Volume 1

Organizational Creative Capabilities

Management Factors, Processes and Devices

Edited by
Guy Parmentier

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Contents

Foreword

Creativity management has become a priority for companies today. Since the 1990s, work in the field of management has recognized the collective nature of creativity and the importance of the organization of new ideas conceived as complex socio-cognitive processes that must be managed. Progressively, companies have equipped themselves with tools and methods to support the ideation process, from the emergence phase of new ideas to the "landing" phases within the organizational structures of ideas that have reached the stage of maturation. However, as the introductory chapter to this book clearly points out, research on organizational creativity has so far developed in parallel and without any precise link to fundamental reflections on strategic management and organizational business models.

Hence, the originality and the major contribution of this collective work concerns the consideration of organizational creativity as located at the heart of the strategic management of organizations. By considering that organizational creative capability is "the ability, using processes and routines, to generate, select and integrate new, appropriate, and useful ideas and solutions to improve, change and renew an organization's processes and outputs, as well as the organization itself", this book contributes to filling an important gap in the management literature. Taking a clear stand against the view of Napier and Nilsson (2006), who equate creative capabilities with dynamic capabilities of an organization, the book convincingly argues that creative and dynamic capabilities are two distinct types of organizational capabilities. More specifically, in the first chapter of this book, Guy Parmentier argues that creative and dynamic capabilities can be complementary, and that creative capability could form part of dynamic capabilities by providing the ideas necessary for organizational evolution and

renewal. This point is essential, because in the now classic conception of dynamic capabilities given by Teece (2007), each of the firm's dynamic capabilities (sensing, seizing or reconfiguring) refers to the notion of ideas: sensing refers to the firm's ability to capture external ideas in order to create value; seizing translates the firm's ability to select and develop ideas that are aligned with the organization's common vision; as for reconfiguring, it refers to the company's ability to reconfigure the company's tangible and intangible assets according to the ideas it receives. Creative and dynamic capabilities thus appear to be closely complementary, confirming one of the major contributions of the book.

The different chapters of this book offer the opportunity to analyze in depth the organizational processes of creative capabilities and the organizational factors that act at all levels of the organization to foster the development of creative processes.

The analysis of the organizational routines of creative capabilities (the opening of the boundaries of the organization to nourish the process of creativity, the possibility of leaving "creative slack", the arrangement of spaces favorable to the deployment of creativity, the implementation of systems for evaluating ideas, etc.), which is presented in several chapters of this book, underlines the complexity and richness of the creative process. This analysis also shows that the phase concerning the emergence of ideas, on which many managers focus (through the use of many tools to generate creative ideas), is a necessary, yet insufficient condition for the development of a creative process. Idea management is a long, complex and highly strategic process. After the creative "spark" (the generation of the idea), the path to follow aims to mature, question, enrich and validate the ideas. Cummings et al. (2015) designate this path by the term creativitying (the creativity integrated into the action corresponding to the sequence of actions going beyond the generation of the idea). This conversion of the idea requires an investment of time, resources and effort, in order to clearly identify, actualize and extract the potential value of the idea. Mastering this conversion phase gives the organization a significant competitive advantage. As several of the contributions in this book point out, this control, which is an essential strategic capacity of the organization, is based on internal procedures and specific leadership, and cannot be delegated to external partners.

In these organizational routines of creativity, many of the authors of the book emphasize the active and central role of various "knowledge

communities". These communities share, question and assemble elements of knowledge around a common object of interest, whether it is a practice, an emerging paradigm or the construction of a new framework of understanding in a creative field. They are one of the main cogs in the socialization process within the company. As Boland and Tenkasi remind us:

> Organizations are characterized by a process of distributed cognition in which multiple communities of specialized knowledge workers, each dealing with a part of an overall organizational problem, interact to create the patterns of sense making and behavior displayed by the organization as a whole (Boland and Tenkasi 1995, p. 351).

These communities act as an active repository of cognitive and practical resources that fuel not only the exploration capabilities of the company, but also its exploitation activities. The members of these communities often have both one foot in the cognitive construction of new ideas and the other in the company's innovative projects. They are then in the best possible position to trace the (exploratory) ideation processes with the elements of knowledge acquired in the (operational) processes of the projects. These communities also compensate for the possible local limitation of resources by connecting to other external knowledge communities from where they can import relevant elements to enrich their creative explorations and conversion of ideas. They represent much more than just a passive repository of knowledge. Rather, they act as an active device for exploring, exploiting and renewing the "creative slack" that influences the organization's strategic innovation pathways.

Another important contribution of this book is the careful examination of the organizational factors that favor the development of creative processes. These different factors (organizational climate, autonomy, organizational structure, encouragement and incentives, shared vision, etc.) constitute the "fertile ground" that allows creative processes to take shape and develop. In this line of argument, the book highlights the importance of an "organic structure" of the firm, which is based on continuous interactions between the formal structures of the firm and the informal structures (communities) that allow the circulation and enrichment of ideas. According to Burn and Stalker (2011), such an organic form is appropriate for changing conditions, which constantly give rise to new problems and unforeseen requirements for action that cannot be decomposed or distributed automatically from the functional

roles defined in a hierarchical structure. In such an organic form of the firm, the implementation of devices, allowing for the enrichment of ideas as they circulate between the informal structures of the firm and the formal structures, is akin to the design of an internal middleground (Cohendet et al. 2010), composed of places that encourage exchanges, projects that allow communities to interact, events (such as hackathons, ideation days, etc.) that allow new creative ideas to be revealed, and the staging of a common vision (cognitive space).

By placing organizational creativity at the heart of the strategic management of organizations, and analyzing in depth both the organizational processes of creative capabilities and the organizational factors that promote the development of creative processes, this book makes a valuable contribution to the theory and practice of organizations, and provides essential insights for the development and enhancement of creative ideas in innovation processes.

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Patrick COHENDET
Professor at HEC Montréal
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Author Biographies

Florence Jeannot is a marketing professor at INSEEC/CERAG Grande École, France. She is a graduate of ESCP and has a doctorate in management science. Her research focuses on the contribution of marketing during the development, pre-test and launch phases of new products, three key stages of the innovation process. It is based on a hypothetical-deductive approach and mainly uses experimental methods and causal modeling via structural equations. These works refer to theories from research in cognitive and social psychology, which have been published in peer-reviewed journals such as *Journal of Business Research*, *Journal of Marketing Management*, *Recherche et applications en marketing*, *Revue française de gestion*, *Systèmes d'information et management*, etc.

Séverine Le Loarne-Lemaire is a professor at Grenoble École de Management, France, where she teaches strategic management and the place of innovation in the formation of corporate strategy to a wide range of audiences (in France, and also in Asia and North America, in initial and continuing education programs). Her research focuses on gender identity and social identity of the creative person: their posture and ability to put forward their creative ideas and to exploit them in an intrapreneurial or entrepreneurial process. Her work has been published in multiple research journals (*Journal of Business Research*, *Technological Forecasting and Social Change*, *Journal of Knowledge Management*, *Entrepreneurship and Small businesses*, etc.). She is also the author of pedagogical manuals on innovation, including a comic book (*Histoires d'innovation*, Pearson).

Maxime Mellard is an assistant professor at the IAE Lille University School of Management of Université de Lille, France. He mainly teaches

strategic management and innovation management, with a particular focus on creativity management and idea management. His research focuses on these same topics applied to creative industries such as video games, fashion and zythology, using qualitative and mainly QCA methodologies. He has published in the *Journal of Innovation Economics & Management* and the book *Research in the Sociology of Organizations*.

Guy Parmentier is a professor at Université Grenoble Alpes and a researcher at CERAG, France. His research interests include the management of innovation and creativity. He has edited the collective work *The Practical Guide to Communities* (Éditions d'innovation) and co-wrote the book *Stratégies et business model à l'ère digitale* (De Boeck Supérieur). His work has also been published in journals such as *Management International*, *Technological Forecasting and Social Change*, *Creativity and Innovation Management*, *Revue française de gestion*, etc. He has also been a project manager in the publishing industry and directed, for eight years, the video game production studio Galilea in Grenoble and Montreal.

Romain Rampa is an assistant professor at the École Polytechnique de Paris in the Management of Innovation and Entrepreneurship department, France. He is also a researcher at the CRG and the Institut interdisciplinaire de l'innovation de Paris (I3). His research focuses on the management of innovation and creativity, as well as on the management of ideas in organizations. During his studies, his research projects led him to work in the gaming industry (Ubisoft), the aerospace industry (Bombardier), the health sector (Sainte-Justine university hospital), as well as with large companies in the field of energy and sustainable mobility (IREQ, Michelin, Canmet Énergie). His work has been published in several journals, including *Creativity and Innovation Management*, *Revue française de gestion* and *Management International*.

Émilie Ruiz is an associate professor of innovation management at the Université Savoie Mont Blanc and a research fellow at the Institut de recherche en gestion et économie (IREGE), France. Her research, published in journals such as *Revue française de gestion*, *Management International*, *R&D Management*, *Technovation* and *European Management Journal*, deals with open innovation, in particular with communities of innovation, and organizational creativity as well as cultural and creative industries.

Zeinab Sheet is a young doctoral student in management sciences at the Université Grenoble Alpes/CERAG, France. Her research focuses on the management of creativity and innovation. She specializes in statistics applied to social sciences, particularly in the modeling of structural equations and the construction of measurement scales. During her studies, her research projects led her to interact with creative organizations such as Walt Disney, Dream Works and Ubisoft. Her research work also focuses on open innovation practices in innovative companies.

Bérangère L. Szostak is a professor at the ISM-IAE of Versailles Saint-Quentin-en-Yvelines, Université Paris-Saclay, France. She is the director of the Research Center LAREQUOI. She specializes in the strategic management of innovation and organizational creativity in various organizations (SMEs, cultural and creative industries, social economy organizations, hospitals, etc.). Her contributions concern the development of creativity, particularly through design thinking. Her work has been published in journals such as *M@n@gement*, *Revue française de gestion*, *Revue internationale de la PME*, *Revue d'économie industrielle*, *Journal of Innovation Economics & Management* and *European Journal of Innovation Management*. She is the author, along with C. Gay, of *Innovation and Creativity in SMEs* (ISTE-Wiley, 2019).

Introduction

In the last decade, business leaders have realized that creativity has become a major challenge in the organizations who seek to make profound changes within, in order to achieve their strategic goals (IBM CEO study 2010[1]). Just as in the economic field, Nobel laureate in economics Edmund Strother Phelps argues that modern economic growth is a direct result of human initiative and creativity (Phelps 2013). Creativity has thus become an issue for the development of organizations and society in a globalized world, in which ideas and people circulate rapidly, technological change is extremely rapid, competition is increasingly exacerbated, and environmental issues are becoming increasingly prevalent (Parmentier et al. 2017). Thus, organizations must find and implement creative ideas to survive this era; they must constantly reinvent themselves.

After a long history of being confined to the fields of art or great inventions and being the prerogative of exceptional individuals (Kris 1952), creativity is now perceived as a fundamental human capacity (Lubart 2003). Progressively, during the 20th century, work on the processes, methods and cognitive foundations of creativity made it possible to understand how this capacity is activated and developed in the individual. The term creativity itself is a recent one, appearing in the latter part of the 20th century in the work of Baron, "in the narrow sense, creativity refers to the abilities that are most characteristic of creative people" (Baron 1951, p. 444), and Stein, "creative work is a novel work that is accepted as tenable or useful or satisfying by a group in some point in time" (Stein 1953). Previously,

Introduction written by Guy PARMENTIER.
1 IBM 2010 Global CEO Study: Creativity Selected as Most Crucial Factor for Future Success.

authors used the terms "invention" (Poincaré 1908) or "creative thinking" (Wallas 1926; Hutchinson 1931). More recently, Amabile's much-quoted definition, "creativity is the production of novel and useful ideas by an individual or small group of individuals working together" (Amabile 1988a, p. 126), has illustrated this dual dimension of novelty and usefulness, in which "to be creative, an idea must also be appropriate, useful and actionable" (Amabile 1998b, p. 78). This can be summarized as follows: creativity is the activity of producing new, appropriate and actionable ideas, conceived by an individual or a small group of individuals working together.

At the collective and organizational level, research on creativity dates back to the 1990s. The research aimed to describe the individual factors (character traits, emotions, qualities of the person) and contextual factors that are favorable or unfavorable to the expression of creativity (Sarooghi et al. 2015). Thus, since the work of Amabile (1988a, 1988b), who was the first to address the individual and collective levels of creativity in organizations, many works have been developed on the topic of organizational creativity. Amabile has developed a componential approach that identifies three essential composites for creativity: motivation (intrinsic and extrinsic), skills specific to the individual's domain (expertise and knowledge) and skills specific to creativity. She translates this model to the organizational level to qualify innovation. Other works, such as the interactionist approach of Woodman et al. (1993), have emphasized that the performance of an organization in terms of organizational creativity depends on the interactions between individual factors, creative behaviors and creative outcomes (Woodman et al. 1993). Ford's evolutionary approach more specifically identifies the factors that intentionally lead the individual to undertake creative action, i.e. what constrains and facilitates creative action at both the individual and collective levels (Ford 1996). At a more empirical level, the creative environment approach, based on extensive field research, has attempted to identify the organizational factors that create a favorable environment for creative action (Amabile et al. 1996; Ekvall 1996).

Progressively, it is therefore a multilevel approach that has been developed to explain the phenomena of organizational creativity and take into account the intertwining of the individual, group and organizational components. However, organizational approaches to creativity are limited in explaining creativity in organizations. Amabile's componential model establishes a process of group creativity, individual and organizational components of creativity, but it focuses, at the organizational level, more on

innovation than on creativity. The interactionist model of Woodman and his team tries to link organizational creativity to individual, group and organizational characteristics, but creative processes and the creative act are absent from their model. Ford's evolutionary model proposes a social process of selecting the creative act at the individual level, which, however, is not linked to the process of individual and organizational creativity. The organizational climate approach shows that managers can have a strong influence on organizational creativity with management styles that integrate the KEYS and SOQ[2] (Amabile et al. 1996; Ekvall 1996).

Previous research on organizational creativity has therefore mainly focused on creativity in organizations or with the organization. It has been hampered by the complexity of the "organization" object, with a lack of links with strategic management and business models. At the same time as this literature was being developed, a new understanding of the strategic capabilities of an organization was being constructed through the notion of organizational capabilities, in particular to better explain the performance of an organization. The concept of organizational capabilities was developed to better explain the performance of an organization and its ability to innovate and adapt to rapidly changing environments. The organizational capabilities approach thus enriches research on organizational creativity, because it adopts the organizational and strategic level as the starting point of analysis, examining in particular the processes and routines that constitute the foundations of the organization.

The purpose of this book is to develop the concept of organizational creative capabilities and to anchor it both theoretically and empirically so that researchers can more easily apply it to their research and practitioners can integrate it into their management practices. This book is the result of the research project CCO (*Capacités créatives des organisations*, literally meaning the organizational creative capabilities) supported by the ANR (*Agence nationale de la recherche*, French Research Agency). The project regularly brought together a dozen researchers, who debated with passion and method the interest, the foundation and the constituents of the concept of organizational creative capability. They went into the field to identify the existence of these capabilities and deployed large-scale surveys among

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2 The KEYS and SOQ are tools for measuring an organizational climate for creativity in organizations.

managers of small and large companies around the world to build tools for measuring creative capabilities.

The book consists of eight chapters.

The first chapter establishes the value of a capabilities approach to organizational creativity and explores the concept of organizational capabilities. In this chapter, Guy Parmentier identifies the routines that make up these capabilities and the factors that promote their proper functioning. He proposes a model whose components will be developed in part in the following chapters.

The second chapter develops the link between openness and organizational creative capability. Émilie Ruiz and Guy Parmentier present the origin of the concept of open innovation, the different modalities of openness that support the organizational and key role of absorptive capacities for this openness to be transformed into creative capabilities.

The third chapter explores the critical role of equipment in developing the creativity of individuals and teams. Romain Rampa and Guy Parmentier identify the effects and limitations of equipment on creative abilities. They document methods and present concrete examples of innovative spaces and tools that have been implemented by various companies.

The fourth chapter clarifies the different conceptions of slack and its role in organizational creative capability. Romain Rampa and Guy Parmentier point out that the pool of creative resources and ideas is one of the main levers on which organizations can rely to introduce novelty and support creative capabilities. They give concrete examples of organizational arrangements that enable the deployment of a slack that is favorable to organizational creativity.

The fifth chapter analyzes the effect of agile methods on organizational creativity in video games. Florence Jeannot, Maxime Mellard and Guy Parmentier build and test a model where the agile method has a direct effect on the perceived originality of a video game and an indirect effect via organizational creative capability. The study validates the direct effect of the use of agile methods on the creativity of video games, as well as the mediating effect of creative capabilities between agile methods and the creativity of these video games.

The sixth chapter details the journey of an idea and the formal and informal approaches to managing this journey in an organization. Guy Parmentier, Séverine Le Loarne-Lemaire and Romain Rampa discuss the different challenges of idea management that need to be addressed in order for organizational creativity to become a full-fledged capability.

The seventh chapter provides a scale for measuring organizational creative capability. Zeinab Sheet, Florence Jeannot and Guy Parmentier propose a five-dimensional scale (socialization of ideas, room to maneuver, creative equipment, idea management, openness and organizational agility) that affect the creative outcome. The scale is a second-order reflexive scale, with four control variables: psychological safety, work atmosphere, project team diversity and social desirability.

The eighth chapter presents a general framework for analyzing creative performance. Bérangère L. Szostak proposes a creativity ladder to help managers position their organization with respect to creativity and to guide them in choosing measurement indicators to assess their performance. She lists indicators for the marketing, strategic, process and financial dimensions.

Finally, the conclusion proposes to return to the contributions of each chapter and to the understanding of creative capabilities. It also opens up research perspectives for further studies on the constituents and effects of organizational creative capability.

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The Foundations of Organizational Creative Capabilities

Originating from the RBV (resource-based view) theory, the concept of organizational capability is of great interest when studying organizational creativity. Currently, organizational capability is the source of strategic advantage, and the organization is considered as a combination of resources, skills, processes and routines. Thus, anchoring organizational creativity in an RBV approach, centered on capabilities, makes it possible to adopt a level of analysis that is both organizational and strategic, and to identify the factors, processes and routines that make creativity a true organizational capability that can be maintained and evolve according to the constraints of the strategic environment. We therefore propose to consider organizational creativity as an organizational capability. Firstly, we will specify the notion of organizational capability in order to determine its different components and to draw lessons for defining organizational creative capabilities. Secondly, we will identify the factors likely to promote the development of creative capabilities. In the third part, we will lay the foundations of the routines that constitute organizational creative capabilities.

1.1. Organizational capabilities

The concept of organizational capability stems from the emergence of the strategic analysis paradigm, the resource-based view (RBV), which takes into account not only the economic environment of companies, but also its

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