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## **Leader-member Exchange and Creative Work Involvement: The Importance of Knowledge Sharing**

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### **Abstract**

Leadership is important for nurturing employee creativity. Although how leaders can influence employee creativity is somehow unclear, previous studies show that leadership can enhance employees' willingness to share knowledge. This study examines how leader-member exchange (LMX) affects employees' creative work involvement through knowledge sharing. Data (n=385) was collected utilizing a questionnaire in insurance companies in northeast of Iran. Results shows that there are both direct and indirect (through knowledge sharing) relationships between LMX and creative work involvement. These results concede the importance of LMX and knowledge sharing for promoting employees' creative work involvement.

### **Keywords:**

Creative work involvement, Knowledge sharing, Leader-member exchange.

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## Introduction

Global companies are exposed to rapid changes. They need employees who pursue new opportunities and constantly improve their work environment (Rank *et al.*, 2004; Unsworth, 2001). Particularly, in a knowledge-based economy, organizations face rising needs to not only increase productivity but also creativity among their workers. The speed at which technologies change, as well as globalization and increasing competition, domestically and internationally, puts pressures on companies to be first-to-market, quick at solving problems and developing new groups of individuals who are able to work together (Amabile, 1988, p.126; cited in Atwater & Carmeli, 2009; Mumford *et al.*, 2002). Leaders play an important role in directing the workers towards creativity (Mumford *et al.*, 2002; Tierney, 2008; Rosing *et al.*, 2011).

Researchers have shown the significance of knowledge sharing between workers, (Chowdhury, 2005) in order to improve the capacity of an organization to innovate and produce quality solutions (Daellenbach & Davenport, 2004). High quality leader-member exchange (LMX) relationships may also elevate knowledge sharing. LMX theory asserts that high quality leader-member relationships should motivate subordinates to commit to groups' and leaders' goals (Graen & Uhl-Bien, 1995). For example, if an employee perceives that a leader treats him/her justly and looks out for his/her best interests, he/she will tend to help the leader with accomplishing the leader's goals (Graen & Uhl-Bien, 1995). The perceived fairness can promote greater feelings of trust which also motivates knowledge sharing (Chowdhary, 2005; Lin *et al.*, 2009). Knowledge is the component of creativity and innovation in organizations and empowers workers to create and deliver value to the organization (Wang & Noe, 2010). Hence, organizational leaders carefully notice the need to facilitate knowledge creation and sharing processes to promote creativity and innovation among workers (Collins & Smith, 2006).

Although previous research has examined the antecedents and

consequences of job involvement (Atwater & Carmeli, 2009), relatively little is known about involvement in creative work, i.e., the extent to which an employee engages his or her time, effort, and resources in creative processes (Atwater & Carmeli, 2009). Creative work involvement is known as a critical factor of creative performance and innovation (Volmer *et al.*, 2012; Ohly *et al.*, 2006). Furthermore, it is important to understand employees' perceptions of creative work involvement (Atwater & Carmeli, 2009; Carmeli & Schaubroeck, 2007; Kark & Carmeli, 2009). Focusing on creative work involvement, this research tries to suggest a new agenda for improving creativity at the workplace by developing a model depicting the mechanism of effects of leadership on creativity.

Moreover, this study attempts to examine the role of leader-member exchange relationships in facilitating knowledge sharing and promoting creativity to employees in organizations.

## **Literature Review**

### **Leader-member Exchange Quality**

Based on leader-member exchange (LMX) theory, leadership is a process focusing on the "relationship between a leader and followers" (Fisk & Friesen, 2012). Byrne (1971) showed the positive influence of shared attitudes, opinions, and beliefs between leaders and followers on their relationships. Following this paradigm, Dansereau, Graen and Haga (1975) introduced "vertical dyad linkage theory" to describe the leader-follower relationship. Dansereau *et al.*'s (2000) findings indicated that "leaders fostered differentiated dyadic exchanges with individual followers based upon similarities and differences" (cited in Barbuto & Gifford, 2012).

In its infancy, LMX research categorized the relationship leaders could have with their followers into two groups: the in-group and out-group, more recently referred to as high-quality and low-quality exchange, respectively (Fisk & Friesen, 2012). Research on leader-member exchange (LMX) has shown the value of high-quality leader-member relationships in organizations (Graen & Uhl-Bien, 1995). A

high-quality exchange relationship requires both parties to accept their mutual interests and agree to pursue shared superordinate goals. High-quality exchanges include partnering between colleagues, in which individuals step further than formal organizational roles to achieve desired goals (Graen & Uhl-Bien, 1995 cited in Fisk & Friesen, 2012). In low-quality relationships, leaders and followers closely obey their respective organizational roles while trust, respect, and feeling of obligations between members and leaders are near to the ground (Barbuto & Gifford, 2012).

### **LMX and Creative Work Involvement**

One of the most influential promoters of creativity at work is leaders (Mumford *et al.*, 2002; Rosing *et al.*, 2011). Previous studies have investigated the impact of leaders on creativity; for instance, studies on leader and follower traits (Tierney *et al.*, 1999), transformational leadership (e.g. Jaussi & Dionne, 2003; Jung *et al.*, 2003), benevolent leadership (Wang & Cheng, 2010), empowering leadership (Zhang & Bartol, 2010), and the relationship between a relational leader-member exchange (LMX) and creativity (e.g. Atwater & Carmeli, 2009; Volmer *et al.*, 2012; Scott & Bruce, 1994; Tierney *et al.*, 1999). Considering the leader-member relationship as a dyadic relationship which forms over time by negotiations, LMX theory differentiates itself from other leadership approaches (Volmer *et al.*, 2012).

Based on theories, researchers have specified a number of reasons for a positive LMX-creativity relationship. For instance, high-quality relationships enforce more creativity compared to low-quality relationships because employees are more concentrated on challenging and difficult tasks. In addition, in high-quality relationships, employees take higher risks, receive more task-related recognition, support, and appreciation (Tierney, 2008; Tierney *et al.*, 1999). Moreover, researchers have suggested that LMX is beneficial for innovation because enjoying a good LMX relationship is accompanied by encouraging climate perceptions. High-quality LMX encourages a social climate which motivates a creative work involvement (Scott & Bruce, 1994; Kark & Carmeli, 2009).

Employees enjoy a high-quality LMX relationship, and to reciprocate engage in open and creative work processes (Ilies *et al.*, 2007).

While previous studies (i.e. Volmer *et al.*, 2012) examined the relationship between LMX and creative work involvement in high-technology firms in Germany, this study examines this relationship in a less knowledge intensive context (Insurance industry).

Hypothesis 1: The quality of leader-member exchange (LMX) is positively correlated with creative work involvement.

### **Mediating the Role of Knowledge Sharing**

Knowledge sharing is referred to as activities aimed at transferring or disseminating knowledge from one person or group to another (Lee, 2001). It must be noted that the terms knowledge sharing and information sharing have been used interchangeably in previous studies (Wang & Noe, 2010). However, in this study, those (implicit or tacit) work experiences were examined that were shared and exchanged between employees in the work place.

Firms do not always manage knowledge resources effectively (Carmeli *et al.*, 2011). Coakes *et al.* (2008) noted that employees were reluctant to share their knowledge with their colleagues, especially when knowledge possession is part of an individual's professional profile. Despite research efforts to examine organizational and social reasons as well as individual factors that foster or inhibit knowledge sharing (Bock *et al.*, 2005; Jarvenpaa & Staples, 2000; Lu *et al.*, 2006), there is little knowledge about the mechanisms by which leadership may facilitate employee knowledge sharing (Nonaka & Toyama, 2005; Carmeli *et al.*, 2011), in particular by cultivating a social context in which employees share knowledge (Carmeli *et al.*, 2011). One of these social contexts is leadership member exchange quality. Sluss & Ashforth (2008) revealed that relational identification between two people (such as leader and followers) might extend to other types of identifications such as organizational identification. Also, research evidence indicates that the best unique predictor of knowledge sharing, when compared to personality, tenure, team incentives, or goal commitment, is empowering leadership (Srrastava, 2001 cited in

Carmeli *et al.*, 2011). Connelly and Kelloway (2003) found that employees' perceptions about management's support for knowledge sharing were positively related to knowledge sharing. Recent studies have shown that high-quality work relationships can promote learning and knowledge creation processes (Carmeli *et al.*, 2009; Collins & Smith, 2006). Thus, it can be said that high quality leader-member exchange relationships may help promote knowledge sharing.

Hypothesis 2: Leader-member exchange is positively associated with knowledge sharing.

Scarborough and Swan (2001) argue that globalization and post industrialism caused the growth of KM. As a result, it is one of the managerial responses to the consequence of globalization and post industrialism. These responses include the growth of knowledge, worker occupations, and technological advances created by ICT. Also, Kluge *et al.*, (2001) argue that the value of knowledge tends to destroy quickly over time so companies need to speed up innovation and escalate creativity and learning. Furthermore, an important and major factor that influences creativity and effective application of the creative cognition processes is knowledge or expertise (Vincent *et al.*, 2002; Weisberg, 1999). In other words, cognitive models of creativity suggests that information search and acquisition are important to creativity (Mumford *et al.*, 1991).

For knowledge management, some scholars examined the role of knowledge and information sharing and creativity have found that both internal and external knowledge sharing led to enhance of creativity and innovation (Damapour, 1991; Hulsheger *et al.*, 2009). For example, Ancona and Caldwell (1992) found that knowledge sharing with external sources was related to improve team innovation. In a longitudinal study of five organizations, Monge *et al.* (1992) found that the level of communication in the organization and amount of information, which included knowledge sharing, were the best predictors of innovation over time. Carmeli *et al.* (2013) noted that knowledge sharing could improve employee creative performance. From what has been discussed above, the focus of our research is

examination of knowledge sharing effect on creative work involvement from internal and external sources.

Hypothesis 3: Knowledge sharing is positively associated with creative work involvement.

Researchers have suggested that LMX is beneficial for innovation including creativity, because enjoying a good LMX relationship is accompanied by encouraging climate perceptions (Scott & Bruce, 1994, cited in Volmer *et al.*, 2012). The experience of an encouraging social climate is important for employees' creative work involvement (Kark & Carmeli, 2009). Moreover, leader supportive behavior is a key factor to developing and shaping a context for knowledge sharing, which in turn nurtures capacities for creative work (Carmeli *et al.*, 2013). Leaders in organizations shape a context of cooperation and structure the process of knowledge sharing that helps overcome resistance to knowledge sharing (Bartlett & Ghoshal, 1986; Vonkrogh, 2003).

Leaders help to build, maintain, and facilitate a specific physical time and space context in which the participants interact and create new meanings, thus, enabling the creation of new knowledge, which is vital for creativity and innovation (Nonaka & Toyama, 2005; Nonaka *et al.*, 2000). Therefore, we suggest that by facilitating knowledge sharing within and outside the organizations, leader-member exchange is a key to cultivating the employees' creative work involvement.

Hypothesis 4: Knowledge sharing mediates the relationship between leader-member exchange and creative work involvement.

## **The Methodology and Model**

### **Sample and Procedure**

In summary, the paper considers creative work involvement as a form of employee behavior which is affected by knowledge sharing and leader-member exchange (Anderson & Salgado, 2009; Carmeli *et al.*, 2013; Ilies *et al.*, 2007; Kark & Carmeli, 2009; Volmer *et al.*, 2012). Also, initial research suggests that creative work involvement arises as

a consequence of leader-member exchange and knowledge sharing; however, no research has yet revealed the pattern of relationship among these variables. On the basis of empirical research, our aim is to broaden researchers' understanding of the complex, multifaceted mechanisms through which knowledge sharing mediate the relationship between leader-member exchange and creative work involvement. Although the model rests on some relations that have been previously asserted, the integration among these relations provides an important extension of prior works. Figure1 presents the conceptual framework that has been examined in this study. It is proposed that LMX and creative work involvement are independent and dependent variables, respectively. Also, knowledge sharing acts as mediator variable.

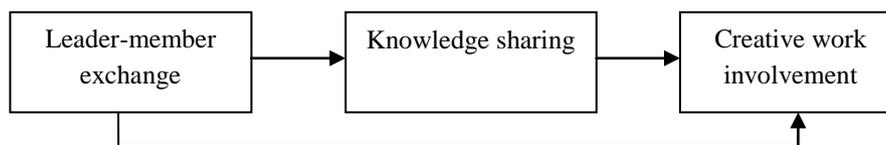


Fig. 1. Conceptual framework of the research

The data were collected through questionnaires with three sections. Leader-member relationship was adapted from the 7-item measure from Graen and Uhl-Bien (1995). Employee involvement in creative work was adopted from the 9-item measure developed used by Tierney, Farmer, and Graen (1999). Finally following previous research (e.g. Lee, 2001; Lu *et al.*, 2006), eight items were used to assess the extent to which employees exchange knowledge with colleagues inside and outside their organization; respondents were asked to indicate on a five point scale (ranging from 1= not at all to 5= to a large extent).

The data were collected from employees in insurance companies in northeast of Iran, but the population size was unknown. Therefore, the following formula was used to calculate the sample size. The confidence level, standard deviation, and a margin of error (confidence interval) are 95%, 0.5, and 0.05, respectively.

$$n = Z^2 p (1-p) / d^2 = ((1.96) (0.5) / 0.05)^2 = 9504 / 0.0025 \approx 385$$

We contacted their managers to obtain their support and commitment for this research project. Employees were randomly chosen to participate in this study. Participation was voluntary for all employees, and confidentiality of response was assured. We received 520 questionnaires which represented a response rate of 74%. Furthermore, the study used SPSS20 for descriptive statistics analysis; AMOS.7 was used for confirmatory factor analysis and structural equation model.

## **Findings**

### **Measures**

Pretesting the questionnaire was performed on 30 additional employees in insurance companies to improve the questionnaire design by identifying and fixing any problems associated with wording, phrases, flow of the questionnaire, and interpretation of the questions. Also, the measures were amended based on our finding to create a final set of items for each construct.

The Cronbach's alpha values of research variable were in the range of 0.71-0.91, indicating good reliability (Nunnally, 1976). Furthermore, before testing the hypotheses of this study, AMOS.7 was used to conduct confirmatory factor analysis on the three research variables in order to verify the construct validity of the research concepts. Questions used in this study have considerable content validity. Table 1 shows that the standardized factor loadings of observed variables to their latent variables ranged from .61 to .88 and results of t test reached the level of significance. This shows that the observed variables are adequate to reflect the constructed latent variables (Bentler & Wu, 1983; Jöreskog & Sörbom, 2006). In a further step, composite reliability (CR) and the average amount of variance extracted (AVE) are used to check the reliability and validity of the scale. Hair *et al.*, 1998) proposed that the CR value must be greater than 0.7 and Fornell and Larcker (1981) suggested the AVE value must be greater than 0.5. The latent variables' CR value derived from the studies in this research fall in between 0.75 and 0.93 and

AVE values fall in between 0.56 and 0.67. This shows that the latent variables in this study have good consistency, reliability, and convergent validity.

Table 1. Confirmatory factor analysis on measurement variables

Latent variables	Items	Standardized parameter s	t-value	Cronbach's $\alpha$	CR	AVE
Leader- member exchange	Q1	0.69	6.18	0.91	0.93	0.62
	Q2	0.72	6.27			
	Q3	0.62	7.87			
	Q4	0.68	7.86			
	Q5	0.61	8.72			
	Q6	0.71	10.82			
	Q7	0.66	9.71			
Knowledge sharing	Q8	0.69	10.32	0.842	0.75	0.56
	Q9	0.78	8.45			
	Q10	0.84	7.58			
	Q11	0.88	6.17			
	Q12	0.65	8.45			
	Q13	0.71	9.76			
	Q14	0.66	7.63			
	Q15	0.73	6.24			
Creative work involvement	Q16	0.63	8.34	0.91	0.77	0.67
	Q17	0.88	7.89			
	Q18	0.78	6.21			
	Q19	0.79	6.53			
	Q20	0.67	9.67			
	Q21	0.69	10.14			
	Q22	0.69	7.43			
	Q23	0.78	8.98			
	Q24	0.67	6.89			

### Respondent Profile

The respondents' average age was 27.05 years (SD= 7.27), and 64% of the respondents were male. A total of 64.6 percent had a BA degree, and the remaining had an MA degree or above. Moreover, their average work experience was 8.05 years.

Table 2. Respondent's profile

	Frequency	%
<b>Gender</b>		
Male	246	64
Female	139	36
<b>Total</b>	<b>385</b>	<b>100</b>
<b>Age (yr)</b>		
25 or under	86	22
25 or under	53	14
26-35	158	41
36-45	76	19
46-55	10	3
56 or above	2	1
<b>Total</b>	<b>385</b>	<b>100</b>
<b>Education</b>		
Less than secondary/high school	-	-
Secondary/high school	16	4.16
Some college or university	100	25.97
College/university diploma/degree	249	64.67
Postgraduate degree	20	5.19
<b>Total</b>	<b>385</b>	<b>100</b>
<b>Years of service</b>		
5 or less	54	14.03
5-10	146	37.92
11-15	91	23.64
16-20	46	11.95
21-25	38	9.87
26 or above	11	2.86
<b>Total</b>	<b>385</b>	<b>100</b>

**Descriptive Analysis**

Table 3 displays means, standard deviations, and correlations among study variables. Leadership-member exchange quality had a significant correlation with knowledge sharing ( $r= 0.52$ ,  $P< 0.01$ ). LMX also had positive correlations with creative work involvement ( $r= 0.412$ ,  $P< 0.01$ ). Finally, the correlation between knowledge sharing and creative involvement was significant ( $r= 0.476$ ,  $P< 0.01$ ).

Table 3. Descriptive analyses

N=385	Mean(S.D.)	Correlations		
		1	2	3
1. LMX	4.25(1.06)	1		
2. Knowledge sharing	4.18(0.84)	0.52*	1	
3. creative work involvement	4.17(0.59)	0.412*	0.476*	1

\*P <0.01

### Measurement model

We used structural equation modeling with AMOS.7 to test our hypotheses. Prior to testing the hypothesized structural model, we tested to see if the measurement model had good fit (Arbuckle, 1997; Bollen, 1999; Browne & Cudeck, 1993; Hox, 2002). We tested a measurement model that had three latent factors (i.e. LMX, Knowledge sharing and creative work involvement). The measurement model had an acceptable fit ( $\chi^2 = 66.39$ ,  $df = 41$ ,  $P \leq 0.01$ ; NNFI= 0.96, GFI= 0.94, CFI= 0.97, RMSEA= 0.06).

### Validation and Analysis of the Hypothesized Model

To verify hypotheses for the casual relationships between variables, the study applied a structural equation model. Structural equation model combines aspects of multiple regression and factor analysis to estimate a series of interrelated relationships among variables simultaneously (Baron and Kenny, 1986). Table 5 shows the difference ( $\Delta\chi^2 = 418.669$ ) between the full mediation model and direct effects model. The indices GFI, CFI, NNFI, and RMSEA of the full mediation model indicated better adaptability than the direct effect model. Next, the study compared partial mediation model to the full mediation model: The difference ( $\Delta\chi^2$ ) of  $\chi^2$  is 39.88. The adaptability index, GFI, CFI, NNFI, and RMSEA of the partial mediation model demonstrated the partial mediation model exceeded the full mediation model in terms of adaptability. Adaptability indices were  $\chi^2/df = 1.97$ , GFI=0.928, CFI=0.926, NNFI=0.921 and RMSEA=0.040. The model adaptability was satisfactory. In conclusion, the partial mediation model was a suitable model. Table 4 indicates results.

**Table 4. Goodness of fit indicators for the measurement and structural model**

Model	X2	X2/df(<3)	$\Delta\chi^2$	GFI(>0.9)	CFI(>0.9)	NNFI(>0.9)	RMSEA(<0.08)
Direct effect model	2170.059 (df=814)	2.66	-	0.914	0.911	0.901	0.051
Full mediation model	1751.39 (df=851)	2.06	418.67	0.901	0.917	0.908	0.048
Partial mediation model	1711.51 (df=869)	1.97	39.88	0.926	0.928	0.921	0.040

Table 5. Path of structural model ( $P \leq 0.01$ )  
Standardized path coefficients (t-value)

	Direct effect model	Full mediation model	Partial mediation model
LMX → Creative work involvement	0.31		0.29
LMX → knowledge sharing		0.69	0.77
Knowledge → sharing Creative work involvement		0.51	0.48

According Table 5, LMX significantly and positively affected creative work involvement ( $\beta=0.29$ ,  $P \leq 0.01$ ); thus, validating Hypothesis 1. Also, LMX positively influenced knowledge sharing ( $\beta= 0.77$ ;  $P \leq 0.01$ ); therefore, Hypothesis 2 was supported. Furthermore, knowledge sharing positively affected creative work involvement ( $\beta= 0.48$ ,  $P \leq 0.01$ ). As a result, Hypothesis 3 was validated.

In this study, Baron and Kenny's (1986) method was used to examine whether knowledge sharing was a mediator variable. The procedures for regression analyses are as follows:

1. Regressing the dependent variable on the independent variable;
2. Regressing the mediator on the independent variable; and
3. Regressing the dependent variable on the independent variable and mediator.

If the independent variable shows significant on the mediator, the mediator show significance in the dependent variable, there is a mediator between the independent variable and dependent variable (Baron & Kenny, 1986). Thus, in this study, each hypothesis was followed through a three-step approach:

1. The path regression between LMX and creative work involvement;
2. The path regression between LMX and knowledge sharing;
3. The path regression between LMX and knowledge sharing on creative work involvement.

If LMX shows significance on knowledge sharing, knowledge sharing shows significance on creative work involvement, then knowledge sharing is a mediator.

If the direct effect of LMX on creative work involvement is less

than its indirect effect through knowledge sharing, knowledge sharing is the likely mediator variable. Perfect mediation holds that the independent variable has no effect when the mediator is controlled (Baron and Kenny, 1986).

According to the Direct effect model, LMX featured significant path coefficients on creative work involvement ( $\beta= 0.31, P\leq 0.01$ ); thus, confirming to the first step of Baron and Kenny's test. Furthermore, based on full mediation model, the coefficient between LMX and knowledge sharing was positive ( $\beta= 0.69, P\leq 0.01$ ), as was the impact of knowledge sharing on creative work involvement ( $\beta= 0.51, P\leq 0.01$ ), fitting the requirement in the second step of Baron and Kenny's method. Lastly, the mediation model confirmed with the third step of Baron and Kenny's test, indicating path coefficient of LMX on knowledge sharing, path coefficient of knowledge sharing on creative work involvement, and finally, path coefficient of LMX on creative work involvement. From the partial mediation model in Table 5, LMX positively affects creative work involvement ( $\beta= 0.29, P\leq 0.01$ ). Also, knowledge sharing was a mediator between LMX and creative work involvement, because the indirect effect of LMX on creative work involvement through knowledge sharing was more than its direct effect ( $0.77 \times 0.48 > 0.29$ ). Thus, Hypothesis 4 was supported.

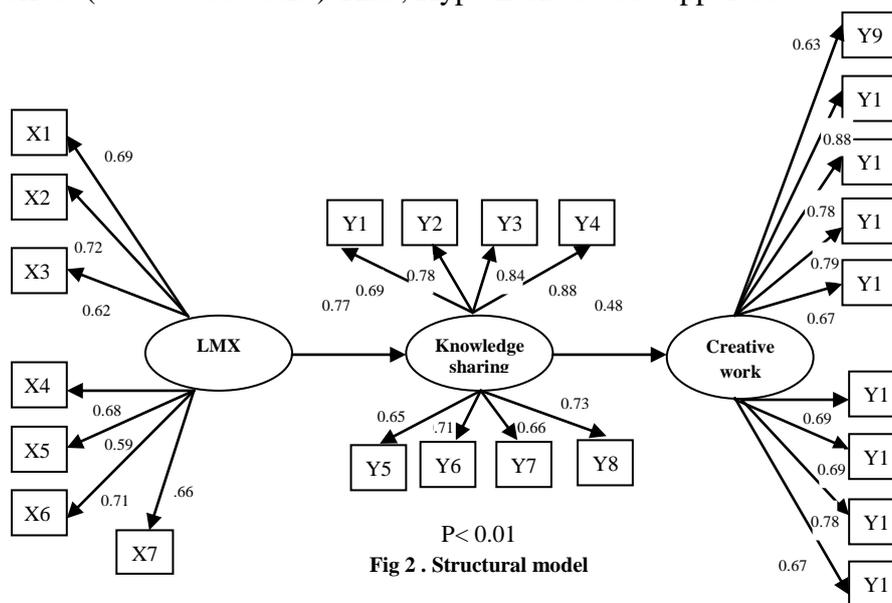


Fig 2 . Structural model

### **Summary and Conclusions**

We sought whether relationship quality in terms of leader-member exchange was associated with creative work involvement, and whether knowledge sharing mediates this relationship. Our findings show that LMX was positively related with creative work involvement. Furthermore, LMX was positively related to knowledge sharing, and knowledge sharing was positively related to creative work involvement. Also, and most importantly, our results yielded support for our assumed effect of mediating role of knowledge sharing. Thus, knowledge sharing mediated the relationship between LMX and creative work involvement. Researchers suggest a more detailed exploration of the LMX- creative work involvement relationship (Atwater & Carmeli, 2009; Tierney, 2008; Kark & Carmeli, 2009). For example, the findings of Volmer *et al.* (2012) indicated that the high quality of supervisor-employee relationships (i.e. Leader-member exchange; LMX) fosters creativity at work. Moreover, Carmeli and Schaubroeck (2007) confirmed that the perceived expectation of the leader could influence individuals' creative involvement at work. As a result, high quality connections at work could be relevant for work and job involvement (Kark & Carmeli, 2009; Ilies *et al.*, 2007).

On the other hand, this study addressed Nonaka and Toyama's (2005) emphasis on the importance of leadership in motivating people to share knowledge in organizations. Moreover, research evidence shows that management support (Connelly & Kelloway, 2003) and empowering leadership (Srivastara, 2001 cited in Carmeli *et al.*, 2013) are important to enable knowledge sharing. Furthermore, recent studies also showed that in order to shape a behavioral context in which members share information, collaborate and enact joint decision-making processes, leader expectations, and supportive behaviors are key factors (Carmeli *et al.*, 2013). Therefore, leaders in organizations are in positions to help overcome the fear of knowledge sharing among employees by enforcing a context of cooperation and structure. As a result, leaders who build positive relationships with

followers are able to foster employees' willingness to share knowledge with other members in the workplace.

Furthermore, knowledge sharing is important in contributing to employees' creative work involvement. The findings of this study lend further support to theories of knowledge management and creativity, which have noted the importance of dissemination of knowledge between parties (Vincent *et al.*, 2002; Muford *et al.*, 1991; Hulsheger *et al.*, 2009). This process is fundamental for cultivating capacities to creative work involvement. In addition, the findings provide useful information about the mediating role of knowledge sharing between LMX and creative work involvement relationship.

Leaders can encourage knowledge sharing in their organizations, in still perceptions among employees about the merits of sharing knowledge with others inside and outside the organization as well as facilitate employee knowledge sharing behaviors and creativity (Carmeli *et al.*, 2013; Nonaka & Toyama, 2005). Thus, LMX and knowledge sharing are both important contributors to creative work involvement.

The study selected employees in Insurance Companies situated in northeast of Iran as research subjects. Accordingly, the research findings only apply to these companies and cannot be extended to other companies in different industries. Another limitation of this study was the questionnaire distribution. All questionnaires were self-reported, which may have contributed toward the common method bias. In this study, knowledge sharing functioned as a mediator; other researchers may investigate other possible variables as mediator.

The results of this study lead to a number of avenues for future research. First, leaders can use different tactics and behaviors to encourage the workforce. Certainly, there are other facets of leadership that foster creative activities (e.g. openness). Hence, one fruitful avenue for future research may be to identify a construct of creative leadership. Furthermore, we considered employee perceptions of LMX as an important mechanism for encouraging creative activities. However, future research should examine other dimensions

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of leader-member relationships that have the potential to encourage creativity. Moreover, in this study, we investigated the mediating role of knowledge sharing which played a significant role in the LMX-creative work involvement relationship; other possible potential moderators, such as motivational orientations and feedback or collaboration structures should be investigated in future research.

Organizations constantly seek ways to facilitate and enhance creative, innovative behaviors among their employees. Therefore, this work contributes to research on leadership, knowledge sharing, and creative work involvement. We sought to better understand the role of relationship quality between leader and employees in facilitating knowledge sharing within the organization, and whether these processes further enhance employees' creative work involvement. Our study showed that leader-member knowledge sharing, cultivate the creative work involvement of individuals in the workplace.

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