualization is the highest level of motivation, and creativity is one of the key ways to achieve it.

A creative leader motivates employees not only through material incentives but also through non-material stimuli such as recognition, autonomy, and opportunities for personal and professional growth. Such a leader is able to detect creative potential in an employee, give them space for initiative, and support new ideas, even if they are risky or unconventional. According to the research of T. Amabile and L. Lepper, intrinsic motivation—based on interest in the task and the desire to improve and develop—is much more effective for stimulating creativity than external rewards. Therefore, the creative leader aims to create an environment where employees feel inspired rather than pressured. Research findings show that it is non-material factors that play a decisive role in stimulating creative activity [237].

One important strategy is the implementation of flexible management principles, where employees are allowed to choose how to complete tasks, manage their time, and participate in decision-making. Such autonomy not only increases responsibility but also allows personal abilities to unfold. A creative leader also actively supports a culture of openness—where idea discussions are encouraged, criticism is not punished, and the right to make mistakes is recognized. According to the concept of psychological safety, employees who are not afraid to express unconventional thoughts demonstrate higher innovative activity. This underlines the importance of empathy, emotional support, and communicative openness from the leader.

Material motivation also retains its significance; however, it should be integrated into a broader system of incentives. For instance, rewards for the implementation of creative projects, bonuses for introduced innovations, profit-sharing, or other forms of employee participation in the company's success increase interest in long-term contribution. At the same time, studies show that excessive focus on external rewards can suppress intrinsic motivation for creativity. Therefore, a creative leader balances between different types of incentives, focusing on fostering interest in the activity itself.

An important element of motivation is also the leader's personal example. Their direct involvement in creative processes, willingness to experiment, and openness to new ideas create an atmosphere of trust and inspiration. A leader who demonstrates their own creativity becomes a source of energy for others. As R. Boyatzis notes, emotional contagion and inspiration from the leader stimulate employees to imitate and strive for self-actualization [232]. For this reason, the motivation of creative work is inextricably linked to the leadership qualities of the manager—their ability not only to manage but also to inspire.

The motivation of creative work by a creative leader is based on a combination of internal and external incentives, the formation of a trusting atmosphere, support for autonomy and openness, recognition of employees' contributions, and the personal example of the leader.

An innovation-oriented leader performs not only the functions of strategic planning or resource allocation but also acts as a catalyst for change aimed at forming an organizational culture of continuous learning [234]. In the context of constant technological changes, market dynamics, and growing demands for business flexibility, the development of human capital becomes a key factor in the company's competitiveness. An effective innovation leader understands that new ideas, solutions, and adaptive approaches emerge where employees are constantly developing—both professionally and personally. As P. Senge notes, learning organizations are those where people continuously expand their capacity to achieve desired results, nurture new ways of thinking, and engage in collective learning.

Modern continuous learning is not limited to formal educational activities or training sessions. It involves ongoing improvement through experience sharing, mentoring, participation in cross-functional teams, the implementation of internal innovation labs or idea workshops. A leader must create an environment where learning is not perceived as an obligation but becomes an organic part of daily operations. In this context, it is important that employees have access to up-to-date information, modern knowledge and tools, and feel support for initiatives related to professional development. According to McKinsey research, organizations that actively invest in employee skill development are 52% more likely to demonstrate higher productivity and innovation.

One of the main goals of learning in an innovative organization is the development of critical thinking. This enables employees to analyze problems from multiple perspectives, challenge conventional approaches, and make well-reasoned decisions based on facts and logic. A leader who fosters the development of critical thinking encourages open discussion, asks questions that stimulate deeper analysis, and cultivates the ability to see systemic connections between events. According to Brookfield's approach, critical thinking in a professional environment is not only the ability to question but also the capacity to act based on independent assessment of a situation [236].

In addition, a leader should pay attention to the development of employees' communication skills, as effective team interaction is one of the prerequisites for successful innovation implementation. Communication in a creative environment should not be hierarchical but open and horizontal, allowing every employee to freely express their opinions, receive feedback, and quickly adapt to new demands. The leader sets the tone for such communication by modeling dialogue, respect for different viewpoints, and a willingness to listen. According to Harvard Business Review, a high level of interpersonal communication is a key factor in a company's innovative capacity.

An integral component of learning is the development of change management skills. In today's environment, organizations constantly alter their business models,

adapt to new technologies, and face crises or opportunities. Employees must be prepared for these transformations not only technically but also emotionally—rather than resisting change, they should perceive it as a form of development. In this context, the leader serves as a mentor who helps employees navigate change with minimal stress, shapes a vision of the future, explains the objectives of transformations, and provides support throughout the adaptation process. Kurt Lewin, in his change model, emphasized the importance of the “unfreezing” stage—changing one’s mindset before implementing something new. All of this not only increases the organization’s intellectual potential but also ensures its ability to respond to market challenges, generate new ideas, and implement effective innovations. In a rapidly transforming socio-economic space, only those organizations where the leader invests in human capital and thinks systemically are capable of sustainable development.

Another important aspect of the leader’s role in the context of creative management is risk management. Innovation is always associated with a high degree of uncertainty, so the leader must be prepared for the fact that not all ideas will deliver the expected results. They must not only accept this reality but also cultivate a corporate culture in which mistakes are not punished but are seen as opportunities for learning and growth [229].

Successfully creating a creative environment also requires transforming the organizational structure of the enterprise [228]. Modern organizations aiming for innovation must shift from traditional hierarchical management models to more flexible and adaptive ones. Rigidly regulated hierarchies often stifle employees' initiative, limit their ability for self-realization, and hinder creative thinking. Therefore, to stimulate innovation, it is necessary to create a structure that grants employees greater autonomy and encourages their active participation in decision-making processes. An essential element of this transformation is the introduction of project-oriented models, where teams have more freedom in their work and can respond more quickly to changes in the environment. This reduces bureaucratic barriers and promotes a creative approach to problem-solving. A flexible organizational structure also facilitates better communication between departments and ensures the integration of

innovative ideas across different areas of the organization's activities. This is important for maintaining competitiveness in the face of constant changes in the market and the development of new technologies. Management must foster a culture of openness where employees can freely discuss their ideas without fear of criticism or failure. Transforming the organizational structure also involves optimizing communication channels, which allows for quicker feedback and adaptation to new conditions. Only under such circumstances can an organization become a successful platform for the development of innovation and creativity at all levels.

Thus, the role of the leader in shaping a creative environment and developing innovation management is crucial. Their ability to stimulate creativity, build a team, motivate employees, create conditions for innovation, and effectively manage change forms the foundation for the long-term success of the organization. The company's ability to become competitive in the new knowledge-based economy depends on the level of leadership development, strategic vision, and emotional maturity of its manager.