
Core Knowledge Employee Creativity and Firm Performance: The Moderating
Role of Riskiness Orientation, Firm Size, and Realized Absorptive Capacity

Yaping Gong

Department of Management

The Hong Kong University of Science and Technology

Jing Zhou

Jesse H. Jones Graduate School of Business

Rice University

Song Chang

School of Hotel and Tourism Management

The Chinese University of Hong Kong

Personnel Psychology

Abstract

In this study, we examine when creativity is positively or negatively related to firm performance. Building on the creation-implementation tension theorized in the literature and the attention capacity perspective, we argue that the relationship between creativity and firm performance is contingent on riskiness orientation, firm size, and realized absorptive capacity. Data were collected from 761 core knowledge employees, 148 CEOs, and 148 HR executives from 148 high-technology firms. The result indicated that core knowledge employee creativity was negatively related to firm performance when riskiness orientation was high. The relationship was positive when realized absorptive capacity was high. Finally, the relationship was more positive in small firms than in large firms. We discuss the implications of our findings for creativity research and managerial practices.