Leadership Styles and Competitive Advantage: Does Employee Creativity Mediate The Relationship

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ABSTRACT

Competitive advantage is considered as an element which is critical to achieve. This study argued that employee creativity is important for gaining competitive advantage. Likewise, the study also argued that leadership behavior play a significant role in developing creativity among employees. For the purpose of collecting the data three leadership behaviors which are supported by the literature in incorporating employee creativity for gaining competitive advantage have been chosen. The data for transformational leadership, transactional leadership, and autocratic leadership has been collected from the prior studies. The reliability and validity of the instrument has also been ensured and the data has been collected from department of Government housing programs in Abu Dhabi, Dubai, and Sharjah – UAE. The results of partial least square, structural equation modeling revealed that transformational leadership, transactional leadership, and autocratic leadership has a direct and significant positive impact over employee creativity as well as competitive advantage. The findings further ensured that employee creativity mediates the relationship between transformational leadership, transactional leadership, and autocratic leadership and competitive advantage. The findings have practical as well as theoretical significance. At the end some limitations and future recommendations are also mentioned.

Keywords: transformational leadership, transactional leadership, and autocratic leadership, competitive advantage

Received: 10th December 2021 Accepted: 24th January 2022 Published: 16th February 2022
INTRODUCTION

A competitive advantage is the recognition that an organization delivers either quality products, services, or support at a greater value than the competition. Creating a competitive advantage should be the most important objective for any entity (Asiya, Kazmi, & Takala, 2012). One important factor for gaining competitive advantage is creativity which can be achieved through the positive and supportive behavior of leadership. The creativity can be explained as production of new ideas; a creative employee is one who can come up with new suggestions/ideas for the services to be constructed, the flood of the communication and understanding it in the same way, which would affect the work done by the employee during his working hour (Baig, et al., 2021).

The creativity is explained as a design in which the employee makes such innovative in public sector, in which the work-related problems are resolved in rightful manner with step-by-step process, some explain it as the ability of the individuals, how they can develop useful solution to meet the challenges and overcome the problem them self individually (Gu, Wang, Liu, Song, & He, 2018). A creative employee is one who can be aware of the organization and must be sensitive so that he can tackle the problem (III & Shriner, 2019). Employee’s creativity can be most commonly be referred to an individual who has new ideas for his work and working style, employee must be flexible in order to work in team rather than individually completing a project (Allam, 2019).

Moreover, the creative employee is one who has better skills of understanding and is adaptable in order if new technology is introduced in the firm so he should be able to use it in no time (Allam, 2019). For development of creativity among employee’s leadership plays a significant role. Today”s organizations need effective leaders who understand the complexities of the rapidly changing global environment (Ali, 2007). If the task is highly structured and the leader has good relationship with the employees, effectiveness will be high on the part of the employees (Al Kahtani, Nawab, & Allam, 2016).

Organizations in 20th century, have many challenges due the rapid advancements in technology use and management transformation. The digitization of the value chain has arrived in all process including public sector services. This concept is currently operating under the name of “Industry 4.0” and it focuses on self-organizing systems with real-time capability. Therefore, organizations that can deal with the advanced IR4.0 technologies will have advantages over their competitors and will survive (Asad, Altaf, Israr, & Khan, 2020). Today’s organizations have to make complex
decisions which can have huge impacts on an organization’s competitive advantage (Banmore, Mudashiru, Oluwatooyin, Falilat, & Olufunke, 2019).

Due to the fact that more and more critical and value producing business processes are based on creative solution, it is crucial for organizations to ensure a high level of system reliability and availability (Damer, Al-Znaimat, Asad, & Almansour, 2021). The resources and staff involved in making business advantages is essential to survive (Asad, Shabbir, Salman, Haider, & Ahmad, 2018). The organizations in UAE must compete, response, and develop their process in accordance with advancement in technology especially the new industrial 4.0 technologies. But unfortunately, few organizations know the reality just how crucial business connection strategy and information personnel associated with making advantages to the organisations.

The Government of UAE strategic planning guide highlights that the city’s planning framework that four new Sector Committees have been established to support the Executive Council (EC), each responsible for a major area of Government business (Alavi, Rabah, & Jones, 2021). Implicitly, or inadvertently leadership has been imposed as one of the central means of improving UAE public governance (Patel et al., 2019). The UAE has been very keen on adopting innovation and, as of 2018, it reached a ranking of 38th in innovation globally (Al Marzouqi, 2019).

Exploring the relationship between style of leadership and organisation performance matters revealed that factors like transformational leadership transactional leadership, and Autocratic leadership influence culture and influence the creativity among employees (Khajeh, 2018). Therefore, this study analyzed the role of leadership styles and creativity on gaining competitive advantages in Housing department in Sharjah-UAE. Those qualities are important to make advantages to the organization especially with the diffusion of IR4.0 techniques. The study is important because it examines all the leadership styles impact on competitive advantages in UAE with consideration of creativity as a mediator as well.

The inclusion of competitive advantages and modeling it with leadership styles and creativity in public sector is unique and no study before examined these relations. The importance of the study can be realized from the theoretical contribution which will open the discussion for implementing competitive advantages in public sector. In addition, the empirical examination in UAE, will add knowledge for the employee’s perception of UAE. In addition, the results are important to decision makers and management in UAE to recognize the Leadership styles and creativity role in public sector.
LITERATURE REVIEW

The literature has been reviewed initially from the perspective of competitive advantage with relevance to UAE, followed by the leadership styles required to gain competitive advantage. Afterwards the mediating role of employee creativity has been mentioned. Finally, the theories that support the arguments have been mentioned.

COMPETITIVE ADVANTAGE

A company's capacity to generate a good or even service a lot more properly than its own competitions, which brings about higher income frames, generates a relative benefit (Haloho & Tawila, 2018). Sensible buyers will definitely decide on the more affordable of any two perfect replacements offered (Wiedemann, 2018). To obtain and preserve a competitive advantage, an entity should have the ability to show a more significant differential or relative value than its competitors and convey that relevant information to its preferred target audience (Botes & Pretorius, 2020).

Every competitive advantage reviews the business economics centering predominantly its own capacity for excessive gains on funding and connects with vital resources, for a longer time period (Liao, Chen, Hu, Chung, & Yang, 2017). In the instance of start-up organizations that are experienced with threatening competitors, the development of affordable advantage relies on the environment of the business. The key options of the competitive conveniences for Startups and SMEs are actually notably pliable, involving the reality that they rely on market demand, company setting, and outside and inner factors that help with the business of very competitive perk (Tsai & Liao, 2016).

LEADERSHIP STYLES

For years, associations and folks have actually become progressively considering the tip of leadership finding additional relevant information on how to come to be terrific innovators (Jiang & Jia, 2018). An enormous number of books, research study write-ups, and training as wells as sessions have been actually published on the topic of management. It is actually felt that management is a way to improve private growth, social and expert development (Afonso, 2019). To get the insight for understanding the impact of transformational leadership, transactional leadership and autocratic leadership for developing employee creativity in order to gain competitive advantage the relationships have been analyzed.
TRANSFORMATIONAL LEADERSHIP

Transformational leadership is when the behavior of leader influences the followers. The leader behavior inspires the followers to perform beyond their capabilities. Transformational leadership inspires people to achieve unexpected or remarkable results (Asad, et al., 2021). It gives workers autonomy over specific jobs, as well as the authority to make decisions once they have been trained. This induces a positive change in the follower's attitudes and the organization as a whole (DiLiello & Houghton, 2006). While Creativity is a phenomenon whereby something new and somehow valuable is formed. The created item may be intangible (such as an idea, a scientific theory, a musical composition, or a joke) or a physical object (such as an invention, a printed literary work, or a painting).

Transformational leadership serves to boost the work, motivation, and morale performance of followers via a wide array of operations; these consist of attaching the follower's sense of identification and self to a project and to the aggregate identity of the institution; being actually a shining example for fans in order to influence all of them and to elevate their interest in the job; challenging followers to take better ownership for their work, and recognizing the strengths and weak spots of fans, which enables the innovator to line up fans along with duties that enhance their performance. Competitive advantage is actually defined as the critical advantage one organisation entity has over its own rivalrous companies within its own affordable business (Samsir, 2018). Achieving competitive advantage builds up and installs a company better within your business setting (Wendy, Martin, & Methuselah, 2017).

TRANSACTIONAL LEADERSHIP

Transactional leadership is actually a style of management in which innovators market compliance through fans by means of both penalties and rewards (Al Kahtani, Nawab, & Allam, 2016). Through a incentives and consequences body, transactional leaders are able to maintain fans encouraged for the temporary (Alavi, Rabah, & Jones, 2021). Unlike transformational innovators, those utilizing the negotiable technique are not hoping to alter the future, they aim to maintain factors the very same. Forerunners making use of transactional leadership as a model focus on fans' operate in order to discover inconsistencies and deficiencies (Ma & Jiang, 2018) And as the Creativity is a sensation where one thing in some way useful and new is actually constituted the researcher is expecting a high positive impact of Transactional Leadership on employee creativity.
as this hypothesis is compatible with other hypotheses in other studies:(Amjad & Tirmzi, 2016; Khalili, 2016; Ma & Jiang, 2018; Tung, 2016).

Transactional leadership or negotiable management is the portion of one design of management that pays attention to guidance, performance, or company; it is an indispensable component of the Full Range Leadership Model. Transactional leadership is a design of leadership through which forerunners advertise compliance by fans through both incentives and penalties (Kwak et al., 2018). And an organization, a competitive advantage is the attribute that permits a company to outmatch its own competitions (Burke, 2018). Based on that the researcher is expecting a high positive impact of Transactional Leadership on competitive advantage as this hypothesis is compatible with other hypotheses in other studies:(Maziti et al., 2018; Samsir, 2018; Yamin, 2020).

**AUTOCRATIC LEADERSHIP**

Autocratic leadership, also known as totalitarian management, is actually a management type characterized by personal command over all selections and little bit of input coming from group participants (Vasilagos, Polychroniou, & Maroudas, 2017). Autocratic leaders generally choose based on their concepts and opinions and hardly ever allow insight coming from followers. Autocratic leadership includes absolute, tyrannical management over a group. And creative thinking is actually a method of creating and producing a brand new thing bent on presence (Khalili, 2016). Based on that the researcher is expecting a high positive impact of Autocratic Leadership on employee creativity as this hypothesis is compatible with other hypotheses in other studies:(Golden III & Shriner, 2019; Kurniawan, Utami, & Prasetya, 2019; Saleem & Mahmood, 2018).

The key phrase very most illustrator of an autocratic leadership design is "Do as I mention (Kurniawan et al., 2019)". Normally, a dictatorial innovator thinks that he or she is the smartest person at the table and knows more than others. They make all the choices along with little bit of input coming from staff member (Maziti et al., 2018). While competitive advantage is actually a situation or condition that places a provider in a favorable or first-rate company job (Kwak et al., 2018). Based on that the researcher is expecting a high positive impact of Autocratic Leadership on competitive advantage as this hypothesis is compatible with other hypotheses in other studies (Saleem & Mahmood, 2018; Wendy et al., 2017; Yamin, 2020).
EMPLOYEE CREATIVITY

Employees’ Creativity is employees' generation of unfamiliar and practical tips involving items, techniques, and procedures at the workplace which requires leadership support. It should be actually noted that employee creativity is actually examined by means of goal orientation (Sadq, Mohammed, Othman, & Saeed, 2020) which are given to the employee by leaders which help organizations to gain competitive advantages. This competitive advantage may be described as the firm's capacity to generate a good or even solution extra effectively than its competitions.

THEORETICAL FRAMEWORK

The framework has been developed based on the reviewed literature and with the help of three different theories catering the independent, mediating, and dependent variables. In this regard Situational theories of leadership work on the assumption that the absolute most effective type of management modifications from circumstance to circumstance (Yahaya & Ebrahim, 2016). For catering the leadership Goleman Theory of Situational Leadership 1995 has been followed. Daniel Goleman, the writer of Emotional Intelligence, defines six designs within Situational Leadership (Choi et al., 2017). For supporting the role of employee creativity as a mediator the framework has been developed taking the support of Rhodes theory which asserts that ingenuity is not just a unclear and evasive ability with no expected design, however, shows a definitive structure of four crucial elements and prevalent factors which have an impact to any sort of type of answer, end result or idea (Resnick & Robinson, 2017). Furthermore, the one most renowned theory for competitive advantage is given by Michael Porter's Diamond Model which is a diamond shaped model that gives attention over revealing that why certain fields in a nation are actually competitive over others. Thus, using the three theories and the support of the literature this framework has been developed as shown in Figure 1.
METHODOLOGY

This quantitative causal study followed primary research methods. To ensure the study achieves the reliability and validity, it is essential to design a study with proper choices of procedures and methods. The data has been collected through predeveloped instruments.

The items for measuring transformational and transactional leadership the items have been adopted from (Pieterse, Knippenberg, Schippers, & Stam, 2010) whereas for measuring autocratic leadership the items have been adopted from (Hoogh, Annebel, & Hartog, 2009). For measuring employee creativity the items have been taken from (Gu, Wang, Liu, Song, & He, 2018), and finally the items for competitive advantage have been picked from (Campbell, Coff, & Kryscynski, 2012). Despite the fact the pre used instruments have been used yet, reliability and validity of the instruments have been confirmed before conducting the model testing.

The study design is one-shot or cross-sectional as the data will be gathered just once. A sample of 323 respondents were chosen from the entire population of 1500 employees working at department of Government housing programs in Abu Dhabi, Dubai, and Sharjah – UAE. The employee’s list was retrieved with confidentially statement, thus allowing to use simple random sampling which is supportive in generalizing the results.

Initially item loadings were checked followed by reliability and validity testing. After ensuring the discriminant validity direct effects have been analyzed followed by the mediating role of employee creativity. At the end predictive relevance of the model has also been analyzed.
ANALYSIS AND DISCUSSIONS

The analysis begins with item loading. Item having loadings below 0.7 were removed and it was particularly catered that not more than 10% items are deleted from the model. The results of item loadings are mentioned in table1.

**Table 1: Item Loadings**

<table>
<thead>
<tr>
<th>Description of Items</th>
<th>AL</th>
<th>CA</th>
<th>EC</th>
<th>TSL</th>
<th>TFL</th>
</tr>
</thead>
<tbody>
<tr>
<td>AL1</td>
<td>0.786</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AL2</td>
<td>0.834</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AL3</td>
<td>0.848</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AL4</td>
<td>0.835</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AL5</td>
<td>0.800</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AL6</td>
<td>0.745</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CA1</td>
<td></td>
<td>0.777</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CA2</td>
<td></td>
<td>0.828</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CA3</td>
<td></td>
<td>0.817</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CA4</td>
<td></td>
<td>0.812</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CA5</td>
<td></td>
<td>0.801</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CA6</td>
<td></td>
<td>0.822</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EC1</td>
<td></td>
<td></td>
<td>0.727</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EC2</td>
<td></td>
<td></td>
<td>0.850</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EC3</td>
<td></td>
<td></td>
<td>0.834</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EC4</td>
<td></td>
<td></td>
<td>0.799</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EC5</td>
<td></td>
<td></td>
<td>0.843</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TFL1</td>
<td></td>
<td></td>
<td></td>
<td>0.929</td>
<td></td>
</tr>
<tr>
<td>TFL2</td>
<td></td>
<td></td>
<td></td>
<td>0.719</td>
<td></td>
</tr>
<tr>
<td>TFL3</td>
<td></td>
<td></td>
<td></td>
<td>0.856</td>
<td></td>
</tr>
<tr>
<td>TFL4</td>
<td></td>
<td></td>
<td></td>
<td>0.926</td>
<td></td>
</tr>
<tr>
<td>TFL5</td>
<td></td>
<td></td>
<td></td>
<td>0.829</td>
<td></td>
</tr>
<tr>
<td>TFL6</td>
<td></td>
<td></td>
<td></td>
<td>0.716</td>
<td></td>
</tr>
<tr>
<td>TFL7</td>
<td></td>
<td></td>
<td></td>
<td>0.860</td>
<td></td>
</tr>
<tr>
<td>TFL9</td>
<td></td>
<td></td>
<td></td>
<td>0.877</td>
<td></td>
</tr>
<tr>
<td>TSL1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.864</td>
</tr>
<tr>
<td>TSL2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.759</td>
</tr>
<tr>
<td>TSL3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.888</td>
</tr>
</tbody>
</table>
The findings in the Table 1 shows that sufficient items were remained in the model to measure the constructs of the study. Afterwards it was important to ensure that the instrument is valid and reliable for ensuring the reliability and validity of the instrument Cronbach’s alpha, composite reliability and Average Variance Extracted (AVE) have been measured. The results were analyzed with the benchmark values of 0.6 for Cronbach’s alpha, 0.7 for Composite Reliability and 0.5 for Average Variance Extracted (AVE) (Hair, Ringle, & Sarstedt, 2013; Henseler, Ringle, & Sarstedt, 2015). the calculated values are mentioned in table 2:

**Table 2: Construct Reliability and Validity**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Cronbach’s Alpha</th>
<th>Composite Reliability</th>
<th>Average Variance Extracted (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Autocratic Leadership</td>
<td>0.810</td>
<td>0.865</td>
<td>0.531</td>
</tr>
<tr>
<td>Competitive Advantage</td>
<td>0.895</td>
<td>0.919</td>
<td>0.655</td>
</tr>
<tr>
<td>Employee creativity</td>
<td>0.852</td>
<td>0.894</td>
<td>0.632</td>
</tr>
<tr>
<td>Transactional Leadership</td>
<td>0.856</td>
<td>0.905</td>
<td>0.708</td>
</tr>
<tr>
<td>Transformational Leadership</td>
<td>0.940</td>
<td>0.951</td>
<td>0.710</td>
</tr>
</tbody>
</table>

After ensuring that the constructs are reliable and valid another important thing was to ensure that items used measure the construct are discriminant and can measure the construct they are supposed to measure. The results of discriminant validity are mentioned in table 3:

**Table 3: Discriminant Validity**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Autocratic Leadership</th>
<th>Competitive Advantage</th>
<th>Employee creativity</th>
<th>Transactional Leadership</th>
<th>Transformational Leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Autocratic Leadership</td>
<td>0.728</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competitive Advantage</td>
<td>0.667</td>
<td>0.81</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee creativity</td>
<td>0.681</td>
<td>0.607</td>
<td>0.795</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transactional Leadership</td>
<td>0.543</td>
<td>0.535</td>
<td>0.595</td>
<td>0.842</td>
<td></td>
</tr>
<tr>
<td>Transformational Leadership</td>
<td>0.564</td>
<td>0.581</td>
<td>0.611</td>
<td>0.832</td>
<td>0.843</td>
</tr>
</tbody>
</table>

The calculation mentioned in Table 1, 2, and 3 clarifies that the instrument used to measure the construct are reliable and valid therefore, the data can be analyzed for the structural model with
full confidence. In the table 4 the path coefficients of the direct impact of transformational, transactional, and autocratic leadership over competitive advantage are mentioned.

**Table 4: Direct Effects**

<table>
<thead>
<tr>
<th></th>
<th>Original Sample(O)</th>
<th>Sample Mean (M)</th>
<th>Standard Deviation (STDEV)</th>
<th>T Statistics (O/STDEV)</th>
<th>P values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformational Leadership--&gt;Competitive Advantage</td>
<td>0.533</td>
<td>0.528</td>
<td>0.269</td>
<td>1.983</td>
<td>0.031</td>
</tr>
<tr>
<td>Transactional Leadership--&gt;Competitive Advantage</td>
<td>0.553</td>
<td>0.525</td>
<td>0.235</td>
<td>2.349</td>
<td>0.007</td>
</tr>
<tr>
<td>Autocratic Leadership--&gt;Competitive Advantage</td>
<td>0.576</td>
<td>0.585</td>
<td>0.225</td>
<td>2.559</td>
<td>0.008</td>
</tr>
</tbody>
</table>

The findings in table 4 clarifies that transformational leadership has a significant relationship with competitive advantage ($\beta = 0.533, t = 1.983, P = 0.031$). This significant relationship is in consistent with the findings of prior researchers where they claimed that transformational leadership has a significant impact over gaining competitive advantage (Asiya, Kazmi, & Takala, 2012; Yasin, Nawab, Bhatti, & Nazir, 2014; Maziti, Chinyamurindi, & Marange, 2018; Yamin, 2020). Likewise, the second path coefficient confirms that transactional leadership has a significant relationship with competitive advantage ($\beta = 0.533, t = 2.349, P = 0.007$). This significant relationship is in consistent with the findings of prior researchers where they claimed that transactional leadership has a significant impact over gaining competitive advantage (Semuel & Siagian, 2015; Maziti, Chinyamurindi, & Marange, 2018; Samsir, 2018). Finally, the last path coefficient also confirmed that Autocratic Leadership has a significant relationship with competitive advantage ($\beta = 0.576, t = 2.559, P = 0.008$). the findings are in line with the findings of the previous studies where it is claimed that autocratic leadership has a significant impact on competitive advantage (Jony, Alam, Amin, & Jahangir, 2019).

After testing the direct impacts mediating variable has been introduced in the model. Before testing the indirect effects the direct relationship of transformational, transactional, and autocratic leadership over employee creativity has been analyzed followed by the relationship between employee creativity and competitive advantage. The results are mentioned in table 5:
Table 5: Direct Effects Mediating Variable

| Paths                                      | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistics (|O/STDEV|) | P Values |
|--------------------------------------------|---------------------|-----------------|-----------------------------|--------------------------|----------|
| Transformational Leadership -> Employee Creativity | 0.456               | 0.056           | 0.197                      | 2.307                    | 0.031    |
| Transactional Leadership -> Employee Creativity  | 0.578               | 0.182           | 0.228                      | 2.529                    | 0.012    |
| Autocratic Leadership -> Employee Creativity    | 0.293               | 0.296           | 0.010                      | 2.932                    | 0.003    |
| Employee Creativity -> Competitive Advantage   | 0.532               | 0.086           | 0.244                      | 2.177                    | 0.006    |

Upon introducing the mediating variable, initially, the direct relationships between the independent variables and the mediating variable have been analyzed. The findings from table 5 revealed that transformational Leadership has a significant relationship with employee creativity ($\beta = 0.456$, $t = 2.307$, $P = 0.031$). This ensures that, transformational leadership is a vital factor in sustaining employee creativity whereas the empirical evidence measured that transformational leadership has significant positive relationship with employee creativity in a variation of competitive organizations (Jia, Liu, Chin, & Hu, 2018; Tse, To, & Chiu, 2018; Dong, Bartol, Zhang, & Li, 2017; Suifan, Abdallah, & Janini, 2018). Similarly, transactional leadership has a significant relationship with employee creativity ($\beta = 0.578$, $t = 2.529$, $P = 0.012$). thus it would be right to claim that transactional leadership and employees creativity have a strong relationship (Afsar, Badir, Saeed, & Hafeez, 2017; Sanda & Arthur, 2017; Kark, Dijk, & Vashdi, 2018). Likewise, autocratic leadership has a significant relationship with employee creativity ($\beta = 0.293$, $t = 2.932$, $P = 0.003$). Thus, the findings indicate that there can be functional value of autocratic leadership which cause significant impact over creativity of employees (Knezovic & Musrati, 2018; Mohiuddin, 2017). Likewise, employee creativity has also found to have a significant impact over competitive advantage.

After ensuring the direct effects of independent variables over the mediating variable and mediating variable over the dependent variable, the mediating role of employee creativity between transformational leadership, transactional leadership and autocratic leadership has been analyzed. The findings are mentioned in table 6.
Table 6: Path Coefficients Mediating Effects

| Mediating Paths | Original Sample (O) | Standard Deviation (STDEV) | T Statistics (|O/STDEV|) | P Values |
|-----------------|---------------------|----------------------------|----------------------------|----------|
| Transformational Leadership -> Employee Creativity -> Competitive Advantage | 0.307 | 0.056 | 5.527 | 0.000 |
| Transactional Leadership -> Employee Creativity -> Competitive Advantage | 0.268 | 0.060 | 4.449 | 0.000 |
| Autocratic Leadership -> Employee Creativity -> Competitive Advantage | 0.1556 | 0.024 | 6.483 | 0.000 |

On the basis of the results mentioned in Table 6 it can be claimed that Employee creativity mediates the relation between transformational leadership and competitive advantage ($\beta = 0.307$, $t = 5.527$, $P = 0.000$). Likewise, Employee creativity mediates the relation between transactional leadership and competitive advantage ($\beta = 0.268$, $t = 4.449$, $P = 0.000$). Similarly, Employee creativity mediates the relation between autocratic leadership and competitive advantage ($\beta = 0.1556$, $t = 6.483$, $P = 0.000$). Thus, all the relationships and the mediating impacts are found significant as per the findings of the study which have been tested using Smart PLS with 5000 bootstrapping samples.

CONCLUSIONS LIMITATIONS AND RECOMMENDATIONS

The current study has provided additional evidence to the growing body of knowledge concerning the mediating role of employee creativity in the relationship between, transformational leadership, transactional leadership, autocratic leadership, and competitive advantage. Results from this study support the key theoretical propositions. In particular, the current study has successfully answered all the research questions and objectives despite some of its limitations. While there have been many studies examining the underlying causes of failure to gain competitive advantage, however, the present study addressed the theoretical gap by incorporating the mediating role of employee creativity as a significant mediating variable.

Furthermore, employee creativity mediated the relationship between leadership styles and competitive advantage. As a result, this study has contributed to the literature on competitive advantage. In addition to the theoretical contributions, the findings of this study provide some important practical implications to managers and policymakers. However, by demonstrating the existence of significant influences of leadership styles on organizational competitive advantage,
this study provided clear evidence that these factors are important in fostering the employees’ positive attitudes which in turn enhance competitive advantage. In conclusion, it can be argued that the top management of the organizations should pay more attention to proper and supportive leadership styles to increase employee creativity by giving them enough space for experimentation to gain a competitive advantage.

Despite significant findings the present study has several limitations which were worth to be mentioned. The future recommendations are based on the limitations of the present study. Firstly, the cross-sectional method was employed in the present study, which does not allow causal inferences to be made from the population over a longer period. Thus, future researchers need to consider a longitudinal method to confirm the present study findings. Likewise, this study is dependent on self-reported questionnaires data, hence the probability of common method variance may have prevailed because of the variable were measured employing a single survey instrument. With respect to this study, both independent and dependent variables are based on perceptual data. Due to that reason, future research should include a method that could reduce common method variance, for instance of using perceptions data, the objective measures could be employed.
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