

# A Qualitative Study on Exploring the Role of Psychological Safety on Creativity and Innovation in Corporate Sector

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## Abstract

This qualitative study explores the critical role of psychological safety in fostering creativity and innovation within corporate environments. Psychological safety, defined as a shared belief that taking interpersonal risks in the workplace will not result in negative consequences, is crucial for empowering employees to freely share ideas, embrace risk, and collaboratively solve problems. The research investigates employees' perceptions of psychological safety and its influence on their inclination to propose novel ideas and solutions. A qualitative approach, utilizing interviews, was employed to gather insights from 12 employees in corporate settings. The findings strongly suggest that psychological safety significantly enhances employee creativity and innovation by cultivating an environment of trust, openness, and mutual support. Key factors fostering psychological safety include approachable leadership, transparent decision-making processes, and positive team dynamics. Furthermore, the study highlights how organizational practices can either promote or impede psychological safety. The research also underscores the detrimental impact of intense competition on psychological safety, as it discourages idea-sharing and teamwork. The study provides valuable insights for organizations seeking to improve creativity and innovation through fostering psychological safety.

**Keywords:** psychological safety, creativity, innovation.

## Introduction

In today's rapidly evolving world of modern organizations, fostering an environment that promotes creativity and innovation is essential for maintaining competitive advantage especially among industries. Creativity, defined as the generation of novel and useful ideas, whereas innovation can be defined as the implementation of these ideas, they are critical components that drive organizational success (Amabile, 1996; Damanpour, 1991). However, the path to foster creativity and innovation is filled with challenges, particularly in creating an organizational culture where employees are open to express their ideas and take risks without any kind of fear or negative consequences. This particular concept, known as psychological safety, is increasingly recognized as a fundamental element that underpins creative and innovative behaviors within teams (Edmondson, 1999).

Psychological safety can be defined as sense of shared belief within the member of the team, that the team in itself is safe space for interpersonal risk-taking. It is characterized by Edmondson (1999) as a climate

of mutual respect and trust in which individuals feel comfortable being themselves. Edmondson's pioneering research on psychological safety revealed its crucial role in promoting learning behaviors and team performance. Teams with high level of psychological safety are more likely to engage in open communication, share diverse perspectives, and experiment with new ideas without fear of embarrassment or retribution (Edmondson & Lei, 2014). When employees feel psychologically safe, they are more likely to engage in behaviors that promote creativity and innovation, such as brainstorming, experimenting, and collaborating across functional boundaries. The absence of psychological safety, however, can stifle innovation by creating an environment of fear and risk aversion, where individuals are hesitant or unwilling to contribute their ideas due to concerns about negative evaluations.

The association between psychological safety and creativity is well-documented in the literature in today's world. Several Researches indicate that psychological safety is a significant predictor of creative engagement and idea generation within individuals. When employees tend to feel psychologically safe, they are more likely to contribute creative ideas and engage in innovative problem-solving (Carmeli, Reiter-Palmon, & Ziv, 2010). This environment encourages risk-taking and experimentation, which are essential components of the creative process (Amabile, 1996).

Moreover, the impact of psychological safety extends beyond individual creativity to influence overall team innovation. Innovation requires not only the generation of creative ideas but also their implementation, which often involves collaboration, iteration, and refinement. Psychological safety facilitates these processes by enabling open dialogue, constructive feedback, and continuous learning within teams (Baer & Frese, 2003). Organizations that cultivate psychological safety are better positioned to harness the collective creativity of their employees and transform it into innovative outcomes (Newman, Donohue, & Eva, 2017).

Despite the recognized importance of psychological safety, there remains a need for more in-depth qualitative research to understand the various ways in which it plays a role in creativity and innovation within diverse organizational contexts. Previous studies have primarily relied on quantitative methods, which, while valuable, may not fully capture the complex dynamics and lived experiences of employees. This study aims to address this gap by exploring how psychological safety influences creativity and innovation through detailed qualitative analysis.

## Methodology

### Statement of problem

This particular study aims to examine the role of psychological safety on employees' creative and innovative behaviors in workplace.

### Objectives of study

- To understand employees' perceptions of psychological safety.
- To identify the role of psychological safety on creativity and innovation.

### Research questions

- In what ways does psychological safety affect employees' willingness to propose new ideas and solutions?
- What are the key factors that enhance psychological safety, creativity and innovative outcomes?

### Research design

This study will utilize an interview based qualitative research design. This design is well-suited for exploring complex, subjective phenomena and gaining a deep understanding of participants' lived experi-

ences and perceptions.

## Operational definition

Psychological safety can be referred to the shared belief among the team members that feel safe to take interpersonal risks, such as speaking up with ideas, questions, concerns, or mistakes, without fear of negative consequences to self image, status, or career (Edmondson, 1999).

Creativity is the ability to produce novel and useful ideas, solutions, or processes within the workplace (Amabile, 1996).

Innovation can be defined as the successful implementation of creative ideas within an organisation (West & Farr, 1990).

## Sampling

A purposive sampling technique will be employed to select 12 employees currently working in corporate settings.

## Inclusion criteria

- Employees working in corporate sector
- Should have at least 1-2 years of working experience.
- Must be working within a team or collaborative environment.

## Exclusion criteria

- Freelancers, part-time workers, or individuals, who are not currently employed in a corporate setting.

## Procedure

12 individuals working in the corporate setting were subjected to an interview which consisted questions related to the topic. The data will be collected through semi-structured interviews, which will allow for flexible, in-depth exploration of participants' experiences with psychological safety and its effects on creativity and innovation. Thematic analysis was used to analyze the data, identifying patterns and themes related to the research questions and providing insights into how psychological safety influences employees' creative and innovative behaviors in the corporate sector.

## Result and Discussion

The study gathered information from 12 individuals working in a corporate setting through semi-structured interviews. The information was then analyzed using thematic analysis, where the common themes and subthemes were identified within the employees' responses.

**Table 1 shows the Themes, Subthemes and the corresponding supportive statements from the interview responses.**

Themes	Subthemes	Examples (Supporting Statements)
<b>1. Openness to Express Ideas</b>	<b>Supportive vs. Dismissive Environment</b>	<p>"My team encouraged open discussions... I felt comfortable suggesting a new reporting process that saved hours of manual work."</p> <p>"When I suggested a sales strategy, it was dismissed, but when another colleague suggested something similar, it was praised."</p>

	<b>Fear of Rejection</b>	<p><i>"People hesitate to share ideas unless they are fully backed by data."</i></p> <p><i>"If leadership rejects an idea, they should explain why instead of just dismissing it."</i></p>
<b>2. Psychological Safety Definition</b>	<b>Feeling Heard and Valued</b>	<p><i>"Psychological safety means knowing that my input is valued and I won't be undermined if I take a creative risk."</i></p> <p><i>"It's about creating a space where employees don't fear repercussions for suggesting change."</i></p>
	<b>Freedom to Take Risks</b>	<p><i>"If I hadn't felt safe to try something different, we would have stuck with the old, less efficient process."</i></p> <p><i>"Being able to propose solutions without fear of being blamed if they don't work out."</i></p>
<b>3. Psychological Safety's Impact on Creativity &amp; Innovation</b>	<b>Encouraging New Ideas</b>	<p><i>"When I worked with a supportive manager, I suggested a new customer engagement technique, and it increased our conversion rates."</i></p> <p><i>"I had a boss who encouraged open dialogue, and that led to a system overhaul that improved workflow efficiency by 30%."</i></p>
	<b>Innovation Stifled by Fear</b>	<p><i>"Leadership asks for innovation but sticks to what's safe."</i></p> <p><i>"A few months later, another department implemented a similar idea, and leadership praised them."</i></p>
<b>4. Organizational Practices for Psychological Safety</b>	<b>Approachable Leadership</b>	<p><i>"Leaders need to be approachable and open to feedback."</i></p> <p><i>"If leadership explains why certain ideas are rejected instead of just shutting them down, employees will be more willing to keep contributing."</i></p>

	<b>Transparent Decision-Making</b>	<p><i>"More transparency in decision-making would improve psychological safety."</i></p> <p><i>"More structured brainstorming sessions where all ideas—no matter how unconventional—are given proper consideration."</i></p>
<b>5. Trust and Team Dynamics</b>	<b>Trust Enhancing Psychological Safety</b>	<p><i>"If I don't trust my team, I'll be hesitant to suggest changes because I won't know if they'll support me."</i></p> <p><i>"Trust is the foundation of teamwork. If I trust my colleagues, I'm more likely to take risks."</i></p>
	<b>Collaboration as a Safety Net</b>	<p><i>"Collaboration helps because it shifts the focus from individual risk to collective innovation."</i></p> <p><i>"When teams collaborate well, there's less fear of failure because everyone feels like they're working toward a shared goal."</i></p>
<b>6. The Role of Diversity and Inclusion</b>	<b>True vs. Superficial Inclusion</b>	<p><i>"Diversity initiatives are great, but they only work when different voices are truly heard."</i></p> <p><i>"A diverse team brings new perspectives, but it only works if leadership actively encourages different viewpoints."</i></p>
	<b>Varied Perspectives Fostering Innovation</b>	<p><i>"Diversity efforts help when they lead to actual inclusivity, not just hiring people from different backgrounds."</i></p>
<b>7. The Effect of Competition on Psychological Safety</b>	<b>Healthy vs. Toxic Competition</b>	<p><i>"Competition can stifle psychological safety if employees feel like they have to protect their ideas instead of sharing them."</i></p> <p><i>"Too much competition creates secrecy—people hoard ideas instead of sharing them for collective improvement."</i></p>
	<b>Fear of Speaking Up Due to Competition</b>	<p><i>"If people feel like they have to 'win' at the expense of others, it creates a culture of fear rather than one of creativity."</i></p>

This study explores the role of psychological safety in fostering creativity and innovation in corporate environments. Through the 12 interviews conducted with employees of different organizations, several themes and subthemes have been found, shedding light on how psychological safety influences idea-sharing, risk-taking, and overall workplace innovation.

The themes and subthemes observed were, 1. Openness to express ideas - supportive vs dismissive environment, fear of rejection 2. Psychological safety definition - feeling heard and valued, freedom to take risks 3. Psychological safety impacts creativity and innovation - encourages new ideas, and encourages innovation stifled by fear 4. Organizational practices for psychological safety - approachable leadership, transparent decision making 5. Trust and team dynamic - trust enhancing psychological safety, collaboration as a safety net 6. The role of diversity and inclusion - true vs superficial inclusion, varied perspectives on fostering innovation 7. The effect of competition on psychological safety - healthy vs. toxic competition, and fear of speaking up due to competition.

To understand how each theme and subthemes relate let's look at them one by one linking our observation to existing literature.

Main Theme: Openness to Express Ideas, Sub Theme: Supportive vs Dismissive Environment, Fear of Rejection

One of the most evident themes was the impact of a workplace culture on the employees' willingness to express their ideas. Some of the employees described a supportive environment where open discussions were actively encouraged, would lead to meaningful conversation and improvements. On the other hand, some employees were able to recall moments where their contributions were dismissed, only to be acknowledged when voiced by another senior colleague. This aligns with Edmondson's (1999) foundational work on psychological safety, which suggests that when employees feel that their contributions are valued, they are more likely to engage in learning and innovation. Conversely, a dismissive culture can breed frustration and disengagement. Frazier et al. (2017) further support this, noting that fear of negative consequences discourages employees from speaking up, even when they have valuable input.

The other subtheme talks about the fear of rejection. Over here employees hesitate to share their ideas unless they are sure that they are going to be backed by substantial data. Research by Kark and Carmeli (2009) confirms this, emphasizing that organizations must create environments where employees feel secure enough to take creative risks without fear of being undermined.

Main Theme: Psychological safety Definition, Sub Theme: Feeling heard and valued, Freedom to take risks

In regards to defining Psychological Safety, when asked about psychological safety, most of the employees described it as a feeling where they feel heard and valued, where they know that taking creative risks will not backfire on them and lead to any kind of negative consequences. This definition closely mirrors the academic perspective, with Edmondson & Lei (2014) describing psychological safety as a shared belief that one can speak up without fear of embarrassment or punishment.

Some of the employees also were able to link psychological safety to the freedom to take risks. One employee shared that how a safe environment allowed them to complement a new workflow that ultimately improved their efficiency. This is consistent with research by Jin & Peng (2024), which found that psychological safety enhances employees' willingness to propose novel solutions. When employees feel free to experiment, they contribute more meaningfully to innovation.

Main Theme: Psychological Safety's Impact on Creativity and Innovation, Sub Theme: Encouraging new ideas, Innovation stifled by fear

A clear link was observed between psychological safety and employees' ability to generate and implement new ideas. It was noticed that employees who worked with supportive managers described the freedom of taking creative risks that led to measurable improvements, such as increased customer engagement and



streamlined operations. This finding aligns with Baer & Frese (2003), who observed that an innovation-friendly climate leads to higher creativity and improved performance.

Concerning fear-driven workplace stifling innovation, one particular employee noted that leaders frequently requested innovation but rejected unconventional ideas in favor of “safe” options. This contradiction reflects Bradley et al. 's (2012) findings which state that when employees fear negative judgment, they default to conformity rather than creative exploration.

Main Theme: Organization Practices for Psychological Safety, Sub Theme: Approachable leadership, Transparent decision- making

A recurring theme noticed was the role of leadership in fostering psychological safety. Employees emphasized the importance of approachable leaders who are open to taking and giving feedback. When managers are willing to listen and explain decisions, employees feel encouraged to contribute. This mirrors Nembhard and Edmondson's (2006) research, which found that inclusive leadership plays a crucial role in creating psychologically safe workplaces.

Similarly, transparent decision-making was another component that was highlighted as essential. Employees wanted clarity on why certain ideas were rejected or accepted rather than being left in the dark. Detert & Burris (2007) argue that transparency enhances trust and psychological safety, leading to higher engagement and innovation.

Main Theme: Trust and Team Dynamics, Sub Theme: Trust enhancing psychological safety, Collaboration as safety net

Trust is known as the foundational element of psychological safety. Employees who trusted and had a sense of belongingness among their colleagues and leaders felt more comfortable suggesting changes. This finding is supported by Edmondson (1999), who identified trust as a core component of a psychologically safe workplace.

Additionally, collaboration acted as a safety net especially for employees in a team. Employees noted that when teams worked together towards shared goals, individuals felt less personal risk in suggesting new ideas. Carmeli et al (2010) confirms that collaborative environments reduce the fear of failure, encouraging employees to innovate more freely.

Main Theme: The Role of Diversity and Inclusion, Sub Theme: True vs. Superficial Inclusion, Varied perspectives fostering innovation

The role of diversity in fostering innovation was another important theme. Employees expressed frustration with superficial inclusion efforts, emphasizing that diversity only benefits innovation when different perspectives are genuinely valued. Carmeli et al. (2010) highlights a similar conclusion, arguing that psychological safety is necessary for diverse teams to thrive.

Varied perspectives were also seen as key drivers of innovation. Employees believe that diverse teams bring fresh ideas, but only when leadership actively encourages open dialogue. Research supports this, showing that diversity, when coupled with psychological safety, enhances creativity and problem-solving (Carmeli et al., 2010).

Main Theme: The Effect of Competition on Psychological Safety, Sub Theme: Healthy vs. Toxic competition, Fear of speaking up due to Competition

Competitions have both positive and negative effects on psychological safety especially in organizations. Some employees mentioned that healthy competition motivated them towards innovation and to strive more, on the other hand, others noted that excessive competition led to secrecy and idea-hoarding which

led to a toxic environment. Research by Bradley et al. (2012) supports this, showing that when competition becomes toxic, it discourages knowledge-sharing and collaboration.

Similarly, the fear of speaking up in highly competitive environments was a major concern. Employees described situations where competition created a culture of self-preservation rather than collective progress. This finding aligns with studies that indicate excessive competition undermines trust and psychological safety (Bradley et al., 2012).

The findings from his study emphasize the critical role of psychological safety in fostering creativity and innovation. Employees who felt supported, valued, and free to take risks were more likely to put forward and implement their ideas. However, workplaces that prioritize hierarchy, secrecy, or excessive competition saw reduced creative contribution.

This study aligns with existing literature, which consistently emphasizes the importance of supportive leadership, trust, transparency, and inclusivity in fostering psychological safety. For organizations aiming to enhance creativity and innovation, prioritizing these elements is not just beneficial—it's essential.

## **Conclusion**

This study tries to explore the role of psychological safety in promoting creativity and innovation within the corporate sector by understanding employees' perceptions of psychological safety and identifying the key factors that enhance innovative outcomes. The findings reveal that psychological safety plays a crucial role in employees' willingness to propose new ideas and risk taking, as it creates an environment where individuals feel heard, valued, and unafraid of negative consequences. Employees who perceived their workplace as supportive and transparent were more likely to engage in innovation, while those who experienced dismissive leadership or fear of rejection hesitated to share their insights. This aligns with Edmondson's (1999) foundational work, which established that psychological safety encourages risk-taking and idea-sharing, both of which are essential for innovation.

The study also identified factors that contribute to psychological safety, including leadership approachability, transparent decision-making, team trust, and inclusivity. These findings reinforce existing literature suggesting that inclusive and participative leadership fosters psychological safety, which in turn enhances creativity and performance (Carmeli et al., 2010; Frazier et al., 2017). Contrarily, the study highlights that excessive competition can stifle innovation by creating a culture where employees hoard ideas rather than sharing them for collective improvement. This supports research by Bradley et al. (2012), which found that high levels of competition can undermine psychological safety and lead to a lack of collaboration.

In response to the research questions, the study confirms that psychological safety directly influences employees' willingness to propose new ideas by mitigating fear of rejection and stimulating a supportive environment. Additionally, key factors such as leadership style, team trust, diversity, and competitive culture significantly impact both psychological safety and innovative outcomes. These findings emphasize the need for organizations to cultivate leadership strategies and workplace policies that promote open dialogue, fair evaluation of ideas, and trust-based collaboration. While the study offers valuable insights, its limitations—such as sample size, reliance on self-reported data, and the absence of a longitudinal perspective—suggest compelling opportunities for further exploration. Given these limitations, future research should explore psychological safety in diverse cultural and organizational contexts, with particular attention to virtual work environments and high-risk industries, to deepen our understanding of its long-term impact on innovation. Future research can address these gaps by incorporating cross-cultural



comparisons, digital workplace dynamics, experimental interventions, and industry-specific investigations. By addressing these factors, organizations can create more inclusive and psychologically safe workplaces that empower employees to drive meaningful change and business success.

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