MANAGINGCREATIVITY

A Study on the Organizational Implications of Motivation Crowding Effects on Creative Professionals.

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TABLE OF CONTENTS

CHAPTER 1: **INTRODUCTION**

1.1 Background: The Creative Economy

Peter Drucker (1968) was among the first scholars to recognize profound changes in last century's world economy. A shift took place from economies largely based upon the manufacturing of bulk products, to an economy that was increasingly based upon communication, services and information, which he described as a 'knowledge society'. Many scholars (e.g. Howkins, 2002; Pink, 2006) argue that the evolution of the economy has now even taken a step further. Creativity is increasingly recognised as a source of growth and success in contemporary economies. Not so much physical assets, nor knowledge, but creativity and ideas are said to become the primary sources of value of organizations, hence we speak of a *Creative Economy.*

Regarding this creative economy, author John Howkins writes: "People with ideas -people who own idea-shave become more powerful than people who work machines and, in many cases, more powerful than people who own machines." Therefore, he adds, "the creative economy will be the dominant economic form in the twenty-first century." (2002, ix). The organizations that will thrive in the 21st century, it seems, are those that value creativity above everything else.

Now what has caused this trend? For one, the world is changing with increasing pace, so companies need to change continuously in order to respond to new opportunities. Profit margins are diminished, consumers are more critical. Companies therefore need to keep reinventing themselves, their relationship with the markets, their way of doing things, and envision new business niches to serve.

The consumer demand for added value and meaning is another factor that has contributed to the importance of creativity to modern-day organizations. The creative industries[1] are booming -including among others advertisers, designers, publishers, but also the massive amount of amateur bloggers and video-artists who are triggering the explosion of digital content (Cunningham, 2006). To be more precise: the annual growth of the creative industries is twice that of service industries in OECD countries,

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[1] [1] There is a wide variety of definitions of creative industries. By much used definition of the UK Government Department for Culture, Media and Sport, creative industries are "those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property." (DCMS, 2001, p.04) They include advertising, architecture, arts and

and even four times that of manufacturing (Howkins, xvi). Cultural economist Baumol (2006) marks the 'dissemination revolution' -the alteration of the means of allocating cultural goods by technical developments- as one of the foundations of this development, expanding the role of cultural products in international trade. Whereas in the past one would have had to travel for hours or days to be able to hear a musical performance of the London Orchestra, now we can listen or see that performance, or at least a reproduction of it, any minute of the day on computer, television or stereo.

In this complex and rapidly changing environment, the traditional logical-rational perspective seems no longer adequate to solve business problems. Insight, intuition, metaphor, emotion and ideals have found their way in management debate, that had been dominated since the industrial revolution by rational, fact-based thinking and figures.

That is, in western society. In Japan for example, business problems are claimed to be addressed in a different way. Because of the enduring growth of the Japanese economy at the end of last century, people here in the West were more than interested to understand the determinants of the Japanese success. In 1995 Ikujiro Nonaka and Hirotaka Tacheuki published *The Knowledge Creating Company,* a book that gave many manager insight in the successful Japanese approach, and limitations of their own management paradigm. With their book*,* Nonaka and Tacheuki brought the concept of tacit knowledge into management discourse. Tacit knowledge is implicit knowledge, a-rational, learned from experience and communicated indirectly, for example by metaphor. Nonaka argues that creating knowledge is not a matter of processing objective information (e.g. explicit knowledge), but merely a matter of "tacit and often highly subjective insights, intuitions, and ideals of employees." (Nonaka, 1998: 175) Once the source of implicit knowledge is tapped and once it has been converted into explicit knowledge, he argues, successful new products, systems and services can be brought into being.

Authors and 'management guru's' in the West have come to predict substantial changes in organizations. "Gone is the age of 'left-brain' dominance", author Daniel H. Pink, for example, argues. "The future belongs to a different kind of person with a different kind of mind: designers, inventors, teachers, storytellers –

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antique markets, crafts, design, designer fashion, film, video and photography, music and the visual performing arts, publishing, software, computer games and electronic publishing.

creative and emphatic 'right brain' thinkers whose abilities mark the fault line between who gets ahead and who doesn't."[2]

On the other hand, the management theories and practices that are still common in many organizations are inherited from the Industrial Era, and place a premium on rational planning, coordination and control (Morgan, 2000). This idea about management seems to be so deeply rooted in our society, that it has shaped our most basic understandings of what organization is about.

It is, then, evident that creativity has become a primary source of value to many companies, and a source increasingly recognized as important to the economy at large. Yet, it needs to be questioned to what extent changes in microeconomics –at the level of organizations- reflect the changes in the economy at the macro level. If we want to respond to the creative imperative, we might need to rethink our ways of management.

It needs to be said that, anno 2009, the current economic crisis has altered the priority attributed to the subject of creativity in our thinking about management and government policy. Whereas only a year ago economic talk was dominated by discussion about technological innovation, 'green' entrepreneurship and creative industries, about awareness of and investing in change, now we merely focus on how we can best prevent our (old) institutions from collapsing and protect our employees from getting fired. But, as management consultant Ben Tiggelaar (2009) argues, a crisis can also be a time of 'creative destruction', a time for the old to make place for the new. In that regard, a lot of creativity is called for, especially now and in the near future, which makes the subject of creativity as urgent as it has been in the previous few years.

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[2]. Daniel H Pink. Retrieved June 20, 2009 from website: http://www.creativecompanyconference.com

1.2 Research Question

Managing creativity:
A study on the organizational implications of Motivation Crowding Effects on creative professionals

Acknowledging the above mentioned changes in the economy, this thesis aims to investigate the implications of these changes for the ways in which we organize work. How do companies respond to the creative imperative?

'Managing creativity' is quite an intriguing phrase, combining two seemingly contradictory terms. Whereas creativity is a rather elusive force, with connotations of intuitiveness, eccentricity, autonomy or even anarchy; management is pictured as rational and calculative, and traditionally concerned with matters like coordination and control. They seem to represent two polarized spheres- it is not hard to believe that a marriage between the two could be problematic.

To understand how we can build on organizations that foster creativity, we firstly need to understand what creativity is. The questions that are to be addressed are the following:

- *What is creativity; What are the processes that guide creative behavior; And under what conditions is it likely to occur?*

Students of creativity (e.g. Amabile, 1983; Woodman, Sawyer & Griffin, 1993) stress the importance of motivation on creative performance. Without the motivation, Amabile argues, creativity will unlikely occur. To explore the role of motivation in creativity, the following questions will be investigated:

- *What is the role of motivation in creative behavior? Under what conditions does motivation in- or decrease?*

Managers can play an important role in fostering or inhibiting creativity, first by their own behavior and actions, and by their influence on the work environment. Management principles and practices have been subject to change over the last

century and continue to do so. The earliest account of the word dates from the 16th century, when 'to manage' -from the Italian 'maneggiare'- meant 'to handle a horse'.[3] Later on that century the use of the term was extended to objects of business. What still lasts from the old connotation though is the sense of coordination and control. For creative professionals though, a controlling environment does not bring about the most inspiring of organizations. Investigating the developments in management theory, the questions will be addressed:

- *Do developments in management principles and practices reflect the changes of the economy and motivational requirements of creative employees?*

Lastly, I will address the primary question of this thesis:

- *What are the organizational implications of Motivation Crowding Effects on creative professionals?*

To answer this question, a close understanding of the tension between creativity, motivation and managerial control is crucial. The interplay between these elements is the subject of this thesis, which is outlined in the following section.

1.3 Thesis Outline

To investigate the organizational implications of motivation crowding effects on creative professionals, I start off with an analysis of the nature of creativity processes and associated behavior in **chapter 2**. What are the processes and variables that creativity embodies? Regarding creativity, I will argue, we tend to look at the people who appear to make it happen: the scientist who came up with the invention, the author who wrote the masterpiece. But it might not be sufficient to explain creativity as an individual quality alone; the environment of the creative individual could be equally important. To explain the interactions between social and environmental forces and the creative individual, the socio-psychological dimensions of creativity

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[3] *Online Etymology Dictionary*. Retrieved June 20, 2009, from Dictionary.com website:

are addressed. A social psychology of creativity specifies the characteristics of environment and social setting that influence the creativity of individuals. Amabile (1983) describes creativity as a combination of intrinsic motivation, domain-relevant knowledge and abilities, and creativity-relevant skills. Out of these three components, she argues, intrinsic motivation – the ability to engage in an activity because the activity itself is motivating and exciting to someone- is the most important, as it makes the difference of being able to do a job, or actually doing it.

Chapter 3 further explores the role of motivation as a mediator between external events and creative performance. The differences between economic and psychological approaches to explain behavior will be addressed. We discuss Frey's Motivation Crowding Theory, an economical theory based on the psychological Cognitive Evaluation Theory (Deci & Ryan, 1985). These theories aim to identify the conditions under which the motivation of employees is in- or decreased, and the effects of intrinsic and extrinsic motivation -Crowding Effects- on each other.

In **Chapter 4** I investigate the management theories that are common today. Do changes in management reflect the change of the economy? The idea that we inherited from the Industrial Era is that management is a process of rational planning, coordination and control. What are the alternatives?

Chapter 5 discusses the organizational implications of motivation crowding effects. Based on the findings of the interviews and literature study: Which working environments are most conductive to creative performance? This chapter illustrates how creative employees and their managers cope with the creative imperative, and each other, by findings from in-depth interviews with managers, creative or technical directors and employees from companies where creativity is at the core of their business; whether architect, software developer, advertiser, space engineer, R&D or graphic designer.

In **Chapter 6,** at last, the conclusions of this thesis are presented.

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http://dictionary.reference.com/browse/manage

CHAPTER 2: **CREATIVITY**

This chapter reviews literature on creativity from various disciplines. The literature reviewed is not intended to be exhaustive: it would take hundreds of pages to give an accurate review of all the literature written about said subject. What it does intend is to present some of the most influential theories and studies on creativity, illustrating important variables and relationships.

2.1 Two typologies of creativity

The definition and measurement of creativity has been a much-debated subject. Over the last decades, scholars have taken many different angles towards this phenomenon, using a broad scope of research methods -often leading into considerable disagreement. At other times researchers from particular disciplines studying creativity (as psychologists, sociologists, or economists) focus narrowly on their domain and seem to ignore the efforts of their colleagues in other disciplines.

An overview of the literature on creativity is best presented in a typology, as the one proposed by one of the earlier researchers of the subject, Rhodes (1961) (in Runco, 2003), who distinguished definitions of creativity according to their focus on one of the dimensions of creativity: the creative product, person, process or press. The content of press research may be the least obvious in this list: it refers to pressures on creativity, or situations that influence creativity.

The person centered approach has guided a vast amount of earlier research on creativity. This research aimed to identify the personality traits of creative individuals. But, despite the focus on the person in creativity research, most formal definitions have used the creative *product* as a distinguishing mark of creativity (Amabile, 1983). Product definitions are generally held to be the most useful for creativity studies. Having said that: few studies closely follow any explicit definition of creative products.

What definitions of creative **products** have in common is that they generally point us to two conditions: a product or an idea will be judged creative when it is both a) novel and b) useful. (e.g. Amabile,1983; Shalley,1991; Oldham and Cummings, 1996) A product or idea that is novel but does not make sense is unlikely to be marked as creative, but rather as odd. Until this day researchers haven't found objective criteria for creativity and the question is if they ever will. Even though some researchers have developed methods to quantitatively assess originality by objective measures, like Simonton (1980) accomplished in the case of musical compositions, it was not possible to at the same time distinguish the creative -novel *and* appropriate- from the merely bizarre.

Another example that can enlighten us about what creativity constitutes is computer-generated art, in which the role of the computer is to produce variability of images, often using a random process. Since this art form has gained popularity over the last decades and has found its way in many galleries, it seems that creativity can be born out of pure random- or novelness. But there is a flaw in that argument, as the artist has an important role, too, as designer of the algorithm and as judge of the images, of which some are more and some are less appealing and of which only a few are selected to be exposed in public as art.

It seems, then, that we need some subjective analysis to define what is creative. Fortunately, creativity is something that people often recognize and agree upon also without having objective criteria at hand. Just like the assessment of what is art and what not, or who is physically attractive and who is not, it seems that all we can is to depend on people's judgment.

The **person** approach has mainly focused on personal characteristics. Gough's Creative Personality Scale (Gough, 1979) is a widely used measure to mark the personal characteristics that determine one's level of creativity. Gough's CPS has predicted high levels of creative performance in various studies, with diverse samples. Barron and Harrington (1981) summarized the research on personality traits of creative people as follows: Creative individuals have a "high valuation of aesthetic qualities in experience, broad interests, attraction to complexity, high energy, independence of judgment, autonomy, intuition, self-confidence, ability to resolve antinomies or to accommodate apparently opposite or conflicting traits in one's self-concept, and a firm sense of self as creative" (p.453). Other ways to measure

creativity of individuals are divergent thinking tasks (e.g. brainstorming), and the CAQ, a lifetime creative achievement measure (Carson, Peterson & Higgins, 2003).

Process research has been performed by for example Csikszentmihalyi (2003). The perspective of this research may be less personal and more behavioral (Runco, 2003). The systems theory in which is explained that creative ideas stem from an individual, are judged by a particular field of experts and may have an impact on the general domain, on which I will elaborate in the next chapter, is an example of process research. Other studies have tried to determine the cognitive processes related to creativity. Associative processes, for example, seem to be involved in creative thinking (Schweitzer, 2006).

Press refers to the influences of an environment on individuals. Much of the research with this perspective has a social-psychological grounding (e.g. Amabile, 1983). The difficulty with press research is that it is often not clear whether objective aspects of pressures are reflected or the individual's interpretation of these pressures. One person may experience more time pressure than another in a given task, even though the task and the amount of time at their disposal is the same. It is therefore that sometimes the person's *interpretation* of a contextual pressure is what we want to assess, and then the relationship of these interpreted pressures with the objective reality. Press research deals for example with family backgrounds, but also, and most importantly for this thesis, with organizational influences on creativity.

This organization of the literature though, despite its practical value, leaves a number of gaps. To be thoroughly exhaustive, an organization can be made according to the various disciplines in which the subject has been studied. Runco (2003) proposes the following framework, in which studies are categorized according to discipline. Creativity is studied from a behavioral, biological, clinical, cognitive, developmental, economic, educational, historiometric, organizational, psychometric, and social perspective. The disciplines, though, show considerable overlap. As this thesis focuses on creativity from an organizational perspective, that does not mean that taking an organizational perspective alone is necessarily sufficient. Knowledge about creativity in *any* social context can provide insight in organizational creativity. Studies that provide valuable insights for defining and understanding creativity for the

purpose of this study, that have been neglected in the above presentation of Rhodes' scheme (of Product, Person, Process and Press) are addressed next.

The biological perspective of creativity studies includes neurocognitive studies on the workings of the human brain. Over the last decades, more refined medical instruments such as fMRI have lead to more accurate assessments of the brain's workings. It is often implied that creativity comes about by activity of the right-brain hemisphere: the part of the brain that is held to be responsible for among others intuition, empathy and meaning. Creativity is not entirely intuitive though. It seems to require both hemispheres, as it combines intuition *and* logic, originality as well as appropriateness. "Creative activity cannot be localized as a special function to one of the cerebral hemispheres. Rather, productive thought involves the integration and coordination processes subserved by both hemispheres" (Katz ,1997 in Runco, 2003: 664).

Social studies of creativity include among others research on group creativity. What creative problem solving is concerned, people who work alone often produce more and better ideas than groups (Rickards & deCock, 2003). This can be explained by the occurrence of 'group think'. On the other hand, contemporary research on creativity does acknowledge the inherently social nature of the creative process. The social processes that influence creativity will be discussed further in section 2.3.

A question regarding creativity that has attracted the attention of several scholars is whether creativity is domain-specific or universal. Gardner (1983) distinguished seven separate domains of creativity- musical, verbal-symbolic, bodily-kinesthetic, mathematical, spatial, interpersonal and intrapersonal. Creativity is expressed differently in these dimensions, and is linked to different thought patterns and cognitive styles. An individual that is creativity in a certain discipline does not have to be creative in another per se. It also provides us an explanation about cultural differences regarding creative expressions around the world.

It is noteworthy that despite the differences in domain-related creativity, most of the students of creativity do take up various kinds of creative individuals in their research population, regardless of the domain of their creativity (e.g. Chikszemtihalyi, 1996; Amabile, 1996; Davis & Scase, 2000). The similarities between domain-related forms of creativity are, apparently, regarded in most cases to be more profound.

Conclusion

A few preliminary conclusions can be drawn so far. With Amabile (1983), Shalley (1991), Oldham and Cummings (1996) we will mark a product creative when it is both new and useful. The measurement of creativity is problematic, in that there are, so far, no valid criteria to quantitavely assess creativity. The implication for this study is, that qualitative methods will be used. In the empirical study that is to follow this theoretical framework in chapter 5, I will make an assessment of the respondents own understandings of creativity.

Furthermore, in this thesis, multiple levels of interest will be taken into account. The dominant approach in creativity research has been for decades to take only a single perspective on creativity, by focusing narrowly on product, person, process or press, as discussed. But to understand creativity in a social context, *all* of the four perspectives may have to be addressed. Under which circumstances (press level) do which persons (person level) increase creative output (product level)? -And what are the processes that guide this action?

Multilevel research has gotten relatively little attention because of the academic orientations of researchers and the methodological problems that arise when data are analyzed across different levels. It seems though that it is necessary for a useful theory of organizational creativity. In the next sections, I will therefore include multiple levels of interest, and take the subtle nuances of this complex process into account.

2.2 Conceptualizing Creativity

To understand creativity, we tend to look at the people who appear to make it happen: the artist who made the masterpiece, the scientist who came up with the invention. Mankind has always recognized such exceptional individuals who have proven capable of advancing our culture with extraordinary accomplishments. For long, people believed that excelling in for example arts, science or sports, could be

attributed to divine intervention, or the position of the stars. Nowadays these explanations are less acceptable, although we still like to honor the greatness of individuals sometimes as if they were half-gods. Scientific research has pointed us to other causal relationships though, which will be discussed in this chapter.

One misconception about creativity seems to be that individual creativity alone is accountable for a discovery or invention. It are Sir Isaac Newton's words: "If I have seen further it is by standing on the shoulders of giants" (a phrase that, fittedly, also serves as the slogan of Google Scholar). His words can teach us that some humbleness might be appropriate. Would there have been a Hegel if there had not been a Kant? A Monet without a van Gogh? Creativity is never only in the mind of one person: it builds upon ideas that others had before him or her.

The 'shoulders of giants' Newton is talking about, would be described by Csikszentmihalyi (1992, 1997) as a 'domain'. According to Csikszentmihalyi creativity can be comprehended only in relation to the system it inheres in. It is not just about the inventor or discoverer- there are other components involved. Original ideas need prior knowledge, nested in what he calls a *domain* of symbolic rules and procedures. Psychology is such a domain, as is mathematics or graphic design. Secondly, creativity needs a *field* of competent outsiders to recognize and implement new ideas, or reject them. Members of a field function as gatekeepers to a domain, deciding what counts as creative and what is valuable enough to be recognized and remembered. And then, lastly, we need the individual *person* who comes up with an idea that is new to a particular domain, hence advancing that domain by adding the knowledge or ideas on which others can build on afterwards.

The consequence of this systems model is that *the recognition* (by the field) *of a creative idea is inseparable from creativity itself*. So, imagine you would be the last person on earth, drawing a brilliant post-apocalyptic artwork on a wall of your cave. Or think of Vincent van Gogh, before he was recognized as an important artist and his paintings were used to fence off a hen house. Following Csikszentmihalyi's line of reasoning, we cannot speak of creativity in those cases, until it gets recognized as such by experts. He argues that an idea always needs the social context. Firstly, it needs the consensus of (a critical part of) society to decide that the idea counts as creative. But it also needs the social environment for support, and successful implementation of the idea (Csikszentmihalyi,1992).

It also follows that a creative person does not necessarily have to be different from the rest of people. Every human being is capable to be creative to some extent. In everyday life a person encounters numerous little challenges for which he does not have a manual, but by discovering the way as he goes accomplishes to perform this new acts, usually without serious injuries. No day is the same as the previous, hardly any conversation is exactly the same as the one before, sometimes one realizes too late that he is out of toilet paper- to cope with these changing circumstances, one uses creativity.

But there is a difference between this kind of creativity and, let's capitalize, Creativity- the creative achievements that have altered our culture. Chikszmentihalyi therefore marks different *levels* of creativity. What distinguishes the one from the other is whether or not the creativity brings changes, or new content, to the existing domain. What counts is that the creative efforts are witnessed, and accepted by the field.

It follows that the notion of the 'creative genius' can be regarded as a convenient simplification of reality. Although there seem to be exceptions to the rule. A famous example of someone who changed the world with his extraordinary creativity, Albert Einstein, published in 1905 three articles in the German scientific magazine *Annalen der Physik* that would lay the foundations of modern physics. At that time he was employed as an office clerk, was not connected to a university, did not have access to a laboratory or even a library other than the one of the patent office in Bern. The publication of his article in which he presented his Special Relativity Theory was remarkable, not just because of its history-changing content, but also because of the complete lack of quotations and footnotes, or the mentioning of other works or scientists that had inspired or funded his theory. It seemed, according to novelist and physicist C.P. Snow, as if Einstein had reached his conclusions by thinking alone, without any help and without listening to other people's opinions (Bryson, 2006).

Exceptional as this story is, it does not necessarily falsify the theory. If creativity is a function of a person and the social setting, or characteristics of the environment, it does not mean that all variables have in all cases equal weight. In Einstein's case, the role of the person was much more pronounced than the role of the circumstances, as it is also possible that in other cases it is the other way around.

From the fields of cognitive psychology, Anders Ericsson et al. (1993) have pointed us to other causes of 'genius'. Ericsson elaborately conducted empirical research on people who excel in their performance, and found that excellence is not as scarce as people generally believe. Excellent performance, Ericsson, Krampe and Tesch-Romer (1993) argue, has two causes. One of these is genes: characteristics that are responsible for excellent performance are partly innate and genetically transmitted. The other cause is less obvious: in most domains of expertise, they argue, people begin in their childhood with deliberate practice to optimize their skills. Intense practice over a period of more than 10 years causes to a great extent their exceptional performance. So the people we admire and honor because of their great achievements may not be that special- these people just practiced a lot. Critical to effective practice is that one focuses on what he cannot yet do instead of on what he has already mastered, to keep pushing the limits of what he or she is capable of. According to Ericsson, the amount of practice determines ones level of excellence.

What Ericsson did not research though is the influence of the environment on the performance. In said example a child has been exposed to a certain domain at early age –e.g. got a microscope, joined an athletics club, got piano lessons-, has been able to master the domain's rules and procedures by having read the right books or being mentored by teachers, and has finally been able to contribute to a domain because his or her efforts have been witnessed and accepted by the field. Perseverance has sharpened his or her skills, but it has, except perhaps in Albert Einstein's case, unlikely been a sufficient condition to the success.

Malcolm Gladwell searches in his book 'Outliers' (2008) for an explanation of the success of 'superstars' like The Beatles, Tiger Woods and Bill Gates. His opinion is congruent with Ericsson's about the effort that is needed to be able to really master the thing you do; it takes about ten years of hard practice. But what is equally important is the right environment, or being the right person at the right time at the right place. In an interview in the Intermediair (February 2009) he gives an interesting example: Bill Gates was born in 1955, was thirteen when his parents sent him to a school with a (for those days quite rare) computer terminal, which lead to the opportunity that at age twenty, when personal computers came into people's households, Gates had the necessary expertise (and yet the freedom from responsibilities like a family or mortgage) to launch Microsoft. Interestingly, founder

Steve Jobs from Apple and Eric Schmidt from Google were also born in 1955; Founder of Sun Microsystems Bill Joy was born in 1954.

With the booming of e-business, virtual offices and all other ways in which information is so easily transported across the globe, it does not seem at all likely that psychical places are still of such importance to the occurrence of creativity. Yet, the geographical dimension of creativity plays a big role in research on cultural clustering or mapping (see for example the works of Richard Florida (2002; 2005), that has become popular in government debate. Place and time matters to creativity. This is why in the course of history certain places –take sixteenth century Antwerp, Paris at the *fin du siècle*, San Francisco in the 60's- have shown to facilitate the success of creative minds, who found a place where they could be inspired, where the exchange rate of ideas was high and where there was the necessary market to sell their creative manifestations to, or display those ideas to the critical field.

Teresa Amabile too hypothesizes in her 'Social Psychology of Creativity' (1983) that the environment plays an important role in creativity. A social psychology of creativity aims to identify the characteristics of environment and social setting that influence the creativity of individuals. Being a psychologist, she, more than Chikszmentihalyi, focuses on the forces inside the person that are related to creativity. She describes creativity as a combination of three components: intrinsic motivation, domain-relevant knowledge and abilities, and creativity-relevant skills (Amabile, 1983). Domain-relevant knowledge is another way of saying 'expertise'. It encompasses all the knowledge that a person has in a certain domain. Take a mathematician, who has experience with thinking scientifically, and also acquired expertise in the fields of for example algebra and number theory. This knowledge constitutes the "network of possible wanderings" (Amabile, 1998, p.79) that a person can use to solve problems in his or her work. Without a vast amount of knowledge on a domain, like mathematics or visual arts, one cannot explore the boundaries of it and it will be unlikely that he will be able to bring in something truly new and creative.

Aside from this, people also need creative thinking skills to be able to work creatively. This refers to the personality traits and cognitive thinking abilities linked to creative performance. Creative thinking refers to *how* people tackle problems. If somebody is comfortable with ambiguity, naturally explores ideas that challenge the

status quo or combines knowledge from different fields it will be likely that he or she will be more creative.

Motivation, or better: *intrinsic* motivation also seems to be a very important component for creativity. The difference between ex- and intrinsic motivation is that extrinsically motivated people do something for a treat that is outside that person – like a biscuit for a dog; people's main treat being money. While extrinsically motivated people will do the job, most likely they will take the shortest, simplest route to a possible solution, thereby not being very creative. Intrinsically motivated people on the other hand engage in an activity because the activity *itself* is motivating them. They do the job simply because they enjoy it or feel challenged by it and because they have the internal desire to do so. Amabile (1983) argues that this intrinsic motivation is even the most important component of creativity. Although expertise and creative thinking skills determine if a person *can* be creative: the motivation level determines if people *are* creative. If someone with a lot of knowledge and a great record of innovative solutions to problems is not motivated to do a task, he will simply not do it. Rather he will use his talents for something else. The motivation component of creativity also influences the other components. Without being motivated, individuals will not likely spend 10 years of his or her life mastering the skills that make them excel in what they do- 10 years of gathering domain-specific knowledge and sharpening creativity-relevant skills.

Other researchers also stress the importance of intrinsic motivation for creativity (Chikszmentihalyi, 1996; Barron & Harrington, 1981; Oldham and Cummings, 1996). According to Oldham and Cummings people who are intrinsically motivated are more likely to engage in higher risk taking, being playful with ideas and exploring new cognitive paths –hence being more creative- while in addition staying focused on the task longer than individuals that are not intrinsically motivated.

2.3 Contextual Theories of Organizational Creativity

Now, how do the theories discussed in the previous sections apply to the micro-level, the organization?

Woodman, Sawyer and Griffin (1993) developed an interactionist model, accounting for the contextual aspects that are related to organizational creativity. They argue that creative behavior of employees is a complex person-situation interaction influenced by various 'antecedent conditions'- events of the past as well as features of the current situation. The proposed framework combines the knowledge from different fields of study on creativity, integrating elements of the personality, cognitive and social psychology.

FIGURE 1
An Interactionist Model of Organizational Creativity

INDIVIDUAL CREATIVITY:
$C_I = f(A, CS, P, K, IM, SI, CI)$

GROUP CREATIVITY:
$C_G = f(C_I, G_{COMP}, G_{CHAR}, G_{PROC}, CI)$

ORGANIZATIONAL CREATIVITY:
$C_O = f(C_G, CI)$

Legend:

A = Antecedent Conditions
B = Creative Behavior
CS = Cognitive Style/ Abilities
P = Personality

K = Knowledge
IM = Intrinsic Motivation
SI = Social Influences
CI = Contextual Influences

G_{COMP} = Group Composition
G_{CHAR} = Group Characteristics
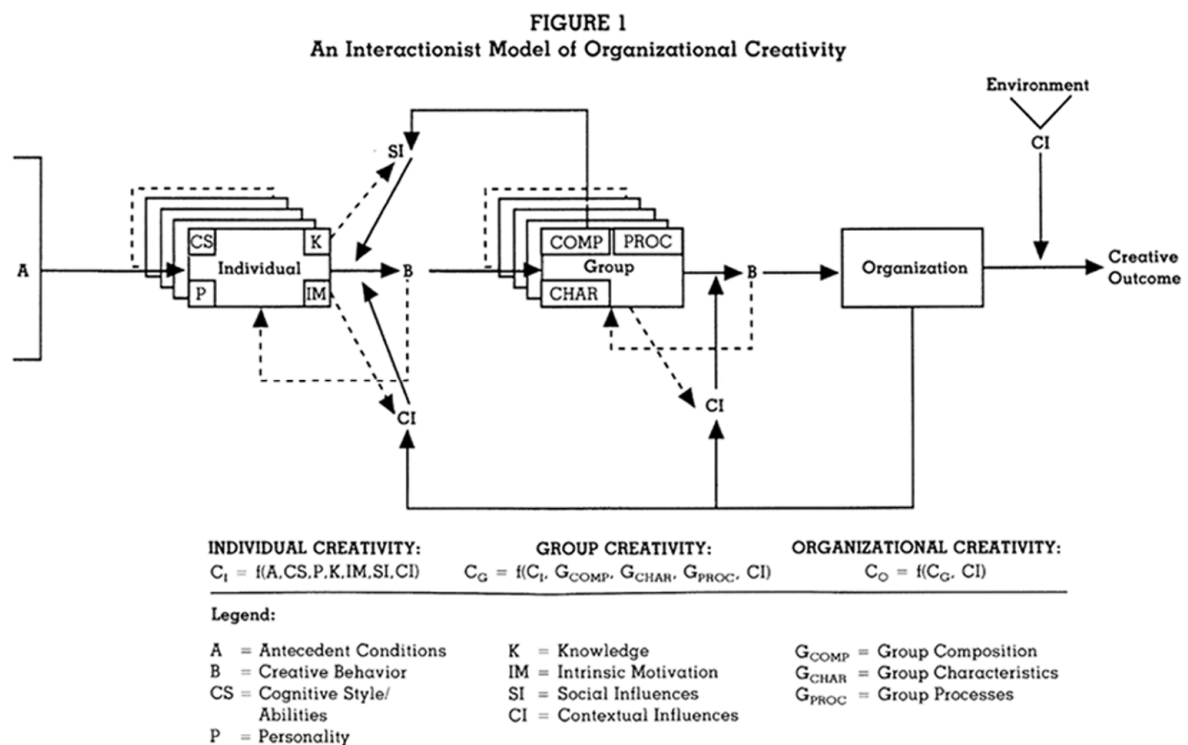G_{PROC} = Group Processes

Figure 2: An Interactionist Model of Organizational Creativity
Source: Woodman, R., Sawyer, J., Griffin, R. (1993)
Toward a Theory of Organizational Creativity,
The Academy of Management Review, Vol. 18, No. 2, p. 295

Figure 2 shows the framework of this interactionist perspective on organizational creativity. We see in this model that individual creativity (Ci) is the sum of antecedent conditions (A), cognitive styles and abilities (CS), personality (P) knowledge (K), intrinsic motivation (IM), social (SI) and contextual influences (CI).

Antecedent conditions are the biographical variables and the history of a person, that cause him or her to act and respond in a certain way. We can place this in the context of Csikszentmihalyi's system theory, in which he explains creativity as the result of interaction between individual, domain and field. Access to and familiarity with a domain in one's childhood is an important antecedent variable determining creative capabilities later in life. Other antecedent conditions, like the loss of a loved one or growing up as a middle child in a family (Csikszentmihalyi, 1996) can have a profound influence on a person's intrinsic motivation to achieve. These biographical variables thus influence, and form to an extent, the characteristics that are responsible for one's creative achievement.

The factors *within* a person -cognitive styles and abilities, personality, knowledge and intrinsic motivation- are closely related to what Amabile (1983) describes as domain-specific knowledge (being K in the model of Woodman et al), creativity-relevant skills (e.g. personality and cognitive abilities) and motivation. Social influences can be certain social rewards, while contextual influences include time and task constraints and the physical environment.

Other levels of social organization also influence organizational creativity. As we can see in the model, group creativity is a function of the individual creative inputs (Ci), group composition (Gcomp; e.g. diversity), group characteristics (Gchar; e.g. norms and size), Group processes (Gproc; e.g. approaches to problem solving) and, again, contextual influences (CI; e.g. characteristics of the group task and influences of other areas of the organization). Organizational creativity at last is a function of group creativity and contextual influences, like the company culture, recourse constraints and the environment outside the organization. All these factors on the different levels of organization can either inhibit or stimulate overall creative performance in an organization.

The arrows in the figure represent feedback loops between individuals and situations, as well as the influence that each level of organization has on the other levels: the group creates social influences on individuals; individual factors influence social and contextual factors and so on.

The model is valuable as it combines knowledge from different research fields, and brings the theories of Chikzmentihalyi and Amabile, introduced in the former paragraphs, together in one model. This is relevant as it shows that the theories of the two of them, which form the basis of this theoretical framework, are

complementary rather than opposing. Important too is the model's emphasis on person-context interactions, which make us understand some of the crucial dynamics of creativity in the workplace.

The theories about creativity that have been discussed showed that the environment is critically important to creativity. It follows, that managers in organizations can affect creativity, in two ways: direct, through their own behaviors and actions, or indirect, by creating a favorable work environment in which creativity is supported instead of inhibited (Zhou & George, 2003).

What direct influences is concerned, Oldham & Cummings (1996) identified two types of supervisor behavior that influences creativity. Controlling supervision, which entails that employees are pressured to think, feel or behave in a certain way, was negatively correlated to creative performance. Supportive supervision on the other hand, which means for example that employees are encouraged to express their concerns and feelings, was positively correlated.

But managers can also influence creative performance by creating a work environment that fosters creativity. Studies by Amabile (1983) among others showed that the context in which an employee performs a task influences his or her intrinsic motivation, which is in turn correlated with higher levels of creative performance. As we saw, Amabile describes creativity as a function of expertise (or domain-relevant knowledge), creativity-relevant skills and intrinsic motivation. She argues that although seminars and conferences will undoubtedly add to the expertise of the (creative) professional, and training to increase creative thinking skills will make an employee more equipped for creative tasks- the amount of time and money needed to get the employee to do all this is very high. This, while working on the third dimension- intrinsic motivation- can be easier and less time consuming. "Intrinsic motivation", she argues, "can be increased considerably by even subtle changes in the environment" (Amabile, 1998, p.80). Her opinion is in that regard congruent<< to Chiksmentihalyi's, as he states at the first page of his book 'Creativity: Flow and the Psychology of Discovery and Invention', that "it is easier to enhance creativity by changing conditions in the environment than by trying to make people think more creatively"(1997, p.1).

Together with Conti, Coon, Lazenby and Herron (1996), Amabile identified aspects of the work environment that were related to creative performance. Or rather: they focus on the *perception* employees have of certain features of the work environment, and the relation of those perceptions with creative performance. The correspondence of these perceptions with actual objective aspects of the work environment is not necessarily direct. They argue though that according to contextual theories of organizational creativity (e.g. Amabile, 1988, 1996; Woodman et al., 1993), it is largely the psychological meaning of the events that affect levels of creativity.

The conceptual model of the researchers shows several features of the environment that affect creativity. The managerial practices that influence creativity fall into six categories: work-group features, supervisory encouragement, organizational support, challenge, freedom and resources.

STIMULANT SCALES	DESCRIPTION
Organizational Encouragement	An organizational culture that encourages creativity through the fair, constructive judgment of ideas, reward and recognition for creative work, mechanism for developing new ideas, an active flow of ideas, and a shared vision of what the organization is trying to do.
Supervisory encouragement	A supervisor who serves as a good work model, sets goals appropriately, supports the work group, values individual contributions, and shows confidence in the work group.
Work group supports	A diversely skilled work group in which people communicate well, are open to new ideas, constructively challenge each other's work, trust and help each other, and feel committed to the work they are doing.
Sufficient recourses	Access to appropriate resources, including funds, materials, facilities, and information.
Challenging work	A sense of having to work hard on challenging tasks and important projects.
Freedom	Freedom in deciding what work to do or how to do it; a sense of control over one's work.
OBSTACLE SCALES	
Organizational impediments	An organizational culture that impedes creativity through internal political problems, harsh criticism of new ideas, destructive internal competition, an avoidance of risk, and an overemphasis on the status quo.
Workload pressure	Extreme time pressures, unrealistic expectations for productivity, and distractions from creative work.

Figure 1: Features of the work environment that affect creativity.
Amabile et al. (1996) 'Assessing the Work Environment for Creativity',
The Academy of Management Journal, 39(5): 1154-1184

As figure 1 shows, encouragement of creativity in an organization is positively related to creative performance. This can take place on three levels, namely organizational encouragement (e.g. constructive judgment of ideas, recognition for creative work and a shared vision of what the organization is trying to do), supervisory encouragement (e.g. a supervisor who supports the work group and sets goals appropriately) and work group supports (e.g. a diversely skilled work group in which people communicate well and trust and help each other). Autonomy is another variable positively influencing creativity, as is sufficient recourses, including funds, materials and information. At last, challenging work leads to higher creative

performance. Scales predicted to be negatively related are workload pressure (e.g. extreme time pressures) and organizational impediments to creativity, like internal political problems, harsh criticism of new ideas and avoidance of risk.

Conclusion

In this chapter the importance of person-context interactions has been stressed. Creativity can be understood as a function of a person's characteristics, the characteristics of the environment, as well as the interactions between those characteristics. The consequence is that creativity cannot be attributed to an individual alone, as the environment has a critical role, too. If we want to create work environments that foster creativity, changing critical factors in the work context is therefore imminent. The key to change, has been argued, lies in intrinsic motivation. In the next chapter, the role of intrinsic motivation as mediator between environment and creativity will be addressed.

CHAPTER 3: **INTRINSIC MOTIVATION**

3.1 Intrinsic motivation as mediator between context and creativity

Drawing on the theories discussed in the former chapter, I will explore the role of intrinsic motivation as a mediator between contextual characteristics and creativity. We defined intrinsic motivation as the ability to engage in an activity because the activity itself is motivating and exciting to someone. This in contrast to extrinsic motivation, which refers to an external impetus for action- like a biscuit for a dog, a whip for a horse, or, in human reality, mostly prices or command. According to Frey, "Intrinsic motivation depends on the perceived locus of control. If the impetus for an action is attributed to an external influence, the perceived cognitive self-determination is undermined"- leading to a decrease of intrinsic motivation and hence, creativity.

Many scholars (e.g. Shalley, Zhou & Oldham, 2004; Amabile, 1983; Amabile et al. 1996) have argued that intrinsic motivation encourages people to be more curious, cognitively flexible, persistent in times of difficulty, and risk taking, all of which result in higher levels of creativity.

The effects of external influences on intrinsic motivation can be explained by the psychological Cognitive Evaluation Theory by Deci and Ryan (1985). This theory aims to identify the conditions under which the motivation of employees is in- or decreased. The authors argue that contextual characteristics have two dimensions: an informing and a controlling one. Which one of these aspects is perceived to be more dominant determines the effect it has on intrinsic motivation: if the informing aspect is dominant, and individuals feel encouraged by their environment and get valuable feedback on their competence, the effect on intrinsic motivation is positive. Subsequently, these people are expected to express high levels of creativity.
But when the controlling aspect is perceived to be dominant, people feel that their behavior, thoughts and feelings are constrained by their environment, which undermines their self-determination and causes a decrease of intrinsic motivation. People are in this case expected to express less creativity.

3.2 Alternative theories

Shalley, Zhou & Oldham (2004), three of the leading researchers on the subject of management and creativity, argue that while many studies have provided results that are consistent with the argument of intrinsic motivation being the mediator between context and creativity, few studies have actually tested it. If they did do so, they found results that were not in all cases that consistent. This could be due to the difficulty with measuring intrinsic motivation, which is not an easy task. It is not something that can be counted, and in addition, often enough you do things without knowing exactly why. Or people can be bluntly dishonest about what motivates them: there are likely many more people who make choices for the easy money, than those who will actually say so. The borders between intrinsic and extrinsic motivation can be blurry. Take money for example, extrinsic motivator pur sang: this can also motivate people intrinsically when the informing aspect is dominant to the controlling aspect, which is different in every case, for every different individual. In addition to being a compensation for the time and effort you spend on a job, money can also be perceived as information about how competent and valuable you are. In the latter case, it does stimulate intrinsic motivation. Frey (2000) also takes note of the distinction between motivation to participate versus motivation to produce, as suggested by March and Simon (1958). While intrinsic motivation is important for functioning in a team, pooling ones ideas and (tacit) knowledge, the decision to join a team oftentimes depends on extrinsic factors as salary or reputation.

Another possibility is that intrinsic motivation is important to creativity, but that it has to co-exist with other variables to trigger employee creativity.

Finally, it could be that the inconsistent results found in some studies to intrinsic motivation and creativity are due to alternative mediating conditions. The role of mood states as a mediator between context and creativity, for example, is investigated in a number of studies (e.g. Isen, 1999; George & Zhou, 2002). Moods are "pervasive generalized affective states that are relatively transient in nature, are experienced over the short run, fluctuate, and may be affected by contextual factors (George & Brief, 1992 in Shalley, Zhou & Oldham, 2004)". Positive mood states (like excitation and elatedness) are suggested to have a positive influence on cognitive

processes, motivation and social relations in the workplace and have hence a stimulating effect on creativity.

On the other hand, history has given us many examples of Angry Young (Wo-) Men whose anguish inspired them to make beautiful art. Ever since Romanticism, some centuries ago, artists have been expected to suffer in order to make good art. But although many great artists have suffered from psychopathology and addictions, leading sometimes to hospitalization (e.g. Charlie Parker, Thelonius Monk, Charles Mingus) or even suicide (e.g. Vincent van Gogh, Kurt Cobain, Ernest Hemingway, Frida Kahlo), there are also many artists who live happy, satisfied lives and are not tormented at all. In some cases a melancholic pose might be helpful to be taken more seriously, and gain more recognition in the art world.

There are a few studies (e.g. George & Zhou, 2002) that suggest that under specific circumstances negative moods, like fear and distress, do increase creativity. In a business setting, this can happen in the case of job dissatisfaction, when employees come to think that the status quo is no longer acceptable and contribute new ideas to make things better. But these employees might well choose to exit, instead of voice, or accept the status quo out of loyalty to the company, even if it is causing them distress.

George and Zhou also found that in case of clarity of feelings and high-perceived recognition and reward for creativity, negative mood states stimulate creativity where positive ones do not. Clarity of feelings expresses to what extent people are aware of their feelings and capable of meaningful reflection about how they feel and why.

Considering the lack of consensus so far in research to the relation between mood and creativity, it is necessary to explore this subject in further research. But by no means this makes the necessity to study the relation between intrinsic motivation and creativity redundant. Even in mood studies, the role of intrinsic motivation is important. Positive mood states are enhancing creativity also because of its stimulation of motivation. And as negative mood states are beneficial to creativity only when recognition and reward for creativity as well as clarity of feelings are high, it might well be that the effect of negative mood on creativity is positive *only when* this leads to an increase of motivation. In this regard, intrinsic motivation itself is a mediating condition in the study to the relationship between mood and creativity.

3.3 Explaining behavior: Preferences versus constraints

Economists focus on *constraints* such as (relative) prices, limited time and income to account for people's behavior. Take for example the supply and demand graph, the famous X, by which one can easily determine how high the demand of a product will be at a given price. At the equilibrium price, the point at which the market system is in balance, supply equals demand.

Psychologists like Deci and Ryan on the other hand focus on *preferences*, or attitudes reflecting people's set of values, to account for their actions. These preferences determine the level of motivation one has to do something. Put simply: economists look at the outside world to explain behavior (taking values as constant), psychologist at the internal world.

Frey (1997; 2000) proposes in this 'crowding theory' to combine economic and psychological approaches. He acknowledges that behavior is the result of both preferences and constraints, and argues further that both can influence each other. External constraints can have a corrupting effect on intrinsic motivation, which he calls *crowding out,* or can have a positive influence, called *crowding in.*

Intrinsic motivation is undermined when rewards that are granted to someone are perceived to be controlling. An example of this crowding effect Frey (2000) mentions is the case of a blood bank, where people normally donate their blood for free. Contrary to what traditional economists might believe, *less* people are in fact willing to give their blood when they are offered monetary compensation, than when they aren't paid at all. But no crowding out effect can occur when there was no intrinsic motivation to begin with. In case of dull or simple work, in a factory for example, people will response positively to a pay-for-performance price incentive, and work output will rise.

As pointed out, external interventions have two aspects: an informing and a controlling one. A reward can be perceived as informing, as it gives the receiver feedback about his competence, which "strengthens the feeling of internal control" (Frey, 2000, p. 541). But when the controlling aspect is perceived to be dominant, people feel stressed by their environment, which undermines their intrinsic motivation to do the thing they are rewarded for. The effect of the price system can thus work in

two directions. In case of command on the other hand, the crowding effect takes place in one way alone: out. There can be no doubt to where the locus of control is.

Falk and Kosfeld (2006) provided empirical evidence for the negative effects of managerial control on intrinsic motivation. The relation between employer and employee can be typified as a principal-agent relation, because of the asymmetric information between the principal –employer, and the agent –employee. When given a high amount of autonomy to the employee, the employer remains in insecurity about whether the employee does his work (well) or takes opportunistic actions, for which the employer carries the risk. Therefore, employers often try to control the behavior of the employees to eliminate their most opportunistic actions. But many of the people who are confronted with a controlling decision perceive it as a signal of distrust and as a limitation of their autonomy. The emotional perceptions of control in turn affect the agents' behavior. The results of the experiment undertaken by Falk and Kosfeld show that the decision to control, instead of trust the agent, significantly reduces the agents' willingness to act in the principal's interest. Because of this, performance of the agent is lower when the employer controls in comparison to if he trusts.

According to Frey (1993) monitoring doesn't necessarily crowd out the agent's intrinsic work motivation. In some cases monitoring the employee does not have a psychological effect, or even a productive one. The latter is the case in abstract relationships like in a competitive market. If the relationship between a principal and agent is personal, Frey finds a crowding out effect of control on intrinsic motivation and work effort. Like Falk and Kosfeld, he argues that monitoring is perceived as distrust, which causes employees to reduce their work effort. The result is that, to speak with Argyris (1964), strong control leads to an ever-expanding need to increase control.

Conclusion

In this chapter, the role of intrinsic motivation as a mediator between contextual characteristics and creativity has been explored. Economists typically explain economic behavior by means of constraints such as prices and costs. Psychologists on the other hand, like Deci and Ryan, hold the preferences and values of individuals

responsible for their actions. Frey's Crowding Theory can be understood as a combination of economic and psychological approaches. Behavior, has been argued, is the result of both preferences and constraints, and both can influence each other. External constraints can have a corrupting effect on intrinsic motivation, called *crowding out,* or can have a positive influence, called *crowding in.* An external influence has a positive affect on intrinsic motivation when the feeling of internal control is strengthened. When people feel controlled by their environment on the other hand, intrinsic motivation is undermined. The consequences of these Crowding Effects on the management of creativity will be addressed further, theoretically in chapter 4; empirically in chapter 5.

CHAPTER 4: **MANAGEMENT**

In the former chapters, I have stressed the role of intrinsic motivation to creativity. This has implications for a suitable management style. Intrinsically motivated employees will feel patronized rather than motivated by dominant management behavior. As Harry Starren, director of de Baak management centre puts it: "Knowledge workers (…) are intrinsically motivated, until they meet their boss. If you push someone in the direction he is already going, is he going to walk faster?" (Weggeman; 2007; 5)

4.1 The construction of management

Let us first try to answer the question: what is management? There seems to be no straightforward answer to that. This is why the phrase 'management is what managers do' is often used in an attempt to define management. Nevertheless, to speak with Christopher Grey, one of the leading authorities in the area of critical management studies, "The existence of an identifiable group of people who are labeled 'managers' has been one of the most significant aspects of the organization of work and society for well over a century" (Grey, 1999, pp. 1).

The meaning of management –what people think management is and should be- has been subject to change over the centuries. But although management as a social construction is ever changing, textbooks about management more often than not postulate conclusive definitions -thereby ignoring the many contestations about the term. A famous example of a conceptualization of management is Henri Fayol's *General and Industrial Management* (1949), in which he defines management as a function of planning, organizing, command, coordination and control.

The impact that Fayol, together with other classical management theorists such as Frederick Taylor and Max Weber, have had on management practice can hardly be overestimated. For one, it led to the explosive rise of organizations we now usually call bureaucracies. But their ideas have even shaped our most basic understanding of what organization is about (Morgan, 2006).

The view of classic management theorists is that organizations are, or should be, rational systems that strive towards maximum efficiency. The main focus is on organization *design*, since it is believed that if the engineering is right, everything else will fall into place. Thrust of their theories is the idea that management is a process of rational planning, coordination and control- an idea that is, although regularly questioned, still the dominant view on management up till today. The modern management techniques that are based on classical management theories are numerous: management by objectives; planning; budgeting systems and programming are but a few of the common management practices based on their ideas.

Due to the changing dynamics of the new economy, with the increasing importance of innovation and creativity for business survival, the limitations of classical management became apparent.

A company has little power to innovate when people and systems are only programmed to meet predetermined objectives. The little power to innovate rests solely with upper management- those who do the thinking- neglecting the knowledge and ideas of the rest of the human capital. The system described here is not adequate to deal with uncertainties and instabilities, as it encourages only processes of single-loop learning (checking if objectives are met), but discourages double-loop learning (questioning the validity of objectives and ever reframing goals), as has been shown to be important for organizations to evolve (Morgan, 2006; Argyris, 1978; Senge, 1990).

Furthermore, the flow of knowledge and ideas throughout the organization gets obstructed when hierarchical and horizontal divisions are strong, which is typically the case in bureaucracies. With such a division of information and knowledge, it is hard for employees –just busy within the narrow framework of their job description, doing what they are told to do- to get a grasp of what is facing the organization as a whole, thus further reducing the power to innovate.

But the affect of these management practices on motivation can be even more profound. The sociologist Weber (1946) noticed early on in his famous account on bureaucracies that treating people as if they were only cogs and wheels of a machine can have a dehumanizing effect on people and cause a lack of motivation. Furthermore, people are not machines, and they will oftentimes not act as they are

designed to do. Even more so when the system people are working in is rigid, it can cause disruptive rebellion.

4.2 Developments in management theory

Insight in the downside of the classical management paradigm has lead up to many new management theories and practices. Bureaucratic organizations in all sectors of the economy have been reassessed (David & Scase, 2000). Many big bureaucracies have been subject to processes of decentralization, fragmentation and flattening of hierarchical structures. Where specific services were once delivered in-house, they are now often outsourced to networks of market based purchasers and providers.

Also, the way that management is apprehended and the status that it has seems to have changed in recent years. The concepts of 'empowerment' and self-managing teams for example, that are popular subjects in the discourse of organizational change, suggest that the historical distinction between managers and non-managers is diminishing (Grey, 1999).

Many organizations have adopted more flexible, 'post- bureaucratic' organizational forms, with flattened hierarchies, making middle-management often redundant. In addition, management techniques have come to include much less rational, more 'soft' issues: over the last decades academic and popular management literature have come to stress the importance of culture management, human resource management, total quality management, organizational learning and creativity. This all seems to indicate a whole new role for the modern manager. Instead of planners, designers and organizers, the manager of today is pictured in much less a rational way. They are visionaries, facilitators, team builders, change agents or coaches (Gee at al., 1996). It is not so much that managers should perform a narrow set of management tasks, as that they have to *shape the conditions under which* employees get empowered, and can unleash their full creative potential. The emphasis of managing thus seems to have shifted from controlling, to enabling employees.

What is interesting is that in non-profit organizations like for example arts organizations and universities, a reverse dynamic is visible. Whereas management in for-profit organizations increasingly emphasizes the 'soft issues', e.g. culture, management style and people, the interest of not-profits has shifted to the more

rational elements of management, as strategy, structure and systems.[4] The current emphasis on cultural entrepreneurship and professionalisation that is all around in the art world today illustrates this trend.

That managers are now pictured as equal partners or facilitators of the workforce seems to erode the historically shapen high status of the manager. In their 'post-management manifesto', Koch and Godden (1996) even predict the death of management in the near future. "There is a strong case that management, (…) the creation of the Industrial Revolution in the last half of the eighteenth century, could finally die out sometime early in the twenty-first century' (p.17)

But maybe this is just some speculation, and is the truth that management actually flourishes. Grey for example points out that although a number of managers has been fired from their jobs, they are often rehired again as consultants, to avoid the costs that are associated with hierarchies. In addition, managers might grant their acquaintances of the MBA's 'old boys network' positions with considerable power.

Organization theorist and management consultant Matthieu Weggeman would likely disagree with Koch and Godden's prediction, too. In his book, bluntly called (as translated to English)'Managing Professionals: Don't Do It!'[5] (Weggeman, 2008: 76), he describes the way that an acquainted manager leads his company. In this manager's 'oval office', two rows of monitors are placed against the walls, where the latest balanced scorecard, AEX and the levels of production and stocks are visible, as well as live images of the work floor and meetings, which he can interrupt whenever necessary. The anecdote continues with Weggeman gasping: "Incredible. You could even login from home so you can watch all the images there, and never even have to set foot in the office anymore!" The manager replies that 'he thought about it, but he just likes the feeling of coming home too much after work'. He would not want to miss that.

The anecdote is humorous as it is depressing. Increasingly, the author claims, managers are sticking 'vertical thermometers' in primary work processes. Everything

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[4] These six elements of organizations –strategy, structure, systems, management style, people, culture- are deducted from the ESH-framework for analysing organizations, as described in Weggeman, M. (1992)

gets measured, everything is controlled. The consequence is that employees and work processes get frustrated and on top of that do these practices not even give real control but rather an illusion of it. In fact, strong control leads to an ever expanding need to increase control, as has been shown in the previous chapter.

Conclusion

In this chapter we investigated the common practices and principles of management. We argued that the idea that we inherited from the Industrial Era is that management is a process of rational planning, coordination and control. Subsequently, the negative impact of management on intrinsic motivation and creativity can be profound. But the way that management is apprehended has changed over the last few decades. From a manager in the traditional sense, the role of the contemporary manager has changed to more of a mediator. That the emphasis of managing seems to have shifted from controlling, to enabling employees, is beneficial to creativity in that the perceived self-determination of employees is enhanced. Nevertheless, more often than not creative professionals picture managers as a threat to their autonomy, or as people who unnecessarily frustrate creative processes. It follows, then, that the dilemma of the manager of creativity seems not yet resolved.

CHAPTER 5:

INTERVIEWS AND OBSERVATIONS FROM CREATIVE COMPANIES

5.1 Introduction

In the previous chapters, the role of intrinsic motivation as mediating condition between creativity and external events has been addressed. Three main questions arise from the theoretical exploration, which will be answered in this chapter.
These are:

- What are the organizational implications of motivation crowding effects?
- Are managers aware of the crowding effects of managerial control on creativity?

And, lastly:

- How can coordination of work be achieved without explicit managerial control?

Based on the findings of the literature study and the results of interviews presented in this chapter these questions will be discussed.

Chapter 5 is structured as follows:
- In section **5.2** the research set-up is presented.
- **5.3** discusses respondents' accounts on creativity and motivation.
- In paragraph **5.4** the organizational implications of motivation crowding effects are studied, regarding managerial behavior, organizational forms and reward systems;
- First, we examine the role of the manager in creative companies in **5.4.1**;
- Second, in section **5.4.2** we discuss the organizational forms that are adopted to foster creativity.
- Third, in section **5.4.3** the consequences of different rewards are discussed.
- Section **5.4.3** examines shared values as a means to coordinate work without explicit managerial control.

5.2 Research set-up

Not all professionals can be called creative. Weggeman (1992; 2007) distinguishes two kinds of professionals: Improvising Professionals and Routinely Professionals. The former creates new information continuously, based on his creativity and talent to improvise. By 'information' we mean a collection of concrete or abstract data that is or will be regarded by clients or public as important. The results of the work of the creative professional can be writings, speeches, designs, shows, etcetera.
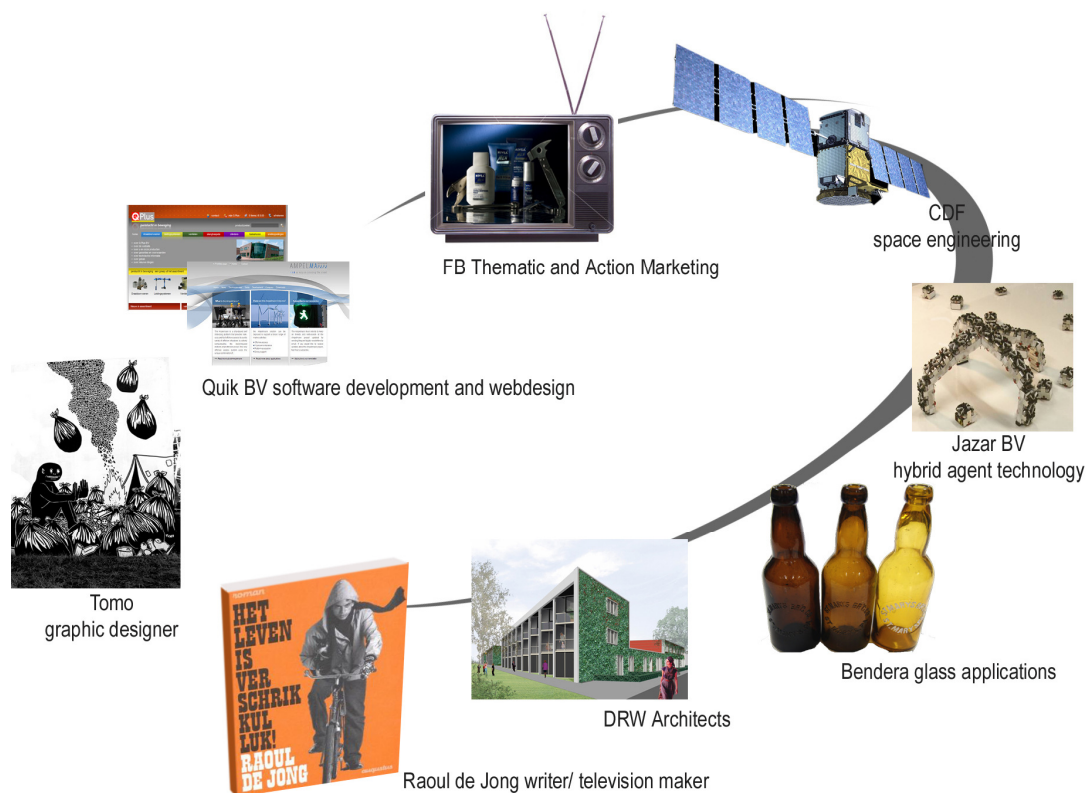
In contrast, R-profs are those who practice a particular skill on a very high level. Examples from this group are surgeons, lawyers or athletes. Note, that also in this group creativity occurs and can have clear benefits for the development of the profession. Take for example the Fosbury flop, an innovation in athletics that altered the limits of high jumping, or the numerous innovations in cardiovascular treatments by heart surgeon Michael DeBakey - according to *The Independent,* the world's most innovative surgeon.[6]

In a successful innovative company, it is wise to consider innovation *at and between all levels* of organization, including in the types of work where creativity it is less obviously needed. But because of the little role improvisation plays in day-to-day activities in the group of R-professionals, the research population in the empirical part of this study will only include those professionals who unmistakingly need creativity in their job, and are expected to show a concentration of features typical of creative people: the I-professional, also referred to in the following as '(creative) professionals' or 'creatives'.

The managers that have participated in this research are not in all cases called 'manager' as such, but sometimes creative director, technical director or system engineer. In all cases though, these respondents work at the crucial interface between creative production and management.

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[6] Richmond, C. From website: http://www.independent.co.uk/news/obituaries/michael-debakey-cardiovascular-surgeon-whose-innovations-revolutionised-the-treatment-of-heart-patients-866902.html Retreived 21-6-2009

Figure 3: The creative organizations and independent professionals under study

For my research I conducted eight in-depth, semi-structured interviews. The qualitative methods taken up allowed the respondents to reveal their values, interpretations and opinions regarding the subject matter. The sample consists of managers and creative professionals in for-profit companies where creativity is at the core of their business. [7]

One interview is from another category: **Raoul,** who is working self-employed as a writer and television-maker. The companies where the rest of the respondents work for are diverse in terms of size and branch.

> **Jazar BV** is a highly innovative research company on subjects of among others artificial intelligence and agent technology. Interviewees are employee R&D employee Arno and technical director Kees, formerly employed at a.o. Phillips NatLab, who joined Jazar from the start in 2000. The company has since grown to 25 employees.

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[7] Names of respondents and companies are modified to ensure anonymity

DRW is an architect agency with 40 employees, renowned for their self-willed approach. Interviewee is Nico, an architect who turned managing partner in 2003.

Also invited to the discussion are Peter, Creative Director of advertising agency **FB Thematic and Action marketing**, as well as copywriter Jeroen. The agency is, after a recent merger, one of the largest advertising agencies in the world, with over 190 offices serving clients in 102 countries. The Dutch office consists of 80 employees.

Walter is technical director of **Quik BV**, a company that offers solutions in software development and web design. The company started off as a project of four TUDelft students, has since moved to Rotterdam and now offers employment to 12 people.

Bendera is a company that develops and produces glass applications and packings. Interviewee Berend is Innovation & Creative Design Manager Europe. Within Europe about 9000 people are employed by this organization; yet only ten work in the area of new product development.

At last I speak with Sergio, who works at the **European Space Agency** in the Concurrent Design department, designing satellites, but also co-owner and technical manager of CDF, a spin-off that he started with his ESA colleague, now employing 5 people. In addition he is working as consultant at the German Aerospace Center in the position of project manager/ system engineer.

5.3 Respondents' accounts of creativity and motivation

The first part of the interview focuses on how the respondents define creativity, and what they, as creative professionals, need in order to come to creative results. This way I, as interviewer, the respondents themselves en in the end the reader, could make an assessment about their concept of creativity, which functioned as the basis of the further interview.

One respondent defines creativity as:

> Sergio: "(…) the will and capacity to create something new (and ingenious); this can be a solution to a problem (as is mostly the case in engineering, a problem, call it challenge, arises and needs to be solved), or just the feeling to create/build something. As an engineer being creative is extremely important. Without creativity there is no such thing as engineering. Many times creativity is linked to being artistic; of course, in engineering this is not the case."

This definition is in line with the definitions of creativity discussed in Chapter 2, in that creativity is framed as the will (e.g. intrinsic motivation) and capacity (e.g. domain-relevant knowledge and creativity-relevant skills) to create something new and ingenious. Note that the addition of 'and ingenious' suggests that there has to be somewhat more to it then novelness: the new product or idea has to be 'ingenious' as well, in other words well thought out or useful.

Interestingly, the respondent reveals a distinction of his understanding of creativity, as an engineer, and what he considers to be the dominant perception of creativity: as something artistic. Walter, being an engineer as well, also opposes to the 'classical' understanding of creativity:

> Technical Manager Quik BV: "Organization-technically Frederik mainly presents himself as the creative guy. -He even calls himself "Chief Creative Officer", what do think about that; maybe you should interview him sometimes. But then we are talking primarily about the graphic and interface-technical creativity. Because it is the 'face' of our work, that is very important, but on other levels there are of course forms of creativity too."

Another definition on creativity is brought up by writer and television maker Raoul:

> Raoul: "I would say: thinking outside of the box. But just because it sounds nice and that's what you always hear people say when they are talking about creativity. Actually I have no idea what it is. It's something that you never think about, when you are creative yourself I guess. You just do what you do and think about what you're doing."

The quotation discloses the attitude that rationalizing creativity is not always considered important, from the perspective of the creative. Being creative requires to be absorbed in the process of creating, but not necessarily to define the processes that guide this. I would object to the idea though, that Raoul does not know what creativity is; rather, his understanding is more intuitive than analytical.

In contrast, a manager in a creative company defines creativity as follows:

Manager Bendera: "Creativity is the result of creating the right climate within the organization, in which a variety of input by multiple stakeholders can lead to a right result."

This definition diverges from Raouls account on creativity, for one, because in this case creativity is defined in the context a company. Neither of these two respondents defines the distinguishing marks of creativity- in both cases creativity is talked about as something of a 'black box', where effort goes in, and something (but what?) comes out. But as Raoul emphasizes the process- 'doing what you do and think about what you are doing', the manager emphasizes the *result* of creativity. The latter could indicate a more instrumental approach towards creativity. The differences in these attitudes may reflect a more general distinction of values and attitudes between groups. I will analyze this further in section 5.4.4.

Technical Director Quik BV: Troublesome of creativity is that it is non-lineair. Putting twice as much hours (or people) in a creative process, doesn't mean that the end product is twice as good. It is therefore tricky to plan and manage creativity. How much and when is it right? This could be an issue that refrains management to deal with creativity seriously. It stays elusive, maybe this is an image/communication problem, maybe management lacks the tools to make this concrete.

Considering the prerequisites and impediments for creativity, the respondents referred to both to personality traits related to creativity, as well as features of the environment.

All respondents referred to freedom as prerequisite for creativity. One respondent further mentioned time pressure, a need (from his environment), challenge, (fair) competition, a sparring partner, varied input and/or feedback from peers. Other respondents added courage, discipline, a curious mind, time, a series of people, a stimulating and engaging environment, and clear goals.

Impediments of creativity that were mentioned: defensive behaviors (politicking), unfair or harsh competition, communication problems, lack of engagement with company goals, and conservatism.

The mentioned stimulants and impediments of creativity show considerable overlap with the six categories of managerial practices that Amabile et al. (1996) hold to affect creativity, as discussed in chapter 2.3.

On the importance of intrinsic motivation for creativity, one respondent argues:

> System engineer JCDS: [Intrinsic motivation] is the requirement [for creativity]. If you don't have that it just stops, because then you aren't curious to learn new things and try out stuff. If you don't have it I don't think you can be creative; you will just repeat the old tricks.

This quotation is in line with theories of Amabile (1996) and Frey (2000). Intrinsic motivation is needed for creativity- without it, people tend to produce stereotyped repetition of what already works.

Raoul gives an account on the highly personal and intrinsic reasons that motivate him to do the work he does:

> Writer/ television maker Raoul: This sounds very pretentious maybe, but the visions that pop up in my head. When I'm walking on the street or biking, sort of visions of how reality could be or should be or is.
> They make me happy and I think they can make other people happy as well. Making this visions come true is my way of communicating with people, saying what I couldn't say just in words, or in a conversation. And at the same time this work I'm doing, or life I'm living, gives me the chance to learn a lot, about myself and other people and happiness and the world.

However, Technical Director of Quik BV notes that, from the managerial perspective, intrinsic motivation can have disadvantages too. Intrinsically motivated people do what they love, and set aside the benefits of that, it can lead up to the situation that business imperatives are neglected. In other words, intrinsically motivated people do not always work to the benefit of the organization:

> Technical Director Quik BV: "On this moment though I am more in a phase where I rather like to see a methodical approach. The reason behind that is that many projects exceed budgets, simply because it has to get super-beautiful and super-cool, while a more Calvinistic but effective solution would have worked out too. I share that syndrome, and it can get a threat for the company, in the sense that for example plannings aren't met, costs are too high, focus is lacking etcetera."

The creative's need for professional autonomy and highly personal style of working are illustrated with the following:

> Technical Director Quik BV: "Last month I developed a new product in two weeks because I felt like working on it extremely, although because of that we will be finished with a more boring project later than scheduled, yet not so much that the client won't take it. But that new product really kicks ass and is going to bring us a lot of money, so I am bailed out there, because I wouldn't want to work any other way. That is an example of something that you have to tolerate in your organization. Planning super tightly and making people get their targets in a rigid way doesn't leave the space for that. Then people get punished for their creativity- they do it at their own risk and they get even busier."

It also reflects the manager's dilemma in a creative company, to balance between creative's values and preferences, and commercial goals: a topic that will be addresses further in the next sections.

5.4 Organizational implications of motivation crowding effects

In this section the organizational implications of motivation crowding effects will be discussed. Based on the literature and interviews, I identified four key themes: managerial behavior, organizational forms, reward systems and shared values. These will be exemplified in the next paragraphs.

5.4.1 The role of the manager

> Technical Director Jazar: "When you look strictly at control, it's the same as inefficiency. (…) I do believe in the fact that every meeting you have to order is a waste of time. It's better if you should not have to organize it in the first place. Although there are limits to that principle."

Like Technical Director Kees, many, if not all managers or directors reported to experience a tension between creativity and control. Often, they admitted that 'managing creativity' was a topic that had the attention within the company, although some did not always know how to handle it best- which was sometimes also the

reason that they decided to participate in this study. Kees of Jazar though is typically a director who is very confident about his ability to manage creativity. A strong leader, one might argue.

> Technical Director Jazar: "There are so many rules and procedures to improve quality, it's the art to anchor those in your organization without giving it a role that is too explicit. When you lose yourself in the top-down version of those rules people A) will resist automatically, instead of adopt them and B) they are not in phase: they aren't finished yet with their design or presentation. As a leader, you have to use the rhythm of such a process in determining the communication moments. (…) If you don't, you create a phantom image of that deadline."

But being a strong leader does not imply, to him, that he should exercise strong control over employees- to the contrary. Managing partner Nico of architect agency DRW stresses the facilitating role a manager of creativity should adopt:

> Managing Partner DRW: "To manage creativity you need to take on a facilitating attitude, and make sure that the creativity comes out. I have also experienced times though that colleagues of mine came in revolt and the situation got untenable. They were in total disagreement with the opinions of management, and wanted to go in another direction. (…) As a company you have a certain signature and as management you don't want that to be undermined. (…) And of course it is nice that anything is allowed, but it shouldn't be that everyone is going in a different direction. That is a real difficulty in [architect] agencies. But when you want to do something totally different, then actually time has come that you shouldn't be at the agency, but choose for yourself. And it's a good thing too, that there is a flow of people."

The above quote also illustrates the idea that creativity *needs* to be managed sometimes, in order to not let chaos predominate- *if* that chaos undermines the company goals. In the end, management is a tool to pursue the goals of the organization.

System engineer Sergio of CDF Space Engineering gives an account of managing creativity in a context of a large and highly innovative company. Due to the size of the organization, the amount of technicians that have to work together on a design and the complexity of the product to be made, systems and people are needed to facilitate the information flow. Concurrent Design entails the facilitation of all participants of a design team, that are brought together to design 'concurrently' in group sessions, in order to improve communication and throughput, and maximize the quality of the end

result. Without explicitly orchestrating this creative process, participants are often not fully aware of the constraints that the design of one subsystem brings to another, that has to be adjusted subsequently- and that can go on and on. Concurrent Design thus, Sergio argues, encourages a systems approach to design, which stimulates the professional to develop a 'birds eye view' rather than a specialist view. A critical role is put aside for the team leader and system engineer, he notes:

> System engineer CDF :"To facilitate this whole process you need a team leader and a system engineer. The team leader is a mediator who makes sure the team functions as a team, comparable with a conductor of an orchestra. The team leader is backed up by the system engineer, whose responsibility is to tie the results of all subsystems together and make a synthesis of the design. The team leader and system engineer together have the, very important, task to motivate the team and make the cooperation run smoothly."

But it is also important, Sergio argues, that the people who partake in the team are creative and at ease with chaos:

> "It is also very important to have the right people in the group to make the process run smoothly. Concurrent Design can be, especially in the beginning, a very chaotic process. People who cannot handle that don't belong in such an environment and frustrate the process. Performing under high pressure and being able to switch quickly are very important."

Manager Berend emphasises that, in addition to facilitating creativity, management of a creative company should also make an effort to *collect* the generated ideas and make them marketable.

> Manager Bendera: "Stimulating, facilitating, collecting creative ideas in the organization and draw attention to developments in the market, that is, translate future needs of consumers into practical glass applications."

When management would only be concerned about stimulating creativity, but no effort is undertaken to harvest those ideas and to ensure the ideas are brought into the market (or domain, to speak with Chikszmentihalyi), an abundance of ideas is, from the managerial point of view, useless.

The manager's visions on managing creativity thus emphasize their role of a facilitator or mediator of the creativity process. He is pictured as an 'orchestra

conductor', who anticipates on 'the rhythm of the process'. But the manager has another task too: collecting ideas and connecting them to market trends.

Hence, the statements of managers reveal a divergion with the classical management paradigm discussed in chapter 4. They acknowledge the peculiarities of management in a creative context. The traditional, controlling manager seems thus to be off the stage. A critical note needs to be made though, in that all managers in the sample are or have been creative professionals themselves, as is often the case in creative organizations. Although many of the organizations that I appoached did have a mixture of creative professionals and management graduates in the management structure, in all cases it was the professional that had taken up managerial responsibilities that responded to my request to interview them. They might attribute higher priority to the subject matter of this thesis. The relationship of the sample to the wider population of managers would have been more profound when management graduated were also interviewed. In addition would it have been interesting to hear what managers of not-so-creative companies would have responded to the questions, in order to account for relevant distincions between these groups.

Secondly, interviewing managers about what managers do gives evidently a one-sided image of their practice. In the sections that are to follow, the creative professional's opinions will also be accounted for.

5.4.2 Organizational forms

There are also organizations who discard the manager altogether. Often, small, creative companies have little in the way of explicit managerial control. Instead, much of the organization unfolds naturally in day-to-day practices. The coordination of the workflow in small creative companies is usually achieved by a process of 'mutual adjustment' (Davis & Scase, 2000). To speak with Mintzberg, under mutual adjustment, "control of work rests in the hands of the doers" (Mintzberg, 1983, p.4). It is not a hierarchical management that ensures the coordination of organizational activities: a pattern of coordination and communication unfolds informally in the organization in day-to-day practices. Although Mintzberg's widely used framework of organizational structure and processes was not exclusively designed for the small creative firm setting, the notion of 'mutual adjustment' is also significant for the

management of these kind of organizations (Davis & Scase, 2000; Goffee & Scase, 1995, Ram, R. 1995).

Quik BV is an example of a company where processes of mutual adjustment determine (to an extent) the coordination of activities:

> Technical Director Quik BV: "(...) I don't know if we manage creativity optimally. Everyone seems to fill that in differently. That is something that evolves naturally for that matter: someone draws things to him, another doesn't. There is a culture where people, if they encounter a problem for which they see an inventive solution, can set to work as they want a fair bit.

But how, then, are such businesses integrated when there is no management explicitly coordinating work processes? Social informal networks and work teams are very important in the creation of creative work. Working on a project means in these organizations that professionals have to work together, combining their individual talents and creativity to form a productive blend of skills (Davis & Scase, 2000). Because of this, colleagues become interdependent on each other to make the project a success and with that, to contribute to the fulfillment of their own personal goals. Because of these interdependent relationships, trust an important matter. The organization in flexible teams contributes often to high levels of intrinsic motivation and commitment, which is, as has been argued, beneficial to creativity.

Also in the employer-employee relationship trust is an important issue. In chapter 3.3 we discussed the principal-agent dilemma, characterized by the asymmetric information between the principal –employer, and the agent –employee. When given a high amount of autonomy to the employee, the employer remains insecure about whether the employee takes opportunistic actions, for which the employer carries the risk. Now, those employers who grant their employees a high level of autonomy, which is often the case in small, creative organizations, must have a good dose of trust in them to handle that freedom well.

On the other hand, even employers who 'trust' their workers will be likely to monitor their performance. In a paper on the management of creative professionals in electronics companies, Causer and Jones (1996) argue that evaluation and control is secured through the dual nature of organizational positions, wherein both technical

and managerial work is combined. This way, manager-professionals work side by side with the other employees, which gives a great possibility to monitor their performance.

But not all small, creative companies are characterized by this lack of explicit coordination and control. Some have an autocratic structure, where the proprietor, at times referred to as the 'top dog', exercises control over most business activities. Managing partner Nico of DRW Architects explains:

> Managing partner DRW: "There is a bipartition in that regard: there are the famous architects, and what you often hear is that they rule the place like a king or queen, and control everything that is to be drawn. And there are agencies like ours, where cooperation is central.
> (…) What you often hear is that architects are blown up ego's that want to put up something just for them. That can be a motivating factor. But most of great projects are not sprung from the mind of one person alone. Not even Rem Koolhaas. Or Erik van Egera."

One of the greatest challenges for companies based on mutual adjustment is to make the step towards sustainable growth. Many respondents confirm the troublesome relation between creativity and entrepreneurial growth and as a result, many of them choose not to expand their business. Technical Director of research company Jazar explains this choice:

> Technical Director Jazar: "One of the things we decided: Jazar will never grow beyond 25-30 employees. For the simple reason that we should really start managing from then on. Because we are profound, and we don't want meta processes to predominate. That isn't good, especially not for creativity."
> (…) "Now we ensure that the crew grows qualitatively rather than quantitatively. When we started we had many HBO'ers, now they come from universities."

This passage illustrates that when organizations increase in size and complexity, the need for managerial control increases. This has major implications for employers, as well as employees. It is often necessary for the employers/ business owners to withdraw from their activities working alongside professionals in the workplace. Instead, they will have to occupy full-time management positions, exercising authority and control in a much more hierarchical manner. Often, creative

professionals have little desire to do so: rather they focus on the development of their own personal talents. One of the proprietors and Technical Director of Quik BV argues, that as soon as you are with four, five people there has to be someone who coordinates the daily issues. Instead of managing himself, he would rather hire a specialist, so he can focus on profound matters:

> Technical Director Quik BV: " At some point I do want a manager here. Business like making schedules, conferring, keeping finances in check, addressing people when something is too late or if they don't meet our agreements etcetera, just cost me time and stress."

> Technical Director Quik BV: "That doesn't mean they have to appoint the direction (...), but implementing and testing a mission and vision is something that is actually just "do"-work and in a way I see that more as a burden (of the creative brain) than as work that would motivate creatives pur sang."

Another problem that arises as a consequence of business growth in small organizations is that when employers are forced to take up full-time managerial responsibilities, the asymmetric information between employees and employer(s) increases – hence stimulating the incentive to make hierarchical and controlling decisions.

In addition, creative professionals who turn full-time managers have often failed to develop the competences needed for running a larger organization. Nico, who made the career step from architect to managing partner at DRW reflects on the problems he encountered:

> Managing Partner DRW: "One of the first things the four of us decided was: we know that we have to start managing, it was no option to take someone else for that, a specialist- we think we are too self-willed for that. (…)
> When the four of us started we didn't have any experience with organizing. We didn't have theoretical grounding in all that. We did ask for support, and looked at other architect firms how they organized. We did have to learn to communicate well. So we got some advice and guidance in that."

The next fragment exemplifies the creative professional's attitude towards taking up a full-time management position. According to Nico, for the creative professionals, having to abandon creative work is a hard step to take:

Managing Partner DRW: "That is also a development I have been through, of employee to somebody people look up to, who serves as a role model- that is not nice, in the beginning. Especially when you are humble. At first you could just nicely do your work and then you realize that you are looked at. That's scary. I think 40 is the age that you can really handle those things. And you need to learn to take a distance towards your projects. Awful was that, that what I liked best, making drawings, that I couldn't do that anymore."

If creative companies do choose to expand their business, they sometimes adapt their institutional structure to protect the social processes that foster creativity. Davis and Scase (2000) distinguish four strategies that are commonly used to mediate creative processes in organizations, when company size is too big to organize work on the basis of mutual adjustment. Although the authors discussed these strategies as applied to media industries, they can be applied to other creative contexts as well: among the respondents of this study all of these four strategies were taken up.
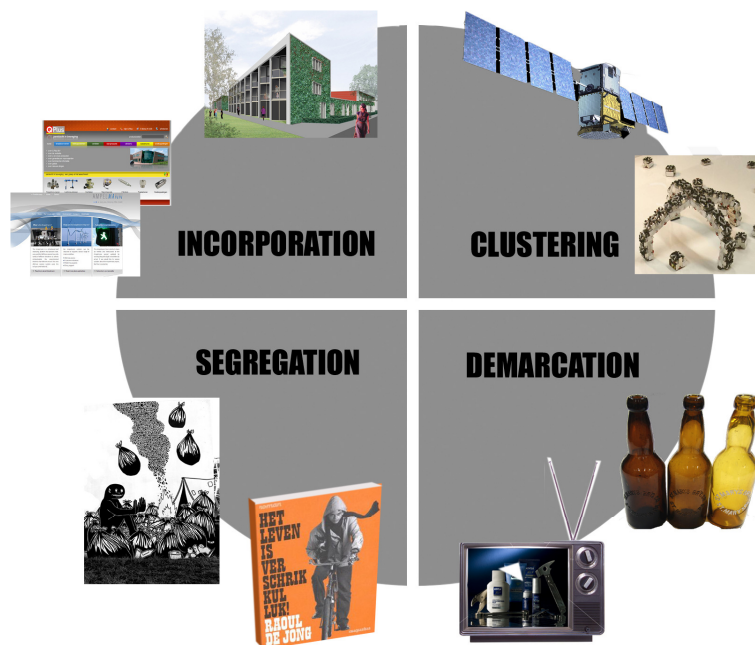

Figure 4: Business forms to mediate creative processes

Clustering is the separation of organizational activities into distinct units. The forms of ownership or contractual arrangements between the 'mother' organization and subcontractors are diverse.

When a part of a business, responsible for a particular service or market, has grown so much that the need arises for extra management, this part of the business is sometimes hived off as a separate profit-center for which a colleague is granted the responsibility. The advantage of this strategy is, that the need for a more formalized management is reduced as well as the increase in management overheads. Internal entrepreneurship can in addition contribute to organizational innovation, and the need of employees to keep their autonomy is met. Two companies in this study are, to some extent, organized by this principle: Jazar BV and ESA.

But how much autonomy is to be granted to these separate units? Do they pursue their own strategies, or do they stay integrated with the rest of the organization? Sam argues that, though he stresses the benefits of this strategy for innovation, a negative effect can arise in that these loosely knit business structures cause problems in communication and information flows:

> System engineer JCDS: "In any case, I think, if you have a really big company, that doesn't contribute to creativity. Unless you can split it up smartly. But then you get all these small groups and that's the same, you get sub-organizations within the organization but they are just creative within their own part, but not anymore for the company as a whole.

Besides, every professional in charge of their unit is likely to defend their own interests in overall strategy making. Frey (2000) argues, that running a firm as if it were a set of markets, which is the case if business is hived off in profit-centers or spin-offs, encourages extrinsically motivated competition and crowds out intrinsic motivation. The competition hinders the transfer of tacit knowledge between the decentralized units. If you have a product to sell, you are not likely to just disclose all your thoughts and ideas, your 'magic formula' if you will, to the buyer. A market price is paid for the explicit knowledge, taken form in a tradable product or service, while tacit forms of knowledge are withheld. "The members of a unit", as Frey frames it, "have no incentive to give up their individual competitive advantage as long as they are compensated according to the unit's profitability" (Frey, 2000, p. 545).

Demarcation

By drawing a line of demarcation in the organization, a division is created between creatives and management, making clear where creativity ends, and management begins. The advertising company FB illustrates this. FB is an international enterprise under rule of the US headquarters, which acquired its current size due to a recent merger of Forge and Bikkems. In the Amsterdam office alone this company counts about eighty employees; internationally, thousands. Although the office looks every bit like a 'normal' office, that could facilitate an insurance or accountancy company either way, when walking through the hallway where the creatives are at work the interior and atmosphere changes. Every room facilitates an advertising duo, consisting of a copywriter and an art director. The walls are covered with cut out pictures, ads and photo's everywhere; there is an old couch and colorful chairs, a full ashtray and music on. It looks, in fact, more like a student room than an office.

Creative employee Jeroen describes the demarcation in FB in positive terms:

> Designer FB: "You don't really get the idea here that you are working for a really big company. We are just a bit on our own little island with our creative director and all. I used to work for smaller companies, and then you have to do a lot of things, you can barely focus on something. While over here: you have a task and you focus on that, and you don't have to worry about other things. You get that at smaller companies. This agency is nice and stabile so you know you can just enjoy doing what you are hired for."

Not only spatially the division in FB is clear: also through the marking of job titles, work practices and responsibilities. The advantage of this strategy is that creatives can work autonomous, in a well-defined space, and they are not burdened with unnecessary responsibilities. The downside to demarcation is that the bounded division can be a potential source of conflict in the organization. Creative Director Jan of FB notes:

> Creative Director FB: "It is often a real battle between Creation and Account. We want to make beautiful, much discussed, award-winning campaigns and Account want us to be ready in three days or we won't get paid."

He further explains that his role as a manager entails the mediation between the different spheres of organizational activity, more than actually managing the creative staff:

> Creative Director FB: "After I have briefed a creative team, I'm out. Of course now and then I walk into their office or they come to me if they have questions. But in the time between briefing and presentation I hardly interfere. Of course I coordinate a little bit, this and that, but in the end all teams could be autonomous. Should be autonomous.
> But then: internally, Account has to get on board, Strategy… And we want more money and time for it, those are everlasting discussions. So in that area a whole lot of managerial [effort] is needed, too."

Incorporation is the absorption of creative roles into management. Professionals hereby become executives, and are directly answerable to commercial, in addition to creative, results. One apparent problem of this strategy, which has been addressed in the previous paragraph, is the loss of independence of the creative professional. Many creatives have little desire, or lack the necessary competence, to fulfill the managerial role. In many companies though, the professional has no choice but taking up managerial responsibilities if he wants to move up the company ladder.

But this strategy has advantages too. Creative managers can recognize and defend the needs and values of creative employees in overall strategy making better than many specialist managers could. Moreover, creative professionals are in general more responsive to management by a peer, who has earned considerable respect in his working field, than to a management specialist. They could, thus, manage creativity better. This assumption is confirmed by one of the respondents:

> Managing Partner DRW: "(…) Managers who are purely managers and trained as such, I doubt it whether they can manage creativity."

Another respondent argues that integration of creative employees into the management structure –not necessarily fully, but to some extent- can strengthen the sense of involvement and participation:

> Technical Director Quik BV: "It is, in my opinion, good for the sense of participation if employees are also shareholders. That way, they can (at shareholders meetings) coordinate

and control management, and by their direct financial involvement (shareholders value, profit benefits etc.), their feeling for the calculative "management" side develops. Of course not only statutory, but also informally and culturally participation should be the norm. This way you come to a situation where the 'pillars' are integrated better. Where integration is not possible or undesirable, open communication lines should be put up."

Segregating, at last, can be typified as the most radical way of separating creativity from managerial control. In this case creativity is outsourced to freelance creatives. Many creative professionals, like writer and television maker Raoul, choose to work independent, to protect their autonomy and keep things in their own hands:

> Writer/ television maker Raoul: "(…)working in an organization is only nice when the boss let's you do what you want or you are the boss yourself."

. Nevertheless, Raoul notes, working freelance has its drawbacks too:

> Writer/ television maker Raoul: "When you are self-employed you can do what you want to do when you want to, but a lot times that means that you take a nap and watch tv and do it tomorrow. And feel guilty about it. Because when you are self-employed there's actually no free time at all. Or that it is how it feels, you should always be working."

In addition, working in a team can be stimulating to work effectively, and feedback can lead to better creative results:

> Writer/ television maker Raoul: "Working with other people forces you to make decisions sooner, don't waste to much time on details that really aren't that important. It keeps you with a foot in reality and it's nice to have feedback... The end result is always meant to be read or seen or understood by 'The People', but when you are working alone exactly these people are sometimes a bit hard not to forget. It becomes just you and the computer."

From the organizational perspective, use of freelance workers has distinct advantages. Firstly, because of the flexibility it offers to the company, that can easily adjust itself to changes in market demand; second, risks in areas of uncertainty do not affect the core of the organization; and third, providers and purchasers of creative products and services can both focus on what they do best. (Davis & Scase, 2000, p. 76)

But this strategy has disadvantages, too. The purchasing organization has, although desired output is usually specified to some extent, little possibility to monitor and assure the creative result. Another disadvantage, that Davis & Scase fail to address, is that freelance producers can sell their services to many companies, including competitors. When creativity is considered critical to the value chain of a company, competitive advantage might be sustained only when not all creativity is outsourced.

5.4.3 Reward systems

In chapter 4, the possible crowding effects of extrinsic rewards have been discussed. In successful creative companies, personalized systems of reward are often used to stimulate desired behavior. Technical Director Walter explains the reward systems Quik BV employs:

> Technical Director Quik BV: "What we have at Quik for example is the 'learning afternoon', on this afternoon everyone is granted the time to explore –paid- any topic, with the developers we now have a book club where we read the standard work for software architecture together, "Code Complete". And by sharing successes, financially as well as emotionally, with them. You can think of profit sharing, bonuses, pay raises, but also activities, promotions, making someone the centre of attention if he performed an excellent job, etcetera. Ideally, everyone feels "co-owner" of the problems and opportunities of the organization."

Note, that employees are not only, and perhaps not even primarily, rewarded monetarily. Individuals are explicitly given space for personal development, which strengthens the perceived cognitive self-determination. The reward systems have the purpose to increase the sense of participation of employees to the organization. According to Frey's Motivation Crowding Theory, this 'crowds in' intrinsic motivation and creativity.

Sergio gives another illustration to Motivation Crowding Theory:

> System engineer CDF: "The problem at ESA is that they might reward people too high, especially when they come into permanent employment, which stands so far from the reward you get elsewhere, that people come to think at some point that it is more important to stay there, than what they have or want to do for that. So keeping your position has priority, in any

way. And usually not by performing well, and funny enough, part of the people who stay at ESA are not the best. But those are the people who are best in politicking, to make sure they can stay."

In contrast:

> "At DLR on the other hand I think they reward people so bad financially, that everyone who can do something leaves after a fairly short period, because they can earn a better salary elsewhere and do work that is equally nice, so why stay at DLR.
> Although there are a lot of young people at DLR, who just left university -and that stresses that those are the only ones they can get- that that gives a fresh atmosphere. Because nobody is tired of politicking. Everyone is motivated, which makes it a nice place to work."

Sergio illustrates the crowding out effect of monetary rewards with a striking example. The high monetary compensation lead to politicking rather than better performance. On the other hand do the quotations imply that underpayment, although it is not perceived as detrimental to task motivation, do make people want to search for other jobs. This indicates that the creative professional is susceptible for economic incentives- it is not just his creative urges that determine his behavior. The examples give us enough reason though to handle reward systems with precaution when creativity is at stake.

5.4.4 Shared Values

There is an underlying structure to the problem of managing creativity that seems to be largely unrecognized: the role of shared values. As apposed to the theories discussed in chapter 2 on creativity, theories of Cameron and Quinn (1999), Weggeman (1992; 2008) and Frey (2000) do acknowledge the critical role of this issue.

Values identify the characteristics, beliefs or qualities that people consider important. It is nested in a 'culture': the set of values, language and symbols that are shared within a group and distinguish it from other groups- in a society at large, but also at less general levels as an organization or even sub-units of organizations (Cameron & Quinn, 1999). It refers to the 'way we do things around here'.

On the organizational level, shared values refer to identification with the goals and purposes of the organization. It is, in other words, intrinsic motivation in the form of a shared commitment (Frey, 2000). In the introduction an answer was promised to provide to the question, how coordination of work could be achieved without explicit managerial control. In section 5.4.2 we discussed mutual adjustment as a means to coordinate work. Work processes are integrated through the interdependence of professionals, who have to work together to make the product a success, and with that, contribute to their own personal goals.

Alignment of personal goals and organizational goals makes external coordination and control redundant, since it is not in the interest of the employees to be ineffective or inefficient- to the contrary. The shared values serve as 'reference points' that guide behavior. This ensures that randomness will not prevail, even though explicit management is obsolete.

Technical Director Walter of Quik BV illustrates the importance of a shared commitment:

> Technical Director Quik BV: "What I experience further in organizations is that employees often think: Why would I put my own super idea up for use here under this name?" They don't feel connected enough with the general company goals to share their creativity fully. Some abstention is understandable, since it is not their toko. But it stays a difficult problem."

This problem can be fought, he argues, by giving employees a voice, explicitly giving space for personal development and by personalized reward system to share successes emotionally as well as financially. To further enhance the commitment to the goals of the organization, employees have the opportunity to become shareholders too. "Of course not only statutory, but also informally and culturally participation should be the norm." Walter explains. "Ideally, everyone feels 'co-owner' of the problems and opportunities of the organization."

Managing Partner Nico of DRW Architects also acknowledges the importance of employees commitment to the team's or company's goals:

> Managing Partner DRW: "You need to believe in the necessity that people feel responsible, as a team, for an assignment. "

Nevertheless, in the face of stressing external influences, realizing the company's goals is not always prioritized:

> "And we aren't there yet, as we notice that in busy periods people tend to care less about the team's interest and the company's interest than their own. That is a human condition that you have to deal with. But also when it is too quiet it is hard. But we are there, also to guide things a little bit. And we put a lot of effort into clarifying everyone's responsibilities. We conducted interviews, and the employees no. 1 need was clarity. On certain things we choose not to, like [job] titles, but on very essential things we do give clarity and we see that it works."

System engineer Sergio on the other hand argues that understanding the motives and goals of management is important to function well, but it does not imply he should share the ideas of his employer:

> System engineer JCDS: "I notice, that if I understand the motivation of management- I work better when I understand why someone is going somewhere, and then it doesn't even matter that much if I agree yes or no, but when I know where someone is going at I can handle that better. Then I can also disseminate better where the whole is going to. If I don't know that, I can hardly guide the people who have to do something for you."

> *But it's not that important if you share those ideas?*
> "No. And I don't believe that is even possible, to agree at all times. But that doesn't mean you are not able to do your work properly."

This attitude signifies an instrumental compliance to the employing organization. The role of the company is merely to provide the resources necessary to develop the employee's personal expertise. Is this, now, detrimental to creativity?

It is in any way very common. In a country like the Netherlands (opposed to, for example, Japan), Weggeman (2006) notes, an undivided passion for just company goals is rare. More often, employee motivation is only partly focused on the goals of the organization they decided to join, but to a greater extent on personal motives as recognition, money, personal development, power, social interaction, etcetera.

In many companies, including ESA, management occasionally undertakes efforts to disseminate the understanding of the company's goals throughout the organization, in order, or in the (false) hope, that these goals are internalized. This makes no sense. Frey argues that "the strengthening of self-determination and

intrinsic motivation takes place only when agreements about the goals serve primarily as self-control and self-obligation." (Frey, 2000: 543) The definition of a mission and goals should thus be a joint effort of management and employees and not a top-down activity.

It is common in creative organizations to hear about conflicts between different units, or spheres, within the organization, for example between creative employees and (account) management. This is the case in advertising agency FB:

> Designer FB: "Now general management orders Creation: more awards should be won. Which is easy to say, but when you only get clients on board who want these sales advertisements in huge stacks of work, which brings in a lot of money, where you cannot work on creatively, well what do you want?
> Like you said: we choose for quality and they choose for time and money. Well if you choose for time and money the quality will go down; when you choose for quality you need more time, so it will cost more money. So I think it will be an everlasting discussion."

During the interviews, I found that in many companies that are both creative and commercial, a political dimension shapes organizational life to a great extent. A source of conflict is the tension between sets of values of both groups, or between the instrumental and commercial logic of management and the cultural values of creative employees. These cultural differences can foster fragmentation and defensive behaviors in the organization, as another, earlier mentioned quote from the same organization shows:

> Creative Director FB: "It is often a real battle between Creation and Account. We want to make beautiful, much discussed, award-winning campaigns and Account want us to be ready in three days or we won't get paid."

Note the mentioning of 'we' and 'they', indicating the cultural distinction between groups. Dysfunction of the organization can be the result. An exemplifying account on the different interests of stakeholders in the organization is given by R&D employee Arne:

> Creative employee R&D Jazar: "My technical director would try to make me work out his own creative ideas, then you have a senior researcher who says I have to work out my stuff

more, and then you have some project manager who wants me to come with results. You play them off against each other, so you have the more time to work on your own development."

Typically, the creative professionals in my study articulate the political dimension in creative organizations more than their managers. They have the more reason to, in general, as it is the manager who holds the position that traditionally bestows authority.

Although within the group of managers a distinction needs to be made. As explained before, all managers in the sample are professionals themselves, or have had a previous career as creative professional before they turned full-time managers. Some managers though draw more on managerial language than others and some place themselves, or are perceived by creative employees, on one line with the creatives, defending their needs and values against upper management. They are included in the 'we'. See for an example the quotation of Creative Director FB on the top of this page.

In this light, it might seem that creatives are in an inauspicious position against their managers. But the rationale of this thesis teaches us otherwise: a creative professional needs task motivation in order to be creative- without it, he will rather spend his time on something else, as is the case in Arne's example. At other times, which is exemplified in the rather ethnographic fragment underneath, the attitude of the creative professional reveals a mere ignorance towards organizational politics:

> Graphic designer Tomo: "In my own short lived experience in professional graphic design agencies where it's all about the deadline, it seems to me that employee's work as a team pooling their ideas at very regular meetings therefore, although their levels of creativity are weakened by these deadlines and conformity, their combined effort produces something substantial, that might still look good (or god forbid better) next to the work of the solitary passionate creator (or maybe they just steal his ideas). After the meeting everyone gets given the project, or component of the project, that best suits their strengths and it all gets done on time. The creative director then dons his suit to go and have overpriced coffee with the client and takes all the credit, but no one minds cause they all got paid, they get to listen to their I-pod all day and they work in a place that looks a bit like a cross between Willy Wonka's Chocolate Factory and a normal office."

Yet, as Cameron and Quinn (1999) stress, despite the differences, the different cultures within an organization always share characteristics of the whole. It can be powerful to recognize the differences between values and attitudes, and bring this to light. But it might be equally powerful to articulate 'sameness' and shared values in order to prevent conflict and defensive behaviors between groups, and foster communication and creativity.

CHAPTER 6: CONCLUSIONS

Managing creativity:

A study on the organizational implications of Motivation Crowding Effects on creative professionals.

This thesis showed, firstly, the need to acknowledge changing dynamics of the economy. Rapidly changing environments, critical consumers and revolutionary changes in the dissemination of cultural content have made creativity a primary source of value for many companies. The study further aimed to investigate the implications of these changes for the ways in which we organize work. To what extent do changes in microeconomics –at the level of organizations- reflect the changes in the economy at large?

To answer this question, I argued, a close understanding of the dynamic relation between creativity, motivation and management is crucial. The theoretical chapters addressed this interplay.

First, I examined the socio-psychological dimension of creativity in chapter 2. Theories of among others Amabile (1983;1996), Chiksmentihalyi (1996; 1999) and Woodman, Sawyer & Griffin (2003) showed the inherently social nature of the creative process. Creativity can be understood as a function of a person's characteristics, the characteristics of the environment, as well as the interactions between those characteristics. The consequence is that creativity cannot be attributed to an individual alone, as is a common misconception about creativity. The environment plays a critical role, too. It follows, that by changing critical elements in the work context, we can create work environments that foster creativity.

In line of Amabile's research, I described creativity as a combination of intrinsic motivation, domain-relevant knowledge and abilities, and creativity-relevant skills. Intrinsic motivation was defined as the ability to engage in an activity because the activity itself is motivating and exciting to someone. This in contrast to extrinsic motivation, which refers to an external impetus for action, like prices or command. Of

these three components of Amabile's framework, intrinsic motivation is most susceptible to influence by changes in context. That is why it is easier to enhance creativity by working on intrinsic motivation, than by trying to make people think more creatively.

Second, the role of intrinsic motivation as a mediator between contextual characteristics and creativity was explored in chapter 3. Frey's Motivation Crowding Theory, an economical theory based on the psychological Cognitive Evaluation Theory of Deci and Ryan, explains behavior as defined by a combination of economic –external- constraints, as well as intrinsic preferences and values. Whether motivation is intrinsic or extrinsic depends on the perceived locus of control. But the two forms of motivation are not additive: both can influence each other. Crowding effects are established when external constraints, as money or command, have a corrupting effect on intrinsic motivation- *crowding out,* or when they have a positive influence- *crowding in.* An external influence has a positive affect on intrinsic motivation when the feeling of internal control is strengthened. When people feel controlled by their environment on the other hand, intrinsic motivation is undermined. The implication for management is, that when the fostering of creativity is crucial, commands or monetary incentives are unsuitable management tools.

Third, I investigated the developments in management theory. The classical idea of management as a process of planning, coordination and control has been subject to change over the years. Nowadays the manager is often pictured in a much less rational way, as a visionary, coach or mediator. The emphasis of management seems thus to have shifted from controlling, to enabling employees. This change in management thus reflects the change of the economy.

Taking motivation crowding effects on creative employees into account, this is a positive development. Nevertheless, I argued, more often than not creative professionals picture managers as a threat to their autonomy, or as people who unnecessarily frustrate the creative process. It needs to be questioned therefore, to what extent management practices keep up with the developments in management theory.

My empirical research on managing creativity served to answer the primary question of this thesis: what are the organizational implications of Motivation Crowding Effects on creative professionals? In addition: are managers of creative professionals aware of the crowding effects of managerial control on creativity, and if so, how do these creative companies achieve coordination of work without explicit managerial control?

In pursuing the answers, I conducted interviews among managers and creative professionals in for-profit companies. As the group of respondents was diverse in type of branch and size, they had in common that creativity is at the core of their business. The different contexts in which they operated though, showed several different approaches to the management of creativity.

Analysis of the literature and interviews allowed me to distinguish four critical implications of motivation crowding effects, which should be taken into consideration when we want to manage creativity optimally.

1) The role of the manager;
2) The organizational forms that are adopted to foster creativity;
3) The consequences of different forms of reward; and
4) The role of shared values.

The respondent's visions on managing creativity emphasized the role of the manager as a facilitator or mediator of the creativity process. He is pictured as an 'orchestra conductor', who anticipates on 'the rhythm of the process'. The interviews illustrated that changes of the economy do not render the role of the manager redundant: respondents argue that creativity needs to be managed sometimes, in order to not let chaos predominate- *if* that chaos undermines the company goals. In addition, collecting and marketing ideas are held to be important managerial tasks too.

Findings of my research further exemplified the troublesome relation between creativity and entrepreneurial growth. As a result, many creative companies choose not to expand their business. The reason behind their wish not to grow is, according to one respondent, "that you should really start managing from then on". The quotation illustrates the increasing need for management control when organizations increase in size and complexity. The informal and naturally evolving

processes of mutual adjustment that guide organizational life in smaller creative companies are often challenged.

If creative companies do choose to expand their business, they sometimes adapt their institutional structure to protect the social processes that foster creativity. Davis and Scase (2000) distinguish four strategies that are commonly used to mediate creative processes in organizations: clustering, demarcation, incorporation and segregating. Among the creative organizations under study, all the different strategies were, to some extent, taken up. While incorporation signifies a merger between creative and managerial role, and clustering can be explained as the distinction of organizational activities into smaller and more flexible; demarcation and segregation merely aim to separate the sphere of creativity from management control.

The third organizational implication of motivation crowding effects on creative professionals deals with the use of reward systems. By means of personalized systems of reward, desired behavior can be stimulated, for example by the sharing of success emotionally as well as financially and making someone the center of attention when they perform a good job. The hypothesis that solely use of monetary incentives can crowd out intrinsic motivation was exemplified by the experience of one respondent, arguing that the money motivation of employees led to increased politicking rather then did they assure creative results.

Lastly, the importance of shared values was examined, as intrinsic motivation in the form of a shared commitment to the goals and purposes of the organization. The alignment of personal goals and organizational goals makes external coordination and control redundant, since it is not in the interest of the employees to be ineffective or inefficient- to the contrary. One manager articulates his concerns about this issue: "[Employees often] don't feel connected enough with the general company goals to share their creativity fully." In order to fight this problem, statutory, as well as informally and culturally participation of employees is promoted, by the above mentioned personalized reward systems and by granting employees the opportunity to become shareholders.

Clarity in communication of desired goals was generally held to be important by respondents, but imposing a mission and vision, as a top-down activity,

do not necessary strengthen the intrinsic motivation of creative employees. Internalization of the goals and purposes of the organization only takes place when agreement about the goals is perceived as self-obligation.

A deviant case though showed that not all creative professionals attribute an importance to shared values. It may be perceived as undesirable or impossible. Sometimes the differences between instrumental and commercial logic of management and the cultural values of creative professionals and their managers might just seem too big.

The challenge of managing creativity is, that the task at hand is context-specific: Benefits of one strategy to managing creativity in certain contexts are often disadvantages in another. There is no single best way to manage creativity: it requires, like so many other things, to keep the balance, in this case between the commercial logic necessary for running a business and the values and preferences of creative professionals.

Further interpretations

As the Greek work 'organon' means 'tool', an organization can be explained as an instrument to achieve an end. Indeed, most companies have a stated mission these days, but within the company different groups are working for their own, often competing interests, thus using the organization as an instrument to achieve their own, rather than the companies' goals.

Creative professionals and their managers are two such groups who have different interests at stake, which can be ground for disagreement or even conflict. The responses of the interviewees revealed a variation between the groups' 'interpretative repertoires': their ways of addressing and understanding creativity. Managers sometimes draw on managerial language that helps shape the ways in which they define and respond to problems, also when they conceptualize creativity. This seems to contrast the language of the creative professional, which may reflect a more intuitive and less rational concept of creativity.

As the research only partly focused on the discourses both groups use and hence not enough suitable data was generated in this regard, there is not enough empirical ground to validate any claim regarding this topic, but it is nevertheless an interesting finding, which can be a base for further research.

There is yet another distinction that can be drawn between concepts of creativity: technically educated professionals oppose to the, in their eyes, limited understanding of creativity, as being something artistic. Limitations of creativity definitions can in turn lead to the situation, that creativity is not always recognized when it appears.

The external validity of this study is evidently limited, because of the limitation of the cases studied. I regret that during the first four interviews I did not make use of audio-recording: the notes I took during those interviews did not lend themselves for analysis of subtle differences in opinions and attitudes. These interviews were omitted from the research. In retrospect, it would have contributed to the validity of the study and the ability to develop grounded theory, when I would have had interviewed more creative professionals, so that a better comparison could have been made between the attitudes of both groups.

Regarding the internal validity of this study, I have treated the data both as facts and as representations; focusing on what was said, and at other times on the manner of communicating. In the latter case, where I analyzed the varieties in discourses between creative professionals and managers, credibility of the study is higher than in the other parts: the claim that there *is* a difference in communicating between the two groups is not that hard to support. Where I took the first approach, treating the data as facts, the findings have a lesser internal validity: links between claims and evidence fall sometimes short. You can hardly validate a theory because one or two respondents agree. This approach though did allow me to exemplify theory, show deviant cases, and identify the key themes that represent some of the critical challenges in the management of creativity.

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Appendix 1:

Survey Managers of Creative Companies

1. Can you tell me about your educational background?
2. What is your job in this organization?
3. Are the managers in this organization primarily professionals or economists/ management graduates etc.
4. Can you describe your tasks?
5. How long have you been employed here?
6. Does this company aspire to grow? (What are the obstacles?)
7. How many people are employed in this organization?
8. How many people are you responsible for?
9. Can you tell me something about the organizational structure?
10. Who are the shareholders of this company?
11. What is creativity, according to you?
12. Do you see the words '*managing creativity'* as a contradiction in terms?
13. What do you think are the qualities you need as a manager in a creative organization?
14. How does this organization stimulate creativity?
15. Are there many rules and procedures in this company?
14. How is performance of the employee measured?
15. Does management stimulate certain values or a certain organizational culture to encourage or reward appropriate behavior?

Thank you for your cooperation.

Appendix 2:

Survey Creative Professionals

1) What is creativity, according to you?

2) What do you need in order to come to a creative result?

3) What motivates you, to do the work that you do?

4) What are the pro's and con's of working self-employed or in some organization, according to you?

5) Could you envision your ideal work situation/ environment?

6) What are your ideas about how creativity could be managed?

Thank you for your cooperation.