Master Thesis

Leading Working Environment to Foster Employees' Creativity

Author: Petros Arabyan & Arnaud Vedelago

Supervisor: Björn Bjerke
Examiner: Philippe Daudi
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Statutory declaration

“We declare in lieu of an oath that we have written this Master Thesis ourselves and that we have not used any sources or resources other than stated for its preparation. We further declare that we have clearly indicated all direct and indirect quotations. This Master Thesis has not been submitted elsewhere for examination purposes.”

Date: 31th of May 2017

Petros Arabyan  Arnaud Vedelago
Abstract

This thesis aims to discuss three main categories such as: leadership, working environment and followers’ creativity. Particularly, the general principle of the work is to define how those notions are intertwined. Having used the principles of grounded theory (Corbin & Strauss, 2008), we conducted our research with the main emphasis of originating theory from the data that was collected from empirical and theoretical materials.

In particular, we found out that leadership factors classified as “work-related” influence the “organizational culture”. Similarly, “management skills” of the leader are closely interrelated with “organizational structure”. Finally, “team-related” leadership traits have their immediate effect on “organizational climate”. Consequently, we can state leadership is able to set up a creative working environment that fosters individual’s creativity.

Later forward, the creative working environment is believed to be an ultimate prerequisite that fosters individuals’ creativity. However, it is pertinent to note that leadership as such, can directly influence employees’ creativity as well.

As a final analysis, we claim that authentic leadership due to its indispensable attributes is the most relevant leadership style that enhances individual’s creativity based on the findings of our research.

Keywords

Working environment, leadership, creativity, innovation, organizational culture, learning organization, authentic leadership, followership.
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1 Introduction

“Post-industrial organizations today are knowledge-based organisations and their success and survival depend on creativity, innovation, discovery and inventiveness”. (Martins & Terblanche, 2003, p. 64). Likewise, many authors argue that creativity is becoming increasingly decisive to deal with the various issues of the modern globalized world, together with sustaining economic development and embracing uncertainty with intelligence. Respectively, leaders hold a steady hand to cope with these challenges with a view of perpetuating the prosperity of their organizations.

The world is currently confronting a new revolution in its deep perception. We are entering a new era driven by the prominent place of the internet and the widening availability of information. Also, the rapid technological change and the global competition shapes up these challenges. To such a degree, Craft, Gardner and Claxton (2008) foresee that creative thinking will be considered as a key skill for future citizens. A. Craft (2008) emphasizes that creativity and moral or ethical framework will be the cornerstones of tomorrow’s education system. Unitedly, Ibbotson & Darso (2008) write that a growing demand for creativity and innovation will be managers’ new challenges in the upcoming decades. As a result, leaders aim “to create an institutional framework in which creativity and innovation will be accepted as basic cultural norms in the midst of technological and other changes” (Martins & Terblanche, 2003, p. 64).

Furthermore, leaders of tomorrow will have to deal with new generations of workers named “Generation Y” or “Generation Z” in the near future. These workers differentiate from the former: “Generation X” by their characteristics and their attitudes at work. “Scholars note that differences in values, perceptions, and communication styles among generations can lead to conflict in the workplace” (Bearfield, 2009). In addition to that, leaders must be able to manage workers from different generations and culture within the same team. Thus, leaders need to be
creative and innovative in their everyday work. By referring to George (2003), Rego et al. (2012) say that “we need leaders who lead with purpose, values, and integrity; leaders who build enduring organizations, motivate their employees to provide superior customer service and create long-term value for shareholders” (p. 436).

Besides, we also would like to highlight the increasing interest of leadership in the literature from the 20th century. Based on our understanding of theoretical materials, we have witnessed a lack of standard definition of leadership. More to the point, Burns already postulates that: "leadership is one of the most observed and least understood phenomena on earth" (Burns, 1978, p. 2). We can claim that the issue is still actual today, as long as training programs have been initiated to deeper analyze the term. Nonetheless, several original leadership styles have been observed by different authors and thinkers. What is more, big international conferences, such as World Economic Forum 2017, focus the attention of the discourse on this subject and its critical role in the future world.

As it was shown above and like many great leaders state, innovation is the primary attribute due to which contemporary organizations strive and advance. Consequently, we presume innovation must be considered by the leaders of companies as a long-term goal. The capacity of organizations to innovate has always played a key role in their economic growth. Then as well, the current rapid development of technology reinforce its organizational importance. To quote P.F. Drucker (2002): “innovation is real work, and it can and should be managed like any other corporate function” (p. 1). Thus, innovation with all its necessary assets has its undeniable part in our research.

In the past, leaders were focusing on productivity and profit mainly through the maximization of the capital, human and technological factors. Today, in addition to that, they are also expected to set up a working and social environment that pays enough attention to human well-being. To reach this twofold goal, leaders should adopt actions,
approaches and attitude that allow the company to go up against the highly competitive market and respect the expectations of the new generations.

Further forward, to attain these targets, leaders have to focus their attention on innovation and employees’ performance. “Creative performance of employees is quite often dependent upon the leadership, which is demonstrated by several conceptualizations and empirical studies” (Cerne, Jaklic & Skerlavaj, 2013, p. 64).

Being aware of the emerging interest in this two crucial aspects of the organization, both of us decided to conduct our research in the following area:

Leading working environment to foster employees’ creativity.

More to the point, we wish to focus on the following research question:

How can leaders foster employees’ creativity through the construction of a creative working environment?

With this research, we intend to explore the congruence of these domains to know if the working environment can constitute a competitive advantage to foster creativity (Tim Brown, 2016). Thanks to the interviews, event participation and readings, our research will bring empirical and theoretical data to deepen each of these fields. Scholarly speaking, our thesis aims to provide new insights and knowledge which can be considered for further research. Practically speaking, we would like our thesis to give support to leaders to understand which are the levers for improving employees’ creativity. As Schroder et al. (1986) stress out “managing innovation is like directing controlled chaos” (p. 15).
2 Methodology

“Methodology is a mode of thinking, but it is also a mode of acting. It contains a number of concepts, which try to describe the steps and relations needed in the process of creating and searching for new knowledge” (Arbnor & Bjerke, 2009, p. 17).

When choosing to adopt to a certain methodology, analysts consciously commit themselves to the thorough process of research together with its arguments, various concepts and anticipated result.

2.1 Role of Qualitative Researchers

Before going deeper in the methodology, we find it necessary to commence with a reflection of our role within the research process. In the following section, we will clarify our presence and explain our role as qualitative researchers.

This question will not be as much as pertinent in the case of a quantitative research. Indeed, the process of such a research follows a strict and determined protocol. In qualitative research, it will bemistakable to state that our frames of references, our personal knowledge and culture might not impact its development. In this perspective, we will use the plural pronoun “we” to demonstrate that our research, as well as our analysis, have, in a certain way, being influenced by ourselves. Nevertheless, as Daudi (1986) states the involvement of the researcher is inevitably related with the objectivity of the research, which is a fundamental concept in qualitative research. Thus, we will try to be aware of our frames of references concerning the study area with the intention of reaching the highest level of objectivity.

Consequently, as creators of knowledge (Arbnor & Bjerke, 2009), we aim to understand and describe a picture of the reality with neutrality. Mainly, we aim to create knowledge and provide awareness through the process of our thesis. In this respect, our goals are to provide keys for scholars and professionals to apprehend this reality.
2.2 Grounded Theory

Strauss and Corbin (1997) define methodology, methods and the grounded theory, which is a particular methodology developed by Glaser and Strauss (1967). The grounded theory is the most radical and commonly used modes of doing qualitative research with the central emphasis of generating theory from it (Corbin & Strauss, 1998). This was the ultimate principle of our research, so that is why the grounded theory became the most suitable for us. Our theory will not only be a picture of the reality, but it will also provide insights and meanings to apprehend this reality.

Theory should emerge or be discovered from data which, in itself, is being collected and analyzed throughout the whole process of research.

“A researcher does not begin a project with a preconceived theory in mind. Rather the researcher starts with an area of study and allows the theory emerge from the data” (Corbin & Strauss, 1998, p. 12).

As we already said, we wanted to focus our research on different fields that matter for us: leadership; working environment and innovation together with creativity. We did not make any prognosis regarding these areas, rather we wanted to explore what kind of relation they can embrace.

Our primary data collection came from eight interviews, from our participation in an open innovation workshop, and also from other sources considered as useful and relevant to our topic such as online discussions. Regarding the secondary data collection, we gathered scientific articles and research papers from different sources such as “ResearchGate.com; ScienceDirect.com; SSRN Electronic Library, GoogleScholars.com” and the library sources from Linnaeus University.

It is important to note, however, having all the information and concepts gathered is not sufficient enough to build a theory. “Concepts must be linked and filled in with detail to construct theory out of data”
(Corbin & Strauss, 2008, p. 103). To put it directly, they should be “broken down by the researcher into manageable pieces” (Corbin & Strauss, 2008, p. 187). Then, we analysed and classified the data into conceptual ordering (Corbin & Strauss, 2008). Once this classification of data accomplished, we used analytic tools (Corbin & Strauss, 2008) for coding it (Corbin & Strauss, 2008).

As Wicker explains, coding requires “thinking outside of the box” (Corbin & Strauss, 2008, p. 153). “Thinking outside the box” refers to the way of thinking which allows us to extract concepts. It is a common sense expression. By the same token, authors present the concept of theoretical sampling (Corbin & Strauss, 2008, p. 137). This method allows deepening each category and “maximizing opportunities to develop concepts” (Corbin & Strauss, 2008, p. 13).

According to Corbin and Strauss (2008), to collect data, the researcher should demonstrate certain skills and traits such as critical and abstract thinking, being flexible and open to criticism, being sensitive to the information gathered and, finally, being completely involved in and devoted to the research process. “Analysis is the interplay between researchers and data. It’s both science and art” (Corbin & Strauss, 2008, p. 13). In other words, the analysis is the final phase of the process of collecting data. This is the stage when the gathered or obtained information from different sources is finalized, and significance is given to it. Additionally, Strauss and Corbin point out the dynamism of the analysis process. “The analyst has to brainstorm, try out different ideas, eliminate some, and expand upon others before arriving at any conclusions” (Corbin & Strauss, 2008, p. 45).

Corbin and Strauss also underline the importance of memos. These written notes not only increase the ability of researchers to improve the freedom of thinking by crosscutting concepts to each other but also enable the progress of analysis. Rereading memos also enables us to move forward by overcoming barriers in the analysis process. They gave indications to develop strategies for probing data like “applying
metaphors, imagining extremes, making diagrams, and looking at process” (Corbin & Strauss, 2008, p. 68).

As we already mentioned, the grounded theory aims to create a theory from data. At this stage, we applied to the concept of integration which consists of “linking categories around a core category and refining and trimming the resulting theoretical construction” (Corbin & Strauss, 2008, p. 266). Nevertheless, this is not the only purpose of the grounded theory, it also verifies the existing theory. In other words, the mission of this research process is twofold: first building a theory out of data which we did according to the principles of “open, axial and selective-codings” (Corbin & Strauss, 1998). More precisely, in the “open-coding” stage, we simply assembled all the key words extracted from the empirical research. Thereafter, we started the “axial-coding” which is defined as “the process of integrating and refining categories” (Strauss & Corbin 1998, p. 143). And, finally, we made the selective coding which refers to the revealed concepts and their interconnection as well as interdependance (Strauss & Corbin, 1998). This relates to the “inductive approach”. From there on, we implemented the “deductive approach” (Corbin & Strauss, 1998) which verifies and deepens the initial theory with more data and literature review to redesign it.

Authors provide a “last trick” to polish the theory which is “rework it again and again until the analytic story all falls into place and “feels right”” (Corbin & Strauss, 2008, p. 276).

2.3 The Outline of Data Collection

During our master program, we attended a guest seminar with Björn Bjerke who provided us different techniques and methods to conduct our research. Some of them concerned the global methodology of doing the research like grounded theory, actors view, analytical view and systems view. But he also mentioned methods to build a bridge between the interviewee and the interviewer in order to extract knowledge from their responses. During our research, we conducted both, face-to-face and Skype® interviews. In the following sections, we
will provide information about our eight respondents and explain the construction of our questionnaire and the structure of our meetings.

2.3.1 Partner’s information

This section serves to present our interviewees who help us during the realisation of our work. Once again, we wish to pay tribute to them for their willingness to share their knowledge and their reality.

- A. Abelin - Lintex AB
Anders Abelin is currently export manager at Lintex AB (Nybro, Sweden). The conversation was made on the 04-18-2017 via Skype®.

- T. Steinschaden - Design Online AB
Thomas Steinschaden is currently sales manager at Design Online AB (Kalmar, Sweden). The conversation was made face-to-face on the 04-21-2017.

- L. Shahnazaryan - ICTL, Albion English Language Center, Boo Preschool Academy
Lusine Shahnazaryan is the co-founder and Director of ICLT - International Center of Languages and Training (Yerevan, Armenia), co-founder of Albion English Language Center (Krasnodar, Russia) and founder of Boo Preschool Academy (Yerevan, Armenia). The conversation was made on the 22-03-2017.

- I. Waldebrink - Volvo Construction Equipment AB
Ingvar Waldebrink is currently Global Director Special Application Solutions at Volvo Construction Equipment AB (Braås, Sweden). The conversation was held through Skype® on the 04-21-2017.

- S. Nalbandyan - PicsArt Inc.
Shushan Nalbandyan is Community Health Manager and Engagement Lead at PicsArt Inc. (Yerevan, Armenia). The conversation was held through Skype® on the 04-27-2017.

- L. Petersson - Telin Rekrytering & Konsult
Linda Petersson is owner and CEO of Telin Rekrytering & Konsult (Kalmar, Sweden). The conversation was held via telephone on the 05-03-2017.

- K. Elmefall - Digital Venture AB (NutCracker's event)

Kristian Elmefall is co-founder of Digital Venture AB and co-founder of Pitchler AB (Vaxjö, Sweden). We meet during the NutCracker’s event. The conversation was held on the 19-04-2017 and he filled additional question via e-mail.

- J. Chopra - Making Shift Happen Inc.

Jay Chopra is the director of Making Shift Happen Inc. as a professional leadership and innovation coach. The conversation will be held on the 05-26-2017 via Skype®.

2.3.2 Questionnaire

Above all, we decided to create guidelines to conduct our interviews in the perspective of generating knowledge. It is divided into four different parts that are affiliated with the main focus of our research.

2.3.2.1 General Information

The questions in this part are about interviewees personal background and life which also aim to set up the climate we wanted to have in our interviews. In our opinion, it is important to have an open and truthfully climate because it establishes a particular atmosphere that enhances the knowledge sharing conditions. This part also allows us to appreciate the sincerity and profoundness of their answers and to make the participants comfortable with their eventual contribution. We expected them to enjoy the interview as we did. By asking all of these questions, we were able to apprehend and integrate their professional life into our questionnaire and personalize it. These simple questions also introduced a climate of confidence in the sense that seeing our interest toward them, they felt more comfortable and were more prone to engage themselves in the conversation. Finally, when we estimated
the participant is ready to go forward, we started with the first area of the questionnaire which is Leadership. To our mind, this first bunch of questions was necessary and constituted a prerequisite to build and extract valuable knowledge from the interviews.

2.3.2.2 Leadership

The second part of the interview is related to the field of leadership. As a remark, we didn’t intend to have specific leadership style-related questions. Rather, we simply wanted to understand their definition of leadership and how they approach this broad domain. Then, we invited them to reflect on themselves as a leader, which widened their perception of leadership and allowed them to describe their reality. In addition to that, these questions are as open as possible in order to catch new insights from participants that we have not explored yet. They initiated the reflection process of our interviewee. Afterwards, we asked them to identify some qualities of successful leadership so as to explore more characteristics and take boundaries down. In this step, we wanted our participants to feel free to express their thoughts.

2.3.2.3 Working Environment

The third field of our study is related to the working environment. So, the first question is related to the identification of what the working environment consists of and how they map it out. Moreover, we asked them to express their opinions about the eventual link between working environment and leadership. Once again, we decided to end this part with a “feel free to express” question in this area of expertise. From a certain perspective, these questions allowed them to make a conclusion about working environment and, if necessary, add an extra idea or a link.

2.3.2.4 Creativity

Lastly, we drove the conversation to the creativity. In this part, we tried to focus our attention on the creative process and its
influencers. With the first question, as simply as it is, we sought to get their conception of creativity. Briefly, how they understand creativity in their organization and their daily work life. Again, this question was open enough to capture the picture of what the interviewee interprets as creative. Then, as we already did in the previous parts, we associated these fields together. First, between the working environment and the creative process, and second, between leadership and follower’s creativity.

To sum up, the questionnaire was the guidelines of our empirical study. It covered all the fields that we were interested in upon which we were able to extract primary knowledge. Naturally, we also included extra questions which were associated with the answers of our interviewees and related with the evolution of our analysis. Thus, our questionnaire was not static but composed a basic framework for conducting our interviews. More to the point, the questionnaire and the profoundness of our interview evolved during the primary data collecting process.

2.3.3 Interview and Conversations Processes

In the next section, we will explain more in detail how we conducted the interviews regarding the chapter of B. Bjerke in B. Gustavson’s book (2007).

2.3.3.1 Face-to-face and Skype® Methods

Above all, before each face-to-face and Skype® interview, we decided to send the questionnaire before in order to make them comfortable with the topic and let them estimate their contribution to the project.

First of all, regarding the grounded theory we found relevant to conduct face-to-face interviews to collect primary data. More to the point, Briggs and Shuman (1988) state that face-to-face interview is unavoidable in social science research today. It is estimated that “90 percent of all social science investigation use interview data” (Schuman & Briggs, 1988, p. 1)
For the reason that our interviewees come from different regions of the world, we were not able to always conduct face-to-face interviews. However, we believe that e-interview is still efficient and does not disturb the quality of the outcome. Mainly, in the modern world, mostly everyone is familiar with Skype® or similar softwares (Facetime®, Facebook calls®, Whatsapp®, Zangi® etc). It was the case for our interviewees.

However, we noted that the major deviation between face-to-face and e-interviews concerns the physical presence. The gestures, the eye-contact, and so on must be taken into consideration only to embodying the needed atmosphere. Notwithstanding, our behaviour during the face-to-face interview should not interfere, in any way, with the answers of the respondent but privilege the open and sincere climate.

On a flip side of that, e-interview is a better option when it comes to the flexibility of the schedule. As our interviewees are CEOs or general managers, due to the overloaded workload, they are more prone to do the Skype® interviews that are outside of the working hours.

In the following section, we will show how the process evolves from interview to conversation with the respondent.

2.3.3.2 From Interview to Conversation

During these face-to-face and Skype® interviews, we combined different methods to extract knowledge.

These meetings were driven conforming to the established questionnaire. Thus, the first part is related with what B. Bjerke presents as an interview. “Its basic assumption, is that there is an objective reality to be mapped out” (Bjerke, 2007).

The transition from the first part to the end can be comprehended as an evolution from an interview to a conversation. Indeed, leadership, working environment and, creativity constitute subjective interests, thus, the interview naturally turns into a conversation. The latter aims to get knowledge which belongs to the reflection of the subject. It can be
based on feelings, opinions, or own perception of the reality. In a conversation, our role is to explore or deepen the participants’ answers to establish the clearest picture of their reality regarding those topics.

There was a case also when during the conversation we turned into a dialogue with the respondent. B. Bjerke states that “the idea of a dialogue is to create a forum for further co-creation of the social reality in a direction of interest to the researcher”. As we understand this sentence, we considered the end of the meeting as a dialogue. To co-create meaning of the reality, we observed what the participant provided as knowledge and extracted a concept. Then, we explained our understanding to the participant of what he says and created a dialogue about it. Sometimes, our observations went right, and we were able to deepen their conception of the reality, sometimes, our understanding was not on the same track that their opinions, thus, our observation went out of the discussion. To quote Holstein and Gubrium (1997),

“The objective is not to dictate interpretation, but to provide an environment conducive to the production of the range and complexity of meanings that address relevant issues, and not to be confined by predetermined agendas” (p. 123).

By combining both interview and conversation, which is quite common in collecting primary data, we acquired objective and subjective data. Conversation provided us with a more complete reflection of the subjective reality. Even if, grounded theory can contain interviews, conversations and dialogues, we would like to narrow down our research only with interviews and conversations. For the reason that “the nonverbal behavior or communication is easily misinterpreted, especially cross-culturally” (Patton, 2002, p.291), we decided to stick to the interview and the conversation method.

To conclude, our topic itself pics the grounded theory as the main methodological focus. Indeed, leadership, working environment and creativity are subjective domains that should be examined from the
angle of a qualitative approach. Thus, those aspects validated our choice to use the grounded theory to conduct our research.

The progress of our research process is demonstrated in the following figure:

![Figure 1 Methodology Process. Source: Made by the authors](image)

2.4 Chapter Outline

This section aims to give an overview of the thesis and help the reader to understand the general structure. The thesis is divided in 9 chapters besides the introduction. The following chapter concerns the methodology of the thesis. The reader will be able to apprehend the Grounded Theory and thus the progression of the work.

Then, the thesis includes 6 chapters which represent three similar stages of the methodology. In the first two chapters, the reader will discover the first understanding of the research as well as the first general findings of this round. Briefly, the findings lead us to understand the link between leadership and working environment and the influence of the working environment on follower's creativity. In the two next chapters, the reader will learn the impact of the creative working environment upon followers’ creativity. In the final two
chapters, the reader once again through empirical and theoretical data analysis, will be able to understand which are the levers that leaders can use in order to influence followers’ creativity. All those levels are composed with the analysis of two conversations respectively which are compared and deepened with literature review. Afterwards, we will present the conclusion of our work which summons all the previous findings in a new chapter.
3 Stage 1: Empirical Data Analysis

Based on the methodology previously explained, the starting point of the work was chosen two interviews done in Kalmar (Sweden), one of them was face-to-face and the other one via Skype®. In the following chapter, we extract the knowledge of these interviews in order to obtain a general idea of the main concepts of our thesis.

3.1 Initial Understanding of Leadership

In this subsection we will introduce two main areas of the notion of leadership:

- Personal traits and qualities of the leader
- And leadership that is implemented towards people.

3.1.1 Vision and Goal-Orientation:

Those were the first and foremost attributes that our interviewees specified when asked about the traits that a successful leader should possess. More specifically, the Export Manager at Lintex organization; Mr. Anders Abelin says: “Leadership is very much about of having a goal. I think it is difficult to be a leader if you don’t have a goal”. Anchored with this thought, he continues that not only one needs to have a clear goal as a leader, but also, have the ability to unite peoples’ efforts toward the achievement of a goal.

3.1.2 Leadership Through the 6th Sense

Further forward, Mr. Abelin highlights the importance of “feeling other people” as a leadership ability. Meaning one needs to have the capacity to feel other people and be attentive to their needs. One must be a bit responsive, or, in other words, “have a little bit the 6th sense”, to be able to imagine thyself in other people's eyes.

Responsiveness, in itself, is closely related to the other radical trait of a leader: listening, which was pointed out by the other interviewee of this round: Thomas Steinschaden. Hence, we can assume open-mindedness of a leader is also a crucial component, as without it listening and feeling other people cannot be effective enough.
As a conclusion, we can state, for the leaders that were interviewed by us, communication is considered as an indispensable part of the leadership process. Not only should leaders have appropriate skills and qualities, but also, they have to demonstrate their leadership properly towards the people they are leading.

3.1.3 Leadership Towards People

Mr. Abelin believes leadership is a social process where one has the faith and the support of the other team members. Moreover, he thinks that leadership can be mastered or be brought to much higher levels if “it is practiced”. To put it bluntly, leaders are more successful or competitive if they unite their subordinates endeavors or challenge them by making them do more than usual and helping them to achieve the goal of the organization.

Taking into consideration the last thought, we now want to emphasize perhaps the most significant activity of the leaders that was pointed out by our interviewees: that is being able to communicate the vision of the company, or, in other words, guide the employees into the direction. In this respect, we naturally touch upon several crucial notions such as awareness and, above all, self-awareness as well as motivation and inspiration.

We can conclude, leaders, motivate and inspire their subordinates to achieve their best and, what is the most important, to get the organizational goal or vision.

3.2 Initial Understanding of the Working Environment

The leaders of this round mainly described the working environment through two essential parts: physical and social.

3.2.1 Physical Working Environment

The physical working environment represents the interior design and the decoration. It should provide all the basic needs for the employee to make them able to perform their work as good as possible. Both of the interviewees hold a job in companies that are related to
furniture design issue (equipment of working place and online design furniture). Thus, they highlight the importance of the modern physical working environment and its role regarding innovative behavior.

3.2.2 Social Working Environment

Their definition of working environment does include a social perspective. They both emphasize the “non-excluding” factor according to which everyone in the company must be incorporated in the workplace. As Mr. Abelin says, the working environment should “make everybody feel needed”. People must feel their contribution to the overall goal of the company. This trait of the working environment impacts their commitment.

The quality of the relationship between employees and leaders are an important aspect of the working environment too. These relationships should be open and trustful to provide an enjoyable working environment which also affects the performance of the team. In addition to that, feedback and open discussion are two other factors pulled forward by Mr. Abelin and Mr. Steinschaden. They point out the flat hierarchy which seems to be more suitable for establishing these particular relationships and responsibilize employees.

Thus, the working environment shall be drawn up upon an inspiring interior design of the office and the transparent relationships within the team.

3.3 Innovation

Through the questionnaire, we wanted to get a grounded working understanding of what innovation means for our leaders.

3.3.1 The Main Driver of Modern Company

As we already mentioned in the introduction, innovation is decisive for the organizational growth. Our understanding of the increasing role of the innovation was attested by both interviewees. In particular, Mr. Steinschaden says: “Innovation is a survival tool”. They also emphasize the continuity and the daily consideration of the
innovation process and suggest a potential influence of the leader upon this ongoing process.

Also, our interviewees associate innovation with creativity all along the conversations. Thus, to clarify the distinction between these two concepts, we will precisely define our analysis of the definition of both terms in the next section to avoid the wrong application of them.

3.3.2 Creativity and/or Innovation

Conforming to the conversations, they determine creativity or innovation as an idea or a process which is related to the individual’s discipline. Mr. Abelin says “creativity is the right tools to do the job”. Along these lines, we understand creativity as a positive connotation regarding a particular issue. Mr. Steinschaden associates creativity or innovation with the ability to adapt to change rapidly. This insight emphasizes the positive connotation initiated by Mr. Abelin.

Then, they naturally relate innovation and/or creativity with the leaders’ behavior. They both explain that the creative and/or innovative behavior should be initiated by the leader through the “role model” function of the head. To quote Mr. Abelin: “people do what you do and, not what you tell them to do”. Thus, if leaders want to have innovative behavior in their organizations, they have to be open to innovation and promote innovative behavior. Also, they both agreed on the fact that employees are more likely to enhance their innovative behavior when they have a precise overview of the company’s goal. As mentioned above, with their ability to convey the vision, leaders set up the right direction and transfer the general mindset of the company towards the future. Speaking figuratively, leaders walk the talk.

To conclude, we can confirm what we stated in the introduction part that innovation is the cornerstone of the success of the organization. Plus, creativity and innovation are strongly intertwined but their meanings are different and should be precisely outlined.
4 Stage 1: Theoretical Framework

4.1 Leadership

What is leadership?

“The capacity to guide others in achievement of a common goal” (Dobosz & Beaty (1999) cited in Whitehead, 2009, p. 849). This is just a single definition out of numerous ones that can be come across in the literature regarding this notion. We, of course, will not analyse all the concepts and definitions that were pointed out by many great leadership thinkers. Rather, we will specify the ones that are the most relevant to our chosen sphere of study and with their meaning are the closest to our understanding.

To put it bluntly, the answer of the question stressed out in the previous paragraph, in our opinion, can be best understood as a three-stage process that is decently stated by Max De Pree:

“The first responsibility of a leader is to define the reality. The last is to say thank you. In between the two, the leader must become a servant and a debtor” (De Pree, 2004, p. 11).

Indeed, to be a good leader, people must first and foremost know themselves and acknowledge the reality. Put simply, they should realize their strengths, weaknesses, ambitions, the assets that they are driven by. “To become a leader you must become yourself, become the maker of your own life” (Bennis, 2003, p. 48). Together with this, they should master the context of the leadership, as W. Bennis states in his book “On becoming a leader”.

Experiencing the desired outcomes of a productive leadership, such as seeing how efficiently they could communicate the vision of the organization through all the employees or, specifically, how their endeavors resulted in the organization’s prosperity, is associated with the process of saying “thank you” mentioned by De Pree. We assume
this is the stage when it is evident that all the backbones are built for organizational long-term growth and success.

As regards the fact of “being servant and debtor”, to our mind, is the general process that leaders demonstrate during their activities, and this is exactly what we want to focus on in this chapter. Meaning we aim to highlight the personal traits, qualities, behavior or, in general, leadership styles of the leaders which contribute to creative thinking and innovation within the organization.

4.2 Work Environment

Our understanding of the term based on the outcome of the first round of empirical research was utterly confirmed in the theoretical framework that we analysed afterwards. Below we illustrate the interrelation of the arguments stated by our interviewees and the number of researchers or academics who explored the study area.

Basically, the notion of work environment is understood as a combination of organizational culture, structure and climate.

4.2.1 Organizational Culture

“While market forces, competitive positioning, strategy, and technology are evidently important, highly successful companies have capitalized on the value that resides in developing and managing a unique organizational culture” (Azanza, Moriano & Molero, 2013, p. 45).

Different authors have written about organizational culture taking into account various aspects of it, such as; organizational beliefs, norms and values (Schein, 2010), organizational structures (Kerr & Slocum, 2005), behavioral norms and expectations (Cooke & Rousseau, 1988), and so on and so forth.

It is commonly acknowledged the role of organizational culture has a pivotal role in working environment because it is one of the main backbones of the general functioning of an organization. “A strong culture provides shared values that ensure that everyone in the organization is on the same track” (Robbins, 1996, cited in Martins &
Terblanche, 2003, p. 65). Anchored with this thought, Martins and Terblanche develop the understanding of organizational culture by stressing out its role of offering “a shared system of meanings” which, according to them, “forms the basis of communication and mutual understanding” (ibid, p. 65).

4.2.2 Organizational Structure

Tesluk, Farr & Klein (1997) state:

“The fundamental values, beliefs, and assumptions that are the basic elements of culture are reflected in observable patterns of behavior, organizational systems and procedures, organizational structure and design of work, and the physical design of the work environment” (p. 32).

The authors stress out that the organizational structure of the working environment is the practical interpretation of the organizational culture. As an example, the norms and values provide direction to set up the hierarchy. This hierarchy will define the level of responsibility of people within the organization. More specifically, this same hierarchy will structure the system in which people are allowed to choose their partner to complete a task.

Additionally, the authors specify the organizational structure to be also related with the “physical work arrangement”. To put it bluntly, the latter is understood as a combination of “adequate light, furniture, space and ventilation” (Dul, Ceylan & Jaspers, 2011, p. 4) and many more attributes of the interior design of the office.

In other words, the organizational structure shapes the boundaries of the working environment in terms of work, allowed relationship and the layout of the working environment. Reasonably, the organizational culture together with organizational structure are the ultimate prerequisites that equip the working environment for social interactions.
4.2.3 Organizational Climate

Organizational climate has its unique role within the organization. It refers to the social side of the workplace. It is the socioemotional interpretation of all that was mentioned above. More to the point, this side of the working environment is the picture of the reality made by the people in their daily activities and interactions with workers through their feelings, opinions and interests.

We can relate this theoretical approach with the findings of our conversations. Especially, Thomas Steinschaden connoted this angle of the working environment by mentioning the term honesty and healthy relationships.

To conclude, the working environment can be described from three different levels. The first one constitutes the guidelines, the second sets up the practical boundaries, and the third one is associated with the socioemotional perspective.

4.3 Innovation

“The term “innovation” appeared at the beginning of the 20th century, and it was intensively studied by an Austrian economist Joseph A. Schumpeter” (Zizlavsky, 2013, p. 1). At this time, J.A. Schumpeter described the concept innovation as a new scientific discovery or a new combination of already existing technologies giving rise to a product, a process or an organizational change.

Once the term introduced, various authors started to investigate the innovation process. Roy Rothwell is considered as “one of the leading authors who has contributed to the historical analysis of developing innovation process models” (Zizlavsky, 2013, p. 2). In the following section, there is a brief review of his article which will help us to understand how the innovation process has evolved since the 1950s.

4.3.1 Technology Push Model

The “technology push” model (Rothwell, 1994, p. 8) is considered as the first process of innovation. During the post-Second
World War period, both high economic growth rates and the rapid industrial expansion generated a favourable economic environment for “scientific advance and industrial innovation” (Rothwell, 1994, p. 7). In that context, innovation processes started from public and/or private R&D - stimulated by supportive policies - and end with the commercialization into the marketplace.

4.3.2 Market Pull Model

In the mid-1960s, according to the wealthy and prosperous environment, many companies came into the market which put forward the market-share as a strategic goal for the competitiveness. Therefore, companies started to focus on marketing and thereby broaden their comprehension of the market which reverses the trend of the innovation process. In such a way, “the market was the source of ideas for directing R&D, which had a merely reactive role in the process” (Rothwell, 1994, p. 8). The innovation process starts from market needs and ends in the marketplace.

4.3.3 The Interactive Model of Innovation

The 1970s through to the mid-1980s were a period of crises due to the two main oil crises (1973, 1978). Accordingly, economic trends were not as good as before, so, resources and supportive policies were not incitatives either. Companies turned rational and focused on control together with cost reduction. Along these lines, the first two generations of innovation process (technology push and market pull) became not relevant in their singular form but had to be combined.
Logically, the third generation “represents the confluence of technological capabilities and market-needs within the framework of the innovating firm” (Rothwell and Zegveld, 1985, cited in Rothwell, 1994, p. 10).

The success of the “interactive, or “coupling”, model of innovation” (Rothwell, 1994, p. 9) results in the completion of “project execution factors”, “corporate level factors” (Rothwell, 1994, p. 10) and, the commitment of key individuals into the process. We can observe two key features about this model:

- the introduction of feedback loops between each steps
- the distinction function of idea generation nurtured by “the needs of society and the marketplace” and “state of the art in technology and production” (Rothwell, 1994, p. 10).

![Figure 4 The interactive model (Roy Rothwell, 1994)](image)

4.3.4 The Integrated Chain model

The fourth generation of innovation process is characterized by a “technology strategy” which means that accumulating techniques increase the company’s performance. Reasonably, accumulation of technologies and performance are positively correlated. At the same time, shortening product life cycles increase the speed of development which forces companies to adopt a “time-based strategies” (Dumaine, 1989, cited in Rothwell, 1994, p. 11). Thus, the “integrated innovation
process” by Kline and Rosenberg improves the feedback loops that emerged from the previous generation. Moreover, this model focuses on cooperation both with external sources (important customers and supplier) and internal sources (integration of each department of the company). This is done mainly by reinforcing the relationship between R&D and production. Rothwell named these two improvements “integration” and “parallel development”. Both of them allow companies to increase the speed of the innovation process. Having said this, we can observe that knowledge management is now a part of the success of the innovation process.

![The Integrated Chained Model](Zizlavsky, 2013)

4.3.5 The Fifth Generation

Since the mid-1990s, researchers are working on the fifth generation of the innovation process. This innovation process model must respond to the current environment outlines by increased availability of information, increased rates of technological change and fast product lifecycle.
4.3.5.1 The SIN Model

Rothwell (1994) introduced a fifth generation (5G) of innovation process named “systems integration and networking model (SIN)” (p.15).

The SIN model improved strategic trends from the previous model (technology strategy, strategic networking, time-based strategy and knowledge management). In addition to these strategic trends, the SIN model also focuses on product performance (control and quality). The 5G process belongs to the concept of lean innovation (Rothwell, 1994). Lean innovation, as lean management, refers to the equal improvement of each part of the system. Briefly, to improve the efficiency and the development speed of innovation, the SIN model acts simultaneously on all sides of the innovation process.

This generation represents the transition to the internet era via the integration of IT method which aims to accelerate the speed of the innovation to sustain the competitiveness. The SIN model suggests a new perspective regarding the integration of the innovation process into the organizational structure. The organizational structure is shaped alongside with the innovation process. To this extent, innovation processes are developing into innovation systems.

4.3.5.2 The Cyclic Innovation Model

Another innovation process brought out of the fifth generation is the “cyclic innovation model (CIM)” (Van der Duin, Ortt & Kok, 2007, p. 202). “The essence of this generation is that firms no longer innovate on their own but open up their innovation processes for other firms (Chesbrough, 2003)” (Van der Duin, Ortt & Kok, 2007, p. 202). This model illustrates four different networks (science, industry, technology and market partnership) which interact with each other to create an inspirational circle of innovation. It also emphasizes the importance of feedback loops.
Finally, “the history of innovation processes and management is driven by overcoming the disadvantages of each former generation and by adjusting to changing societal and business contexts. It also shows that principles of innovation management of former generations are still applied” (Van der Duin, Ortt & Kok, 2007, p. 201).

To conclude on those models, we can claim that innovation process is now an integral dynamic component into the company’s structure comparing to the linear model in the 1950s. Quite understandably, we can certify this statement with the increasing role of feedback loops in the innovation systems including various actors both internal and external. However, regarding our thesis project, we can not stay with this first understanding of the innovation process to understand how the leader can influence innovative behavior. In our opinion, these models do not give sufficient attention to the individual characteristics. Thereby, in the following section, we will present the work of T.M. Amabile who was the most famous author who implemented the role of the people into the innovation process.
4.4 From Innovation to Creativity

T.M. Amabile (1988) was the first to integrate the model of individual creativity into the model of organizational innovation. On the one hand, she described a model of organizational innovation, on the other hand, a model of individual creativity. She combined those models together to have an overview of factors that influence creativity and innovation in organizations. Her work was cited around 5000 times which assures its relevance. The concept is named “the componential model of organizational innovation” (Amabile, 1988). After that, we describe the two processes of organizational innovation and individual creativity and explain their connection.

However, the componential model of organizational innovation of Amabile also includes organizational and individual components that influence both organizational innovation model and individual creativity. According to with the progress of our thesis and the different insights provided from our conversations, we will not take into account those elements in this part of the thesis.

4.4.1 Organizational Model

“Organizational innovation is the successful implementation of creative ideas within an organization” (Amabile, 1988, p. 125). This definition differs with the previous approach of innovation because it is seen as a process of implementing instead of creating. However, Amabile’s model of innovation includes the principal facets of the model mentioned above.

The organizational innovation process is constructed in five stages. The first one, “setting the agenda” represents the overall goal and the main direction of the company. Then, “setting the stage” or stage two aims to clarify - without being too strict - the meaning of the direction. Step three is “producing ideas” which is fully related to the success of the individual creative process that we will introduce later. It consists of creating the ideas that have to be tested and implemented in the next level: “testing and implementing the ideas”. The last step of the
organizational innovation process is “outcome assessment” which reposed on assessing and evaluating the progress and the result of the implemented ideas. This stage can end up in three ways, success, failure or progress.

Understandably, this innovation process is related with the individual creativity process which is especially evident in the third stage. Idea generation is the result of the individual’s creativity. In other words, the organizational innovation process aims to turn ideas into innovation.

4.4.2 Individual Creativity Process

“Creativity is the production of novel and useful ideas by an individual or small-group of individuals working together” (Amabile, 1988, p. 126). This definition of creativity is based on a product approach which means that creative thinking leads to ideas.

The componential model of creativity is a five step process that describes “a way in which individual might assemble and use information in attempting to arrive at a solution, response, or product” (Amabile, 1988, p. 138). Briefly, the first step establishes the presentation of the task or the identification of the problem which can be posed by external or internal sources. The next stage is called “preparation”. Its purpose is to provide the right amount of time to the individual in order to gather all the information one needs to move to the next stage. The third phase is “idea generation”. “Here, the individual generates response possibilities by searching through the available pathways and exploring features of the environment that are relevant to the task at hand” (Amabile, 1988, p. 140). The fourth stage aims to test the appropriate response among all of the possibilities suggested in the previous one. The last and fifth level is “outcome assessment” which ends in three different ways. It could be a complete success, a complete failure or a sigh of progress. If the creative process ends with success, the generated idea is transferred to the innovation process (“Producing the ideas”) in order to be tested and implemented. If the process is a failure, the process ends. In the case of progress, the
process goes back to the first stage. Last but not least, the componential model of individual/small-group creativity includes loops through all the process.

To conclude, we can observe similarities between these two models. Indeed, the steps are comparable. However, the outcome of the organizational innovation process is an innovation whereas individual creativity outcome is an idea or creative outcome. As Amabile (1988) writes, “individual creativity and organizational innovation are closely interlocked systems. Individual creativity is the most crucial element of organizational innovation, but it is not, by itself, sufficient” (p. 125). Consequently, regarding the subject of our thesis, we will narrow down our attention on the creative process of the individual knowing its position into the innovative process. More to the point, we can claim that creativity is an individual level whereas innovation is at a team level. Also, creativity can be apprehended as an idea generation when innovation is its implementation.
Figure 7 The Componential Model of Creativity (Amabile, 1988)
5 Stage 1: Theorization

All in all, taking into consideration the first round of empirical data analysis and the review of theoretical framework, we can now build the first understanding of leadership, working environment and innovation. In particular, leadership is understood as a social influence process that combines:

- Organizational vision and goal orientation
- Communication abilities (to listen and communicate)
- Ability to select people
- Ability to motivate and inspire the team
- Role-model and guiding role
- Importance of feeling
- Awareness

Furthermore, we can delineate the working environment regarding three main categories: organizational culture or overall guidelines of the company, organizational structure or practical boundaries and organizational climate or socioemotional perspective.

Last but not least, our interviewees' opinions were confirmed with the theoretical materials in regards to the following statement: innovation is proven to be a central backbone for organizational prosperity. What is more, our interviewees connect innovation with “creativity”. Subsequently, our literature research drives us to apprehend innovation as the implementation of the idea generated by the creative process.

This means that we can suggest a first understanding of the different affinities between leadership, working environment and innovation. Regarding the figure of the first findings which reveals all the mentioned links, we can claim that:

Leadership impacts the three level of the working environment.

For instance, providing the vision is clearly related to the culture of the organization. Leaders’ vision is assumed as the main guideline of their
company. Their behaviors, such as being a role model, practically inspire people to act in a particular manner. This same leadership trait refers to the organizational structure by shaping its hierarchy and determining the boundaries of subordinates’ actions. Their impact on the organizational climate is regulated by the ability to make people feel included in the company. In other words, the faculty of the leader to be aware of their own needs, and feel others’ needs frames the quality of the relationships and embodies the atmosphere within and outside of the company.

Plus, this round of analysis leads us to the following statement:

*The working environment influences the innovation process or more precisely, individual's creativity.*

To illustrate this, our analysis stakes out that the culture of the working environment affects the individual’s goals. Innovation that is the primary driver of modern companies will simultaneously serve as a central emphasis for the subordinates within the frames of realizing their job-related activities. Hence, the organizational culture urges the individual to be creative. Regarding the organizational structure, the practical boundaries frame the perimeter of the creative process and coordinate individual’s towards the same direction.

As a final analysis, we can claim not only did we reveal the confirmation of the thoughts and definitions of our interviewees regarding leadership, innovation and working environment in theoretical materials but also, we did discover new notions, factors, crucial components as well as gaps to pursue our research. For instance, we still cannot assert whether there is a connection between organizational climate and innovation as it was defined above. Not only that, the direct influence of leaders on individual’s creativity is not strong enough to be expounded. This in itself led us to do the second round of the empirical research where we focused our attention upon the nuances discovered in the literature review and the gap we noticed in the first round of the research.
Figure 8 Findings of First Round. Source: Made by the authors
6 Stage 2: Empirical Data Analysis

Moving forward in the path of our research that is carried out according to the principles of grounded theory, we now aim to focus our attention on the two interview results that were collected during the second phase of the empirical work.

It is without question the approaches of our interviewees towards the discussed topics were similar to each other. In particular, in this stage of the research, we again witnessed the fact how much the leaders evaluated the importance of organizational vision and the ways of communicating that vision throughout the company as well as the leader’s ability to listen to their subordinates. For instance, our interviewee: Mrs. Shahnazaryan mentioned in her answers, effectiveness in an organization or success is conditioned by several crucial factors such as: “being open to innovation, listening to followers, subordinates, having a clear vision both short-term and long-term, and being able to communicate that vision and objectively setting appropriate positions for the subordinates”.

All those traits and factors were clearly mentioned and discussed in our first round of empirical research.

What is notable, however, based on the theoretical data analysis followed by the first round of the research process, we slightly changed the perspective of the questions and our approach during the interviews in general. As a result, we got much deeper insight regarding the central terms of the study. Along these lines, we discovered new areas of focus which we will tackle in the second round of interviews, such as creativity instead of innovation. After all, we were able to find out that leadership and working environment are closely intertwined with creative behavior of individuals which increase their effectiveness.

6.1 Leadership

In addition to the first stage of analysis, this round of interviews emphasises new insights for leadership: coaching role, guiding in direction and followership.
6.1.1 Coaching

According to our interviewees, coaching is the most relevant characteristic of the leader. Indeed, the ability to be a coach for a leader becomes more and more imperative in this modern society to help employees to realize their full working potential. This is exactly what Mr. Ingvar Waldebrink mentioned in his answers.

“I see leadership more as a coaching role to support the co-workers in it, or employees to achieve the goals, try to support them in the best way so that they can reach that target [organizational goal]. I think this is one of the most important things that leadership consists of”.

Obviously, this is a true authentic behavior that is specified by our interviewee. This behavior allows the leader to personalize their relationships with followers. Similarly, the co-founder and General Director of three different organizations: Mrs. Lusine Shahnazaryan specifies the indispensability of the coaching role of the leader. In her organizations, notably, she always keeps track of the things meaning, she carefully follows the professional development of each of the employers so that to provide the needed training or coaching. Being a person who always aspires to learn and develop her competencies, she demands the same from her subordinates which is especially inevitable during those training or coaching sessions. To her mind, the fact that the leader can provide that “learning environment” within the company is already a huge prerequisite for organizational growth and success.

6.1.2 Leader’s Role as a Direction Provider

Indeed, the importance of coaching as such cannot be over-emphasized, and we did witness it when analysing our interviewees’ thoughts upon the term. It is pertinent to note, however, our respondents does not simply presume the leadership in terms of listening to the people’s needs and giving them the opportunity to realize their full potential. Also, leadership should be comprehended as the ownership of the decision-making process. In other words, leaders
should not only focus on the personalized relationships with followers that are helping them to deploy themselves, but also leading the group to a common goal, to the vision of the company. To put it differently, when there was made a decision, everyone should respect that and follow the confirmed direction. As Mr. Waldebrink mentioned:

“The important thing is when you have made the decision, everyone works in that direction. I think one of the most important roles of the leader is to bring in all opinions and, whatever it can be, have a discussion around it, narrow it down and make the decision.”

6.1.3 Followership

As a general rule, we acknowledge that leadership cannot exist without followers and vice versa. Specifically, the importance of followers is specified by Mrs. Lusine Shahnazaryan. According to her, followers with a high level of self-awareness have a decisive contribution to the general success of the business. “I evaluate especially those followers who are leaders by themselves”. The best followers are actually leaders as they have so much self-awareness and the ability of initiation that they can make the best of any situation” (Lusine Shahnazaryan).

In this respect, we can conclude Mrs. Shahnazaryan speaks about authentic followership which is directly conditioned with a commitment to the work. In other words, those followers who express willingness to adopt their leaders’ qualities, style of leadership, recommendations for improving their own activities and style of working are noticed and evaluated by the management. Thus, with the earliest possibility, they are promoted to the “team lead’s” position so that they have the opportunity to demonstrate their full potential, their initiation and ambitions as leaders who do not hesitate to follow whenever there is a need.

In sum, leader's coaching ability, the importance of guiding the subordinates in direction and followers indispensable role in the whole process of leadership were the new components that we learned from
our interviewees’ answers. Further forward, we will specify the way how those aspects contribute to the creative work environment and boost employees’ creativity.

6.2 Creative Working Environment

6.2.1 Freedom and Intimacy

Mrs. Lusine Shahnazaryan believes that in a creative working environment it is essential to provide freedom to the employees by giving them enough free will so that they initiate their own projects or at least escalate some issues. She assumes that providing an environment that is encouraging that kind of behavior is way more efficient rather than micromanaging the task performance.

Furthermore, Mrs. Shahnazaryan, just like Mr. Waldebrink, stresses out the importance of personalised relationships within the team. More precisely, she argues upon the crucial factors, such as interaction outside work; team building activities and so on and so forth... This meaning can be conceptualized with Max De Pree’s “intimacy principles”. It is described as a phenomenon that rises from and gives rise to strong relationships. It has an enormous organizational role since intimacy with the work directly affects employees’ accountability and creative thinking.

To conclude, the working environment should provide freedom which enhances the quality of the relationship and indirectly improves the quality of the performance by fostering creative thinking.

6.2.2 Open Climate

Straightforwardly, the respondents interconnect working environment with the notion of “open organizational climate” to reinforce the creative thinking style of the individual.

“Open climate is crucial. It needs to be clearly set up so everyone knows their roles within the team also, how they can support the other team members. For example, when someone brings something up, everyone can contribute to the
discussion to move things forward even though they work in different areas. Meaning, everyone should have the feeling that what they say is important enough for the team function and development”. (I. Waldebrink).

More to the point, they outline the crucial role of communication as the foundation of open organizational culture as well as personalized relationships. In this respect as Mrs. Shahnazaryan claims giving empathy towards each other can be decisive. Communication is also vital to raise awareness within the team regarding the company’s vision as well as the completion of simple daily tasks.

“I think that everyone in the team should have a good understanding of the target that is set up. And everybody has an excellent knowledge about why there are doing this.” (I. Walderbink)

So the role of communication is twofold, first raising awareness of company’s goals and second, making sense of the organization by answering the question “Why”.

6.2.3 Organizational Structure

Most of our interviewees aspire to set up a flat hierarchy. They argued that this kind of hierarchy enhances creativity in the working environment due to its quick decision-making process and thereby makes people included in the discussion. This in itself increases the motivation of the individual. Briefly, by feeling closer to a team, one expands the perception of their own contribution to a greater level: team level contribution.

To put it bluntly, transparency within the organizational structure, freedom, personalized relationship, intimacy, surrounded by healthy communication are the ultimate assets that generate and maintain creative thinking in the working environment.
6.3 Creativity

After the first round of interviews and our findings of innovation, we decided to narrow down our attention on creativity. As was shown in the previous round, innovation forms the backbone of organizational prosperity; meanwhile, creativity serves as the main driver of innovation. Logically enough, creativity is the most important factor that leads companies forward in the knowledge society. Along these lines, we deviated our conversation in that direction. In the following sections, we will postulate how our interviewees describe creativity and what refers to it.

6.3.1 What is Creativity?

First of all, they agreed on the fact that creativity is not restricted to designer, artist or R&D team member. Everyone can be creative in their work. As Mr. Abelin says: “Creativity refers to the way we do things”. Creativity aims to improve the way people achieve their job, to execute the task in a smarter way. So, creativity is not only a simple idea, but it can also be a manner of doing things. Thus, it is seen as the process of generating an idea, in the broadest sense of the term.

6.3.2 The Creative Thinking

Given this, we start to deepen their comprehension of creativity. They both mentioned that it is associated with “creative thinking”. One of the criteria of the creative mindset is to be able to take initiatives. This is related to an open climate working environment. Indeed, taking initiative refers to being free to express personal ways of seeing the reality as such. Creative thinking is a personal skill. It is an inner quality which can be trained or sustained.

Additionally, they point out feelings to be imperative in the creative thinking. In their opinions, creativity depends on the sensitivity of the individual, both with their own feelings regarding a task and with the environment which surrounds them.
More to the point, Mrs. Shahnazaryan, when asked about the ways of keeping her mind creative, states: “Reading and doing physical activities are the key stimulus that keeps one’s mind creative”. To be able to produce original outcome, one should be able to stay at their higher level. In other words, she explained that being on the top form both mentally and physically is an important asset to think creatively. “Make sure you are at your best especially in what you are usually given as example” (L. Shahnazaryan).

6.3.3 The Role of the Task and Motivation

After defining what is creativity and introducing the creative thinking, they suggested some factors that influence this state of mind. The task and the job, in general, play an important role in the creative thinking process.

First of all, as explains Mr. Waldebrink, if the task is not challenging enough, people will not be motivated or committed enough to all embrace the mission. Conversely, if the task displays complexity and requires more knowledge and abilities to be dealt with, people will be more involved in their job and thereby, exhibit more agility to come up with new ideas to overcome the challenge. Second, motivation is also related to the perception of employees’ contribution to the overall goal. Along these lines, both of them conclude motivation and task challenge affect the creative thinking process.

As a final analysis, our interviewees state that creativity is an idea, in the broadest sense, extracted from the creative thinking process which is influenced by the motivation of the individual.

6.4 Leading Creative People

It is evident, people can train or learn how to improve their creative thinking. Notwithstanding, not everyone is willing to be creative. Along these lines, Mr. Waldebrink identifies two types of followers in an organization. The ones that can evolve by themselves and the ones that need to know exactly what they have to do. In Mr.
Waldebrink’s words, “some of them you need to hold back and some of them you need to push to take the step [of the creative process]”. As stated previously, leaders have a coaching role, a role that triggers the creative thinking and gives a personalized direction to it. Consequently, leaders are expected to adopt certain strategy or behavior in order to cope with the challenge of guiding people by simultaneously avoiding to be too restrictive or too general towards them. Respectively, leaders are expected to personalize their leadership style to everyone. Mrs. Shahnazaryan pays a lot of attention to fundamental notions such as “communication, team-building, relationship building, and clear strategies”. According to her, those are the underlying driving factors for success in her organization.

6.4.1 Communication and Conflict Management

It is without question that decent communication should be implemented throughout all the circle of the company. First, to guide creative people, it is essential that everyone in the enterprise has the same picture of the reality. Hence, the leader, through all the formal and informal conversations, shares the meaning of the organizational mission with the team. Second, this process is not only from top to bottom but also from bottom to top, because creativity also raises from the followers. In that sense, the already introduced term open climate should make everyone in the company comfortable to come up with ideas and bring them up for the discussion.

What is more, communication is the prerequisite of conflict management. All of our interviewees emphasize the fact that the consensus approach of the conflict resolution is the most suitable way to let the creativity go. They understand consensus as a general agreement that is a result of an efficient communication process. As soon as a conflict is growing, it should be treated immediately. For example, if one conflict is not solved at a personal level, it might disturb the performance of the whole team. (I. Waldebrink)
6.4.2 Dealing with Creative Ideas

“You should never kill an idea, but maybe you can park it for a while”. This thought from Mr. Waldebrink highlights that dealing with any ideas should be carefully taken into consideration. For example, refusing an idea, even with justification, in a rude way can generate frustration. By saying a straight “no” to subordinates can stop their creative thinking process and make them restrict their ways of communicating an idea to the group. Moreover, any idea can always be useful in a not too distant future.

Notwithstanding, leaders should give feedback on a regular basis, both positive and adverse. By adopting such behavior, leaders and followers can avoid the refusing process we just mentioned. By the same token, they can also turn this idea into reality.

6.4.3 Recruitment and Task Delegation

Recruitment is yet another crucial component for an organization that was mentioned by both of the interviewees. More precisely they emphasize the ultimate importance of “choosing the right team”, that is done by the leader, who strives to match up employees with the organizational vision.

Further forward, Mrs. Shahnazaryan develops her thought by specifying the indispensability of “right positioning” of already chosen workload. That is “creating specific groups for specific projects, and also setting team leads”. In this way, the task delegation would be formulated in a more proper way. By being involved in the right team, doing the right job and managed by the right leader will set up the working environment that encourages the creative thinking.

As a conclusion, our interviewees underline a correlation between leadership, working environment and employees’ creativity. This correlation is accompanied with an open climate that encourages healthy communication within the company. It is also justified by the coach leader’s ability to guide subordinates and provide them with
freedom, as well as setting up a flat hierarchy that gives rise to a deeper commitment. Thus, the working environment and the leadership style must be congruent to let people express and develop their creative mindset in the most efficient manner.
7 Stage 2: Theoretical Framework

Grounded with the insight that was acquired from the interviews, we again switch our attention to the discussion of the theoretical materials. The aim of doing so is twofold: First, to reevaluate and reinterpret our understanding of the empirical study within the frames of the general literature review and, second, to prepare a more fertile ground for the final round of empirical research.

7.1 Creativity
7.1.1 Definition

“The noun creativity is not only a relatively new and fashionable but also confusing, even misunderstood, term, which appeared for the first time in printed form in 1875. It derives from the Latin creatus (past participle of creare), which means “to make, produce”, and is related to crescere (= arise, grow)” (Kampylis & Valtanen, 2010, p. 191).

The first meaning of creativity aims to describe the process of producing for the purpose of improving. However, creativity remains unclear and ambiguous in terms of what composes it.

In their article, Kampylis & Valtanen (2010) analysed 42 definitions from the digital and digitalized literature and 120 collocations which they found to create a complete definition of creativity. As a result, they determine creativity as:

“The general term we use to describe an individual’s attitude to, ability for, and style(s) of creative thinking that leads to a structured and intentional activity, mental and/or physical. This activity may be personal and/or collective, occurs in a specific space–time, political, economic, social, and cultural context, and interacts with it. The creative activity aims to realize the creative potential of the creator(s) and leads to tangible or intangible product(s) that is (are) original, useful, and desirable at least for the creator(s). The
A creative product(s) should be used for ethical and constructive purposes” (Kampylis & Valtanen, 2010, p. 191)

This definition reveals four key components which can be summarized as the “4Ps of creativity” (Richards, 1999):

- Person
- Process
- Press
- Product

7.1.2 The Creative Thinking Process

Even if, the creative thinking seems to be a necessity for every human in the modern and future society (Corazza, 2016; Kampylis & Valtanen, 2010), at its premise, it was an elitist phenomenon that only some people were able to produce. The creative thinking went through a democratisation in its perception over centuries to become what it currently is.

The individual’s creative process of Amabile, we mentioned above, has been reviewed and completed with the work of Hsu-Chan Kuo (2011). He combined the work of Amabile (1983; 1996), Csikszentmihalyi (1988) and, Sternberg and Lubart (1991) into one model of creativity.

Thus, “the componential model of creativity” (Amabile, 1996) is the first model “that takes into account cognitive, personality, motivation, and social influence on the creative process” (Kuo, 2011, p. 67). Amabile’s work describes creativity as the “creative production that emerges in a five-step process, namely (1) problem or task identification; (2) preparation; (3) response generation; (4) response validation; and (5) outcome evaluation” (Kuo, 2011, p. 67). This process is influenced by three components: “task motivation, domain-relevant skills and creativity relevant skills.” (Kuo, 2011, p. 67).

The second model which is integrated into Kuo’s synthesis framework (2011) is “DIFI (D: Domain; I: Individual; F: Field; I: Interaction)” (Kuo, 2011, p. 68). In this model, the author, Csikszentmihalyi (1999) takes
the position that creativity means “the ability to add something new to the “culture”. In his model, the author defines creativity as the confluence of three subsystems: the domain, the field and the person. The domain refers to the discipline, the field represents the working environment, and the person is composed with the genetic, the makeup, the talents and experiences.

In the last model joined, authors define creativity as the ability to “buy low and sell high” in the realm of ideas. “In the investment theory of creativity, the production of creativity requires the assistance of combinations of divergent elements, such as intellectual abilities, knowledge, thinking styles, personality, motivation and environment (Sternberg & Lubart, 1991;1995)” (Kuo, 2011, p. 69). In other words, this model provides the person’s perspective with the two models mentioned above. They describe the different aptitudes that an individual should demonstrate to transform a simple idea (buy low) into something creative (sell high).

Based on these three approaches of creativity, Kuo (2011) builds a model of creativity that synthesises these three models.

![Figure 9 A Synthesis Framework Integrating the Theories Provided by Csikszentmihalyi, Amabile and Sternberg and Lubart](image)

As we can see, the basis of this model remains the three subsystems of the DIFI model: the field, the individual and the domain. We will not consider the field of Kuo’s theory because it represents the working environment we are analysing from a distinctive perspective. Additionally, the domain is understood as the discipline within
individuals performs their task. However, we will use this synthesis to obtain a better understanding of the individual’s creative process. According to the three theories, the individual’s creative process is defined as the combination of eight criteria: intrinsic and extrinsic motivation; problem identification; creativity generation; communication; personality; knowledge; thinking styles and intellectual ability. All these factors and their interactions with the working environment and the discipline contribute to generating an idea or the creative outcome.

Consequently, creativity is a broad and dynamic concept. In our work, we defined creativity as the result of the continuous interactions between the eight components introduced above. This endless interplay symbolizes the process which is performed by the individual to generate an idea. Thus, creativity is individually executed whereas innovation is the ability of an organization to implement the idea. More precisely, it is the congruence between the individuals who composed it, the available resources and the external environment which allows an idea to be implemented in the market, in the organization or so on. Therefore, we can conclude innovation is at a team level and creativity - our main focus - individual.

7.2 Leadership

As the number and diversity of scholarly articles and books witness, the past decades can be truly considered as a profound period of the discussion and analysis about leadership. We review this literature with the general emphasis of clarifying the state of knowledge in the sphere. In our second round of empirical research, we introduced coaching, the ability to guide in direction and followership as the new essential categories in leadership process that were postulated by our interviewees.
7.2.1 Decision-making Process, Motivation and Creativity

Notably, the leader’s capability of guiding the subordinates in direction was closely associated with the decision-making process. Referring to Maier (1963), Vroom & Jago (1974) present the “effectiveness of a decision to be a function of three classes of outcomes:

- The quality or rationality of the decision
- The acceptance or commitment on the part of subordinates to execute the decision effectively
- The amount of time required to make the decision” (p. 324).

What is more, “March and Simon (1958) were among the first to suggest that an understanding of the decision-making process could be central to an understanding of the behavior of organizations” (Vroom & Jago, 1974, p. 321). As it can be noted, the character of the decision-making process within the organization can be dependent on the communication between leaders and followers, which in itself, shapes the behavior of the organization. In other words, the decision making can be apprehended as a process where there is illustrated leaders’ listening abilities and the ethical norms from the one hand and followers’ responsiveness, engagement in the working process and accountability from the other hand. More to the point, according to Avolio and Gardner (2005), Luthans and Avolio (2003), and May et al. (2003), decision-making behavior is accompanied by “positive moral perspective” (Walumbwa, 2008, p. 92) in specifically authentic leadership.

What is more, Zubair and Kamal (2015) stated that psycap and work-related flow are significantly positively related to employees’ creativity. They defined psycap as an active state of development including efficacy, optimism, hope and resilience. Work-related flow is the process of engaging in an activity that is challenging, controllable, and intrinsically motivated. Thus, by being included in the decision-making process, employees display more motivation.
So, the first and perhaps the most important factor that leader can impact is motivation. As we already mentioned, the motivation is the first stage of the creative process of Amabile (1988; 2016) as well as a solid component in Kuo’s model of creativity (2011). The link between motivation and creativity has been studied by many authors (Lubart, 1991, 1992, 1995, 1996; Woodman & Schoenfeldt, 1989, 1990; Runco & Chand, 1995 cited in Sternberg, 2005). Hence, we can conclude that there is a positive trade-off between motivation and creativity. The motivation of the individual is both intrinsic and extrinsic, however, in that section, we will only focus on intrinsic motivation. It is related to “self-determination, competence, task involvement, curiosity, enjoyment and interest” (Sternberg, 2005, p. 301). In other words, it represents the personal relation with the task. Thus, the leaders influence the individual’s intrinsic motivation by matching the task with the interest, wish and needs of the person as well as including the followers into the decision-making process.

7.2.2 Followership

“When followers have been considered, they have been considered as recipients or moderators of the leader’s influence or as “constructors” of leaders and leadership” (Uhl-Bien et al., 2014, p. 83). This fact in itself leads to the justification of another important statement that we have come across while doing a literature review: “People are the heart and spirit of all that counts. Without people, there is no need for leaders” (De Pree, 2004, p. 13). This is why leadership is defined by many authors as a social influence process with a big emphasis on the reciprocal relationship between leaders and followers (Higgs, 2009, p. 167). A thought that yet again confirms the statement pointed out by our interviewees, that is without followers leadership simply is not possible.

More to the point, De Pree (2004) mentioned the “Fastball” theory as an argument for the fact that “for every great pitcher there is a huge need of an outstanding catcher... Any concept of work rises from an
understanding of the relationship between pitchers and catchers” (p. 35). This, in fact, was a unique way to highlight the interdependence and tight mutual connection between leaders and followers. More to the point, Uhl-Bien and Pillai (2007) postulate: “if leadership involves actively influencing others, then followership involves allowing oneself to be influenced” (p. 196).

Assuming this, leaders endorse the already mentioned role-model. In this way, when leaders adopt an innovative behavior which explores opportunities and put an effort in the development, team members start following to them. Jaussi and Dionne (2003) prove that when leaders act creatively they emulate creative behavior around them. Meanwhile, “Shalley and Perry-Smith (2001) found that individuals who were provided with a creative work model were able to learn what was considered creative from this model” (De Jong & Den Hartog, 2007, p. 50).

Taking into consideration the notion of “self-awareness of the followers” mentioned by our interviewees’ we now aim to drive our attention to the term that is called “authentic followership”. “If followers can enact their true selves at work, they are more likely to experience work-related activities as autonomously motivated” (Kahn, 1990, cited in Leroy et al., 2015, p. 6). It is pertinent to note, however, that in authentic followership process self-awareness is not the only major factor to be taken into consideration. Their attitudes and behavior are also decisive. “It seems obvious (in hindsight) that followers should be more than the sum of their individual differences and attitudes. Followers behave, and their behaviors can have an effect on their leaders”. (Oc & Bashshur, 2013, p. 921).

Finally, to highlight the indispensability of authentic followership in the leadership process, Leroy et al. (2015) postulate the terms called “basic need satisfaction” and “work role performance”. “Basic need satisfaction mediates the positive relationship of authentic followership with follower work role performance” (p. 7). It is without question the satisfaction of
the mentioned needs triggers subordinates’ motivation that is “that is rooted within a core and stable sense of self” (Leroy et al., 2015, p. 15).

7.2.3 Coaching and Learning Process

Uhl-Bien et al. (2014) claim there are two types of leaders: those that “focus on the task and initiated structure into the work situation (e.g., directive and goal-oriented behaviors) and those that focused on the relationship between leaders and followers (e.g., relationship-oriented behaviors)” (p. 85). According to the latter thought, leaders are expected to motivate followers to higher standards of task performance by demonstrating care, attention, close follow up and concern for them. “At this point, leaders were still viewed by leadership scholars as the lever that causes followers to act. (Uhl-Bien et al., 2014, p. 86).

As an immediate outcome of all that was mentioned above, we can certainly refer to the leader’s ability to coach their team members. “A good coach will make his players see what they can be rather than what they are” (Ara Parasteqhehian, Hall of Fame college football coach, cited in Eikenberry & Harris, 2011, p. 157). The authors later forward develop the thought by pointing out three essential cornerstones upon which the coaching process is completed:

- “accountability
- belief
- conversation” (ibid, p. 161).

Leaders display coaching initiatives and promote so-called “learning process” in their organization as they are “perpetual learners” (Bennis & Nanus, 2003, p. 176). Leaders are able not simply to learn but learn in organizational context. They tend to use the organization as a learning environment by focusing on what matters most to the organization. Thus, “leadership is an art, something to be learned over time” (De Pree, 2004, p. 3).

Last but not least, Bennis (2003) suggests the notion of innovative learning as a process of not only recognizing the existing context but
being capable of imagining future contexts. “Having learned from the past leaders live in the present with one eye in the future” (Bennis, 2003, p. 135). This learning process not only is beneficial for their further prosperity but also for fostering creative thinking. Similarly, Gardner et al. state: “for themselves and followers to be effective, leaders must create and sustain an organizational climate that enables themselves and followers to continually learn and grow” (Gardner et al., 2005, p. 367).

In this respect, the accumulation of knowledge due to the learning process plays a key role in the idea generation. Indeed, by being aware of the needs of the company, the trends in the discipline, through formal and informal communication, people are intellectually stimulated which increases the generation of creative ideas (De Jong & Den Hartog, 2007).

To conclude, coaching and learning process together with providing direction transfer the necessary knowledge to the individual which nurtures the intellectual stimulation for generating ideas.

7.3 Creative Working Environment

“The Greek philosopher Plato believed people were born creative, but prevailing scientific research today refutes this theory. We now understand the question is not, "Are you creative?" but "How are you creative?”” (Arnold, 2010, p. 1).

This issue is essential as creativity together with innovation are considered as prerequisites for success for contemporary organizations. Hence, different actions and endeavors are regularly undertaken to boost creative and innovative thinking with the companies. With more accurate examples we will illustrate this in our final round of empirical research. However, before doing so, we want to form a general picture of what is called “creative working environment”. To put it bluntly, we aim to discuss the components such as organizational culture, climate and structures, that the working environment must consist of to feed and nurture the creative thinking
process. As De Jong & Den Hartog (2007) say: “One way for organizations to become more innovative is to capitalize on their employees’ ability to innovate” (p. 41).

7.3.1 Organizational Culture in Terms of Innovation

“Many different definitions have been put forward trying to capture the essence of such terms as organizational culture and climate” (Schein, 2004, cited in Isaksen & Akkermans, 2011, p. 165). Apparently, the most suitable and commonly accepted definition is “the way we do things around here” (Lundy and Cowling, 1996, cited in Martins & Terblanche, 2003, p. 65).

As already mentioned above, the essence of organizational culture can be apprehended as a set of values, norms, beliefs and goals. “Organizational culture is the deep structure of an organization that is rooted in the values, beliefs, and assumptions held by its members”. (Denison, 1996 cited in Isaksen & Akkermans, 2011). What is more, the organizational culture was defined by the author as a “longer-term, stable, and deep construct”. On the flip side of it, he described organizational climate to be more changeable, directly controlled by leaders and “including aspects of the social environment that were consciously perceived by organizational members” (ibid, p. 165).

According to Tushman and O’Reilly (1997), organizational culture serves as a cornerstone for organizational innovation. “Successful organizations have the capacity to absorb innovation into the organizational culture and management process” (Syrett and Lammiman, 1997, cited in Martins & Terblanche, 2003, p. 67).

Later forward, the authors stress out two ways due to which organizational culture influence creativity and innovation.

More precisely, people learn what behavior or attitude is acceptable and how different activities should function within the company. “In accordance with shared norms, individuals will make assumptions about whether creative and innovative behavior forms part of the way in
which the organization operates” (Chatman 1991, cited in Martins & Terblanche, 2003, p. 68). Additionally, the authors specify that the set of values, beliefs, assumptions and norms “become enacted in established forms of behaviors and activity and are reflected as structures and practices” (ibid, p. 68). The interrelation of those structures and practices with creativity and innovation is shown in specific cases, such as, for instance, providing resources or other support materials to implement or develop a new idea.

7.3.2 Attributes of Creative Working Environment

Isaksen et al. (2011) list a number of characteristics that shape a creative working environment.

- **Freedom**, that is associated with the independence and autonomy within the organization as well as “playfulness or humor”. This is a direct match with the answers of our interviewees, who particularly presumed freedom as an indirect result of having personalized relationships within the company. This phenomenon helps the subordinates feel more relaxed and independent while accomplishing their tasks. Indeed, in such conditions, they can demonstrate more creativity and innovative thinking.

- **Challenge involvement and risk-taking**: “high challenge involvement implies better levels of engagement, commitment and motivation” (p. 171). Whereas risk-taking propensity can actually be summarised as sum up of tolerance of ambiguity and uncertainty. To implement new ideas people often have to take risks. According to us, this argument in itself leads to justification of another crucial component that may also characterize creative working environment - failure management. “Ever tried? Ever failed? No matter, try again, fail again, fail better” (Samuel Beckett, cited in Daniels, 2009, p. 29).

- **Trust or openness** is yet another common attribute that was both mentioned by our respondents of the second round of interview and in the literature review that was done right after that. The
open climate is above all conditioned with healthy communication that exists within the organization.

On an entirely different note, Martins & Terblanche (2003) combine those factors together with several other ones in clearly defined subdivided sections.

- According to them, the strategy is the first determinant that influences creativity and innovation in organizational culture. The strategy itself consists of the following essential components: “vision, mission and purposefulness”.
- Then it comes to mention the structure of the organization with its constituting factors: “flexibility, freedom and cooperative teams and group interaction”.
- Support mechanisms such as “reward and recognition, availability of resources (time, information, technology, etc.) also play their vital role in shaping creative and innovative working environment.
- Of course, the importance of innovation encouraging behavior of the subordinates cannot be overemphasized. Here we touch upon terms such as: “mistake handling, idea generating, continuous learning, risk-taking, conflict handling, support for change and competitiveness”.
- Last but not least, Martins & Terblanche (2003) like many other authors, point out the indispensability of communication. “Communication is seen as an important activity for creativity and innovation (Toker & Gray, 2008; Kratzer, 2001 cited in Martens, 2011, p. 68). Therefore, the physical workplace should be shaped to enhance a communication climate both formal and informal. For instance, Haner (2005) argues that a higher density and perceived distance impact the communication within the individuals. In other words, the layout of the office can either enhance or hinder communication.
- Finally, Martens (2011) underlines the importance of the physical aspect of the workplace which shapes and sustains the
characteristics of the creative organizational culture, structure and climate.
8 Stage 2: Theorization

Obviously, the insights we got from the empirical data analysis and the literature review in the second round are wide and thorough.

Regarding the notion of a creative working environment, we assembled the following components:

- Freedom and intimacy
- Open climate
- Flat organizational structure
- Adventure mindset
- Punishment-free zone
- Supportive and collaborative atmosphere
- Trust and open relationship and communication
- Transparency

As regards the individual’s creativity, we composed it as the interactions between all these aspects:

- Intrinsic and extrinsic motivation
- Problem identification
- Creativity generation
- Communication
- Personality
- Knowledge
- Thinking styles
- Intellectual abilities

However, our interviewees also highlight leadership traits that might foster creativity:

- Followership and role-model
- Coaching and learning process
- Knowledge management
- Decision-making process and motivation
However, before presenting the main findings of this round of research, we found it relevant to structure all the components by making clear subdivisions.

8.1 Leadership and Creative Working Environment
To make the picture more precise, we combine the components from both of the two rounds. The classification is the following:

- **Work-related**: which includes task delegation, reward systems, vision or goals as well as knowledge management.
- **Management skills**: including leaders as a role model, providing direction, coaching or consulting role, recruitment, workers’ inclusion, communication, leaders as learners, decision making process and motivation.
- **Team-related**: consisting of followership, relationships, the sixth sense of leadership, coaching.

Correspondingly, we developed the understanding of the Creative working environment based on the previous findings:

- **Organizational culture**
- **Organizational structure**
- **Organizational climate**

Culture is constituted with such notions as adventure mindset (risk taking, challenge involvement, punishment-free zone) and open climate. Organizational structure in itself is formed by (1) physical aspect (2) social aspect and (3) position of the jobs that influences the employees’ role in the decision-making process.

As regards the organizational climate, the subdivision is made through showing two main cores: “proximity”, which includes personalized relationships, intimacy, playfulness and humour. The second core is “self-regulation” which refers to the boundaries implicitly set by the team and the general freedom that exists in the organization.

The findings of our work illustrated that:
• leadership factors classified as “work-related” influence the “organizational culture”
• “management skills” are closely intertwined with “organizational structure”
• “team-related” leadership traits has its immediate effect on “organizational climate”

Anchored with this, we can state leadership is able to set up a working environment that fosters individual’s creativity: creative working environment.

![Diagram of leadership factors influencing creative working environment](image)

**Figure 10 Findings of second round: From Leadership to Creative Working Environment. Source: Made by the authors**

### 8.2 Creative Working Environment and Individual’s Creativity

In another perspective, the results of our findings allude to the justification of another statement:

*The working environment is believed to be an ultimate prerequisite that fosters individuals’ creativity.*

*Organizational culture affects employee creativity due to the relation of its constituting components and individuals’ creative thinking.*

- More precisely, the adventure mindset improves individuals’ thinking style, thereby justifying the connection.
- Whereas, open climate provides access to knowledge for the individual.
The influence of organizational structure on individuals’ creativity is proven via its three subdivisions.

- In particular, physical aspect provides motivation.
- Social structure makes the access to information easier and motivation.
- The position of the jobs directly affects employees’ creativity as it can provide motivation and shape the thinking style of the employee according to their position.

The first subsection of the organizational climate that is about personalized relationships and intimacy was named by us “proximity”. It boosts the creativity generation process of the individual. Additionally, the “self regulation” part of the climate can foster employees’ creativity as, above all, it enriches their thinking style and, also, in itself contributes to the idea generation.

To conclude, we illustrated properly how the three main areas of our research question are intertwined with each other. More precisely, leaders affect creative working environment which in itself impacts on individual’s creativity. Hence, we can claim that leaders have an indirect impact on employee’s creative thinking through the construction of a creative working environment.
It is pertinent to note however, in the second round of our study, we got beyond our research question and discovered an eventual direct impact from leadership to subordinate’s creativity which led us to initiate the third stage focusing on this following research question:

*How can leaders directly foster employee’s creativity?*
9 Stage 3: Empirical Data

The third round of empirical study was completed upon the general understanding that we acquired based on the findings of the first and second rounds of data collection. Hence, the nature of the analysis of the final stage of our research process is somehow differentiated from the previous ones. It is basically shown as a combination of 3 main new categories that are listed below:

- Passion and engagement
- Learning organization
- Creative outcome assessment

9.1 Passion and Engagement

In these conversations, our interviewees gave prominence of new aspects that push the individual a bit further in the creative thinking. As expected, they were on the same mind with our previous findings. In this part, in connection with the coding process of the grounded theory, we will associate similar notions suggested together that lead us to a wider concept.

All of our respondents state that the main mission of leadership regarding followers and creativity is work-related. In addition to what we mentioned earlier, leaders must make people own their job. Of course, they do not own the company, but followers can own their job, and be proud of it. As says, S. Nalbandyan, “employees should take the ownership of what they are doing”. In other words, followers must get the credit of what they are providing to the company. By being responsible of the potential success or failure of their own job, followers must engage attention in order to succeed in the realisation. Consequently, they will be more interested and curious in what they are doing when they are working with emotions.

However, our interviewees connect this thought with another crucial mission of the leader. As explicitly mentioned by Mrs. Petersson: “to improve effectiveness in an organization, leaders should provide mission
and task to followers that are closed to their heart”. In other words, the role of the leader is to pay attention to the needs and desire of followers in order to best match the person with the most suitable task or mission. “The work has to be close to what they are looking for in their own life” (L. Petersson).

Matching the task with the ambitions of the individual will make them enjoy the mission and improve effectiveness. So, they will be committed and display curiousness throughout the process. To put it bluntly, they will work with affect. Thus, the role of the leader is to make people work with sensitivity and emotion, especially if they want to improve the creative thinking process.

Our interviewees emphasize the fact that one should love what they do, in other words, to increase the efficiency and being creative, one should be passionate about what he/she is doing. Videlicit, leaders are responsible to help people achieving their ambitions. They develop followers to reach their full potential, to be aware of what they are good in. Indirectly speaking, leaders must develop the passion that is hidden in the followers. Mrs. Nalbandyan emphasizes the positive trade-off between passion and commitment into the work.

In agreement with passion, our respondents also raise the importance of well-being. Leaders and followers must work together to make the workplace a better place to work. Leaders should demonstrate confidence and trust in followers’ work. However, the first step to improve well-being is realized by the followers as says Mrs. Petersson:

“Just to be the best version of yourself, so it is important for you when you choose a job, that you really find the right spot for you, the right management, the right service, so you can be the best of yourself.”

As a result, our respondents raise the concept of passion and well-being to improve the effectiveness of the creative thinking process. In S. Nalbandyan’s words, “followers must see their company as a place where they can grow and develop.”
9.2 Leadership and Idea Generation

Another important factor that is mentioned in this round of interview is the behaviour of the leader regarding the idea generation and, in general creative behavior. They all assess that leaders must be aware of their impact on the individual’s creative process.

Before that, Mr. Waldebrink mentions: “you should never kill an idea, but you can park it for a while”. In that perspective, Mrs. Petersson claims that the worst thing that can happen in an organization is that followers keep their ideas for themselves because they do not know how to implement them. Leaders must encourage unfinished ideas and be able to handle them. Leaders’ role, regarding the creative behavior, is to be able to assess an idea and communicate feedback both positive and negative in a manner that do not stop the individual in his/her creative process. In other words, leaders deal with idea and they gauge ideas in order to notice their utility or their future potential. They should adopt different perspectives to be able to assess the idea as good as possible.

More to the point, S. Nalbandyan explains that the organizational climate must help to assess idea to envision their potential values. However, leaders indirectly pre-assess an idea by communicating the values and norms of the company to the followers. To that extent, followers know if their idea can be envisioned as valuable for the company or not. Our interviewees specially mention the ethic when it comes to assess an idea, they explain that an idea should respect certain norms and values of the company, set up by the leader, to be implemented in the company.

Thus, leaders should establish clear norms and values in the company and demonstrate abilities in assessing ideas in order to know its value. Leaders must be aware that their influence impact the process of creative thinking in both way, positive and negative. By adopting negative behavior like refusing an idea or strongly rejecting them, they might negatively disturb the individual’s creative thinking. On the other hand, by adopting positive behavior, they can foster this creative
thinking by enhancing an environment where people feel free to express their thoughts and know that all of their ideas are welcomed, and can impact the organization’s development.

9.3 Learning Organization

In the previous sections we did mention learning process within the organizations. More precisely, we tied this notion with leaders’ coaching capabilities trying to draw a picture of an organization where the coach-leader who always does self-development through the learning process, demands the same approach from their subordinates. The aim is now to get deeper in this understanding. Based on the results of the third round of empirical research, we are absolutely convinced the indispensability of the “learning organization” cannot be overemphasized.

Our interviewee, Ms. Linda Petersson believes that “one needs to be in the movement all the time”. The meaning of this statement is apprehended as people should not be satisfied of what they have achieved. They always need to strive for more and achieve better results. One single way of doing so is to keep the learning process. Thus, the self-development process will be way more efficient in a company that has the principle of learning organization in their set of values and norms.

Furthermore, Ms Petersson gives an example where she apprehends her company as a solid background for personal and professional growth of the co-workers. “...I can provide with the fertiliser, water, sunshine for the plant to grow properly”. (Linda Petersson).

Finally, both L. Petersson and S. Nalbandyan point out the indispensability of learning on one’s mistakes that were committed previously. In particular, Mrs. Nalbandyan specifies this process as a “try and fail” one, while Mrs. Petersson describes it with the following words: “allow yourself to do mistakes”. To put it bluntly, not only did our interviewees highlight the importance of the factor of “punishment
free zone” within the organization, but also, they postulate the fact that making mistakes definitely has its positive outcome. That is to learn over committed errors and get vital experience. Certainly, this aspect is one of the main attributes based on which we can comprehend the notion of learning environment.

9.4 Learning Organization and Creativity

The mission of the learning environment surely includes creativity orientation as well. In other words, it is not only essential to keep going the learning process in the organization but also, it is vital to give a creativity-related nature to that learning organization. For this purpose different companies implement various procedures and activities, few of what we will postulate in this chapter of our empirical work.

The other interviewee of this round, Mrs. Nalbandyan, stresses out the importance of so-called “start-up spirit” within the company. The meaning of this understanding can basically be comprehended as making sure there is a sufficient space for creativity in the organization. To put it differently, Mrs. Nalbandyan summarizes all the essential components of an organization that are typical to specifically start-up offices, such as learning spirit, enthusiasm, positive attitude, flat hierarchy, and so on and so forth. Similarly, Mrs. Petersson considers this notion within the viewpoint of a CEO: “You have to listen, provide tools and environment for the employees, to grow their creativity and, of course, to implement their ideas and try them out...”

Another way of maintaining the creative thinking atmosphere in the organisation in Mrs. Nalbandyan’s words is to provide diversity which means combining people with different cultural backgrounds, personalities and working styles. Their contribution to the level of creativity in the company can be more obvious for example during the process of working in pairs or small groups. Everyone in the organization have their own and specific approaches to the things and thereby can contribute to the team with their diverse solutions to
different problems or issues or simply with their participation in a brainstorming process.

On a completely different note, Mrs. Petersson believes the frequent change of the physical working environment could be decisive in fostering the creative thinking within the organization. According to her, this can be done by simply renting some hotel conference rooms or other premises, where the interior is utterly different and thereby can influence on the employees' thinking style. What is more, she believes this process of changing the place to find a new creative atmosphere should be done regularly rather than once in a year or so.

Finally, learning organization’s role in creativity stimulation process is radical because, first of all, it serves as a source of knowledge, and later forward, it opens the boundaries to make the access of information much easier and smoother. In this regard, Ms. Petersson states: “companies should listen to the market and clients”. We presume the meaning of this quote as being open to implementing ideas and suggestions from outside of the company.

To make this point of view more comprehensive, we want to refer to another type of our empirical activity within the frames of our research process. That was actually a participation in an event called “Nutcracker” in Växjö, Sweden. The aim of the meeting was to gather different students from different programs and with various backgrounds, to form separate teams from them and listen to their suggestions or ideas upon the issues that were pointed out by three companies that were participating in the event. From the viewpoint of the researcher, we found the event quite interesting as it confirms our understanding that learning organization is prone to open up boundaries and listen to ideas from outside of the company and are eager to implement them. In this particular case, the students were the focus group. What is notable here, this tendency could be definitely realized with other target focus groups. The essential thing here is to be
open to those external ideas and suggestions as well as learn them so that to be able to properly implement them within the organization.
10 Stage 3: Theoretical framework

10.1 Passion

“Passion is defined as a strong inclination toward an activity (e.g. work) that individuals like and in which they invest time and energy; it has been linked to various affective, behavioral and cognitive outcomes (Forest et al., 2010)” (Astakhova & Porter, 2015, p. 1316).

In the literature, authors also often describe passion according to the dualistic model of passion (DMP) from Vallerand (2010) which is based on the same previous definition together with the intrinsic motivation of the individual. However, this model describes two different kinds of passion: “harmonious passion” and “obsessive passion”:

“Harmonious passion refers to a strong desire to engage freely in the activity, where the person willingly endorses it as a significant, but not overwhelming, part of their identity.” (Jowett et al., 2012)

“The second type of passion, obsessive passion, also refers to a strong desire to engage in the activity. However, in contrast to harmonious passion, obsessive passion overwhelms one’s identity. The activity is out of one’s control and is felt as pressuring one to pursue it unremittingly” (Jowett et al., 2012).

Notwithstanding, in order to keep in track with our subject, we decided to restrict our definition to the first paragraph as well as harmonious passion approach.

To be more precise about the harmonious passion, in this kind of passion, the person is able to control their level of engagement in the activity. Thus, “harmonious passion will lead one to experience their activity as coherent and well-integrated with other life domains” (Jowett et al. (2012)).

As a result, our definition of passion is close enough to Ronald J. Burke & Lisa Fiksenbaum (2009). They demonstrate the difference between
passion (harmonious) and addiction (related with obsessive passion), accordingly, we will underline the different outcomes relative with harmonious passion:

- Passion supports work-life balance and encourages a risk-taking behavior
- Passion decreases the fear and belief - in other words, it increases the adventure behavior we mentioned earlier,
- Passion is related with work-investment, with perfectionism, with “more favorable outcome (satisfaction, low stress)” (Burke and Fiksenbaum, 2009, p. 359)) and well-being.

Thus, harmonious passion provides a positive experience during and after the activity engagement to both the individual and the organization. This traits are also relating to work as “work passion”. “Work passion” is important because it is closely intertwined with organizational performance (Astakhova and Porter, 2015). On the individual level, it represents “a positive source of activity investment” (Vallerand et al., 2007, p. 505). Authors also relate that work passion is influenced by contextual factors such as leaders, working environment, task and so on.

In this manner, passion turns out to be the main driver of the motivation of the individual. Because it is related with the work, it impacts the extrinsic motivation of the individual. The passion is closely intertwined with the intrinsic motivation as well. In other words, work passion is the main driver of the motivation of the individual, which is one of the most important aspects of idea generation according to our findings. Consequently, the work passion is related with both the individual and the leader. As we mentioned above, the individual should know himself to be able to apply for the job that interest him/her, the company and the structure that encourages and sustain his/her passion. On the other side, the leader must have personalized
relationship with their followers to be able to sustain this work passion through matching the right person with the right job.

However, we believe that a merely strong commitment to a task is sufficient to generate positive outcome.

10.2 Learning Organization

“As we all know, to stay ahead of competitors, companies must constantly enhance the way they do business. But more performance-improvement programs fail than succeed. That’s because many managers don’t realize that sustainable improvement requires a commitment to learning” (Garvin, 1993, p. 78).

It is commonly believed that without learning there is a threat of repeating previously committed mistakes and tendency of sticking to old policies or practices that expired their efficiency. According to Garvin (1993), to make sure the company has the characteristics of a learning organization five main activities must be taken into consideration:

- solving problems systematically
- experimenting with new approaches to work
- learning from past experience
- learning from other companies and from customers
- transferring knowledge throughout your organization (p. 78).

What is noteworthy here, we can witness the last four activities directly and indirectly coincide with the ones that were stressed out by our interviewees of the final round of the empirical research. The first point, however, could be a proper addition of the insight we have already built based on the results of our interviews. Particularly, the author who specified the importance of solving problems systematically suggests to deal with them by generating hypotheses and assembling materials to test and prove those hypotheses rather than simply relying on one’s gut feelings.
Developing the thoughts about the term of organizational learning, Slater and Narver (1995) point out “Organizational learning is the development of new knowledge or insights that have the potential to influence behavior” (p. 63). Furthermore the authors especially emphasize the learning organization’s market-oriented character. “Learning organizations are exceptional in their ability to anticipate and act on opportunities in turbulent and fragmenting markets” (ibid, p. 71).

From a different perspective, Hussein, Abdul Razak, & Omar (2017) postulate the inevitable connection between learning organization and work engagement of the employees. “When the employees perceived that the organization give them support (with continuous learning culture) they tend to show more positive attitude, good behaviour and offer higher quality of work towards the organization (Islam, et al., 2014 cited in Hussein, Abdul Razak, & Omar, 2017, p. 17).

In sum, the literature review of this subject shows many more specific characteristics and various definitions of a learning organization. What is important to note here is the fact that all in all the learning organization can be apprehended as a source of knowledge that provides competitive advantage.

10.3 The Outcome of Idea Generation

Corazza (2016) explains that the final creative outcome emerges from a multitude of self-assessed non-creative attempts. In his words, “creativity is therefore the search for potential originality and effectiveness, much before any attribution of creative achievement (or inconclusiveness) has materialized”. His research puts forward the fact that creativity is not only the outcome of the creative thinking but also the process in itself.

Corazza (2016) also points out that process or outcome are considered as creative if they respect these two criteria: originality and effectiveness. “Originality can be argued to contain both novelty and
authenticity; as a matter of fact, authenticity is a major element to judge a novel piece of work as original” (Corazza, 2016, p.260)

Moreover, “it is necessary to bear in mind that innovation must generate value for the customer as well as for the shareholders and employees of the company” (Zizlavsky, 2013, p. 5).

Indeed, Martin (2006) defines the concept of moral creativity. Moral creativity aims at producing creative products that are not only purposefully generated and new but also morally valuable. This concept is also intertwined with authenticity in light of moral norms and value. Cropley et al. (2008) and Kaufman (2009) identify two types of creativity: malevolent and benevolent. They assume that creative work are guided by the same bunch of principles. However, the creative work differs in their intention and their consequences.

To put it differently, the creative work is following the same guidelines, although the core of the creative process is influenced by the subjectivity of the individual. As Rothwell (1988) said “at the very heart of the successful innovation process were “key individuals” of high quality and ability; people with entrepreneurial flair and a strong personal commitment to innovation.” (Rothwell, 1988, p.11).

To conclude, we assess that thinking process is creative if it respects three main criteria which are originality, effectiveness and moral. In other words, the assessment of the creative thinking are related with the thinking style and motivation.
11 Stage 3: Theorization

Even though the final stage of the empirical study did not provide us with enough insight based on which we would be able to reveal new findings, it still was a unique contribution to the main system of the findings that was postulated in the second round of the research. Based on the analysis of this phase of the research we were able to extract new imperative notions, such as passion, decent assessment of ideas done by the leaders and learning organization.

Respectively, the general overview of the main findings summarized in the second round was reinterpreted and reevaluated. The principle here is to understand the connection of the new notions with the ones that were already classified and postulated.

As the definition of the term of work passion reveals, it is ultimately related with doing the thing that one really loves, or in other words, is preoccupied with. We illustrated this process is in itself connected with job engagement. Hence, we can state: passion and engagement are clearly related with motivation.

This in itself led us to the thought that passion together with engagement is suitable to place in the work-related subdivision of leadership traits postulated in the second round of the findings.

The last insight provided by this round of interview is related with the outcome of the creative thinking. That is assessment of the creative outcome influences the thinking style and the motivation of the individual.

Thus, we can claim the following statements:

“Work-related” leadership attributes directly influence individuals’ creative thinking because those traits trigger subordinates’ motivation and provide knowledge.

Intellectual abilities, creativity generation, thinking style, problem identification, access to information and communication are the
prerequisites due to which leaders’ “management skills” affect employees’ creativity.

“Team-related” leadership traits boost individuals’ creativity due to their personality-oriented character and ability to influence the motivation.

In sum:

_Leadership as such can directly affect employees’ creativity._

![Diagram](image)

**Figure 12 Findings of second round: From Leadership to Creativity. Source: Made by the authors**

On an entirely different note, our current stage improves our definition of creative working environment by introducing the notion of learning organization which is related with the creative thinking of employees.

Furthermore, we did analyse the notion of learning organization from different perspectives pointing out its essential characteristics. The fact that the learning process is central in this notion itself justifies the following statement: learning organization is fundamental source for knowledge within individual’s creativity.

The notion of organizational learning is a specific addition particularly to the first subdivision of the creative working environment which refers to the organizational culture. This is justified in the following way: learning organization as stated in previous paragraphs, has a central emphasis on learning all over the time, thus gaining competences which can be viewed as a policy or value of a company. Moreover, we admit
that the organizational learning factors affect the thinking style of the individual together with the access and the availability of knowledge.
12 Conclusion

Now we would like to conclude all the research process which was carried out according to the principles with the Grounded Theory. In each of the stage of the work, we assembled necessary and appropriate empirical data which was thereafter combined, compared and reinterpreted with the theoretical framework respectively.

As a result of the process, we were able to discover suitable findings on target with the research questions. Particularly, in the first round, we confirmed our initial understanding of the possible connections between these three main focus areas: leadership, working environment and innovation together with creativity. Later forward, in the second round, we illustrated the influence of leadership on employees’ creativity through the construction of a creative working environment. Because of the insights of the second round, the research process led us to a new focus area which gave birth to our second research question. The objective of the third round was to explore the direct influence of leadership upon the employees’ creativity.

To sum up the findings of all the stages, we can state that leadership have both direct and indirect influence on follower’s creativity which is clearly illustrated in the figure bellow:
13 Discussion

How can leaders foster employee’s creativity through the construction of a creative work environment?

If we look at the research question from the angle of working environment, it will be obvious to notice that we covered the issue thoroughly. Meaning, our findings were strong and deep enough to illustrate the working environment as a whole and the ways how it affects employees’ creativity.

As regards the leaders’ role as such, it is pertinent to note that already in the second round of the research our findings led us to the thought that most of the discussed leadership traits, behaviors and activities are authenticity-related.

What is more, we have got the same picture when extracting the main components of the final round of the research work shown in paragraphs above. To put it differently, we believe that especially self-awareness and vision, passion, coaching, leader - as learner and listener, ability of guiding in direction, inspiring and empowering the subordinates by giving them opportunities of realizing their full potential are totally related with the understanding of authentic leadership. Moreover, in the respective sections of our work we did illustrate the influence of those mentioned traits over the employees’ creative thinking.

Anchored with this we would like to claim:

Authentic leadership is an ultimate prerequisite that fosters employees’ creativity.

The questions that arise here will therefore be how the other leadership styles contribute to employees’ creativity, whether the authentic leadership is the most vital style that enhances creativity or there are other decisive styles either, such as transformational, transactional, entrepreneurial and so on and so forth. Hence, the future research can
be conducted within the context of other leadership styles with specific questionnaires with the central focus on certain types of leadership.

Another point that should be discussed in this section is the relative advantageousness of creativity. From that perspective, we wonder if creativity or creative thinking is always beneficial for a company or even for the society as a whole. Meaning that this capacity of being creative can be used for negative purposes which will lead to antagonistic benefits. As we hinted in the last round of theoretical analysis, a creative idea in the modern society should be considered as such if it respects moral or ethical purposes. According to the current literature, we also strongly believe that the upcoming generation will have to demonstrate creative thinking to overcome the current raising issues, such as environmental, societal and so on.
14 Limitations

In the current section we aim to introduce the main limitations of our research process. Even though we tried to complete our work with precision by thoroughly covering each of the study areas, we did encounter several limitations.

Above all, the geographical scope of the empirical analysis was restricted. Meaning, the respondents were specifically from Sweden and Armenia. This means that the empirical part of the research namely holds the impact of those countries. The future research in this field could be carried out within a wider geographical range. The diversity of national and cultural values of the respondents may give more insight to the research process.

Additionally, time restriction was another limitation for our study. In particular, we were not able to conduct one more interview before the submission of the paper. The importance of the interview was high thanks to the professional background of the respondent who is a prominent professional leadership and innovation coach. Consequently, we believed his responses would become major asset for our research. Anyway, we did not hesitate to take his offer and conduct the interview after the submission of our work. This was done based on our personal interest in the respondent.

Finally, using other methodological approaches, specifically systems view, could enhance our final theory and give yet another contribution to apprehend the overall meaning of the thesis work.
15 References


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