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THE EFFECT OF ORGANIZATIONAL CREATIVITY ON TEAM PERFORMANCE BY MEDIATING ROLE OF SELF ORGANIZATION AND TEAM PERCEPTION IN SMEs, PUBLIC AND PRIVATE SECTOR

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Abstract

Self evaluation of the employees and teams do not just support to increase their knowledge about their work; but also make them produce creative ideas indirectly through increasing their intrinsic motivation. Results of the empirical surveys show that working environment and intrinsic motivation have mediation effects on the relationship between the creativity of the employees and teams with their performance. Previous studies remark that self evaluation of the employees has positive effects on company and small firm (SME's) performance; but creativity is another part of the company performance and the influences on company performance and creativity are different. This study, aim of which is to understand the mediating factors in the positive effects of creativity on company performance includes theoretical and empirical findings. Results of the study reveal that team perception and self organization have different mediating effects in the relationship between creativity and team performance. There are strong and positive relationships between organizational creativity and team perception and self-organization. These variables also affect team performance in the organizations positively. The positive effect of organizational creativity on team performance and self organization reflect to the team performance positively.

Keywords: Organizational Creativity, Self-Organization, Team Perception, Team Performance

1. Introduction

Creativity and innovation are very important to achieve successful performance results in the companies. Even there is a common view about the effects of the environment to increase creativity; there are limited studies about the companies how to use their strategic Human Resource Management (HRM) for this purpose. Strategic HRM, as planned Human Resource (HR) practices to achieve organizational targets, have the power to direct employees' attitudes and behaviors to create influences about the environment. So the studies about the influences on the employees' creativity of the strategic or non-strategic HRM should be done. High Commitment Work Systems (HCWS) are the systems that create employee commitment and include the HRM practices like employee participation, inside promotion, team rewarding, profit

sharing, training and gain and job security (Chang *et al.* 2014). Organizations aim to strengthen their employees with a positive approach by infusing them with concepts such as autonomy, creativity, and flexibility and supporting them (Uslu, 2014).

2. Creativity and Team Perception

Team creativity is to improve valuable and practical new product, service, opinion, procedure or processes by the individuals working together in a complex social system. Task complexity is special to low routine, depending on high cognitive accumulation and including ambiguity type of works and this concept is frequently mentioned in labor relations, social capital and creativity literatures. Social capital literature also assumes complex task environment basically. When the tasks are easy; the correlation between labor-organization relations and team creativity will be poor in terms of the improvement of the social capital (Jia *et al.* 2014).

Task complexity is also defined as how a task needs a cognitive context, problem solving and technique knowledge. When the tasks are complex and the organizations highly invest in HCWS, creativity of the employees will increase as they will have job motivation to produce competencies about their works, creative competencies and new ideas while solving difficult problems (Chang *et al.* 2014).

Self evaluation of the employees does not just provide the employees to reach more knowledge about their works, but also helps to improve creative ideas in their working area indirectly through increasing their intrinsic motivation (Chiang *et al.* 2014). Although most studies show that the different views of the group members produce radical results in idea creation, Harvey (2014) suggests a dialectic model that the sum of the views of the team members produces creative results.

According to Edmand Phelps, who won the Nobel Prize in economics in 2006, modern economic growth is an indirect result of human creativity and enlightened politics should be applied as feeding and improving this creativity. In that way also the satisfaction of the human being is increasing (Godley, 2014). Moreover, the effects of knowledge management, self-organization, environmental graphic and information design, on corporate innovativeness and organizational communication reflect to the organizational creativity positively (Uslu and Cubuk, 2015).

3. Self Organization and Team Performance

As the factors of the team climate; vision, participation confidentiality, work definition and supporting innovation are very important to improve creativity. Vision should be clarified, valuable and accepted by the team members, and team members should feel that they can present new ideas and solution suggestions without judged or criticized confidentially. There should be a task complexity which is emphasized and carefully discussed and several solutions are presented. Also the team members should feel that innovation is supported. If the tasks provide using and learning several skills, definable, create important effects for the others and provide working on her/his own and feedback, then this means these tasks have high complexity. Skill variety, importance of the task, job description, royalty and feedback are the preliminary conditions for creativity about work (Anderson *et al.* 2014). Methods towards providing a participatory work environment such as accurate decision making from the lower division to the upper division in businesses and establishing communication, empowerment and increasing authority; allow employees to be freer, stronger, and making authoritative decisions, thus identify alternative ways to achieve goals and be motivated (Uslu, 2014).

Self trust, self efficacy, emotional consistency and being controlled are the building stones of self evaluation as individual value and skills. Self evaluation is also relevant to individual satisfaction, initiativeness and popularity. Emotional consistency is being calm. Being controlled is the belief that the wanted results are achieved through own behaviors rather than the external factors (Chiang *et al.* 2014).

While complex tasks under one's self control aim creative results by encouraging the employees to focus on different dimensions of the work at the same time; simple and routine

tasks do not aim such results. When individuals feel integrated to their work inherently; all their cares and efforts are concentrated on their works. So this leads them to have a highly creative structure by being more insistent and choosing between different alternatives (Joo *et al.* 2014).

3.1. Self Management

Self management is on the agenda of organizational scholars and managers as newly emerging organizational designs demand self directed working behaviour. Self management is composed of three practices, which are goal setting, monitoring the behaviours against these goals and operating on her/ his self and the environment to reach these goals (Renn *et al.* 2011).

Self regulation theories stress on goal selection and goal pursuit. These components are also establishing self management. Self management strategies are analysed on three levels, which are general, domain-specific and career-specific (Abele and Wiese, 2008). The goals of self management are cost reduction and control of complex operations (Carofiglio *et al.* 2010).

3.2. Adaptive Organization

Organizational survival depends on adaptation; so people have to will to change. Survival is observing the whole picture, not just the experiences to create an adaptive organization. All companies face uncertainty and chaos, so organizational goals and actions should be reexamined. Ignoring the rules and keeping adaptability is the key for survival in today's ambiguous working environment (Bedison, 2004).

Organization as a complex adaptive system, which has to deliver rapid and qualified responses to the social, media-related and technological improvements in the working environment is linked to effective knowledge management in the organizations (Shoham and Hasgall, 2005).

As supposed in the theory of natural selection, the companies which adapt the changes do survive. So adaptive organization is one step beyond the learning organization in the evolution of the organizations (Stephanus, 1997).

4. Research Methodology

Adamczyk and Sagan (2015) state that privatization through having foreign partners is less in Polish SMEs according to the empirical studies. They generally prefer having local cooperation. On the other hand SMEs studies highlight the differences about handling the resources that are crucial, according to the size of the companies (Bereznicka, 2013).

The studies about the impacts of organizational creativity on teams and organizations are limited in the literature. In our survey we used questionnaire method to the convenient sampled 278 employees in Istanbul. A Likert type scale was presented to the respondents that would allow them to conduct evaluations regarding each entry (1 = totally disagree, 5 = totally agree). Demographic analysis for the findings, factor and reliability tests and regression analyses were performed with SPSS 18.0 statistical software package.

The inventory of survey are "Organizational Creativity" scale from Cavus (2006), "Self Organization" scale from Vergiliel (2001), "Team Perception" from Atilgan *et al.* (2010) and "Team Performance" from Weimar (2013).

Factor analysis towards findings and progressive intermediary variable tests are carried out by verifying different models. For the purpose of determining the intermediation roles of the intermediary variables, three-step method proposed by Baron and Kenny (1986) was adapted to our research.

4.1. Hypotheses

H1. According to organizational creativity, self-organization, team perception and team performance, there are significant difference between public and private sector.

H2. According to organizational creativity, self-organization, team perception and team performance, there are significant difference between small and large firms.

H3. There is a strong positive relationship between organizational creativity, self-organization, team perception and team performance.

H4. Self-organization and team perception will function as mediating variables between organizational creativity and team performance.

4.2. Findings

Demographic characteristics of the sample used in this study are as follows: 51% of female respondents and 49% of males and the mean age was 36. Of 81% bachelor's degree and the remaining 19% portion of the participants were the elementary, middle school and high school graduates. The average working time among the participants was approximately 8 years in this business, and they have been in working life for an average of 15 years.

In order to determine the sub-dimensions of our variables, with varimax torsion in SPSS, exploratory (descriptive) factor and internal consistency analyses were performed. Each scale was run through the factor analysis separately, and their reliability was tested with Cronbach's alpha values, and the scales were translated in the following tables. Cronbach's alpha reliability coefficients of the scales were 0.70 and higher, therefore the scales were found to be reliable. Explanatory factor value for self-organization which is composed of two factors as self-management and adaptive organization is %72.

Our first hypothesis is supported with the difference analyses statistically significant with 0.001 between public and private sector (Figure 1). Organizational creativity ($t = -6.898$; $p = 0.000$), self-organization ($t = -6.733$; $p = 0.000$), team perception ($t = -6.569$; $p = 0.000$) and team performance ($t = -5.112$; $p = 0.000$) are in different perception levels for public and private sector.

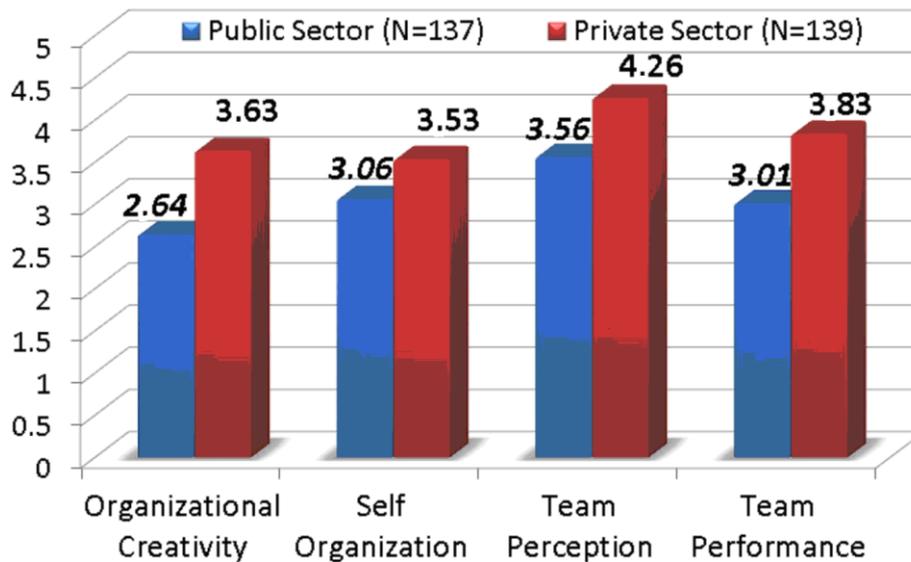


Figure 1. The difference between private-public sectors

Our second hypothesis is supported with the difference analyses statistically significant with 0.01 between small and large firms (Figure 2). Organizational creativity ($t = 3.357$; $p = 0.001$), self-organization ($t = 3.820$; $p = 0.000$), team perception ($t = 2.839$; $p = 0.000$) and team performance ($t = 3.546$; $p = 0.000$) are in different perception levels for small and large firms.

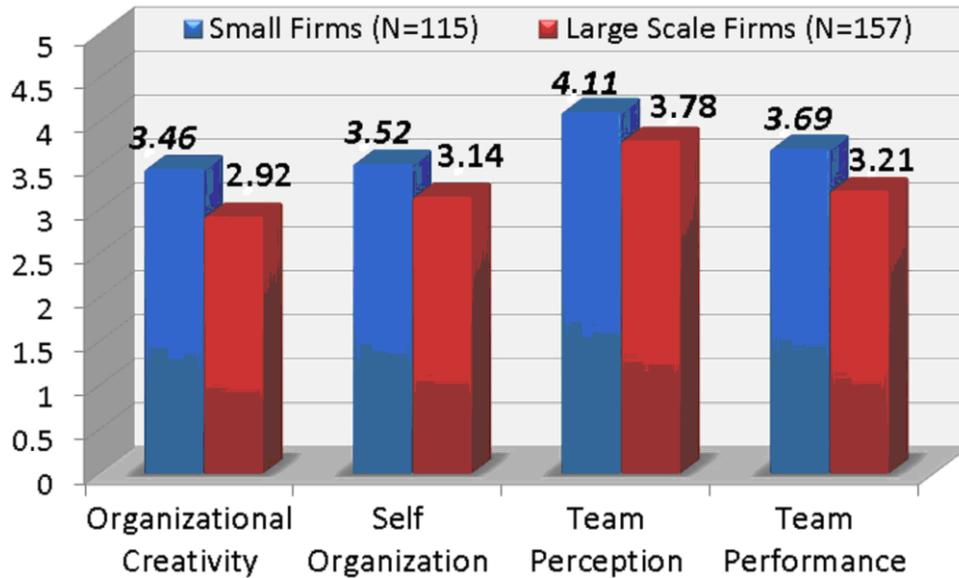


Figure 2. The difference between small and large firms

According to Pearson's correlation coefficients, our third hypothesis is also supported (Table 1). A high positive correlation was found between organizational creativity, self-organization, team perception and team performance.

Table 1. Correlations between variables, variable averages, standard deviations and their relationships

Variables	Mean	S.d.	1	2	3	4
1. Organizational Creativity	3.13	1.29	(.98)			
2. Self-Organization	3.30	0.81	.67**	(.92)		
3. Team Perception	3.91	0.93	.79**	.59**	(.87)	
4. Team Performance	3.42	1.11	.81**	.61**	.74**	(.96)

Notes: All correlations are significant at *p< 0.05 and **p< 0.01, n=278.

Table 2. Impact of organizational creativity, self-organization and team perception on team performance

	Dependent variables					
	Self-organization	Team perception		Team performance		
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
Organizational creativity	.418*** (.028)	.570*** (.026)	.523*** (.035)	.698*** (.030)	.627*** (.040)	.456*** (.052)
Self-organization			.114* (.056)		.171** (.065)	.133* (.063)
Team perception						.327*** (.067)
Adjusted R ²	.443	.628	.633	.654	.662	.688
F	221,471***	469,565***	239,501***	525,550***	271,950***	204,526***

Notes: *** p < 0.001, ** p < 0.01, * p < 0.05 significance value, standard errors in parentheses.

Progressive intermediary variable tests towards the team performance are performed with verification of different models with SPSS (Table 2).

Organizational creativity increase the effectiveness of self-organization (model 1), team perception (model 2) and team performance (model 4). Self-organization is also effective on team perception (model 3) and team performance (model 5). Team perception has also positive effect on team performance (model 6), it is also partially mediating between self-organization and team performance. Our fourth hypothesis was partially supported (Table 2).

6. Conclusions

Creativity and innovation are very important to achieve successful performance results in the small private enterprises. Private sector and small firm practices about organizational creativity, self-organization, team perception and team performance are higher than public sector and large firm employees' in Turkey. There are strong and positive relationships between organizational creativity and team perception and self-organization. These variables also affect team performance in the organizations positively. The positive effect of organizational creativity on team performance and self-organization reflect to the team performance positively. Organizational creativity, self-organization, team perception have direct positive effects on team performance. We suggest the public sector and large firm managers in Turkey, in order to increase their employees' involvement and encourage creativity in their organizations; they should use teams effectively, so they can increase team performance.

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