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Preface

The presented papers form an important starting point for academic discussions and show us the diverse spectrum of interesting issues perceived from the perspective of organizational behaviours and organizational culture, enriched with examples of the interpretational possibilities offered by the psychoanalytic understanding of social phenomena. What merits special attention is the fact that half of the articles contributed to the collection present a systemic-psychodynamic approach, still relatively little known in Polish management. This approach is based on psychoanalytic theories and the concepts developed therein.

The exceptional nature of this collection consists in showing the diversity of perspectives regarding both the understanding and the empirical examination of the phenomena and processes which we observe in organizations. It contains six articles that describe from the cognitive-behavioural perspective phenomena as complex as whistleblowing (I. Świątek-Barylska, M. Opara: Perception of whistleblowing by professionals-to-be. Results of the research) and organizational creativity and ambidexterity in Polish enterprises (K. Bratnicka: Creativity and performance. Testing ambidextrous hypotheses in Polish SME's context). These two articles are based on extensive empirical studies and can form a very good groundwork for further research, and they have a great practical importance for managers, too

The two subsequent papers present the issue of organizational culture described from the behavioural standpoint (J. van Cleeff, and P. van Nispen: *Organisations, Projects and Culture*) and

from the systemic-psychodynamic perspective (L.F. Stapley: *Exploring the Meaning of Work in the Context of Organizational Culture*). Although it might seem that everything has already been said about organizational culture, it is worthwhile to consider the thought expressed by L.F. Stapley that we focus on the identification of symptoms of culture rather than understanding what it really is.

Then, the last two papers reveal the world of organizations through reference to strictly psychoanalytic constructs, such as death drive, mourning and melancholia (S. Kahn: Eros &Thanatos: A Psychoanalytic Examination of Death in the Context of Working Life) and the concepts of organization-in-the-mind, narcissism, unconscious, introjective identification (X. Eloquin: The Tyrant-in-the-mind: Influences on Worker behaviour in a Post-totalitarian Organisation). These papers, based on psychoanalytic theories, reflect upon and illuminate some of the new contours and shapes, perhaps previously not fully seen or appreciated from others perspectives.

It is my hope that this collection of six papers will form a framework for noticing, exploring, and reflecting upon the forces and processes that exist beneath the surface of our interactions with other people and our changing world. I believe that the submitted publications constitute interesting reading on modern management from the perspective of psychoanalytic and "classic" approaches to management. I hope they will become the source of many inspiring discussions and academic polemics.

Adela Barabasz





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Creativity and performance. Testing ambidextrous hypotheses in the context of Polish SME's¹

Twórczość i efektywność. Testując hipotezy obustronności w kontekście polskich małych i średnich przedsiębiorstw

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Abstract

This study, using data from 158 small and medium-sized Polish enterprises, develops the theory on how organizational creativity links to a firm's performance. I address this gap by studying the varying impact of creative novelty and creative usefulness on a firm's profitability and growth. Drawing on the firm's performance theory, I find that objective and subjective measures have distinct performance effects. As a result, organizational creativity becomes effective in different ways. Broadly speaking, these findings have important implications for organizational creativity research.

 $\textit{Keywords:} \ organizational \ creativity, firm's \ performance, organizational \ ambidexterity.$

Streszczenie

Niniejsze opracowanie rozwija teorię na temat powiązań twórczości organizacyjnej z efektywnością organizacyjną przedsiębiorstwa, wykorzystując dane pozyskane ze 158 polskich małych i średnich przedsiębiorstw. By wypełnić tę lukę, badano różny wpływ twórczej nowości i twórczej użyteczności na rentowność i wzrost przedsiębiorstwa. Opierając się na teorii efektywności organizacyjnej, zauważa się, że obiektywne i subiektywne miary mają różne efekty działania. W rezultacie twórczość organizacyjna może być efektywna w różny sposób. Ogólnie wyniki te mają ważne implikacje dla badań twórczości organizacyjnej.

 ${\it Słowa~kluczowe}: twórczość \, organizacyjna, \, efektywność \, organizacyjna, \, obustronność \, organizacyjna.$

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Introduction

Drawing on the research, I argue that without replication, phenomenon-based empirical regularities are important in the development of organizational creativity theory. Addressing the call for the reproducibility of results, I seek to either confirm or disconfirm the ambidexterity premise in organizational creativity as a different context. The guiding question is this: to what extent is organizational creativity associated with objective and subjective firm performance measures?

The academic field of organizational ambidexterity resides, in great part, on the premise that exploration and exploitation vary in their effectiveness in ways that have consequences for a given organization – for good and for bad. Considering the combined role of creative novelty and creative usefulness, there would seem to be ample scope for ambidextrous organizational creativity to put its mark on organizational effectiveness. In my efforts to identify the part of firm's performance that might be reasonably attributed to organizational creativity, I have conducted an empirical study.

The extent to which organizational creativity is linked to firm performance is hypothesized. Data collected from 158 small and medium enterprises support hypotheses that creative novelty is associated with firm's growth and that creative usefulness impacts on firm profitability. The results also showed that when a firm's performance is shown by subjective measures, the effects of organizational creativity on its performance are more visible than links in the context of objective measures.

This postulate is directly consistent with observations from March [1991], who describes the contradiction between exploitation and exploration. At team level, Hirst, Zhu and Zhou [2012], associate exploration with creative behaviors, and in-role performance with exploitation. Following a similar logic, I suppose that distinction between novelty and usefulness has parallels in the distinction between exploration and exploitation. Organizational creativity may be used to more efficiently perform some explorative activities, enabling ambidextrous organizations to become more exploitative. This discussion, in turn, raises key issues: can organizational practices be placed on a continuum of creativity? Should organizational creativity be novel and useful simultaneously or in sequence?

My theoretical framework complements the existing approach to both creativity in organizations and organizational effectiveness in two primary ways. First, I offer a more comprehensive view to explain how organizational creativity influences organizational effectiveness. This more multidimensional perspective represents a major shift away from traditional models of creativity as a unidimensional construct. Second, by explaining how creative novelty and creative usefulness affect firm's growth, profitability, and subjective performance, I integrate arguments from the ambidexterity theory and organization theory in order to deepen our understanding of the more nuanced role of creativity in creating and appropriating value and thus, the creativity-based strategic management.

In the pages that follow, I begin by discussing the ambidexterity view of organizational creativity, given what is known about

creative novelty and creative usefulness in the context of exploration and exploitation. I then link this ambidexterity view with research on organizational effectiveness. In the subsequent section I explain the findings. I conclude with a discussion of the theoretical and practical implications of my study.

1. Theory building and hypotheses

Research on creativity in organizations has burgeoned over the past decades and increasingly represents a research domain in its own right. Creativity is widely seen as a driver of innovation and societal development [Hemlin et al. 2013; Bilton, Cummings 2014; Gong, Zhou, Chang 2013]. In the domain of organizational behavior and organization and management theory, creativity is usually defined as an outcome – that is product, services, business models, work methods, or management processes that are novel and useful [Zhou, Hoever 2014]. Actually, creativity is usually measured by scales that assess both novelty and usefulness [Bratnicka 2013]. Adapting an organizational focus on the study of creativity entailed an increasing consideration of firm's performance.

One of the issues addressed in the growing literature on organizational creativity is how to compete with creative novelty and creative usefulness simultaneously. Unfortunately, this body of work lacks a theoretical foundation. There is no sense in ignoring this literature and embarking on research projects that discover the same things that research on ambidexterity discovered over the last 40 years.

This section's central thesis is that the insights and ideas developed in the ambidexterity literature can be used to help people who are now researching organizational creativity. The task is obviously not impossible, but it is certainly difficult. Recognizing the need to exploit synergies between creative novelty and creative usefulness has led to the so-called "ambidextrous" organization [O'Reilly, Tushman 2004]. I argue that it should not be particularly controversial to propose that the literature on ambidexterity be a natural theoretical anchor for academic researchers exploring the phenomenon of organizational creativity. As argued by Gulati and Puranam [2009], organizations attempt to manage a number of dualities such as exploration and exploitation, integration and responsiveness, low cost and differentiation, efficiency and flexibility, and so on. The simultaneous management of these tensions has been framed as an ambidexterity issue, and the theory underpinning ambidexterity has been used to explore the relevant research questions. Managing two conflicting dimensions of creativity is one more of these dualities a firm must face. As a result, the ambidexterity literature can guide the discussion on how to do this.

According to Lavie and colleagues, "exploration has since been broadly associated with notions such as organizational diversity, diversification, and variation, whereas exploitation has been used to generally describe organizational focus, experience, and variance reduction" [Lavie, Stettner, Tushman 2010, pp. 113]. Exploration and exploitation are thought to be conflicting activities because they demand different sources, skills, routines, time horizon, core values and beliefs, information

requirements and produce different organizational outcomes. Accordingly, firms that strive to enhance creative novelty may benefit from design differentiation by increasing the value of different thinking and prolonging the generation of new ideas. Conversely, organizations intending to create usefulness will need to shape their design integration to eliminate as many unfavourable future trajectories as possible. Therefore I expect an organization to engage in organizational creativity if it uses an ambidextrous design.

2. Firm's performance

Miller, Washburn and Glick [2013], argue that specific conceptualizing performance can be used to examine the treatment of performance: the latent multidimensional approach, the separate constructs approach, and the aggregate construct approach. A firm's performance can be shown as a latent construct which consists of multiple dimensions. It is operationalized as the shared variance among the dimensions. To avoid methodological biases resulting from the misspecification of a firm's performance construct, I use the separate constructs approach.

A firm's ambidexterity as the predictor of a firm's performance has been researched to a great extant both theoretically and empirically [Ramachandran, Lengnick-Hall, Badrinarayanan 2014]. Organizational ambidexterity-performance relationships are to a large extent moderated by the methodological choice of performance measures. The performance measures in organizational ambidexterity studies include both objective and perceptual measures. The objective performance measures have mostly focused on profitability and growth [Mudambi, Swift 2011]. The perceptual performance measures assess firm performance in terms of relative advantage compared with its competitors [Lubatkin et al. 2006].

Confirming my point, Junni, Sarala, Taras and Tarba [2013], find the moderating effect of performance measures. Objective measures based on growth were positively and significantly associated with exploration. For exploitation, the objective measures based on profitability were positive and significant. Based on these findings, I propose that creative novelty contributed to performance through growth, while creative usefulness contribute by enhancing profitability. From the perspective of organizational creativity, this implies:

Hypothesis 1: Creative novelty is positively related to a firm's growth.

Hypothesis 2: Creative usefulness is positively related to a firm's profitability.

Overall Junni, Sarala, Taras and Tarba [2013] have observed that organizational ambidexterity significantly and positively linked to firm performance. The exploration of this result is reinforced by their findings that subjective performance measures provided stronger results then objective performance measures. Following such logic, I argue that studies based on subjective performance measures should report stronger results than studies based on objective performance measures concerning the effect of organizational creativity. Accordingly, I propose the following hypothesis:

Hypothesis 3: Organizational creativity will exhibit a stronger positive relationship with subjective measures of a firm's performance compared to the objective measures of it.

3. Methods

3.1. Sample and procedure

To test my hypotheses, in 2011 and in 2012 I conducted a study of 158 Polish small and medium firms using mailed questionnaires. Furthermore, as recommended by prior research, I focused on behavioral measures, especially the survey ones [Gatignon et al. 2002]. Data was collected from members of top management teams who possessed appropriate knowledge about their organization's strategic imperatives and decisions. The names and details of 400 firms were obtained from the commercial database of the Chamber of Commerce and Industry in Katowice. Previous research has shown that the region in which one lives often influences entrepreneurial opportunities [Armington, Acs 2002]. The context of our study was the Upper Silesia region, the south-west of Poland. The Upper Silesia region has unique attributes of location in so far as the undergoing structural economic transition from the historically present heavy industries (e.g. coal mining, metallurgy) to modern knowledge intensive ones, is concerned. By restricting our sample to this region we were able to focus attention on an area of Poland noted for its entrepreneurial transformation and minimize the potential influence of variance caused by location.

The sample frame was confined to small and medium sector firms located in Upper Silesia having up to 249 employees (the EU definition of small and medium-sized firms). This study focused primarily on single-business, to avoid a situation when respondents are diverted by various organizational processes and environments. Data collection was by means of a postal survey. The first round of data collection took place in 2011 and focused on the independent variables. Out of 400 firms contacted, 250 managers / owners returned completed questionnaires, a response rate of 62 percent.

In 2012, approximately one year after the first round, we sent to the 250 executive directors/owners who completed the first survey to assess their firms' performance, the dependent variable. In this round of data collection 158 fully completed questionnaires were returned, representing 63 percent of the original response rate. Finally, we obtained background information from 158 firms, representing 39.5 percent of the original 400 firms.

3.2. Measures

Following Kirchhoff's [1979] idea, I combine growth and profitability measures as methods for assessing performance. The firm's growth was assessed by two well-known and widely used items: the average annual growth in number of employees in the last three years and the average annual growth in sales in the last three years [Antoncic, Hisrich 2003; Wiklund, Patzelt, Shepherd 2009]. The growth performance measures were collected for the period 2008-2011. For profitability,

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I used two established accounting-based measures from financial records provided by sample firms: return on sales (ROS), and return on assets (ROA) in the last year [Zahra, Covin 1995; Shea, De Cieri, Sheehan 2010].

I examined the firm's performance using subjective measures. I included ten items borrowed from the scale developed by Zbierowski, Bratnicka and Dyduch [2014]. For assessing a firm's subjective performance, I asked respondents to compare the particular indicator of their own firm over the past three years relative to that of other important competitors (sample item: "Market-shed dynamics in the last three years in comparison to key competitor"). I used a 7-point scale ranging from 1 ('much worse') to 7 ('much better'). The Cronbach's alpha reliability coefficient of this scale was 0.919. Typically, reliability coefficients of 0.70 or high are considered adequate [Cronbach 1971].

3.3. Organizational creativity

To date, most previous studies have only considered the micro-level characteristics of creativity and not many researchers have specifically looked at how to construct an organizational creativity scale. Because of the rareness of organization-level creativity research at present, I reviewed a number of scales constructed for individual creativity. Given the reliability and validity reported, I selected a new twelve-item operationalization of individual creativity which measured novelty and usefulness as two separate dimensions [Sue-Chan, Hempel 2010]. Next, I adopted it for organization-level. In addition, I took into account the four-item scale developed by Weinzimmer, Michel and Franczak [2011] and the seventeen-item operationalization by Liu, Bai and Zhang [2011].

Drawing on these works, I developed an instrument comprised of 12 items, combined in two dimensions of organizational creativity, that is creative novelty and creative usefulness. Six items assess the extent to which novelty of organizational creativity is present (sample item: 'Employees generate unprecedented solution to problems as they occur'). Six items tapped into the extent to which the organization is able to produce useful creative ideas (sample item: "Our organization develops apposite plans for the implementation of new idea"). All items rated from 1, "Strongly disagree" to 7, "Strongly agree" were pretested and two rejected, read as follows: 'Employees integrate multiple perspectives in a constructive manner' and 'Employees openly share information and generate new ideas in a constructive manner'. The Cronbach's alpha reliability of creative novelty scale was 0.915 and of creative usefulness scale was 0.859. The combined measure of organizational creativity is formed as a multiplication of separate novelty and usefulness scales. The Cronbach's alpha reliability coefficient of this scale was 0.915.

3.4. Control variables

I controlled for three contextual factors: firm size, firm age and industry effects, which are most commonly used in management research [Dokko, Gaba 2012; Gelatkanycz, Boyd 2011].

Company size was captured by the combined measure of number of employees and the total value assets. Firm's age was measured by the number of years from its founding. Finally, industry was assessed with dummy variables for the firm's main line of business (1 = manufacturing, 0 = non-manufacturing) adapted from Yamada and Eshima [2009].

3.5. Analysis and results

Let us first consider Hypothesis 1 which refers to the positive relationship between creative novelty and firm's growth and Hypothesis 2 which proposed the positive relationship between creative usefulness and firm's profitability. I applied a correlation analyses using the Pearson coefficient for my specific dependent variables. For the firm's performance, I used two objective measures, growth and profitability.

Table 1 provides the Pearson correlation for key study variables report correlation outcomes for organizational creativity dimensions and for each of the dependent variables. The results are consistent with the direct effects across both performance measures, firm growth and profitability. My first two hypotheses are supported by these results.

Table 1. Results of correlation analysis of the effects of creative novelty and creative usefulness on firm's growth and firm's profitability

	Firm's growth	Firm profitability
Creative novelty	0.257	0.141
	p = 0.003	p = 0.078
Creative usefulness	0.253	0.218
	p = 0.004	p = 0.006

Source: own elaboration.

As shown in Table 1, Hypothesis 1 was supported – creative novelty led to better firm's performance as indicated by firm's growth (0.257, p < 0.003). Likewise, Hypothesis 2 was also supported – creative usefulness led to better firm performance as indicated by firm's profitability (0.218, p < 005). Interestingly, the different relationship between the two dimensions of organizational creativity and measures of firm's performance strengthen the formative nature of creative novelty and creative usefulness. Probably, as my findings reveal, the often conceptualized components of creativity (novelty and usefulness) should be isolated for better understanding of the strategic role of organizational creativity in an ambidextrous organization.

For Hypothesis 3, the goal was to analyze the effects of objective and subjective measures. The effects were tested following the generic regression analyses. I used objective and subjective measures of firm's performance as dependent variables and creative novelty and creative usefulness as the independent variables. Applying this method to my data, I found the statistical power of objective measures is weaker than for subjective measures, which was in accordance with my expectation for this set of relationships (Table 2). Hence, I did find support for

Model 1 Model 2 Model 1 Model 2 Model 1 Model 2 Objective measures Subjective measures Firm growth Firm profitability ß Parameters ß ß ß ß ß р р р р р -0.279 -0.298 0.001 0.001 -0.067 0.459 -0.049 0.585 -0.043 0.631 -0.009 0.912 Age Size 0.319 0.000 0.302 0.000 0.219 0.015 0.203 0.023 0.303 0.001 0.277 0.001 -0.039 0.639 -0.038 0.637 0.017 0.837 0.017 0.833 -0.108 0.173 -0.108 0.154 Industry Organizational 0.029 0.243 0.003 0.173 0.301 0.000 creativity R^2 0.137 0.196 0.040 0.070 0.085 0.175 R2 corrected 0.117 0.170 0.021 0.045 0.068 0.153 4.796 6.727 7.663 2.839 8.117 2.113 0.000 0.000 0.000 p(F)0.101 0.026 0.003 p(DR2)0.001 0.029 0.000

Table 2. Results of regression analysis of the effects of organizational creativity on objective and subjective measures of firm's performance

Source: own elaboration.

Hypothesis 3. Subjective measures did not significantly worsen organizational the creativity-firm's performance relationship.

Comparing model 2 leads to some specific conclusions. First, organizational creativity is positively and significantly associated with both firm's growth ($\beta = 0.243$, p < 0.003) and firm's profitability (fS = 0.173, p < 0.029). However, these relationship are weaker than the relationship between organizational creativity and subjective measures of firm's performance (ß = = 0.301, p < 0.000). Second, the value of parameter F is higher for subjective measures (8.117) than for firm's growth (2.839) and firm's profitability (7.663). Third, the corrected coefficient of determination (corrected R^2) is similar for subjective measures of performance (0.153) and firm's growth (0.170) but is visibly lower for firm's profitability (0.045). More generally, the higher statistical power of subjective measures of firm performance makes them a good methodological choice in empirical research design - at least in the small and medium enterprises context.

Additional findings worth mentioning are the significant effects of company size for all the models in which it appears. I discuss the explanation for this outcome below.

4. Discussion

Ambidexterity, which is the simultaneous pursuit of exploration (associated with experimentation and novel ideas) and exploitation (making incremental changes to existing competencies) is seen as crucial for form performance and survival. However, these matters have their existing competencies. Consistent with theoretical underpinnings, my findings indicate that both creative novelty and creative usefulness are formative dimensions of a more general concept of organizational creativity.

My study offers guidance as to the types of organizational creativity configurations to build. However, this paper does not examine the relationships between novelty, usefulness, and overall organizational creativity. It should be noted that, due to their formative nature, these dimensions form a synergy.

In a related vein, this will prove useful for the categorization of organizational creativity configurations and relate them to firm performance. I recommend that significant attention should be paid to recent ambidexterity research on exploration, which involves research, variation, experimentation and exploitation referring to the refinement, efficiency, improvement [Boumgarden, Nickerson, Zenger 2012; Lavie, Stettner, Tushman 2010].

I extend organizational creativity literature through my proposed links across two dimensions of firm performance: growth and profitability. Such an extension provides an opportunity to strategically combine creative novelty and creative usefulness to maximize simultaneously a firm's growth and firm's profitability. I make no assumption about the relative contributions of novelty and usefulness to overall organizational creativity. Researchers have not yet to form a consensus about whether these are equally weighted dimensions of organizational creativity. Having noted this issue, I point out the need to focus on both novelty and usefulness which are equally important.

My empirical examination focuses on how combining creative novelty and creative usefulness contributes substantively to organizational effectiveness. However these effects are differentiated in respect to objective and subjective measures. A similar idea is articulated by Ployhart, Nyberg, Reilly, and Malta $rich\,[2014], who \,point\,to\,the\,distinction\,between\,organizational$ performance (in my words objective measures) as distinct from comparative advantage (in my words, subjective measures). A simple definition is that a competitive advantage exists when a firm has generated above-normal returns (or economic value) relative to its competitors. Competitive advantage is inherently a comparative, between-firm metric based on its standing to other firms. Not simply profitability or growth, competitive advantage is about generating supernormal returns. Organizational effectiveness and competitive advantage are related to each other but they are not necessarily highly related [Richard et al. 2009]. In this vein, I encourage more empirical research on the organizational level creativity on firm's performance and competitive advantage.

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The findings stated above could be the source of major theoretical and empirical research effort. Because my model represents a multidimensional view of both organizational creativity and firm's effectiveness, there is an opportunity for further inquiry. For example, McKinley, Latham, and Braun [2014], consider what happens after an episode of organizational decline. Following these ideas, I believe that the turnaround through innovation is likely to be catalyzed by creative novelty, and the creative usefulness gave rise to the turnaround through risk avoidance.

My findings also have practical value for managers, organizations and their stakeholders. First, this can contribute to more complex interpretation of organizational creativity outcomes. A consequence of this view is that creative novelty con positively affect firm's growth. In contrast, the recognition of creative usefulness is likely to lever more firm profitability. Second, my findings allow not only for a more nuanced understanding of the potential sources of firm's performance, but also for a broader perspective on its manifestation as reflected in objective and subjective firm performance measures. Thus, the infusion of ambidexterity with creativity can be important for the management of the generation of new and useful ideas, with longer-term benefits for value creation.

Next, I call for conditional research on the organizational effects of creativity. As strategy scholars begin to recognize the importance of creative activities and creativity, scholars begin to recognize that firms are important targets of organizational creativity, which is critical for both fields to pay careful attention to other. Researchers must remember in their modeling efforts that multiple sets of organizations perform different creative behaviors over time, resulting in one outcome for firm performance. Subsequently, researchers studying the organizational effects of creativity may be able to collect data on relevant issues in a smaller number of organizations using Qualitative Comparative Analysis [Ragin 2000]. Moreover, I believe it would be fruitful to follow this logic in future studies on organizational creativity, where an organizational ambidexterity as a dynamic capability is the moderating variable.

Next, the nature of data collection process is an inherent limitation. With cross-sectional data it is difficult to infer causality. Therefore I suggest that future studies use longitudinal data that enable an examination between similar variables over a period of time. Kulik [2011], pointed out that studies with multilevel, multisource, and longitudinal design are extremely difficult to implement in organizations. Future research may need to balance the need for longitudinal design against the concomitant reduction in response rates.

I recognize that organizational creativity is likely to be driven by many additional factors, including context-specific and idiosyncratic factors, but I leave these to be identified by future work. However, I suppose that another productive avenue for future research would be exploring the influence of factors shaping top management teams (such as behavioral integration or heterogeneity) and the control exerted by governance factors (such as the boards of directors). Additionally, environmental factors such as environmental dynamism, environmen-

tal hostility, and environmental complexity may moderate the effects of organizational creativity on firm performance. Overlapping environmental dynamism, hostility, complexity, ambidextrous design, as well as organizational creativity can provide for practitioners a valuable avenue for building a high-performance organization.

Hence, I further advocate a continued work that identifies the strategic drivers of firm performance, particularly in the context where they are high. I hope that such studies can help scholars unite concepts that overlap the organizational creativity, dynamic capabilities view, and ambidextrous design, so that they can provide a consistent message for practitioners on how best to implant creativity that drives effective organizations.

Conclusion

In conclusion, my study on the organizational effects on creativity adds to the increasing body of research on creativity in organizations. I have provided a solid contribution to the creativity-based view of the firm through a finer-grained analysis of what the creativity dimensions are, and how they affect firm's performance in both growth and profitability. The results reported in this paper provide evidence that besides environment characteristics, managers should also consider creative novelty and creative usefulness when deciding whether to focus strategically on a given aspect of firm performance (profitability versus growth). These results have importance for company managers. I hope, these results also provide some interesting point of departure for the continuing investigation of creative activity in contemporary organizations.

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