Power symbols in office workspace: impact on creativity as microfoundation of the dynamic capabilities of the firm

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Purpose – to analyse the role of artefacts in creativity as a microfoundation for dynamic capabilities.
Design/Method/Approach. This conceptual study aims at identifying core aspects of the physical workspace towards power representations and power symbols and delineates impact factors on creativity and its possible implications on the dynamic capabilities of the firm.
Findings. We suggest that creativity, believed to be a core aspect for innovation, is a microfoundation and one of the most critical elements of dynamic capabilities to sustain and foster the evolutionary and entrepreneurial fitness of the firm.
Practical implications. While it has been shown that hierarchies and power symbols affect the creative performance within a firm, research on the role of physical space as representation of power and its effect on creativity is still limited. Focusing on artefacts might help firms to evoke creativity and, thus, increase innovativeness and dynamic capabilities of a firm.
Originality/Value. In fast-paced, globally competitive business environments, sustainable advantage requires unique and difficult-to-replicate dynamic capabilities. Analysis of microfoundations of dynamic capabilities usually goes only one level deeper, e.g. to the concepts of creativity and innovativeness. We made a further step and analyzed artefacts influencing these and other microfoundations.

Paper type – conceptual.

Keywords: dynamic capabilities; microfoundations; creativity; office workspace.
Символы власти на рабочем месте:
влияние на креативность как микрооснование динамических способностей фирмы

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Цель исследования – проанализировать роль артефактов в создании креативности и инновационности как микрооснований динамических способностей.

Дизайн/Метод/Подход исследования. Данное концептуальное исследование нацелено на определение ключевых аспектов рабочего пространства как демонстрации власти, а также других символов власти, с точки зрения их влияния на креативность и возможного влияния на динамические способности фирмы.

Результаты. Сделано предположение, что креативность, которая считается основой инновационности, – базовый и один из наиболее важных элементов (микрооснов) динамических способностей. Она необходима для того, чтобы выстоять в конкурентной борьбе, для создания волевого и предпринимательского преимущества.

Практическое значение исследования. Не дивясь на то, что влияние иерархий и символов власти на эффективность фирмы неоднократно проанализировано, количество исследований о влиянии рабочего пространства (как символа внутриорганизационной власти) на креативность крайне мало. Фокусирование на артефактах может помочь фирмам проявить креативность и таким образом увеличить уровень инновационности и динамических способностей фирмы.

Оригинальность/Ценность/Научная новизна исследования. В быстро меняющемся глобальном бизнесе-окружении наличие устойчивого конкурентного преимущества требует наличия уникальных, трудных к воссозданию динамических способностей. Анализ микрооснований динамических способностей обычно производится лишь на один уровень глубже, например, на уровне концепций креативности и инновационности. В исследовании сделан еще первый шаг в этом направлении, проанализированы артефакты, влияющие на упомянутые концепции, а также проанализированы микрооснования.

Тип статьи – теоретическая.

Ключевые слова: динамические способности; микрооснования; креативность; рабочее пространство; символы власти.
Introduction

The competence to innovate and bring innovation forward is believed to be a cornerstone of successful, long-term activity of a firm or organization in the market place, also described as sustained competitive advantage (Teecce, 2007). Creativity (i.e., the production of ideas that are both novel and useful in any domain; Woodman et al., 1993; Amabile, et. al., 1996) as underlying component, represents a critical strategic asset, given the need for organizations to be innovative in order to maintain an achieved market position or to outcompete competitors (Amabile, et al., 1996).

It is suggested that innovation itself is a dynamic capability, necessary for organizations to sustain competitive advantage long-term (e.g. Lawson & Samson, 2001; O’Connor, 2008). Creativity, being a constituting aspect of innovation, can reasonably be conceived as an important element of dynamic capabilities, crucial for their development and evolution in a fast-moving, complex and competitive business environment (Lawson & Samson, 2001; Teecce, 2007; O’Connor, 2008). Microfoundations within the stream of dynamic capabilities should help to better understand, or at least, to better analyze the underlying mechanisms of competitive advantage and, as Felin et al. (2012) state, support “...the reproduction and management of collective constructs such as routines and capabilities” (p. 1352). We propose therefore that creativity may be a microfoundation to dynamic capabilities.

Regarding creativity as microfoundation, the spaces in which creative activities take place represent an important aspect in the innovation process of the organization, too (Moultrie et al., 2007). For instance, the workspace supports creative activities through the provision of appropriate resources, work facilities and the possibility to enable different working modes (Moultrie et al., 2007).

Although some scholars are paying increasing attention to the physical environment in which creative activities take place (e.g., Dul & Ceylan, 2011), research investigating critical aspects and implications of the physical workspace in supporting (or hindering) creativity is still rather limited (Peters, 1993; Moultrie et al., 2007). Furthermore, little research has investigated the effects of power symbols in workspace design on creativity.

Power and power hierarchies are so pervasive in regulating and shaping relationships among individuals that they appear to be distinctive features of social organizations (Fiske, 1992; Bogoditov & Botts, 2016). Identifying key aspects of the physical environment symbolizing power and clarifying their effects on creativity may reveal new directions for future research in the fields of creativity, dynamic capabilities and space management.

Research Question

The research question of this paper is, thus: „How can power symbols and other artefacts impact dynamic capabilities of a firm?“

Method

This paper mainly draws on psychology, architecture, and innovation literature and aims at providing insights on the process of creative performance and the effects of power symbols via the office space.

Results

Power, creativity, and the role of the physical space

Power and its effects

According to Bacharach and Lawler (1981), power is the ability to influence others. Power can belong to someone holding a high position within a group or an organization or to someone in possession of valuable resources, such as knowledge and/or expertise (French, & Raven, 1958; Yukl, & Falbe, 1991; Lee, & Tiedens, 2002). Power hierarchies are a central and distinguishing aspect of social organizations (Sligte, et al., 2011). Possession and manifestation of power fundamentally influence individuals’ information-processing and behavioral tendencies (Fiske, 1993; Keltner, et al., 2003).

Several studies have investigated the relationship between power and creative performance leading to mixed findings: on the one hand, some demonstrated that power leads to higher creativity (Smith, & Trope, 2006; Galinsky, et al., 2008), on the other hand, such effects are questioned (e.g.: Kuhl, & Kazen, 2008; Gendai, 2011).

Despite of the growing literature investigating the impact of the work space and its infrastructure on creative performance (e.g. Moultrie, et al., 2007), research exploring the role of physical spaces in emphasizing and symbolizing power hierarchies, and the resulting effects on employee’s creativity are still scarce.

The physical space and its dimensions

Academic research has recognized that the configuration of the office space plays a role in influencing employees’ feelings, behaviors, and perceptions (Morrow & McElroy, 1981; Marans & Spreckelmeyer, 1982; Parker, 1994; Sommer, 2002). Furthermore, Sommer (2002) argued that the same space could convey different meanings, implications and enable different working modes for the specific individual.

An extensive body of literature has investigated the impact of physical space on employees’ experiences at work (e.g.: Gifford, et al., 2000; Rafaeli, & Pratt, 2005), which can be summarized as three concurrent but independent dimensions to shape the interaction between the physical space and the individual (Villal-Yavetz, et al., 2005). The first dimension –instrumentality- defines the degree of usability and human factor engineering (Nielsen, 1994), and explains the extent to which physical artifacts support or hamper the performance of a desired activity (Howell, 1994). The second dimension –aesthetics- generally defined as a cognitive process resulting in an emotion (Leider, et al., 2004), in this context relates to specifically and harmoniously formed shapes and designed environments. This dimension can register and lead to significantly different reactions on people’s emotions and perceptions (Maslow, & Mintz, 1956). Although aesthetics cannot be dissociated from organizational goals (Strutti, 1992), it is claimed to be independent of instrumentality (Berleant, 1988). The third and last dimension –symbolism- defines the associations elicited by the space, and denotes the subjective meaning of the built environment (Hatch, 1997).

Symbolism reflects a process of interpretation and intellectualization of an environmental experience.
Symbolism is conceptually separate from aesthetics and instrumentality. For instance, a chair, independently from its degree of functionality and aesthetic, may or may not symbolize power, or prestige, depending on the associations it triggers (Rafaeli, & Worline, 2000). While architects and builders create the physical space in accordance to aesthetic canons and attempting to maximize its degree of functionality, the subjective meaning of the environment is related to the perceptions and the process of use of its users. Therefore, the physical space is the objective, and the perceived space is the subjective dimension of the same space (Kristensen, 2004).

Synthesizing a wide-ranging body of literature on the symbolic role of space and architecture, Mazumdar, & Mazumdar (1997) identified and categorized three relevant aspects. Firstly, social scientists explain that architecture symbolically expresses social and cultural phenomena. The physical space, its location as well as the use of the rooms and its artifacts are rich of symbols expressing gender roles, identity, social position, and social change (Rapaport, 1980; Lawrence, 1988; Hummon, 1989). Secondly, the physical space is symbolic to the culture that builds, designs, and experiences it. As various features of a space are symbolic of the cognitive schema of the people using it (Fiske, 1993), the built environment can be understood as “an expression of culturally shared mental structures and processes” (Lawrence, & Low, 1990, p.46). Lastly, space and architecture can be means of nonverbal communication conveying and transferring ideas and meanings among members of a culture (Rapaport, 1980). Overall, literature suggests a strong connection between the culture, its development and the physical environment in that it shapes the understanding, perception and meaning of (work) space.

**Power, office design, and creativity**

**Office design and architecture as power symbols**

Architecture has served to define relationships among individuals, cities and nations (Vale, 2014). Pfeffer (1992) pointed out that symbols are important to the dynamics of power relation, power is the relationship among social actors that support and maintain their position, power position can appropriate them. Among the symbols of power and authority, Pfeffer not only mentioned high salaries, expense accounts, titles (e.g. General, Doctor, Professor, etc.), but specific architectural configurations of the office design and space privileges (i.e., executive dining room privileges, reserved parking spaces and the location, size and decor of one’s office design). Therefore, office configurations and interior arrangements appear to carry on relevant information related to the power structures of an organization.

The growing importance of creativity, conceived as a crucial aspect for a firm’s ongoing competitive advantage and a microfoundation of dynamic capabilities, has led to increased academic attention to the topic. Currently, a stream of the literature on creativity is investigating the role and implications of the physical work environment in supporting creativity and innovation (e.g.: Amabile 1988; Amabile, et al, 1996). Nevertheless, to date little research has addressed the effects of power symbols in workspace configurations on creativity. This paper, therefore, presents some key aspects symbolizing power in the physical work environment and explain their effects in fostering or hindering creativity.

**Power symbols in office design and their effects on creativity**

Sikeszentmihalyi (1996) pointed to the physical space as affecting people’s emotional well-being, which in turn appears to be crucial for creative work. Clarifying the connection between space and creative activities, Kristensen (2004) argued that creativity always takes place in a physical context, i.e. a confined space that affects the flow of sensory experiences, the proximity among individuals, the channel of information and the availability of knowledge tools. Literature on the topics of architecture, office design, and space management (e.g. Pfeffer 1992; Stegmeier, 2008) pointed out aspects of the workspace, which can be used to symbolize power, i.e. floor plans and configurations, office size, office location, and interior design.

An essential spatial issue relates to the floor plan, or configuration of the physical work environment. Ching (2006) suggested that such configurations can be linear, central, or radial, cluster, and grid. Linear spaces, generally characterized by long corridors, symbolize hierarchically structured organizations. They may appear well ordered, but hinder the information flow into the system, which instead is optimized in circular structures (Kristensen, 2004). Centralized or radial shapes often have a center, where communal tools and relevant information are stored and made accessible. Lastly, clusters or grids allow focusing on the specific requirements of tools, e.g. visual or prototyping material (Kristensen, 2004). To foster creativity, a space should enable dynamism and freedom (Ekvall, 1997) for example through intensive exchanges and collaborations among employees of different levels and departments. Open-plan spaces and ease of access to resources are important aspects related to the perceived freedom of the physical environment. Implications on this first dimension show that space configurations that symbolize power hierarchies have a counter effect on creativity.

Further dimensions often used to symbolize power are the size and the location of the office. These dimensions do not appear to affect the creative process within the organization. Counter effects on creativity in respect to these aspects connect to other factors such as organizational culture and leadership behaviors. For instance, Stegmeier (2008) explains that staff members typically mirror the actions of their leaders. Accordingly, by staying confined in their offices, leaders show a behavior that stands in contrast with the principles of teamwork and collaboration, critical features to carry on creative activities. Therefore, office location and size as symbols of power hierarchies might not directly affect creativity, but considering these aspects in combination with other organizational factors such as culture, corporate values, and leadership behaviors, may lead to significant impacts on creativity. Furthermore, interior decor serves as factor to distinguish among different power levels in the organization (Pfeffer, 1992). Differentiation related to the interior design of areas dedicated to managers and staff members does not seem to impact on the creative potential of people as long as the spaces dedicated to creative activities and group meetings also present flexible furniture, natural elements (e.g. plants) and enable bright lighting conditions and fresh air flow (McCoy, & Evans, 2002).

**Conclusions and Discussion**

Building on the view that dynamic capabilities are related to organizational processes, systems, and structures (Teece, 2007), this paper seeks to summarize findings from previous research conducted on the topics of power and creativity. We attempt to highlight aspects of the workspace and its management, impacting creativity, a critical microfoundation of dynamic capabilities. Examining the way power symbols in the physical work environment affect creative output, this paper proposes that aspects such as space configurations and interior decor can have an effect on creativity. Whereas office location and size may have indirect effects on creativity, it ought to be investigated in combination with aspects such as organizational culture, leadership behaviors and corporate values.

This first conceptual paper opens an avenue for future research and could be used as a basis for a wider research, investigating the process of space use to symbolize power and its effect on creativity as a microfoundation of dynamic capabilities of the firm. Additional studies are necessary to test and empirically determine the extent to which identified power symbols in the physical space play a role in affecting the creative activities within the organization. Future research might want to assess to what extent the physical space impacts on creativity and has implications for the development and renewal of dynamic capabilities.
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