

## THE KEY TO COMPETITIVE ADVANTAGE IN CREATIVITY AND INNOVATION MANAGEMENT IN THE DIGITAL AGE

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### Abstract :

This study examines the role of creativity and innovation management in strengthening organizational competitive advantage in the digital era, using a literature review method that draws upon more than twenty scholarly sources published between 2019 and 2025. The findings reveal that creativity is a unique and inimitable strategic resource, serving as the primary foundation for achieving sustainable competitive advantage. Innovation, which emerges from effective creativity management, encompasses the development of new products, processes, services, and business models that enhance organizational value and competitiveness. The implementation of digital technologies such as Artificial Intelligence (AI), the Internet of Things (IoT), and Big Data has been proven to accelerate innovation and improve operational efficiency. Furthermore, an open organizational culture and innovative leadership play a crucial role in fostering a collaborative environment that encourages creativity and continuous learning. The synergy between human creativity, structured innovation, and the use of digital technology is identified as a key element in maintaining organizational competitiveness. Theoretically, the study reinforces the concepts of the Resource-Based View, Dynamic Capabilities, and Open Innovation, while practically emphasizing the importance of technology-driven creativity and innovation management supported by an adaptive and progressive organizational culture.

**Keywords:** *creativity, innovation, competitive advantage, digital transformation, organizational culture*

**الملخص:**

تتناول هذه الدراسة دور إدارة الإبداع والابتكار في تعزيز الميزة التنافسية للمؤسسات في العصر الرقمي، وذلك باستخدام منهجية الدراسة المكتبية التي استندت إلى أكثر من عشرين مصدرًا علميًا نُشرت بين عامي ٢٠١٩ و٢٠٢٥. وتُظهر النتائج أن الإبداع يُعدّ موردًا استراتيجيًا فريدًا يصعب تقليده، مما يجعله الأساس الرئيس لتحقيق ميزة تنافسية مستدامة. أما الابتكار الناتج عن إدارة الإبداع فيشمل تطوير المنتجات والعمليات والخدمات ونماذج الأعمال الجديدة التي تُساهم في رفع قيمة المؤسسة وقدرتها التنافسية. كما أثبت تطبيق التقنيات الرقمية مثل الذكاء الاصطناعي وإنترنت الأشياء والبيانات الضخمة فعاليتها في تسريع الابتكار وتحسين الكفاءة التشغيلية. بالإضافة إلى ذلك، تلعب الثقافة التنظيمية المنفتحة والقيادة المبتكرة دورًا محوريًا في بناء بيئة عمل تعاونية تُعزز الإبداع والتعلم المستمر. ويُعدّ التآزر بين الإبداع البشري والابتكار المنظم واستخدام

التكنولوجيا الرقمية عنصرًا أساسيًا للحفاظ على القدرة التنافسية للمؤسسات. ومن الناحية النظرية، تُعزز نتائج هذه الدراسة مفاهيم الرؤية القائمة على الموارد والقدرات الديناميكية والابتكار المفتوح، بينما تؤكد من الناحية التطبيقية على أهمية إدارة الإبداع والابتكار القائمين على التكنولوجيا والمدعومين بثقافة تنظيمية متكيفة وتقدمية.

**الكلمات المفتاحية:** الإبداع، الابتكار، الميزة التنافسية، التحول الرقمي، الثقافة التنظيمية

**Abstrak :**

*Penelitian ini menelaah peran manajemen kreativitas dan inovasi dalam memperkuat keunggulan kompetitif organisasi di era digital dengan menggunakan metode studi pustaka yang mengacu pada lebih dari dua puluh sumber ilmiah terbitan 2019–2025. Temuan menunjukkan bahwa kreativitas merupakan sumber daya strategis yang unik dan sulit ditiru, sehingga menjadi dasar utama bagi terciptanya keunggulan kompetitif yang berkelanjutan. Inovasi yang muncul dari pengelolaan kreativitas mencakup pengembangan produk, proses, layanan, serta model bisnis baru yang mampu meningkatkan nilai dan daya saing organisasi. Penerapan teknologi digital seperti Artificial Intelligence (AI), Internet of Things (IoT), dan Big Data terbukti mempercepat inovasi sekaligus meningkatkan efisiensi operasional. Selain itu, budaya organisasi yang terbuka dan kepemimpinan yang inovatif berperan penting dalam membangun lingkungan kerja kolaboratif yang menumbuhkan kreativitas dan pembelajaran berkelanjutan. Sinergi antara kreativitas manusia, inovasi yang terstruktur, dan pemanfaatan teknologi digital menjadi elemen kunci dalam mempertahankan daya saing organisasi. Secara teoritis, hasil penelitian ini memperkuat konsep Resource-Based View, Dynamic Capabilities, dan Open Innovation, sementara secara praktis menegaskan pentingnya pengelolaan kreativitas dan inovasi berbasis teknologi yang didukung oleh budaya organisasi adaptif dan progresif.*

**Kata kunci:** kreativitas, inovasi, keunggulan kompetitif, transformasi digital, budaya organisasi

## INTRODUCTION

The digital era has brought about major changes to the way organizations create value and maintain competitive advantage. The 4.0 industrial revolution marks an era in which technological innovation, digitalization, and creativity are the main drivers of global economic growth (Abdullah., 2020). In this context, companies are required not only to produce superior products or services, but also to be able to manage creativity and innovation strategically in order to remain relevant and competitive in a rapidly changing market (Abdullah, 2020). Creativity and innovation management are key elements in creating sustainable competitive advantage, especially amid ongoing technological disruption and digital transformation (Jara-Watson, 2019).

Creativity and innovation have proven to be the main sources of competitive advantage for various organizations in the industrial and service sectors. Research conducted by Ningsih (Febrianti, 2024) on the hospitality industry in Bali shows that creativity and innovation have a significant effect on service competitiveness through increased value and product differentiation. Similar findings were obtained by (Kasih, Ayuni, & Wijaya, 2023) on MSMEs, that product creativity and innovation directly increase competitive advantage

and market orientation. This confirms that creativity is not just the ability to create something new, but also a strategic asset that can be translated into real economic value (Astuti, Farid, 2024).

In the context of the digital era, leadership and innovation management play an important role in creating an organizational culture that is creative and adaptive to technological changes (Adiputra, 2023). Research by (Adiputra, 2023) found that digital leadership has a positive influence on the innovative behavior of employees, which ultimately strengthens the competitive advantage of the company. Similarly, a study by (Risa Solekah, 2025) at the Samsung Center Padang shows that innovation management and product quality simultaneously increase a company's competitiveness in a dynamic digital market. This reinforces the view that the success of innovation is highly dependent on an organization's ability to manage creative resources systematically (Mardatillah, 2024).

Digital transformation also changes the traditional business paradigm towards a technology-based innovation business model. Research by (Pelangi, 2025) shows that digital transformation acts as a mediating variable between organizational creativity and competitive advantage, especially in the MSME sector that is adopting digital technology. Another study by (Raysharie, 2025) in the creative industry in Bandung shows that digital innovation strategies can improve an organization's ability to respond to market dynamics more quickly and efficiently. In this case, digitization not only increases efficiency but also opens up new opportunities for value creation through customer-oriented innovation (Priyatna, 2024).

Organizational capabilities are an important factor in integrating creativity and innovation as sources of competitive advantage. Research by (Sumantri, 2023) confirms that organizations with dynamic capabilities tend to be more adaptable to technological and market changes. Meanwhile, open innovation allows companies to collaborate with external parties to accelerate the value creation process. This shows that in the digital era, collaboration and connectivity are key to strengthening sustainable competitive advantage (Zhang, 2023).

In addition, market orientation and social capital also play an important role in linking creativity and innovation with competitive success. The traditional creative industry in Yogyakarta shows that innovation based on local cultural values can create differentiation that is difficult for competitors to imitate (Mahrinasar, 2024). The craft sector has found that social capital among business actors encourages the formation of an innovative ecosystem that supports regional competitive advantage. Thus, creativity and innovation do not only come from technology, but also from social and cultural interactions

that support the organizational learning process (Mahrinasari, 2024).

Product quality and customer satisfaction are also important indicators in measuring the success of innovation management. The combination of creativity, innovation, and product quality contributes significantly to consumer satisfaction and brand loyalty (Arifin, 2025). Companies with consistent innovation strategies are able to maintain competitive advantage through improved customer experience and strong brand reputation. This emphasizes the importance of synchronization between creativity, innovation, and customer orientation in creating added value in the digital market (Alemsan, 2024).

Although many studies have proven the important role of creativity and innovation in achieving competitive advantage, there is still a research gap that needs to be explored further. Several studies are still limited to the context of certain sectors and have not fully explored the role of mediating variables such as digital leadership, market orientation, and organizational capabilities. In addition, previous studies have not highlighted how artificial intelligence (AI), big data analytics, and the Internet of Things (IoT) interact with creativity and innovation management processes in shaping new competitiveness in the digital era (Rizvi, 2025).

Based on these findings, it is clear that creativity and innovation are at the core of modern organizational competitive strategies. However, in order to provide sustainable advantages, organizations need to manage both systematically through data-driven managerial approaches, visionary leadership, and cross-disciplinary collaboration. Therefore, this literature review focuses on an in-depth analysis of how creativity and innovation management can be the key to competitive advantage in the digital era, by reviewing various theoretical and empirical perspectives from national and international literature (Rizvi & Ilyaz, 2025).

## RESEARCH METHOD

This study employs a qualitative method with a descriptive approach through library research. According to Sugiyono (2017), qualitative methods are based on postpositivism philosophy and are used to examine objects in their natural conditions, where researchers play a key role in the research process. This approach is considered appropriate because the study does not focus on collecting field data, but rather on in-depth analysis of various relevant and credible literature sources to obtain a comprehensive understanding of the phenomenon being studied.

The purpose of this study is to analyze and describe the role of creativity and innovation management in building organizational competitive advantage

in the digital era. The main focus is on theories and previous research findings that describe the relationship between creativity, innovation, digitalization, and organizational competitiveness in the context of rapid and disruptive technological change.

The type of research used is descriptive qualitative with a literature study approach, because the objects of study are ideas, concepts, and previous research results that have been published in various scientific literature such as journals, academic books, conference proceedings, and research reports. This approach allows researchers to bring together various existing perspectives and theories to produce a more comprehensive understanding of the issues being studied.

The data sources in this study are secondary, collected from various references, such as national and international scientific journals discussing creativity, innovation, and competitive advantage; academic books highlighting innovation management and digital business strategies; as well as relevant proceedings and previous research results. To remain contextual with developments in the digital era, the literature used focused on publications issued between 2019 and 2025.

The data collection technique was carried out through a documentation study, namely by searching, identifying, and reviewing various literature sources that were directly related to the research theme. The search process was conducted using scientific databases such as Google Scholar, Garuda, ResearchGate, and DOAJ, utilizing the keywords creativity management, innovation, competitive advantage, digital transformation, and strategic innovation management. Each piece of literature obtained was then rigorously selected based on its relevance, recency, and credibility to ensure that only valid and accountable sources were used in the analysis.

The collected data was then analyzed using qualitative descriptive analysis referring to the Miles and Huberman model (in Sugiyono, 2017). The analysis process included three main stages, namely: (1) data reduction, which is the sorting and focusing on literature that is most relevant to the research focus; (2) data presentation, which is the organization of the study results into main themes such as organizational creativity, digital innovation, innovative leadership, and competitiveness; and (3) drawing conclusions and verification, which is synthesizing various research results and theories to formulate a comprehensive understanding of the relationship between creativity, innovation, and organizational competitive advantage in the digital era.

To maintain the validity of the research results, source triangulation was carried out, namely by comparing findings from various literature and theoretical perspectives to ensure consistency in the analysis results. Through

this step, it is hoped that the research results will have a high level of validity and be able to contribute conceptually to the development of management science, particularly in the management of creativity and innovation as key factors in shaping competitive advantage in the digital era.

## **RESULTS AND DISCUSSION**

### **The Role of Creativity in Building Competitive Advantage**

A review of the literature shows that organizational creativity is a rare and difficult-to-imitate strategic asset, serving as the main foundation for the formation of sustainable competitive advantage. Amabile (2019) in the Harvard Business Review defines creativity as the ability to generate new ideas that are valuable and relevant to the needs of the organization. In the digital age, the concept of creativity is no longer limited to individual capacity, but has evolved into a collective competency that emerges from collaboration between employees through the use of digital technology.

Research by Anderson et al. (2021) shows that organizations with a work culture that supports experimentation, allows room for differences of opinion, and is tolerant of failure tend to have higher levels of creativity. This finding is in line with the Resource-Based View (RBV) perspective, which places creativity as a unique resource that provides competitive advantage because it is not easily replicated by competitors. Therefore, management's ability to manage creativity through inspirational leadership, flexible work structures, and digital technology support is a key factor for organizations to produce high-value innovations.

### **Innovation as the Main Driver of Digital Competitiveness**

Innovation is the concrete result of well-managed creativity. Based on literature studies, innovation includes the development of new products, processes, services, and business models that can provide added value to customers. Schumpeter (2020) asserts that innovation is the main driving force in the modern economic cycle. In the digital era, innovation is accelerating due to advances in information technology that enable new ideas to be realized quickly and on a large scale.

Lee and Trimi (2022) in the Journal of Business Research emphasize that the adoption of technologies such as Artificial Intelligence (AI), the Internet of Things (IoT), and Big Data Analytics accelerates the innovation process by enabling organizations to accurately analyze consumer behavior and make data-driven decisions. Meanwhile, the idea of open innovation proposed by Chesbrough (2020) expands the source of ideas by involving external collaborations such as universities, startups, and user communities. This approach creates an innovative ecosystem that accelerates value creation while strengthening the competitive advantage of organizations.

## Digital Transformation and Competitive Dynamics

The dynamic changes in the business environment in the digital era require organizations to have dynamic capabilities, namely the ability to detect opportunities, take advantage of them, and adjust resources to remain relevant. Teece (2018) emphasizes that creativity and innovation are core elements in building these capabilities.

Denning (2021) shows that the success of digital transformation depends not only on the application of technology, but also on the integration of business strategy, digital vision, and innovative culture. Thus, digital transformation is not merely a change in tools, but a change in the organizational paradigm towards customer-centric innovation. Organizations that are able to manage creativity and innovation adaptively will be more superior than those that rely solely on technological efficiency.

### **Organizational Culture and Innovative Leadership**

Organizational culture plays an important role in shaping an ecosystem that supports creativity and innovation. Schein (2021) states that a culture that is open to change, collaborative, and oriented towards continuous learning creates a conducive innovative climate.

In addition, transformational and digital leadership styles have been proven to strengthen the creative potential of organizational members. Northouse (2022) explains that leaders who have a digital vision and are able to inspire their teams tend to foster a spirit of innovation at all levels of the organization. Such leaders not only encourage the adoption of new technologies, but also foster an adaptive mindset and the courage to experiment. Therefore, innovative leadership can be considered the main driving force in bringing the organization's creativity and innovation ecosystem to life.

### **Integrating Creativity, Innovation, and Technology as the Key to Competitive Advantage**

An analysis of more than twenty scientific sources published between 2019 and 2025 shows that organizations that succeed in the digital era are those that are able to integrate human creativity, systematic innovation, and digital technology in a balanced manner. Creativity serves as a source of ideas, innovation as a means of realizing value, and technology as an accelerator of change.

Real-world examples can be found in companies such as Google, Tokopedia, and Gojek, which have successfully combined human and technological excellence to produce disruptive innovations that create new advantages in the market. In addition, a continuous learning strategy is an important factor in maintaining competitiveness, because sustainable innovation depends not only on products, but also on the organization's ability

to make it part of the corporate culture.

### **Theoretical Synthesis and Practical Implications**

Conceptually, the results of this study enrich our understanding of the relationship between creativity, innovation, and competitive advantage within the framework of Resource-Based View (RBV), Dynamic Capabilities, and Open Innovation theories. Creativity is viewed as a strategic resource, innovation as a value creation process, and digital technology as a driver of organizational competitiveness.

From a practical perspective, there are several important implications:

1. Organizations need to develop a planned creativity management system through training, idea management platforms, and reward mechanisms.
2. The use of digital technology must be directed to support cross-functional collaboration and accelerate the innovation cycle.
3. Organizational culture needs to be built to be open to change, learning-based, and encourage risk-taking.
4. Innovation must be integrated into long-term strategies so that it does not stop at products, but becomes part of core business processes.

### **CONCLUSION**

It can be concluded that creativity and innovation management are key factors in creating competitive advantage in the digital age. Creativity is the source of new ideas, while innovation plays a role in turning those ideas into real value for the organization. Through the use of digital technology, organizations can adapt more quickly to change, develop more innovative products or services, and improve operational effectiveness. Visionary leadership and a work culture that fosters collaboration and continuous learning are important elements in maintaining innovation continuity.

In summary, organizations that are able to manage creativity and innovation well will have higher competitiveness, remain relevant, and be able to survive amid the fierce competition of the digital world

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