Leadership influencing Organisational creativity: -the case of IKEA

Authors: Ratana Totrakarntrakul
         Jessica Yan Sze Lang

Tutor: Philippe Daudi
       Mikael Lundgren

Program: The Business Program
Subject: Leadership and Management in International Context
Level and semester: Masterlevel Spring 2008

Baltic Business School
Acknowledgements

Our Personal Thanks

We wish to thank the following for their continued supports throughout this programme and their help in writing this thesis. Without your help, this would not have been possible.

In the first place, we would like to record our gratitude to our professor, Dr. Philippe Daudi for his supervision, advice, and guidance from the very early stage of this research as well as giving us extraordinary experience throughout the work. Above all and the most needed, he provided us unflinching encouragement and support in various ways.

We gratefully acknowledge Dr. Mikael Lundgren for his advice, supervision, and crucial contribution, which made him a backbone of this research and so to this thesis. His involvement with his originality has triggered and nourished our intellectual maturity. Our biggest thanks are for keeping us motivated throughout.
Work Thanks

Without the permission of the company to conduct such a study, none of this would be possible. So a big thanks to IKEA, Kalmar who made all of this achievable. The greatest support came from senior manager Mr. Ake Ohlsson. We would like to thank you for your effort and continuous encouragement, which made everything possible.

Also, we needed to thank you Emmy, HR assistant, Eva Lotta Gullbrand, sales department, and Alexandra Lindhen, communication department for taking part the interviews, and without your helps the study would not be possible. Finally, thanks to all of our classmates for pushing up while studying.

Baltic Business School, Kalmar University, Sweden
- Ratana Totrakarntrakul & Jessica Sze Lang Yan -
Abstract

Type: Master thesis in leadership and international management

Number Of Page: 116

Title: Leadership Influencing Organisational Creativity – the case of IKEA

Author: Ratana Totrakarntrakul & Jessica Sze Lang Yan

Supervisor: Dr. Mikael Lundgren, Baltic Business School, Kalmar, Sweden

Submission Date: 31th May, 2008

Summary:

Increasing competitions in the markets, companies are tending to acquire different potential competitive advantages. Cost-effective ways of doing business have been deeply underpinned in every leader’s minds. However, the problem is how to obtain the most cost-effective way to operate business apart from cutting costs or other strategies which only focus on short-term measures. Nowadays, employees’ creativity are claimed to be highly valuable for the organisation to become successful and sustainable. Since, we are interested in what kind of organisational structure, culture and working environment would have positive influence on employees’ creativity at work, how those working qualities are able for employees to increase their capability on creativity; and also the constraints of those working environment on employees’ creativity will also be discussed.
To have a better understanding of our research area, a single case study is introduced as a tool helping us to get to know more about the real life and in a practical perspective. Since, a Swedish company has been chosen as our case study here.

In order to reach the purpose of our study, our research questions focused on what factors in the organisation and what characteristics of leadership styles can beneficial to employees’ creativity, and the constraints of the organisation for the employees’ creativity.

Based on our frame of reference and our research questions, we investigated the relevant literatures for our better understanding of the research area. It is also used as a guide for us to collecting data. We used qualitative single case study as our approach to acquire data and interviews were conducted with the IKEA managers.

A qualitative inquiry method is used, entailing in-depth interviews with four employees of IKEA with different types of positions and departments. The results show that their impression and experience of the company vary in some aspects, as different positions might perceive differently.

**Key words:** Employees’ creativity, leadership, working environment, IKEA, learning organisation, organisational culture.
## Contents Page

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title Page</td>
<td>I</td>
</tr>
<tr>
<td>Acknowledgement</td>
<td>III</td>
</tr>
<tr>
<td>Abstract</td>
<td>IV</td>
</tr>
<tr>
<td>Table of contents</td>
<td>V</td>
</tr>
<tr>
<td><strong>Chapter 1: Introduction</strong></td>
<td>1</td>
</tr>
<tr>
<td>1.1 Background</td>
<td>1</td>
</tr>
<tr>
<td>1.2 Problem Discussion</td>
<td>6</td>
</tr>
<tr>
<td>1.3 Purpose, Objective and Expected Results</td>
<td>9</td>
</tr>
<tr>
<td>1.4 Research Questions</td>
<td>10</td>
</tr>
<tr>
<td>1.5 Outline of our thesis</td>
<td>11</td>
</tr>
<tr>
<td><strong>Chapter 2: Literature Review</strong></td>
<td>12</td>
</tr>
<tr>
<td>2.1 Organisational Creativity</td>
<td>12</td>
</tr>
<tr>
<td>2.1.1 Meaning of Creativity</td>
<td>13</td>
</tr>
<tr>
<td>2.1.2 Factors influencing personal creativity</td>
<td>13</td>
</tr>
<tr>
<td>2.1.3 Organisational culture and creativity and innovation</td>
<td>17</td>
</tr>
<tr>
<td>2.1.4 Factor influencing organisational creativity</td>
<td>20</td>
</tr>
<tr>
<td>2.2 Creative Leadership</td>
<td>25</td>
</tr>
<tr>
<td>2.2.1 Types of creative leadership</td>
<td>25</td>
</tr>
</tbody>
</table>
2.2.2 Roles of creative leadership.................................30
2.2.3 Attitudes of leaders affecting organisational creativity..31
2.3 Enhancing organisational creativity............................32
  2.3.1 The importance of organisational culture influencing
        Organisational creativity.........................................36
2.4 Culture as a constraint..............................................38
  2.4.1 Strong organisational culture enabling to constrain
        Creative ideas.........................................................39
  2.4.2 Barrier of organisational creativity.........................40
2.5 Learning organisation.............................................42
  2.5.1 Leading the learning organisation.........................45
  2.5.2 Senge’s five disciplines (1990).............................47
  2.5.3 Characteristics of learning organisation...............49
  2.5.4 Techniques to accommodate learning environments....51
2.6 Conceptual Framework ...........................................56
  2.6.1 Conceptualisation of Research Question 1...............56
  2.6.2 Conceptualisation of Research Question 2...............57
  2.6.3 Conceptualisation of Research Question 3...............58
2.7 Frame of reference...............................................59

Chapter 3: Methodology...............................................63

  3.1 Research Purpose..............................................64
3.2 Research Strategy ......................................................... 65
3.3 Case Selection...............................................................65
3.4 Data Collection............................................................66
   3.4.1 Documentation......................................................66
   3.4.2 Interviews...........................................................67
3.5 The Subjects...............................................................69
3.6 Data Analysis.............................................................70
3.7 Quality standards- Validity and Reliability.........................70
3.8 The visualisation of the methodology...............................72

Chapter 4: Empirical Data.....................................................73
4.1 IKEA and its Background...............................................73
   4.1.1 IKEA’s Philosophy.................................................74
4.2 Interview topics.........................................................74
   4.2.1 Creativity............................................................75
   4.2.2 Leadership style ...............................................81
     4.2.2.1 Leadership Style of IKEA’s store.......................83
   4.2.3 Barriers of employees’creativity..............................87

Chapter 5: Data Analysis.....................................................91
5.1 Creativity.................................................................91
5.2 Leadership style.........................................................97
5.3 Barriers of employees’ creativity………………………………101

5.3.1 Barriers of employees’ creativity………………………102

Chapter 6: Findings and Conclusions………………………………………103

6.1 Research Question 1………………………………………………104
6.2 Research Question 2………………………………………………107
6.3 Research Question 3………………………………………………110
6.4 Final words…………………………………………………………113

6.4.1 Implication for further study……………………………………115
**Table of Figures**

<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1</td>
<td>Factors Explored in Individual Creativity Research</td>
<td>14</td>
</tr>
<tr>
<td>2.2</td>
<td>Influence of organisational culture on creativity and innovation</td>
<td>20</td>
</tr>
<tr>
<td>2.3</td>
<td>Factor affecting organisational creativity</td>
<td>22</td>
</tr>
<tr>
<td>2.4</td>
<td>A model of creativity</td>
<td>33</td>
</tr>
<tr>
<td>2.5</td>
<td>Model of organisational culture, Creativity, and Performance</td>
<td>37</td>
</tr>
<tr>
<td>2.6</td>
<td>Kolb's Learning Cycle</td>
<td>52</td>
</tr>
<tr>
<td>2.7</td>
<td>Factor affecting organisational creativity</td>
<td>57</td>
</tr>
<tr>
<td>2.8</td>
<td>Leadership Influencing Organisational Creativity</td>
<td>60</td>
</tr>
<tr>
<td>3.1</td>
<td>Methodology elements</td>
<td>63</td>
</tr>
<tr>
<td>3.2</td>
<td>The visualisation of the methodology</td>
<td>72</td>
</tr>
<tr>
<td>6.1</td>
<td>Rundown of our thesis</td>
<td>103</td>
</tr>
</tbody>
</table>
A Chinese philosopher, Confucius (551 - 479 BC)

"Without learning, the wise become foolish; by learning, the foolish become wise."
Chapter 1: Introduction

The first chapter is an overall presentation of our thesis. Firstly, the research area would be discussed in background and then problem discussion follows after. Research questions of the thesis are then introduced. Finally, the layout of our thesis would also be introduced.

1.1 Background

Nowadays, the world business is increasingly wide and highly competitive. In order to succeed in this global market, each organisation is necessary to enhance their competitive advantages and as a result they are able to gain market shares and profitability in the global business field. The real competitive advantage is to make the organisation differentiate from its competitors. Finding new and meaningful methods and solutions to differentiate its own businesses’ operation is one of the major keys for successful organisation (Feurer, Chaharbaghi & Wagin 1996).

There is a current issue which demonstrates that creativity is the one of the important keys to gain flexibility and competitive advantage. Organisations that can adjust themselves for the rapid change of global market will remain competitive. Those increasing competitions and illimitable international demands drive organisations to attract, train and retain highly potential and qualified managers and employees so as to remain competitive.
In business level, creativity naturally is meaning leaders’ creativity in the organisation. How the leaders can practice their creativity into the key success of the organisation in today's rapidly changing world through process improvement, problem solving, decision making, and recruiting, motivating employees and retaining, dealing with limited resources, satisfying customers, rapidly changing technology and so on, these are all examples of business realities that require creative solutions. Affirmatively, creativity has to be used in an appropriated and strategic sense within the organisation.

Considering that in nowadays’ society; a single creativity which only come from leader is inadequate for the organisation to survive in this brutal business world. Globalization has brought about the major changes in most of the organisations. Firstly, the ability to be creative is considered as a key to organisations’ prosperity. To face this challenge, organisations are tending to replace individual jobs with team structures (Devine, Clayton, Philips, Dunford & Melner 1999; Lawler, Mohrman, & Ledford 1995).

An insightful creative leader needs to possess the ability of triggering other people’s creativity simultaneously. A successful creative leader would be able to appropriately utilise everybody’s creativity within the organisation to operate their business.

Organisational creativity is actually a collective sum creativity of people in the organisation at all levels. Employees become more diverse in terms of knowledge, skills, abilities and personality, as well as in terms of people’s nationalities and ethnicities (Schneider & Northcraft 1999). Therefore,
organisations have to find not only the best suitable individual for a certain job but also the best combination of individuals’ specific characteristics. As an individual at work, they are expected to work cooperatively with others in an organisation. The relationships between individuals, teams and organisations can create networks. Team creativity is likely to achieve the common targets of organisation concerning brainstorming. Sustained by collaboration and can be re-configured as new ideas emerge.

In recent society, creativity at work is a debatable ethical and social issue being discussed. Employees’ everyday personal creativity is arguably being taken less care by the organisations nowadays. This issue appears as a backlash from different parties within the society. Leaders are less likely trusting in their employees who can accomplish tasks on their own without guidance. Less confidence has been drawn from the leaders that employees can think alone and what is more, able to create new ideas for the company.

There is another argument that artists are creative, designers are creative, and scientists are creative. Is it true that if you are neither an artist nor any of them, you are not creative?

There are debates constantly over the guidelines judging creativity. Scholars such as Sternberg and Lubert (1995), Ward, Finke, and Smith (1995) and Cropley (1999), and so on undoubtedly believe that novelty and appropriateness are the two essential ingredients for judging creativity. People who are capable to perform these two qualities can be defined as creative people according to the scholars’ discussion. In our daily life, these two qualities are applicable to every aspect of life. For example, sometimes we can create some new ways or
new things to accomplish daily tasks or duties in a higher efficiency or in lower costs compare to the old routines; this can be seen as creative. New ways of doing thing can be applied in our life appropriately and to produce new outcome can be seen as creative. Thus, everyone is creative.

In some organisations, standard systems are applied to operate their business in order to avoid conflicts between employers and employees. Employees are perhaps treated as robots and would neither have the opportunity to think alone nor outside the box. The organisation would rather to choose the way to control over the working process in organisations easily with the standard system than gaining competitive advantage from the employees’ creativity by giving them to have more comments on tasks. This phenomenon becomes the constraints to the improvement of the organisation itself.

Weber (1905) claims the bureaucracy organisation is very structured organisation, employees need to follow the procedures as the leaders had been established. Employees are unlikely to express their own opinion in any sense. Since, we can say that bureaucratic leadership has no space for themselves to explore new ways to solve problems from other employees within the organisation and it has slow paced to ensure approval from the hierarchy stated by the company. Leaders ensure that all the steps had been filtered prior sending it to the next level of authority. Government, hospitals and banks are most common to require this type of leadership style in their organisations to ensure quality, increase security and decrease corruption. Leaders that try to speed up the process will only lead to frustration and anxiety.
According to Jack Welch, former CEO of General Electric, “The only thing that will uphold a company’s competitive advantage tomorrow is the calibre of people in the organisation.” And "Before you are a leader, success is all about growing yourself. When you become a leader, success is all about growing others," (http://www.workforce.com) Many organisations describe that they regarded employees as the most important asset to them, but most of them do not practise their own principle as such. According to vary studies from different scholars, the results of the studies showed that companies which invest in their human capital, to develop it and reward people for performance, are making more money than those who place less emphasis on human capital.

Most of the leaders or organisations had already acknowledged about how human capital plays a significant role to a company’s success, but they insist not to change their credo to make use of employees’ creativity. As we know, this is the most inapprehensible reason for some people. In fact, role of the leaders or the managers can be sometimes understandable and acceptable in some senses towards to the resistance of changes and so on.

Some organisations have operating their business with deeply-rooted traditions from the past, they have culture or characterises such as a risk-averse culture, and complex managerial hierarchies stifle acts of creativity among managerial ranks. Managers of those organisations are relatively conservative and unwelcome to unnecessary change. They believe their positions would be mitigated or threaten if more opinions are allowed or welcomed from the all levels of employees.
In the meantime, employees would be caused of losing confidence being creative in their work-life as they only need to conform to the duties that they have been asked for. Even if the leader would like to change their strategy to be concerning employees’ opinions more, but the employees cannot be harmonised with those strategies as lacking confidence to express themselves. Therefore, this influence would cause long-term harm to the organisation. Also, this culture would also impede the improvement of the organisation as human assets cannot be fully utilised to beef up organisational strengths.

1.2 Problem Discussion

Leadership is one of the vital elements of deciding whether organisation is successful and sustainable or not. They act as an active part in deciding the methods or solutions which use for trigger human creativity within the organisation. At first, leaders are the one who decide which certain organisational values that are particularly important to their organisation. Employees are necessary to follow those values to work in the organisation. And those values are one of the factors to form the culture or atmosphere of working environment.

A suitable cultures and atmosphere can be the positive factors to induce employees’ creativity, as the style of leadership as well as the culture and the atmosphere of the organisation are already naturally formed, so that employees can easily follow the general climate of the organisation and also easily to follow the way that the organisation wants them to. Organisation would be
acquired boundless success if employees can conform to basic organisational culture and plus their own creativity towards the tasks which they responsible for.

According to Arnold (2002), an essential element of the organisational culture is to continuously seek for more cost-effective way to operate their business. Obviously, nowadays, to be a creative leader only look for the cost-effective ways to produce their products or services is no longer the biggest challenge for them. They also need to trigger or unlock employees’ creativity and encourage them to cooperate and collaborate with each other that to achieve the same organisational goals.

As we know that more conflicts would be brought into the organisation from different levels of employees if more comments and opinions can be freely addressed. This might destroy individual self-esteem, increase tensions within work teams, and decrease participation and productivity. Empower employees might bring the company with conflicts and incongruities on one hand. On the other hand, conflicts can provide improved results and opportunities to learn. And it can also produce new ideas since many great new ideas and processes are come from conflict. An opened and free zone is beneficial for creative ideas to emerge. According to business week, Jack Welch, former CEO of General Electric described that empowering employees to reach their full potential and own sense of values is not merely benevolence; it is a competitive necessity. (www.businessweek.com)
In this competitive world, a new organisational model should be introduced to the company. Modern organisations are now more likely to change their culture into learning culture. They would more likely to give every team member the opportunity to develop their own creativity skills and to learn from their mistakes. Such organisation would also give employees social supports and idea guidance. An open-minded working environment enables to facilitate more creative ideas. Also, the managers of learning organisation need to be willing to accept changes, open ideas and optimistic in order to give autonomy and empower employees.

Our traditional view of leader is a special person who set the direction, makes the momentous decisions, and motivates the troops. To become a learning organisation Senge (1990) suggested us that, “In a learning organisation, leaders' roles differ dramatically from that of the charismatic decision maker. Leaders are designers, teachers, and stewards. These roles require new skills: the ability to build shared vision, to bring to the surface and challenge prevailing mental models, and to foster more systemic patterns of thinking. In short, leaders in learning organisations are responsible for building organisations where people are continually expanding their capabilities to shape their future—that is, leaders are responsible for learning” (p. 7-23). Nowadays, leaders in a learning organisation are playing more roles than it used to be to beef up competence.

In the cause of creating high performance team in the organisation, most of the leaders are trying to seek the best suitable way to strengthen organisational competence. Based upon the organisational encouragement are from creativity
enhancement, creativity needs to be completely and appropriately utilised in the organisation from each individual.

To stimulate employees’ natural creativity into business level is extremely important to the development of organisation. However, as we know a creative learning organisation would create more conflicts than the bureaucratic one. So it is vitally important for leaders to learn various ways in which conflict can be resolved. These include avoidance, assertiveness, cooperation, competition, and collaboration. (www.hr.com) Leaders need to utilised and managed properly in organisations, otherwise it is unlikely that organisations can reach their full potential. Hence, an insightful creative leadership needs to possess soft and hard skills to lead effectively. Achieving the right mix of structure, creative freedom, and supports; these can create the conditions for communication, innovation, and productivity for a team.

1.3 Purpose, Objective and Expected Results

The aim of the study is to investigate under what sort of organisational structure and culture, employees’ creativity can be appropriated utilised; and also how they their creativity are beneficial from this kind of culture. As we know that, leaders are the key role to set the values and culture for the organisation, so the characteristics of leadership style influence deeply on the level that the employees’ creativity can be properly utilised. Furthermore, we are also interested to find out the other side of the story, about the difficulties of this organisational culture. Thus, our area of choice in this thesis is to learn more
about the influences of organisational structure and culture on employees’ creativity.

To obtain a deeper understanding of our research area, we have chosen a Swedish company as our case study, IKEA to be exact. Our aim is not to criticize IKEA doing the right things or not. Rather is to relate IKEA’s case study to the chosen theories and previous studies in order to acquire a much more practical and updated perspective from employees at IKEA. With the help of our expanded knowledge about environment of learning organisation, we hope that we are able to contribute with further suggestions as to how other companies can become more successful in the nowadays world.

1.4 Research Questions

1. What sorts of working environment can be beneficial to the utilisation of employees’ creativity and how?

2. What are the characteristics of leadership style can facilitate employees’ creativity?

3. How can strong organisational culture constraint employees’ creativity and the measures to minimise the barriers?
1.5 Outline of our thesis

Presented below is an overview of the study to facilitate the reading:

• **Chapter 2 - Literature Review** contains an account of theoretical concepts central to this study, with an emphasis on creativity, organisational culture, leadership style, learning organisation and some related aspects.

• **Chapter 3 - Methodology** offers a discussion of methodological choices and issues, and includes a description of the procedures used in carrying out our research.

• **Chapter 4 - Empirical Data** is a presentation of the results of the conducted interviews. Several sub-categories are presented in order to display the different aspects brought up in the interviews.

• **Chapter 5- Data Analysis** provides an analysis of the previously presented results seen in relation to earlier mentioned theoretical concepts.

• **Chapter 6 –Conclusion and final word & implications** is divided into two sections. First there will be the answers for the three research questions. Following this is a discussion based on the results and theories used and the answers of the research questions.
Chapter 2: Literature Reviews

In this chapter, an overview of previous studies which regarding our research questions will be described here. The first section will describe the meaning of creativity and the importance of creativity in organisation. The next section will present the significant role of creative leadership that enable to enhance organisational creativity. The following section will focus on various factors that enhance creativity and also different factors that constraint organisational creativity. The final section will provide the conceptual framework based on theories that presented earlier.

2.1 Organisational Creativity

Due to highly competition in global business, creativity is the component enhancing organisation to remain competitive advantage as well as stay ahead their competitors. Therefore, this is substantial issue for organisation to comprehend and implement the factors influencing the creativity in the workplace.
2.1.1 Meaning of creativity

“Creativity” is defined as a mental process relating the generation of novel ideas or improvement of the existing ideas (McFadzean 1998). Moreover, Kendall (1985) also emphasizes that creativity is one of the most aspired human ability and organisations of all sizes and kinds are looking for. Most organisations are expecting employees in all areas of the organisation to generate creative contributions. A vast majority of organisations attempt is to seek various methods to develop their competitive advantage, for instance, old products and services should be sold in new ways and new places to sustain in the competitive market. One of the key factors that encourage organisations to achieve common goal is support their employees to be creative (Wang and Casimir 2007).

Several researches on creativity point out those creative employees are one of the factors that can enhance creative process in the organisations (Andriopoulos 2001). As a result, employees’ creativity is regarded as valuable asset in the organisation generating novel and useful ideas for an organisation (Amabile 1996).

2.1.2 Factors influence personal creativity

To emphasize factors influencing personal creativity, the external influences including creativity goal setting, evaluation and feedback, teamwork, role models, and leadership and supervision are also important to foster creativity in workplace. (Egan 2005)
### 1. Creativity goal setting

Goals enable to stimulate or hinder personal creativity regarding the focus of the organisation or person setting the goals. Employees can be distracted from creativity if the organisation sets the goal toward immediate results. On the other hand, creativity can be stimulated when the goals aim toward crucial areas for improvement (Egan, 2005)
2. Evaluation and feedback

Some studies have pointed out that the evaluation enables to less creativity of employees because intrinsic motivation by employees maybe decreased by an anticipated evaluation or by the feeling of owning the responsibility of task (Amabile, Goldfarb, & Brackfield 1990). In short, the employees are not able to generate creative ideas owing to the forthcoming external assessment that will constraint their motivation and creativity. On the contrary, other studies indicated that evaluation can increase employees’ creativity by increasing the levels of motivation and creativity (Harackiewicz & Elliot 1993). Therefore, it is dramatically essential for the organisation to know how to evaluate the employees in the way that can stimulate them to creativity.

However, feedback also plays a crucial part to boost creativity in the organisation. To illustrate clearly, the study of Zhou (2003) demonstrated that the intrinsic motivation was enhanced by the developmental feedback provided to employees, for instance, providing benefits such as healthcares to the employees. The research indicates that the benefits can make employees felt willingness to work, learn new things, and increase persistence in problem solving as a result they can improve their creative performance (Dweck & Leggett 1988; Utman 1997).

3. Teamwork

From the previous research, it indicated that the factor of teamwork could influence employees in both sides. The positive of teamwork was that
interaction with teammates could share and generate new ideas that may influence the level of individual creativity. On the other hand, people sometimes enable to generate more creative ideas when they are individual. Consequently, under certain circumstances, personal creativity may or may not be increased by teamwork (Shalley 1995).

4. **Role models**

Role models play an essential influence for personal creativity in order to support individual work performance and career success as well as develop the personal creativity (Bloom & Sosniak 1981). Learning from role models such as experience colleagues and leaders can broaden personal creativity of employees through training sessions. Cognitive modeling is frequently used in training sessions as tools for problem-solving because it enables to increase creative responses and originality. The notable example is a study of a cognitive modeling training session focusing on innovative problem solving; Gist (1989) found an increase in originality and numbers of ideas generated by managers participating in the session.

5. **Leadership and supervision**

There are various researches demonstrate that leadership and supervision behavior affect the creativity of individuals in workplace. Shin and Zhou (2003) stated the transformational leadership was relatively more positive influence on personal creativity because of high-orientations. The role of this
Leadership is to support employees to generate creative ideas by stimulating their intrinsic motivation.

However, the relation between personal creativity and supervisor monitoring were unable to find a direct negative. George and Zhou (2001) indicate that individuals exhibiting conscientious behavior were low in creativity when high supervisor monitoring and low colleagues’ supports were present.

2.1.3 Organisational culture and creativity and innovation

According to Martins and Terblanche (2003), organisational culture are said to have an influence on creativity and innovation stimulation in an organisation. Organisations need to be more knowledge-oriented to survive in nowadays world. As a result, a framework in which creativity and innovation will be seen as basic cultural norms that influence individuals’ behaviours needed to be created by organisations and leaders.

There is an influence of organisational culture on the encouraging creative solutions such as ideas for products, services, processes, procedures and to the level of how they are supported and implemented. The creativity and innovation within the organisation are affected by employees’ behaviours. Some cultural aspects such as values and decision of the top management, organisational structure, strategic approaches, and decision-making processes are associated with the level of support of creativity and innovation within the organisation.
To achieve an environment which beneficial to idea generation, and for the development and implementation of new products, processes and services, supports are needed for it on a strategic level. Related to this aspect are certain factors conducive to creativity and innovation. Future is one of the issue need to be associated with creativity, so that vision and mission should be focused on. Also, being customer and market oriented, there should be shared and understood by the employees. Vision and mission are closely related to organisational goals and objectives; they reflect the priorities and values of organisations. As a result, hinder innovation will be caused. Quality instead of effectiveness should be focused on in personal and organisational goals, greater freedom should be allowed within the context of the strategic goals (Martins and Terblanche 2003).

**Structure** is another aspect that is affected by the organisational culture, and consequently has an influence on the promotion or restriction of the creativity process.

According to Arad et al. (1997) and the CIMA Study Text (1996), cited by Martins and Terblanche (2003: 70), “a flat structure, autonomy and work teams will promote innovation, whereas specialization, formalization, standardization and centralization will inhibit innovation.” Some cultural values that influence the way a structure promotes or hinders innovation are, respectively, flexibility, freedom and cooperative teamwork on the one hand, or rigidity, control and predictability on the other hand. In particular, flexibility and freedom are emphasized as supporting creativity. Adaptability and responsibility are being highly involved in flexibility, whereas freedom is manifested in autonomy,
empowerment and decision-making. Employees are free to achieve their goals in an independent fashion within set guidelines. Another factor has to do with effective teamwork, it means that trust and respect should be placed in each team members, be opened to one another’s ideas, perspective and style of functioning as well as being able to communicate effectively.

**Support mechanisms** are as important as rewards, recognition, and availability of resources. Apart from rewarding well-proven, trusted methods and fault-free work, organisations should also reward to employees who are risk-taking, experimenting and idea generating. Giving employees time to think creatively and time for experimenting is also seen as a positive influence on the creative process.

Moreover, values and norms of an organisation also have an influence on creativity and innovation. One behavioural aspect is the manner in which the organisation handles mistakes. This alarins the organisation if it is acceptable or not. Tolerance of mistakes and regarding them as learning opportunities to promote creativity; ignoring them or using them to punish someone is less conducive to creativity. A wide support for changes, tolerating conflicts and a way of handling conflicts constructively all play an important role. The fifth aspect refers to communication. To have a positive creativity process, the organisational culture should provide a mode of open and transparent communication based on trust between individuals, teams and departments, and this is called an open-door communication policy. (Martins and Terblanche 2003)
2.1.4 Factor influencing organisational creativity

According to previous research, creativity can be classified into individual and team creativity factors in the organisation. Kristensen (2004) states individual creativity is a person who seeks to learn new knowledge, motivated by curiosity and would like to achieve the aim. Furthermore, individual creativity enables to sustain uncertainty circumstances more than others and maybe express risk-taking attitudes. On the other hands, team creativity is defined as a variety of individuals’ similarities and differences that assembling a team in order to accomplish mutual aims than individual working alone (Egan 2005).

Even though, the capability of creativity in the organisation normally starts from the level of individual, individual creativity nowadays is not enough to
compete with fast pace in the business world. Therefore, organisation should also pay attention to the team creativity in the organisation in order to gain long-term competitive edge for businesses as well as remain in the competitive market. Andriopoulos (2001) emphasizes five major factors that enhance creativity in organisation as below:
Figure 2.3: Factor affecting organisational creativity

Source: from Andriopoulos (2001), p.835
1. Organisational climate
An organisation should build up as well as maintain the internal climate in the workplace. The internal atmosphere in the organisation should not only encourage employees to participate and freedom of expression but also demand of standard (Bower, 1965). In addition, it is proposed that the best way to accomplish creativity in the workplace is to imply an open climate. There several methods to achieve these results:

a) Interact with small barrier
b) A large number of stimuli
c) Freedom to experiment
d) The possibility of building on earlier ideas

2. Leadership style
Amabile and Gryskiewicz (1989) propose that leader should possess the capability to establish effective team creativity. Leaders should also be in a position to balance employees’ freedom and responsibility, without control their thinking, whereas they should express their concerns for employees’ feelings and needs, encourage employees to generate new creative work and provide feedback to them in order to develop employee’s skills at the same time.

3. Organisational culture
Organisation culture has been defined as a set of collective beliefs, values, and assumptions which are shared by employees and are manifested the action by leaders and managers. To state clearly, the norm in the organisation enables to encourage creativity in workplace because it influences employees’ behaviours.
The organisation can enhance the creativity within their environment by developing an innovative (divergent and learning) and supporting (empowering and caring) culture. Conversely, the culture that controlling (convergent and efficiency conscious) and directive (profit before people) enables to deter creativity in workplace (Brand 1998).

4. **Resources and skills**

Organisation should stimulate creative employees to utilise their knowledge and also develop their skills such as training session in order to enhance competitiveness. To illustrate clearly, creative organisation should strive toward the attraction, development, and retention of creative talents, to remain competitiveness in the global market. Amabile (1988) proposes that two main factors that affect creativity in the organisation are time and money. For instance, if managers do not allow time for experimentation, they are standing in the way of the creative process. In addition, lack of project resources can constrain employees’ creativity as well. Thus, organisation should balance both of these factors otherwise; it will limit employees’ creativity that enables to create value in workplace.

5. **The structures and systems of an organisation**

Cook (1998) points out the creativity will be enhanced when the whole organisation support it. Organisation should implement structures and systems both formal and informal within workplace. The systems consist of rewards, recognitions and, career systems. To enhance team creativity, management should have long team commitment with regard to their employees’ career (Brand 1998). Moreover, a flat structure also enhances creativity because all
levels in the organisation will allow making important decision in their responsibilities. Another suggestion for encouraging creativity in organisation is to provide employee with fair, supportive evaluation on their individual contribution to the organisation. Moreover, the system such as reward creativity should be used and at the same time avoid using “bribe to stimulate employees to generate novel ideas. It is necessary for management to support creativity by encouraging sharing ideas, and minimizing politics within the organisation.

2.2 Creative Leadership

As mentioned earlier that creativity is one of the essential factors for leaders that are seeking methods for long-term competitive advantage. Consequently, leaders should attempt to create atmospheres such as organisation culture, working environment and so on, that enable to facilitate the creativity of employees in their organisation (Wang and Casimir 2007).

2.2.1 Type of creative leadership

Rickards & Moger(2006) propose nine themes of creative leader as below:

- Leadership learning and knowledge systems
- Empowerment and distributed leadership for innovation and change
- Creative problem-solving
- Innovation leadership and entrepreneurship
- Leadership in turbulent environments
- Change-centred leadership
• Structural supports and hindrances to creativity (amended to Creating the conditions for creativity)
• Strategic planning and leadership
• The social construction of creativity (creativity evaluation).

1. **Leadership Learning and Knowledge Systems**
It is necessary for leaders to pay attention to highly specific and experience-based knowledge when facing innovative and unstructured challenges. Therefore, experienced leaders tend to generate more action-oriented plans than less experienced leaders that rely on more general and diffuse plans. Moreover, there is also important for leaders to select the superb knowledge in their team. To illustrate clearly, a successful strategic team generally composes of members with deep declarative knowledge, for instance, people who know deeply in the industry as well as people with superb procedural knowledge (Gronhaug and Huakedal 1995).

2. **Empowerment and Distributed Leadership for Innovation and Change**
The change from transactional focused leadership models had concentrated on leaders as change agent. As a result, their role is to provide empowerment and a vision of the proposed change. In other word, the transformational leaders accomplish their change though allowing subordinators to have ownership in the change (Ketchum and Trist 1992).
The highly demands of knowledge management and innovation require a novel form of leadership deliberating transform circumstances that occur in the organisation. Cynthia Wagner (1995) argues that top down leadership models in hierarchical organisations are becoming less important because this style is more manipulative and coercive practices. Conversely, empowering and facilitative leadership allow their employee to participate in decision as well as free flow to generate novel ideas. As a result, employees enable to think outside the box and also utilise their knowledge to create value for organisations.

3. Creative problem-solving
Creative problem-solving becomes necessary issue that organisations have to concern about. Isaksen (1995) proposes the creative model for creative problem-solving structure based on Parnes/Osborn Model. His conceptual emphasizes the more process-oriented permitting a deliberate matching of creative problem-solving structure to features identified of the task and environment. The research demonstrates that individuals (leaders and team members) conducting creative problem-solving will have preferences influencing their behaviors. Therefore, innovative benefit from creative training and application of creative problem-solving techniques will facilitate organisation to remain competitive advantage in rapid markets.

4. Innovation leadership and entrepreneurship
Abetti(1997) suggests the interesting issue about “underground innovator” as technology leader. The major role of the technology leader is to conceive new products and nurture them in the early stages of commercialization without
corporate support. However, the project still requires covert support which comes from among resources within and external to the organisation.

To succeed in technological environment, the critical success factor for innovation leadership is to cooperate with different experts in the organisation (marketing, technical, strategic, financial and organisational). In other word, innovation leadership could be effectively distributed around members of a cross-functional team.

5. Leadership in turbulent environments
Dentor (1998) points out the turbulent environment are the circumstance that creative leadership has to face in this competitive market. Thus, the main role of creative leader has to come across methods to foster adaptability as well as the ability to engage constructively with changes arising from the environment.

The leadership tends to enable rather than directive. In turbulent environments, leaders will support cross-functional training, acceptance of apparent eccentrics and their ideas that rapid decision-making without desired information, and also awareness of the benefits inter-dependencies within networked communication systems.

6. Change-centred leadership
Bryman (1996) summarises the general meaning of change-centres leadership is a principal characteristics of transformational leaders and the new leadership paradigm. The reason of change is to reframe organisation or culture in workplace. Thus, the way of communication between leaders and subordinators
is very important. Leaders should avoid the coercive effect of imposed visions so that negotiated outcomes are achieved.

7. **Structural supports and hindrances to creativity (amended to Creating the conditions for creativity)**

A related topic to that of change centred leadership is that of structural supports and barriers to the creative process. The notable ‘helps and hindrances’ approach of Radnor & Robinson (2000) point out that the crucial internal barriers of creativity and innovation were resources and activity coordination whereas the external barriers were Pressures and changing demands of customers, and squeezed margins. Therefore, creative leaders should attempt to diminish these barriers that will occur in the organisation.

8. **Strategic planning and leadership**

Riquelme (2000) purposes a strategic leadership is the leader who uses creativity techniques on strategy planning, using a measure to differentiate somewhat open-minded and rigid individuals. Moreover, creative problem-solving support has a marginal impact on the assessed creativity of strategic plans. It is necessary to use creative problem-solving such as morphological analysis, brainstorming, and lateral thinking to accomplish strategic plan of organisation.

9. **The social construction of creativity (creativity evaluation)**

To enhance social creativity, leaders should foster subordinators to discuss and debate among members. Providing training in divergent and convergent task
enables to develop evaluative skills of employee in the organisation (Runco & Basadur 1993).

2.2.2 Roles of creative leadership

Manfred F.R. (1997) purposes creative employees who generally generate novel and outstanding ideas enable their organisation to reinvent and become success in the business world. However, most organisations cannot entirely utilise creativity of their employees. Therefore, this is a significant role of creative leadership to foster an environment in workplace that encourages their employees to have more freedom and think outside the box. The environment was encouraged by creative leadership should consist of emotional intelligence, liveliness, curiosity, and freedom to suggest new ideas. Under this environment, employees enable to initiate as well as propose both of new ideas and activities (ibid).

However, creative problem-solving becomes necessary issue that organisations have to concern about. Isaksen (1995) suggests the creative model for creative problem-solving structure based on Parnes/Osborn Model. His conceptual emphasizes the more process-oriented permitting a deliberate matching of creative problem-solving structure to features identified of the task and environment. The research demonstrates that individuals (leaders and team members) conducting creative problem-solving will have preferences influencing their behaviors. Therefore, creative leader plays a crucial role to foster employees to solve problem in creative and alternative techniques under appropriate environment. Isaksen (1995) emphasizes the advantage from
creative training and application of creative problem-solving techniques will facilitate organisation to remain competitive advantage in rapid changed markets.

Furthermore, diminish internal and external barriers that will occur in the organisation is also one of the important roles of creative leadership. The crucial internal barriers of creativity and innovation were resources and activity coordination, whereas the external barriers were pressures and changing demands of customers, and squeezed margins (Radnor & Robinson 2000).

2.2.3 Attitudes of leaders affecting organisational creativity

Creativity means change. Occasionally, change may have a negative effect to people who participate in the change process. As a result, leaders may generally feel insecure if they have to delegate their authority to employees who are driving the change process (Gerber, Boer & Lanwehr 2003). Therefore, the attitudes of leaders towards change in the organisation influence creativity of employees (Lapierre & Giroux 2003). When leaders believe in the loyalty of employees and attempt to develop employees’ trust, leaders will tend to encourage employees to initiate new ideas and also provide important advice for the change (Clark & Waddell 1985).

To demonstrate clearly, even though employees are able to initiate and generate novel ideas, this is dramatically important for leaders to foster employees’ ideas to concrete. Employees will comfortable and confidence to generate perpetually
ideas when their ideas are supported as well as adopted by their leaders (Searle&Ball 2003).

2.3 Enhancing organisational creativity

Organisations face complex and challenging pressure and opportunities, therefore, it is necessary to ensure that organisations can utilise their resources as well as find ways of guaranteeing the long-term effectiveness in workplace (Carnall 1995). Organisational change may be the difficult process that requires effective planning and implementation as well as imagination thinking and creative solutions. As a result, developing imaginative solutions for both planning and implementing change can be undertaken by utilising individual or team creative problem-solving techniques (McFadzean 1998).

McFadzean (1996) suggests the critical success factors that can be utilised to enhance the creative thinking in the organisation. The model of this creativity composed of five success key factors as below:
1. **Judgment**

Researchers have found that nominal groups are more effective than interactive group (Madsen and Finger 1978). A nominal group consists of individuals who generate ideas alone before combining their ideas with team members. There are several actions, for instance, evaluation apprehension, production blocking and participant dominance, enable to impair the novel ideas or team.
Inappropriate judgment enable constraint the free flow of ideas, therefore it reduces the novel and creative ideas. To enhance creativity in organisation, the evaluation ideas should be undertaken in the problem-solving process. In problem-solving process, the idea generation has been completed and some of ideas need to be reduced and select merely important idea.

2. **Freewheeling**

Freewheeling is the process that encourage employees to develop their ideas by fostering them to generate as many ideas as possible. This theory believes that the more ideas generate, the more it seems that team member will creative novel and good one.

However, there are some processes that can reduce or hinder freewheeling in workplace (Dennis and Valacich 1993). Firstly, attention blocking occurs because of listening to their colleague’s contribution. Therefore, it is rather difficult to generate new ideas owing to fearing of missing other members’ views. Secondly, attenuation blocking occurs when members cannot express their ideas at that moment, thus ideas will maybe forget or suppress because they feel less relevant. Finally, concentration blocking occurs when employees spend their time to remember their ideas rather attempt to come up new ideas.

To reduce constraint process creativity, organisations should attempt to use a technique that allows employees to speak and listen at the same time.
3. **Association**

The organisation should foster employees to combine and improve their ideas. There is crucial to encourage employees to develop existing idea was called “piggybacking or free association” and generate more novel and imaginative ideas that different from the previous one.

In other word, free association supports the stimulation of ideas regarding group members’ past experiences or the immediate physical or social environment (Van Gundy 1988). Consequently, employees are willing to further develop existing ideas as well as generate novel and imaginative ideas that are valuable for organisation.

4. **Stimulation**

“Perception” is one of the key components of creativity because it helps us to develop different views of thinking. Moreover, perception also helps us to predict and anticipate behavior. Therefore, it is necessary to encourage a shift in perception is to utilise unrelated stimuli. Van Gundy (1988) proposes that techniques that use unrelated stimuli seem to generate more novel and creative ideas than techniques that utilise related stimuli. According to this research, it demonstrated that organisation that uses unrelated stimuli to improve its own processes enables to meet the need of customer demand more adequately.

5. **Expression**

Creativity is the brain’s duality. Speech is located in left side of the brain — the logical side. On the other hand, imagination, visualizing and dreaming are
generally located in the right side of the brain. It is uncommon mode of expression or communication to release creative thinking. Therefore, the concept of balance both sides of human brain will encourage employees to achieve the common goal of the organisation.

2.3.1 The importance of organisational culture influencing organisational creativity

Organisational culture is defined as a framework of organisational members. It consists of beliefs, norms, and values of organisation that are shared among team members. Schein (1999) proposes that successful leaders may attempt to create an organisational culture based on share values in order to encourage their employees to achieve the common goal of organisation. To demonstrate clearly, organisational values and norms are fundament of comprehending organisational culture. Leaders should shape organisational culture through conditions which derived from share values and norms of organisation as well as set clear directions and goals (O’Reilly 1989). Consequently, employees are able to focus on the right direction as well as generate creative ideas. Moreover, leaders should comprehend the current behavior of organisation in deep basic in order to predict the future action that will affect to their organisational creativity (Schein 1999).

The benefit of an organisational culture that encourages creativity is the company enables to remain competitive advantage within an uncertain circumstance. Therefore, the following model will illustrate the importance of
organisational culture that comprise of norms, values and artifacts. This organisation culture mainly fosters creativity and innovation behaviors in the organisation and the influence of these also stimulate organisational performance in the positive way.

**Figure 2.5: Model of organisational culture, Creativity, and Performance**

*Source: Hogan and Coote (2004), p.2*
2.4 Culture as a constraint

As seen earlier, culture can be a source of positive functions for members of the organisation by providing a feeling of clarity, meaning and purpose. It follows that culture is seen as an integrating, unifying phenomenon in the sense that it is shared by all. Stability and a point of departure for coordination are provided by these integrated patterns of ideas and meanings (Kemp and Dwyer, 2001).

Also, culture can also be seen as exerting a negative influence on the questioning and reflecting capacity of organisational members. The shared meanings, ideas, values and social patterns to which employees are subject can foster a strong sense of organisational identity and to an extent it to become a handicap. By subordinating themselves to these commonalities people refrain from critically exploring the reasons for embarking on a particular path or from considering alternative ways of creating social reality. A freezing social reality can be seen (Alvesson, 2002; Kemp and Dwyer, 2001).

A source of control through the deliberate act of managers and organisational arrangements such as hierarchy, rituals, rules, objectives and various frameworks of operation is one of the culture functions. Direction of shared ideas and meanings can be influenced by powerful and skilled actors and thereby affect the connotation of such concepts as true, false, good, bad, possible and sensible. According to Alvesson (2002), the powers aspects of these collectively dominating ideas are often counteract independent thinking.
and the questioning of existing social conditions. He continues by saying that “it is important to investigate whether a commitment to ideas and values are ‘genuine’ or a matter of conformism and compliance” (Alvesson 2002, p.118).

To have shared ideas and meanings as a guideline for clarity, stability and direction in an organisation, it is necessary to limit alternative interpretations, in particular those divergent from the dominant interpretation. This process of selectivity is to an extent unavoidable and is characteristic of organisations. Nonetheless, emphasising these constraints brings about awareness and may be useful in encouraging questioning, exploration, reflection and insightfulness when it comes to organisational life (Alvesson 2002).

2.4.1 Strong organisational culture enabling to constrain creative ideas

Basically, strong organisational culture that broadly shares values, norms, and beliefs among employees is likely to have positive performance, for example, higher stock prices, income growth and return on investment. The previous studies have been emphasized the benefit of shared value enabling to develop the alignment between employees’ behavior and organisations’ objectives. However, the positive impact of strong organisational culture will merely occur within the stable circumstance because the major processes and policies are normally congruence to organisational objectives. Consequently, the core organisational culture will facilitate employees to operate their work efficiently. (McFarlin 2002)
Conversely, sometimes strong organisational culture is being called as two sides of the same coin. On one hand, strong organisational culture encourages the positive performance in stable circumstances. On the other hand, it may also be constraint their employees’ perspective because employees will strongly embrace with existing perspective of organisational culture. As a result, their employees are not adaptable, creative and also less inspiration to generate novel ideas for organisation (McFarlin 2002).

2.4.2 Barrier of organisational creativity

The creative talent of people is the valuable resource of organisation. Barriers or inhibitor block, suppress and drive into hiding the creativity in organisation.

According to Wayne Morris’s research, there are several factors that enable to hinder organisational creativity, for instance, time, competence of staff, space/resources to pursue ideas, open communication and full information sharing, supportive organisational structure and so forth.

On one hand, this research illustrated clearly that “Time” is the most significant factor with regard to enhancing organisational creativity than any other factors. On the other hand, “Time Pressure” was also identified as a real barrier to organisational creativity.

Amabile (1996) proposes that generally people believe that they were most creative when they work under severe pressure. However, the study of Fast
Company with 12,000 aggregate days demonstrated the opposite. When people work under pressure, their creativity went down not only that day but the following day as well. Time pressure stifles creativity because people cannot deeply engage with the problem. Creativity requires an incubation period; people need time to soak in a problem and let the ideas bubble up.

Organisation should foster the environment that employees can certainly be creative under pressure circumstances. In fact, the problem is not the time pressure or deadline but it is the distraction that makes employees cannot have creative breakthrough. Therefore, the most significant issue is to make the employees understand the work is important that everyone is committed to it. Moreover, employees should realise the priority of their task and attempt to make it in time.
2.5 Learning Organisation

Learning culture is increasingly widespread in modern organisations. Stacey (1993) describes organisational development as "...a long-term programme of interventions in the social, psychological and cultural belief systems of an organisation. These interventions are based on certain principles & practices which are assumed to lead to greater organisational effectiveness" (1993, p. 89).

As we know, this is called learning organisation. There is an ideology behind learning organisation according to Senge (1990, p. 3) learning organisations are:

“...organisations where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together.”

Senge (1990) also describes that learning culture promotes exchange of information between employees in order to creating a knowledgeable workforce. Organisation becomes much more flexible where people are more open to accept and adapt new ideas and changes through shared vision. Therefore, organisation needs to learn and encourages learning among its people. Organisations need to be cared of both the company as a whole and also the individual employees.

According to Pedler et al. (1991), “The Learning Company is a vision of what might be possible. It is not brought about simply by training individuals; it can only happen as a result of learning at the whole organisation level. A Learning
Company is an organisation that facilitates the learning of all its members and continuously transforms itself” (Pedler et. al. 1991, p. 1).

A foundation of organisation is needed, to implement learning organisation. There are five issues that organisation needs to take into account. They are awareness, environment, leadership, empowerment and learning according to Karash (2004) as below:

1. **Awareness**

Firstly, this is important that organisation aware the importance of learning culture, in order for them to develop themselves into learning organisation. Learning culture has to be taken place at all level of the organisation. Appropriate environment is needed to be created so as to preparing for the expected change.

2. **Environment**

Bureaucracy is not suitable for learning culture. There is no common goal and picture for how the organisation works. So a more flexible structure would be better for changes. Also, a flatter structure organisation can encourage employees’ creativity through more communications with the others. In addition, it promotes information exchange between workers which can create a more informed work force.

Management is needed to perform openness, accept error, reflectivity and uncertainty. This is necessarily to criticize decisions without the fear of
denouement. Problems are pointed out if criticism is allowed at the early stage. There is also less time consuming to resume the final mistake.

3. Leadership

Being logical is crucial for leaders to promote to all levels. Leaders need to make the employees understand learning is to beef up competence and it is not a hostile act. Enough resources for learning action are essential, as it will determine the result of learning outcomes. And learning is a long-term scheme or commitment once organisation determines to develop their culture in the learning culture. Sufficient resources must be prepared to support the whole learning organisation.

4. Empowerment

In a learning organisation as a whole, as we mentioned above, flat structured organisation would be beneficial to the learning culture. Thus, empowerment is introduced into the organisation. Both employees and managers become responsible for their actions; and managers will also get involve into employees’ responsibility as a consultant. Encouragement, and collaborate with the employees are needed in managers’ role. Participation must be equal at all levels so members can learn from each other simultaneously.
5. Learning

Before carrying out the scheme of developing themselves into learning culture, this is necessary to find out what kind of learning scheme that company should introduce and also if worse case that the scheme do not work well, what would happen. Thus, a small scale of real life setting is recommended. An open, flexible atmosphere would be set by the manager in the organisations to encourage employees to follow their learning culture.

Anonymity can be implemented through electronic conferencing. Communications and knowledge sharing can be stimulated by using this method.

2.5.1 Leading the learning organisation

Senge (1990) argues that a new thinking’s and views’ leader is needed to develop a learning organisation. He describes that traditional thinking leaders such as bureaucratic leaders, who assume that people is powerless, and lack of personal visions and views, not able to handle changes and only can be controlled by great leaders. To against the traditional views that he described above, he sets a new and more important tasks for leadership.

In a learning organisation, leaders are acting as designers, stewards and teachers. When the people who are continually expanding their capabilities to understand
clarify vision, complexity, and improve shared mental models, the leaders need to keep checking the progress of them and ensure the learning organisation working well. (Senge 1990, p.340)

There are three aspects of leadership that Senge (1990) identifies; they are leader as designer, steward and teacher.

1. **Leader as designer**

Senge (1990) argues that there is no one has more influence than the designer (1990, p. 341). Since organization’s policies, systems, strategies and so on are determined by the leaders. And the first thing to design is the basic ideas of the organisation such as the purpose, vision and core values. A shared vision is crucial as it can foster a long-term orientation and details for learning (Senge 1990, p. 344). Therefore, leaders’ mission is to design the learning process throughout the organisation that employees can deal with the critical issues they might encounter and develop their mastery in the learning disciplines’ (Senge 1990, p. 345).

2. **Leader as steward**

Senge (1990) explains leaders are stewards, and they need to manage other people’s benefits. Leaders need to get involve in to tasks and learn to see their vision as part of something larger (Senge 1990, p. 351). Leaders also need to listen to other people’s views and to guide them in to appropriation. Story telling allows employees to get involved and to help develop vision which are individual and shared.
3. Leader as teacher

Senge and Max de Pree (1990) claims that the first thing for leader to responsible for, is to define reality. ‘…much of the leverage leaders can actually exert lies in helping people achieve more accurate, more insightful and more empowering views of reality’, when the leaders are carrying out stewardship (Senge 1990: 353). Senge argues that leaders can influence people’s view of reality at four levels, they are events, patterns of behaviour, systemic structures and ‘purpose story’. Mostly, leaders in learning organisation will focus on first two views.

Fostering learning is what Senge (1990) means by leader as teacher. Leaders as teacher are responsible for helping employees of the organisation to develop systemic understandings. Vision and reality have to be balance; therefore, leaders are responsible for creating and managing creative tension in order for leader to acquire the truth of real changing situation. (Senge 1990, p. 356)

2.5.2 Senge’s five disciplines (1990)

According to Senge’s five disciplines, five elements are needed to be converging to learning organisations at all time. They are team learning, building shared vision, mental models, personal mastery, and systems thinking.
1. Team Learning

Groups are virtually the source of important decisions. Teams are the fundamental learning units. Learning ability of the group are influence the all team learning. People are learning from each other by the way they address problems, question assumptions, and receive feedback from team members and from the results. Therefore the learning ability is extremely crucial for the team learning.

2. Shared Visions

Members of the organisation have to create a single image of the future together in order to have a shared vision. Sharing and contribution to the vision from all the member of the organisation is need, so that the common vision can become reality. A shared vision enables people more likely to work willingly.

3. Mental Models

Mental model is subconsciously held in everyone’s mind. If team members can constructively criticize other people’s ideas and assumptions, a shared mental model for the team will be created. It is difficult to attain a common shared model as everyone’s mental model is so different due to different background, different perception of things.

4. Personal Mastery

Continuous deepening skills by practicing, refining skills with objective manners and develop it into personal mastery. Current and desired proficiencies
can be seen through continually skills developing. Self esteem confidence can be built to tackle new challenges.

5. Systems Thinking
Think systematically is extremely essential in learning organisation. Systems thinking are used to helping linking or relate factors together. Systems thinking are the most important discipline to put the other four disciplines together. Conversely, systems thinking cannot be achieved with the absence of other core disciplines. They are needed to implement systems thinking successfully. Systems should be viewed as interrelationships rather than isolated parts.

2.5.3 Characteristics of learning organisation
According to Kerka (1995), there are the characteristics which more likely to appear in the learning organisations:

1. Provide continuous learning opportunities.
2. Use learning to reach their goals.
3. Link individual performance with organisational performance.
4. Foster inquiry and dialogue, making it safe for people to share openly and take risks.
5. Embrace creative tension as a source of energy and renewal.
6. Are continuously aware of and interact with their environment. (Kerka 1995)
Pedler (1991) also describes learning Company should appear the following eleven characteristics:

1. Adopt a learning approach to strategy
2. Participative policy making
3. Informating (Information Systems)
4. Formative accounting – valuing, self-responsibility, appraisal, targeting, resourcing and review
5. Internal exchange (client-server relationships)
6. Reward flexibility
7. Roles and flexible, matrix structures
8. Boundary workers as intelligence agents
9. Company-to-company learning
10. Learning climate
11. Self-development opportunities for all
2.5.4 Techniques to accommodate learning environments

There are some suggestions which provides by Karash (2004) that learning organisation should take them into account.

1. **Thrive on Change**

Peters (1990) claims that "In a fast-paced, continually shifting environment resilience to change is often the single most important factor that distinguishes those who succeed from those who fail."

Organisation needs to prepare for changes all the time with flexible thinking from team members and leaders. And Peters (1990) claims that successful companies usually are the one who can adjust themselves quicker than the others.

2. **Encourage Experimentation**

"If learning comes through experience, it follows that the more one participates in guided experiences, the more one learns. Therefore venturing into uncharted waters - and experiencing the failures that may occur - is an important part of organisational learning." According to Gould, DiBella and Nevis (TheSystems Thinker, Vol. 4 No. 6)

Just do whatever is right is too risk danger in certain sense, so certain degree of experiments are required for every change. High costs would be costs if there is no certain guarantee.
Informal and formal experiments are needed for seeking a suitable way to achieve the targets. Predictions would be necessary to avoid mistakes. Experiments can be comparing with the competitors’ progress.

3. Communicate Success and Failure

"For learning to be more than a local affair, knowledge must be spread quickly and efficiently throughout the organisation" described by Gavin (1994)

In a learning organisation, learn from mistakes and appreciate successes are vital for employees to have a fair view towards things. Discussion and contribution which follow with assessment and planning enable organisation have a continue improvements. Employees should be encouraged to self-assess their own performance. Continuous feedback and assessment is needed such as a learning cycle below Kolb (1984):

![Kolb's Learning Cycle](image)

*Figure2.6: Kolb's Learning Cycle*

*Source from Kolb (1984), p.197*
A learning organisation should treat mistakes as case studies for discussion in order to ensure the same mistakes will not happen next time.

4. Facilitate Learning from the Surrounding Environment

"Enthusiastic borrowing replaces the 'not invented here' syndrome; Milliken calls the process SIS, for 'Steal Ideas Shamelessly'." Gavin (1994) describes.

Since learning organisation has to adjust themselves to be sustainable in the world, they need to concern with the happenings in internal and external environment.

5. Facilitate Learning from Employees

Moss (1983) says that "Employees themselves, more often than not, know what needs to be done to improve operations."

In the past, employees were under-rated and under-used consultants. They know their jobs better than anyone else, even the leaders. But, this inefficiency can be solved by training and multi-skilling.

6. Reward Learning

Flood (1993) claims that "A learning culture rewards breakthroughs and initiative".

The performance appraisal can reflect the organisation's commitment. To promote new skills, teamwork, individual effort, openness and objectivity and personal development, organisation needs to design how to value performance throughout the organisation in order to develop learning culture. Contributions
from the employees need to be appreciated, so that they can have self-esteem to contribute properly and continuously. Since they can feel themselves are functioning properly in the organisation with the approval of the leaders through rewards.

However, people who do not get the rewards might lose confidence or give up hope, if it is so, the learning organisation has failed. Therefore, caution is needed on the reward schemes and the evaluations.

7. A Proper Selfishness

To have a clear role, goals, future, and the way to reach them can facilitate the organisation to better improve themselves. So that the following points are the organisation has to know about:

- What are the strengths, talents and weaknesses of the organisation?
- What sort of organisation does it want to be?
- What does it want to be known for?
- How will its success be measured, and by whom?
- How does it plan to achieve it?
8. A Sense of Caring

Except for the above initiatives, there are other that learning organisation can also take into account:

1. Opportunities to sit in higher level management meetings
2. Projects to encourage personal development
3. Horizontal careers to open up new possibilities
4. Brainstorming parties around new problems
5. Rewards tied to output, not to status; to performance, not age
6. Public encouragement of questions at all levels
7. The encouragement of initiative
8. Constant celebration of achievement
2.6 Conceptual Framework

In this section, the conceptual framework will be introduced based on literatures, theories, as well as models presented earlier in this chapter. The major purpose of conceptual framework describes the important things to be studied, such as graphically and narrative form. In so doing, selecting the key variables and relating the relationship among them are probable to be most significant and then collecting and analyzing information (Miles & Hubermann, 1994).

To illustrate clearly, our thesis mainly selected theories relating to research questions and then sum up our comprehension from various knowledge into “frame of reference”. As a result, frame of reference is used as the basic concept for our data collection.

2.6.1 Conceptualisation of Research Question 1

To find out what sorts of working environment can be beneficial to the utilisation of employees' creativity; our thesis will rely on a study by Andriopoulos (2001). The reason for selecting this particular study is to enlarge our understanding of the factors influencing creativity in the organisation. Moreover, it will be great help to analyze our research question

1. Factor affecting organisational creativity (Andriopoulos 2001)

The authors emphasized the five factors that enhancing creativity in the organisation. These major factors can foster both personal and team creativity.
However, our study selected merely three factors that related our study. This consists of leadership style, organisational climate, and organisational culture. The factors are demonstrated in the following figure.

![Factor affecting organisational creativity](source: Andriopoulos (2001), p.835)

### 2.6.2 Conceptualisation of Research Question 2

In order to describe the characteristics of leadership can facilitate employee creativity at all level in an organisation; we chose to rely on two studies that will illustrate below. The reason for selecting these two studies is both of them are suitable for our research question. Moreover, they explained us to comprehend deeply about the importance of creative leaders and their attitude toward organisation affecting employees’ creativity.
1. Creative leadership: jazzing up business (Kets de Vries 1997)
These studies broaden our understanding about the role of creative leadership. We chose to use this study to fulfill our frame of reference because the author mentions the importance of creativity enhances competitive advantage for business in long-term. However, organisations cannot utilise the creativity of their employees. Therefore, this is the role of creative leaders to foster the suitable environment for their employees such as emotional intelligence, liveliness, and openness to new ideas. Consequently, employees feel freedom and enable to generate creative ideas for organisations.

2. How leaders’ attitudes may enhance organisational creativity (Wang and Casimir 2007)
To investigate the influence of leaders affecting employees’ everyday-life creativity, we decided to choose this study to explain the relationship between leaders and employees enables to enhance organisational creativity. The authors bring out leaders’attitudes, especially trustworthy to their employees. When leaders trust their employees, they will cultivate a working environment that supports employees to be creative at all levels.

2.6.3 Conceptualisation of Research Question 3
In order to describe and comprehend organisational deep-rooted culture; we selected to rely on literature of Mcfarlin. The author suggests the impact of strong organisational culture helping us to analyze research question3.
1. Strong culture can be 'double-edged sword' (Mcfarlin 2002)

This literature will support us to understand the impact of strong organisational culture. The author claims that the strong organisational culture is being called two sides of the same coin. The noble example is strong organisational culture enables to enhance employees’ creativity and merely improve positive performance under stable circumstances because organisation had already set the standardised rules for them to follow. Therefore, the strong organisational culture is also constraint employees’ creativity because they embrace with existing organisational culture and do not have any inspirations to generate novel ideas.

2.7 Frame of reference

This section will present “Frame of reference” summarized from the conceptual framework and research questions. Furthermore, this frame of reference will also explain how three research questions are appropriate and facilitate us to reach our research’s objective. The following model will demonstrate Leadership Influencing Organisational Creativity as below:
According to a model above, **leadership** is the core centre influencing organisational. The power position of top level-leaders enable to shape deeply-rooted **organisational culture** through sharing values and norms, cultivate **working environment, supporting** as well as **constraining** culture and learning culture simultaneously.
General organisation becomes Learning organisation when person continually learn from his/her own and other’s experiences (Personal learning), and where people perpetually share and acquire knowledge together (Team learning), where the atmosphere of working environment is freedom, flexible, and open-minded (Organisational learning). Therefore, everyday learning under flexible atmosphere and open communication enable to improve and become Organisational Creativity.

However, culture in organisation can be supportive as well as constraint regarding learning. Culture is not only able to help improving creativity under some circumstances, but also to act as a constraint to creativity concurrently. As a result, creativity even though can be improved; it enables to be improved within certain limits that act as constraints. To cite clearly, culture can be a basis of improving creativity by providing a feeling of clarity of direction, meaning, and objective for employees. When employees understand the clear purpose of organisation, they enable to share their knowledge and ideas in the same direction and facilitate free flow communication that will generate creative ideas. Nevertheless, creative ideas should also be constrained by culture at the same time because employees have to concern the existing culture such as rules and regulations. As a result, the creative ideas are limited in some conditions.

Furthermore, leadership occasionally results in a constraining culture, even if this is perhaps an unintentional purpose of leader. According to the power of leadership through organisational culture such as a guideline for clarity, stability and direction in organisation, this sometimes probably can influence
employees’ creativity regarding embracing with the limit alternative interpretations. Consequently, employees can be creative merely inside the frame of organisation, for instance, generating new ideas within rules and various framework of organisation.
Chapter 3: Methodology

In this chapter, discussion and justification of our methodology choice will be made for our research in order to establish the correlated-relationship between the establishment of human creativity from leadership and factors influencing creativity.

Figure 3.1: Methodology elements
3.1 Research Purpose

Wiedersheim and Eriksson (1998) described that research can be classified into three different purposes. They are exploratory, descriptive and explanatory research. The classification is based upon the initial knowledge of the research, in addition to the kinds of information that is required so as to fulfil the purpose of research.

For the exploratory research, as much data as possible is encouraged to obtain according to Patel and Tebelius (1987). This kind of research is suitable for researcher who is unclear about the purpose, which means there was an inadequate knowledge at the initial stage (Wiedersheim and Eriksson 1998). Therefore, exploratory research would give researcher a better understanding of the research area. Saunders and Thornhill (2000) explained that descriptive research is suitable for researcher who has already had the picture of the phenomenon before collecting data. More thorough description of the phenomenon can be drawn by using this research. And explanatory research is used for explaining causes and effects of a phenomenon according to Yin (1994).

In our study, we primarily describe and explore how they think about creativity, the working environment which that they think at IKEA and to find out about leadership style of the company, and finally is the barriers at workplace which they think might constrain their creativity. The purpose of our thesis is exploratory, since there is no identical research has been done before and more
information can build up a better understanding of our research area. Thereafter, we produced a frame of reference model according to our understanding of the topic, so it is also a descriptive research in that stage. Finally, we would use resources from different source to prove what we assume in the frame of reference that we mentioned. Conclusion would be drawn from the findings.

3.2 Research strategy

Holm and Solvang (1991) described that selected case play a crucial role on the purpose of study. And the respondents could provide us abundant of information on the studied phenomenon. Thus, we chosen case study as the most appropriate research strategy as we have our research questions with “how” formulated questions, which means that we have to acquire qualitative results from the research. Wiedersheim and Eriksson (1998) claim that a case study would have more variables in one investigation and this can enlarge our understanding of our subject in a much in-depth way. Therefore, this thesis we used one single case study to explain our research due to the time limit.

3.3 Case Selection

For our thesis, IKEA is our case study, since it is one of the largest retailers in the world with a unique business concept which enables to bring all employees’ potentials throughout the organisation. We also felt that IKEA is in the strong position in the global market and also possessing the potential for continuous growing expansion. Moreover, the adequate amount of informational materials about IKEA was also the reason for the choice of company.
3.4 Data Collection

To support our analysis, sufficient data is needed to be collected, primary and secondary researches were necessary for us to justify the cause of this phenomenon.

3.4.1 Documentation

The source of collecting the secondary research information in the literature review is from famous management books, journals, researches, reports or worldwide web site. A variety of management books are used to support the basic theoretical background, several different prominent management models are used to compare their difference in opinions, and to check if there is any difference in their opinion results contrary to the issue.

Further secondary research was then carried out using the E-Journal from Baltic Business School, Kalmar University to ascertain such theories to see whether more updated researches have been carried out. The main search engine which had been used was Elin@Kalmar (Electronic Library Information Navigator) with key words such as human creativity and enhancement of creativity, and so forth. The worldwide webs are used on several occasions to find clear examples to link into the theories. The worldwide web has been seeing as the newer edition text books which may not be on time to go into current issues and it also has been giving examples to match previous theories from the textbooks.

For our IKEA case study, we collected general information about business ideas on human creativity from IKEA’s business reports and official website of IKEA
Group. Data from those document reviews have already collected and it is much more objective than some other source channels such as press and newspapers.

However, extracting data from the reviews are rather much more time consuming. Sometimes even if we had read through the whole article that related to our topic, but there might be a case that the structure or the arrangement is not in a clear format, so confusion would be caused. In addition, we are unaware of the reliability of the data from those reports, so there might be in a risk of biased judgments or misleading. Cost of obtaining data from those reviews is relatively low, since most of them are placed in the library and can be reached on the web and so.

3.4.2 Interviews

For the primary research, we believe the best appropriate adoption of research methods is interview. These should have obtained all the data that are required on this issue. The opinions will thus represent differences, due to different position. Observations were not included in this research due to the time limit. And also as questionnaires, since we would like to obtain higher degree of contextual interpretation about our topic. By carrying out interviews as our research methods, qualitative and quantitative data can be acquired as interview is much more flexible compare to questionnaires. Also, before interviewing the managers, we carried out pilot testing of the interviews with our friends as rehearsal so as to increase data quality and reduce costs.
At the first stage of the interview, risks and benefits to participating in the evaluation were declared to all the managers verbally. They had been informed the use of the data, and whether their answers are treated as confidential, and how can we protect their privacy.

We conducted four face to face interviews with the managers and staff at four different departments of IKEA. Interviews had lasted for an hour with each interviewee from 11am in the morning till 16pm. Interview were taken with the order of senior manager, HR assistant, sales manager and communication and decoration manager. During the face-to-face interview with managers, we used recorder for each the whole process of the conversation. Recording will be with the permission of the interviewees.

Interviews are more likely to get the ideal response rate from the participants comparing to sending questionnaires. And interviewers can be able to ask questions much more in-depth and probe answer can be allowed. But it difficult to structure the interviews process before seeing the real situation.

Saunders (2000) suggests that questions facing the respondents must be applied in the same manner to all participants to ensure validity and reliability at all times. Thus, for the accurate answers of the questions, the purpose of the research was explained to the respondent in the same manner. Also, questions were asked during the interviews was in the fully understandable way, in order to avoid false data transfer due to misunderstanding of the questions. Same procedures were used to collect data.
The formulations of questions were extremely important for the accuracy of the feedback. Leading questions would cause inaccuracy of the answer by the frame of reference, and also the interviewers were trying to use non-leading prompts when trying to elicit answers, or when trying to find out if the question was properly understood. Nevertheless, interviewers attempted to maintain an atmosphere of conversation to the interview, whilst maintaining a standard pattern to the interview. Little gifts were sent to thank for the kind participations of the managers.

3.5 The Subjects

Based upon the impression of IKEA, creativity is an attachable with IKEA at all time. This is the reason why we selected IKEA as our case study here as they have matched what we would like to investigate.

Interviews were conducted at the location of IKEA, Kalmar, Sweden with the managers of IKEA in HR department, sales department, communication and decoration department and the senior manager. The four interviews were conducted on the 7th May, 2008 with the managers of those three departments of IKEA that mentioned above and also with the senior manager. Same questions were set for the four interviews on the 7th May, 2008.

We had contacted the senior manager for asking permission of interviews through phone calls, explained what our purpose was and we requested that we would also like to interview three or four employees at IKEA, Kalmar. And
after a week’s waiting, email was sent to inform us that interviews can be carried out with four participants at IKEA on the 7th May, 2008.

3.6 Data Analysis
According to Yin (1994), there are two analytical strategies can be used when performing case studies. They are theoretical proposition and developing a case description.

Data collection relies on theoretical proposition is based on the research questions taken from previous studies. Comparisons of the findings would be made. Another is case description development, which is only few previous researches have been done to analyse the phenomenon. Based upon Miles and Huberman’s study (1994), there are three activities in process of analysing data; they are data reduction, data display and verification. Data reduction is to simply the acquired data and transforms it into an organised way in order to draw the verification. Data display is the presentation of data which has to be arranged into an organised format in order to simplify the process of verification. Finally, conclusion can be drawn from the organised findings through the processes of analysing data. Explanations patterns and propositions can be illustrated by using those significant findings.

3.7 Quality standards- Validity and Reliability
There are four different tests for researchers to test the quality of the study. They are construct validity, internal validity, external validity and reliability according to Yin (1994). In this research, we chose three tests to explain below.
Construct validity need to be established in the initial stage of the study. Correct operational concepts and tactics such as multiple sources of evidence, draft studies reviews are needed to be established. For the better validity of study, interviews and documentation were used as the source of evidence. And a chain of evidence also needed to be demonstrated by using secondary data and presented by primary data. Relationships between the two such as the purpose of study, research questions, frame of reference, interviews and findings are extremely important (Yin, 1994).

Case study is to increase external validity of our study. Validity is relatively low if only analysing the theories in general terms (Yin, 1994). In our thesis, multiple interviews with managers in different departments were applied to increase validity and results can be compared in order to lead to a better analysis.

Reliability is meaning to eliminate bias and errors in the study process in order to create a reliable and accurate research. Repetition of research enables to increase reliability of study. According to Wiedersheim and Eriksson (1991), reliability can be affected by the respondent who has insufficient knowledge of our study. To avoid the negative effects of reliability, respondents have to be informed the procedure of the study through either written or verbal interview guide in advance.

Furthermore, the information so-obtained was ensured provided by those people who are trustful, reliable and resourceful. Therefore, the facts finding illustrates...
in the finding analysis are accurate which enable us to draw a concrete reliable conclusion on this issue.

3.8 Visualisation of the methodology

The visualisation of the methodology represents in this chapter in order to make the readers better understands the method that authors used in this research as below:

Figure 3.2: The visualisation of the methodology
Chapter 4: Empirical Data

To answering the research questions, data attained from our primary research would be present in this chapter. We conducted four interviews with four employees in different level in total at IKEA. The respondents consisted of three managers and one assistant. Same questions were asked within the context of our topic.

4.1 IKEA and its Background

IKEA is a Swedish home furnishing company; it was founded in 1943 by Ingvar Kamprad.

Today IKEA has grown to be a big international company that has stores in more than 30 countries worldwide. The Swedish heritage can be seen in many of IKEA’s characteristics: from the design of the furniture, which they mean is “modern but not trendy and functional but yet attractive” to the atmosphere of their stores. IKEA’s vision is to:

“Keep continuing for a better everyday life of IKEA’s customer” (IKEA official website)
4.1.1 IKEA’s Philosophy

Ingvar Kamprad’s will is to maintain what he called the “IKEA philosophy”. In 1976 he wrote down his wills in the “The Testament of a Furniture Dealer”. He wrote about the product range as their identity and the ambition to offer a range of functional “typical IKEA” products that cover the total home area. He also wrote about the “IKEA Spirit”, which is the willingness to help each other, the goal to reach good results with small means, the simplicity, the responsibility and enthusiasm in work. Even if the society as well as IKEA has changed through the history, Ingvar Kamprad meant that the true IKEA spirit could and should still be found in the company. (Salzer, 1994, p.60)

4.2 Interview topics

There were four sets of questions and each of them is consisted different amounts of questions under different headings. The headings in the interview guide would be used as sub-headings in this chapter, in order to make readers easier to follow our process of the interview. And the sub-headings we will have in this chapter are creativity, leadership style, enhancement of employee’s creativity and barriers of employee’s creativity.

There were four sets of questions and each of them is consisted different amounts of questions under different headings. The headings in the interview guide would be used as sub-headings in this chapter, in order to make readers easier to follow our process of the interview. And the sub-headings we will
have in this chapter are creativity, leadership style, enhancement of employee’s creativity and barriers of employee’s creativity.

The interviews were conducted in IKEA, Kalmar. Before conducting the interview, we had a short conversation with the respondents in order to create the relax atmosphere. Consequently, the respondents enabled to answer and illustrate each questions clearly from their previous experience and opinions.

4.2.1 Creativity

According to our research questions which mainly focusing on “creativity”, we deliberately asked our respondents with five questions. These questions were based upon creativity in general term as well as organisational creativity like IKEA in their opinions.

Each respondent answered the definition of creativity in general term in different ways based upon their attitudes and previous experience. Conversely, this is rather fascinating that when we asked questions related to IKEA’s creativity, the answers from every respondent were relatively similar. The details of interview are illustrated below:

**IKEA Senior Manager** has working experiences in IKEA nearly 25 years; he defines creativity is an opportunity in workplace: “Creativity is the process of generating a new idea by attempting to think outside the box or acting differently from routine. Consequently, creativity enables to facilitate organisation take competitive advantage or stay ahead from its competitors”
The respondent strongly believes that IKEA is a *creative organisation* based upon home-furnishing company; IKEA has to be creative within value “efficiency and cost conscious”. This reason makes IKEA differ from other companies because it is not easy to produce a good product at low price. Furthermore, IKEA has a strong organisational value that every employee should concern as follow:

- Togetherness
- Cost consciousness
- Respect
- Simplicity

He further states about working environment in IKEA are like “family” The organisation structure is flat, for example, every employee in IKEA (Both staffs and managers) has to wear same yellow T-shirt. It shows their organisational culture that everyone is equal and simple. Consequently, employees feel free to express and share opinions among co-workers and also managers.

And also mentions about flat organisation structure that contributes to greater communication between managers and co-workers. For instance, the layout of office’s landscape is open; everyone enables to talk face-to-face. Moreover, senior manager does not have their own room. The atmosphere is openness and freedom for employees to express and share their ideas to managers and co-workers.
Manager told us that people enable to gain knowledge by perpetually learn, both formally and informally to increase value. The working environment, such as freedom, open-minded, and so on is particularly important to foster co-workers to continually learn and share experiences together”

Moreover, the necessary factor that enhances creativity in this organisation is “Trust”, for instance, IKEA manager, Kalmar, permits his subordinates having a chance to learn new things in their daily work. He trusts in his co-workers potential enabling to work in different environments. Therefore, each employee will rotate to work in different functions in IKEA store.

The respondent argues about reward system that there is no reward system directly in IKEA such as offering money for employee who has a good performance. Nevertheless, every employee who has a high quality performance consecutively will have a great chance especially offer a good job with fair and reasonable condition. For instance, employees will have good opportunities to work outside their countries.

Human Resource Assistant says that “creativity is something new comes up in your mind and you would like to try it. It is very important that people around you support and allow you to think outside the box because at least, you have a chance to try”

However, when we asked about creativity in IKEA, the respondent claims that IKEA is a creative organisation because everyone is equal. Every employee in IKEA at all levels enables to speak up and share their ideas without criticism.
Furthermore, employees are allowed “learning by doing” because people can learn and improve from their fault in the past.

Moreover, working environment is one of the major factors of this organisational creativity. New ideas will occur when employees have a chance to work in various environments. There are several methods that IKEA use to stimulate their employees’ creativity, for instance, IKEA in Kalmar changes curtains of office building every season in order to create new environment which will inspire new and creative ideas for their employees.

**Sales Manager** explains “creativity is the ability to do and think whatever you want without rules and regulations”

The respondent states the main reason that make IKEA creative and different from other retail furniture companies because they have strong organisational value that is rather unique such as equal, more freedom, open-minded, and so on. In addition, every employees strongly believes in this organisational value that “creating a better everyday life for ourselves and our customers”

Furthermore, working environment in IKEA such as openness also enhances creativity in organisation. For instance, employees will allow thinking creatively as well as work in freedom with their responsibility. Moreover, they also have opportunities to speak up and straight forward when disagreeing ideas as well as expressing their ideas, instead. To cite an example, when her co-worker comes up with new ideas/he will report her directly.
In addition, a good communication between manager and co-workers is dramatically important. When the problem occurs, they enable to discuss and improve immediately.

**Communication and Decoration Manager** relates the meaning of creativity with how to deal with problem in her daily life “Creativity is trying to solve the problem with the knowledge that you already had and relate to your experience. In other word, creativity is the combination between the previous experience and new knowledge that you learn everyday”

The respondent describes IKEA is an extremely creative organisation from her view because IKEA allows employees to work freedom and are open for trying new ideas. To demonstrate clearly, when employees have concepts, this is important to express their concepts to manager in order to consider whether it is possible to develop and make this concept concrete. The respondent emphasises that “It does not take long time, if you have really a good idea. This creative idea will be developed and spread out to use every store of IKEA in the world”

Moreover, organisation also encourages employees continually learn from their own experience and also other’s experiences such as co-workers. As a result, employees enable to complete their own task as well as generate new ideas that make IKEA differs from other companies. ”. The respondent also adds the benefit of learning organisation that she enables to learn business’s idea from IKEA and brings useful ideas to adapt in her daily life.
Working environment in IKEA is flat structure where everyone in organisation is equal. The notable example is, the manager of IKEA, Kalmar does not have his own room and computer, even though he is the highest position in this store. When organisation is flat, employees will feel more comfortable to purpose their ideas. Additionally, working environment in IKEA tremendously fosters employees to meet lots of people from different fields; therefore they enable to acquire new knowledge from other people in everyday life.

The respondent further claims that there are different personality traits in organisation. Some employees are rather outstanding and attempt to purpose their opinions; it is possibly not the best idea. On the other hands, some employees are relatively quiet and have good ideas but never express. As a manager, this is significantly essential to encourage employees who are quiet to express ideas that will be valuable for organisation.

The respondent states an open organisational climate is major factor in her department. Everyone enables to share his/her own ideas therefore; this encourages creativity level in organisation. Furthermore, brainstorming perhaps uses as a tool to come up with new opinions and ideas. Consequently, all opinions and ideas are able to share and consider. Moreover, high- level managers have more meetings for exchange ideas and brainstorming in order to come out new method to improve performance in the organisation. Nevertheless, the new method is possibly not correct approach because the high-level managers do not know the actual problem in IKEA’s store. Therefore, High- level managers should occasionally allow some staffs who work in IKEA’s store attending the meetings to express their ideas.
Another example of exchanging information between colleagues and supervisors for dispersing the information of organisation is called “Breakfast Meeting”. All employees in IKEA’s store gather and have breakfast together. Store manager informs the important issue and encourage employees to keep improving performance. In the mean time, other managers also announce the necessary issue and confirm that every department performs in the same direction.

4.2.2 Leadership style

Due to research question one based upon leadership style, six questions were set to query four respondents. However, four respondents have different levels and positions. Therefore, few questions were adjusted during the interview in order to fit in each situation. Moreover, we also divided our questions about leadership style into two levels: Leadership Style of IKEA group and Leadership Style of IKEA’s store.

In general, all respondents have the same answer of leadership style of Ingvar Kamprad. Obviously, they think Ingvar Kamprad is a good example of leadership because he strongly expresses the organisational value of IKEA through his behaviours. Thereby, all the IKEA employees (from top management to co-workers) follow this organisational value as a framework. In addition, the leadership style of management position also was influenced through strong organisational value. Unsurprisingly, the responses from all
respondents were somewhat similar. The details of interview are demonstrated as follow:

**IKEA Senior Manager** states confidently that “Ingvar Kamprad is the role model of all the IKEA employees. His behaviours encourage acting like the way that he acts” To demonstrate clearly, one of IKEA’s organisational values is “simplicity”. Five years ago, Ingvar Kamprad visited employees at IKEA, Kalmar by driving his 15–year-old car. This inspires all employees to understand clearly about the virtue of simplicity.

**Human Resource Assistant** describes Ingvar Kamprad’s leadership style as teacher. The respondent states that “He came to IKEA, Kalmar and talked with employees at all levels. He suggested many great ideas to us in order to make IKEA store better”.

**Sales Manager** explains the relationship between Ingvar Kamprad and all employees that his leadership style as “father” The respondent demonstrates clearly that although we work together like “family”, Ingvar Kamprad’s position still has power and influences everything in our big family.

**Communication and Decoration Manager** says that “Ingvar Kamprad’s leadership style is by example” He attempts to be the good example for all the IKEA employees. Although he is the 4th richest guy in the world, he is simple guy, for example, He still uses his old car, flies economy class and so on.

The respondent further describes that Kamprad wrote “A Furniture Dealer’s Testament” It mentions about “IKEA people do not drive flashy cars or stay at
luxury hotels.” Thereby, he practices what he says. This is dramatically important for the entire IKEA employees look, find out the description of their jobs, and follow this testament.

4.2.2.1 Leadership Style of IKEA’s store

IKEA Senior Manager describes his leadership style based on trust and good internal communication between manager and co-workers. Every member in organisation should trust each other. When trust is developed throughout organisation, new ideas will be acceptance easier among co-workers. Moreover, the internal communication makes employees feel free to share ideas and opinions because they feel involved and take part of organisation. All the co-workers, thereby, enable to improve performance in order to response customer needs. Furthermore, this is a crucial role of leader to encourage employees to learning by doing in different environment. As a result, employees enable to learn from daily work and know how to apply themselves in each circumstance, for instance, every staff has to rotate their job in different department in IKEA store as well as managers will rotate their function every 3-5 years. Rotation culture develops all the IKEA employees to improve their creativity.

However, the rotation in various departments can also disadvantage because there is no specialist in specific area, for example, it is relatively necessary to have specialists in some department such as kitchen because Ikea’s customer expect to consult with specialist.
The respondent states that evaluation is a critical process that enables to enhance efficient performance in organisation. Particularly, everyone is involved in the evaluation process because they are able to share ideas, opinion, and experiences. The major benefit of evaluation is to provide useful feedback. Both positive and negative feedback will improve further performance.

The notable example of evaluation in IKEA is “annual evaluation”. The evaluation is conducted once a year by setting the same questions for IKEA’s customer and employees all around the world. The major goal of evaluation in each year inquires and assesses IKEA’s customer as well as employees perspectives about IKEA’ stores and then benchmark for improving performance.

**Human Resource Assistant** purposes her opinion about leadership that plays an important role to create a good atmosphere and a good environment in workplace. A good leader should encourage employees to generate their own ideas. Consequently, the employees feel value of them and increase abilities to express their ideas with co-workers and manager.

The respondent gives an example from her experience that **IKEA Senior Manager** supports her to purpose new idea and develop it if the idea is good. For instance, the respondent suggests to Ikea Senior Manager that co-workers should have a good welfare, such as, good shoes for working in warehouse and training programme for improving the efficiency of task, and so forth. When this idea was developed, this made her proud of and would like to generate more ideas.
Sales Manager talks about leadership style of IKEA Senior Manager that he is a good example of junior managers to learn how to manage subordinates. He creates a creativity working environment by increasing the level of freedom to think outside the box among co-workers. However, this idea should be realistic at the same time.

The respondent added her opinion as a junior manager of sales department that evaluation and followed-up are a conscious decision from management position to enhance the participation of co-workers. Consequently, this will boost creativity level in organisation. Evaluation is divided into two types:

1) **Formal evaluation**: There are two evaluations for assessing employees’ performance twice a year. Evaluations are made upon regular basic of organisation.

2) **Informal evaluation**: Sales department will evaluate merely its department every couple of week in order to follow up the performance whether good or bad. If the result is good outperformance, the department will focus on this and make it better. On the other hand, if the outcome is poor performance, this is dramatically crucial issue that department has to concern and improve immediately.

Communication and Decoration Manager states that leadership style of IKEA Senior Manager is a good listener because every idea is taken into consideration. Due to the fact that there are several personalities in one organisation, some people are more talkative than other people. Thus, various ideas and opinions normally come from these people. However, some people
who keep quiet, this does not mean that they do not have creative idea. It is a crucial role of leader to motivate and foster them to express their opinions and ideas.

The respondent emphasizes that freedom in working environment enables to enhance creativity because it facilitates employees to generate new ideas. The employees enable to follow their instinct and organisation also test as well as develop their ideas. As a result, new ideas can share between co-workers. In addition, leader, sometimes, should slow down, allow employees finishing their tasks, and then construct feedback. The respondent also claims that creativity process perhaps is struck when leader intervenes and instructs in the middle of process because the new ideas and imaginations are not able to continue.

The respondent mentions the importance of evaluation in Communication and Decoration because this will enhance their employees’ performance. The measure for evaluation is “co-workers survey” for once a year. The example of questions for co-workers survey as follow:

- How is creative in your work?
- Do you feel satisfied or motivate in your job?

After analyzing the results of survey, a manager of department will concentrate on two or three weak points for improving rapidly. In the meantime, strong points also keep continuing for a better everyday life of IKEA’s customer.
4.2.3 Barriers of employees’ creativity

Regarding, research question three based upon organisational cultures, four questions were set to query respondents. We selected merely three respondents who have manager level for this interview. Most of respondents’ answers were somewhat similar that strong organisational culture is one of the factors that constraint employees’ creativity. The details of interview are illustrated follow:

IKEA Senior Manager states that it is important to match new employees to the rest organisation. In addition, this also necessary for manager to take care and encourage recently employed people to dedicate their work. As a result, this will inspire them to have creative spirit. However, some difficulties will happen when new employees do not fit their work because they do not have motivation and inspiration to initiate creative idea.

The respondent agrees that strong organisational culture can also deliberately constraint for generating creativity in organisation because all employees will perform their job under the rules and regulations. Thereby, creative ideas have to consider under various conditions of organisational culture. To cite clearly, all the IKEA employees have to concern about cost-conscious and recognize that everything has a price tag. Creative idea for product should be well-designed, functional at low price.

In order to minimize the barriers from organisational cultures, the organisation should create flexible atmosphere. Some ideas that are out of scope of
organisational cultures should not put aside. Every idea should be taken to consideration in order to encourage employees to continually try and develop their creativity from their own experience.

The respondent further adds his opinion that time is the real barrier for employees’ creativities because some employees possibly cannot utilise all their potential to generate new idea regarding pressure circumstances.

**Sales Manager** emphasizes that intrinsic motivation is the great factor as it facilitates to create new ideas that all employees in IKEA should have because this is IKEA’s culture. The respondent strongly believes that employees who do not have intrinsic motivation are not IKEA’s employees. Due to organisational culture of IKEA which consists of creativity, economical, open-minded, and simple, this influences every activity of employee. In other word, it is the formal rule that everyone has to follow.

The respondent claims that the real barrier that distracts idea is “organisational culture”. To cite an example, IKEA is a huge organisation consists of several store all the world, the strategy of IKEA is standardization. Thereby, new idea for changing the setting will take long time to bring up because every store in world has to be the same setting. However, every ideas is taken into consider, even perhaps some ideas are useless. The barrier that occurs in the organisational culture is rather difficult to minimize. However, employees enable to be creative but under organisational culture. IKEA’s employees have to concern about “creative inside the rule and
frame” This is much more difficult than real creativity because creative idea was limited by organisational culture.

**Communication and Decoration Manager** states that there is rather difficult to encourage employees’ creativity, when they do not have their motivation.

The respondent mentions about strong organisational culture perhaps constraints employees’ creativity in some organisations because hierarchy structure does not allow co-workers to suggest their opinions or ideas. Every process is decided from Top level managers.

Nevertheless, IKEA’s strong organisational culture does not constraint creativity because this is heritage from Ingvard Kampard. Thus, it represents Swedish tradition which is not difficult for Swedish employees to generate new ideas. In addition, the organisational structure is flat; consequently, the atmosphere supports employees to think beyond the box.

From respondent’s point of view, Time is the real barrier because time pressure will occur when employees have to work and decision within time. The most difficult decision is to think creative way with in limited time. Second barrier is standardization, for instance, employees in Kalmar’s store are not able to use their own ideas and knowledge to generate planning setting-room because every IKEA ‘stores has the same setting room. Finally, the organisational culture (boundary) is also limited creative thinking.
The respondent purpose that the organisational cultures enable to minimize by suggesting the ideas that are reasonable, creative, and functional in daily life. Even though the idea is out of scope, as long as it can response customer needs.
Chapter 5: Data Analysis

In this chapter, we will analyse the data that we have presented in the previous chapter with the help of a within case analysis. The obtained data will be compared with the theories that we presented in literature review or other sources.

5.1 Creativity: working environments which can beneficial to employees’ creativity

Karash (2004) explains that a bureaucratic organisational structure is not suitable for learning culture, but a flat structure organisation can encourage employees’ creativity through more communications with the others. Regarding to the interviews, senior manager describes that their working environment at IKEA is more like a ‘family’, organisation structure at IKEA is flat. He explains that the ‘family’ value can be easily seen through what they dress at work. Both managers and employees would wear same yellow T-shirt in normal day. It shows the organisational culture is equal and simple to everyone.

Karash (2004) also states that management needs to perform openness, accept error, reflectivity and uncertainty so as to smoothly exchange different information with each people. In addition, McFadzean (1996) herewith Karash
(2004) to explain that expression and communication to release creative thinking; it is described by the senior manager at IKEA that, IKEA’s culture is make the employees feel free to express and share opinions among co-workers and also managers. Thus, in order for employees to express them freely, empowerment is introduced in to the organisaiton.

HR assistant explains that if every employee in IKEA at all levels enables to speak up and share their ideas without criticism and employees are allowed to “learning by doing”, people can learn and improve from their mistakes from the past. Explanation of Senge’s five disciplines (1990), a mental model is subconsciously held in everyone’s mind. If team members can constructively criticize other people’s ideas and assumptions, a shared mental model for the team will be created. This enables organisation continuously improved by constructive feedback.

According to Senge’s five disciplines (1990), team learning is suggested to converging to learning organisations at all time. He claims that decisions are normally made by group of people, so that the more they learn, the better ability of decision making will be. Learning can be via different source, not only means by individual learning. People are learning from each other by the way they address problems, question assumptions, and receive feedback from team members and from the results.

Karash (2004) claims that gaining knowledge through a long-term learning and perpetually learning is so much important in the learning organisation. According to senior manager of IKEA told us that during the 25 years of
working in IKEA, he has been given chances gaining knowledge by perpetually learn, both formally and informally to increase value. He also claimed that, a freedom and open-minded working environment, and so on is particularly necessary to foster co-workers to continually learn and share experiences together. This statement is also agreed by Karash (2004) that an open, flexible atmosphere would be set by the manager in the organisations to encourage employees to follow their learning culture. Since greater communications between people and people are able to enhance creativity at workplace.

As Karash (2004) states that a reward system can appraise employees’ performance in order to promote new skills, teamwork, individual effort, openness and objectivity and personal development and so on. However, at IKEA, there is no such system to appraise employees’ performance directly, but to appraise the whole group of people and based on the group performance to give reward. This is so important for a groups’ spirit. Leaders adopt fair and team reward system to give rewards in order to give a message that company should work as a team.

The working conditions can be reflected by the definitions of creativity to different persons and the ways that they think can stimulate creativity at workplace. As HR assistant of IKEA describes that “creativity is something new comes up in your mind and you would like to try it. It is very important that people around you support and allow you to think outside the box because at least, you have a chance to try”. And she also mentioned that IKEA use to different stimulations to inspire their employees’ creativity, such as IKEA in Kalmar changes curtains of office building every season in order to create new
atmosphere to inspire new and creative ideas. And she believes that new ideas will be generated when employees have a chance to work in various environments.

Karash (2004) illustrates that both employees and managers should become responsible for their actions; and managers will also get involve into employees’ responsibility as a consultant. This model should be occurred in flat structured organisations and also empowerment needs to be widely used in the organisation. Sales manager explains their employees are allowed thinking creatively as well as work in freedom with their responsibility. In every aspect of our own life, no one would know better than us that how our daily life works, how we handle things in our situation. Apply that in the business level, we have our own specific tasks and duties to responsible for in the organisation. The colleagues who are in the similar level would perhaps know better about your duties, but each person has their own way to handle tasks, so none would know what the best-suitied way to you is. And manager should provide encouragement, and collaborate with the employees. Employees also have opportunities to speak up and to be straight forward when there is a disagreement of ideas.

The process of discussion would continuously improve ideas; therefore, shared visions would be gradually created according to Senge’s five disciplines (1990). Members of the organisation have to create a single image of the future together in order to have a shared vision. Sharing and contribution to the vision from all the member of the organisation is need, so that the common vision can become reality. A shared vision enables people more likely to work willingly. As the
sales manager and also the senior manager told us that employees are treating their tasks as their responsibility, rather than following the duties written on the job descriptions.

Senge (1990) argues that leaders should be a steward in a learning organisation, who needs to get involved in tasks and learn to see their vision as part of something larger. The leaders also need to be the icon of the organisation, as what they say. For example, the managers of IKEA, Kalmar do not have their own room and computer, even though he is the highest position in this store. They insist to be flexible in the company. This also concerning empowerment of the organisation, employees will feel more comfortable to purpose their ideas.

As we mentioned in the literature review, fostering learning is what Senge (1990) means by leader as teacher. Leaders as teacher are responsible for helping employees of the organisation to develop systemic understandings. Vision and reality have to be balance; therefore, leaders are responsible for creating and managing creative tension in order for a leader to acquire the truth of real changing situation. (Senge 1990: 356) Communication and decoration manager claims that organisation also encourages employees continually learn from their own experience and also other’s experiences such as co-workers. As a result, employees enable to complete their own task as well as generate new ideas that make IKEA differs from other companies. Leaders are playing such an important role in learning organisation as a teacher.

McFadzean (1996) emphasises that expression is one of the enhancement of creativity. People who have creative ideas but they are not willing to express it
out, there would cause to a waste of ideas and a potential person. As the communication and decoration manager told us that some employees are relatively quiet and have good ideas but never express. As a manager, this is significantly essential to encourage employees who are quiet to express ideas that will be valuable for organisation. And according to Csikszentmihalyi (1997), the role of this leadership is to support employees to generate creative ideas by stimulating their intrinsic motivation.

Communication and decoration manager explains that brainstorming can be used as a tool to come up with new opinions and ideas. McFadzean (1996) suggested that freewheeling can encourage employees to develop their ideas by fostering them to generate as many ideas as possible. However, at IKEA, high-level managers have more meetings for exchange ideas and brainstorming in order to come out new method to improve performance in the organisation. And senior manager also told us that there are some informal meetings within their company, Kalmar during meal time. Casual atmosphere can make people express their own more freely and generate more ideas, so this is one of the enhancements of creativity at IKEA.
Csikszentmihalyi (1997) stressed that learning from role models such as experience colleagues and leaders can broaden personal creativity of employees through training sessions. The owner of IKEA, Ingvar Kamprad, as IKEA senior manager and communication and decoration manager state that he is the role model and an example of all the IKEA employees. His behaviours encourage people acting like the way that he acts. Kamprad acts as simple as IKEA’s business concepts, which enables customers to place trust on them since they are what they say. Moreover, Kamprad’s leadership styles can act as a role model to other employees throughout the organisation.

Furthermore, Amabile and Gryskiewicz (1989) emphasise that leader should possess the ability of influencing team creativity. Communication and decoration manager told us that Kamprad wrote “A Furniture Dealer’s Testament” which mentions about IKEA’s concept and the responsibility to the society such as “IKEA people do not drive flashy cars or stay at luxury hotels.” Thereby, he practices what he says. This is dramatically important for the IKEA employees’ entire look.

As HR assistant describes that “Kamprad’s leadership style as teacher” which herewith Senge (1990) and Max de Pree(1990)’s theory about leader’s role should be as teacher in the learning organisation. . ‘…much of the leverage leaders can actually exert lies in helping people achieve more accurate, more
insightful and more empowering views of reality’, when the leaders are carrying out stewardship (Senge, 1990: 353), according to Senge (1990). The roles that leaders should play which described by Senge (1990) is exactly how Kamprad has been doing for so long. HR assistant told us that Kamprad suggested many great ideas to us in order to make IKEA store better while he was visiting IKEA, Kalmar.

On other hand, the sales managers describes Kamprad’s leadership style is more likely as a father-like style. Again, as we mentioned in the creativity part that IKEA is more like a family as the senior manager told us. In our opinion that based on senge’s theory (1990), Kamprad acting like a designer, who determines all important decision such as organisation’s policies, systems, strategies and so on. Also, the basic ideas of the organisation such as the purpose, vision and core values are all decided by him and some other factors. To operate the organisation with continuous learning is also decided by him.

Regarding the conversation with sales manager, Kamprad also as a steward, otherwise it would not be a father-act-like leader, since father are the normally the designer and also the steward in order to play as a role model to their children.

As IKEA Senior Manager describes trust and good internal communication between manager and co-workers is so vital to develop creative ideas. And internal communication makes employees feel free to share ideas and opinions because they feel involved and take part of organisation. According to Shalley (1995), the positive point of teamwork is to interact with teammates, to share
and generate new ideas that may influence the level of individual creativity. Brand (1998) also emphasises that organisation culture should have a set of collective beliefs, values, and assumptions which are shared by employees and are manifested the action by leaders and managers. As we know that cooperation and collaboration is so much needed in organisation, but the psychological condition between people are also taken into consideration when cooperation is needed.

Moss (1983) stresses that "Employees themselves, more often than not, know what needs to be done to improve operations." She also told us that employees were under-used consultants; they know their jobs better than anyone else. This inefficiency can be solved by training and multi-skilling. Through the conversation with the senior manager, he illustrates to us that as a leader himself, he tries to encourage employees to be “learning by doing” in different environment. Employees enable to learn from daily work and know how to apply themselves in each circumstance.

At IKEA, manager mentions about how they train their employees as multi-skilling. There are rotations for each person; every staff has to rotate job to different department in IKEA, also managers have to rotate their function in every three to five years. Rotation culture develops the entire IKEA employees to improve their creativity through shifting new environment and new skills.

New skills and improvement needed to be learnt from mistakes, so that in a learning organisation, learning from mistakes and appreciate successes are vital for employees to have a fair view towards things. Discussion and contribution which follow with assessment and planning enable organisation have a continue
improvements. Employees should be encouraged to self-assess their own performance. Continuous feedback and assessment is needed according to Kolb’s learning cycle (1984). Senior manager also mentions to us that evaluation is a critical process that enables to enhance efficient performance in organisation. Since both positive and negative feedback can be acquired by the system and constructive suggestions would be brought into account to the next decision making process.

According to McFadzean (1996), freewheeling can encourage employees to develop their ideas by fostering them to generate as many ideas as possible. To achieve freewheeling, as the communication and decoration manager emphasises, manager should act as a good listener and try to take employees’ comments or ideas into consideration. She also mentioned that an openness atmosphere is able to helping motivate and foster employees to express their opinions and ideas. Although, there might be some ideas which are not possible to achieve, leaders should wait and see the outcome of the ideas as creativity process would be interrupted by the intervention from other people. And sometimes, leaders can give suggestions or remind the employees about the constraints and requirements.
5.3 Barriers of employees’ creativity: the factors that constrain employees’ creativity

McFarlin (2002) claims that strong organisational culture can shares values, norms, and beliefs widely among the employees, positive performance are more likely. However, employees will be strongly embraced with the existing perspective of organisational culture. They might become not adaptable, not creative and also less inspiration to generate novel ideas for organisation.

According to the case of IKEA, both senior manager and communication and decoration manager employees describes that since employees need to work under the strong organisational culture environment, their duties are normally following rules and regulations that has already set. Standardization would also be the outcome of strong cultural organisation. Moreover, strong culture organisation which is using hierarchy structure is unlikely for employees to suggest their opinions or ideas as every decision is made by the top management.

Furthermore, as senior manager told us that some of the employees are lack of motivation and enthusiastic to think creatively. This barrier would be related to the intrinsic motivation in the recruitment process. Sales manager claims that if employees who do not have intrinsic motivation are not IKEA’s employees.
According to Wayne Morris’s research, “Time Pressure” is identified as a real barrier to organisational creativity. As senior manager and communication and decoration manager told us that time is the real barrier for employees’ creativities because some employees possibly cannot utilise all their potential to generate new idea regarding pressure circumstances. Time pressure will occur when employees have to work and decision within time. The most difficult decision is to think creative way with in limited time.

5.3.1 Barriers of employees’ creativity: methods to deal with those constraints.

To minimize the barriers, senior manager said that the organisation should create flexible atmosphere. Some ideas that are out of scope of organisational cultures should not put aside. Every idea should be taken to consideration in order to encourage employees to continually try and develop their creativity from their own experience. According to Wayne Morris’s research, open communication and full information sharing, supportive organisational structure that enable to hinder organisational creativity.

In IKEA’s case, the sales manager told us that they are trying to be “creative inside the rule and frame”, not try to minimize it but to work along with it. And she also told that it is a challenge as creative idea was limited by organisational culture.
Chapter 6: Conclusions and final words

This is the last chapter of this thesis, answers will be provided for the research questions.

Figure 6.1: Rundown of our thesis
6.1 What sorts of working environment can be beneficial to the utilisation of employees' creativity and how?

This study reveals various sorts of working environment that can be beneficial to the utilisation of employees' creativity. However, we perceive organisational structure, Team Learning, Trust, Environments, and Motivation as main factors to be considerable because these sorts cover various employees' creativity aspect.

- **Flat organisational structure**: A flat organisational structure is favorable for employees' creativity because this facilitates more communication between manager and co-workers, less bureaucracy and easier for decision making. Moreover, this also builds better team spirit. In so doing, all members in organisation feel free to share ideas and opinions that encourage creative ideas.

- **Team learning**: Organisation encourages all employees continually learns from their own as well as co-workers’ experiences in workplace, which is called “Team learning”. This is significantly necessary for team learning to share knowledge and creative ideas as well as receive feedback for the ideas that are perhaps insufficient. As a result, organisation enables to perpetually improve.
• **Mutual trust:** Organisation that perceives trust between manager and co-workers as prominent factor is able to create pleasant and harmony atmosphere. In so doing, employees feel that they participate in important part of organisation. Moreover, mutual trust should connect to freedom. Creative ideas will occur when manager allows employees having freedom to think beyond the box instead of attempting to satisfy merely manager’s opinion.

• **Various environments:** Organisation offers employees to work in different working environment and learn how to adapt themselves in each situation. This is called “Adaptive learning” which help employees learn how to solve and complete their tasks. This thesis illustrates that various environments will enhance employees to feel more freedom, which increase motivation and creativity. On the other hand, employees, who work in the same environment especially small room, will decrease the creativity level because they feel much pressure and control by narrow space.

• **Intrinsic motivation:** This is particularly vital for organisation to encourage employee to have intrinsic motivation which come from inside of people. Intrinsic motivation will enthuse and inspire employees to be creative. Conversely, extrinsic motivation will bring a lot of pressure to employee and make them feel stressed. As a result, creative will decrease because employees have the feelings like being force to be creative.
From this discussion, we conclude from the findings that there are five major sorts of working environment which consist of Flat organisational structure, Team learning, Mutual trust, Various environments, and Intrinsic motivation that can be beneficial to the utilisation of employees' creativity.
6.2 What are the characteristics of leadership style can facilitate employees’ creativity.

The study reveals that the strong leadership plays an important role to create organisation culture, working environment, and organisational objective. *New Leadership style* should not satisfied with the current situation. In addition, leaders will try to find new approaches to break through the common method. However, employees’ creativity is one of the factors that will build sustainable organisation.

Therefore, this is a particularly crucial role of leadership to encourage employees to be creative. Our findings illustrate that there are several *characteristics of leadership style* can facilitate employees’ creativity as follow:

- **Role model**: Leadership should be the good example behaviour for employees. According to creative organisation is likely to be flat structure, everyone is equal. The atmosphere of working environment seems like “family”. Nevertheless, leader still play an important role as “father” in the family. All employees must trust, respect, admire, and enjoy working with leader role as “father”. When the atmosphere is freedom, every employee feels free and enables to generate creative ideas.

- **Empowerment Leadership**: This leadership style will enhance employees’ creativity by delegating decision-making to all members, such as front-line
staffs. It will encourage employees to solve problem and learn to make decisions by themselves in each situation.

- **Adaptive Leadership:** The competitive market makes organisation to face turbulent environment. Thereby, the main role of adaptive leadership has to find the approach to support employees to be creative in order to sustain in the changing environment.

- **Diversifies knowledge:** This is necessary for leadership to have diversifies knowledge based on previous experiences in order to solve problems in different situations. However, a good leadership should share his/her experiences and ideas to employees and create the atmosphere that open-minded and brainstorming, as a result employees enable to gain knowledge from their leader and develop themselves.

- **Good Listener:** leadership should be a good listener for their employees. Listening to their problems as well as giving feedback for improvement and encourage them to think creatively. For instance, every employee enables to regularly discuss the personal development with manager openly for analyzing their working situation and developing their needs and ambitions. In order that, employees enable to develop their capacities and work in freedom. Consequently, this will facilitate employee to be creative and think beyond the box.

- **Good internal communication:** The good communication between leader and employees is rather important in organisation. Leader should
communicate and describe goal and objective of task to employees clearly. Moreover, crucial information within organisation should disseminate to employees at all levels in order to make sure that all employees work in the right track. When the communication within the organisation is efficient, it is facilitate to stimulate and enhance creativity in the workplace

- **Supportive Leadership:** Leader should support and respect employees’ ideas in order to encourage employees to think creatively. In addition, praising employees who make a positive contribution in order to further improvement their creative ideas.

- **Trust:** Leader who believes in their employee’s potential will assign them to work with freedom with responsibilities. To illustrate clearly, learning by doing in different environment is the method for enhancing employees’ creativities.

- **Openness:** Leader, who is open, allows employees to try new challenges and do not blame for their mistakes. As a result, this will facilitate employees’ creativity. On the other hand, employees should also be open to improvement from their mistakes and willing to perpetual develop.
6.3 How can strong organisational culture constraint employees’ creativity?

This study found that the strong organisational culture enables to facilitate advantages or disadvantages for organisation. These pros and cons of strong organisational culture are likely to rely on each situation. To illustrate clearly, firstly, we will describe the reason why the strong organisational culture has two sides of the same coin and emphasize deep details about the strong organisational culture can constraint employees’ creativity. In addition, this is significant to describe approach to minimize this barrier.

Our findings demonstrate that the strong organisational culture provide benefits for organisation under stable situation. When all employees believe in the same basis, norms and value, this will build teamwork enhance valuable for organisation. By doing this, employees share their knowledge and previous experiences with each others that contribute to learning organisation. As a result, they learn and work together in order to improve organisational performance as well as accomplish the common goals.

However, the strong organisational culture enables to constraint employees’ creativity when employees consciously embraced with the existing of organisational culture. As a result, this is dramatically difficult for employees to generate creative ideas. According to our findings, there are several dysfunctional aspects of strong organisational culture as follow:
- **Rules and Regulations**: This might be disadvantageous of the strong organisational culture, if the rules and regulations become more important to employees than new creative ideas. For instance, every process of organisation was set by standardization, thus employees deliberately follow this rule and are not able to think outside the box.

- **Motivation**: The strong organisational culture can in fact be negative and damage employees’ performance. According to the world business is progressively wider and highly competitive; every organisation would like to gain market shares and profitability. Thereby, organisational culture of some companies are using extrinsic motivation approach to stimulate their employees’ creativity, such as granting reward for employee who has the highest performance. As a result, this might push pressure on employees and might feel stressful in this situation. On the other hand, organisational culture that encourage employees to have intrinsic motivation which come from inside, intrinsically motivated employees will be enthusiastic to think creatively.

Furthermore, the thesis reveals means to minimize the barrier of strong organisational culture. This will be valuable for organisations to improve their disadvantage and sustain in the competitive market. There are various methods to minimize the barriers that occur from strong organisational culture as below:
• **Creative inside the frame**: Even though strong organisational culture enables to constraint employees’ creativity, creative people should attempt to compromise this circumstance by adapting themselves to think outside the box but still inside the rules and regulations of organisation.

• **Open Communication**: The climate should be relaxed between manager and co-workers. Open communication will minimize the strong organisational culture by sharing information to employees at all levels as much as possible. This approach will make employee feel that they take part of organisation.
6.4 Final words

In this final section, recommendations which based on the conclusion would be given. Usefulness of this study in various fields will be discussed. These are implications for theory, practitioners and future research regarding organisational creativity will be provided.

As we illustrated in the conceptualisation part, our frame of reference described that most of the factors which can influence employees’ creativity are originated from leadership. And we have also noticed that the organisational culture that leaders decided to create is reflecting whether employees’ creativity can be appropriately utilised under such working culture. According to Martins and Terblanche (2003), some cultural aspects such as values and decision of the top management; organisational structure, strategic approaches, and decision-making processes are associated with the level of supporting creativity and innovation within the organisation. Therefore, we interested in finding out what sorts of working environment would influence to employees’ creativity.

During this course of the study, we found out that this research area become increasingly apparent that organisational culture is a complex issue to employees’ creativity. This is total understandable why a complicated matter such as organisational culture has, over the past years, generated a wide variety of interest areas and different angles in researching the subject. (Alvesson, 2002) This study provides updated information to this subject area.
As we know from the literatures and the case study that culture such as freedom of expression, open flow of communication, flat structure, trusts and respects and so forth enables to facilitate employees’ creativity. And those elements can be so-called learning organisational culture. Leaders in learning organisation need to play some extra roles over the past according to Senge (1990). And with the coordinate with the learning culture in order to produce a consistent and complete learning organisation, five disciplines have to be converging into the organisation at all time.

Alvesson (2002) emphasises that power’s influences in organisations should not be underestimated. Influential members of the organisation such as top management may influence the internal connotation of company values and shared ideas and meanings. More importance values are decided by them. Employees’ creativity is mostly relied on the organisational culture, values and so on as we studied earlier. The results from the research show us that the environment at work is an important foundation to develop or enhance creativity. If employees are comfortable with where they are working at, there is more willingness to express themselves within the organisation. Hence, a suitable and learning culture would beneficial to the success of an organisation through employees’ adding values of creativity and constructive comments.

On the other hand, culture as a constraint to creativity becomes a concrete issue for leaders to deal with. When looking at the experiences of a few of the employees, the level of constraint manifested varies, but it is clear that they are in some way affected by these circumstances. Culture can become more
hindering than facilitating when it promotes such a strong sense of identity and belonging that the company’s employees refrain from contemplating and exploring other alternative ways and means of doing things. This includes listening to and valuing the knowledge and experiences that the executive’s brought with them into the company.

6.4.1 Implication for further study
We deemed the previous research and literature on the subject of employees’ experiences, with a focus on organisational culture, as limited, thus justified this explorative study. Considering its explorative nature, the research sample size, positions’ and departments’ differences, and the lack of representation of a correct ratio between genders of the employees could be less consequential. However, worth noting is that the study might have yielded different results if the sample had consisted of both men and women, or consisted solely of women. At the same time a point brought up in Bryans and Mavin’s study on women managers proves highly applicable to the results and conclusions of this study. It is argued that “women are never just women” (2003: 130), and that one cannot focus on the same gender as a cohesive group and emphasise sameness. This holds true in a study consisting only of men, since men are never just men. Experiences, upbringing, schooling, ethnicity, are some factors, among many more, that affect men’s views and their existing situation. Patton (1990) brings up the point that qualitative research is more focused on the contextual uniqueness of social reality, which holds true for this study, and that seeking generalizations can be a topic for further research.
Regardless of this, this study has emphasised one thing above all, the importance of culture – it should not be underestimated. As stated in Alvesson (2002: 24):

“Organisational culture is not just another piece of the puzzle, it is the puzzle.”
Reference

Book


Ketchum, L & Trist, E 1992, All teams are not created equal, Newbury Park, Sage, CA.


Journal


Wang, Y & Casimir, G2007, ‘How leaders’ attitudes may enhance organisational creativity, creativity and innovation, vol. 16, no. 3, pp .229-238.

Websites


HR. com, High Performing Teams, view 15 May, 2008 <http://www.hr.com/servlets/sfs?&t=/Default/gateway&i=1116423256281&b=1116423256281&application=story&active=no&ParentID=1119278070179&StoryID=1119646008375&xref=http%3A//www.google.co.uk/search%3Fhl%3Den%26rlz%3D1G1GGLQ_ENZZ263%26q%3Davoidance%252C+assertiveness%252C+cooperation%252C+competition%26btnG%3DSearch%26meta%3D>

Appendix

Interview guide
The interview guide consists of a few themes and questions to help along the interview. The questions were not used in all interviews, and when used, not in the same order or wording as listed below.

Introduction
Aim of the study
Name of university department
Name of advisor
Presentation of how the research is to be carried out
Anonymity and confidentiality issues
Clarification of the use of the interviews – done only for this study

Some background information
Length in the company
Description of title and work responsibilities
Organization structure (superior, colleagues) and size

Creativity
4.1.3 What make IKEA different from other company?
4.1.4 Do you think IKEA’s employees are different from other company? And why?
4.1.5 How can you describe working environment in IKEA?
Leadership
4.2.1 What kind of leadership style that Ingvar Kamprad is?
4.2.2 Do you think leader influences creativity working environment? And how?
4.2.3 How do managers support their employees when they have creative ideas?
4.2.4 How can leader motivate employees’ creativity?
4.2.6 Do you have any measures to valuate organisation performance? What are they? How often?
4.2.7 What do you do with the result of valuation?

Enhancement of employees’ creativity
4.3.1 How can employees express their own ideas? Give example.
4.3.2 Do employees have a chance to exchange ideas with their colleagues or supervisor in the company? (Any activity)
4.3.3 Do you have any reward system that encourages employees and supervisor to think outside the box? (Describe system, how often)

Barriers of employees’ creativity
4.4.1 Are there any difficulties that you encounter when you try to encourage employees’ creativity?
4.4.2 Is it true that strong organisational culture constraints employees’ creativity?
4.4.3 In your opinion, what is the real barrier that can distract you and your employees’ creativities?
4.4.4 How do you minimize the barriers that occur in the organisational culture?
The University of Kalmar

The University of Kalmar has more than 9000 students. We offer education and research in natural sciences, technology, the maritime field, social science, languages and humanities, teacher training, caring sciences and social service.

Our profile areas in research are: biomedicine/biotechnology, environmental sciences, marine ecology, automation, business administration and informatics, but we have research proceeding in most subject areas of the University.

Since 1999, the University of Kalmar has the right to accept students in postgraduate studies and to examine doctors within the subject area natural sciences.

Baltic Business School,
at the university of Kalmar
Visiting address: Kalmar Nyckel,
Gröndalsvägen 19
SE-391 82  Kalmar, Sweden
Tel: +46 (0)480 - 49 71 00
www.bbs.hik.se