

Organizational Creativity in the Function of Improving the Competitive Advantage of Tourism Companies in Bosnia and Herzegovina

Sabina Šehić Kršlak¹, Nerman Ljevo²

¹ Assistant Professor at the Faculty of Management and Business Economics, University of Travnik, Bosnia and Herzegovina Email: sabina.sehic.krslak@gmail.com

² M.A., Assistant at the Faculty of Management and Business Economics, University of Travnik, Bosnia and Herzegovina, Email: nerman.ljevo@gmail.com

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Corresponding Author:

Sabina Šehić Kršlak

Email:

sabina.sehic.krslak@gmail.com

Abstract

Purpose: The goal is to research how tourism companies encourage organizational creativity and thus gain a competitive advantage. The aim of this paper is to answer the question of whether the competitive advantage of tourism companies in Bosnia and Herzegovina can be improved by encouraging organizational creativity.

Approach/ Methodology/ Design: For collecting data, a survey questionnaire was developed. The survey questionnaire was distributed electronically to tourism enterprises in Bosnia and Herzegovina. An econometric analysis is employed in order to prove the positive correlation between creativity and competitive advantage of tourism companies in Bosnia and Herzegovina.

Findings: The results of the research showed that in order to achieve a competitive advantage, companies can manage creativity by encouraging: individual creativity whose existence is conditioned by the ability to think creatively, intellectual capacity, motivation and freedom of decision of employees. Based on the obtained research results, team creativity can be realized when employees develop a tendency to share knowledge, have confidence in the team, and that the organization ensures a free flow of information.

Practical Implication: A model of creativity and innovation is proposed in this study. Based on the results of the study, the model could be applied to other transition countries in the region.

Originality/Value: A special contribution of the paper is the model of integrative creativity to tourist companies.

1. Introduction

Successful creativity management is a complex and demanding process, which requires the creation of an environment that will encourage employee creativity (Dubina, 2006). Existing research indicates that creativity is released in environments characterized by the diversity of participants, the freedom to share knowledge and ideas, and a system of appropriate incentives. Organizations that strive to build an effective and successful system of creativity management, and thus improve their competitiveness, face the challenge of building a supportive environment, while maintaining organizational harmony and preserving the system of existing standards. The concept of competitiveness is of enormous importance for both representatives academic communities as well as for economic policy makers and business representatives sector. The importance of the concept is reflected in the fact that it is studied at the state level, region, industry and enterprises. Competitiveness is seen as the ability of an organization to achieve

better business results, increase market share or generally surpass yours competition. Along with the development of the concept of competitiveness, an awareness of the importance of creativity for competitiveness developed. In the theory of management, creativity is most often viewed from two aspects. The first is to creativity is considered a deviation from the usual, conventional and emphasizes its diversity ie. Innovation.

The subject of the research is to determine the degree of influence of organizational creativity on the realization of the competitive advantage of tourist companies in Bosnia and Herzegovina. The subject of the research will try to answer the questions:

1. Do tourism companies that encourage organizational creativity gain a competitive advantage?
2. To what extent does a creative organization affect competitive advantage?

The paper will test the hypothesis: The model of organizational creativity can positively affect the competitive advantage of tourism companies in Bosnia and Herzegovina.

2. Literature Review

The process known as “creativity” is based on the complexity of the human interaction process. For creativity, it is important to think both rationally and irrationally, and to cross the boundaries of the usual way of thinking, but certainly possess the means and will to realize ideas (Goldstein, 2016). The importance of creative management within an organization is emphasized (Rowe, 2004, p.136). Amabile and Khaire (2014) believe that it is creative leaders who have the ability to they manage the future because they are ready to face the unknown and to face problems they see it as a challenge

There is a body of evidence for the positive impact of creativity on profitability, competitiveness, survival and innovation of enterprises (Andari et al., 2007; Huggins and Clifton, 2011; Cooke and De Popris, 2011). According to Sundač and Švast (2009), only creativity brings changes, and it is the starting point of innovation. More importantly, Boden (1994) identifies two levels of creativity: 'P-creativity' (psychological), which is a novelty for an individual, and 'X-creativity' (historical), which is a novelty for everyone (p. 75).

Organizational management is the most important factor influencing creativity in organization through organizational culture and climate (Scott & Bruce, 1994, p.585), strategy, structure, reward system, or resources (Woodman et al., 1993, p. 76), through direct effect on employee behavior and creativity (Baer et al., 2003, p. 575) and successful employee motivation (Tierney et al., 1999, p. 601). Gumuslouglu and Ilsev (2009) propose a model that acts on change-ready management, both on individual level and at the level of the organization, and conclude as such management, primarily through psychological support, has a positive effect on creativity employees.

Mumford (2000) refers to the organization to be considered different interventions at different levels, ie at the levels of the individual, group, organization and strategic environment to enable creativity. Baer and Oldham (2006) consider creativity to be a desirable behavior that is valued in the organization and it can be encouraged and rewarded. For Vissers and Dankbaar (2000), it starts from the assumption that some team achievements cannot be reduced to individual team members. They also warn how some common team views can be good for team functioning, but possibly detrimental to individual creativity. The definition of competitiveness is also reflected in the approaches to measuring the concept. Buckley et al. (1988) and Stojčić (2012) point out that the competitiveness of a company has three dimensions: price, qualitative and relative performance dimension. The development of new ideas allows companies to develop pricing or qualitative competitive advantages and determines their survival in the conditions dynamic environment (Schumpeter, 1934; Nelson et al., 1982).

Recently, group literature has become more and more connected diversification and group creativity. Some authors also deal with team / group creativity, asking whether new products are created thanks to individual or team creativity, and Vissers and Dankbaar (2000) start from assumptions that some team achievements cannot be reduced to individual ones team members. The authors warn how some common views the team may have good for team functioning, but possible detrimental to individual creativity. Brennan and Dooley (2005) introduce the concept of Network Creativity, which encompasses individual creativity, team / group creativity, and organizational creativity. The authors actually propose a structure that supports potential creative momentum and cultivates a creative culture.

3. Methodology and Procedures

The study is qualitative survey in design. The concretization of the research was preceded by the analysis of earlier theoretical and empirical research on the phenomenon of team creativity in the function of improving the competitive advantage of the tourism company. In the theoretical part, using the historical method, the available professional and scientific literature is analyzed, as well as other relevant sources and previous knowledge in the field of the importance of creativity for success and achieving competitive advantage. The initial selection of literature was made on the basis of personal insight into the areas of research where numerous databases were searched as well as available holdings of university libraries in Mostar and Sarajevo. The sample of surveys consists of five tourist companies, which are included by the method of random selection. As a survey instrument, a survey questionnaire was used, in which each question was offered 5 options, using the Likert five-point scale. The questionnaire was administered to 50 participants, and 40 questionnaires were returned. For data analysis, descriptive statistics are used.

4. Results and Discussion

Table 1: Attitudes about the contribution of team creativity to competitive advantage in Tourist BH companies

Characeristic	Totally Agree	Disagree	Neutral	Agree	Totally Disagree
The team is diverse	0	23,45	6,63	38,21	31,71
We have regular external associates in the team	12,55	25,50	3,38	43,35	15,22
Communication is open in the team	3,35	36,56	0,96	48,95	10,18
Generating all ideas is used to solve the problem	2,56	23,56	25,45	38,85	9,58
There are conflicts between team members	15,45	23,85	8,85	32,28	19,57
Team members are free to share ideas	9,80	29,33	33,85	28,12	2,1
We are motivated for creativity	17,52	54,23	19,33	5,23	3,69
Different opinions have a positive effect on motivation	26,50	49,33	28,23	4,06	0

Source: Author's research

The analysis of respondents' attitudes towards organizational creativity within tourism companies reveals that most of them operate within teams that are educational, cultural, thinking styles or approaches to problem solving, within which they communicate openly and that their teams hire external associates.

Table 2: Current state of encouraging team creativity in Tourist BH companies

Characteristic	Totally Agree	Disagree	Neutral	Agree	Totally Disagree
Goals and vision are shared with all employees	6,65	52,23	23,12	11,10	6,9
The goals for innovation are clear	7,21	23,05	39,65	27,21	2,89
The organization supports a reward system	1,93	12,33	22,12	54,32	9,3
A practical way of solving the problem is applied	6,3	16,21	38,56	47,21	8,28
New ideas are freely presented	1,89	23,45	35,65	37,21	1,8
The organization supports the sharing of knowledge and information	11,23	31,10	9,8	42,1	5,77
Communication within the organization is open	6,85	26,45	27,63	33,50	5,57

Source: Author's research

Although most of the respondents acknowledge the existence of conflict within teams, the answers obtained suggest that solutions to problems within teams are sought predominantly through the generation of common ideas. It is stated in accordance with the theoretical knowledge about the sharing of ideas and the heterogeneity of working groups as a suitable ground for the development of creativity. As potential barriers to organizational creativity, respondents in most cases point out the lack of motivation and differences in attitudes and opinions, which is in line with the previously mentioned finding of the existence of conflict within teams.

Analysis of the share of respondents who fully agree with any of the offered statements in full share suggests that most respondents consider the diversity of the team in terms of educational and cultural identity, approach, thinking styles, etc.) as an important determinant of organizational creativity. In addition to the above, respondents also consider it important to have a common approach to problem solving and the existence of conflicts within the group.

It is important for organizational creativity that employees have a tendency towards creativity, knowledge sharing, that there is trust within team members as well as the free flow of information. In order to have an impact on competitive advantage, it is important to encourage the use of techniques and processes of knowledge sublimation and creative problem solving.

As a significant contribution to organizational creativity, a strategic framework should be

created so that each company takes into account the individual, group or team, the entire organizational system that encourages creativity (Mumford, 2000; Gumusluoglu & Ilsev 2009). The ability of an organization to continuously innovate products/services and create an innovative business system is the foundation of its success, and the ability to stimulate innovation depends on the "stock" of potential ideas and problem solutions available to "feed" the innovation process. This is crucial for tourism companies as innovating products and services is key to surviving in a competitive market.

The results of the research showed that in order to achieve a competitive advantage, companies can manage creativity by encouraging individual creativity whose existence is conditioned by the ability to think creatively, intellectual capacity, motivation and freedom of decision of employees. In the context of achieving competitive advantage is encouraged by developing creative skills by implementing creative techniques to create new ideas and in the process of solving problems, further important is openness in communication which implies free flow of ideas and information and financial and non-financial rewarding.

Organizational creativity for which it is important that employees have a penchant for creativity, knowledge sharing, that there is trust within team members as well as the free flow of information. In order to have an impact on competitive advantage, it is important to encourage the use of techniques and processes of sublimation of knowledge and creative problem solving, a very important item is the diversity of the team for which the research confirmed the strength of the connection. For organizational creativity, it is crucial to assign compatible tasks to creative workers, organize training to increase creativity and use organizational factors that have an effect on creative work. For companies striving to achieve competitive advantage, it is important to develop a strategy with a focus on the development of intangible assets, then sharing knowledge within all organizational units of the company, continuity of work and possession of quality certificates, and creative organizational culture a favor.

All three components directly positively affect the quality of service and the implementation of product / service innovations, which also directly positively affect the achievement of competitive advantage. The research also included a number of control variables for which the obtained results suggest that ownership, location and management experience, in addition to managing creativity, play a crucial role in forming the competitiveness of a company.

In this paper, we start from the assumption that creative individuals in the practice of BH tourism companies often encounter problems such as not recognizing creative efforts and procedures, and the problem of resistance provided by the work environment because not all members of the organization are ready for change.

Also, we start from the assumption that in organizations there are often problems of inadequate encouragement of creativity from the internal and external environment and problems of insufficient motivation and undeveloped reward system for creativity of individuals in the

organization. The question is whether managers in BH are educated, innovatively literate and ready for change (Jung, 2001; Jung et al., 2003; Baer et al., 2003; Čovo et al., 2010, SIPO 2011). We also start from the assumption that in BiH there is a problem of inadequate context (local, regional and global) for the development of creativity and innovation, such as building a social and legal framework to encourage creativity and innovation in BiH (Bavec, 2009). Finally, we highlight the problem of the use of EU funds intended for the development of innovation for Bosnia and Herzegovina and other transition countries in Southeast Europe (Balcerowicz, 2007). Starting from the assumptions and observed problems in encouraging creativity in tourism companies in BiH, the main purpose of this paper is to develop a model of creativity that would be applicable at a wider regional level. The paper represents the first phase of research on the problem of creativity in tourism organizations. It is a preparation for the second phase of empirical research where the functioning of the model will be examined.

Creativity Model

The proposed model (Figure 1-attached to the paper) continues the work of Gumusluoglu and Ilsev (2009) and the introduction of the concept of networked creativity, individuals and teams in the organization, and the concept expands with other concepts of innovation and creativity present in the literature (Muthusamy, 2008, Scott and Bruce, 1994, Campbell, 1960, Mednick 1962, Staats, 1968, Bavec, 2009, Balcerowicz, 2007, Jung, 2001, Amabile et al., 2004, Mumford 2000, Brennan and Dooley, 2005; Zhou and George, 2003; Jung et al., 2003).

The components of the model are:

Leadership ready for change - is that leadership that reshapes the personal values and concepts of followers in order to encourage them to a higher level of needs and aspirations (Jung, 2001). Leadership is the most important factor influencing organizational innovation (Cummings and O Connell, 1978) through organizational culture and climate (Scott and Bruce, 1994), strategy, structure, reward system, or resources (Woodman et al., 1993), through a direct effect on employee behavior and creativity (Baer et al., 1996) and successful employee motivation (Tierney et al., 1999). The influence of management can be direct or indirect. A manager can influence an employee's creativity through his or her own behavior that encourages or discourages the employee from taking risks and proposing new and useful ideas that threaten the status quo (Zhou & George, 2003).

Human Resource Management - The question arises as to which strategies influence creativity in a company. RayChaudhuri (2005) argues that strategies play the most important role for successful innovation, regardless of system, strategy, and infrastructure because in any attempt to innovate, success is less likely than failure. The author blames the failure of the promoter of the organization on the realism and true meaning of innovation for the failure. RayChaudhuri (2005) also examines the role of senior management and human capital and HR management as determinants of innovation and highlights the importance of senior management and employee human resources in determining the performance of innovation at an early stage. It is assumed

that there is no completely clear national framework for encouraging creativity and innovation in enterprises.

Model Implications

The proposed model will be tested in the second phase of the research, on a sample of innovative small and medium enterprises. and what and what kind of environment supported them in creating innovative products and / or services. It is based on the assumption of mostly inefficient bureaucratization, which is especially visible in local communities, and which does not help or even retaliate against local innovative small and medium-sized organizations. Further research also assumes that the use of money from EU accession funds for innovation requires the knowledge of experts as well as the preparation of extensive project documentation, which can be an obstacle to obtaining funding for innovation.

5. Conclusion and Suggestion

The paper aimed to clarify only one aspect of achieving competition advantages or correlations and dependencies between the encouragement and development of organizational creativity and achieving competitive advantage. The research conducted in this paper significantly indicated the need for detailed analysis and the importance of organizational creativity in correlation with competitive advantage due business operations of modern organizations in dynamic and uncertain market conditions. Although the importance of encouraging creativity and the importance of gaining a competitive advantage is increasingly recognized within the management of modern organizations, it is difficult to answer and constantly adapt to constant organizational change. The assumptions about the obstacles that hinder the development of employee creativity and innovation of the company as a whole are recognized in the work on two levels; external and internal level. Obstacles at the external level are recognized in the non-implementation of the strategy for innovation development, in the fact that BH companies make poor use of EU funds (due to ignorance and ignorance), in the weak connection of scientific research base with entrepreneurship when it comes to innovation development and in non-existent or inadequate financial support innovation.

It is necessary to build an adequate social and legal framework to encourage creativity and innovation. Barriers at the internal level are found, above all, in the leadership that needs to be innovatively literate in order to encourage the innovation of the organizations it manages. In addition, management needs to be emotionally intelligent to be able to recognize, communicate properly, motivate, reward, and encourage creative employees in realizing their ideas, resulting in an innovative organization. Starting from the assumptions and observed problems in encouraging creativity in small and medium enterprises, a model of creativity and innovation has been proposed that could be applied to other transition countries in the region. The scientific contribution of the model lies in a comprehensive model to encourage creativity and innovation that takes into account the external and internal framework necessary for the achievement of

innovative small and medium-sized enterprises. So far, only certain elements that affect the creativity of individuals and the innovation of organizations have been developed

Creative individuals in an organization are not enough to develop an innovative organization. Change-ready leadership, innovatively literate, emotionally intelligent and charismatic, cannot achieve innovation in an organization without creative individuals and teams that are adequately encouraged by human resource management strategies and techniques. An innovative organization without an external framework (creativity at the national level, adequate social and legal framework and EU funds to encourage innovation) will not be able to profit from innovative products and / or services on the market. The correctness of the model will be examined only in the second phase of the research, when all elements of the model will be empirically examined individually and their interrelationships.

Conflict of Interest

The authors declares no conflict of interest

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