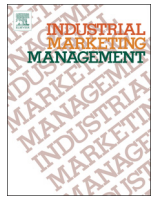




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An examination of the dimensions and antecedents of institutionalized creativity

Mario Vafeas*, Tim Hughes

Bristol Business School, University of the West of England, Coldharbour Lane, Bristol BS16 1QY, UK

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ABSTRACT

While the benefits of buyer–seller relationships have been discussed at length, ‘dark side’ constructs that can beset longer-term relationships have received less attention. One such construct, which has been identified in the context of client–agency relationships, is ‘institutionalized creativity’. Although institutionalization can be regarded as a positive process, the embedding of values, norms, and rules also has a constraining effect. Yet despite the potential damage that institutionalized creativity can cause in client–agency relationships (demotivation, reduced innovation, and relationship dissolution), the construct has received very little attention. The primary objective of our research is to explore the dimensions and antecedents of institutionalized creativity. A secondary objective is to identify factors that might suppress its emergence. The research was carried out using nine dyadic case studies based on 25 semi-structured, one-to-one, interviews. Participants included clients who brief creative work, and their creative agencies. The study reveals four dimensions of institutionalized creativity: complacency, boredom, institutionalization, and groupthink. We identify a variety of antecedents including past success, routinization, client-related knowledge, and directive leadership. Factors that suppress the emergence of institutionalized creativity include agency proactivity, account team rotation, unstructured socialization processes for newcomers, and a climate of openness that permits preconceived ideas to be challenged. We suggest that institutionalized creativity, while most likely to be found in long-term relationships, could potentially emerge in relationships at an early stage of development. Finally, we offer an expanded definition of institutionalized creativity.

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1. Introduction

While research into the benefits, or ‘bright side’ of relationships for both customers and suppliers is well-documented (see Kalwani & Narayandas, 1995), there is still only a limited body of knowledge that addresses the negative effects of longer-term collaboration. Research to date has identified the potential for a variety of negative constructs to emerge as relationships develop, leading to relationship destabilization (e.g. Anderson & Jap, 2005; Barnes, 2005; Grayson & Ambler, 1999; Moorman, Zaltman, & Deshpande, 1992). Villena, Revilla, and Yip (2011) call for more research into the ‘dark side’ of relationships, highlighting loss of objectivity, ineffective decision-making, and opportunism as potential areas for study. In contrast with opportunism, which has attracted extensive attention (see Crosno & Dahlstrom, 2008), loss of objectivity and ineffective decision-making have received less attention. Mooi and Frambach (2012) suggest that a supplier’s loss of objectivity can lead to reduced relationship performance. Halinen’s (1997) case study of a client–advertising agency relationship identifies loss of objectivity and ineffective decision-making (manifested in the agency

clinging to existing ideas and refusing to consider alternative options) as harmful characteristics of long-term relationships, leading to reduced creativity and a lack of responsiveness to changes in the marketplace. While these characteristics may be less malevolent than opportunism, they are still significant because they have the potential to result in inertia and the inability to adapt (Hannan & Freeman, 1984). Halinen (1997) conceptualises loss of objectivity and lack of responsiveness as *institutionalized creativity*, a phenomenon that emerges in longer-term relationships, and which is harmful and undesirable, leading to client dissatisfaction and, potentially, relationship dissolution. Despite its potentially detrimental effect on client–agency relationships (and more broadly, on any relationship where creativity and innovation are important), institutionalized creativity has been neglected. We have identified only two other references to it in the marketing literature (Davies & Prince, 1999; Grayson & Ambler, 1999), though neither expands on Halinen’s (1997) characterization of the concept. While we have some indication (albeit limited) as to what it is, we know little about why or how institutionalized creativity develops.

Given the significance of the concept and the gap in the literature, *the purpose of this study is to expand the existing (limited) theory around the concept of institutionalized creativity, by exploring its dimensions and identifying its antecedents*. A secondary objective of our research is to identify factors that suppress its emergence. The context of our study is client–agency relationships in the UK creative industries. We adopt

* Corresponding author at: Bristol Business School, University of the West of England, Coldharbour Lane, Bristol BS16 1QY, UK.

E-mail addresses: mario.vafeas@uwe.ac.uk (M. Vafeas), tim.hughes@uwe.ac.uk (T. Hughes).

a case study approach across multiple client–agency dyads, thereby responding to the call for dyadic data to “enrich the content on the dark side of relationships” (Fang, Chang, & Peng, 2011, p. 783). Furthermore, there is a strong tradition of using multiple cases to develop theory, through a process of “recognizing patterns of relationships among constructs, within and across cases” (Eisenhardt & Graebner, 2007, p. 25).

Although we are developing theory, our approach is neither 1) pure induction, nor 2) solely inductive. With regard to 1), we approach our research with some preconception of relevant concepts (based on Halinen's (1997) descriptions) to guide our data collection. With regard to 2), our approach is a combination of inductive and abductive reasoning, in the sense that, through a process of interpretation, we will move from first-order codes to a more abstracted set of constructs that relate to existing theory (Mantere & Ketokivi, 2013). Although theory development occurred in the latter stages of our research process, in the interests of setting the scene and establishing bearings for the reader, we provide a brief review of the literature surrounding four theoretical constructs that proved to be central to institutionalized creativity: complacency, boredom, institutionalization, and groupthink. While these constructs have received attention in organizational management literature, they have been largely ignored in interfirm relationship literature.

Halinen (1997) explores institutionalized creativity through the lens of the IMP Group's Interaction Model, and identifies it as a dimension of coordination processes; that is, norms, procedures, and responses to conflicts and environmental change. Our paper investigates the concept from a broader perspective, drawing on a range of theoretical disciplines including psychology, sociology, marketing, and organizational science. Theoretical integration from two or more disciplines is an effective approach for exploring and understanding a phenomenon in one's own field, because focusing on a phenomenon with multiple lenses is more likely to highlight different aspects of that phenomenon (Ancona, Goodman, Lawrence, & Tushman, 2011; Zahra & Newey, 2009).

This article is structured as follows. We begin by briefly reviewing the literature on the benefits of relationships, the four ‘dark side’ constructs, and client–agency relationships. Then the methodology and findings are presented, followed by a discussion of the theoretical contribution and implications for management. We conclude with recommendations for future research.

2. Theoretical background

2.1. The ‘bright side’ of relationships

Blois (1997, p. 378) defines business relationships as “exchanges whose distinguishing feature is the mutually recognised acceptance of goal interdependence based upon trust and commitment.” Both trust and commitment are cited as critical constructs in relationship development (Morgan & Hunt, 1994; Palmatier, Dant, Grewal, & Evans, 2006). Evidence of a seller's integrity, benevolence, and ability – the key dimensions of trust (Schoorman, Mayer, & Davis, 2007) – will increase a buyer's willingness to take risks and accept vulnerability (Mayer, Davis, & Schoorman, 1995), facilitate cooperative behaviour, and reduce the necessity for formal control mechanisms (Dwyer, Schurr, & Oh, 1987). Trust is considered an antecedent of affective commitment – the “enduring desire to maintain a valued relationship” (Moorman et al., 1992, p. 316). Unlike calculative commitment, which is driven by economics, affective commitment is a psychological bond linking the customer to the seller, based on favourable feelings. Affective commitment is desirable because it is negatively associated with switching intentions (Fullerton, 2005) and drives loyalty-like customer responses such as advocacy and willingness to pay more (Jones, Fox, Taylor, & Fabrigar, 2010). For the customer too, long-term relationships based on trust and commitment bring rewards, by reducing the potential for opportunism (Ganesan, 1994), increasing feelings of intimacy and

confidence (Verhoef, Franses, & Hoekstra, 2002), and improving productivity (Selnes & Sallis, 2003). Trust has been shown to be particularly important in credence-based services, such as the creative industries, where there is a high degree of ambiguity and performance-uncertainty, and a lack of formal control mechanisms (Singh & Sirdeshmukh, 2000).

A central aspect of relationships is the temporal dimension (Miell & Dallos, 1996). Thibaut and Kelley (1959) describe four stages in the development of a personal relationship: sampling, bargaining, commitment, and institutionalization. Over the intervening decades, several variations on this model have been presented in the context of buyer–seller relationships. Although the emphasis has changed from a linear progression (Dwyer et al., 1987) to non-linear iterative movement (Batonda & Perry, 2003; Cannon & Perreault, 1999; Halinen, 1997), the underlying concept of development and change remains, together with the notion that relational drivers will be more, or less, relevant at different phases of a relationship.

2.2. Dark side relational constructs: definitions, manifestations, and consequences

Despite the evidence for mutual benefits, several studies suggest there may be hidden costs to long-term relationships and excessive trust. Aside from the threat of opportunism (Bogenrieder & Nooteboom, 2004; Granovetter, 1985; Selnes & Sallis, 2003; Wuyts & Geyskens, 2005), there is also the potential for a more ‘passive’, yet equally debilitating, collection of attitudes and behaviours such as complacency, boredom and staleness, institutionalization, and groupthink. These will be considered in turn.

2.2.1. Complacency

Kawall (2006) suggests that complacency manifests itself as an over-estimation of accomplishments and excessive self-satisfaction leading to limited motivation to maintain or improve an appropriate level of accomplishment. Satisfaction with past performance, and the attainment of aspirations, has been shown to reduce motivation and breed complacency, leading to a drop in innovative behaviour and a potential loss of competitiveness (Brennan, 1997; Jayachandran & Varadarajan, 2006; Lant & Montgomery, 1987; Marinova, 2004; Miller & Chen, 1994). Moorman et al. (1992) and Anderson and Jap (2005) talk of relational partners' high level of experience of dealing with each other leading to complacency (a ‘taking-it-for-granted’ mind-set). Wackman, Salmon, and Salmon (1986) found that clients complain of a lack of initiative and lack of personal attention from their agencies once they enter the ‘maintenance’ stage of relationship development, suggesting that complacency sets in when the account is perceived as secure. Similarly, Barnes (2005) reports an element of complacency and heightened danger of client switching creeping into mid-term relationships as a result of a comfort factor, similar to Levinthal and Fichman's (1988, p. 367) “liability of adolescence.” Beverland, Farrelly, and Woodhatch (2007) see agency complacency as an antecedent to client disaffection and eventual switching. Complacency has the potential to damage both partners in the relationship. Clients will experience reduced campaign effectiveness because of lower levels of creativity, and reduced service levels. Agencies will increase the likelihood of client defection and subsequent revenue loss.

2.2.2. Boredom

Work-related boredom is a negative affective state in which an individual feels a lack of interest and stimulation, and disinclination to action, resulting from repetition, familiarity, and formalization – the imposition of rules and limitations (Bench & Lench, 2013; Fisher, 1993; Loukidou, Loan-Clarke, & Daniels, 2009). For creative personnel who rely on intrinsic motivation, and thrive on autonomy and task complexity (Amabile, 1997), boredom is anathema and can lead to a drop in morale. Furthermore, boredom is known to affect quality of work

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