



# The Impact of Leadership Employee Creativity: Based on LMX Theory

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## Abstract

In today's rapidly developing information technology society, enterprises need to continuously improve their innovation capabilities, which are based on a positive relationship between leaders and employees. This study explores the relationship between leader empathy and employee creativity, and based on the theory of leader member exchange (LMX), investigates how leader empathy affects employee creativity, and proposes the role of leadership empathy in organizations and how to cultivate empathy skills. The research results show that leadership empathy promotes the development of employee creativity. This conclusion can help enterprises improve the relationship between leaders and employees, and improve work efficiency.

## Subject Areas

Management

## Keywords

Leadership Empathy Ability, Leadership Member Exchange (LMX) Theory, Employee Creativity

## 1. Introduction

Since the launch of ChatGPT, it has further proved that the world needs continuous innovation from enterprises in the fields of big data, cloud technology, AI and other technological fields, constantly improving their core competitiveness in order to not be easily eliminated. With the continuous development of economic globalization and increasing international competition, relying solely on past production and service methods can no longer meet the current situation. Various enterprises have begun to continuously develop their creativity in prod-

ucts, services, technology and other aspects. The creativity of employees is an important driving force for the transformation and upgrading of enterprises. In addition, China is currently in a critical period of high-quality development and digital transformation of enterprises. The country has introduced various strategic goals such as innovation driven development. Therefore, in the future digital economy era, simple, repetitive, and standardized work will be gradually replaced by intelligent technology, which puts higher requirements on employees in enterprises, Employees are required to provide creative value for the survival and development of the enterprise.

Marx believed that the essential difference between humans and technology lies in the fact that humans possess self-awareness and subjectivity, are able to think, make decisions, and act proactively, and are also creative and innovative. Therefore, in this era of advanced information technology, the key way for humans to overcome and dominate technology is to unleash their creativity. In organizations, the key to unleashing organizational creativity is to enable employees to fully unleash their creativity. In current academic research, an increasing number of scholars are exploring the impact of employee creativity on enterprises, as well as the impact mechanisms of leadership style, work atmosphere, colleague relationships, and other factors on employee creativity. This study explores the impact of leadership empathy on employee creativity.

## **2. The Definition and Classification of Empathy**

### **2.1. Definition of Empathy**

Empathy is a multidimensional concept that reflects the organizational behavior of mutual understanding and connection between leaders and employees; Empathy is an innate ability determined by social instincts. Empathy reflects the ability to immerse oneself in the emotional vortex of another person. Therefore, people with strong empathy are not only good at measuring the emotions of others, but they also tend to share and digest these emotions. Therefore, empathy plays a crucial role in understanding and managing the emotions of others. For example, when an employee completes a project and therefore feels happy. Leaders with strong empathy may perceive the joy of their employees and congratulate them, which makes them feel a sense of belonging and more willing to continue working for the company and creating benefits. Empathy is often a personality trait or trait associated with various pro-social behaviors, including improving social skills and reducing aggression.

In organizational behavior, many scholars have begun to study the application of empathy in the workplace, mainly including between leaders and employees, and between employees. In the workplace, leaders are managers of group emotions, and playing this role can gain greater influence in the company. In addition, it also reflects the leader's people-oriented leadership style, as the leader's empathy can to some extent help their employees deal with a series of negative emotions and create a good working atmosphere.

## 2.2. Empathy Classification

Regarding the definition of empathy, different scholars have different summaries of empathy (analyzed from different perspectives). Finally, based on their research, the definition of empathy is divided into three dimensions: cognitive, emotional, and behavioral. Cognitive empathy refers to understanding the inner state of others; Emotional empathy refers to having the same emotions as others; Behavioral empathy refers to the manifestation of practical actions on both cognitive and emotional levels.

- **Affective empathy:** Emotional empathy is the easiest way to convey and express empathy, as humans instinctively respond to the emotions of others. According to the Perception Behavior Mechanism (PAM), when an observer perceives the emotional state of a target object, their own emotional characteristics are unconsciously realized, and their emotional expressions are similar.
- **Cognitive empathy:** Cognitive empathy belongs to a deeper level of emotional perception, manifested after emotional empathy, which is an understanding of the inner thoughts and emotions of others. Cognitive empathy belongs to the perspective of psychology, and based on this perspective, everyone has their own evaluation criteria for and understanding the psychological state of others, which also reflects their own cognitive concepts to a certain extent.
- **Behavioral empathy:** Behavioral empathy is the manifestation of empathy. Behavioral empathy can be divided into behavioral mirror and empathetic communication. Behavioral mirror refers to the imitation of observable behavior of the target object, including language, facial expressions, behavioral behavior, etc; Empathetic communication is a response to the emotions of the target audience, expressing their understanding of them.

In addition to the division of the three dimensions of empathy mentioned above, some scholars have divided empathy into state empathy and trait empathy. The understanding of state and specificity is that state is an immediate emotional expression in a certain context; Traits are emotions that vary from person to person under long-term influence and have personal characteristics. The basis for their classification is that empathy exhibits different differences in stability from person to person [1]; Moreover, a person's empathy can undergo different changes within a few days or a day, indicating that empathy is an emotion that responds to a situation. For example, state empathy can be reflected by exposing people to the emotional states of others and the behavior of observers through mirror reactions [2].

## 3. The Positive and Negative Effects of Empathy

### 3.1. The Positive Effect of Empathy Ability

In the work environment, the main members are leaders and employees. According to research in evolutionary psychology and leadership, empathy is a fundamental human behavior. For employees, employee empathy can form a

competitive advantage among them, helping them predict who they can trust in their work and how to interact with them. In addition, employee empathy can serve as a signal of trust in a person, collaborating with them to achieve maximum benefits; For leaders, empathy can bring a positive work state to their subordinates, and enable them to better understand and respond to their needs in a timely manner, improving the work performance of the organization. As a result, such leadership can make employees feel secure, receive emotional support, and improve their job satisfaction, motivation, and efficiency. Employees are also willing to invest more energy in developing creative work, with the aim of promoting better organizational development.

### 3.2. Negative Effects

- Although the empathetic ability of a leader has many benefits for an organization, blindly managing the organization with empathy or choosing empathetic management methods in certain situations that should not be empathetic can bring some problems to the organization. For employees, their peers use their own weaknesses to gain empathy and understanding from the leader, which can cause other employees to be unwilling to work hard because they believe that by showing weakness, they can get what they want. Why do they need to work hard? In addition, empathy among employees can cause their emotional fatigue. According to the resource depletion theory, the work process of employees is a continuous process of consuming their own resources. When employees invest more energy into their peers, the energy left for work and they will be insufficient, which can also lead to mental exhaustion and emotional fatigue.
- For leaders, an article in the Harvard Business Review titled “A person who is good at being a leader may not be suitable” points out that empathy is very important for a leader’s work, but untimely empathy can cause some problems. In this scenario, leaders may deceive their own judgments, promote their biases, and reduce the efficiency of making wise decisions. Because in an empathetic state, leaders will unconsciously map emotions that do not belong to them, making it difficult to consider greater benefits, as described by Paul Bloom, a professor of cognitive science and psychology at Yale University, “empathy can distort a leader’s judgment”. Therefore, while it is important for leaders to exercise empathy, it is important to... In this case, leaders also need to learn to distance themselves from their empathy skills.
- This study mainly explores the positive effect of leadership empathy on employee creativity.

## 4. The Source of Employee Creativity

### 4.1. Individual Factors

Among individual factors, cognitive flexibility of employees is an important source. Firstly, their own abilities and continuous learning ability are important.

Employees have corresponding knowledge and skill reserves, which are the foundation for realizing their creativity; Secondly, employees can identify problems in their work and utilize their talents to solve them; Finally, employees should have a willingness to constantly try and a spirit of active participation, attach importance to self-management and self growth.

## **4.2. Situational Awareness**

In situational cognition, more consideration is given to the environment in which employees are located, which can be divided into two aspects: leaders - employees, and employees - employees. The former focuses more on leadership behavior, leadership style, etc., while the latter focuses more on organizational atmosphere, team relationships, colleague friendships, etc. The environment provides employees with a sense of psychological security, which can affect their behavior and better help them unleash their creativity. Specifically, leaders with empathy at work provide emotion and resource allocation for employees. When the leader perceives the employee's negative emotion, the leader's empathy for the employee gives the employee more emotional value and spiritual support, which strengthens the relationship between the employee and the leader's dependence on the leader's emotion. In addition, employees in the organization want better compensation benefits that can not be separated from organizational resources support, empathetic leadership actively pays attention to employees' job demands and gives resources support, so that employees are more willing to provide their own creativity for the enterprise. This study explores the impact of leadership empathy on employee creativity from a situational perspective.

## **5. The Characteristics of Leadership Empathy in Teams**

### **5.1. Maintain Rationality in Work**

In recent years, more and more scholars have begun to pay attention to the behavioral characteristics exhibited by empathy in real life, such as emotional stability, rationality, etc. In reality, people who are more rational than emotional are not lacking in empathy, but can effectively apply their empathy. For example, leaders in enterprises can become leaders because they have stable empathy relationships with employees, and secondly, these people have strong emotional management abilities. No matter how bad the situation is, they can control their emotions and behavior, so that when facing complex problems, they can face danger and remain calm, fully consider the risk factors of work, and make more accurate decisions rationally; When such leaders encounter a bottleneck period in their work or life, they will also comfort themselves, maintain enthusiasm for work, continue to work, and constantly break through themselves. This trait is very important for enterprises, and rational emotions can maintain the overall operation of the company in a relatively stable state. Therefore, leadership empathy requires maintaining rationality.

## 5.2. Motivating the Subjective Initiative of Employees

Leaders with strong empathy skills have a higher level of intimacy with their employees, making it easier to start common topics and have an affinity. According to self-determination theory, a person's basic psychological needs include relevance, autonomy, and ability. Relevance refers to the individual and their related members (such as relatives, friends, work partners, etc.). If basic psychological needs are not met, psychological problems such as loneliness, disappointment, and other negative emotions may occur. Therefore, employees are influenced by the empathy of their leaders in the work environment. When employees encounter difficulties, leaders with empathy will encourage them, bring comfort to them, and enhance their courage and strength to overcome difficulties; Leaders with empathy will lead by example and strive for excellence. Such a spirit has the potential to influence and motivate their employees. Employees will use their leaders as role models to motivate themselves and continuously improve work efficiency.

## 5.3. Building Harmonious Leadership Employee Relationships

In a team, good team relationships not only contribute to the development of employees themselves, but also improve the efficiency of the entire team and create a relaxed working atmosphere. For example, if there are conflicts among members in a team, communication within the team will not be smooth. Communication between members also needs to consider whether there are conflicts between them. According to the theory of resource consumption, this will to some extent consume the team's resources, make each member emotionally exhausted. However, leaders with empathy play the role of "lubricant" in the team, able to handle problems among members, maintain and establish good interpersonal relationships, be brave in taking responsibility, concentrate the team's strength together, be good at communicating with employees, help to form positive and harmonious interpersonal relationships within the organization, and promote the smooth progress of various organizational work.

## 5.4. Play a Leading Role and Improve Work Efficiency

In an organization, the role of a "leader" is the most important. It can coordinate various aspects of the organization's work content, promote the achievement of organizational goals. The empathy ability of a leader is like a lubricant between gears, allowing each gear to overlap appropriately, increase the speed of the gears, and more efficiently drive equipment for production and manufacturing. In the real work environment, many unexpected events may occur, and in this scenario, the role of a "leader" is not only to stabilize the situation of emergencies, but also to utilize empathy skills, soothe the emotions of members, and make them believe that they can cope.

## 6. Application of Leadership Member Exchange Theory

Leadership Member Exchange (LMX) Theory [3] defined as the quality of the

relationship between leaders and members, this provides a starting point for studying the empathy ability of leaders. The LMX theory suggests that over time, leaders will develop an exchange relationship with each subordinate. Social exchange theory and role theory provide a research foundation for how leaders and employees develop over time. This is because there is a negotiation relationship between leaders and each subordinate, and this negotiation process also varies with individuals. In a high LMX, there is a high level of trust between leaders and employees. Liking and respecting, leaders provide subordinates with desired results (interesting tasks, emotional encouragement and rewards, etc.), accurately identifying and understanding their employees, and employees are happy to devote themselves to their tasks and loyalty to the company.

In high LMX relationships, leaders with empathy are more likely to empathize with their employees, regardless of their performance in the workplace. However, in practical work, there are two situations: The first is that when employees perform well, the empathy of the leader will give employees more motivation to work and motivate them to consider the company as much as possible; The second type: When an employee's work performance is not very satisfactory, the empathy of the leader will make the employee work hard and live up to the leader's expectations.

From this, we infer that empathetic leadership can influence the innovative behavior of followers (employees), and the main mechanism of action is: firstly, empathetic leadership will create a safe and warm working atmosphere for employees who pursue innovation, which will soothe their spirits, improve their emotional state, and stimulate more creativity; The second type is that empathy among leaders can improve employee job satisfaction, which provides necessary conditions for innovation, as job satisfaction increases employees' awareness of innovation in their daily work and over time forms deeper levels of innovative outcomes; The third type is that empathetic leaders will think from the perspective of others, placing themselves in the other person's role to reflect on their current feelings. Empathetic leaders have similar communication topics as employees, which can stimulate communication between them. People rely on the environment for survival and development, and naturally need to communicate with others in the environment. Leaders with this characteristic save investment costs in communication and are more efficient accurately getting to the point, saving trouble, improving communication efficiency, and enriching communication content.

## **7. The Relationship between Leadership Empathy and Employee Creativity**

### **7.1. The Importance of Employee Creativity**

In today's rapidly advancing science and technology, as well as the rapid development of the knowledge economy, creativity has become a means for enterprises to achieve innovation and maintain their competitive advantage [4].

Amabile proposed the definition of employee creativity, which refers to the ability of employees to generate novel and useful perspectives on products, services, processes, and procedures [5]. Employees are an important component of the enterprise. As they are the most directly exposed group to the market, they are more likely to discover opportunities and challenges in the market. Only by unleashing their creativity can they keep up with the pace of the market. Therefore, the development of the enterprise cannot be separated from the creativity of employees.

### **7.2. The Impact Mechanism of Leadership Empathy on Employee Creativity**

Leaders with high empathy skills can create an innovative project team through a supportive work environment, allowing employees to better express their innovative ideas, express their own opinions, brainstorm and express their opinions. According to the theory of strategic leadership [6], a leader with high empathy creates a positive and relaxed work atmosphere, which enables employees to fully utilize existing resources, promote knowledge exchange and learning through cooperation, stimulate their creative potential, continuously improve their creativity, enhance their business level, and ultimately enhance the innovation level of the enterprise [7] [8].

### **7.3. Methods for Cultivating Leadership Empathy**

- Controlling one's emotions is a prerequisite for empathy: In real life, people who have achieved success in a certain field have high emotional value and emotional stability. It is difficult for people to control their emotions, just like self-control and self-discipline, which are processes of self cultivation. Although difficult, those who can control their emotions naturally have a strong spiritual core. In reality, empathy is not what is called empathy. Compassion is something that everyone can have, but empathy is not, in empathy, there is also self-control and experience. For leaders, whether employees deserve their empathy and how to control the size of their empathy are what makes a leader special compared to others.
- Accurate communication is a means of infecting employees: No matter how excellent and popular the leader is, there needs to be a bridge between the leader and the employees to express their ideas, which is communication and exchange. The charm of interpersonal communication lies in the expression of language, and it is the same for leaders and employees. Self respecting communication and exchange can reduce class relationships in the enterprise, narrow the distance between leaders and employees, make employees feel fair and sincere, and understand each other. It can to some extent reduce employee suspicion and promote the smooth progress of work.
- A positive mindset is the key to transmitting positive energy: In the workplace, both leaders and employees will encounter various difficulties. As the "leader" of an organization, leaders must not only promote the survival and develop-



ment of the organization in fierce market competition, but also create and maintain a stable and harmonious internal environment. Therefore, leaders must fight against difficulties every day. Therefore, leaders must face difficulties with a positive and optimistic attitude, and see the current difficulties as a prelude to next success. The inevitable cost of personal growth and the necessary path to career success. Only in this way can a positive, resilient, and enterprising spirit be transmitted to subordinates, and the enterprising spirit and initiative of subordinates be improved.

## 8. Conclusion

Previous studies focused more on the influence of leadership style on employees' creativity. This study explored the influence of different dimensions and possible empathy types on employees' creativity from the perspective of leadership empathy. The results show that the empathy ability of leaders can help enterprises to have a positive impact on employees' creativity from the aspect of affective behavior cognition, and then achieve enterprise production goals and improve production efficiency. In addition, based on the theory of leader-member exchange, this study concludes that leadership empathy can help improve the relationship between leaders and employees. Leader-member relationship can help improve communication efficiency, transparency within enterprises and fairness of employees. When employees realize fairness, employees will work more actively and be willing to provide their own creative ideas for enterprises. To sum up, the influence of leadership empathy ability on employees is positive. Leaders in enterprises should learn and exert their empathy ability.

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## Conflicts of Interest

The author declares no conflicts of interest.

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