

American University Kyiv

A Capstone Project

**The Culture of Innovation: Management Lessons from Ukrainian Creative
Industry Companies**

**Культура інновацій: уроки менеджменту українських компаній креативної
індустрії**

by

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Presented in Partial Fulfillment of the Requirements

for the Degree Master

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2025

Abstract

This research examines the culture of innovation in Ukrainian creative companies, where the continuous search for new ideas is key to maintaining competitiveness. It identifies 23 shared criteria among successful companies, providing valuable insights for managers aiming to enhance innovation culture.

The study builds on the Culture of Innovation Framework by Pierre Loewe and Jennifer Dominiquini, highlighting the interconnectedness of four domains: leadership, processes, people, and culture. The findings highlight the strong interconnectedness between these domains. A culture of openness, inclusivity, and collaboration was identified as vital, enabling teams to approach challenges from diverse perspectives.

The research also addresses external challenges, such as the war in Ukraine, illustrating how leaders have shown resilience. Additionally, a practical tool for assessing and improving innovation culture is provided. These insights are useful for leaders across industries and policymakers looking to foster innovation in creative economies, especially in difficult times.

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1. Introduction and Literature Review

Innovation is widely recognized as a key driver of business success, particularly in dynamic and rapidly evolving industries. Despite the extensive literature on innovation, there remains a need to better understand the underlying cultural and organizational factors that support and sustain the innovation process. At the heart of this inquiry is the concept of the culture of innovation, which shapes how organizations generate and implement new ideas.

Innovation is a complex and multifaceted phenomenon influenced by many factors. It can be seen as an environment or culture—almost a spiritual force—that exists within a company and drives value creation (Ismail & Abdmajid, 2007). According to Nonaka and Takeuchi (1995), innovation should be understood as a continuous cycle of knowledge creation rather than as a one-time event. Innovation is not solely about the end product but about an ongoing process that includes creating, implementing, and adapting new ideas. Kahn (2018) builds on this by arguing that innovation must be viewed as a combination of three elements: outcome, process, and mindset. Innovation as an outcome refers to the tangible results that organizations aim to achieve, such as new products, services, or business models. However, it is equally important to recognize innovation as a process—one that involves the steps needed to create and implement these ideas, ensuring their sustainable value. Henike (2024) further reinforces this view by noting that innovation is the process of transforming creative concepts into tangible outcomes that improve efficiency, effectiveness, or address unmet needs.

Innovation, however, does not simply arise from a singular event or isolated product development. It is deeply embedded within both **organizational culture** and the **individual processes**. The culture of innovation in an organization provides the broader environment where innovation can thrive. It defines how people interact, how risks are viewed, and how mistakes are treated. At the same time, innovation depends heavily on individual

characteristics like curiosity, risk tolerance, and the ability to view problems from multiple perspectives (multiple framing). Thus, the success of innovation is shaped both by the organizational environment and by the personal traits of the individuals who drive creativity.

An important contribution to understanding the culture of innovation comes from Pierre Loewe and Jennifer Dominiquini, who in their work "*Overcoming the Barriers to Effective Innovation*" present a comprehensive framework for fostering innovation within organizations. Their framework is structured around four core domains: (1) Leadership and Organization, (2) Processes and Tools, (3) People and Skills, and (4) Culture and Values. This approach offers a holistic view of the key factors that allow organizations to effectively promote and sustain innovation. The alignment of these domains—leadership, processes, people, and culture—is essential for creating an environment where creativity can thrive and innovation can be successfully implemented.

In this study, I examine the concept of the culture of innovation, with a specific focus on how the culture of creativity acts as a key component within it. The research targets creative industry companies in Ukraine, where the ongoing generation of new ideas is crucial for maintaining a competitive edge. These companies offer a unique context for understanding the innovation process, as they are inherently driven by the need for continuous creativity. By exploring the cultural and organizational factors that impact idea generation, this study aims to provide valuable insights into how creative environments can be cultivated, enhancing innovation, especially in industries where constant renewal is necessary for sustained success.

Definitions of the culture of innovation often focus on two levels: the individual level, where culture helps people adapt to their environment, and the organizational level, where culture shapes how the entire organization understands and interprets experiences.

The concept of the culture of innovation does not have a universally accepted definition among researchers. This complexity arises from the intersection of measurable factors and human-centric approaches, such as working with talent, which are more difficult to quantify. However, most researchers agree that innovation culture is closely linked to the overall organizational culture and can be described as the shared values, beliefs, and behaviors that promote and sustain innovation within an organization.

An important distinction in the research is between the individual and organizational levels. The primary focus of our study is on managerial practices that support and implement innovation within organizations. According to Kotter (1996), clear vision and strong leadership are essential for establishing a culture conducive to innovation. Strong, supportive leadership is crucial in providing both the vision and the resources necessary for innovation to thrive.

Martins and Terblanche (2003) argue that a culture of innovation is not just about having systems and processes in place but also about creating a mindset across the organization that values continuous improvement and adaptability. They emphasize that leadership is key to fostering an environment where creativity is encouraged and facilitated. Effective leadership ensures that innovation becomes embedded in the organizational culture, with managers actively stimulating employee creativity, fostering collaboration, and providing the necessary resources to support innovation.

The study by Büschgens, Bausch, and Balkin (2013), which analyzes data from 43 studies and a sample of 6,341 organizations, reveals a significant correlation between organizational culture and innovation. The findings show that managers in innovative organizations are most likely to implement a developmental culture, which emphasizes an external orientation and flexibility.

Szczepańska-Woszczyzna (2014) concurs with the idea that while no universal model of organizational culture can be established, certain elements consistently support innovation across various organizations. Research conducted in Polish companies, particularly in the Province of Silesia, suggests that organizations generally focus on measurable elements, such as resources, processes, and success metrics, when implementing innovation. However, they often neglect the more difficult-to-measure, people-oriented determinants of the culture of innovation, such as values, behaviors, and organizational climate.

Table 1 – *Core components of organizational culture supporting innovation by Szczepańska-Woszczyzna, K., 2014*

| Components of organizational culture | Role in supporting innovation within an organization |
|--------------------------------------|---|
| 1. Management style | Emphasizing both tasks and interpersonal relationships. |
| 2. Role of managers | Actively stimulating innovation and triggering employee creativity. |
| 3. Employee motivation | Fostering a low sense of danger among employees regarding changes. |
| 4. Work organization | Structuring work and conditions to stimulate creativity. |
| 5. Support for new concepts | Encouraging employees to express opinions and propose new ideas. |
| 6. Interdepartmental collaboration | Facilitating cooperation among different organizational units. |

According to Nick Jain (2023), a **culture of innovation** is defined as the collective mindset, values, beliefs, and practices within an organization that foster and support innovation. It is an environment where creativity, experimentation, and the pursuit of new ideas are encouraged and embraced. In a culture of innovation, individuals are empowered to think critically, take risks, and challenge the status quo in order to generate breakthrough solutions and drive positive change

Creativity is a fundamental component of an innovation culture, often defined as the ability to generate novel and valuable ideas or solutions. Teresa Amabile (1996) defines creativity as the production of novel and useful ideas within any domain, emphasizing that creativity encompasses both the process of idea generation and the actual idea or solution itself. She introduces the concept of the "Creativity Intersection," which refers to the overlap

between three key domains: Resources, Techniques, and Motivation. For organizations to foster creativity, they must establish conditions that nurture these elements. This intersection is considered the optimal environment for encouraging both individual creativity and organizational innovation.

In the context of organizational innovation, individual creativity serves as the foundation for organizational innovation. An organization's innovation culture reflects the extent to which it nurtures and supports individual creativity. Martins and Terblanche (2003) highlight the importance of building an organizational culture that stimulates both creativity and innovation. They argue that organizations must create an environment where individuals are encouraged to think differently, embrace unconventional ideas, and take risks without fear of failure. Additionally, they stress the need for a leadership style that balances creative freedom with accountability, thus fostering both creativity and organizational growth.

To cultivate a culture of creativity within an organization, it is essential to implement management practices that promote open communication, collaborative teamwork, and continuous learning. Leaders play a crucial role by modeling creative behaviors, providing resources, and establishing systems that recognize and reward innovative efforts. Values, norms, and beliefs within the organization can either support or inhibit creativity and innovation, depending on how they influence individual and group behavior (Martins, 2003).

This study aims to investigate the common patterns and principles that enable creative companies to consistently generate creative ideas, transform them into innovations, and maintain this process continuously, as it is central to their existence. Creative companies, in particular, face unique challenges and opportunities in cultivating this culture, where the interplay between creativity, leadership, organizational structures, and employee motivation is essential for success. By examining the processes, conditions, and cultural elements that contribute to innovation, this research aims to shed light on the practices that foster creativity

and innovation, focusing specifically on creative companies in Ukraine. The Cabinet of Ministers of Ukraine, in its decree from 2019, approved a list of sectors that belong to the creative industries, which follows widely accepted global practices. This list includes 12 sectors: visual, audiovisual, and audio sectors, publishing, performing arts, design, fashion, information technology, architecture, advertising and marketing, folk arts, libraries, archives, and museums (Cabinet of Ministers of Ukraine, 2019).

In conclusion, understanding the culture of innovation is essential as these organizations are uniquely positioned to drive continuous idea generation and maintain competitiveness. This research explores the various cultural and organizational factors that influence innovation, with a specific focus on the creative industries. The findings aim to offer actionable insights for fostering creativity and innovation, essential components for success in sectors where the constant search for new ideas is fundamental to maintaining a competitive edge.

2. Culture of Innovation Framework

In the course of reviewing various frameworks for assessing innovation culture, I encountered numerous approaches, each offering different perspectives and methodologies. However, none of these frameworks appeared universally accepted or fully comprehensive. After careful consideration, I selected the Culture of Innovation Framework by Pierre Loewe and Jennifer Dominiquini, as outlined in their article "Overcoming the Barriers to Effective Innovation." This framework stands out for its holistic approach, covering the key domains of leadership, processes, people, and culture, without delving too deeply into narrow specifics. This makes it a versatile tool for exploring innovation practices across diverse creative companies. By adopting this framework, we can more effectively examine the innovation culture within these companies without being constrained by overly detailed or rigid models. This approach allows for a broader understanding of the dynamics at play, enabling a richer exploration of how innovation is cultivated and sustained.

Compared to other frameworks I considered, Loewe and Dominiquini's approach is more holistic because it considers both the structure and the human aspects of innovation. This balance allows organizations to not only implement structured processes but also create an environment that encourages employees to contribute new ideas without fear of failure. This inclusive perspective ensures that innovation is ingrained at every level of the organization, making it sustainable and scalable.

Leadership and organization

Leadership is fundamental in fostering a culture of innovation. Effective leaders not only talk about the importance of innovation but also actively demonstrate their commitment by allocating necessary resources and aligning organizational priorities with innovation goals. They lead by example, set clear objectives, and hold themselves and others accountable for

driving innovation within the organization. The role of leadership is to establish a strategic focus that embeds innovation into organizational practices and priorities.

Processes and tools

A structured yet flexible innovation process is essential for driving continuous idea generation and successful implementation. The framework stresses the importance of allowing for divergence in the early stages of idea generation while maintaining the flexibility to refine and test these ideas before fully committing to their development. The tools used within this process should enhance creativity and innovation, simplifying rather than complicating the process, ensuring it remains dynamic and adaptable to new challenges.

People and skills

A diverse range of employees should be encouraged to contribute to the innovation process, as creativity does not reside in a single department but across the entire organization. Cross-functional teams provide a broader spectrum of ideas and solutions, enriching the innovation process. Investing in the development of employees' skills—particularly in creativity, problem-solving, and innovation—ensures that the entire workforce is equipped to contribute meaningfully to the generation of new ideas and drive innovation within the company.

Culture and values

The organizational culture must foster an environment where risk-taking and experimentation are not only accepted but actively encouraged. A culture of innovation is one where failure is viewed as a learning opportunity, where open communication thrives, and where traditional norms are regularly challenged. By integrating innovation into the company's core values, employees feel empowered to contribute new ideas without fear of failure, creating a continuous cycle of creativity and improvement.

Incorporating the four domains—Leadership and Organization, Processes and Tools, People and Skills, and Culture and Values—into a comprehensive innovation strategy ensures that innovation is not just a top-down directive but a collective organizational effort. These domains served as the foundation for testing the Culture of Innovation Framework in this study. Through interviews with creative company owners and top management, the research aimed to explore how these domains are perceived and addressed within their organizations. By examining these key factors, the study sought to uncover the practices, challenges, and strategies that drive innovation, providing deeper insights into how each domain contributes to cultivating and sustaining a culture of innovation. The goal was not only to assess the framework but also to potentially expand it based on real-world experiences and findings from the creative industries.

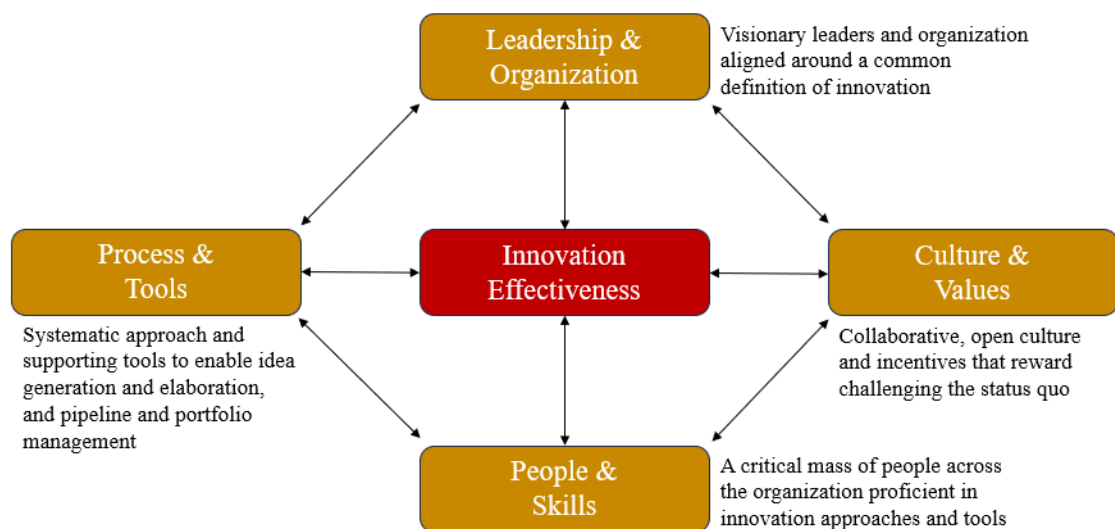


Figure 1 – The four domains of effective innovation by Loewe and Dominiquini, 2006.

3 Data Collection Process

The foundation of this research was built upon qualitative interviews with owners and top managers of creative industry companies in Ukraine. These individuals were personally invited to participate in the survey through my professional network. Their insights provide valuable perspectives on the practices, challenges, and strategies involved in fostering innovation and creativity within the creative industries.

The interviews were conducted in Ukrainian and lasted approximately 50 minutes, ensuring in-depth discussions. All interviews were audio-recorded, and the participants were informed beforehand to ensure transparency and obtain their consent.

The questions for the interviews were designed to explore various aspects of innovation culture within creative companies. Key areas of focus included leadership practices, the organizational culture, processes that support innovation, and the skills necessary for fostering creativity in the team. These questions were developed to align with the four key domains identified in the Culture of Innovation Framework: Leadership and Organization, Processes and Tools, People and Skills, and Culture and Values.

A link to the detailed questions can be found in **Appendix A – Research Questions** and the full survey questionnaire in **Appendix B – Survey Questionnaire**.

The questions were selected to ensure that they address the most critical factors influencing innovation within creative companies. They are designed to elicit responses that provide deep insights into the organizational structures and practices that either enable or hinder the creation of new ideas. By focusing on leadership, organizational culture, processes, and people, the questions aim to cover the four key elements necessary for fostering a culture of innovation. These questions were crafted based on existing literature and frameworks, particularly the Culture of Innovation Framework, but with a goal of exploring how these elements operate specifically within the creative industries in Ukraine.

To ensure that the respondents were not biased by the framework adopted in this study, the interview questions were deliberately phrased in an open-ended and neutral way. They were not designed to confirm the framework directly but rather to explore how respondents perceive the importance of leadership, processes, people, and culture in their organizations. By avoiding direct reference to the framework in the questions, the interviewees were free to provide their insights without being influenced by any preconceived notions about the framework's applicability.

The interviewees represent a diverse cross-section of the creative industries in Ukraine, providing insights into a variety of practices, challenges, and strategies related to fostering a culture of innovation and creativity across different business contexts. Below is a summary of the key respondents and their companies:

Table 2 – Key respondents and their companies in the Ukrainian creative industry.

| Company | Name | Position | Brief company description and notable cases |
|-------------------------------------|----------------------|--|---|
| Pomitni (former MOZGI Group) | Iryna Gorova | Co-founder and CEO | Pomitni is a music label that underwent a rebranding in 2023 and changed its business model, increasing its artist roster by 300%. The company has expanded its reach with a focus on independent talent and digital promotion. |
| 1+1 | Volodymyr Zavaduk | General Producer of Key Entertainment Projects | 1+1 is a leading Ukrainian TV channel. Volodymyr Zavaduk oversees the production of high-ranking shows such as The Voices and the launch of 1% Club, which have contributed to the network's strong ratings. |
| FROLOV | Ivan Frolov | Designer and Founder | Frolov is a fashion brand known for its glamorous designs, with global celebrities such as Beyoncé wearing its creations. Recent collections have also been worn by stars like Sam Smith, Rihanna, Kim Kardashian, and Zendaya. |
| IAMIDEA | Ihor Finashkin | Co-founder and CEO | IAMIDEA is a creative agency specializing in branding, digital strategies, and innovative campaigns. Recent projects include rebranding for tech startups and large-scale digital campaigns for global companies. |
| SLUKH | Maxym Serdiuk | Co-founder | SLUKH is a media and production company creating high-impact films with millions of views. Their latest film, Yaremkuk: The Unmatched World of Beauty, broke box office records and landed in Netflix's top rankings. |
| Dontakefake | Volodymyr Voloshchuk | Editor-in-Chief | Dontakefake is a Ukrainian media platform focused on countering misinformation. The |

| | | | |
|---------------|--------------------|-----|--|
| | | | platform leads in educating the public on verifying news, and Volodymyr has been instrumental in expanding the platform’s influence through partnerships with international fact-checking organizations. |
| MEGOGO | Valeriya Tolochina | CMO | MEGOGO is a major Ukrainian streaming service, offering films, TV shows, and live broadcasts. Valeriya manages marketing strategies, recently focusing on expanding international subscriptions and new partnerships, including launching exclusive content. |

This group of interviewees represents a diverse cross-section of the creative industries in Ukraine, allowing for insights into a variety of practices, challenges, and strategies related to fostering a culture of innovation and creativity in different business contexts.

The data collection process significantly advanced the research by providing valuable insights into the organizational and individual factors that drive innovation. Through qualitative interviews with top managers and owners from creative companies in Ukraine, aligned with the Culture of Innovation Framework, the study uncovered key elements such as leadership, culture, and processes that impact innovation. The responses revealed strengths and weaknesses in fostering innovation, linking real-world practices with theoretical frameworks. This approach allowed for a deeper analysis of how leadership and culture shape innovation, contributing both to confirming existing theories and extending them with new, practical insights for other industries.

4 Results

4.1 Understanding company success measurement

In this section, the results of the interviews with the owners and top managers of creative industry companies in Ukraine are presented. These findings provide valuable insights into the factors that foster or hinder innovation within creative industries. The data was gathered through in-depth interviews, and the results are analyzed in relation to the key elements of innovation culture—leadership, processes, people, and culture. The aim is to present how these elements contribute to the generation and implementation of creative ideas and innovation strategies in these organizations. Each interview question is analyzed separately to ensure a detailed exploration of the various aspects that influence creativity and innovation in the Ukrainian creative industry.

Since the concept of innovation is broad, I intentionally avoided directly introducing it in the interview questions to prevent bias. Instead, respondents were encouraged to discuss general indicators of company success, yielding both objective and subjective insights. Across all interviews, participants highlighted both quantitative and qualitative criteria as central to evaluating success.

In Table 2, the consolidated factors influencing the success of companies are presented, highlighting the key criteria that respondents use to determine their business success. The table uses a weighted approach to differentiate between direct and indirect mentions of each factor. Direct mentions are assigned 2 points, indicating a stronger and more explicit recognition of the factor's importance, while indirect mentions receive 1 point, signifying a more subtle reference to the factor's relevance. This allows for a numerical evaluation of each factor's perceived strength. To read the table, you can interpret the qualitative success criteria by looking at the red blocks, which represent direct mentions, and the yellow blocks, representing indirect mentions. The total score is calculated by summing the points from both

categories, providing a clear overview of how critical each factor is perceived within the company's success framework.

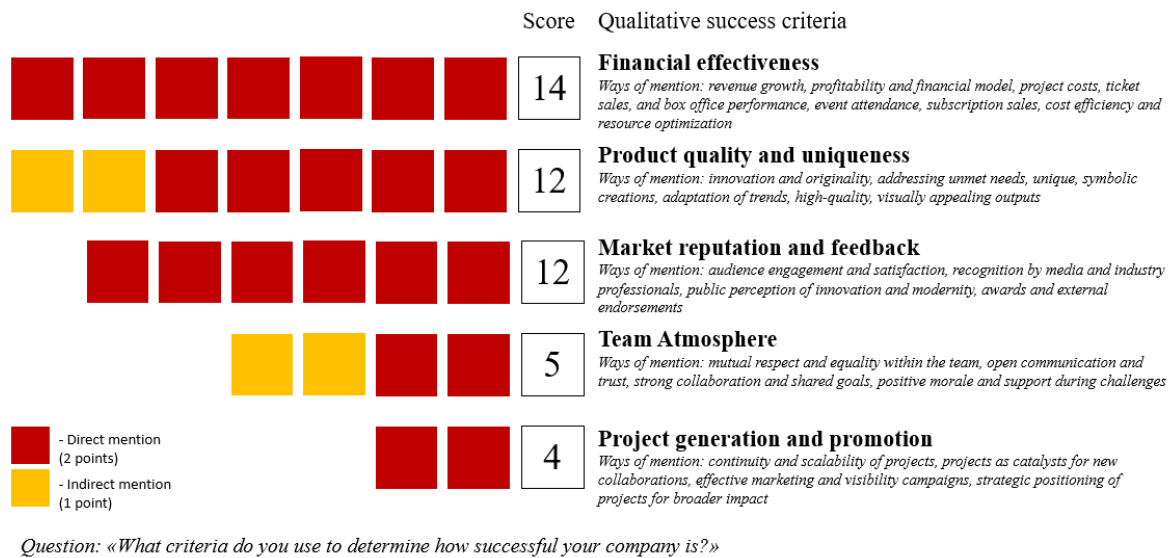


Figure 2 - Intersections of success criteria: expert insights across key dimensions.

Quantitative indicators, notably **financial success**, were universally emphasized as foundational. As businesses, these organizations prioritize operations that enhance capitalization. Given that most companies work with multimedia products targeted at broad audiences, indirect metrics such as brand recognition, project costs, box office performance, and event attendance also emerged as significant. However, financial indicators were often contextualized as "traditional metrics," suggesting a broader understanding of success.

Qualitative factors were particularly illuminating, with respondents identifying:

Product quality and uniqueness. Creating unique, resonant products is critical. This is not just about ensuring visual or functional distinctiveness but also about addressing unmet needs and establishing an emotional connection with the audience. Unique products often emerge from a deep understanding of cultural and market trends, enabling businesses to craft offerings that stand out amidst competition. Respondents highlighted that such innovation not

only strengthens brand identity but also sets a benchmark for industry excellence, inspiring both internal teams and external collaborators to aspire for groundbreaking achievements.

Team Atmosphere. A positive team atmosphere was emphasized as a foundational element for success. Respondents highlighted the importance of creating an environment where employees feel valued and respected. Factors such as employee satisfaction, the absence of hierarchical conflicts, and the ability to retain and attract top talent were identified as critical components. A motivated and engaged team not only enhances productivity but also fosters innovation, as individual contributions collectively shape the organization's outcomes. Moreover, open communication and mutual support within teams encourage collaboration, reduce workplace stress, and cultivate a sense of belonging that drives long-term commitment and excellence.

Market reputation and feedback. Both client and general market perceptions play a pivotal role in defining success, as they reflect the broader impact of a company's offerings. Respondents emphasized that positive feedback from clients demonstrates the ability to meet or exceed expectations, thereby fostering trust and loyalty. Similarly, recognition within the professional community enhances credibility and positions the company as an industry leader. Public discourse, often influenced by media coverage, extends this influence by shaping brand awareness and audience perception. Metrics such as project visibility capture how well a company's initiatives resonate with external stakeholders, while audience impact indicates emotional and intellectual engagement with the target market. Media interest further amplifies these successes, creating a cycle of increased visibility and sustained reputation. Collectively, these elements form an ecosystem of trust, influence, and long-term growth potential.

Project generation and promotion. An intriguing insight was the emphasis on a project's ability to catalyze future initiatives and collaborations. Respondents pointed out that

projects demonstrating the potential to inspire further opportunities often receive recognition through invitations to international associations, which serve as endorsements of credibility and influence. Additionally, fostering collaborations with other organizations was highlighted as a testament to the project's innovative value and appeal. Establishing connections with industry leaders further underscored the project's capacity to drive industry-wide impact, ensuring sustained visibility and relevance. These aspects collectively illustrate how standout projects can perpetuate cycles of innovation and success.

The interview results highlight the importance of both quantitative and qualitative criteria in evaluating company success. While financial indicators remain crucial, qualitative factors such as product uniqueness, team atmosphere, market reputation, and project generation were also identified as essential to fostering innovation.

The results are structured around the core themes raised in the interview questions. Each question is analyzed individually, focusing on the specific aspects of innovation and creativity that it addresses. This analysis will cover the following key themes:

- **Leadership practices:** Insights into how leadership shapes innovation through strategic decisions and vision.
- **Processes and tools:** The role of processes and tools in facilitating idea generation and managing the innovation pipeline.
- **People and skills:** An examination of the skills and characteristics required in teams to generate innovative ideas and solutions.
- **Culture and values:** How organizational culture fosters an environment that supports creativity and innovation, including attitudes towards risk-taking and experimentation.

Together, these domains form a cohesive framework that not only sustains growth but also propels organizations toward long-term resilience and adaptability.

4.2. Leadership and Organization.

Leadership plays a crucial role in a company's ability to generate new ideas. Throughout discussions, all the experts emphasized different aspects of personal involvement and responsibility in organizing work in a way that would best foster idea generation within teams. Every expert underscored the importance of maintaining and nurturing this culture, ensuring that it was not disrupted or destroyed. The role of leadership is not only to guide but also to create an environment where creative thinking is encouraged and supported. Leaders are expected to act as stewards of innovation, promoting a culture of continuous growth and safeguarding the values that allow teams to thrive.

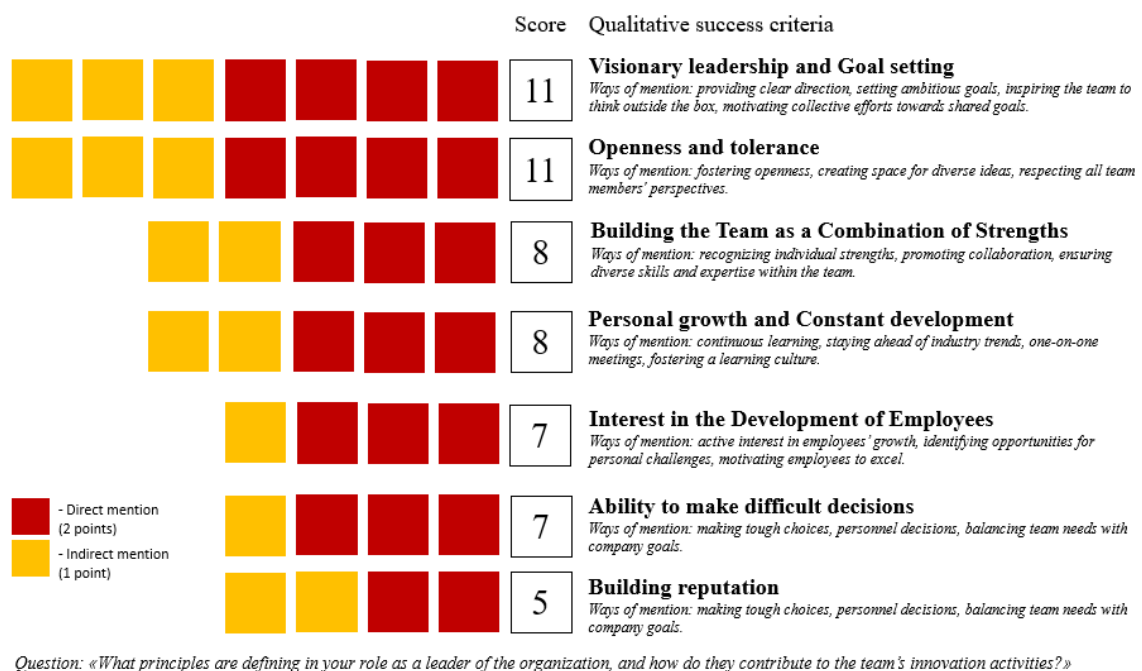


Figure 3 – Distribution of Direct and Indirect mentions of Leadership and organizational in supporting innovation process

Visionary leadership and goal setting. A leader must provide a clear direction by setting the project's goal. This goal should be large and ambitious, stretching the team's capabilities and encouraging them to think outside the box. Visionary leadership is about more than just outlining objectives — it's about inspiring the team to aim for greater things and pushing them toward creative solutions. As one expert put it, a goal that challenges the

team to think beyond the usual confines not only stimulates innovation but also ignites passion and drive within the group. Setting an ambitious vision motivates the team to work collectively toward a shared future, encouraging a sense of purpose and alignment. Leaders who set such goals create a foundation for innovation, as they push the boundaries of what's possible and invite the team to explore new and uncharted territory.

Building the team as a combination of strengths. Leaders must form teams by recognizing and combining the individual strengths of each member. The diversity of expertise and skills within a team can drive creative problem-solving and innovation.

As Iryna Gorova states, "You need to work with people from whom you can learn a lot. Only then do I feel that we are pushing each other forward." The role of the leader is not just to delegate tasks but to ensure that each team member complements the others' abilities, creating a well-rounded group. A strong team is built on the idea that each individual brings something unique to the table, and when those strengths are harmonized, the team can achieve extraordinary results. Leaders need to foster an environment where collaboration is encouraged, and where individuals feel empowered to contribute their expertise and insights.

Personal growth and constant development. Leadership requires a commitment to continuous personal development. A leader must always be learning, both for their own growth and to be able to guide their team effectively. Regular one-on-one meetings with team members to understand their needs and concerns are an essential part of this process.

Leaders highlighted that their personal growth allows them to stay ahead of industry trends and provide better guidance. By continually investing in their own development, leaders set an example for their teams, inspiring them to embrace a culture of ongoing learning and growth within the organization.

Interest in the development of employees. A good leader takes an active interest in the growth and development of their team members. When employees feel that their personal

growth is valued, they are more motivated to excel and contribute to the team's success. Often, team members who might initially feel stuck in a particular role can benefit from new challenges. Leaders must identify opportunities for growth and development, even for those who may not have initially sought out such roles, helping them realize their full potential and, in turn, contributing to the team's innovation. Leaders emphasized that encouraging employees to step out of their comfort zones and take on new challenges not only helps them grow but also enhances the team's creativity and effectiveness.

Ability to make difficult decisions. Leadership requires the ability to make tough decisions, including making difficult personnel choices when necessary. A leader must be prepared to make decisions that, while difficult, are in the best interest of the team and the company. This includes knowing when to let go of employees who do not align with the team's vision or work culture. Difficult decisions, such as firing someone, should be approached with sensitivity but also with a clear understanding of the impact on the overall team dynamic. Leadership involves making choices that balance the team's needs with the greater vision of the company, even if those decisions may not always be easy or popular.

Building reputation. A leader's reputation is not just about their accomplishments but also about the way they inspire their team and maintain trust and integrity within the organization. The reputation of a leader motivates the team to generate ideas and further enhances the vision and goals set by the organization. Leaders who maintain a strong reputation encourage their teams to uphold similar standards, fostering a sense of pride and ownership in the work they do. Creatives, in particular, are deeply concerned with their reputation, as it directly affects their willingness to engage in projects.

As one expert points out, "Creators are reluctant to engage in projects that others will speak negatively about." A leader's reputation creates an atmosphere of respect and trust, which is essential for fostering a culture of innovation.

Openness and tolerance. Openness and tolerance are fundamental qualities in any team, and they directly intersect with the traits valued within the team itself. A leader who fosters an open and tolerant environment creates space for diverse ideas and encourages team members to share their thoughts without fear of judgment. Openness to new perspectives and ideas fosters creativity, as it allows for unconventional solutions and innovative approaches. This openness, combined with tolerance, ensures that all voices are heard and respected, creating a collaborative environment where the best ideas can emerge. As the experts discussed, these values are reflected in the culture of the team and are essential for fostering a culture of innovation.

In conclusion, leadership is a vital factor in creating an environment where new ideas can flourish. The key findings of this section highlight the importance of visionary leadership, the creation of teams that combine individual strengths, and the ongoing personal development of the leader. The ability to make tough decisions, support employee development, and build a strong reputation all contribute to a leader's effectiveness in fostering a culture of innovation. Moreover, the values of openness, tolerance, and collaboration are fundamental in driving creative success. These leadership qualities, combined with a commitment to nurturing talent and maintaining a supportive environment, are what enable teams to generate groundbreaking ideas and push the boundaries of innovation.

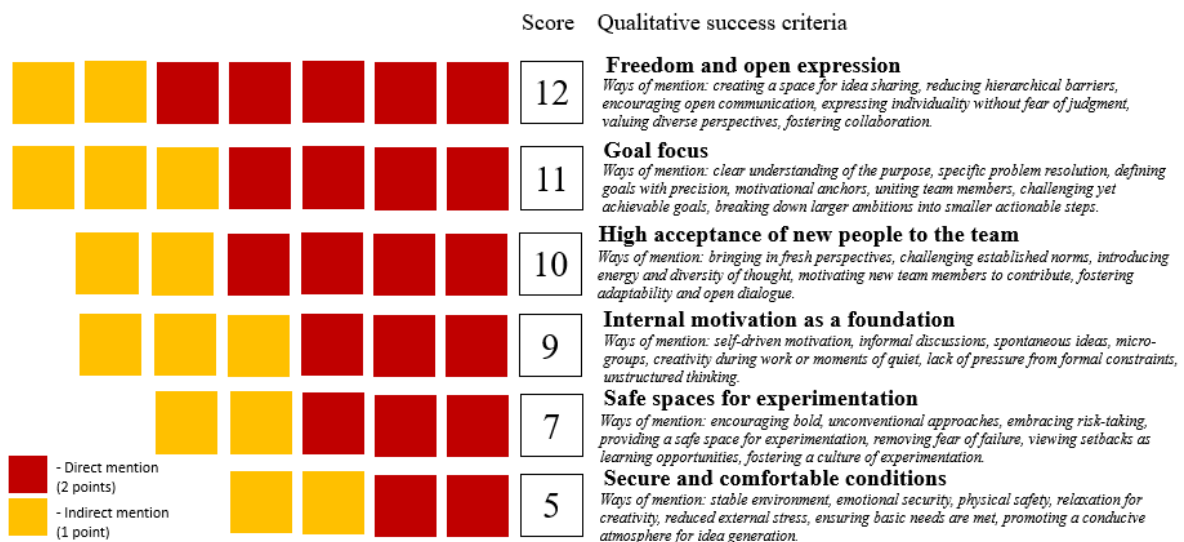
4.3. Processes and Tools

Respondents seldom emphasized the importance of having strictly defined processes for generating ideas. Instead, they highlighted that creativity thrives in flexible environments, free from rigid frameworks and procedural constraints. Many noted that the essence of creative thinking lies in its non-linear and organic nature, often extending beyond

conventional working hours or standardized practices. At the same time, they unanimously agreed on the necessity of structured systems for implementing ideas, emphasizing that meticulous planning and clear frameworks are indispensable for turning creative concepts into actionable outcomes. This duality underscores the critical balance between fostering unrestricted ideation and maintaining disciplined execution strategies.

In discussing plans, many respondents expressed a desire for better systematization of team workflows, though not through rigid norms. Instead, they advocated for scaling models to attract new talent, grow teams, delegate responsibilities, and expand international experience. While understanding processes is crucial, respondents generally agreed that organic workflows are more effective than rigid structures.

As summarized by Iryna Gorova, "Creativity cannot be boxed into stages or timelines, but it requires stimulation."



Question: «Describe how the process of generating new ideas takes place. What is critically important for this process?»

Figure 4 - Distribution of Direct and Indirect mentions of key factors in the Process of generating new ideas

Key stimuli and enabling factors include:

Goal focus. Idea generation starts with a clear understanding of the purpose and the specific problem that needs resolution. By defining goals with precision, teams gain a sense of direction and shared focus. Clearly, articulated objectives serve as motivational anchors, uniting team members around a common purpose. Ambitious goals, especially those perceived as challenging yet achievable, stimulate creative thinking and encourage innovation. However, when goals are overly ambitious or unattainable, they risk leading to frustration and disengagement within the team. Therefore, leaders often break down larger ambitions into smaller, actionable steps, celebrating incremental achievements to maintain morale and progress.

Igor Finashkin noted, "Perhaps the most important thing is that we always strive not just to come up with ideas, but to understand their utility and the goal they serve. This is central to our approach, ensuring that every idea we generate aligns with a clear purpose and drives meaningful progress."

Freedom and open expression. Creating a safe space for idea sharing is critical, with minimal hierarchical barriers that encourage open communication and collaboration. Leaders emphasize the importance of fostering a culture of respect and equality, where all team members feel equally entitled to share their ideas. This approach empowers individuals to freely express their thoughts, ensuring that innovative solutions can emerge from diverse perspectives. By removing hierarchical constraints, leaders create an environment of shared ownership, where every contribution is valued. This inclusive culture encourages team members to actively engage and collaborate, ultimately driving impactful results.

"Effective idea generation relies on dialogue, freedom, trust, and, importantly, diversity within the team. If we only share similar experiences—watching the same films, biking together—we'll discuss the same topics. But when we bring in someone with different

interests, like a skateboarder or a snowboarder, it broadens the range of stories and unique perspectives each team member can contribute," reflects Valeria Tolochyna.

Internal motivation as a foundation. Effective idea generation often occurs organically in micro-groups during the flow of daily tasks, where informal discussions and spontaneous thoughts lead to creative breakthroughs.

Maxim Serdyuk observed, "Ideas emerge during work or moments of quiet," emphasizing that the natural rhythm of work, paired with moments of introspection, creates the ideal conditions for creativity. This approach underlines the importance of allowing space for unstructured thinking, where employees feel free to explore and refine ideas without the pressure of immediate deadlines or formal constraints.

High acceptance of attraction new people to the team. The introduction of new team members consistently emerged as a key driver for innovation and creative breakthroughs. Respondents noted that fresh perspectives bring an invaluable diversity of thought, challenging established norms and prompting teams to reconsider conventional approaches. Newcomers often infuse energy and introduce methodologies or experiences from other environments, which can inspire novel solutions to persistent challenges. Furthermore, the integration of new ideas stimulates constructive dialogue within teams, fostering an adaptive and forward-thinking culture that embraces continuous improvement and experimentation.

Creating comfortable conditions for experiments and removing responsibility for failure. Leaders emphasize the importance of fostering an environment where risks are viewed as investments in innovation. They encourage team members to take calculated risks and make bold decisions when entrusted with valuable resources, while ensuring they understand their responsibility in doing so. This approach promotes autonomy, allowing individuals to experiment and make choices without fear of negative repercussions. Leaders cultivate a culture where mistakes are not punished but seen as essential to the growth and

innovation process. By creating a safety net for experimentation, leaders empower their teams to push boundaries and explore new ideas, knowing that risks are part of the path to progress.

Secure and comfortable conditions. Experts emphasized that the war in Ukraine, along with its accompanying factors affecting safety and basic needs, has a profound impact on individuals' ability to generate new ideas and create. The act of ideation, they noted, requires motivation and relaxation—a seemingly obvious but critical insight uncovered in this research. Conducted during the third year of a full-scale war, the study revealed how this context, often perceived as a shared reality for all, shapes working conditions. While discussions rarely centered on this factor explicitly, it became evident when exploring the conditions necessary for effective work.

Leaders recognize that creative slumps can sometimes occur, and these moments are often compounded by various external factors. For instance, societal mood and overall tensions can significantly impact an individual's state of mind, affecting their perception of their work. The stress and anxiety caused by these external pressures can lead to a feeling of stagnation, where progress seems blocked, and everything appears to be going wrong. Leaders emphasize the importance of acknowledging these challenges, understanding that external influences can play a significant role in the creative process.

Despite the challenges in defining a single universal process for generating ideas, all the experts highlighted a set of tools and practices they use during ideation. The overlap among these tools is minimal, which suggests that each team develops its own approach, tailored to the type of tasks, industry specifics, and desired outcomes. However, a common theme among these tools is their reliance on collective interaction, discussions, and meetings, which constitute a significant portion of the work. When asked about the factors that most motivate teams, experts emphasized collaborative efforts that foster unity.

Leaders emphasize the importance of discussing and exchanging ideas as a crucial element for finding creative solutions. Effective teams prioritize sharing interesting findings, whether they come from social media, global trends, or other sources, and use platforms like group chats to engage in these discussions. This collaborative process helps teams stay at the forefront of innovation, ensuring they remain connected to current trends and constantly attuned to the evolving landscape of ideas.

Table 2 – Tools and approaches mentioned by experts in the interview for effective idea creation and development

| The tools and approaches mentioned by the experts | Description of tools and approaches |
|---|---|
| General meetings for brainstorming and critical discussions. | These meetings provide teams with opportunities to discuss tasks or challenges, propose solutions, and explore diverse perspectives. The unique aspect of these meetings is that everyone can suggest ideas, regardless of their specific responsibilities. |
| Strategic sessions. | These sessions focus on discussing more complex issues, such as annual planning, setting goals, and defining development directions. They are used to align ideas with long-term goals, prioritize key initiatives, and ensure team alignment on objectives. |
| Retrospectives of past projects. | These collaborative discussions provide an opportunity to identify mistakes and optimize future processes. They are often conducted to analyze past projects, ensuring continuous improvement and learning from previous experiences. |
| Prioritizing and selecting the most promising ideas. | According to the experts, this practice helps guide the team’s focus and prevents the dispersion of resources. The criteria for prioritization often align with the success metrics outlined earlier in the study (see Section 1). Maxim Serdyuk emphasized, "The quick selection of promising ideas is crucial." |
| Testing the viability of ideas. | Evaluating the feasibility and practicality of ideas is a critical step. This involves simulating real-world scenarios, gathering feedback from potential users or stakeholders, and refining concepts based on these insights. Through this process, teams can identify potential roadblocks early and adapt their approaches to ensure successful implementation. |
| Using mood boards for visualization and idea presentation. | Mood boards are frequently employed to visualize and present ideas. These presentations often vary depending on the target audience, such as top management, the financial department, or creative teams. Tailoring the presentation format ensures effective communication and alignment with audience expectations |

The experience of creative companies shows that the process of structuring work on idea generation and innovation requires the absence of rigid process or time constraints,

which are inherently linked to detailed business processes. The focus shifts towards creating favorable conditions and combining talents that, in these conditions, generate new ideas.

Among such conditions are: clear formulation of the work's goal, cultivation of a culture of freedom and tolerance, emphasis on the internal motivation of each participant in the process, involvement of new people into the team and fostering closer interaction, creation of comfortable conditions for experimentation, and ensuring safety.

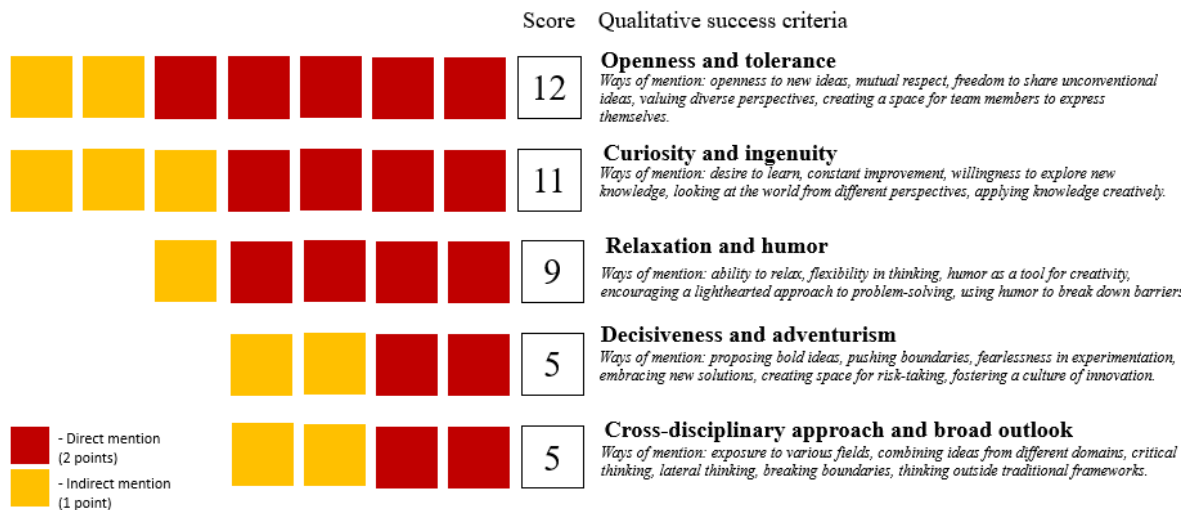
Even in companies where creative ideas are the product of the company itself (such as advertising agencies), experts acknowledge the importance of combining emotion and logic, as well as considering the broader context. Most effective tools include constant personal interaction among participants in the process, through both in-person and online meetings, discussions, and the exchange of ideas.

This leads us to the next domain, which is related to people and their skills.

4.4. People and Skills.

The success of any creative process depends not only on the tools and methods used but also on the people involved and their skills. In this context, the qualities of team members play a critical role in generating breakthrough ideas and fostering an innovative environment. Through discussions with experts, I was able to identify several key characteristics that make people effective contributors to a creative team. These qualities were revealed both through direct questions about the traits necessary for generating new ideas and by exploring what motivates employees to excel.

The qualities that emerged from these conversations can be categorized into five essential groups.



Question: «What characteristics do you think people in a team should have in order for it to generate breakthrough ideas??»

Figure 5 - Distribution of Direct and Indirect mentions of key team characteristics for generating breakthrough ideas

Openness and tolerance, which includes openness to new things and mutual respect.

These traits are essential in fostering a collaborative and creative environment. Open-mindedness encourages team members to explore unconventional ideas without fear of criticism, while mutual respect ensures that all perspectives are valued and considered.

As Volodymyr Zavadliuk notes, "My experience has shown that even a seemingly small or unusual idea can eventually shift the entire direction of a project. I've noticed this more as I've given my team greater freedom to share their thoughts." Creating a space where individuals feel comfortable expressing themselves is crucial for nurturing creativity and innovation.

Curiosity and ingenuity, which includes energy and the desire to learn something new, love for the work, and Constant desire for improvement. A natural curiosity pushes individuals to seek out new knowledge, while ingenuity allows them to apply that knowledge in creative ways. This desire to learn and grow continuously is essential for driving innovation.

"A person must be interested in ideas, and stories, and be curious. You should be able to look at the world from different angles, simply visualize and imagine how something might be," explains Igor Finashkin. This relentless pursuit of knowledge and understanding fuels creative solutions and ensures that ideas evolve with the times.

Cross-disciplinary approach and broad outlook, which includes a wide worldview that stimulates critical thinking and imagination. A broad perspective is invaluable in creative work, as it encourages individuals to combine ideas from different fields, creating innovative solutions.

Maxim Serdiuk notes, "To come up with an idea, you need to visualize it in your head, imagine what it would look like." This ability to cross boundaries and think outside traditional frameworks is a hallmark of lateral thinking, a skill that is nurtured through exposure to various disciplines.

"This is lateral thinking. It's about breaking something familiar to combine it with something unrelated," says Igor Finashkin. "You can't break the logic of a marker when talking about a pencil because they both serve the same function. This is why cross-disciplinarity is so important for creative thinking."

As Iryna Gorova adds, "People who create something unexpected, something at the intersection. And this is not just about the music industry — it's about creating something entirely new that immediately catches the eye." This cross-disciplinary approach is crucial for generating original ideas that stand out.

Decisiveness and adventurism, which includes the absence of fear in proposing one's idea, the willingness to offer new ideas and solutions, and the understanding of the necessity to push boundaries. The ability to act boldly, propose innovative ideas, and challenge established norms is a driving force behind creative progress. Fearless experimentation allows teams to break free from conventional thinking and discover new possibilities.

Leaders stress that uncontrolled creativity, when given the space to experiment and explore new formats, is often the most effective approach. While this may appear chaotic at times, it is through this freedom that groundbreaking ideas are born. Experimentation is not just about taking risks; it is seen as an opportunity to discover new approaches that can elevate the team to the next level. In today's fast-evolving landscape, where traditional methods may no longer be effective, fostering a culture of experimentation is essential for continuous growth and the generation of innovative solutions.

Relaxation and humor, which include the ability to embrace humor and create an open, flexible environment for idea generation. Relaxation is a state that allows individuals to generate new ideas more freely and actively. When people are relaxed, they are more likely to think creatively, without the pressure of needing to produce perfect results. Humor plays an important role in this process, as it fosters creativity by encouraging a lighthearted and flexible approach to problem-solving.

Humor, including irony and sarcasm, provides a way to challenge the norm, break down barriers, and look at things from a different perspective. The ability to appreciate subtle or witty humor is often seen as an essential trait for creative work, as it helps individuals think outside conventional frameworks and explore new possibilities. When working under tight deadlines and unpredictable conditions, humor helps to relieve tension and maintain a sense of unity. In live projects, where perfection is rarely achievable, humor keeps the team grounded and focused on problem-solving, making it an essential element for managing high-pressure situations and fostering a positive, productive work atmosphere.

In conclusion, all of these qualities can be categorized as soft skills, which are essential when selecting individuals for a team. These traits not only help individuals contribute effectively to a creative process but also ensure that teams remain adaptable, innovative, and

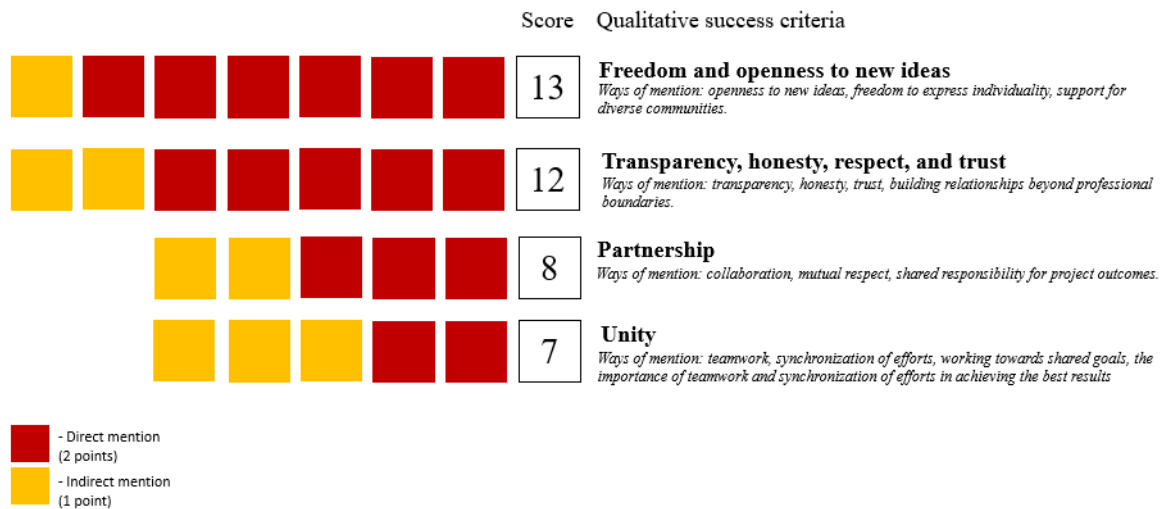
open to new possibilities. Most experts emphasize the importance of these qualities in creating an environment that fosters creativity and collaboration.

As Igor Finashkin points out, "We have a golden rule at the agency — we don't hire someone for what they've done, we hire them for what they will do." This mindset highlights the importance of hiring individuals based on their potential to innovate and their ability to contribute to future creative endeavors, rather than solely focusing on past achievements. In today's fast-paced world, where innovation is paramount, these soft skills are indispensable for driving the creative process forward.

4.5. Culture and Values.

The success of a creative process not only hinges on the people and their skills but also on the culture and values within a team. A culture of innovation within an organization shapes how individuals interact, collaborate, and integrate new ideas.

All the experts interviewed emphasized the importance of culture and values, describing them as an organic process that underpins successful teamwork and the ability to generate innovative ideas. They highlighted company values as a foundation for fostering strong collaboration and facilitating the integration of new team members. These values were consistently reflected in the qualities that experts associated with effective teamwork.



Question: «How would you describe the values and culture of your organization? How do they support innovation activities?»

Figure 6 - Distribution of Direct and Indirect mentions of organizational values and culture in supporting innovation process

Freedom and openness to new ideas. A culture of openness allows every idea to be voiced and discussed. Team members can express their individuality without fear of judgment. This openness extends beyond just professional ideas, including support for diverse communities, such as the LGBTQ+ community, which plays a significant role in the creative industry and contributes to the development of new ideas.

As Irina Gorova shares, “Pomitni is open to collaborating with people from different sexual orientations. We have many members of the queer community, about 50/50. These are the people I get inspired by because they embody openness.” This freedom encourages diverse perspectives and promotes a creative atmosphere where all ideas are valued.

Transparency, honesty, respect, and trust. Experts frequently mentioned the importance of building relationships that extend beyond professional boundaries. In teams where trust is cultivated, members are more willing to share personal aspects of their lives, which strengthens bonds and encourages a deeper understanding of each other.

A supportive and family-oriented team culture, often emphasized by leaders, enables individuals to share bold and unconventional ideas without fear of criticism. By treating each other as more than just colleagues, team members are encouraged to engage openly, making it easier to discuss everything from high-level strategies to minute creative details. This approach not only strengthens collaboration but also nurtures an atmosphere where creativity can flourish.

Unity. Experts highlight the importance of teamwork and synchronization of efforts in achieving the best results. A unified team works in harmony towards a shared goal, free from antagonism and toxic attitudes.

Leaders often emphasize the importance of unity within the team, recognizing that the best work is produced when everyone is aligned in their goals and efforts. A united team fosters effective collaboration, where different perspectives and skills come together to create innovative solutions. This sense of unity also ensures that the team can combine seemingly unrelated elements in creative ways, resulting in stronger and more impactful outcomes.

Partnership. Building relationships from a perspective of mutual respect and collaboration is essential. Every participant in the process feels a personal responsibility for delivering the best result, especially when working on creative projects. This shared sense of ownership drives everyone to contribute to making the project exceptional.

Leaders frequently highlight the profound sense of commitment and partnership that drives high-performing creative teams. In challenging circumstances, such as when a deadline must be met despite external difficulties, team members often go above and beyond, showing resilience and dedication. For example, when faced with a power outage during a critical project, a team's willingness to find alternative solutions—such as using makeshift tools to continue their work—demonstrates the deep sense of responsibility and collective

effort within the group. This commitment is not just about meeting a deadline; it reflects a personal dedication to the team's success, where failure is seen as a collective shortcoming.

In summary, the culture and values of a team are fundamental in shaping how individuals collaborate and generate ideas within a culture of innovation. The findings from these discussions show that core values such as openness, trust, unity, and partnership not only foster a supportive environment but also play a crucial role in driving creativity and innovation. The emphasis on freedom, transparency, and mutual respect helps create a space where individuals feel empowered to share ideas without fear of judgment. These values encourage a culture of continuous growth, where each team member is motivated to contribute to the collective success. Ultimately, these cultural foundations are what enable creative teams to thrive, both in terms of generating new ideas and executing them effectively.

4.6. Additional insights from the research

During the interviews, other interesting observations and patterns emerged that were not directly related to the focus of the study, but which may be valuable and insightful for future researchers of management practices in the creative industries.

Creative teamwork requires safety and relaxation.

This is a significant challenge for any company in Ukraine, as each organization operates within the context of the largest armed aggression in Europe since World War II. Among the factors negatively affecting the ability to generate creative ideas are ongoing military events, threats to life and health, mobilization risks, daily stress, psychological pressure, and the difficulty of planning one's life. These conditions make it harder to generate high-quality ideas. The environment of uncertainty and fear often prevents individuals from being fully focused on creativity, as their mental and emotional energy is consumed by

concerns about safety and survival. As such, creating safe and relaxed conditions is critical for enabling creativity to flourish, even in such extreme circumstances.

Therefore, I would like to emphasize the importance of creating environments in creative companies in Ukraine where some of these risks can be mitigated. This is especially important for researchers who will study the impact of major social catastrophes on creative industries in the country in the future. It is also crucial for policymakers seeking to ensure the best policies to enhance the resilience of the creative economy in the face of such challenges.

As Ivan Frolov explains, "People are dying here. Every day, coffins are coming back from the front with boys and girls. Horrible news. And here you are, sewing a dress with crystals. To say this creates a strong dissonance is an understatement. That's why, at the start of the war, we began actively creating social projects to raise funds for the army. For our people, it was important, they needed to feel that their profession and talent were meaningful and that they could earn money for the country through their work. It was crucial for them to feel the importance of sewing a dress under the sound of rockets."

Igor Finashkin also adds, "Good ideas, when you're under extreme stress, in my opinion, do not come. Although we all live in a cortisol pool right now, still, the ability to somehow immerse yourself in a state where your brain can work properly is important."

Lack of people and the desire of leaders to discover new talent.

When studying creative companies, it may appear that most organizations are already successful and have secured the level of talent they need. However, almost all experts spoke about the ongoing problem of constantly searching for new talent. This is not about replacing existing employees but about finding new people who can bring fresh perspectives. Adding new members to the team allows the current team to see things from a different angle, potentially leading to innovative breakthroughs. However, this process is complicated by the previous issue of ensuring safety, as the war has caused many creators to leave the profession

or move abroad. The impact of these disruptions on the creative workforce is significant, as it reduces the pool of available talent, making the recruitment of new individuals even more challenging. Additionally, the stress and uncertainty created by the war can diminish the availability of skilled workers, further exacerbating this problem.

This challenge of talent acquisition is closely linked to the broader issue of workforce stability. The war has forced many talented individuals to either leave their positions or seek refuge outside the country, impacting the creative industries' ability to innovate and grow. In many cases, these individuals are not easily replaced, as the current workforce may be deeply invested in their roles, making recruitment of fresh perspectives a crucial but difficult task. As a result, the search for new talent becomes even more urgent as companies strive to maintain their creative edge in the face of such profound challenges.

4.7 Cross-industry application of the findings

The ability to foster creativity and innovation is not exclusive to creative sectors. However, the very existence of companies within creative industries demands a constant search for new ideas, as the success of these companies heavily depends on the originality of their ideas. The practices identified in this study can offer valuable insights for managers across various sectors who are looking to enhance creativity and generate innovative ideas within their teams. These findings provide an opportunity for reflection and adaptation of leadership and management practices to foster innovation in different industries.

Formulating a large-scale goal and mission, setting ambitious objectives

One of the key findings from this research is the importance of clearly articulating a large-scale goal and mission for the company. Leaders in creative industries emphasize the significance of setting ambitious goals that not only inspire the team but also contribute to the broader development of the industry. The success of creative companies is directly linked to

their ability to consistently generate innovative ideas, and such goals act as motivational anchors that unite the team around a common purpose. This practice is equally relevant for other industries, where setting challenging yet achievable objectives can stimulate creativity and innovation. By focusing on long-term goals, companies are better positioned to attract talent and inspire individuals to push the boundaries of their potential.

Culture of openness and team diversity. Creating a culture of openness is crucial for fostering innovation. In the creative industries, this means allowing team members to express themselves freely, without fear of judgment or rejection. The importance of diversity within the team is also emphasized, as diverse perspectives drive creativity by challenging conventional thinking. The more varied the backgrounds, experiences, and skill sets within the team, the more likely it is that novel ideas will emerge. This concept of team diversity and openness is applicable across industries. Embracing diversity, whether in terms of skills, experiences, or perspectives, enhances problem-solving and facilitates the generation of new ideas, which ultimately leads to more innovative solutions.

Internal and external communication. Effective communication, both internally and externally, is vital for transmitting the company's goals and maintaining its reputation. Creative industry leaders stressed the importance of internal communication to ensure alignment and collaboration within the team. Externally, communication serves to build and maintain the company's reputation, attracting new partners, collaborators, and clients. Through transparent and consistent messaging, organizations in any sector can strengthen their brand and foster relationships that encourage innovation and growth. By promoting the company's mission, sharing successes, and discussing challenges publicly, businesses can attract talent, gain new partners, and engage in valuable collaborations that drive innovation forward.

Focus on personal interaction and idea sharing. Another significant factor is the emphasis on personal interaction and the generation of collaborative discussions. Creative leaders noted that the exchange of ideas—whether through physical meetings or online discussions—played a crucial role in stimulating creativity. This practice of sharing ideas and engaging in active conversations helps refine concepts and generate new perspectives. Using platforms that promote interaction, such as in-person meetings or video calls with cameras on, ensures that team members are engaged and can freely share their thoughts. This dynamic approach to communication enables better teamwork and idea generation. Across industries, fostering environments where people can discuss challenges, brainstorm solutions, and refine ideas together enhances both innovation and team cohesion.

Reducing bureaucratic procedures. The need to reduce bureaucratic procedures while maintaining efficiency was another key finding. In the creative industries, leaders highlighted the importance of having flexibility in how work is done, allowing ideas to flow more freely and preventing processes from becoming too rigid. By minimizing unnecessary bureaucracy, companies can provide their teams with more room to innovate and experiment. This principle can be applied in any industry, where reducing bureaucratic obstacles fosters quicker decision-making, more agile workflows, and increased capacity for creativity. When teams feel unencumbered by excessive rules and regulations, they can focus on what truly matters—solving problems and generating innovative solutions.

Creating a safe space for experimentation. Finally, creating a safe space for experimentation emerged as a key theme. Leaders emphasized that in order to foster innovation, it is crucial to establish an environment where failure is not penalized but viewed as a natural part of the creative process. In creative industries, this means giving team members the freedom to take risks and experiment without the fear of negative consequences. For other industries, this principle is equally important. By promoting a culture that values

experimentation and treats setbacks as opportunities for learning, companies can encourage employees to think outside the box, explore new possibilities, and develop cutting-edge solutions. A culture that embraces experimentation enhances creativity and drives continuous improvement, making it an essential practice for fostering innovation across sectors.

To assess the transferability of research findings to other industries, managers can evaluate key criteria identified by the experts in this study, as summarized in Table 3. These criteria—such as leadership practices, organizational culture, team atmosphere, and project generation—are essential factors that contribute to fostering innovation. A manager can conduct this assessment through self-evaluation or by gathering feedback from team members via an anonymous survey. By quantifying responses, such as giving a score to each criterion based on direct or indirect mentions (with direct mentions receiving higher points), managers can objectively gauge the level of development in each area. The goal in each block is to achieve the highest possible score across as many criteria as possible, reflecting the areas where the organization is excelling. This approach enables the identification of strong areas and those needing improvement. The resulting scores can serve as a foundation for further development efforts, helping managers refine their strategies and prioritize actions to enhance innovation across their teams and departments.

By applying these findings across industries, organizations can cultivate a culture that is more open to innovation, where individuals can fully unlock their potential. These practices will help attract top talent, foster productive collaborations, and ensure that companies remain competitive in a rapidly evolving business landscape. Creating an open and supportive environment for innovation is key to driving success in any industry, allowing teams to push boundaries and generate groundbreaking ideas.

Table 3 – Evaluation form for Key criteria in organizations to assess the current Innovation Culture and its alignment with Innovation Culture in Creative industry companies

| <i>Evaluation criterias</i> | <i>Manager's Rating</i> | <i>Team's Rating</i> | <i>Comment with Focus on Future Priorities</i> |
|--|--|----------------------|--|
| | <i>Score from 0 to 10, where 0 means absence of the factor, and 10 means the factor is fully present</i> | | |
| Leadership Practices | | | |
| Visionary leadership and Goal-setting Providing clear direction, setting ambitious goals, inspiring the team to think outside the box, and motivating collective efforts towards shared goals. | | | |
| Openness and tolerance Encourage openness to diverse ideas, respect for all perspectives, and create an environment where team members feel comfortable expressing themselves. | | | |
| Building the Team as a Combination of Strengths Recognize individual strengths, promote collaboration, and ensure a diverse skill set within the team to enhance creativity and problem-solving. | | | |
| Personal growth and Constant development Foster a culture of continuous learning, industry awareness, and provide opportunities for personal growth through mentorship and development. | | | |
| Interest in the Development of Employees Show active interest in employees' growth, offer personal challenges, and motivate them to excel by aligning their aspirations with company goals. | | | |
| Ability to make difficult decisions Leaders must make tough, strategic decisions while balancing team needs with company goals to ensure long-term success. | | | |
| Building reputation Maintain a positive public image by making thoughtful decisions that align with company values, reinforcing a strong and consistent reputation. | | | |
| Processes and Tools | | | |
| Freedom and open expression Provide a space for free idea sharing, reduce hierarchy, and encourage individual expression to promote creativity and collaboration. | | | |
| Great Ambition Ensure the team understands the purpose, sets clear goals, and focuses on achieving practical, actionable steps to meet them. | | | |
| High acceptance of new people to the team Introduce fresh perspectives and diverse talents to the team, fostering an inclusive atmosphere where new ideas are welcomed. | | | |
| Internal motivation as a foundation Encourage self-driven creativity and unstructured thinking, allowing employees to express ideas freely and without fear of constraints | | | |
| Safe spaces for experimentation Promote risk-taking and experimentation by creating an environment where failure is seen as a learning opportunity and not a setback | | | |
| Secure and comfortable conditions Ensure a stable, supportive environment where physical and emotional safety allows team members to focus on creativity and innovation. | | | |
| People and Skills | | | |
| Openness and tolerance Foster a culture that embraces new ideas and values diverse | | | |

| | | | |
|--|--|--|--|
| perspectives, ensuring team members feel empowered to share and innovate. | | | |
| Curiosity and ingenuity Encourage a continuous drive for improvement, exploration of new knowledge, and creative thinking that challenges conventional solutions. | | | |
| Relaxation and humor Allow for moments of relaxation and use humor as a tool to break barriers and foster a lighthearted approach to problem-solving. | | | |
| Decisiveness and adventurism Cultivate bold decision-making, encourage experimentation, and create an environment where risk-taking is celebrated as part of the innovation process. | | | |
| Cross-disciplinary approach and broad outlook Promote exposure to diverse fields and encourage lateral thinking, helping the team approach problems from unique perspectives. | | | |
| Culture and Values | | | |
| Freedom and openness to new ideas Encourage an open environment where new ideas are welcomed, individuality is respected, and diversity is celebrated. | | | |
| Transparency, honesty, respect, and trust Build a culture based on clear communication, honesty, and trust, fostering strong relationships beyond the professional environment. | | | |
| Partnership Encourage collaboration and shared responsibility within teams, ensuring that all team members contribute to project success. | | | |
| Unity Emphasize teamwork and synchronization of efforts to ensure the team works cohesively towards common goals and shared outcomes. | | | |
| Total Score | | | |

5 Conclusion and Future Research

This research has provided valuable insights into the critical elements that foster a culture of innovation within creative organizations. By exploring leadership, processes, people, and culture, we identified patterns and principles that explain how innovation is not only generated but also sustained. The findings emphasize the importance of an integrated approach where leadership, team dynamics, processes, and organizational culture work together to nurture and amplify innovation.

A key takeaway is that success in creative companies is defined more broadly than just financial metrics. While financial performance remains an important measure, the ability to create unique projects, build a strong reputation, maintain a positive team atmosphere, and attract new opportunities are equally significant. This broader understanding of success highlights the need for organizations to balance both tangible and intangible factors in order to foster an environment where innovation can thrive. The leaders in these companies recognize that innovation is driven by more than just financial outcomes—it requires a dynamic and supportive organizational culture.

The role of **leadership** in driving innovation is pivotal. Leaders set the tone by establishing a clear vision and ambitious goals that challenge teams to think creatively. They also play a crucial role in creating a culture of innovation by empowering teams, supporting personal growth, and fostering an environment that encourages experimentation and learning. The ability to make difficult decisions, invest in employee development, and maintain the organization's reputation further enhances a leader's ability to inspire creativity and drive long-term innovation.

The balance between flexibility and structure is equally important in the context of **processes and tools**. While creative work thrives in an environment that allows freedom and spontaneity, it also requires structured systems to ensure that ideas are implemented effectively. This research shows that creative processes should be supported by clear frameworks that guide the execution of ideas while maintaining the flexibility needed for ideation. By providing both the freedom to generate ideas and the discipline to execute them, organizations can ensure that innovation is not only conceived but also successfully brought to life.

People and skills are the bedrock of innovation. Beyond technical expertise, creative teams rely on soft skills such as curiosity, collaboration, and the ability to adapt. Leaders who recognize the value of diverse perspectives and foster an open, risk-taking culture enable teams to challenge the status quo and explore new solutions. By encouraging diversity of thought and promoting a culture where all team members feel empowered to contribute, organizations create fertile ground for innovation to emerge.

At the core of these elements is **culture and values**, which create the environment where innovation can flourish. A culture of innovation is built on openness, trust, and mutual respect, which encourage idea-sharing and collaboration without fear of judgment. Such a culture not only supports creativity but also nurtures resilience, enabling teams to experiment and take risks. Encouraging a safe space for failure and learning fosters a continuous cycle of innovation, ensuring that organizations can remain adaptive and forward-thinking.

The findings from this research strongly support the concept that leadership, processes, people, and culture are interdependent and must work together to sustain a culture of innovation. Innovation is not a singular event but a continuous process, requiring an environment where all these factors align to support creative thinking and its successful execution. This interconnected approach underscores the idea that innovation is a collective effort, driven by both individual creativity and organizational support.

This research contributes to the literature by expanding the understanding of innovation culture within creative industries, specifically in Ukraine. While existing studies focus on generic innovation models, this study examines the cultural and organizational factors driving creativity in Ukrainian creative companies. By applying the Culture of Innovation Framework by Loewe and Dominiquini, the research explores how leadership, processes, people, and culture interact to foster innovation in this context.

Moreover, these insights are not only beneficial for leaders in the creative industries but can be valuable for managers across various sectors. Every business, regardless of its industry, faces the need for new solutions and approaches. As markets evolve and new challenges arise, creativity becomes essential for organizations to stay competitive. In the future, every company must embrace a more

creative mindset, as creativity—being a form of innovation—drives the development of new products, services, and business models. It fosters the ability to attract top talent and adapt to changing market demands. The practices identified in this study, such as fostering collaboration, embracing diversity of thought, and creating a supportive environment for innovation, can be applied universally, helping organizations in any sector to thrive and stay ahead of the curve.

The findings provide practical insights into how these companies navigate innovation amidst challenges like the ongoing war in Ukraine. The study confirms the relevance of the chosen framework while extending it with real-world examples from the creative sector. This work also fills a gap in the literature by showcasing how creative industries in developing countries can sustain innovation, offering valuable lessons for both managers and policymakers.

In conclusion, building a culture of innovation is not just a strategy for creative industries but an essential practice for all organizations aiming to remain competitive, adaptable, and relevant in the rapidly changing global economy. Whether it's developing new products, offering innovative services, or attracting the best talent, fostering creativity is a critical component for the long-term success of any company. These practices offer a valuable framework for leaders in any field to cultivate innovation, ensuring their organizations are equipped to meet the challenges of the future.

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Appendix A – Research questions

| Research question | Description |
|---|---|
| How do you determine the success of your company? | This question seeks to understand the criteria used by the company to assess its performance and success. |
| Describe the process of generating new ideas. What is critical to this process? What is not important? | This question aims to explore the methods and practices involved in idea generation within the company, highlighting the factors that are crucial for innovation and those that are less impactful. |
| What characteristics should team members have in order to generate breakthrough ideas? Why these characteristics? Can you provide examples? | The goal here is to identify the traits and skills that are necessary for a team to successfully generate innovative ideas and to understand why these attributes are important. |
| How would you describe your organization's values and culture? How do they contribute to innovation? Provide specific examples. | This question examines the role of organizational values and culture in fostering an innovation-driven environment, asking for concrete examples of their impact. |
| What principles guide you as a leader, and how do they support your team's innovation efforts? Provide examples. | This question explores the leadership principles that guide the respondent's actions and how these principles contribute to fostering innovation within the team. |

| | |
|--|---|
| <p>Can you provide examples when you saw your employees highly motivated at work? What do you think motivated them the most?</p> | <p>This question is aimed at understanding the factors that drive motivation in employees, particularly in relation to innovation.</p> |
| <p>Recall instances when your team struggled to find an innovative solution. What factors hindered this process the most?</p> | <p>Here, the focus is on identifying the obstacles or challenges the team faced when attempting to generate innovative solutions.</p> |
| <p>What would you like to implement within your organization to improve innovation? Why do you consider this an essential component?</p> | <p>This question asks for suggestions on what further measures or practices could be introduced to enhance innovation, emphasizing the rationale behind these proposed changes.</p> |

Appendix B – Survey Questionnaire

As part of our research, we aim to gain a deeper understanding of the culture of innovation in creative companies. These are key questions that will help us identify important aspects influencing the processes of idea generation and problem-solving.

The interview will be conducted in Ukrainian and will last approximately 50 minutes.

Questions:

1. По яким критеріям ви визначаєте на скільки ваша компанія успішна?

English version: How do you determine the success of your company?

2. Опишіть як відбувається процес генерації нових ідей? Що є критично важливим для цього процесу? Що не важливо?

English version: Describe the process of generating new ideas. What is critical to this process? What is not important?

3. Як ви вважаєте, які характеристики мають бути у людей в команді, аби вона могла генерувати проривні ідеї? Чому саме ці характеристики? Наведіть приклади.

English version: What characteristics should team members have in order to generate breakthrough ideas? Why these characteristics? Can you provide examples?

4. Як би ви описали цінності та культуру вашої організації? Як вони допомагають в інноваційній діяльності? Наведіть конкретні приклади.

English version: How would you describe your organization's values and culture? How do they contribute to innovation? Provide specific examples.

5. Які принципи є визначальними в вашій діяльності як керівника організації і як вони сприяють інноваційній діяльності команди? Наведіть приклади.

English version: What principles guide you as a leader, and how do they support your team's innovation efforts? Provide examples.

6. Чи можете ви навести приклади, коли ви бачили, що ваші працівники дуже вмотивовані в роботі? На вашу думку, що найбільше їх мотивувало?

English version: Can you provide examples of when you saw your employees highly motivated at work? What do you think motivated them the most?

7. Пригадайте випадки, коли у вашої команди не виходило знайти інноваційне рішення. Які чинники найбільше завадили в цьому?

English version: Recall instances when your team struggled to find an innovative solution. What factors hindered this process the most?

8. Що ще ви б хотіли впровадити в організації для поліпшення інноваційної діяльності? Чому саме ви вважаєте це за необхідну складову?

English version: What would you like to implement within your organization to improve innovation? Why do you consider this an essential component?

Appendix C - Quotes

Companies thriving on creative ideas, like creative agencies, music labels, and production studios, are more adept at finding and implementing innovative concepts. These teams excel due to their ability to adapt quickly, think outside the box, and efficiently execute novel ideas.

Core research question: what do creative and innovative companies **do differently in their teamwork processes** that allows them to more effectively find new ideas and innovations?

Innovation is a complex and multifaceted phenomenon and is influenced by many factors. It may be an environment or a culture - almost spiritual force - that exists in a company which drives value creation. (Framework of the culture of innovation: A revisit, Wan Khairuzzaman Wan Ismail, R. Abdmajid, 2007)

Four criteria for models of organizational innovation are set forth, criteria that the present model is designed to meet: (a) The entire process of individual creativity should be considered as a crucial element in the process of organizational innovation. (b) There should be an attempt to incorporate all aspects of organizations that influence innovation. (c) The model should show the major phases in the organizational innovation process. (d) The model should describe the influence of organizational factors on individual creativity. The model presented here is compared to and contrasted with previous models, and its limitations are discussed along with its implications for practice.

(A model of creativity and innovation in organizations – Teresa M. Amabile, 1988)

Creativity is the production of novel and useful ideas by an individual or small group of individuals working together. Innovation is built on creative ideas as the basic elements. Organizational innovation is the successful implementation of creative ideas within an organization. Within this definition, the ideas in question can be anything from ideas for new products, processes, or services within the organization's line of business to ideas for new procedures or policies within the organization itself.

(A model of creativity and innovation in organizations – Teresa M. Amabile, 1988)

Resources in the task domain and skills in innovation management make innovation possible, but the necessary catalyst is the motivation to innovate, the forward-looking, risk-oriented vision that comes from the highest level of the organization.

(A model of creativity and innovation in organizations – Teresa M. Amabile, 1988)

Some minimal level of each of the three components is necessary for any individual creativity or organizational innovation. The higher the level of each of the three components, the greater the overall final level of individual creativity or organizational innovation should be.

(A model of creativity and innovation in organizations – Teresa M. Amabile, 1988)