

**DEALING WITH CREATIVITY IN A
MULTINATIONAL CORPORATION ENVIRONMENT:
THE CRUCIAL ROLE OF THE EXPATRIATE TEAM LEADER**

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SETTING THE SCENE – INTRODUCTION

Globalization, as it appears today, presents a universal challenge not only for each country but also for companies and organizations. As a result, the need of organizations to act strategically in order to deliver superior value is even truer today than ever before, as competition has intensified (Tucker, 2002).

Moreover the heavy and general crisis affecting the society pushes the organizations towards the need to adapt existing resources to changing task demands if they want to remain competitive.

Herewith, the development of a distinctive strategy is vital for organizations to gain and sustain competitive advantage, defined as the occupation of a position against company's competitors. According to Michael Porter (1998), a company can either "*compete to be the best*", focusing on efficiency and cost-leadership only, or "*compete to be unique*"¹, meaning that a company develops a strategic positioning, offering a unique value proposition different from those of rivals making the company reinforcing.

Given this context of growing uncertainty, high complexity and strong competition, companies have to strive to withstand on the market. According to D'Aveni's Hypercompetition Theory (D'Aveni, 1994) a firm, which is not creating new sources of advantage, will soon be displaced by more innovative rivals.

Creativity, that is the generation of new and useful ideas (Amabile, 1988), can constitute the turning key for companies and organizations to face old and new problems with unconventional solutions.

Being creativity the premise for innovation (Couger, 1995; Amabile, 1988), it emerges as of great importance for each company the haste to create the conditions for stimulating their Human Resources to exploit external and internal opportunities to be creative, and consequently to articulate their thoughts, perceptions and assumptions in a non-conventional way.

This awareness is of particular importance for each company. It is our intention to launch a double dare: focus our research on MultiNational Corporations² (Evans et al., 2002) where managing HR is more complex than in domestic firms and understand the role played by the expatriate team leader in harnessing creativity-related situations.

¹ For further investigation: Porter, M.E.: On Competition, Harvard Business Review, Boston, 1998

² A multinational corporation (MNC) or transnational corporation (TNC), also called multinational enterprise (MNE), is a corporation or an enterprise that manages production or delivers services in more than one country.

HR managers dealing in MNCs hold a very delicate role due to the need to handle the interplay among:

- the HR processes and activities
- different Countries' needs
- different types of employees: host-country national (HCN), parent-country national (PCN), third-country national (TCN).

Moreover as we conceive organizations as open systems, International HR managers are in charge of keeping the coordination and congruence (namely “*fit*”) between the various elements described above.

Some researchers recently addressed the need for “*flexibility*” as well as “*fit*” (Milliman et al., 1991; Schuler et al., 1993). According to Milliman and colleagues, flexibility is defined as “*the capacity of HRM to facilitate the organization to adapt effectively and in a timely manner to changing or diverse demands from either its environment or from within the organization itself*” (1991:325).

As a result of these complexities, MNCs can be confronted with a variety of challenges that force them to emphasize on manifesting activities. To manage the most important resource of a company, the necessity of International Human Resource Management (IHRM) practices, techniques and tools arises (Ondrack, 1985 & Scullion, 1995; Scullion & Starkey, 2000; Black et al., 1999 cited in Harzing & Ruysseveldt, 2004). Consequently, IHRM has to be considered as a key and crucial element for MNCs to be successful by managing effectively employees for running international activities (Briscoe & Schuler, 2004).

Hence, it is likely important to integrate appropriately IHRM with organizational strategy to implement the global achievement of the organization and obtain competitive advantages on a long-term basis. This suggestion is strengthened by researchers and professionals, paying an increasing attention to the strategic nature of IHRM and its herewith-resulting implications for the organizational performance, which in turn leads to the emergence of Strategic International Human Resource Management (SIHRM), being defined as “*Human Resource Management issues, functions, and policies and practices that result from the strategic activities of multinational enterprises and that impact the international concerns and goals of those enterprises*” (Schuler,1993).

Fostering creativity in HR can be considered among the most important strategic activities of an organization not only on a national but also on an international scale. In our perspective, it has to be considered as a necessary activity in HRM besides the most traditional ones, that is

planning, recruitment, selection, placement, performance management, training and development, compensation, etc.

The Authors strongly believe that creativity is not only a natural gift or a talent. They believe that it can also be nourished and nurtured in many intentional or unintentional ways. Broad, complex and multi-faceted, creativity can take many forms and can have different sources.

Some researchers believe in the “*creative idle*” (De Masi, 2000), some others in the fact that resource constraints can spark creativity³ (Gibbert, Välikangas, Hoegl, 2007).

It clearly appears that the only rule is that there are no universally accepted rules concerning the sources of creativity. Given the nature of creativity itself we support that all the viewpoints are acceptable. Our point of view is absolutely tolerant and not in contrast with other ones: the uniqueness of our approach renders it not comparable to others.

Moreover we believe that creativity can sprout from the way work is organized. Conscious of the fact that a creative work can be generated also by people working separately and in an isolated way, the Authors argue that workgroup can favor the individual to confront him/herself with others and make the worker aware of the existence of different and equally important points of view (“*diversity*”). Changing different groups, working with many different people, the comparison of different perspectives can open the mindset and give a propelling push to creativity itself (“*contamination*”).

Further on, if we shrink our field of analysis on specific archetype of group members, that is “*situational leaders*”, Andrews (1967) uncovered the importance of leadership as the art of motivating a group of people to act towards achieving a common goal. Or in other words the leader can act as the inspiration and director of the action. S/he is the person in the group that possesses the combination of personality and skills that makes others want to follow his/her direction (Mumford et al., 2002; West et al., 2003; Shalley et al., 2004; Dul et al., 2007; Dul & Ceylan, 2007; Harzing et al. 2007).

The expatriate team leader’s ability to manage situations using a different (not usual) approach – given by the fact that s/he owns a non-conventional mindset developed working in different Countries with different people – allows us to introduce the concept of “*diversity*”. The Authors’ definition of “*diversity*” endorses the fact that only the experienced expatriate team leader can implement a global and open-minded approach to problems and situations by refreshing and contaminating the members’ positions and points of view.

³ Glück, Judith , Ernst, Roland and Unger, Floortje(2002) 'How Creatives Define Creativity: Definitions Reflect Different Types of Creativity', Creativity Research Journal, 14: 1, 55 — 67

The notion of diversity is not only part of the leader's characteristics but pours also on the members of the group, characterized by different cultural backgrounds and personalities. As a result, expatriates team leaders do not only have to focus on the fulfillment of the ordinary tasks they have been assigned to but also on the adjustment of their behavior towards their new team members: HCN, PCN or TCN.

The injection of "*diversity*" in the parent- or host-country environment might enable upgrades in the creative capability (Mumford et al., 2002) that in turn can generate fertile ground for the generation and enhancement of creativity worldwide.

In our envision "*contamination*" and "*diversity*" are the basic ingredients for creativity. The expatriate team leader is the person in charge of mastering the proper combination of these ingredients, by managing the members of the group and pushing them to reach goals and fix problems in an unconventional way.

Unfortunately, within the current creativity literature (Suojanen & Brooke, 1971, Mumford et al. 2002, Zhou, 2003, Zhou & Oldham, 2004, Shalley et al. 2008) "*diversity*" has not been defined in a satisfying manner, as it was not necessarily linked to cultural issues. In addition to that, current investigations in the same context (Ibid), concerning leadership are limited to general characteristics of leadership styles (Mumford et al. 2002; Shin & Zhou, 2003; Dul et al., 2007; Mathisen et al., 2008; Ceylan & Dul, 2007) and personal attributes (Amabile 1997); again the impact of cultural diversity, which is of particular importance nowadays, has not been analyzed yet.

PURPOSE

The Authors, by focusing on different perspectives and employing a multilevel view, will analyze the crucial role of the expatriate team leader in managing and – in the best case – fostering creativity in a multinational context.

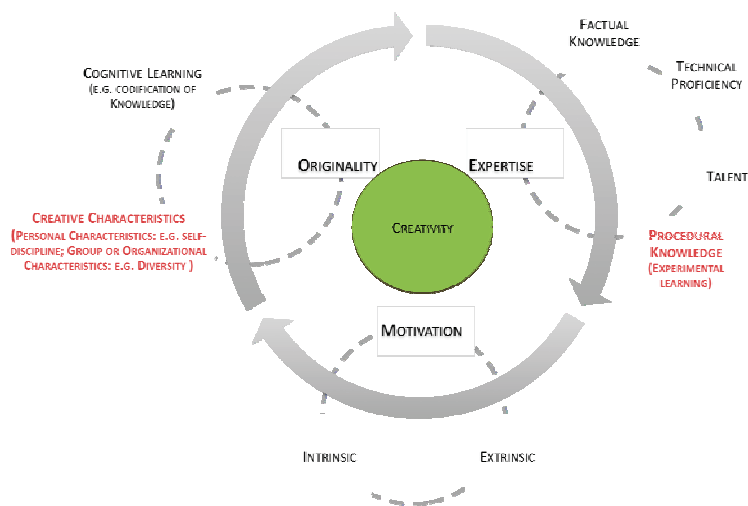
They firmly believe in these assumptions:

- teams cannot exist without the emergence of a leader and members inevitably undergo his/her path;
- teams are not permanent and consequently leaders are "situational", intended to change;
- the positive and disruptive role of the leader's sensitivity towards "diversity" (in terms of multinational personality and international experience) in stimulating creativity;

- teams can support and promote mutual “contamination”, herewith the “waterfall effect”.

Given these premises, the Authors will guide the Reader in understanding how fundamental is the contribute of the expatriate team leader in the enhancement of the creative capability of the managed host-country’s team.

Starting from the assumption and belief that creativity emerges from the relation between Expertise, Motivation and Originality (Amabile, 1988, 1996, 1997), being part of an individual’s personality, the multinational character and international experience of the expatriate team leader positively contributes to the components Originality and Expertise. This is because such a person is even more able than anyone else to impact on “*creative characteristics*” through his/her experience with “*diversity*” and “*procedural knowledge*” (Fig. 1), which will be discussed later on in greater detail.



$$\text{Creativity} = f(\text{Originality, Expertise, Motivation})$$

Figure 1 Modification of the Complementation Theory (adapted from Amabile (1997); Originality from Emaraldinsight.com)

This general but important consideration for MNCs is followed by the development of guidelines that are to assist expatriates, by highlighting what they have to take into consideration when dealing with different cultures/nationalities.

Herewith the focus will be on the Japanese, American and German culture, in order to represent the triad⁴. Consequently the Reader, giving a picture of a multilevel approach, will

⁴ “Multinational enterprises drive globalization, yet only a few actually operate globally. The vast majority undertakes most of their activities in their home ‘triad’ of the European Union, North America or advanced Asia. Japanese consultant and author Kenichi Ohmae coined the term “triad”. It

find answers to the question on which are the factors the expatriate team leader has to take into consideration when leading workers from different cultures in order to stimulate creativity.

The Authors are especially interested in understanding these aspect as they can have potential impact on the achievement of a distinctive competitive advantage for the organization.

RATIONALE OF THE BOOK

This book argues for a holistic approach able to cut across boundaries and disciplines in furthering recent knowledge and understanding of the impact of the internationally experienced expatriate team leader on creativity within a multinational environment. The intended audience is in the first line professional IHR managers confronted with the crucial question in how far the employment of expatriates enhances the MNC's creativity capability.

The book can also be considered as a support for the expatriate team leader in need to best understand how to foster creativity when working with employees of different cultures. Moreover, this study is intended to fill black spots in current research and therefore provide students and researchers of management with knowledge to support their further work.

STRUCTURE

The book is structured in 4 chapters. In chapter 1 the Authors will give a brief description of the different approaches of creativity available in the mainstream literature. Some commonalties will emerge and an effort will be made to run towards an exhaustive definition of creativity itself. Individual, group and organizational will be the levels of investigation. The Authors are mainly interested in studying creativity in a multinational context and these are the reasons why some attention will be dedicated to the explanation of fundamental concepts like "diversity" and "complexity". Once clarified the definitions and shared a common vocabulary, the role and the tasks for the expatriate team leader will be explained. The last section of the chapter is devoted to the explanation of the linkage between creativity and innovation.

The second chapter concerns the creativity components (personal and contextual). Specifically, when dealing with the contextual components the Authors will investigate the concepts of leadership and team work.

As previously stated, innovation – that of turning ideas into products, services and processes – comes directly from creative thinking. Changing from conventional to creative thinking

refers to the economies of Western Europe, North America and a small number of East Asian nations, particularly Japan. Ohmae argued that these eco'nomies are the critical ones from a viewpoint of innovation, trade and investment'' (Moore & Rugman, 2005).

involves the dawn of paradigm breaking ideas that can be achieved by adopting Creative Problem Solving (CPS) techniques and tools instead of, or besides, the traditional ones namely paradigm preserving or stretching techniques. This will be the content of chapter 3. Technology (in detail Electronic Meeting Systems and Creativity Support Systems) and Storytelling are some tools organizations can use to enhance CPS.

In chapter 4 a novel framework, based on the theoretical analysis of part two and three, will be introduced. This models aim at providing a holistic, logical and useful contribution to today's international business world. The model is based on a multilevel approach and seeks to support the SIHRM manager working for an MNC in important strategic business decisions concerning the utilization of expatriates to impact on current levels of the MNC's creativity in the first line, whereas secondly it aims to support the expatriate leader in his/her daily work, also with the particular focus on the concept of dealing with individual and group creativity in the international arena. With this, the advantage of the expatriate's international personality and the herewith-increasing team diversity will be honored with particular interest.

In the last part of the book, an evaluation and verification of the actual benefit and right to existence of the developed framework will be given on the basis of experts' interviews.

METHODOLOGY

To give qualitative justification, secondary data, as for instance scholarly articles and books on the main topics concerning this research, namely creativity, expatriate, leader/leadership, group and MNC, with particular focus on the linkages of the given terms and the resulting synergic effects and including quantitative and qualitative data were firstly reviewed. Whereas papers presenting qualitative data were used to integrate sparks of the current awareness as they are assumed to generate theory, previously gathered quantitative data were used to test present experienced theory and consequently impart objectivity and deductiveness.

In-depth interviews were conducted to offer exploration of personal opinions, beliefs and values. According to the Authors they provide opportunities for probing deeper issues and uncovering the hidden aspects of the research topic. Therefore they supply the Reader with essential novel in-depth knowledge, raw material for further analysis, investigations and careful considerations. Detailed notes were made to capture the insights of the about 45 till 90 minutes lasting interviews. Thereby, an interview guideline has been developed to systemize the interview process. This guidance primarily incorporates direct questioning, but is adjusted to each individual interview situation.

Interviews were gathered mostly by phone, or via Email, however face-to-face interviews were conducted as well. The direct contact to the interviewees has been of great importance, due to the innovative character of the problem definition in this specific area. By gathering the attitude and opinions of experts of the particular research subject, the generation of a new awareness becomes feasible, capable to fill these “*black spots*” of the recent literature. Therefore, the interviews were characterized by open-ended questions, as this type of questions encourages interviewees to talk about their individual mindsets. Open-ended questions help to establish rapport, gather information, and increase understanding (Brewer & Williams, 2005).

Due to the qualitative character of this study, a sample of international managers was elected to bring out groundbreaking findings. Fitting MNCs and managers were all chosen on the following characteristics – industry, job profile and geographical data.

The sector of analysis is bound and determined around the luxury brands MNCs. When dealing with luxury goods, brands need to create a demand within their customers. Consequently, companies working in these fields have to develop a certain image the consumer can identify him/herself with. The Authors strongly believe that the creation of a luxury image and experience on consumers requires a massive use of creativity. Therefore, a worldwide leading cosmetic company and a high-class worldwide-established jewelry producer were chosen for the investigation.

The cosmetic giant employs about 68.000 employees working in 130 countries to support about 23 global brands. It is the combination of internationality, successful leadership, diversity and the awareness that creativity in form of innovative products is one of the company’s pillars, which lead to the conviction to find interesting interview-partners within this MNC.

The other MNC is a high-class and worldwide-established jewelry producer, founded in Milan, Italy, in 1967. The Italian luxury brand creates high-quality and yet casual jewelry to make women feel more beautiful and different each season; therefore the brand forms a link between the world of jewelry and fashion. The prestige brand is available in selective stores around the world (Asia, Europe, Northern America).

Concerning the practical character of the developed framework, professionals from these MNCs had been chosen to be the interviewees. Herewith, the preference was on expatriate leaders, as their experience was most likely to critically point out knowledge about the research topic. Therefore, interviewees have been selected due to their professional profile. All of them are currently or were employed as expatriate leaders, supervising groups with different cultural backgrounds. Moreover, as all of the interviewees work in MNCs, the exchange with

colleagues from different nations is part of their daily business. Herewith, the interviewees' role varies from being a General Manager Luxury Brands, over a Worldwide Division Director Luxury Brands to a Marketing Manager, where creativity is priority and of high importance. Also the job profile of a Human Resource Director enhances the findings as he has a deeper theoretical understanding of the whole topic, due to the fact that this study can be classified as a Strategic International Human Resource work. Moreover, the world leader in the cosmetic industry classifies "*creativity as a priority*", which was highlighted by the Human Resources Director during the interview, wherefore the enhancement of creativity capability is ubiquitous regardless the department. Consequently, being a Human Resource Manager at such a MNC also means, to always upgrade processes in an innovative way.

The interviewees' placement locations had been chosen with the aim to represent the diversity this research is analyzing. As our managers work or used to work in Germany, Italy, France, London, Netherlands, US and Japan, the three most important economies being Europe, the United States of America and Asia, also known as "the triad", that this book is focused on, is comprehensively covered.

Due to the wish of anonymity of the interviewees, only the recent position and the company's name are mentioned within the research.

Interview partners' profile

Human Resources Director, Germany

An in-depth interview was held with a Human Resources Director of the cosmetic giant, via phone. This interview offered the possibility to conduct detailed insights about the view of a professional Human Resource Manager and, an expatriate, at the same time, as the German manager experienced international assignments himself. Through a three years lasting, permanent international assignment at the Headquarter of the company in Paris, France, the manager worked as a leading HR manager of a team, consisting of French employees. Moreover, he is currently on the brink of his next international assignment within the European Union.

Marketing Manager, US

The interview with a Marketing Manager from the cosmetic company in New York City, US, was conducted through an online questionnaire, due to time and geographic dispersion. In order to assure consistency this questionnaire was equal to the interview guideline. The German Marketing Manager started his international assignment in New York City (US) in June 2006 and is currently leading a team of American nationals. Before that, he was working at the German subsidiary as a Product Manager.

General Manager Luxury Brands, Germany

An interview was held with a General Manager Luxury Brands of the cosmetic giant, Germany via telephone. The manager, a Belgian, already provides a variety of international experience. At the age of 17 she left her home-country Belgium and has been living for, right now, more than 16 years abroad. After nine years living in the Netherlands, she was transferred to France

as an Expatriate Marketing Manager, leading a group of eight people from different cultural backgrounds. Besides her creative and open-minded personality, this background provides her with an enormous ability to work creative. According to the manager: *“creativity has something to do with the own attitude”*. In her current position as a General Manager Luxury Brands, she is responsible for the full management of a profit center and a team of 50 people, mostly Germans. Her extraordinary profile can be summarized as followed: *“She is an entrepreneurial executive with almost 10 years of international experience in the professional beauty business. [...] The manager has proven her ability in managing sales, marketing, operations, personnel and finance for established brands as well as for new market introductions. She can be described as a sociable leader who combines analytical qualities with creative answers, goal orientation with flexible strategies and the creation of high performing teams with the development of the individual's talents. Successful in identifying opportunities for accelerated growth and improved business performance”* (citation business network, 2009).

Worldwide Division Director Luxury Jewelry Brand, Italy

An in-depth interview was held with the worldwide Division Director Luxury Jewelry Brands in Milan, Italy. The director's company offers jewelry and watches. It sells its products through boutiques in Asia, Europe, and North America; and jewelry stores in Africa, Asia, Europe, and North America. The director, however, is responsible for both, a subsidiary brand and in some markets, such as Japan and the UK, also for the superior company brand. The interview was held within the company at Milan, wherefore the face-to-face interview provided a lot of interesting insights, not only based on the conversation, but also about the whole business environment of this company. The interviewer was able to experience how the Director's enormous experience supports him to create a truly creative and relaxed working environment, where all team-members, consisting of Italians, Germans, French, Columbians and people from Peru, feel truly comfortable. Conversations with subordinates and observations how employees are working with each other strengthened this impression. Everybody was kind to each other, it was like getting to know a whole big family, where everyone, regardless his/her role, is an important piece of the company and is able to raise his/her voice whenever, he/she has an idea.

Moreover, the Director possesses a lot of experience in leading people from different cultures; herewith, his focus recently concentrates on Japan, Europe and the US. With this, his working-*“basis”* is and has always been Milan. In order to control the business overseas, he travels frequently to Japan, US and across European borders - every two month he stays for at least 10 days at one of these places. Furthermore, during his time in the Apparel industry he had up to 80 flights per year to manage businesses around the globe.