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Organizational creativity

The doctoral dissertation summary

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1. Introduction

The doctoral dissertation “Organizational creativity” seeks to answer the question about the role of creativity in organizations, i.e. generating new and useful ideas that potentially may increase the level of organizational entrepreneurship and result in the higher level of organizational performance. The content of the thesis, rather than aiming at developing yet another model of organizational creativity, focuses on synthesizing the to-date scholarly and empirical work concerning creative and entrepreneurial responses of organizations and their members to contemporary strategic challenges. With a multidimensional and integrated approach, a conceptual framework for understanding organizational creativity has been created and tested by means of survey-based empirical research.

2. Identifying the research gap

In the era of complexity, unpredictability and turbulence, creativity and entrepreneurship gain the momentum as strategic organizational resources in the production of wealth. Managers and scholars alike have increasingly recognized the importance of creativity for an organization’s capability to grow and prosper in progressively more complex, multi-stakeholder settings, which feature high levels of ambiguity, nonlinearity, uncertainty and interdependence (Bechhy & Okhuysen, 2011). Organizational creativity is widely regarded as a key predictor of innovation and high performance (Damanpur & Aravind, 2012). It is not surprising then, that scholars and practitioners share a common interest in elucidating the creative process. Despite the substantial increase in research volume, little is still known about the phenomenon and its context (see George 2007; Hennessey & Amabile, 2010; James & Drown, 2012; Klijn & Tomic, 2010; Montang, Maertz, & Baer, 2012; Xu & Ricards, 2007 for an extensive discussion of the reviews and shortcomings in the field). Overall, the implication coming from this body of work is that, in order to encourage organizational creativity, managers need to recognize the environmental factors that foster or hinder different aspects of creativity in organizations.

There is a general agreement among creativity scholars that the context in which creativity takes place is important for creative accomplishment, and that this particular construct deserves special empirical attention. This, however, coincides with a certain lack of consensus concerning the definition and operationalization of organizational creativity
(Batey, 2012). Additionally, so far researchers have mostly examined the individual and team behavior in the work environment context. The empirical evidence at the level of the organization is still scarce (Weinzimmer, Michel & Fronczak, 2011). Furthermore, creativity is a complex phenomenon, subject to various contextual influences (Agars, Kaufman & Locke, 2008). Building on these ideas, the following dissertation argues that organizational creativity can influence the level of entrepreneurship in organizations, and can be positively related to a firm’s performance. To the author’s best knowledge, no published study has examined the relationships between organizational creativity, organizational entrepreneurship and a firm’s performance, with the moderating effects of the task environment.

3. Research intent, research goals and hypotheses

This dissertation combines and integrates the strategic management theory and the creativity theory, and hence sets up a new and challenging research direction for the field of organizational creativity. For clarity purposes, the thesis revolves around three main questions: (1) At organization level, what is the nature of creativity as the organizational process, (2) What are the relations between organizational creativity and corporate entrepreneurship, and organizational creativity and a firm’s performance, (3) What features of the task environment hold particular promise for creativity in organizational settings? These are the main questions structuring the dissertation and guiding the empirical research that has been carried out. In the present effort, the doctoral thesis will attempt to sketch out some of the answers, exercising to that purpose both, theoretical analyses and some empirical tests. This should result in various practical implications for stimulating creativity in organizations, that will be positively related with performance.

The fundamental research intent of this doctoral thesis concentrates on presenting the strategic role of creativity in entrepreneurial organizations that function in a turbulent environment. In order to delve into this research intent, a set of goals was defined. Among the theoretical goals that this doctoral thesis attempts to achieve, there are the following:

Reviewing and systemizing the field literature for enhanced comprehension of the organizational creativity concept and the methods of its measurement.

Creating a scientific framework for organizational creativity by analyzing various theoretical approaches toward creativity in organizations.

Explaining the role of organizational creativity in shaping the level of the firm’s performance.
Explaining the role of creativity in processes involving corporate entrepreneurship,
Identifying the dimensions of organizational creativity and corporate entrepreneurship;
empirical testing of the relations between organizational creativity, corporate entrepreneurship and performance,
Defining the influence of organizational environment on the relations between organizational creativity, corporate entrepreneurship and the firm’s performance.

The achievement of these goals would make a significant contribution to the field by:
(a) extending the management theory with the concept of creativity as an indispensable element of the organizational configuration, (b) broadening the pool of knowledge on the sources of organizational value creation.

This doctoral dissertation, by virtue of the empirical research carried out, is expected to achieve the following methodological goals:
Expanding the repertoire of existing research methods by proposing tools for organizational creativity and corporate entrepreneurship measurement,
Clarifying the conceptual and methodological problems concerning research on creativity in organizations,
Integrating the concepts of organizational creativity and strategic entrepreneurship.

The third set of goals this dissertation attempts to achieve is of practical nature, and concerns mostly the following:
presenting the possibility of using an organizational creativity measurement tool for various organizational surveys,

describing managerial practices that stimulate and enhance creativity and entrepreneurship in organizations,
presenting new insight into organizational excellence thus supplying managers with a new lens for observing, understanding, analyzing, generating and changing the organizational activity when needed.

The synthesis of the literature study, as well as the identified research gap has led to the formulation of the following hypotheses:

H1: Organizational creativity is a two-dimensional construct described by novelty and usefulness.

H2: Organizational creativity is positively related to firm performance.

H3: Corporate entrepreneurship is a two-dimensional construct described by venturing and strategic entrepreneurship.
H4: Corporate entrepreneurship is positively related to firm performance.

H5: Corporate entrepreneurship mediates the positive relationship between organizational creativity and firm performance, thus reinforcing this relationship.

H6: Task environment is a multi-dimensional construct described by dynamism, hostility and complexity.

H7: Task environment moderates the relationship between organizational creativity and firm performance in a way, that organizational creativity will influence firm performance to higher extent, when organization operates in a dynamic, hostile and complex environment.

4. The structure of the dissertation

The dissertation ‘Organizational creativity’ is divided into three main parts. The first chapter titled ‘Creativity in organization management’ presents a new, emerging approach to managing organizations that involves looking through the prism of creativity. First, the meaning and the nature of creativity in organizations are presented, with a synthetic overview of how creativity is understood. As a result, a call to recognize the multidimensional nature of creativity has been formulated. This is followed by an overview of the to-date theoretical and empirical analyses, describing over fifty significant research results in the area of organizational creativity. The chapter ends in the presentation of some theoretical advances in the creative organizations research and their characteristics.

The second chapter of the dissertation, titled ‘Theoretical relations between creativity and entrepreneurship’, seeks to explore the idea that the links between creativity and entrepreneurship are significant for strategic management of contemporary organizations. By way of logical introduction, the main conceptual overlaps of creative activity and entrepreneurial activity are presented. Further on, some characteristics of creative entrepreneurs are analyzed and described, taking into account their embedding in the social networks.

A significant part of the second chapter revolves around the creative production of entrepreneurial opportunities, succeeded by an analysis of creativity from the point of view of strategic entrepreneurship. What follows is a description of the key problems that an organization introducing strategic creativity has to face, made in reference to twelve fundamental theories of organizations. This is succeeded by the analysis of the nature and structure of strategic entrepreneurship. Particular attention has been paid to the strategic role of creativity both, as an effect of resource management and as a strategic resource for
orchestrating other organizational resources. Finally, entrepreneurship has been suggested as a method of coping with strategic challenges, and various forms of entrepreneurship have been presented. The final part of the second chapter attempts to describe the influence of task environment on the relations between organizational entrepreneurship and performance.

The first two chapters make up the theoretical part of the doctoral dissertation, thus creating a conceptual framework for the empirical research, which is presented in the third chapter. Firstly, to make related methodological assumptions, a model approach has been presented for understanding creativity and entrepreneurship as organizational processes. As a result, the methodology of empirical research has been presented with the main focus on the research model, hypotheses, sample selection and characteristics, research method, variable measurement, research questionnaire and data analysis. The research results are thoroughly described, discussing and interpreting the relations between the dimensions of organizational creativity and the firm’s performance ratios. The empirical research provided an opportunity to examine the moderating effect that the task environment might have on the relationship between organizational creativity and the firm’s performance. Specifically, it broadens the current theory of creativity by examining the unexplored impact of environmental dynamism, environmental hostility and environmental complexity. The chapter concludes with a synthesis of research results with the interpretations of hypotheses’ testing. The final part summarizes the main contributions of the doctoral dissertation. The implications for theory and practice have been indicated, pointing to some of the directions for future research.

5. Research methods

The empirical research carried out in this thesis was designed for theory testing and theory building. Opinion poll was chosen as a preliminary research method for collecting the data on creativity, entrepreneurship and environment. The poll was completed in 2011 on a random sample of single-business, small and medium-sized enterprises from the region of Upper Silesia. 250 answers met the research criteria, making an overall 62 % return rate. Basing on the poll results, a comprehensive 7-grade Likert scale survey was developed, aiming at collecting the data on the main constructs: creativity, entrepreneurship, environment, and performance. The survey was sent out to 250 top managers of organizations that met the research criteria in the first phase of the research. 158 questionnaires were collected back as valid for further quantitative analyses. In order to test the hypotheses, descriptive statistics, correlation analysis, factor analysis and regression analysis were used,
along with Sobel’s, Aroian’s, and Goodman’s tests for assessing the mediating role of variables.

6. Research results

As a result of the research hypotheses 1, 2, 4 and 6 were verified, whereas hypotheses 3, 5 and 7 were rejected. Some conclusions can be therefore drawn. First, it can be posited, that organizational creativity, described by novelty and usefulness, is positively related to performance. Moreover, this relation is stronger than the one between corporate entrepreneurship and performance. Adding the creativity variable to corporate entrepreneurship construct explains more precisely the changes in firm performance. Second, corporate entrepreneurship is positively related to firm performance. Third, the mediating role of corporate entrepreneurship in the creativity-performance relation was not grounded empirically. Fourth, the research explained the role of task environment described by dynamism, hostility and complexity which does not act as a moderator of the relations between organizational creativity and firm performance. To sum up, the fundamental conclusion can be formulated, that organizational creativity is an important driver of firm performance, regardless the type of environment, and the presence of corporate entrepreneurship.

7. The contribution of the research

This doctoral thesis makes a number of contributions to the literature on the subject of creativity in organizations. First, the attention has been explicitly drawn to the organizational level of analysis, which has largely been missing from the field’s literature so far. Its contribution to the written discourse and strategic management theory consists not only in the empirical testing of the relationship between organizational creativity, entrepreneurship and a firm’s performance, but also in the theoretical research and examination of the yet-unexplored moderating effects of task environment.