# THE MEDIATING ROLE OF CREATIVITY ON ORGANIZATIONAL CLIMATE OF COMMUNITY-BASE TOURISM IN BARCELONA SPAIN

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Received: October 1, 2022; Revised: October 23, 2022; Accepted: November 1, 2022;

Published: November 3, 2022

## **ABSTRACT**

Organizational climate is most important to promote the industry performance. It also has central importance in community-based tourism; however, it is not addressed in Community-Based Tourism in Barcelona Spain. Therefore, aim of this study is to examine the role of inno-life management, transformational leadership and creativity in organizational climate. The relationship between inno-life management, transformational leadership, creativity and organizational climate was examined. Primary data were collected from Barcelona Spain with the help of questionnaire. Results of the study reported that; inno-life management has positive effect on organizational climate. Furthermore, transformational leadership has positive effect on organizational climate. Both the inno-life management and transformational leadership has direct and indirect effect on organizational climate through creativity. Therefore, community-based tourism can be promoted with the help of organizational climate through inno-life management and transformational leadership.

**Keywords.** transformational leadership, creativity, organizational climate,

## Introduction

Organizational climate is playing a major role among the organizations (Powell et al., 2021). Because a better organizational climate is always required for the employees to perform better. It has direct relationship with the performance of the employees. Therefore, to achieve higher performance, organizational climate has central importance for the companies. Along with the other industries, organizational climate is also most important in tourism industry. Among the tourism management companies, the role of organizational climate is important to perform better. Employee working in tourism management companies require supportive climate to perform better.

Along with the other industries, the role of organizational climate is important in community-based tourism activities. Similar with other countries, community-based tourism also playing vital role in tourism industry (Jomsri, 2020). Therefore, the focus of this study is community-based tourism. This study considered community-based tourism in Barcelona Spain. Barcelona is the Southern provinces of Spain having

important opportunities of community-based tourism. Tourism is the important industry in Spain which is important contribution to Spain. This industry is growing rapidly in Spain as shown in Figure 1. The number of tourists traveling to Spain enhanced from 35.35 million in the year of 2017 to 38.28 million in the year of 2018 and then 39.92 million in 2019. The increase in travelers from the year 2018 to 2019 was restricted to 4.24 %, which essentially was less than expected results of management in Spain. However, from March 2020 to end August 2020 no tourists were allowed in Spain due to COVID-19.

According to this study, organizational climate in tourism management firms related to the community-based tourism can be managed with the help of inno-life management and leadership activities. Both has key importance to enhance organizational climate among the tourism management companies related to the community-based tourism. Inno-life management and leadership activities have the potential to enhance creativity among the employees which lead to the organizational culture. Thus, this study proposed the relationship between inno-life management, transformational leadership, creativity and organizational climate in relation to the community-based tourism in Barcelona Spain. Several previous studies carried out organizational climate in tourism and community-based tourism in various countries (Hoang, Wilson-Evered, & Lockstone-Binney, 2020; Ibrahim & Shuib, 2016; Sawatsuk, Darmawijaya, Ratchusanti, & Phaokrueng, 2018), but, it is not considered in relation to the inno-life management and leadership in Barcelona Spain. Thus, the aim of the study is to inspect the role of inno-life management, transformational leadership and creativity in organizational climate in Barcelona Spain. Hence, this study has important contribution to the literature with the help of introducing the current relationship which is not addressed in previous studies. This study also addressed the indirect effect of creativity. More importantly, the indirect effect of creativity is not highlighted in the past studies in relation to the community-based tourism.

#### **Literature Review**

The proposed relationship between inno-life management, transformational leadership, creativity and organizational climate in relation to the community-based tourism activities in Barcelona Spain. Community-based tourism is an important activity in which local people invite tourists from various parts of country as well as internationally to see various events related to the local community. While inviting the tourists, these local community people generate income from tourists by providing various opportunities related to the accommodation. In this direction, local community has central importance because various events in the community is the central cause of attraction for the tourists. Along with other fields of tourism, community-based tourism has key importance in Spain and contributing to the overall tourism industry. It is proposed that; organizational climate has major importance in community-based tourism industry. Organizational climate is influenced by inno-life management through creativity. It is proposed that inno-life management has positive role to enhance creativity among the tourism management companies which further improves the

organizational climate. Furthermore, transformational leadership also has the similar role to promote organizational leadership through creativity.

# 2.1 Inno-life Management, Creativity and Organizational Climate

Inno-life management has important contribution to the people living in the any community with potential opportunities for community-based tourism. This concept is based on the introduction of innovation in community-based tourism activities. The introduction of innovation along with the traditional methods of community-based tourism can attract the tourists. Especially, innovative products as well as services at village level has the potential to attract the tourists. Previous studies also reported that innovative services and products in tourism industry has major importance (Su, 2020). Therefore, introduction of innovative services or products in community-based tourism has vital role to enhances tourism activities.

Creativity is a phenomenon whereby something somehow new as well as somehow valued is formed. The formed item may be intangible or a physical object. Creativity in the hospitality industry has major importance. Generally, the creativity in various products as well as services for tourists by the tourism management companies has vital importance. Creativity is one of the important parts of innovations which bring something new in services and attract the tourism in any specific area. It is most imperative in community-based tourism activities. Local people living in the specific area and management of tourism companies can enhance tourist's attraction with the help of creativity which can promote several opportunities for the tourists in community-based tourisms. Previous studies also highlighted the important role of creativity in tourism (Kršlak & Ljevo, 2021).

Organizational climate can be explained into four diverse classes: people-oriented climate, rule-oriented climate, innovation-oriented as well as goal-oriented. Organizational climate effects to an excessive extent the performance of the employees since it has a key influence on motivation as well as job satisfaction of specific employees. Organizational climate regulates the work environment in which the employee senses gratified or dissatisfied. The employees working in the tourism management companies related to the community-based tourism is most important to provide important services. Employees require better organizational climate to enhance the performance which effect on the services providing by the tourism companies to the tourists. Therefore, in the current study, organizational climate is used in tourism management companies related to the community-based tourism. The importance of organizational climate among various industries is highlighted by previous studies (Liu, Chow, Zhang, & Huang, 2019). However, while dealing with inno-life management, organizational innovative climate is most important to support community-based tourism.

There is an important relationship between inno-life management, creativity and organizational climate. The relationship between inno-life management lead to the positive organizational climate among the tourism management companies. Inno-life

management has the ability to enhance creative ideas among the companies and creative ideas may lead to the innovative tourism services. Innovative services can lead to the better tourist satisfaction. The positive association between creativity and organizational climate is also highlighted in the literature (Kijački, 2021). According to this study, creativity playing a mediating role between inno-life management and organizational climate which lead to the following hypotheses;

**Hypothesis 1.** Inno-life management has positive influence on organizational climate.

**Hypothesis 2.** Inno-life management has positive influence on creativity.

**Hypothesis 3.** Creativity has positive influence on organizational climate.

**Hypothesis 4.** Creativity mediates the relationship between inno-life management and organizational climate.

# 2.2 Inno-life Management, Transformational Leadership and Organizational Climate

Leadership can be well-defined as "the action of leading a group of people or an organization." Transformational leadership is one of the important types of leadership. Transformational leadership is a philosophy of leadership where an individual person as leader works with groups beyond their immediate self-interests to classify desired change, vision creation for change. It has vital importance among organizations because leadership style by the management has influence on the performance of employees.

Transformation leadership is identified as the most important part among the organizations (Cho, Shin, Billing, & Bhagat, 2019). Even it has key importance among the tourism related companies. It has positive role with employee creativity (Karunasekara, Karunarathne, & Wickramsinghe, 2021). Better leadership activities among the organizations lead to the higher employee creativity. Increase in the leadership activities in tourism management has the ability to enhance organizational climate. As the previous studies proved an important relationship between leadership and organizational climate (Kawangung, Rahmawati, Husni, & Kurniadi, 2021). This study proposed that; transformational leadership has major influence on employee creativity among the tourism management companies. The positive effect on transformational leadership on creativity promote organizational climate. In this direction, creativity playing a mediating role between transformational leadership and organizational climate. Hence, it is hypothesized that;

**Hypothesis 5.** Transformational leadership has positive influence on organizational climate.

**Hypothesis 6.** Transformational leadership has positive influence on creativity.

**Hypothesis 7.** Creativity mediates the relationship between transformational leadership and organizational climate.

# Methodology

There are several techniques available in the literature to inspect the relationship between variables. However, the selection of suitable technique is most important to get original results. Since the current study considered the inno-life management, transformational leadership, creativity and organizational climate, the nature of this relationship is supported by primary data. In this study, primary data were collected through survey method. While doing a survey, the current study preferred questionnaire approach. A questionnaire survey is a suitable method for data collection (Zhang, Kuchinke, Woud, Velten, & Margraf, 2017). Therefore, the relationship between innolife management, transformational leadership, creativity and organizational climate is measured through survey questionnaire. Questionnaire was considered with the help of previous studies as the measures are adopted from previous studies for the development of questionnaire. It was divided into various sections including demographic information of respondents and scale items related to the inno-life management, transformational leadership, creativity and organizational climate. Population of the study is based on the tourism staff working in Barcelona Spain. Therefore, data were collected from the staff of tourism associated companies in Barcelona Spain. After the development of questionnaire, 400 questionnaires were distributed among the tourism companies. 231 questionnaires were returned and 225 were used in data analysis. Six questionnaires were not completed, therefore, excluded from the study. Furthermore, this study preferred cluster sampling for data collection. Cluster sampling was used because it is most suitable while collecting data from large population. In this study, population is spread on wide area of Barcelona Spain, consequently, cluster sampling is suitable.

After data collection, this study carried out data screening in which missing value, outlier and normality of the data was considered. It is important to remove these errors from the data because it may affect the results of the study. As previous studies also highlighted that data screening is most important in research study (Ahmad Mahmoud, Ahmad, & Poespowidjojo, 2018). Table 1 shows the statistics of the data indicating that data is free from any case of errors.

# **Findings**

This study employed Partial Least Square (PLS) as recommended in previous studies (Hair et al., 2012; Peng & Lai, 2012). In this way, the current study assessed the measurement model with the help of factor loadings. Factor loadings are displayed in Table 1 and measurement model is given in Table 1 shows that all the scale items have factor loading above 0.5. Inno-life management is measured through five scale items, transformational leadership is measured through four scale items, creativity is measured through using four scale items and finally, organizational leadership is measured through five scale items. Most of the scale items having factor loadings above 0.8 and 0.7. Few scale items have factor loading is above 0.5 but below 0.7. However, finally, all the items are with loadings above 0.7 which is minimum threshold level.

Table 1. Factor Loadings

		Inno 1:60	Onconinational	Tuonofouncetional
		Inno-life	Organizational	Transformational
	Creativity	Management	Climate	Leadership
CR1	0.932			
CR2	0.943			
CR3	0.914			
CR4	0.927			
ILM1		0.924		
ILM2		0.926		
ILM3		0.939		
ILM4		0.921		
ILM5		0.898		
OC1			0.892	
OC2			0.908	
OC3			0.913	
OC4			0.918	
OC5			0.689	
TL1				0.939
TL2				0.932
TL3				0.914
TL4				0.914

Note: ILM = Inno-life Management; TL = Transformational Leadership; CR = Creativity; OC = Organizational Climate

After the factor loading assessment, this study observed composite reliability (CR) which must be higher than 0.7. Table 2 shows the CR which is above 0.7 for innolife management, transformational leadership, creativity and organizational climate. Additionally, average variance extracted (AVE) is examined for inno-life management, transformational leadership, creativity and organizational climate. Results of the study shows that all the constructs have AVE above 0.5 which confirmed the convergent validity (Hair et al., 2017). Discriminant validity is attained with the help of cross-loadings as revealed in Table 3.

Table 2. Reliability and Convergent Validity

	Alpha	rho_A	CR	(AVE)
Creativity	0.947	0.947	0.962	0.863
Inno-life Management	0.956	0.956	0.966	0.85
Organizational Climate	0.916	0.931	0.938	0.754
Transformational Leadership	0.943	0.944	0.959	0.855

Table 3. Cross-Loadings

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		Inno-life	Organizational	Transformational				
	Creativity	Management	Climate	Leadership				
CR1	0.932	0.871	0.889	0.888				
CR2	0.943	0.874	0.86	0.868				
CR3	0.914	0.855	0.855	0.847				
CR4	0.927	0.844	0.853	0.853				
ILM1	0.849	0.924	0.862	0.863				
ILM2	0.846	0.926	0.833	0.851				
ILM3	0.854	0.939	0.839	0.849				
ILM4	0.874	0.921	0.847	0.847				
ILM5	0.847	0.898	0.866	0.887				
OC1	0.855	0.831	0.892	0.82				
OC2	0.883	0.861	0.908	0.901				
OC3	0.842	0.852	0.913	0.849				
OC4	0.829	0.821	0.918	0.837				
OC5	0.592	0.606	0.689	0.582				
TL1	0.849	0.878	0.841	0.939				
TL2	0.832	0.871	0.861	0.932				
TL3	0.865	0.855	0.859	0.914				
TL4	0.892	0.845	0.88	0.914				

Note: ILM = Inno-life Management; TL = Transformational Leadership; CR = Creativity; OC = Organizational Climate

Moreover, this study assessed structural model. In structural model, this study considered the relationship between inno-life management, transformational leadership, creativity and organizational climate. Relationship based on the primary data can be well measured through PLS structural model (Hair et al., 2014; Hair, et al., 2013). The direct effect of inno-life management and transformational leadership is examined on organizational climate and creativity. Furthermore, the direct effect of creativity is examined in relation to the organizational climate. T-value 1.96 and beta value was considered to examine the relationship. The direct effect results are given in Table 4 and indirect effect results are given in Table 6.

Table 4. Direct Effect Results

				T	
	(β)	Mean	S.D.	Statistics	P-Values
Creativity -> Organizational Climate	0.371	0.372	0.102	3.615	0
Inno-life Management -> Creativity	0.454	0.448	0.082	5.508	0
Inno-life Management ->					
Organizational Climate	0.243	0.245	0.089	2.726	0.007
Transformational Leadership ->					
Creativity	0.507	0.513	0.079	6.375	0
Transformational Leadership ->					
Organizational Climate	0.363	0.357	0.079	4.534	0

Table 5. Indirect Effect Results

				T	P
	(β)	Mean	S.D.	Statistics	Values
Inno-life Management -> Creativity ->					
Organizational Climate	0.168	0.166	0.055	3.055	0.002
Transformational Leadership ->					
Creativity -> Organizational Climate	0.188	0.191	0.062	3.018	0.003

Inno-life management has positive influence on organizational climate with t-value 2.726. Furthermore, inno-life management has positive influence on creativity with t-value 5.508. Transformational leadership has positive influence on organizational climate with t-value 4.534. Transformational leadership also has positive effect on creativity with t-value 6.375. Additionally, creativity has positive effect on organizational climate with t-value 3.615. Finally, indirect effect of creativity is examined between inno-life management and organizational climate which is significant as the t-value is 3.055. It is also given in Figure 5. This indirect effect shows that creativity reflect the positive effect of inno-life management on organizational climate. Indirect effect of creativity is examined between transformational leadership and organizational climate which is also significant as the t-value is 3.018. It is also given in Figure 6. It shows that creativity reflect the positive effect of inno-life management on organizational climate.

#### **Conclusion**

The aim of this study was to observe the role of inno-life management, transformational leadership and creativity in organizational climate. In this direction, the relationship between inno-life management, transformational leadership, creativity and organizational climate was preferred. This study preferred survey to examine this relationship. Furthermore, community-based tourism in Barcelona Spain was considered to measure organizational climate. Results of the study shows important insights for the literature. According to the results, inno-life management and transformational leadership has key role to enhance organizational climate for community-based tourism. Inno-life management has positive effect on organizational climate. Increase in inno-life management in Barcelona can promote organizational climate for community-based tourism. Therefore, to promote community-based tourism in Barcelona, government should enhance inno-life management. Furthermore, transformational leadership has positive effect on organizational climate. Increase in leadership increases to improve the organizational climate. Along with the direct effect, innp-life management can improve organizational climate through creativity. This study shows that; inno-life management increases the creativity which further lead to the improvement in organizational climate. Similarly, transformational leadership enhances the creativity of people which lead to the organizational climate. Hence, both the inno-life management and transformational leadership has direct and indirect effect on organizational climate through creativity.

# **5.1 Theoretical Implications**

This study has vital implications because this study considered important relationship between inno-life management, transformational leadership, creativity organizational climate. Previously, literature has not addressed this relationship. Especially, the inno-life management is not addressed in organizational climate through creativity in relation to community-based tourism. Similarly, the transformational leadership is not addressed in organizational climate through creativity in relation to community-based tourism. Additionally, this study examined the mediating role of creativity between inno-life management and organizational climate in communitybased tourism which is important contribution to the literature. Nevertheless, this study examined the mediating role of creativity between transformational leadership and organizational climate in community-based tourism which is important contribution to the literature. Finally, it is important to highlight that; this combination of variables along with the creativity as indirect effect and organizational climate is not investigated by the literature in Barcelona Spain.

# **5.2 Practical Implications**

As this study contributed significantly to the literature, therefore, it has major practical implications in relation to the community-based tourism Barcelona Spain. Because this study proved that inno-life management has positive effect on organizational climate of community-based tourism, therefore, management of tourism activities in Barcelona Spain should enhance inno-life management. Furthermore, practitioners should promote transformational leadership Barcelona Spain to enhance community-based tourism through the improvement in organizational climate. Thus, this study has important insights to make strategies to improve the community-based tourism in Barcelona Spain.

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Vol.10 No.2 July-December 2022

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