1. Capitalizing on creativity: on enablers and barriers

Matej Černe, Arne Carlsen, Miha Škerlavaj and Anders Dysvik

WHY CAPITALIZING ON CREATIVITY?

What does it mean to capitalize on creativity in organizations? This is not a trivial question. Most research on creativity – whether at work, in the arts or in science – sees it as a combination of what is novel and useful (Amabile, 1996; Simonton, 2004; George, 2007). It is inherent in the very concept of creativity that for ideas to be creative they must be somehow taken up in the field and considered valuable by key stakeholders (Csikszentmihalyi, 1999); mere novelty is not enough. A creative idea is per definition one that is also useful, but does that mean one that has already beencapitalized on? Well, not really. It is also true that most scholars or practitioners talking about creativity and innovation will associate the former closer to idea generation and the latter to implementation (Hennessey and Amabile, 2010; Anderson et al., 2014).

Our way out of these seemingly inconsistent definitions is to complicate the notion of usefulness. Useful to whom and to how many? To what degree? At what point in time? Ideas are rarely born novel or useful or not – they are made novel or useful in how they are expanded upon, molded, fattened, reiterated and connected to the ideas of others, when they are worked upon (Carlsen et al., 2012).

It is this working upon of ideas when moving towards and expanding upon realization that we take further issue with here. Capitalizing on creativity is not like traveling down a one-way street filled with a sequence of glorifying moments where ideas travel unaltered from their birth to their realization. The journeys (Van de Ven et al., 1999) are far messier because ideas seldom stay the same when people connect with them. A study of ‘nexus work’ by Nashville music producers shows how ambiguity of idea quality triggers repeated bouts of problem definition, integration and synthesis (Lingo and O’Mahony, 2010). A process analysis of US healthcare
Transforming ideas into front-line practice may involve a range of activities for experimentation, local adoption and meaning-making (Reay et al., 2013). Managing the successful expansion of a retail chain of women’s luxury accessories that grew from a handful of stores to over 300, first of all meant unleashing creative resources of store managers and employees, not replicating the concept (Sonenshein, 2013). When escaping from the dungeons of reification and simplified assumptions of laboratory studies, we see, quite paradoxically, that capitalizing on creativity may mean embracing the ambiguous, open-ended and unfinished to unleash more creativity.

With some unease, we will explore the capitalizing of creativity in part by using the word ‘implementation’. The word implementation means ‘fulfilling’, or seeing something through to the end by ‘carrying it out’ or ‘performing’. We use the word mostly in its performative sense, whether capitalizing on creative thought, ideas, or actions. Implementation is about the process, effort and tools required to install something into a functioning operation and the change(s) in state or quality of ideas when they are worked upon. Such an approach enables the exploration of ‘the black box’ of micro-individual-level innovation processes through the relationship of its beginning and end phases. In reality, the innovation process is complex, and idea generation and implementation do not necessarily proceed in a linear fashion, but can take place interchangeably (Anderson et al., 2004). Organizations need to generate and implement ideas throughout the innovation process in a constantly changing manner (Rosing et al., 2011).

It is possible to approach capitalizing on creativity with a narrower definition of implementation as carrying out something more or less preset (for example, Baer, 2012). For example, a recent study by three of the editors of this book (Škerlavaj et al., 2014) qualified the relationship between idea generation and idea implementation at the individual level as curvilinear, inverted u-shaped, where moderate levels of creativity (both in terms of the quantity and level of creativity of ideas) seem to be most beneficial for idea implementation.

Most chapters in this book will use a more process-oriented conception of both ideas and the work done to them. Implementation in a broad sense means working on ideas and mobilizing resources to move towards realization. This mobilizing may in itself call for and involve more creativity (that is, both more novelty and usefulness) along all stages of work, with recursive loops in between (Van de Ven and Sun, 2011), and engaging widening circles of audiences and users. In short, we start from the point that capitalizing on creativity means (1) expanding novelty and usefulness
in quality, (2) expanding from the few to the many, and (3) expanding from realized creativity at certain points in time to more enduring consequences.

The present book is about capitalizing on the creativity of individuals, teams, and organizations, and ultimately, as we shall see, also users. If organizations fail to generate, shape, adapt, and implement highly creative ideas, they fall short of contributing to organizational prosperity (Levitt, 2002). Therefore, the focus of the book is on conditions that foster individuals’, teams’, or firms’ implementation activities and performance. The main premise is that if these can be properly identified and fostered, creative power can be better harnessed and systematically directed to generate profit, competitive advantage, and human prosperity.

The book examines what can be done to capitalize on creativity by examining processes at five different levels of analysis: individual, team, leadership, organizational, and policy-making. Individual, team, organizational, and country (policy-making) levels were chosen as a relatively standard and common set of levels in multilevel research (Klein and Kozlowski, 2000; Kozlowski and Klein, 2000; Černe et al., 2013). We added another level that characterizes leadership as a crucial contingency in work dynamics at individual and group levels, including micro-innovation activities (De Jong and Den Hartog, 2007; Rosing et al., 2011; Škerlavaj et al., 2014).

The book as a whole attempts to integrate macro-level innovation research with micro-level creativity work (Agars et al., 2008) and propagates multi-level approaches and theorizing. It also includes complex (bottom-up or top-down) research designs that account for the interdependence between creativity and innovation at different levels of research and analysis. Preclusion of those levels of analysis might also drive researchers’ or practitioners’ approaches to dealing with the idea generation–idea implementation relationship, be it separated or intertwined, linear or curvilinear, subsequent or concentric, making this research question another key issue of our book.

**INDIVIDUAL LEVEL**

In Chapter 2, Hernaus examines the role of job design in idea implementation–oriented work behavior. He first reviews and mutually compares job characteristics for creativity-oriented and implementation-oriented work behavior, followed by a presentation of personal and positional determinants of innovative work behavior. This serves as a starting point for other micro-level chapters of this book. He focuses on the explanation of their complex and intertwining relationship, and how understanding their interplay can provide the human resource (HR)
managers with tools needed to develop job characteristics fit for individual employees instead of following ‘one-size-fits-all’ solutions. Finally, Hernaus suggests job crafting (Berg, 2014) as a useful tool for creative-idea implementation, and provides practical examples of its application.

In Chapter 3, Aleksić, Škerlavaj and Dysvik delve into the intra-psychic processes of transforming creative ideas into implemented innovations, building upon the flow theory (Csikszentmihalyi, 1975). They argue that flow experience, defined as ‘a state in which people are so involved in an activity that nothing else seems to matter; the experience itself is so enjoyable that people will do it even at a great cost, for the sheer sake of doing it’ (Csikszentmihalyi, 1991, p. 4), prompts a faster transition from the intention to carry out an activity to its actual implementation (Baumann and Scheffer, 2010). They enrich this theoretical perspective with empirical data from a specific setting: start-up companies, which are highly useful sources of information on how to foster idea implementation, because implementation of creative ideas is at the core of their functioning. The authors conduct analysis of interviews and other available secondary data of well-known start-up companies, identify common challenges related to creative-idea implementation and provide an explanation of how flow experience helps to overcome those challenges.

Chapter 4 is co-authored by Bogilović, Škerlavaj and Wong, and examines idea implementation in a culturally diverse environment. Specifically, it focuses on the role of cultural intelligence, that is, an individual’s capability to function effectively in a culturally diverse environment and with people from a culturally diverse environment (Ang and Van Dyne, 2008), in the idea-implementation process. The authors address some of the potentially negative aspects of cultural diversity in a diverse work environment, and examine how cultural intelligence can mitigate negative consequences of a culturally diverse environment and in turn acts as a cornerstone of idea implementation. After briefly reviewing some of their research on cultural intelligence and idea generation, the authors provide practical examples of how individuals with high cultural intelligence implement creative ideas along with culturally diverse colleagues.

TEAM LEVEL

In Chapter 5, Černe, Kaše and Škerlavaj seek to increase our knowledge into the important, yet often overlooked process between idea generation and idea implementation: idea championing, or advocates of an implementation of particular product, for the success of technological innovation. Their chapter begins by describing the concept of idea championing and
provides evidence of its importance, before moving on to how idea championing manifests itself in the context of teams and related consequences more generally, and team-level idea implementation outcomes specifically. Since innovation champions may assist innovation processes by overcoming organizational barriers and resistance, the process of championing is what the authors emphasize in their chapter. The authors show how the extant literature suffers from a lack of rigorous empirical investigation on idea champions at the micro-level. Fortunately, they provide increased insight into the underlying mechanisms of idea championing. In addition, they show how the micro-level process of idea championing is influenced by innovation processes in teams and provide specific advice to managers and organizations.

In Chapter 6, Krapež Trošt and Škerlavaj combine decision-making (Rusou et al., 2013) and team-innovation literatures to outline and test a multi-level model of team-level innovation antecedents by building upon the dual process theories (DPTs). Specifically, they build upon cognitive-experiential self-theory (CEST; Epstein, 1990), to examine two qualitatively different thinking modes – intuitive mode and deliberative/analytical/rational mode – as antecedents of team-level innovation. The authors conduct a multi-level study of R&D teams in four companies located in Germany and Slovenia, and find that team intuition more strongly relates to team idea generation, whereas individuals’ perceptions of team-level need for cognition as a proxy for rationality more strongly relate to team idea implementation.

Is curiosity mainly a fuel for creativity, or can it be an outcome of it, one that aids the adoption and dispersion of creative products? That is a core question dealt with by Harrison (Chapter 7), who urges us to reconsider the linkages between curiosity and creativity. Harrison shows how curiosity can be fodder for discovery narratives that stir how people connect to, become fascinated by or identify with new creative products – and consequently adopt them. Capitalizing on creativity may thus mean embracing mystery, here understood as a controlled revealing of secrets, inviting customers to solve a puzzle. Curiosity then becomes a motivational backbone and a social resource that goes beyond the generation of an idea and strongly influences how others connect to, adopt and disperse a new creative product.

In Chapter 8, Nerstad discusses how mastery and performance motivational climates interplay to moderate the curvilinear relationship between frequent idea generation and implementation at work. By drawing on the theoretical lens of achievement goal theory (Nicholls, 1989; Ames, 1992a), she argues for how these environmental forces are important for the innovation process and presents empirical findings supporting the relevance of
accounting for such interplay. Specifically, she argues that ideas are most frequently implemented in contexts characterized by both high-mastery and high-performance climates.

**LEADERSHIP**

Chapter 9 is co-authored by Černe, Škerlavaj and Dysvik. The authors explore a crucial boundary condition in the relationship between idea generation and implementation at the individual level – the extent to which employees feel supported by their group/team supervisors. The chapter significantly builds upon the authors’ own previous experimental work on the role of perceived supervisor support in implementing creative ideas (Škerlavaj et al., 2014) by extending its theoretical underpinnings and demonstrating its practical value using illustrative case studies.

In Chapter 10, Buch and Kuvaas review and extend the existing literature regarding the association between leader–member exchange (LMX) and the implementation of creative ideas. Research has convincingly demonstrated that a high-quality LMX relationship constitutes an important driver of employee creativity (for example, Elkins and Keller, 2003). Nevertheless, while most scholars investigating LMX relationships have assumed that LMX falls on a continuum from low to high quality, LMX research on creativity would benefit from further enrichment of the LMX construct. Buch and Kuvaas add to the literature by introducing the role of economic LMX in the context of idea implementation. An economic leader–member exchange (ELMX) relationship is not the exact opposite of a social leader–member exchange (SLMX) relationship (cf., Blau, 1964; Shore et al., 2006). Kuvaas et al. (2012) addressed this gap in the literature and found ELMX to relate negatively to outcomes such as in-role and contextual performance. Building on this, Buch and Kuvaas propose that an SLMX relationship will be favorable, and an ELMX relationship will be unfavorable for the implementation of creative ideas.

Chapter 11 is co-authored by Černe, Sumanth and Škerlavaj and delves into authentic leadership as a predictor of not only idea generation, but also idea implementation at the individual level. Consistent with scholars’ long operating under the implicit assumption that positive leadership behaviors yield perpetual benefits, without any downside or negative consequences, most previous studies exploring authentic leadership phenomena have neglected its potential pitfalls. The chapter reviews recent research on authentic leadership that acknowledges the fact that this construct may not always provide positive benefits, and explicitly focuses on how leaders that are deemed ‘too authentic’ may in fact contribute heavily to their
followers’ diminished or at least plateauing returns on innovation (in other words, individual-level idea implementation). They test the curvilinear relationship in a multi-method study (that is, field study and lab experiment), and conclude by presenting practical examples of overly authentic and consequently overly narcissistic leaders, and finally offering practical advice on overcoming the (mis-)perceptions of narcissism.

ORGANIZATIONAL LEVEL

Chapter 12 is co-authored by Carlsen and Välikangas who challenge implicit (or even explicit) assumptions in much of the literature on innovation and creativity with regard to ideas as discrete entities that stay more or less unaltered in points of time to then be implemented in processes subsequent and clearly separated from their generation. Carlsen and Välikangas differentiate between an orthodox view that implies a linear sequence to creative work where implementation is a matter of execution, and a process view where implementation is best understood as discovery. The key realization is that the implementation of creative ideas means that we recognize that ideas are more or less always in flux and being worked upon. This argument is supported by four cases from recent empirical research (Carlsen et al., 2012; Välikangas and Romme, 2013) and further illustrated with an example of a company that built an innovation program to develop more discovery capabilities in the organization.

Chapter 13, co-authored by Župič and Giudici, examines the concept of business model innovation in more depth by focusing on four main types of business models according to Zott and Amit (2010): novelty, lock-in, complementarities and efficiency based. The authors portray those types by presenting three short cases, illustrating (1) how a company innovated on its business model to gain competitive advantage, (2) how a disruptive innovative business model not only has firm- but also industry-wide impact, and (3) how it is difficult for established companies to engage in business model innovation, identifying the barriers to successful business model innovation implementation.

In Chapter 14, Batistič and Kaše narrow in on the social network perspective of idea implementation as the relational phenomenon and examine the structural position (namely, centrality, brokerage and clustering) of individuals within relational networks of idea implementation. Adopting the ‘taking charge’ perspective (Morrison and Phelps, 1999), the authors theorize and empirically examine sociometric data collected in a medium-sized knowledge-intensive IT firm. The results suggest that a formal structure plays an important role in the idea implementation
network, especially when it is related to the control of such process, contributing to the literature on the social and interactionist perspective of the micro-innovation process.

In Chapter 15, Hudovernik, Škerlavaj and Černe examine the role of proactive employee behaviors for idea implementation in three companies based in Slovenia that are operating within the automotive industry. The chapter thus focuses on identifying predictors of innovation performance beyond position of company, level of autonomy and ownership types, and even individual-level innovation predictors that stem from employee personal characteristics. Specifically, the authors take an evidence-based theory-building approach on the foundations of multiple case studies to contribute to the literature on the drivers of employee proactive behavior as an antecedent of innovation performance. They suggest a guiding framework on proactive behavior that expands existing research on its individual-level drivers, namely top management support and philosophy, assigning key individuals for innovation, specific organizational-level innovation processes, which all in turn contribute to higher levels of idea implementation.

In Chapter 16, Rauth and Nabergoj combine perspectives from design thinking and sensemaking in a study of uptake of radical ideas at the Consumer Products Company. Three sets of workshops, all using design thinking in their format, are investigated. They identify six practices that foster sensemaking, idea development and capitalization on ideas across multiple organizational levels; namely: the engagement of functionally and hierarchically diverse individuals, the establishment of heterogeneous teams, the iterative involvement of individuals, and the exposure to, engagement in and acting upon conflicting views. At the core here is the intentional iterative sensemaking in groups subjected to contradicting views from various stakeholders. This process enables development of shared common sense of creative ideas as the major platform for their productive uptake.

In Chapter 17, Tracogna, Balboni and Bortoluzzi examine business models and the growth of high-tech and science-based new ventures in Italy. The central idea of their study is that the performance gap of innovative new ventures mostly refers to the inappropriateness of their business models (Zott and Amit, 2007, 2008). The authors analyze the business model evolution of three innovative new ventures, revealing that in all the three cases the initial business models have been significantly changed over time to adapt to new contingent factors and to assure a better match with the market demand and the entrepreneurial objectives. Contrary to the well-rooted idea that the market potential of innovative start-ups is reflected in its initial business model, it takes a lot of adaptation and
fine-tuning to implement (that is, ensure the long-term survival) creative ideas (in their case, initial creative start-up business models).

Chapter 18 is co-authored by Shipton, Sanders, Bednall, Lin and Escribá-Carda. The authors focus on HR practices or combinations of practices that are important for idea implementation, why this might be so and what this means for managers seeking to implement human resource management (HRM) to employees on the receiving end. Following Collins and Smith (2006) the authors suggest that high-commitment HRM prompts innovation by supporting, guiding and facilitating the exchange and effective combination of knowledge. Furthermore, in building the social climate that gives rise to knowledge exchange and combination, HRM practices signal the importance of cooperation, offer opportunities for employees to develop share codes and language and manifest trust in one another (Collins and Smith, 2006). What matters, however, is not the existence of practices per se, but the way in which they are interpreted and enacted by employees. A strong HRM system is distinctive, consistent and consensual (Bowen and Ostroff, 2004). It ‘stands out’ to employees, clearly signaling what actions are required to achieve strategic goals. Through consistency, high-commitment HRM is internally aligned; through consensus, all key stakeholders convey the same message to employees.

Chapter 19 is co-authored by Lotz and Kristensen and narrows in on multinational firms and their potential to co-create and innovate in lateral collaborative communities through joint learning activities. They label them ‘multi-polar learning communities’ because they magnify the ability to accumulate knowledge and co-create new organizational innovations through knowledge-sharing and interactive learning across different domains and poles. Drawing on empirical evidence from a case study in a Danish multinational corporation experimenting with the development of multi-polar learning relationships across their production sites, the chapter examines the organizational architectures of multi-polar learning communities, their governance arrangements, and how they foster micro-practices of co-creation in global work arrangements.

The process of active adaptation during the implementation phase is further investigated in Chapter 20 by La Rocca, Hvidsten and Hoholm. The authors use a practice lens on creativity and present a case study of the practices of adopting a new IT system on electronic patient journals, a system that is at once standardized and caters to various user needs. La Rocca et al. identify three sets of creative coping responses to the new system: (1) expanding the system to involve more functions and better accommodate a broader range of stakeholder perspectives, (2) reinterpreting functions and negotiating authority relations in new service offerings, and (3) orchestrating an assemblage of artifacts and
activities to better exchange information and coordinate service activities. Together the three practices highlight how successful implementation of creative ideas is enabled by ongoing creative efforts of users.

In Chapter 21, Mørk and Hoholm also use a practice-based approach to an in-depth comparison of two longitudinal cases of innovation originating in the medical R&D department of Oslo University Hospital. At issue is both the role of the R&D department, the bridging of disciplines and change versus reproduction of practices. The authors identify four sets of practices that were key to implementing breakthrough innovations in this setting: (1) enactment of expertise in well-established fields, (2) exploring advanced procedures in new fields, (3) improving procedures in new fields, and (4) relating novel practices to wider networks of practice. These four practices speak to several important tensions in capitalizing on creativity, such as mastering existing practices while exploring new and aligning practices locally as well as translocally.

POLICY-MAKING

Chapter 22 is co-authored by Jaklič and Pustovrh, and analyzes different national innovation policy mixes (that is, sets of ‘narrow’ and ‘broad’ governmental policies aimed at fostering innovation) that countries that are successful in implementing innovations across various domains apply. Using a quantitative comparative method (QCA), the authors analyze different configurations of innovation policies leading to successful innovation outcomes. They obtain a number of different solution paths leading to national innovation success, revealing that no individual policy tested is either necessary or sufficient for innovation success. Finally, they offer cases of successful and less successful national innovation policy programs applied in representative countries.

In Chapter 23, Parycek, Schoellhammer and Schossböck deal with governmental ideation systems supported by information and communication technologies. They first legitimize the idea of an innovative governance and present modes of innovation within governance, including the structures that support participation and collaboration in collective action. After an overview about concepts like open government, open innovation and open government data (OGD) and the collective structures that support participation and collaboration (in particular, crowds, communities, networks and hierarchies), the authors describe a case of governmental ideation and collaboration by describing the success factors for implementation of OGD within the City of Vienna from both an internal and external perspective.

In Chapter 24, Brøgger further broadens the take on innovation in her
chapter on the development of a small social media venture, a company founded by a person diagnosed as autistic. Brøgger shows that the growth of this firm can be regarded as what she calls a triple-embedding process whereby the company has been positioned within the different demands and opportunities in the market, the local community and the public sector. The author further argues that administration, in the sense of doing things in tried and tested ways, has been key to this embedding process.

The book concludes with a discussion (Chapter 25, Škerlavaj, Dysvik, Černe, and Carlsen) on key findings and topics identified within the book as well as suggests avenues for future research and practice of capitalizing on ideas.

REFERENCES


