

### Understanding Factors of Innovative Thinking in Advertising Agencies: Case of Macedonian, Slovenian and Serbian Advertising Agencies

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#### Abstract

*Increasing pressure for innovations is present in modern business, coping with financial crises, which places higher importance on creativity. Innovation is at the center of the Europe 2020 strategy for growth, and the European Council has recognized the need for urgent action in the field of innovation. And it is not just innovation in production, but especially innovative thinking seen as creativity, that is a priority for each company, institution or at a personal level. Creativity contributes towards higher competitiveness in the globalized market. This paper explores creativity as a fuel for innovativeness in advertising agencies in three countries in the Balkan region. The advertising agencies are tightly connected to creativity since they do not produce creative ideas for themselves, but focus on creative outputs for companies and institutions as their clients. In an attempt to understand the determinant of creativity this paper employs the methodology developed by Grant and Berry (2011). The paper uses a sample of employees from Macedonian, Serbian and Slovenian advertising agencies and explores the creativity and the determinants of creativity as any intrinsic and prosocial motivation. The research results show the level of creativity as judged by the supervisors as well as the employees' thinking about what motivates them. By drawing upon existing literature and the survey results, this paper contributes to understanding of innovative thinking and enhancement of innovative ideas at advertising agencies and companies as their clients.*

*Keywords: innovative thinking, creativity, advertising theory, intrinsic and prosocial motivation*

## Introduction

Ever since Schumpeter (1934) presented a very convincing argument, it has been accepted that innovation is a basic ingredient of a dynamic economy. Both experience and research have made it clear that the objectives of the Europe 2020 strategy (2010) will not be achieved if Europe does not become more innovative, not only in its market activities but also in its institutions and public administrations. The Europe 2020 strategy strongly reflects this view and is correspondingly ambitious.

Creativity and innovativeness are very important for companies in today's world with intensive global competition (Cummings & Oldham, 1997). Customers are changed, empowered, much more knowledgeable and ready to search for more information, but at the same time they are bombarded with many different advertising messages. In such a situation the creativity of the advertising message serve as a first and a last frontier for providing a competitive advantage of the brands (Collister, 2007). Namely, creativity in advertising is a very powerful tool for innovative marketing communications. This means that instead of spending a lot of money on bigger advertising campaigns or longer and more frequent campaigns, the results can be achieved by increased creativity in advertising (Dahlen, Rosengren & Torn, 2008). As such it is of great importance for advertising agencies to provide their clients with creative and innovative ideas to help the brands' survival and the growth of the brand and the company itself (Collister, 2007).

The significance of creativity and innovation is recognized in advertising (Dahlen, Rosengren & Torn, 2008; Collister, 2007; Smith & Yang, 2004; White & Smith, 2001). It is accentuated that the creativity has four different aspects: the product or the outcome of creative behavior, the process, the personality and the environmental and cultural influences on behavior (White & Smith, 2001). Smith and Yang (2004) point out that the ad creativity is different than the personal creativity of the members of the creative team. Therefore it is important to study the creativity of team members, and the variables connected with the personal creativity. Much of the research was focused on understanding the creative process and on uncovering how different groups of people, namely advertising professionals and the consumers judge the creative ideas, and very little attention was paid to the individual factors that can contribute to the production of creative and innovative ideas (Collister, 2007; White & Smith, 2001). It is also noted that

creativity is connected to cultural factors and the judgment of the creative ideas is culturally bound (Smith & Yang, 2004). Therefore it might prove beneficial to study creativity in various cultural settings. Since very little research is done in the field of advertising creativity, innovation and understanding the factors of advertising agencies' team members' creativity in South-Eastern Europe, this paper will try to cover these topics using data from advertising agencies operating in three Balkan countries: Macedonia and Serbia, as non EU member countries and Slovenia as an EU member country.

Considering the fact that creativity of the team members is very important for the work and success of advertising agencies, understanding the factors that can promote it and develop it is crucial. Creativity is presented as a designer of innovations (Cummings & Oldham, 1997; Oldham & Cummings, 1996; Scott & Bruce, 1994) and therefore it is important to be researched and defined how to be supported. Several research studies in different fields point to the value of creativity in achieving competitive advantage and also look at different factors that are linked to creativity (Cummings & Oldham, 1997; Oldham & Cummings, 1996). Among the factors studied are personal factors such as problem-solving style and employee personality (Cumming & Oldham, 1997) as well as the job design, organizational and work context including job complexity, supportive and non-controlling supervisors and stimulating co-workers. As a result of the analysis the studies also pointed to the importance of motivation as a factor of creativity although they did not study it directly (Cummings & Oldham, 1997; Oldham & Cummings, 1996). More direct support for the role of motivation in creativity comes from research that examined leadership and employee creativity and leadership styles in different industries (Tierney, Farmer & Graen, 1999) and pointed to the need for appropriate motivation and appropriate job placement to enhance creativity. Further studies in quite different settings found direct support for the link between two types of motivation, namely intrinsic and prosocial motivation in enhancing employees' creativity (Grant & Berry, 2011).

Having in mind the importance of creativity towards innovative advertising communication, we research the motivational factors that influence personal creativity, but are rarely researched. The aim of this paper is to provide understanding of intrinsic and prosocial motivation and different aspects of creativity of advertising professionals in one country from the European Union and in two non-European member countries. The paper will

start by examining the different definitions and aspects of the importance of innovation in the European Union, then it will explore creativity as an important aspect of innovativeness, and we will then move on to uncovering the theoretical connection between the two motivations and creativity which is the aim of the paper. We will then present the results of the current research and provide a conclusion and recommendations at the end of this paper.

### **Innovativeness, Motivation, and Creativity – An Important Link Need for Innovativeness in Europe**

An innovation is defined as an idea or an object that is perceived as new by an individual or an agency (Rogers, 1995). The innovativeness of a new product and firm innovation capability is important for several reasons. Innovative products present opportunities for firms in terms of growth and expansion into new areas as well as allow firms to gain competitive advantage (Ihinmoyan & Akinyele, 2011). Firm innovativeness by definition includes successful implementation of creative ideas, whereas innovation performance is related to entry and penetration into markets with innovative products and gaining market share (Ihinmoyan & Akinyele, 2011; Schumpeter, 1934) that should improve the performance of those companies, which leverage the innovations and, contrarily, will destroy firms with old products and processes. Innovations are ranging from minor changes to existing products, processes, or services to introduction of new breakthrough technologies that introduce first-time features, offer exceptional performance, or change the rules of the game (Dibrell, Craig, & Hansen, 2011).

There was a great interest regarding innovativeness in the last years in the European Agenda. According to the Europe 2020 Flagship Initiative Innovation Union research results (COM, 2010), the United States and Japan continue to lead the EU in innovation performance. The innovation gap of the European Union compared with the USA is -43, and compared with Japan is -41. Meanwhile, countries like China and South Korea are moving from being imitators to leaders in innovation. Their development creates huge market opportunities and new cooperation potential, but also considerable pressure on companies in the European Union. The European Union needs to use these challenges and exploit its huge scientific and innovation potential. Innovation is at the core of the Europe 2020 Strategy agreed by Member States at the June 2010 European Council.

Constant innovation in the paper of de Waal and Morais (2010, p. 333) is presented as “a cushion and defense against a more uncertain world, where an advantage of one brand over another is only temporary”, which is stressing the need for innovation, and placing greater importance on creativity at all times. Stressing the creativity and diversity of European people and the strength of European creative industries, European 2020 Flagship Initiative is presenting creativity that offers huge potential for new growth and jobs through innovation (COM, 2010). All of this is presenting the interconnection between innovations and creativity.

### Understanding Creativity

Creativity is an originator for innovations and innovative working (Cummings & Oldham, 1997; Oldham & Cummings, 1996; Scott & Bruce, 1994). There are many different definitions and explanations of creativity. However, it is a concept connected to organizational performance and it is perceived as a major aspect enabling organizational success. When looking at creativity in a business context it is quite often used interchangeably with innovativeness (Scott & Bruce, 1994). However, many authors (Collister, 2007; Amabile, 1997; Scott & Bruce, 1994) point out that creativity is linked with the production of novel ideas and innovativeness is linked with the successful implementation of those creative ideas. This paper will therefore focus on the aspect of organizational functioning linked with production of novel ideas, creativity and innovative working in advertising agencies, as a main supportive partner for innovative work of any company. In the definition for creativity from Amabile (1997, p.2) creativity is “focused on appropriate and usable ideas and solutions to problems”. In that sense creative behavior is related to a business need to focus on another characteristic idea, implementation and influencing the business workflow (Amabile, 1998). Having original, usable and easy implementable ideas is quite important in advertising as it enables creation of good noticeable advertising campaigns and client satisfaction (Stuhlfaut, 2010; Dahlen, Rosengren & Torn, 2008; Collister, 2007). This is important as in advertising companies creativity is a part of a dynamic process involving a number of people and it is a structured and collaborative team effort guided by organizational culture and the implicit theories about how to produce a creative product (Stuhlfaut, 2011; de Waal & Morais, 2010; Smith & Yang, 2004). Although the appraisal of creativity differs

it was noted that supervisors and managers can serve as a valuable source when judging employees' work creativity because they are monitoring employees work on a daily basis (Tierney, Farmer & Graen, 1999).

The model of the general theory of creativity in advertising developed by Smith and Yang (2004) covers five different perspectives regarding the advertising divergence. It considers the communications process, the management process, the societal process, creativity as a group process and creativity as a personal process. As creativity is a complex process, we are taking into consideration only two perspectives, the societal and the group process from the Smith and Yang theory, in order to research the influential factors of the Balkan creative advertising people, behavior, and creativity. The group process is not much researched, especially for this market, therefore we assess how creative ideas are generated in different team settings, taking into consideration the role of personal and social identity factors. The paper focuses on exploring the personal views on what motivates the employees working in advertising agencies, as well as how their creativity is judged by their supervisors. By doing so it takes into consideration the personal and the social factors.

Amabile (1997) accentuates three aspects that lead to creativity. The first aspect of creativity is expertise which is the cognitive aspect of creativity seen through the pathways used to solve a problem or perform a task. The second aspect are the creative thinking skills linked to cognitive styles that enable taking new perspectives when it comes to looking at problems and having a working style favorable to pursuit of one's work. The third aspect is intrinsic motivation which determines what the person will actually do unlike the previous two that determine the capabilities (Amabile, 1997). The motivation aspect of creativity could be influenced by social and work environment, and therefore it should be deeply understood as it is highly connected to supporting creativity in organizations (Amabile, 1998). This presents the need for deeper understanding of work-related motivation factors.

### **Intrinsic and Prosocial Motivation and Creativity**

Intrinsic motivation expands the individuals desire to learn, explore and engage their creativity (Grant & Berry, 2011). Studying intrinsic motivation in relation to creativity is quite important in advertising agencies where creativity

is a precondition to innovation and success, and motivation is a precondition to creativity (Stuhlfaut, 2011). In essence intrinsic motivation is based on people's need to feel competent and self-determined. As such intrinsic motivation arises in the active engagement with tasks that individuals find interesting and that satisfy the needs for competence and independence (Deci & Ryan, 2000). This is in contrast to extrinsic motivation where the extra-personal factors such as money, rewards, recognition or external threats serve as an initiator of performance (Stuhlfaut, 2010), so it comes from the outside and is far less conducive to creativity but it can serve as a starting point for developing intrinsic motivation (Amabile, 1998). Although intrinsic motivation is a powerful motivator and driver of performance, people need to feel the usefulness of their ideas and focus on how the ideas will benefit others (Grant & Berry, 2011).

The aspect of motivation connected to focusing on others perspective is prosocial motivation. Prosocial motivation can be defined as "a desire to expend effort to benefit other people" (Grant, 2008, p. 49). The prosocial motivation is based on the desire to benefit others unlike the intrinsic motivation that is concerned with enjoyment and interest on a personal level. The prosocial motivation is outcome focused and intrinsic motivation is process focused and prosocial motivation is future focused, whereas the intrinsic motivation has a present focus. As such intrinsic and prosocial motivation work coherently to produce positive organizational outcomes (Grant, 2008). Having in mind that the advertising professionals need to take into consideration the wishes and needs of their clients (Collister, 2007) taking the prosocial motivation into consideration when studying the effects of motivation on creativity is especially important.

Therefore this study applies the model developed by Grant and Berry (2011) in studying the effects of motivation on creativity. The model points to the importance of intrinsic motivation for creativity, but also accentuates the role of prosocial motivation. It states that when the employees are focused on others they will produce ideas that are useful to others. This means that prosocial motivation acts to channel the intrinsic motivation towards producing innovative, novel and useful ideas for others. Therefore the study is aimed at gaining a better insight into the level of intrinsic and prosocial motivation and different creative behaviors of advertising professionals.

## Methodology

The current study was conducted with the employees of three different advertising agencies that have offices in a number of countries. For the study the branches in Macedonia, Serbia and Slovenia were used. The total number of employees participating was 31 of which 14 were males and 17 females. In addition their immediate supervisors participated in the appraisal of employee creativity as they are deemed an appropriate source of employees' work creativity. The total number of supervisors that took part in the research was 4. Most of the participants, 48%, worked between 1 and 5 years for the company.

The research was conducted in January and February 2012, using web-based questionnaires. The first step of the research was the employee survey where the employees filled a questionnaire for appraising their intrinsic and prosocial motivation. The second step involved the supervisors and started after the employees finished with their questionnaires, since it has been pointed out that managers and supervisors can judge employee creativity (Tierney, Farmer & Graen, 1999). The supervisors also filled a questionnaire. The questionnaires were administered using the names and surnames of employees to enable matching of the employees' answers and the supervisors' appraisal of their creativity. The questionnaires included an explanation of how the anonymity of the answers was ensured.

The employees filled the intrinsic and prosocial motivation scales developed by Grant (2008). The scale on intrinsic motivation contained four items with a Cronbach Alpha of .90 and the prosocial motivation scale also contained four items with a Cronbach Alpha of .71. Both scales were administered in the same questionnaire with the same opening question: "Why are you motivated to do your work". The intrinsic motivation scale contained items such as: "Because I enjoy the work itself" and the prosocial motivation scale contained items such as: "Because I want to help others through my work". The items were given on a 7 point Likert-type scale ranging from "disagree strongly" to "agree strongly". Higher scores meant higher levels of motivation.

The supervisors filled a creativity appraisal scale developed by Tierney, Farmer and Graen (1999) with a wording adapted to fit the context of advertising agencies. The scale contains nine items on a 7 point scale ranging from "disagree strongly" to "agree strongly" with a Cronbach Alpha of .95.



Supervisors were instructed to appraise how often a certain employee exhibits certain behavior such as: "Found new uses for existing methods and strategies". Higher scores meant a higher degree of creativity.

### Results

To begin with we appraised the overall scores on the three scales. The means and standard deviations are given in Table 1. As it can be seen the mean for both intrinsic and prosocial motivation are quite high. However, the intrinsic motivation scores slightly higher than the prosocial motivation. To further explore the two different types of motivation, the results for each question that was asked to employees of advertising agencies in Macedonia, Serbia and Slovenia, trying to define which kind of motivation has a biggest influence on employees' creativity will be presented as well.

**Table 1.** Means and standard deviation for intrinsic and prosocial motivation.

	Mean	Standard deviation
Intrinsic motivation	5.9113	1.05
Prosocial motivation	5.1371	1.61

Summarizing the answers from thirty one employees working in advertising agencies in three different countries, presented in Table 2 we could notice that employees are evaluating each of these factor on a high level with values above 4.9 in the scale from 1 to 7. It should be noted that a higher mean value has the answer that they "enjoy" with 6.13 and lowest value has that they "care about others" with 4.94, presenting the lower level of prosocial motivation factors compared to intrinsic motivation factors. This is shown also with the fact that the first four questions that are presenting the prosocial motivational factors have a lower mean value from 4.9 to 5.3, and the last four questions have a higher mean values from 5.6 to 6.1 presenting higher influence of intrinsic motivation toward agency employees.

Regarding the answer that they "care about the others"; there are 45 percentages of answers with values 4 and 5, meaning they have average

agreement with this statement. Hence, 29% of employees agree strongly that they “care about others”, showing that there is certain percentage of people with stronger prosocial motivational factors, but less than others with stronger intrinsic motivation.

**Table 2.** Employees answers on eight questions about different motivational factors

	Mean	Standard deviation
Care about others	4.9	1.7
Help others	5	1.7
Positive impact on others	5.3	1.6
Do good for others	5.2	1.7
Enjoy the work	6.1	1.1
It's fun	5.6	1.3
Work engaging	5.7	1.3
I enjoy	6.1	1.2

Regarding the overall factors for creativity, perceived by supervisors in advertising agencies in three different countries, there is an average perception about the creativity of their employees, presented in table 3, with a mean value of 4.54.

**Table 3** Means and standard deviation for creativity

	Mean	Standard deviation
Creativity	4.5412	1.47

According to the answers from the supervisors for their employees (31 employees in advertising agencies from three different countries), summarized in Table 4 with mean and standard deviations for all nine questions, we could conclude that most of the answers are positive with strong agreement of different forms of creativity above 3,97. The highest mean value has the opinion that their employees are generating novel and effective ideas with a mean value of 5, and the lowest opinion that their

employees generate revolutionary ideas with lowest mean value of 3.97. Overall evaluation is that supervisors are having average satisfaction from their employees' creativity. It is interesting to mention that the "role model of creativity" has the highest evaluation, at 22% with respect to the employees, which means that some employees are the best role model of creativity in their agencies or abroad.

**Table 4.** Supervisors answers on nine questions for their employees

	Mean	Standard deviation
Originality in work	4.8	1.5
Took risk in producing new ideas	4.8	1.6
New uses	4.5	1.8
Solved problems	4.1	1.8
Tried new ideas and approaches	4.8	1.3
Opportunities for new products/ services	4.1	1.8
Novel effective ideas	5	1.4
Role model for creativity	4.5	1.8
Generated revolutionary ideas	3.9	1.8

### Conclusion and Recommendations

The aim of this paper was to explore the creativity and intrinsic and prosocial motivation of employees in advertising agencies in the Balkan region. The research is focused on exploring personal creativity of the employees, taking into consideration how the creativity is judged by the supervisors and how employees perceive motivating factors. The research was based on the premises that intrinsic and prosocial motivations are important factors in employee creativity. Since there is a lack of research in the factors determining creativity in the advertising agencies on the Balkans the research utilized three different instruments to understand the levels of intrinsic and prosocial motivation levels of creativity judged by supervisors in three countries from the Balkan peninsula, Macedonia, Serbia and Slovenia. The research is also one of the first in the field of marketing and advertising to

utilize specific instruments in researching creativity and motivation among advertising professionals. The search results do not suggest presence of a specific motivation of advertising agencies' employees. They suggest that the motivation of the employees is quite complex. The results show higher levels of intrinsic motivation dominates those motivated by prosocial motivation. This might suggest that advertising agency managers should try to utilize the intrinsic motivation of their employees for more creative work. It must also be noted that the supervisors need to sustain high levels of intrinsic motivation by allowing freedom, supervisory encouragement and support as well as access to resources to sustain the flow of creative ideas (Amabile, 1998). Although the values of prosocial motivation are slightly lower, it does not mean that this former should be forgotten. On the contrary it is an important motivational factor that should be even more accentuated having in mind that advertising professionals produce creative ideas for the clients.

The sample used in this research was quite small and it was based on convenient sampling. If a different sampling technique was utilized and a bigger sample was used the results might have been different. The second reason for the obtained results might lie in the instrument used in the research. The proposed instruments were never previously used in the field of advertising. This means that the instruments used need more testing to see whether they are appropriate to be used in the field of advertising. Most importantly it needs to be considered how creativity of an advertising professional is measured and whether the supervisor can be used as the only source for the creativity of the employees in advertising agencies. More appropriate measures might include ratings from various sources such as clients and consumers as it can be shown that different people judge creativity differently (Collister, 2007; White & Smith, 2001).

This research shows that more work is needed to understand the factors that influence creativity in advertising agencies. The lessons learnt from such research might prove to be very valuable for managers in advertising agencies since they can help motivate the employees in a manner which will lead to greater creativity and productivity of the employees in advertising agencies and provide benefits for their clients. Continuation of this research, taking into account other important factors, will improve the perception and will be a step towards developing a model for motivation and creativity specially designed for advertising agencies, that will be a novelty in this research field. It is important to understand different motivational factors

towards better creativity of advertising professionals, as creativity is an important factor of innovativeness and innovativeness is a driver of prosperity, business growth and an important issue in the European 2020 Strategy.

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