Master Thesis
Msc in Management of Creative Business Processes

“How to use the human resources within an organization most efficient”

With focus on Innovation, Creativity and Culture

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During this time of writing the thesis, I have been fortunate to receive the help and assistance I needed and I will for this reason take this opportunity to thank those who made this paper possible.

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A previous report conducted by the Europe Commission showed that Norway’s activity level according to innovation is below the average in the EU, where Sweden and Denmark is categorized as Innovation leaders in the same context. Despite macroeconomics growth, the investments on innovation and results what innovation concerns underperform. The purpose of the report is presented as a tool in order to measure and compare the political and organizational activities and focus and force innovation in order to stay competitive in a fast changing environment. Given the low result especially compared to the Nordic countries, a reason might be a mind-set where the focus is to protect the national welfare rather than using resources and risk on the uncertainty activity; innovation.

The theoretical approach in this paper will mainly concern how an organization can build up a strategy where creative ideas are appreciated and innovative solutions become further developed given the recourses within the organization. It is the human capital that creates inventions and innovative processes; therefore, creativity has to be stimulated in order to develop good ideas.

The methodological approach is based on an exploratory study, and the qualitative analysis is based on semi-structured interviews with well experienced Norwegian workforce who has been working in both public and private sector. The intention was to gain an overall impression on the current organization culture and assess motivational triggers by the individuals.

This result led to an idea on how the Norwegian business culture is perceived based on dimensions which are related to the organizational business culture and climate. It is a clear gap between an “innovation friendly environment” and the environment analyzed based on the above presented report as well as the qualitative research conducted in this paper. Therefore, I will present three concrete recommendations organizations can implement in order to use the human capital more efficient to gain innovative results. This is as following. “Performance assessment”, “Happy House Day” and “The Innovation Hub.” The idea is that these initiatives will affect the innovative activity level on short and long term.
<table>
<thead>
<tr>
<th>CONTENTS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Aknowledgement</td>
<td>2</td>
</tr>
<tr>
<td>Abstract</td>
<td>3</td>
</tr>
<tr>
<td>Contents</td>
<td>4</td>
</tr>
<tr>
<td>Chapter 1: Introduction</td>
<td>7</td>
</tr>
<tr>
<td>Background information</td>
<td>8</td>
</tr>
<tr>
<td>Problem statement</td>
<td>10</td>
</tr>
<tr>
<td>Two different perspectives for further development</td>
<td>11</td>
</tr>
<tr>
<td>Motivation</td>
<td>13</td>
</tr>
<tr>
<td>Chapter 2: Literature Review</td>
<td>16</td>
</tr>
<tr>
<td>Introduction</td>
<td>16</td>
</tr>
<tr>
<td>An innovative approach</td>
<td>17</td>
</tr>
<tr>
<td>Innovation as success factor and awareness</td>
<td>18</td>
</tr>
<tr>
<td>The Innovative scope in the organization</td>
<td>20</td>
</tr>
<tr>
<td>To create the innovative organization</td>
<td>21</td>
</tr>
<tr>
<td>Step 1, Search</td>
<td>22</td>
</tr>
<tr>
<td>Step 2, Select</td>
<td>24</td>
</tr>
<tr>
<td>Step 3, implement</td>
<td>25</td>
</tr>
<tr>
<td>Step 4, Capture</td>
<td>27</td>
</tr>
<tr>
<td>Creativity</td>
<td>30</td>
</tr>
<tr>
<td>Defining creativity</td>
<td>31</td>
</tr>
<tr>
<td>Individual and organizational creativity</td>
<td>32</td>
</tr>
<tr>
<td>Managerial approaches to enhancing creativity</td>
<td>33</td>
</tr>
<tr>
<td>Creativity-Stimulating Environment</td>
<td>34</td>
</tr>
<tr>
<td>Role of motivation in enhancing creativity</td>
<td>36</td>
</tr>
<tr>
<td>Organizational culture and climate</td>
<td>38</td>
</tr>
<tr>
<td>Defining Culture</td>
<td>38</td>
</tr>
<tr>
<td>Culture VS Climate</td>
<td>39</td>
</tr>
<tr>
<td>A guide to make the change in practice</td>
<td>39</td>
</tr>
<tr>
<td>The Situational Outlook Questionnaire</td>
<td>42</td>
</tr>
<tr>
<td>Chapter 3 - Methodology</td>
<td>44</td>
</tr>
<tr>
<td>Social Constructionist</td>
<td>44</td>
</tr>
<tr>
<td>Types of data</td>
<td>45</td>
</tr>
</tbody>
</table>
CHAPTER 1: INTRODUCTION

*Innovation is creativity with a job to do*

- John Emmerling

In this modern day and age, creativity has become a buzz-word of the business world. The knowledge economies are blooming, as is the focus on innovation and entrepreneurship – areas in which creativity is a main ingredient.

Normally innovation starts with research and development (R&D). R&D is a systematic activity that combines both basic and applied research and aims at discovering solutions to problems or creating new goods or knowledge. (Tidd & Bessant, 2009) The main purpose is to increase knowledge and use this in a new way. It has been said that R&D is the foundation for innovation and introduction of new products or processes, and furthermore it could also be based on existing knowledge and technology. Increasingly, innovation is becoming a corporate-wide task, involving production, marketing, administration, purchasing and many other functions; this provides strong pressure for widespread organizational change towards more organic models. (Tidd, Bessant, & Pavitt, 2001) Whereas innovation is often seen as the province of technical specialists in R&D, engineering or design, the underlying creative skills and problem solving abilities are possessed by everyone. (Tidd, Bessant, & Pavitt, 2001) The key point is; innovation moves from a collection of ideas, conscious or unconscious, to some physical reality. (Tidd & Bessant, 2009) And in order to produce ideas, the organization has to be open for creativity.

Creativity is typically associated with certain industries and personality types. More specifically, the ones producing output related to cultural products and services, such as visual arts, performances and literature. However, looking deeper into creativity at decision making, it can be noted, that it goes far beyond production of cultural products: creativity can actually be expressed in any types of organizations and at any levels of hierarchy within them. (Shalley & Gilson, What leaders need to know: A review of social and contextual factors that can foster or
In fact, today, innovation and creativity is fundamental for organizations more than ever!

Creativity is an important aspect of innovation, as innovation actually requires creativity. (Tidd & Bessant, 2009) Which can be defined as the act of renewing or improving, and thus, in the process of innovation it is necessary to be creative in order to achieve good results. At the same time, innovation is important for the competitive advantage of any company of today, because in order to succeed and survive in ever changing environments, businesses need to constantly innovate and come up with new and better solutions than those of their competitors. In conclusion, creativity is a vital factor for the continuing existence and thrives of organizations of the 21st century.

BACKGROUND INFORMATION

The expression “innovation” goes far back in time and one of the first to present this as a technical term was Joseph Schumpeter in early 1900. He was perhaps the first scholar do develop academic theories in this field and he identified innovation as the critical dimension of economic change. Ever since, there has been a great focus on innovation in the business world to gain economic growth, as will be presented below.

This paper is partly inspired by the European Council who held a special meeting March 2000 in Lisbon to set a new strategic goal for the Union in order to strengthen employment, economic reform and social cohesion as part of a knowledge-based economy. The Lisbon strategy, also known as the Lisbon agenda or Lisbon process was established at this point and the aim was “to make the EU the most competitive and dynamic knowledge-based economy in the world”. (Europe 2020, 2012) In the context of rapid globalization and the rebalancing of the world economy towards developing countries, thus away from Europe and the west, The European Union recognizes that innovation is essential to ensure the continuing ability of Europe’s businesses to compete in the international marketplace. The EU has therefore developed its new Innovation Union strategy, one of the flagship initiatives of its Europe 2020 growth plan. This overarching Europe 2020 aims to ensure that the EU, in spite of the current economic challenges
that many European countries are facing, emerges from this decade as a smart, sustainable and inclusive economy. (Innovation Union, 2012)

It is a clear message from the council and higher political forces that innovation must be prioritized as an important element for further economic wealth and growth. This view is not only important at the level of an individual enterprise but also increasingly as the wellspring for national economic growth. (Tidd & Bessant, 2009)

The actual meaning of the word “innovation” might sometimes be unclear, as it can be either vague or associated with revolutionary products as the light bulb or the telephone. It can also be associated with Henry Ford who was the main inventor behind the development of the assembly line technique of mass production, or Steve Jobs who was the brain behind the multinational brand Apple. This study will go beyond the superficial impression of innovation and present how it can be beneficial and produced in organizations.

While many organizations acknowledge that innovation is important to their growth and success, I assume that the term “innovation” is in many cases without a consistent, agreed-to definition in the business world. This is one of the reasons why this paper is inspired by the Lisbon strategy, where innovation activities are set as a cornerstone in order to achieve growth and efficiency in national and global economies. The argumentation for this priority is as follows;

“The rapid and accelerating pace of change means it is urgent for the Union to act now to harness the full benefits of the opportunities presented. Hence the need for the Union to set a clear strategic goal and agree a challenging programme for building knowledge infrastructures, enhancing innovation and economic reform, and modernizing social welfare and education systems.” (Presidency Conclusions, 2010)

Norway is not directly a member of the European Union, but is a country with economic interest thru globalization and trade business. The country also play an important role as a stakeholder with import and export activities with Europe and the rest of the world. In light of this, I will assume that Norway is indirectly affected politically and economically through the competitive and global environment that we are operating in these days.
Based on the overall mission for innovation by the commission and the general acceptance of importance what the current topic concerns, will innovation, creativity, organizational culture and economic efficiency be elaborated and classified as the main area of interest in this paper.

**PROBLEM STATEMENT**

Norway’s ability for research, development and innovation is constant discussion and during the last couple of years the debate has been focused on the “Norwegian puzzle” (Industry, 2008) I.e., the apparent paradox that while Norway underperforms on almost every standard innovation indicators, its economy performs better than almost all other national economies in the world. OECD also addresses the issue of “the fragmented governance system”, pointing to the needs to reinforcing the institutional mechanisms for discussing and strategizing about research and innovation policy and setting broad directions” (Scordato, 2011)

Jose Barosso, the current President of the European Commission presents the overall strategic goal and one of the main targets in Europe 2020 presented above is to use 3% of the EU’s Gross Domestic Product to be invested in Research and Development. Meeting the 3% target for research and development would create 3,7 million new jobs and boost EU’s GDP by 800 billion by 2020 (Europe 2020, 2012)

Based on a broad concept of innovation, encompassing the private, public and third sectors, it aims at ensuring that innovative ideas are translated into new goods and services that create growth and jobs. (Agnieszka, 2011)

The total R&D expenditure in Norway 2010 was 42,8 billons, which is about 1,7% of the national GDP. While it’s generally assumed that part of the explanation lies within the industrial structure of the Norwegian economy, the low activity in R&D intensive industries, and the deficiencies in innovation indicators, strong concerns persist that the Norwegian economy is not sufficiently innovative to be viable in the longer term. Below, there is presented a graph that illustrates the differences between the average EU expenditure, Sweden, Denmark and Norway.
“The overall good performance of the innovation leaders reflects a balanced national research and innovation system”. (Commission, 2011)

(Illustration 1) (Europe 2020 indicators, 2012)

*The indicator provided is Gross expenditure on R&D as a percentage of GDP. “Research and experimental development (R&D) compromise creative work undertaken on a systematic basis in order to increase the stock of knowledge, including knowledge of man, culture and society and the use of this stock of knowledge to devise new applications”*

There are many possible explanations to the so called puzzle, where there is a clear mismatch between innovation efforts and economic performance. In the report presented by the European Commission it is demonstrated a significant difference among European countries in most innovation indicators at the aggregate level, both to firm participation in innovation, to innovation efforts and to innovation success.

**TWO DIFFERENT PERSPECTIVES FOR FURTHER DEVELOPMENT**

Based on the above, there have been two different perspectives taken into consideration for further development of the current paper. First of all, to find an explanation of the domestic bias that will be shown from the Innovation Union Scoreboard with a comparison with Nordic countries, Sweden and Denmark. Despite the clear difference on the innovation activity level and
results, innovation seems to be prioritized to a certain extend on a political level in Norway as such. The government launched the first White Paper on innovation policy in 2009 with the main focus on subjects like knowledge and competence, innovative undertakings, start-up and growth, research and development. Further, they present how they will establish favorable conditions for increased innovation in Norway. (Industry, 2008)

The innovation policy framework that has now been outlined in the White Paper (on innovation policy) is ambitious but arguable also very vague, and in need of more focus and specificity. (Scordato, 2011) The primary mission with this initiative concern how to develop a systematic innovation approach at a political level and how to change a nations mind set to create organizations culture where innovation would flourish in both public and private sector. In the Mini Report, that will be presented later on, a theory is presented which says that “several critical assessment of the Norwegian innovation policy support system focus on what is often seen as an “innovation averse” public sector, and the effects of the sector principle in Norway, seen to be a barrier to overall promotion of innovation.” (Scordato, 2011) OECD also address the issue of the fragmented governance system, pointing to the needs to reinforce the institutional mechanisms for discussing and strategizing about research and innovation policy and setting broad directions. (Scordato, 2011)

One possible explanation of the public sector assessment could be that there is a lack of attitude in the way of thinking of innovation and creativity as a part of the daily routine. It might be that the culture is affected by a comfortable environment where the need for value creation is not as necessary. An important observation to highlight is that innovation is not a natural process, and it does not happen by itself, therefore it is totally vital with an innovative friendly culture that supports creative behavior. Based on this observation there might not be the same degree of need to achieve more efficient solutions. Hence, it might create a lack of attitude as proposed above.

After some discussion and evaluation it is clear that, for me to develop a national innovation strategy would be beyond the scope of this thesis. This approach will be on a more political and national level where the government might build up some guidelines and restrictions to enhance more consistence attitude and behavior according to innovative processes. In the global competitiveness report conducted by the world economic forum they do stress the fact that two
elements are intricately linked: The quality of a country’s overall business network and the quality individual firms operations and strategies. (Schwab, 2011) Therefore, the second perspective discussed for further development of this paper, will focus on individual firms, their operations and how to develop the individual strategy in order to affect the organizational efficiency. The idea is that the individual organizational performance will in the long run affect the result at a national level and contribute to a higher innovation activity level.

In relation to this perspective I do find it interesting to investigate the experiences of Norwegian employees to find their weaknesses and strengths according to innovation and creativity and rather suggest how they can improve their innovation level based on the findings from this data. The main intention is to stress the importance of innovation, mapping the Norwegian culture according to the current topic and by that presents the results with following recommendations in order to increase innovation results both at an organizational level and also at a national level in a long-term perspective. Both the perspectives are supported by the Euro commission where they stress the importance of innovation in their strategic plan for growth called Europe 2020. They highlight the fact by claiming “*perhaps the biggest challenge for the EU and its member states is to adopt a much more strategic approach to innovation*” (Europe in a nutshell, 2012)

There is no doubt that Norway got a huge potential to develop a more consistent innovation activity, which is said to be the starting point of growth. From this point of departure I will present a strategy and recommendation how to manage the innovative challenge, based on the culture and resources within Norwegian organizations.

**MOTIVATION**

The motivation for this topic of study is first of all the increasing focus on innovation in an organizational context and political initiatives as seen above. My personal experiences and interest have also inspired me for further research on current theme, as this has been my main course and focus during my degree. My experience from private and public sector in Norway as well have been a good source of inspiration, where I experience a great potential for improvements. My impression is that the subject is seen as intangible with no concrete value creation; at the same time it is accepted as an important aspect for growth. However, my
impression is it difficult to measure in an economic term in the balance sheet. Therefore I want to write a paper that will create a broader understanding on present topic in a practical context. My impression and experience from the Norwegian business culture is the fact that an idea easily gets killed by either heavy bureaucracy or a convenient and safe workplace condition where risk is more or less an abuse. As the research will show, it is clear that Norway has a low innovation activity level both in the public and private sector especially compared to Nordic countries as Sweden and Denmark, which made me even more curious on the actual innovation activity in Norway. In addition, I will assume that we have many of the same preconditions what the culture concern. My assumption is that the “Nordic culture” is more or less the same, in the sense of language, culture, demographic, geographic, political system, and education level.

Hence two key perspectives of interest were identified.

- Get a broader understanding of why Norwegian activity level is so low according to the Nordic countries.
- How to increase the innovative activity level at an organizational which will in long term affect the innovation result at a national level.

The increased focus on innovation as a central tool for economic growth and competitiveness (Schwab, 2011) will take me to a deeper level of the organizational efficiency where innovation, creativity and climate will be the main drivers to develop a culture that is more recipients to use the human capital available to develop good ideas and innovation and further gain results.

To fulfill the purpose of this thesis, the study has been designed to answering following research question:

“Given the low results of innovation at a national level in Norway, I will investigate how an organization can develop a more creative friendly culture in order to increase the innovative activity level within an organization”
In order to answer this question successfully there is necessary to answer these sub questions.

- How to stimulate and inspire employees to create good ideas?
- How to build an organization where innovation can flourish?

These questions will to a great extend, guide the literature review and form the basis for constructing more in-depth questions to be researched.
CHAPTER 2: LITERATURE REVIEW

INNOVATION, CREATIVITY, CULTURE

INTRODUCTION

This section presents the literature review that will provide the foundation for the data collection, discussion and recommendation part. It is build upon three parts, where each section will contribute to get an understanding on how to build an organization where innovation can boom and ensure that the resources within the organization can be used most effectively in order to achieve innovative results. The first part presents innovation and success factors related to gain growth in an organization, where the main focus is on how to organize the human capital. Therefore the focus will mainly concern the importance of developing a strong innovation strategy and build an approach where innovation is appreciated by the organization, management, employees and at the same time create value to the product, process or service.

Furthermore, the theoretical angle will stress how to build an organizational culture that is supportive to creative ideas and also how to build a framework to develop ideas into a commercialized outcome. The wanted outcome is to create value for the organization hence increase the competitive advantage in the fast changing business environment. Since the aim of this thesis is to investigate how to increase the organizational growth based on the given resources and use this to increase the innovative activity level, with focus on culture and creativity there is three main parts that presents the theoretical framework. Innovation, creativity and organizational culture. These factors will be presented as the main drivers to affect the organizational efficiency.
There is many different perceptions and definition of the term innovation. Therefore, in this section I will give an understanding of the subject and also highlight important definitions, theories and models in order to build a strong strategic approach for organizations.

Steve Jobs once said in a interview for Fortune Magazine in 1981 that “Innovation has nothing to do with how many R&D dollars you have… it’s not about the money. It’s about the people you have, how you’re led, and how much you get it. (Brainy Quote, 2012)

” It is also said that “people is our greatest asset” This kind of phrases has become more or less as a cliché of the business world, but in the field of innovation this theme is of central importance. “It’s all about the people”- that’s a great sound bite and we’ve all heard it a million times before. We all know that it’s about people, and not processes that makes thing happen. But while most companies are pretty good at constructing processes they are often shockingly bad at getting the most out of the human energy. “One factor that affects the human energy and how this energy is used depends on how the organizations manage the business culture. Innovation requires creativity.” (Tidd & Bessant, 2009)

In order to answer my research question I will therefore look at the relationship between Innovation, creativity and organizational culture in order to gain organizational efficiency. Success in innovation appears to depend upon two key ingredients- technical resources as people, equipment, knowledge, money etc and the capabilities in the organization to manage them. (Tidd, Bessant, & Pavitt, 2001) From this point of departure, my assumption is that the technical resources within the organization are given and the learning process will be to which extent the organization are able to manage them. This brings me up to the complex issue of building the innovative culture.

“It is clear from a wealth of psychological research that every human being comes with the capability to find and solve complex problems, and where such creative behavior can be harnessed amongst a group of people with differing skills and perspectives extraordinary things can be achieved.” (Tidd & Bessant, 2009 )This psychological statement explain just the fact Steve Job present above, where it is a clear message on having the right human capital in the organization it is possible to create a firm who constantly manage to solve complex problems. By
training skills for individuals and groups and by that achieve results through motivating for creativity and innovation. The challenge in this thesis is how to go about building the kind of organizations in which such innovative behavior can flourish.

**INNOVATION AS SUCCESS FACTOR AND AWARENESS**

In order to obtain success and efficiency within an organization, awareness and the role of innovation as a business area is described as crucial factor. Tidd and Bessant present three arguments according to why innovation is an important assessment of successful organizations presented as:

- Innovation is consistently found to be the most important characteristic associated with success.
- Innovative enterprises typically achieve stronger growth or are more successful than those that do not innovate.
- Enterprises that gain market share and increasing profitability are those that are innovative. (Tidd & Bessant, 2009)

From the statements presented above, it is a clear bound between innovation and success in order for an organizational to grow and gain competitive advantage. Tidd and Bessant have quoted the UK department of trade industry where they present the important relation between innovation and creativity. They claim that “innovation is the successful exploitation of new ideas.” (Tidd & Bessant, 2009) I will use this definition and extend it with a presentation of how the management can build a strong and sustainable innovation strategy and at the same time an innovation friendly organizational environment.

Moreover there is identified some dimensions according to best criteria for success that the organization has to provide awareness, presented as following:

- **Product advantage** – Product superiority in the eyes of the customer, real differential advantage, high performance-to-cost ratio and delivering unique benefits. This appears to
be the primary factors that are separating winners from losers. Therefore it is stated that customer perception is the key for innovative success.

- **Market knowledge**- That the organization does their homework is vital in order to gain a commercialized success of the invasion. The better predevelopment preparation including initial screening, preliminary market assessment, and preliminary technical appraisal, detailed marked studies and business/financial analysis the greater the likelihood of achieving success. Customer and user need assessment and understanding is critical. Competitive analysis is also an important part of the market analysis to gain an overall assessment.

- **Clear product definition**- this includes defining target markets, clear concept definition and benefits to be delivered. It is also mentioned the importance of a clear positioning strategy, a list of product requirements, features and attributes or use of a priority criteria list agreed before development begins.

- **Risk assessment**- market-based, technological, and manufacturing and design sources of risk to the development project must be assessed, and plans made to address them. Risk assessment must be built into the business and feasibility studies so they are appropriately addressed with respect to the market and the firm’s capabilities.

- **Project organization**- the use of cross-functional, multidisciplinary teams carrying responsibility for the project from beginning to end.

- **Project resources**- sufficient financial and material resources and human skills must be available; the firm must possess the management and technological skills to design and develop the new product.

- **Proficiency of execution**- quality of technological and production activities, and all pre-commercialization business analyses and test marketing; detailed market studies underpin new product success.

- **Top management support**- This is an important factor from the point of concept through launch. Management must be able to create an atmosphere and trust, coordination and control. Key individuals or champions often play a critical role during the innovation process. (Tidd & Bessant, 2009)
As we can see from these factors there is no doubt that innovation is a complex and resource demanding process that not produces by itself but by the human capital and individuals within an organization in consistent success. (Tidd & Bessant, 2009)

THE INNOVATIVE SCOPE IN THE ORGANIZATION

The demand for growth, the need to deal effectively with increasing competition, complexity, and the frenetic pace of change, forces those who lead and manage organizations to meet the innovation challenge. (Isaksen & Tidd, 2006) In general an increasing number of organizations around the world are beginning to broaden their definition of innovation, in response to the demand of competitive pressure to fast-changing consumer needs and trends, innovation is increasingly seen as something that can help organizations work in new ways, enter new categories or channels, as well as produce new products and services. (Isaksen & Tidd, 2006) Still, many organizations have innovation programs aimed at helping develop new products and services where Isaksen and Tidd (2006) goes beyond this “old school” categorization of innovation by saying that “We consider innovation to be new products and services, new costumer solutions, improved internal operation and services, linked to increase revenue and reduced cost.” (Isaksen & Tidd, 2006) This is an implication that the topic if innovation is about to broad the activity within the whole organization, stakeholders and customers. Therefore I want to present how to strategic build an organization where efficiency and innovation is related to multiple levels across departments, and at the same time have focus on building an creative friendly climate as a part of the overall strategy. Therefore I will present a step- by- step approach how an organization can manage to build a strategy and culture where innovation and creativity can flourish. Tidd and Bessant (2009) present different components of the innovative organization, where factors as shared vision, leadership and the will to innovate are seen as an important component to build the wanted innovative organization. The key feature is to clearly articulate and share the sense of purpose. In order to build the appreciated innovation organization, one of the key features pointed out is the positive approach to creative ideas, supported by relevant motivation systems.
In this section I will present a practical approach on how to manage the complexity of innovation described above. There will be a step to step model where each step will present the most common challenges that follow by planning and create innovation within the organization. The complexity of an organizational structure is an important observation to take into consideration in the practical development. The complexity of an organization’s structure is reflected in the number of departments, different occupational groups, highly trained specialists, and managerial levels that it has. (Connor, Lake, & Stackman, 2003) Changing an organization’s complexity is a common method for changing its ability to innovate. (Connor, Lake, & Stackman, 2003) The different components in the complexity vary from each company.

For the purpose of manage innovation I will present Tidd and Bessant’s strategy model and use it to focus the attention on key aspects of the management and the challenges that follows. By its nature, innovation is about the unknown, about possibilities and opportunities associated with doing something new and so the process involves dealing with uncertainty. (Tidd & Bessant, 2009)

Innovation is often conceived in terms of new product market opportunities. But to be successful, they must align with the competence and assets of the firm. (Westland, 2008) Therefore it is important to build a clear strategy in order to use resources most efficient that already exist in the organization. This model will be used as a template on how an organization can build a clear innovation strategy from the very first phase where the search for ideas is the purpose, to develop the invasion until the point where you have a commercialized success from the current idea.
**STEP 1, SEARCH** – This is the first phase in the process model of innovation. The organization has to ask themselves, how we can find opportunities for innovation.

Innovation It is a process of taking ideas forward, revising and refining them, weaving the different stands of knowledge together towards a useful product, process or service. People that aim to generate innovative ideas need to know the basic knowledge in order to move beyond the status quo. Ideas need to be turned into innovations that will possibility influence the corporate profit and loss account. It involves detecting signals in the environment about potential change. These could take form of new technological opportunities, or changing requirements on the part of markets. It is important for successful innovation management to have well developed mechanisms for identifying, processing and selecting information from this turbulent environment. One obvious source of innovation is the possibilities which emerge as a result of scientific research. (Tidd & Bessant, 2009 ) Further it is illustrated the wide range of stimuli which could be relevant to kick-start the innovation journey.
There is presented many techniques and tools which will be useful for organizations to find opportunities for innovation. Beside the above presented figure, Westland present three tools and techniques that can help us generate innovations that satisfy specific pairs of firm competences and market opportunities.

1) **Quizzing**, offers the innovator an unstructured, open-ended approach for making a comprehensive analysis of customer usage and decision making regarding a product. The goal is to identify new potential users.

2) **Consumption chain analysis**, allows an evolutionary revision of the firm’s business model and capabilities, through a continual tweaking and redesign of product and services offerings that so appeal to target customers at every stage of the process that they feel compelled to buy from you.
3) **Feature mapping**, customer may perceive a feature to be attractive or unattractive. This gives the innovator a chance to mould not only the product, but the entire consumption experiences. (Westland, 2008)

It is clear that opportunities for innovation are not in short supply – and they arise from many different directions. The key challenge for innovation management in this phase is how to make sense of the potential input and do so with often limited resources.

**STEP 2, SELECT** – This is the second phase in the process model of innovation. The organization has to figure out what they are going to do- and why.

In this section we move into the area of selection in the core process model. Making decisions of this kind is not simple because of the underlying uncertainty involved. Organizations cannot afford to innovate random, they need some kind of framework which articulates how they think innovation can help them survive and growth. (Tidd & Bessant, 2009) The framework should be flexible enough to help monitor and adapt projects over time as ideas move towards more concrete solutions- and rigid enough to justify continuation or termination as uncertainties and risky guesswork become replaced by actual knowledge. Therefore innovation management tries to convert that uncertainty at the outset to something closer to a calculated risk.

Innovation is inherently risky, and even well-endowed firms cannot take unlimited risks. The purpose, of this phase is to resolve the inputs into an innovation concept which can be progressed further through the development organization. Three inputs feed this phase.

1) The flow of signals about possible technological and market opportunities available to the enterprise.
2) Concerns the current knowledge base of the firm – its distinctive competence. This is what the organization knows about its product or service and how that is produced or delivered effectively. The important thing here is to ensure that there is a good fit between what the firm currently knows about and the proposed changes it wants to make.

3) The strategy has to fit into the overall business. Should be possible to relate the proposed innovation to improvements in overall business performances. (Tidd & Bessant, 2009)

Getting close alignment between the overall strategy for the business and the innovation strategy is critical in this phase. The requirement here is to develop the relationships needed to access the necessary complementary knowledge, equipment, resources, etc. (Tidd & Bessant, 2009)

STEP 3, IMPLEMENT This is the third phase in the process model of innovation. How is the organization going to make it happen?

In this phase the question is how the organization actually is turning those potential ideas into some kind of reality. According to the definition of innovation used in this paper it concerns different areas of the organization as e.g. a new product or service, a change in process or a shift in the business model etc. In this phase there might be high uncertainty according to different aspects of the implementation, such as details of technological feasibility, market demands, of competitor behavior, of regulatory and other influences. We can explore the implementation phase in a little more detail by considering two core elements.

1) Acquiring knowledge – involves combining new and existing knowledge available within and outside the organization, to offer a solution to the problem. Much depends at this stage on the nature of new concept. If the concept is totally new, there is considerable
scope for creativity. The challenge for managers at this stage is thus to create the condition under which this can flourish and contribute to effective innovation. The second challenge in effective R&D is not simply one of putting resources into the system; *it is how this resource is used.* Effective management of this type requires a number of organizational routines, including clear strategic direction.

2) Executing the project – Forms the heart of the innovation process. Much of this process is about weaving together different knowledge sets coming from groups and individuals with widely different functional and disciplinary backgrounds. This is fundamentally a challenge in innovation management. The issue is not simply one of ensuring certain activities are completed in a particular sequence and delivered against a time and cost budget. The lack of knowledge at the outset and the changing picture as new knowledge is brought in during the development means that a high degree of flexibility is required in terms of overall aims and subsidiary activities and sequencing. (Tidd & Bessant, 2009)

Central to this process is knowledge – this is what converts uncertainty to risk. (Tidd, Bessant, & Pavitt, 2001) The more we know about something, the more we can calculate decisions about whether or not to proceed. In innovation management, the challenge is to invest in acquiring early knowledge – through technological knowledge R&D, market research, competitor analysis, trend spotting and host of other mechanisms – to get early information to feed decision making. (Tidd & Bessant, 2009)

Further I have chosen to present two common processes for the decisions making according to innovation. First of all, the developmental funnel, second the stage-gate model. The innovation funnel is described as a road map which helps make decisions about resource commitment. Managing innovation is a fine balance act, between the cost of continuing with projects which may not eventually succeed and the danger of closing down too soon and eliminating potentially fruitful options. This model essentially involves putting in a series of gates at key stages and reviewing the projects progress against clearly defined and accepted criteria. The second method
presented in order to manage, direct and accelerate the innovation process is the stage-gate systems. It is developed a systematic process - a blue print or road map for moving a new product project through the various stages and steps from idea to launch. (Cooper, 2011)

The process illustrated is simply an innovation management tool. As illustrated above, each stage is followed by a ‘gate’, a decision point at which the project is reviewed by the ‘gate-keepers’, senior managers with authority to keep worthy projects moving ahead quickly. (Cooper, 2011)

The gates serve as the critical quality control checkpoints between the stages. A ‘go’ decision is made when the gatekeepers decide that a project is likely, technically and economically, to meet the needs of the customer as well as to comply high standards for return on investment, quality and environmental impact. Successful product and service development requires much more than the application of a set of tools and techniques, and in addition requires an appropriate organization to support innovation and an explicit process to manage development.

**STEP 4, CAPTURE** The fourth phase in the process model of innovation. In this phase the question is how are the organization going to get the benefits from it?
In this final phase there will be presented how we can ensure that we can capture value for our efforts of innovation. The challenge is to create learning and adaptive approach which constantly upgrades this capability. (Tidd & Bessant, 2009) The purpose of innovating is rarely to create innovations for their own sake but rather to capture some kind of value from them. The wanted outcome can be many. It could be a commercial success, increased market share, cost reduction, or as in social innovation- changing the world. (Tidd & Bessant, 2009) The generation, acquisition, sharing and exploitation of knowledge are central to successful innovation. However, there is a wide range of different types of knowledge, and each plays a different role. These can be technological or market knowledge, understanding of regulatory and competitive context etc. Innovation represent a key strategy for developing and sustaining competitiveness in what are increasingly ‘knowledge economies’- but being able to deploy this strategy depends on continuing accumulation, assimilation and deployment of new knowledge. Firms that exhibit competitive advantage – the ability to win and do this continuously – demonstrate timely responsiveness and rapid product innovation, coupled with the management capability to effectively coordinate and redeploy internal and external competencies. Further, the knowledge is about the innovation process itself – the ways in which it can be organized and managed, the bundle of routines which enable us to plan and execute the innovation journey. (Tidd & Bessant, 2009) Effective learning from and about innovation management depends on establishing a learning cycle around the experience, reflection, the concept and the experiment.
(Tidd & Bessant, 2009)

The learning is seen as requiring; structured and challenging reflection on the process – what happened, what worked well, what went wrong, etc. The conceptualizing, it is about capturing and codifying the lessons learned into frameworks and eventually procedures to build on lessons learned. The experimental phase shows the willingness to try and manage things differently next time, to see if the lessons learned are valid. The last phase in the cycle of learning is the honest capture of experience, where the organization has raw material on which to reflect. From this we can think of the innovation process as a learning loop where the organization can pick up signals which trigger response. (Tidd & Bessant, 2009)
I will in this section show to which extent the creativity is an essential part of innovation. There will be presented in two different perspectives; how creativity might affect an organization and how to stimulate each individual to build a creative mind set. In order to answer the research question I will take the first sub question into consideration; *How to stimulate and inspire employees to create good ideas?* In order to present a proper answer I will start to present creativity and the scope of the topic. The management can affect the creative activities to a certain extent in an organization and the challenge is how to manage this in the right direction.

A large part of this section is inspired by Theresa Amabile, which has contributed to a great extent with research and development on current topic. Theresa Amabile is primarily known for her research and writing on creativity in the early 70’s. Here research mainly investigates how life inside organizations can influence people and their performance. Originally focusing on individual creativity, Dr. Amabile research expanded to encompass individual productivity, team creativity, and organizational innovation. She now studies how everyday life inside organizations can influence people and their performance. Here research encompasses creativity, productivity, innovation, and inner work life –the confluence of emotions, perceptions, and motivation that people experience as they react to events at work. (Faculty & Research, 2011)
DEFINING CREATIVITY

“Creativity gets killed much more often than it gets supported”

(Amabile, How to Kill Creativity, 1998)

The concept of creativity can be broadly defined as “the production of novel, appropriate ideas in any realm of human activity, from science, to the arts, to education, to business, to everyday life” (Amabile, 1997). In other words, this definition deals with creativity as it relates to an activity which is beneficial for a large amount of businesses and industries. The current work will be narrowed down, where the main focus will be related to creativity in business processes and activities which attend to result in innovation. Nevertheless, the emphasis on combining novel ideas, which bring some new perspectives and approaches, and their appropriateness, means that they can be used to answer to particular problem, directly appeals to business creativity (Amabile, How to Kill Creativity, 1998)

What makes the concept of creativity interesting and crucial for business and what this case matters, is that creativity is the necessary prerequisite to innovation, and the latter is a part of the organizational change and development processes, which are vital for the running of an organization in the long run. (Amabile, Motivating Creativity in Organisations: On Doing What You Love and Loving What You Do, 1997) Companies have to constantly deliver products and services appropriate and needed at the corresponding time, and thus exercise creativity in their strategic and daily operations. Despite the fact, that creativity can be excelled at different levels depending on the business functions and tasks, it can be still used at all the levels in organizations to some extent (Shalley & Gilson, What leaders need to know: A review of social and contextual factors that can foster or hinder creativity, 2004). Moreover, managers, who are aware of various factors influencing creativity at all levels can be better at influencing and positively affecting occurrence of creativity in their organizations (Shalley & Gilson, What leaders need to know: A review of social and contextual factors that can foster or hinder creativity, 2004)
In business research, the concept of creativity is often seen in two aspects: individual and organizational creativity (Amabile, Motivating Creativity in Organisations: On Doing What You Love and Loving What You Do, 1997) (Shalley & Gilson, What leaders need to know: A review of social and contextual factors that can foster or hinder creativity, 2004) Creativity at the individual level can be seen as a foundation for forming and supporting organizational creativity and innovation. Individual creativity incorporates personality factors, cognitive style and ability, relevant task domain expertise, motivation, and social and contextual influences. (Woodman, Sawyer, & Griffin, 1993) Organizational creativity can be defined as “the creation of a valuable, useful new product, service, idea, procedure, or process by individuals working together in a complex social system” (Woodman, Sawyer, & Griffin, 1993)

Very often, individual creativity is seen as an attribute of creative people, who are supposed to have different characteristics relating to their working and thinking approaches compared to ‘not creative’ people (Lampel et al. 2000: 265). According to Amabile (1997), this approach appears to create limiting conditions for further practical use: it ignores the role of various factors, which can influence creativity of a taken individual. Moreover, it does not create opportunities for creating frameworks, which would help ‘ordinary’ people to become more creative at work. The Componential Theory of Creativity is based on assumption, that every person having normal capacities can be able to make creative output in some field or other. (Amabile, Motivating Creativity in Organisations: On Doing What You Love and Loving What You Do, 1997) This theory formulates three main components of individual creativity, which together form a necessary requirement for exercising creativity in any given field. These components are: expertise, creative-thinking skills, and intrinsic task motivation. Amabile formulates expertise as a “foundation for all creative work” (1997) which means, that expertise comprises all the knowledge accumulated by the individual, their special technical skills and talents. The creative-thinking skills comprise cognitive elements enabling a person to apply their expertise to creating new problem-solving approaches and solutions. The combination of expertise and creative-thinking skills create a basis for what a person is able to do. At the same time, the aspect of intrinsic task motivation is determining what the person will actually do: depending on the level
of motivational orientation, two other components will be used to a different extent to accomplish a certain task. (Adler & Chen, 2011)

MANAGERIAL APPROACHES TO ENHANCING CREATIVITY

Further research by Amabile (1998) formulates a managerial approach to enhancing creativity, which is based on six elements to be used throughout organizations, which are also called Environmental Stimulants for Creativity: challenge, freedom, resources, work-group features, supervisory encouragement, and organizational support. Current work will be further dealing with the elements of challenge and work-group features. Innovation is increasingly about teamwork and the creative combination of different disciplines and perspectives. Whether it is in designing a new car in half the time usually taken, bringing a new computer concept to market, establishing new ways of delivering old services such as banking, insurance or traveling service, or putting men and woman routinely into space “Success comes from people working together in high performance teams.” (Tidd & Bessant, 2009 )

The former represents the managerial task of matching people with the assignments, which use their expertise and creative-thinking skills, and stimulate intrinsic motivation, at the same time providing opportunities for further development. According to Amabile (1998), the main feature of work-groups, which enhance creativity, is a combination of supportive environment, which encourages expressing opinions and new ideas, with a diversified structure of the team: including various backgrounds, perspectives and personalities.

Another managerial framework based on the approach created by Amabile (1998) and Woodman (1993) focuses on the categorization, which divides the work context into the following components: individual, job, group or team, and organizational level factors (Shalley & Gilson, What leaders need to know: A review of social and contextual factors that can foster or hinder creativity, 2004). Considering individual-level factor, it is important to highlight, that while this approach states, that some people can be more creative, than others, it acknowledges the fact, that “social and contextual factors can enable the expression of creative activity and motivate its applications.” (Shalley & Gilson, What leaders need to know: A review of social and contextual factors that can foster or hinder creativity, 2004) The job-level factors point out to the
importance of providing employees with the jobs, which would be sufficiently challenging in order to motivate creativity, but at the same time not overwhelming, which lets the individual to break out of the usual or habitual working procedures with creative ideas. One of the elements of job-level factors, sufficient resources, points out to the importance of access to other individuals as a resource: various individuals in organizations possess different expertise and skills complementing each other, and input from many of them can be necessary to come up with and develop creative ideas. According to Woodman (1993), it is necessary for individuals to be able to share information freely with others within the organization and take part in decisions in order to remain creative. Therefore, acquiring other’s views and knowledge can have an enhancing effect on individual’s creative performance. Shalley and Gilson (2004) claim that the way the rewards are constructed and communicated to the individuals can also affect creativity: through having influence on the intrinsic motivation. When describing team and work group factors, Shalley and Gilson (2004) concentrate on the influence of the social interaction and influences on individual’s creativity: the opinion of co-workers can influence the whole view on the work and organisation of an individual. Moreover, Madjar et al. (as quoted in Shalley and Gilson, 2004) conducted a research, which found out, that support from co-workers is positively related to employee’s creativity. Moreover, it is important, that there is diversity within the group composition, which is supposed to increase the variety of expertise and skills in the group, introduce different perspectives to discussions, and stimulate going beyond obvious alternatives to problem-solving.

CREATIVITY-STIMULATING ENVIRONMENT

“The social environment can influence both the level and the frequency of creative behaviour” – this approach to viewing the environment versus creativity relationship is formulated by Amabile et al. (1996). Research on creativity-stimulating work environment formulates various aspects of the environment, which can have positive and negative influences on occurrence of creativity in organizations (Amabile, 1996, 1997, 1998; Shalley and Gilson, 2004; Woodman et al. 1993). One of the aspects of a creativity-stimulating work culture is the encouragement of risk-taking and facing uncertainties: a culture, which supports coming up with new ideas and does not punish or discard the all the novelties proposed by employees. Moreover, the structure of the organization can have an impact on the creativity outcomes as well: structures that encourage
open contact with external players and using multiple sources of information are seen to be more suitable for creativity to flourish (Shalley & Gilson, What leaders need to know: A review of social and contextual factors that can foster or hinder creativity, 2004). This also relates to the hierarchical structures of organizations, to what extent the employees are encouraged to make decisions on their own and decide, how their work should be done.

The Componential Theory of Creativity describes organizational work environment through three main factors: organizational motivation to innovate, resources and management practices. (Amabile, A model of creativity and innovation in organizations, 1988) The first one deal with the approach organization uses towards innovation: to what extent innovation and creativity are supported throughout the organization. Everything in organization, which is aimed at helping in innovative and creative work, is referred to as resources. Management practices are related to all the managerial decisions and attitudes concerning task distribution, skill-matching group formation, clear strategy and goal formulation.

Woodman et al. extended the Componential Theory of Creativity by adding the elements of external and intra-organizational influences through formulating two categories of work environment inputs (1993). First one relates to the group characteristics, such as size, norms, and decision-making approaches. The second one deals with organizational characteristics, which include such elements, as organizational culture, strategy, resources and rewards.

The above-mentioned theories approach organizational environment as a somewhat homogeneous structure. But research shows, that actually many aspects of the organizational culture can be significantly different across its subgroups (Sackmann, as quoted in Amabile et al. 1996). As such, work culture can differ depending on a particular work team within an organization. Therefore, Amabile et al. (1996) propose: “Although meaningful intra-organizational differences should be expected on work environment dimensions, there will often also be meaningful intra-organizational differences between divisions, departments, and work groups”.
ROLE OF MOTIVATION IN ENHANCING CREATIVITY

Many researchers see motivation as a prerequisite and a key element for creativity (Amabile, 1997; Woodman 1993; Adler and Chen, 2011; Grant and Berry, 2011). Therefore, when searching for the roots of creativity in organizations, it is crucial to consider the concept of motivation, its elements and possible influence.

Motivation can be viewed as belonging to a line of two extremes: from extrinsic to intrinsic motivation. Extrinsic motivation is considered to be oriented on getting the reward for the work without commitment to the activities performed. (Adler & Chen, 2011) Many researchers are using the typology of extrinsic motivation described by Ryan and Cornell, which describes three extrinsic motivators: external (which is also referred to as extrinsic), introjected, and identified (Grant and Berry, 2011; Adler and Chen, 2011). In this order the forms are supposed to correspond to increasing of their positive influence on the occurrence of creativity. (Adler & Chen, 2011)

External motivators mainly relate to the factors relating to the necessity of getting rewarded financially, reference to external authority, compliance with the rules or fear of being punished. Introjected items refer to esteem-based pressures to act, such as avoidance of feelings of guilt, shame and discomfort. (Adler & Chen, 2011) Identified items are described as relating to the individual set of goals, values and wishes. (Adler & Chen, 2011) What is common in all the extrinsic motivators, is that the source of motivation comes from outside.

Intrinsic motivation is described as “the motivation to work on something, because it is interesting, involving, exciting, satisfying, or personally challenging” (Amabile, Motivating Creativity in Organisations: On Doing What You Love and Loving What You Do, 1997) Furthermore, the key roots of intrinsic motivation are supposed to be passion and interest (Amabile, How to Kill Creativity, 1998) It seen as “the desire to expend effort based on interest in and enjoyment of the work that is being performed” (Grant & Berry, 2011). Amabile also states, that intrinsic motivation can be a part of individual’s own personality to some extent (1997). Nevertheless, researchers identify various factors, which can influence the intrinsic motivation, and thus can have an impact on the expressed creativity.
Intrinsic motivation is seen to be the most appropriate motivational base for enhancing occurrence of creativity in organizations by many of the researchers (Amabile, 1997, 1998; Woodman 1993; Adler and Chen, 2011). But at the same time, many of them emphasize, that it is not sole intrinsic motivation that is necessary in order to motivate creativity.

Moreover, the structure of the organization can have an impact on the creativity outcomes as well: structures that encourage open contact with external players and using multiple sources of information are seen to be more suitable for creativity to flourish. (Shalley & Gilson, What leaders need to know: A review of social and contextual factors that can foster or hinder creativity, 2004) This also relates to the hierarchical structures of organizations, to what extent the employees are encouraged to make decisions on their own and decide, how their work should be done.
ORGANIZATIONAL CULTURE AND CLIMATE

“Culture consists of the unwritten rules of the social game”.

Geert Hofstede

DEFINING CULTURE

I will in this section of the theoretical part present the role of organizational culture and climate in order to build an organizations where innovation can flourish and is appreciated. In order to answer my RQ properly, my second sub question will be taken into consideration; how to build an organization where innovation can flourish?

Social anthropology is the science of human societies – in particular, traditional or primitive ones. In social anthropology, culture is a catchword for all those patterns of thinking, feeling, and acting referred to in the previous paragraphs. (Hofstede, 2005 ) Culture in this sense is the system of collectively held values. (Senior & Swailes, 2010 ) This definition refers to culture at the level of society and the nation respectively, and according to organizations, this is the definition on collectively held values within the employees. Organizations develop particular ways of behaving which become “the way we do things around here” as a result of repetitions and reinforcement. (Tidd, Bessant, & Pavitt, 2001) These patterns reflect an underlying set of shared beliefs about the world and how to deal with it, and form of the organizations culture. (Tidd, Bessant, & Pavitt, 2001) It is what is typical of the organization, the habits, the prevailing attitudes, and the grown-up pattern of accepted and expected behavior. (Senior & Swailes, 2010 ) Therefore it is important to create conditions that make it possible for individuals to get the power to experiment, to create, to develop, to test – to innovate. (Isaksen & Tidd, 2006) As we can see from this point of departure it is clear that culture has a dominant influence on a single person’s life and also organizational welfare which in turn will affect their performances. It follows then that in order to bring about significant organizational changes organizational culture must be managed accordingly. It is common to hear leaders and managers proclaim, “What we need around here is a cultural change!” (Isaksen & Tidd, 2006) Which is easier said than done. Therefore a vital part is to make an effort of understanding what culture is and what it would take to change it. The term culture covers a broad specter of the organizational, where it mainly refers
to the values, norms and beliefs within the organization. (Hofstede, 2005) What this paper concern I will go beyond the shared values and narrow the perspective down to a behavior approach, where the organizational climate will be in focus as a part of the organizational culture. Climate is defined as the recurring patterns of behavior, attitudes and feeling that characterize life in the organization. (Isaksen & Tidd, 2006)

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**CULTURE VS CLIMATE**

This two terms; culture and climate, have been used interchangeably by many writers, researchers and practitioners. (Tidd & Bessant, 2009) In a broad sense it is said that Culture is within the domain of anthropology and climate fall within domain of social psychology. Organizational climate, in this sense is distinct from organizational culture, which reflects the deeper and more stable aspects of values, traditions, rituals and history. (Asif, 2011) Climate on the other hand is defined as the recurring patterns of behavior, attitudes and feelings that characterize life in the organization. (Tidd & Bessant, 2009) Culture is rather broad and inclusive concept. Climate can be seen as falling under the more general concept of culture. (Isaksen & Tidd, 2006) “Climate distinct from culture in that it is more observable at a surface level within the organization and more amenable to change and improvement efforts” (Tidd & Bessant, 2009) Therefore, the focus is to understand climate as a part of the organizational culture where it is easier to measure individuals shared perceptions of groups, divisions and other levels for the analysis. It is easier to change the climate and language of the business (Isaksen & Tidd, 2006) To go deep into cultural change you have to be talking about beliefs and values, and these go to the very soul of the organization and its people.

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**A GUIDE TO MAKE THE CHANGE IN PRACTICE**

To manage an organizational change event successfully, regardless of how spontaneous or planned it may be there has to be understood the basic element of change: what is being changed,
and how the change occurs. Therefore we have to understand both the object and the method of change. (Connor & Lake, Managing organizational change, 1994) The idea of organizational routines plays a central role in theories of innovation. (Isaksen & Tidd, 2006) Routines are seen as regular and predictable behavioral patterns of the firm. (Asif, 2011) “The routines are a vital aspect of the organizational behavior. As we know, routines are seen as what that is typical for the organization, the habits, attitudes, patterns and behavior.” (Senior & Swailes, 2010) It is clear that the development of an innovative organization can be a complex process, and therefore a change in one way or another is more or less needed in order to change status quo.

Change often involves something new, and it may create some ambiguity and usually contains some level of complexity. To varying degrees, responding to change creates a need for people to use their problem-solving ability and creativity. (Isaksen & Tidd, 2006) According to creativity in changing organizational routines Isaksen og Tidd are presenting five dimensions to help, understand, predict and facilitate creativity. The purpose of presenting the following five dimensions is to show how to use the creative skills to contribute to changing organizational routines.

1) **Personal orientation contingencies**

   This include personality traits traditionally associated with creativity, such as openness to experience, tolerance of ambiguity, resistance to premature closure, curiosity and risk-taking among others. Also building awareness and competence in managing a diversity of problem-solving styles can also assist in changing organizational routines.

2) **Situational outlook contingencies**

   This dimension involves many elements surrounding the context, which includes an individual’s perception of the organizational climate and culture, the predominant leadership styles and behaviors, and the nature and function of the reward systems and structures.

3) **Task contingencies**
Task appraisal arises from the interaction between personal orientation and situational outlook. To what extent different tasks allow for deliberate creative thinking and encouraging others within all levels of the organization to do the same might increase the probability that new and useful ideas and suggestions will result. Setting clear priorities on these tasks also increases the likelihood that these ideas will be implemented.

4) Creative process contingencies

What this dimension concerns is a focus on the methodology, process and strategy and how that is needed. To be effective, it is necessary to make deliberate decisions about the components, stages and techniques that will be appropriate and valuable, given the purpose and intended outcomes of the process. By deliberately introducing new change methods, those who lead and manage organizational routines can introduce new ways of working.

5) Desired outcomes

This dimension refers to the result of process. It differs from task contingencies in that latter its more related to the initial or the desired results. Outcome contingencies deal with the actual results of the process. Organizational routines can be changed by emphasizing and focusing on new sorts of outcomes.

The kind of organizational behavior needed will include attributes like agility, flexibility, the ability to learn fast, the lack of preconceptions about the ways in which things might evolve, etc. (Isaksen & Tidd, 2006) It is obvious that the management need to assess the current situation of the organization to build a clear strategic approach in order the change the organizational routines to gain more creativity and innovation. Therefore I will present a framework developed to assess the current situation within an organization in order to change the organizational routines.
The situational outlook questionnaire (SOQ) is based on over 50 years of research and development and the foundational work was done by Dr. Ekvall in the early 1950’s. The aim of this research is to improve the understanding of the role leadership plays in creating a climate for innovation. As presented above, leadership plays an important role in establishing a climate for innovation and that innovation influence organizational results and activity level what innovation concerns. (Akkermans, Isaksen, & Isaksen, 2008)

Items on the situational outlook questionnaire represent nine dimensions each of which relates to a collection of characteristic of climate that influence creativity and change at the individual, group and organizational levels. (Ekvall, Isaksen, & Lauer, 1999) (Appendix 1) What this paper concerns SOQ is presented to gain an understanding of how the management can pay attention to the organizational behavior in order to affect the climate. Furthermore this framework is used as an inspiration of the qualitative data conducted.

The interview guide used in the in-depth interviews is based on these dimensions to gain an overall and holistic impression of the current situation in Norway.

The idea behind developing a creative climate is presented as following; Part of managing innovation is creating the appropriate climate so that people can share and build upon each other’s ideas and suggestion. (Ekvall, Isaksen, & Lauer, 1999) The question of climate in organizations and work groups that support creativity and innovation, as one facet of the larger work environment literature, has been a subject of studies and theory construction for several of decades. Appendix 1 presents and summarizes the research of how climate influence innovation. The following nine dimensions of a climate for creativity and change are those that are assessed by the Situational Outlook Questionnaire

The high performers go about getting more high-quality ideas by paying attention to everyday behavior and language. They create the right climate or environment for ideas and alternatives to thrive and grow, and encourage everyone to get involved. (Isaksen & Tidd, 2006) Organizational leadership creates the climate within which people operate and interact. This climate will impact
how people will behave and whether or not they will use their creativity to identify and resolve challenges and opportunities. (Isaksen & Tidd, 2006)

Some people are comfortable with ideas which challenge the whole way in which the universe works, whilst others prefer smaller increments of change. Some employees are comfortable with the idea about how to improve the jobs they do or their working environment in small incremental steps. This has major implications for how creativity is managed within the organization. Therefore the strategy has to be based on individuals need and desire and find the right balance to increase the creative thinking. Innovation, as we have seen, involves bringing something new into widespread use, not just inventing it. (Tidd & Bessant, 2009 ) Hence the strategic goal has to balance employees and the organizations requirements in order to use to competences right. “According to culture change and innovation it is given that the more organic and integrative organizational cultures are said to support change and, in particular, the increasing requirement for creativity and innovation in order for organizations to remain forward looking and competitive, it seems reasonable for many organizations to attempt to change their cultures in these direction.” (Senior & Swailes, 2010 )
Before the implementation of the research it is important to be clear about the role and purpose of research design. This section explains the methodological approach for the analysis that follows. The design should involve all the various components of the research project; the philosophical assumption, the research method, which data collection techniques that will be used and the approach of the qualitative and quantitative data used (Myers, 2009) The aim of the analysis is to extract meaningful insight from the data and to produce valid and reliable findings that help to answer the research problem. According to McGivern (2006) the process should not be entirely mechanical or prescriptive but instead it should be thorough, consistent and comprehensive, systematic without being rigid and open to the possibilities and insight that emerge as a result- intuition and creativity is a part of it (McGivern, 2006)

SOCIAL CONSTRUCTIONIST

The way of conducting this research has been inspired by the social constructionist paradigm. This paradigm, or belief system, is characterized by “…all social reality is constructed, or created, by social actors.” (Pole, 2002) Constructionist as an ontological position asserts that social phenomena and their meanings are continually being accomplished by social actors. (Bryman, 2012)

Hence, there is no one set reality in which we all can agree to believe, since different constructions of reality can be created depending on the ‘actors’ involved and the context in which the reality is being created (Eriksson & Kovalainen, 2008)

The constructionist paradigm stands in contrast to the traditional way of doing research – the positivist paradigm (Pole, 2002) in which adherents believes that “…social research must be value-free and objective.” (Pole, 2002) Furthermore, the positivist tradition “takes as its point of departure the elimination of the human factor” (Kvale, 2007), which stands in complete contrast to the nature of social constructionist. Challenging paradigms to that of the positivist, including the constructionist paradigm, argue that it makes no sense to study humans the same way as we
study other aspects of the world. An underlying reason for this argument is that “…human behavior isn’t mechanistic. Humans have the capacity to reflect on their actions…” (Pole, 2002) – And thus, their behavior and opinions might change over the course of time or due to changes in situational context. Even the fact that they know they are being studied and thus focused on may affect their behavior and cause them to change it. (Pole, 2002) Furthermore, as previously mentioned, human behavior is greatly affected by context.

**TYPES OF DATA**

**QUALITATIVE VS QUANTITATIVE**

There are mainly two different ways of collecting data in a scientific way that will be presented in this section, where I will describe the main differences and purposes for each. Qualitative research is most often described in contrast to quantitative research, which dominates the body of scientific work undertaken in social sciences, including business research. (Eriksson & Kovalainen, 2008) In that sense that research is about producing new knowledge and relating this to the body of existing scientific knowledge about the topic that is studied. (Eriksson & Kovalainen, 2008)

The underlying reason for the choice of doing a qualitative research project rather than a quantitative is first of all, that working with human beings. Furthermore, the desired outcome of this research is not to give an explanation of, or provide a solution for, a specific problem or situation, nor do I want to test a certain hypothesis, which is the purpose of quantitative research. (Eriksson & Kovalainen, 2008) What I wish to achieve is a holistic understanding, which is an overall aim of qualitative research approaches. (Eriksson & Kovalainen, 2008) I want to acquire and thus be able to provide, an understanding of how the working environment - the interaction socially and professionally as well as the job tasks - affects motivation and thus creativity among employees in an organization. I am not looking for the truth – rather to produce an understanding of the topic of interest.

The central ideas guiding qualitative research are different from those in quantitative research. (Flick, 2007) Quantitative research involves collecting data from relatively large samples; the
data collected are usually presented as numbers, often in tables, on graphs and on charts. (McGivern, 2006) It is useful for measuring, quantifying, validating and testing hypotheses or theories. (McGivern, 2006) Qualitative business research on the other hand gives a researcher an opportunity to focus on the complexity of business related phenomena in their context (Eriksson & Kovalainen, 2008) It produces new knowledge about how things work in real life business context, why they work in a specific way, and how we can make sense of them in a way that they might be changed. (McGivern, 2006) The heart of qualitative research is to get an understanding of why individuals and groups think the way they do. (McGivern, 2006) A qualitative research paper is often like a novel, in that there is a theme that forms a plot, which ties all chapters and sections of the report together. “Qualitative research is a situated activity that locates the observer in the world. It consists of a set of interpretive, material practices that make the world visible. This means that qualitative research study things in their natural settings, attempting to make sense of, or to interpret, phenomena in terms of the meanings people bring to them.” In this regards, a qualitative data collection is favorable because I will explore a cultural phenomena and explore social patterns in an organizational context with rich and detailed description, understanding and insight rather than measurement. The analytical work by choosing this research method is to gain information about the topic area that is being examined. Qualitative method is used when a researcher have little or no knowledge about a theme or a problem statement. (McGivern, 2006) The aim is to achieve an understanding of the Norwegian business culture and further develop recommendations where there is room for improvements.

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**PRIMARY VS SECONDARY**

Normally the source of data is divided in two different groups; primary and secondary research. The main differences is described by McGiven as ”Primary research is designed to generate or collect data for a specific problem; the data collected- primary data- do not exist prior to data collection” (McGivern, The practice of market and social research, An introduction , 2003 ) on the other hand; “Secondary data is data that were originally collected for a purpose other than the current research objectives – in revisiting them you are putting the data to a second use.” (McGivern, The practice of market and social research, An introduction , 2003 ) What this paper matter there is conducted interviews in order to build up the data collection to answer the RQ. In
an exploratory study, in-depth interviews can be very helpful to find out what is happening and to seek new insights. (Saunders, Lewis, & Thornhill, 2012) Most business researches collect empirical data for their research projects and use various types of data collection methods for this purpose. (Eriksson & Kovalainen, 2008) What this study concerns there is used a combination of primary research and secondary research to collect information and inspiration to the problem area and inspiration for the preparation of the research question. The role of the primary research conducted through dept interviews in this research is as Eriksson et. al claims, to address the information so it is related to the specific problem and issue presented above. (Eriksson & Kovalainen, 2008) Therefore there are conducted depth interviews to collect data to get a broader understanding of the issue described in this paper. The result will cover if there are some gaps between the theory presented and the actual reality.

Secondary data on the other hand is used to explore the background to a problem or issue, to describe its wider context, to help define the problem or issue, or to generate or test hypotheses or ideas. (McGivern, 2006) Bryman claims that collect secondary data can in many ways be beneficial, especially high-quality data. (Bryman, 2012) The secondary data collected can in this case be qualified as high-quality data, where the sampling procedures have been rigorous, and the results in the samples are more representative then I would be able to conduct for this project myself. Therefore, the use of secondary data can be viewed as an inexpensive mean to investigate a problem, as well as serve as a reference base against the primary data and thus to compare the validity or accuracy of it. (McGivern, The practice of market and social research, an introduction, 2006)

Secondary data consists of data that already exists, which means that the investigator needs not to use time to produce it, but to access it. (Eriksson & Kovalainen, 2008) In this context the secondary data will help me to understand the problem issue and put it in a context related to my problem statement. Therefore the primary data combined with my secondary data will build the framework of the evidence and findings. For this study various secondary data sources were used to gain an understanding of the problem area.

1) Innovation Union Scoreboard
2) Mini country report
3) Global economic forum

This will be elaborated to a larger extend below. The secondary data creates a framework in which the primary data can be processed and evaluated. Furthermore, combination of primary and secondary data provides sufficient data to answer the research question.

TYPES OF RESEARCH- EXPLORATORY RESEARCH

Research can be classified, according to the nature of the research enquiry and the type of evidence it aims to produce, into three categories (McGivern, 2006) Exploratory, descriptive and causal or explanatory. Each of these types of research enquiry can involve primary or secondary, qualitative or quantitative research. (McGivern, 2006) This thesis takes the form of an exploratory research where the study intends “to seek new insights into phenomena, to ask question, and to assess the phenomena in new light.” (Saunders, Lewis, & Thornhill, 2012) The emphasis here is on studying a situation or a problem in order to explain the relationship between variables. (Saunders, Lewis, & Thornhill, 2012)

Furthermore, McGivern claims that “Exploratory research undertakes to explore an issue or a topic.” It is particularly useful in helping to identify a problem, clarify the nature of a problem or define the issue involved. (McGivern, The practice of market and social research, an introduction, 2006) In this sense as Saunders et. al claims that exploratory research is used to clarify an understanding of the problem. (Saunders, Lewis, & Thornhill, 2012) While descriptive research aims to identify, describe and in some cases count things. Causal or explanatory research addresses the “why” questions and helps us develop causal explanations. (McGivern, 2006)

My argumentation of using exploratory research is because “its particular useful in helping to identify a problem, clarify the nature of the problem or define the issue involved.” (McGivern, 2006) Due the limited research and the complexity of the research topic it is appropriate to apply a qualitative phase to identify the vital factors in how the business culture affects the employee’s achievements according to innovation and creativity.
DATA COLLECTION

According to Jankowich (1995) “a method is a systematic and orderly approach taken towards the collection of data so that information can be obtained from those data”. (Jankowicz, 1995 )

One approach to data collection can be found in the research method of ‘explorative design’ – as mention above, the purpose of which is to understand and interpret the area of research (Gripsrud et.al, 2004). To conduct a research according to the organizational climate, it is to a large extent the attitudes and behavior that is to be measured. The organizational climate is a subject of social science where the attitude likes to come from the groups we belong to. (McGivern, The practice of market and social research, an introduction, 2006) In this case it is clear that I need to collect information based on individual’s attitude and what their work experience concerns. Social science has given labels to different types of attitude. (McGivern, The practice of market and social research, an introduction, 2006) Opinions, attitudes, and values. An opinion relates to the superficial and it is more likely to change. Attitudes are less superficial and less likely to change. Values relates to the more deep-rooted and the more immutable. An important observation is the most deep-rooted and most enduring for change are attitudes that are a part of the personality. (McGivern, The practice of market and social research, an introduction, 2006) Thus, the social research conducted there is been collected data across all these types of “attitudes.” When the main purpose with this research is to cover the organizational behavior according to innovation it is important to look at the relationship between attitude and behavior. McGivern 2006 claims that attitudes are an indication of a predisposition to act or behave, and so can be used to understand, if not explain or predict behavior. (McGivern, The practice of market and social research, an introduction, 2006)

IN-DEPTH INTERVIEW

In a broad sense an interview is defined as a survey research technique where the researcher asks the respondent questions and reports the answers. (Chadwick, Bahr, & Albrech, 1984) There are different types of interview techniques used to different purposes. The benefit of doing interviews is that the data that is being collected from the respondent are situated within their own context (McGivern, The practice of market and social research, An introduction, 2003)
Further, I will describe the way it has been done what this case matter and why. “In-depth interviews are conducted by a qualitative researcher on a one-to-one basis with a respondent who has been chosen according to the agreed recruitment criteria for the project”. (McGivern, 2006) the purpose of doing in-depth interviews is to achieve personal communication by personally doing face-to-face interviews with the respondent. (McGivern, 2006) This kind of data collection might provide the possibility to build trust and safety with the respondent, by achieving trust and safety the odds of getting the respondent to be honest and open minded are greater. According to Mack et al. (2005) the in-depth interview is used for “eliciting individual experiences, opinions and feelings”, which was exactly what I wished to obtain. Additionally, (Woodsong, MacQueen, Guest, & Namey, 2005) I chose to work with in-depth interviews since they are appropriate for “addressing sensitive topics” (Guest & MacQueen, 2008) and I believed that issues on work environment and job satisfaction could possibly be sensitive topics for some of the respondents.

SEMI-STRUCTURED

There are several variations on the standard individual in-depth interview and one of this is semi-structured interviews which are used in this case. This is a term that covers a wide range of types. It is appropriate to focus at this method around the topic area of specially culture when that is concerned with individual perception according to this topic. In a qualitative semi-structured research interview the interviewer should not have too many pre-formulated questions, but instead view the respondents as co-creating the themes of the interview. (Kvale, 2007) This way, the qualitative approach acknowledges that the interview happens as an interaction between two or more people.

This fits well with the research approach towards interviews taken by the social constructionist paradigm, which “focus on how meanings are produced through the interaction that takes place between the interviewer and interviewee.” (Eriksson & Kovalainen, 2008) The semi-structured interview is one of the main interview types in qualitative research. It entails making a list of themes and questions to be covered, although these may vary from interview to interview. (Flick, 2007) It typically refers to a context in which the interviewer has a series of question that is in general form of an interview guide but is able to vary the sequences of questions. (Bryman, 2012
The interview guide developed in order to conduct interviews to gain valuable data for this case matters is based on a theory of SOQ presented above. (Appendix 2)

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**INTERVIEW GUIDE FOR THE SEMI-STRUCTURED INTERVIEWS**

The Semi-structures interviews were done through meetings at a pre-agreed location. As far as possible the interviews was in a setting that is natural to the respondents and within their social context where they felt safe. (McGivern, 2006) The length of the interviews were initially planned to last for about one hour, all depending on the respondents concentration and interest and knowledge of the selected dimensions. The interview did last as long as it was constructive according to the topic of research. Each of the interviews starts with the researcher presenting and explaining who she is, where she is from and in what context the interview is done. Furthermore the objective of the interview gets explained; that the respondent will be anonymous and that the answers will be applied in a thesis. Based on the theorization and the description of the problem field using the different sources to acquire necessary knowledge an interview guide was made. In the interview guide, questions were categorized into nine different dimensions presented from the Situational Outlook Questionnaire. This list of topics (Appendix 2) was planned in advances to discuss and explore with the respondents a series of questions listed as a tool to keep the conversation to hold a read thread. (Appendix 2)
It is difficult to research attitudes in a way that achieves both validly and reliability. (McGivern, The practice of market and social research, an introduction, 2006) In using quantitative techniques to measure attitude we are relying on words to produce a set of statements and set a context for the questions. Therefore it is difficult to word questions to gather factual data or data about behavior; it is unlikely to capture the complexity of the attitude so it will lack validity. Respondents tend to be more sensitive to the wording and the context of attitudinal questions compared to factual questions, so it will lack reliability. (McGivern, The practice of market and social research, an introduction, 2006) I wish to put forward two points of critique, or limitations, to the research regarding the conducted interviews. First of all, I recognize the low number of interviewees and the fact that it does not allows me to make any general assumption about the Norwegian business culture as a whole. And, secondly I want to take in consideration the use of the situational outlook questionnaire. SOQ is to be used as a qualitative and quantitative tool for the measuring of the relationship between climate, creativity and leadership. There is a high value of validation when SOQ is conducted proper and are presented as descriptive statistics as mean, standard deviations, and max-min rates. In order to use a multi-method approach, the study in hole, includes 56 closed-ended questions and two open-ended questions. By employing the SOQ approach, qualitative techniques such as constant comparison and qualitative techniques such as analysis of variance can be used together provide a richer understanding of which specific leadership behaviors help or hinder the creation of an organizational climate for innovation. (Akkermans, Isaksen, & Isaksen, 2008)

This data would to a large extend been appreciated what this paper matter, but because of time and resources this was not possible to implement as a part of the research design.

This study clearly confirms that there is indeed strong relationship between leadership and innovative productivity. The current research paper does not concern the qualitative approach in order to gain the valid result as wished. Based on the points presented I cannot draw any generalization and a conclusion based on the research, but instead achieves a holistic impression to take into consideration for further development of the recommendations.
As understood and given that Norway is one of the wealthier countries; I assume that economically they do got resources and high potential for research, development and innovation. I will in this section present the secondary data used in order to gain a better understanding of the topic of interest. There are mainly used three reports to gain knowledge about the innovation activity level in Norway, where these reports also gives the opportunity to compare Norway against the Nordic countries; Sweden, Denmark and the rest of the EU. One of the key problems identified above will be taken into consideration and will in this section gain a broader understanding of the Norwegian activity level what innovation concerns, especially compared with Nordic countries as Sweden and Denmark.

The Community Innovation Statistics are the main data source for measuring innovation in Europe. (Community Innovation Statistic, 2010)

And they present the Community Innovation Surveys (Commission, 2011) which are a series of surveys executed by national offices throughout the European Union, Norway and in Iceland. Data from these surveys is used for the annual European Innovation Scoreboard and for academic research on Innovation. The harmonized surveys are designed to give information on the innovativeness of different sectors and regions. (Commission, 2011)

The main purpose for the CIS is to create a better understanding of the innovation process and analyses the effect of innovation on the economy regarding competitiveness, employment, economic growth, trade patterns, and etc-
In this paper I will address the Innovation Scoreboard and also Norway’s country report conducted by INNO Policy TrendChart and ERAWATCH where they have collected information from the statistic Norway, who has the overall responsibility for meeting the need for statistic on Norwegian society. They are responsible for coordinating all official statistics in Norway; furthermore act as a driving force in the international statistics work. (Statistics Norway, 2012)

Together they have been merged and a joint inventory of research and innovation policy measures has been created by the European Commission with the aim of facilitating access to research and innovation policies within Europe and beyond. (Scordato, 2011)

I will present the Global Competitiveness Report which supports the important aspect of innovation in relation to competitiveness. The World Economic Forum is basically an independent international organization committed to improving the state of the world by engaging business, political, academic and other leaders of society to shape global, regional and industry agendas. (World Economic Forum, 2012)

This report is used as to gain an impression and as a comparison with IUS on Norway’s place in the society especially what innovation and competitiveness concerns.

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**EUROPE 2020**

The message from Europe 2020 is here presented to show the political effort that is used to understand the importance of innovation especially in Europe. This concerns both the individual organizational as well at a national level. It is prepared concrete actions and long-term goals in order to increase the innovation activities in Europe with Norway included.

*Europe 2020* is the EU’s growth strategy for the coming decade, and it is more than just overcoming the crisis which continues to afflict many of our economies. It’s about addressing the shortcoming of the growth model and creating the conditions for a different type of growth that is smarter, more sustainable and more inclusive. The main purpose of this strategy is as follows; deliver growth that is: *smart*, through more effective investments in education, research
and innovation; *sustainable*, thanks to a decisive move towards a low-carbon economy; and *inclusive*, with a strong emphasis on job creation and poverty reduction. The strategy is focused on five ambitious goals in the areas of employment, innovation, education, poverty reduction and climate/energy. (Commission, 2011)

The commission calls on all European stakeholders to step up their effort for growth and jobs by accelerating the delivery of the Europe 2020 strategy, which mention above is the right platform for any new growth initiatives. (Europe in a nutshell, 2012)

The strategy includes seven flagship initiatives providing a framework through which the EU and national authorities mutually reinforce their efforts in areas supporting the Europe 2020 priorities such as innovation, the digital economy, employment, and youth industrial policy, poverty and resources efficiency. “With an aging population and strong competitive pressure from globalization, Europe's future economic growth and jobs will increasingly have to come from innovation in products, service and business models. “*This is why innovation had been placed at the heart of the Europe 2020 strategy for growth and jobs*” (Commission, Time to decide: action for growth, action for jobs, 2012)

This is mainly based on an agreement that goes back and is in the heart of the Lisbon strategy presented.

The innovation union aim is to improve conditions and access to finance for research and innovation in Europe, to ensure that innovative ideas can be turned into products and services that create growth and jobs. (Innovation Union, 2012)

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**INNOVATION UNION SCOREBOARD**

This report is developed as a tool in order to help the monitoring of the implementation of Europe 2020 innovation union flagship by providing a comparative assessment of the innovation performance of the EU27 member states and the relative strengths and weaknesses of their research and innovation systems. Hence, I will present the framework index used in the IUS and
present the dimensions used to measure the activity levels in the countries presented. The overall ambition of the Innovation union scoreboard is to inform policy discussions at national and EU level, by tracking progress in innovation performances within and outside the EU over time. (Commission, Time to decide: action for growth, action for jobs, 2012)

It is clear evidence from this result and as seen by this illustration, that Norway do have a lower innovation activity level according to both the average EU member states as well as Nordic countries. It is obvious that a change what the innovation activity level concerns is appreciated and needed in order improve the results at a national and organizational level.

Based on the above, Sweden and Denmark is a part of the innovation leaders while Norway is in the group characterized as Moderate innovators. This means that the Nordic countries beside Norway have higher than average score in Public-private co-publications per million populations. (Commission, 2011) Furthermore, it is said that this suggests good linkages between the science base and enterprises.

The main ingredients for innovation as we can see from innovation leaders as Sweden, Denmark, Germany and Finland is that these four countries got a high score in especially four different areas. These are presented as the keys to stimulating innovation.
• Above average R&D expenditure, especially in the business sector.
• Higher investment in skill and finance
• Strong national research and innovation system with a key role for partnership between public and private sectors
• Better results in turning technological knowledge into products and service.

(European Commission, 2012)

As presented in the report (Appendix 3) it is highlighted that Norway is one of the moderate innovators with a below average performance. Relative strengths are in Human resources, Open excellent and attractive research systems, finance and support and linkages & entrepreneurship. Relative weaknesses are in firm investment, intellectual assets, innovators and economic effects.

(Commission, 2011) The Norwegian innovation performances measured by the European Innovation Scoreboard (2011) have over the years been relatively low, in contrast to the very good macro economic performance of the country. As earlier is referred to the Norwegian puzzle.

HOW IT IS MEASURED

I will present the framework that is being used in order to measure the innovation activity level. This will show what indicators that is important and what that is being emphasized by the Commission and what it takes to achieve innovative results first at all at a national level.

The IUS 2011 distinguishes between three main types of indicators; Enablers, Firm activities, and Output. Further there are eight innovation dimensions, capturing in total 25 different indicators. The enablers capture the main drivers of innovation performances external to the firm and cover 3 innovation dimensions: -human resources –open, excellent and attractive research systems and –finance and support. Firm activities capture the innovation efforts at the level of the firm, grouped in three innovation dimensions. –Firm investment, -linkages and entrepreneurship – and intellectual assets. Outputs cover the effects of firm’s innovation activities in two dimensions –innovators and economic effect. The 25 indicators better capture the performance of national research and innovation system consider as a whole. While some of
the indicators of the IUS can be more easily influenced by policy intervention than others, the overall ambition of the Innovation Union Scoreboard is to inform policy discussions at national and EU level, by tracking progress in innovation performance within and outside the EU over time. The innovation union scoreboard is illustrated above to give an impression of the framework used in this context. (Commission, 2011)
Further in the process of obtaining an overall understanding of the Norwegian activity level what innovation activity level and results concerns, I will present the results conducted in the mini report which forms the fundamental results at the national level. This data is the fundamental result presented in the IUS. Here the data here is isolated with no comparison to other countries.

The overall objective of Norwegian innovation policy is to support long term sustainability and protect welfare. (Scordato, 2011)

The main results from the evaluation of Norway show that while the organization contributes to greater value creation in Norway, it has unfulfilled potential to develop as a knowledge-based organization and agenda setter for Norway’s business and industry policy. (Appendix3)

- The connection between goals and policy instruments is unclear and needs to be clarified.
- The goal structure should be improved, and the organization management should be based to a much greater extent on block funding and not on detailed control as is the case today
- A greater proportion of the policy instruments should be used to support projects with national and international innovation as a central objection.
- A large share of the funds should be made available to enterprises in central areas.

(Scordato, 2011)

This report do highlight the issue presented as the “Norwegian puzzle”, the apparent paradox that while Norway underperforms on almost standard innovation indicators, its economy perform better than almost all other national economies in the world. (Scordato, 2011) While it is generally assumed that part of the explanation lies with the industrial structure of the Norwegian economy, with its low activity in R&D intensive industries, and deficiencies in innovation indicators, strong concerns persist that that the Norwegian economy is not sufficiently innovative to be viable in the longer term. The OECD, in a comprehensive review of Norwegian innovation policy published in 2008, has strongly emphasized the need to restructure the Norwegian
economy to a knowledge based activities, in order to be able to sustain growth beyond the peak of oil and gas production.

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**THE GLOBAL COMPETITIVENESS REPORT**

This report is presented to illustrate Norway’s ability for innovation in a global environment, as well as the focus on innovation to gain competitive advantage in order to survive and growth.

The Global Competitiveness Report assesses the competitiveness landscape of 144 economies, providing insight into the drivers of their productivity and prosperity. The report series remain the most comprehensive assessment of national competitiveness worldwide.

The report contributes to the understanding of the key factors determining economic growth, helps to explain why some countries are more successful than others in raising income levels and opportunities for their respective populations, and offers policymakers and business leaders an important tool in the formulation of improved economic policies and institutional reforms. (Schwab, 2011) The global competitiveness Report 2011-2012 comes out and amid multiple challenges to the global economy. After a number of difficult years, a recovery from the economic crisis is tentatively emerging, although it has been very unequally distributed. Much of the developing world is still seeing relatively strong growth, despite some risk of overheating, while most advanced economies continue to experience sluggish recovery, persistent unemployment, and financial vulnerability, with no clear horizon for improvement. (Schwab, 2011) In this context, the forum’s centre for global competitiveness and performance has begun to explore which factors are necessary to ensure that national competitiveness remains sustainable over the longer term. There are many determinants driving productivity and competitiveness. What this report concerns it is presented 12 pillars where each components measuring different aspect of the topic competitiveness. One of the pillars represents innovation where the report elaborates the importance of innovation and the influence it has in relation to growth. One important observation made from the report is the emphasize on innovation by saying that innovation is particularly important for economies as they approach the frontiers of
knowledge and the possibility of integrating and adapting exogenous technologies tends to disappear.

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**RANKS**

Norway is characterized by well-functioning and transparent public institutions; private institutions also get admirable marks for ethics and accountability. Markets in the country are efficient, with goods, labor, and financial markets ranked 31st, 18th, and 5th, respectively. Productivity is also boosted by a higher uptake of new technologies, ranked 7th overall for technological readiness. Moreover, Norway’s macroeconomic environment is ranked an impressive 4th out of all countries, driven by windfall oil revenues combined with prudent fiscal management. On the other hand, Norway’s competitiveness would be further enhanced by upgrading its infrastructure (35th) and encourage more innovative businesses (20th) So as we can see from this report Norway has an increasing results according to innovation, but far away from being on top. (Schwab, 2011)

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**MAIN FINDINGS FROM THE SECONDARY DATA**

From the IUS and GCR there is a clear gap between the Norwegian achievements, especially compared to Nordic countries as Sweden and Denmark. Sweden and Denmark are confirming their places to be among the most competitive and innovative in the world. The results from this report confirms that focus by the politicians in Norway is to a large extent to maintain the already existing welfare more than invest in R&D, focus on value creation and increase growth at a national level.

This data has proven my assumption what the overall topic of interest concerns. Thus, it has given me a valid foundation to claim that the innovation activity level in Norway is below average taken the Nordic countries in consideration. Hence, strategic initiatives are required in order to improve the results at a national level as well as for individual organization.

One of the fundamental reasons for the results can be explained of what illustration 1 indicates. According to this illustration it is clear evidence that the low investment in expenditure on R&D
have a certain impact on the overall results, but I will not take for granted that the results only depend on this variable. Yes, it is an important determinant, but not given that this is a reason only. As we can see from above, innovation depends on other factors as well.

From this point of departure I will investigate to which extent the organizational culture and climate take part of the organizational efficiency. My main purpose is to find the certain dimensions of the climate that particular stands out and do affect the creative skills which is the fundamental for innovation.

Therefore I will in the next section present patterns founded according to the Norwegian workforce based on SOQ and to which extent the management plays a crucial role to build an innovation friendly environment among the employees. The purpose is to build a climate where the management uses the resources and human capital within the organization to create innovation.

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**PRIMARY DATA**

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**SITUATIONAL OUTLOOK QUESTIONNAIRE**

Based on the qualitative research conducted, I will in this section present how the interviews have contributed to enhance the understanding and given me a holistic impression of the current condition related to Norwegian workers and to their experiences and impression of the climate in both private and public sector.

The interview guide that is inspired of the dimensions presented in the SOQ will be presented as drivers to measure the organizational climate. Therefore I want to present each dimension one by one with following findings. According to Ekvall and Isaksen (2006) companies with favorable working climates achieve higher levels of interaction and flexibility, as well as higher sales volume and productivity. (Isaksen & Tidd, 2006) The SOQ has been linked to various benefits as increased creative productivity, more efficient use of resources and leadership behaviors promoting change. (Scott & Akkermans, 2011) The findings will contribute to a higher level of understanding of the current work environment as well as gain knowledge about individual’s perception in order to answer my research question proper.
What the in-depth interviews concerns it was prepared in advanced an interview guide (Appendix 2) based on the dimensions presented in the SOQ. My motivation to conduct in depth-interviews was the opportunity to achieve personal communication and provide individual options and feelings without any influence by other respondents.

**CHALLENGE AND INVOLVEMENT**

The first dimension identified is patterns according to the challenges and involvement in the organization. The main reason for this topic is to measure to which extent the respondents is involved in the daily operations and planning of long-term goals. There is said that high score on challenges and involvement implies better level of engagement, commitment and motivation. (Isaksen & Tidd, 2006) The impression from the respondent is that the daily work is mainly characterized by routines and day to day operations. Further it is clear by all the respondents that the job description is often given in advanced where the employees do not have much impact on forming their own role or achievements. There seems to be a difference from the private and public sector to which degree the employees are allowed to take a part of the long term planning for the organization and own ambitions. Respondent A from claims that “working in the public sector you are seen as a drop in the ocean with no impact on anything”. Further it seems to be shared acceptance according to the decreasing affection for the motivation to not get involved in the development of the organization long term goal as well as the development of own results. Another observation made, the complexity seems to matters, where respondent C said that “even if I work in a big organization, we are working on short term project with high speed, so I easily can see results from day to day because I am involved in the daily routines” when she refers to a large organization in the private sector. The statement from respondent A and respondent B shows a clear contrast between the public and private sector. There is a common understanding that you do have another role of impact in the private sector where there is less bureaucracy. None of the objectives have been a part of the development of the organizations vision. All of the respondents were presented to the job in the first place where the job description was already settled. If possible negotiation it seems to be mainly related to salary rather than job description/task. Therefore I find it to be a low participation in the involvement of both development and also the organization development and vision. According to the studies of SOQ
it is claimed that this might have a negative impact on the engagement, commitment and motivation. (Akkermans, Isaksen, & Isaksen, 2008)

IDEA TIME

This dimension measure and investigated the amount of time people can, and do, use for elaborating new ideas. None of the objectives are familiar with time included in the daily job task for the purpose of developing ideas. Respondent B; “I don’t have time for this kind of activities beside my daily tasks, and if I have time left over, idea creation would not been prioritized” The general impression for this dimension is that the respondents are overwhelmed with daily activities submitted by the management. The majority use more time to report and control more than develop new ideas and value creation. There perception is that they do appreciate good ideas, but do not have experience of the management using recourses, time or risk on the development that is beside the regular work condition. Minority have been predisposed time in the favor to develop and reflect. Respondent A express “Have never experienced allocated time, on order to develop ideas, I think this is done at a higher level of the organization” I can present the same attitude from several of the respondents. Respondent B clams that; “It is often appreciated to imply ideas according to social settings, and that is often between employees without any involvement from the management”. Further she emphasizes what she can see as a patterns what work condition concerns. “I have sometimes thought about how we can make it more efficient around here, but I don’t know who to tell”. There is claimed in the theory behind SOQ that a high level of idea-time people can explore and develop new ideas that may not have been included in the original task. (Tidd & Bessant, 2009)
FREEDOM

This dimension stress the importance of identifying to which extent the respondents does feel independence in the organizational climate. There seems to be an acceptance that this dimension is more related to those who work as freelancers, self-employed or creative artists within the cultural industry. Few respondents seem to have some preferences according to this topic of area as some important when I do get the impression of indifference what freedom concerns. The spontaneous reaction I recognize by the respondents is that the management have in advanced made a well done definition of the resources needed in the organization and by that developed templates for each individual. This includes pre-prepared budget planning, short- and long term planned goals. This seems to be normal behavior and widely accepted among both small and superior organizations. It is said by respondent A “Can to which extend solve the given task, but do not have any impact in the sense of identifying the task” When she refers to her experience from an organization she describes as a large organization. She seems to have the same perception from the small companies as well. It seems accepted to do what employees are told to do without any critical perspective. Respondent B “my job is well defined; therefore it is easy to fall in routines with no creative stimuli. Maybe we are too naïve an uncritical. In my current job, I am doing what I am told to do” Some of the respondents do also discuss that there is certain expectation according to how tasks are going to be solved, and at the same time it is more or less a given time frame to use, and who to be included, and desired outcome. Therefore it is not much room left for the creation of problem solving. Thus, it is easy that everyday tasks simply get routines.

IDEA SUPPORT

This dimension will assess to which extent new ideas are developed in the organization and processes. There seems to be a widespread acceptance by the respondent that you have to reach a certain management level to have some impact on the implementation of development of new processes. Respondent C claims that “Once, I had a really good idea on how to better one specific process, the idea was really appreciated and needed, but unfortunately forgotten” This shows that employees are able to reflect and develop ideas on their own initiative, but there is no
action taken in consideration from the management. It does also seem to be some confusion on what to do with ideas created. Respondent C claims that “often I create good ideas, I really think would be appreciated and good for the organization, but I don’t know who to tell or what to do for further development” The impression is that there is no systematic way in order to develop new ideas within the organization.

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**DEBATE**

This dimension is mainly related to the occurrence and open disagreement between viewpoints, ideas, experiences and knowledge. The importance by the management is to be objective and supporting in a debating situation, where many different voices and points of view are exchanged and encouraged. Respondent B “we can always share our point of view, but the managers do often have another answer and in their eyes a better one as such” as we can see from the earlier dimension this can be related to well defined work conditions that is settled in advanced. Another point of view that seems to be important for the majority of the respondents is a more systematic strategy according to knowledge sharing. Respondent B “I miss to share knowledge and experiences in a more systematic way” Further the argument is a followed, “my colleges is well educated with much experienced and that is information I could use in favor of the organization. For my own sake and also other employees might learn and get inspiration from each other.” As shown in SOQ, the higher the score is on this dimension the better is the effect on a creative climate. (Tidd & Bessant, 2009) One of the respondents do got another impression from a small organization where the relationship among the employees was categorized by fewer employees. Respondent D “Knowledge sharing and the competence level by the employees is very high and in many cases I could say that that I did experienced a young and likeminded environment. This is a resource that could be used to increase the employee’s inspiration as well as competence by a more systematic approach.
As this dimension imply, the aim is to get an overview of the emotional tension between individuals in the organization. When measuring a high level in conflict, people within the organization engage interpersonal warfare, slander and gossip, and even plot against each other.

There are identified some challenges for the management to handle when dealing with a sensitive object as conflicts. There seems to be an acceptance that the management to a large extent stay objective when dealing with conflicts. Respondent C, “My personal experience is that HR department had some agents to take care of cases of conflicts. Further, here observation as followed; “This is good for three different reasons; in that sense there is a better chance to deal with problem as fast as possible, low involvement by colleagues and they are more suitable to stay objective.” The majority of the respondents express that it may be valuable to be pro-active what this dimension concerns, in the sense to invest in the social arena to avoid negative vibes in best possible way. Another perspective of this theme was discussed by all the objects presented.

It is easy to talk dirty about the management behind their backs, while in a confrontation mainly everybody decides to stay quite.” This is a clear pattern by all the respondents, and it seems that this is a common understanding from their own experiences. Some of the objectives are pointing out the fact that they have a feeling that the management are working under a hidden agenda. Respondent D “I have experienced that my chef have delegated tasks that will in a way or another, gain himself in the end” This may contribute to mistrust between employees and the management. There is a common understanding that managers that have not been working “on the floor” do not understand the effect of changing processes or decentralize responsibility to wrong persons. Also there is a common understanding that the managers do postpone problem solving instead of action right away. Respondent A express; “In the event of emergency or critical conflicts I really believe they would react” In this sense it might be valuable to be pro-active and don’t wait to act until it might be too late.
RISK TAKING

There is said that in a high risk taking climate, people can make decisions even when they do not have certainty and all information desired. The meaning with this dimension is to map out if the respondents do got the courage and support to take some decisions beside the usual day to day operations. There seems to be a low tolerance of uncertainty among the objectives especially to the public sector. Respondent D: “If I do something on behalf of the organizations or managers, and even if it is right it is not appreciated. They want us to do it like we always have done”. This a clear sign that the management is afraid of changes. Further it is important to mention that majority of the respondents have not experiences and been active in a position where they have been able to take a decision where the outcome is related to a high-risk action. Respondent C makes a statement according to this “I can move the coffee machine if I want to” So it seems that the respondents don’t have that much of experiences on risk taking behavior or situations where risk taking is a case.

PLAYFULNESS/HUMOR

What this dimension matters, it is described in the theory of SOQ that it is important with spontaneity and ease displayed within the workplace. It is said that this might have a positive effect on the creative stimulation. (Tidd & Bessant, 2009 ) Most of the respondents seem to have a good atmosphere at the workplace according to the humor and natured joking. And some of the respondents imply that it has something to do with the young environment they are operating within. “Even if the job-task are to a large extend about routines and day to day work there is always room for a joke”. Some of the objects miss more social activities arranged by the organization beside work time. “There is never arranged something by the organization, but we do it on our own initiative” Respondent D and respondent A says that “2-3 times per year they do weekend trips organized by the organization, which contributes to a close and friendly work environment.” It is a divided experience according to this topic, while the idea behind the dimension is in general appreciated. As highlighted in the theory by Ekvall and Isaksen this is a positive thing when employees feel safe and comfortable with each other, hence en organization can contribute by organizing various social activities. According to the respondent and data
collected, there seems that they all have positive experiences by having a social arena at work. Innovation requires creating new ideas and thinking about new options, playing with them to see if they are practical, economical and marketable, and then doing: making the innovation real. This suggests a new schema for the innovation process: think, play, do! (Isaksen & Tidd, 2006)

TRUST AND OPENNESS

This dimension is developed to investigate to which extent employees feel comfortable to share ideas and being frank and honest with each other. Based on proper training and education, most of the objectives do feel safe and comfortable in the work they are delegated to do. There seems to be a pattern especially in the private sector between the employees and the management, where there is an emotional gap. This can be related to the respect in the organization. There is a higher degree of respect for the management where the respondents would not share an idea unless it is worked through well. This might lead to a relationship affected by a high level of uncertainty and set of value.

Where there is a common understanding that there is a higher level of trust at the same “hierarchical” level between employees. This can lead to constructive discussions among the employees at the same level, but not to the same extent between employees and leaders.

Another point made according to this topic is, because of the regulations and determinations; it requires considerable effort to losing the job. This is creating an extraordinary safe condition for employees which might contribute to an environment where procedures and processes are stagnating. It seems to be an ongoing attitude where they more or less can do what they want and still stay safe where they are. Respondent n “as long as I do the things I’m told to do, I can keep my job as long as I want” This attitude can be both positive and negative in the sense of building a creative climate. It do not seems that have the emotionally trust which this dimensions are seeking but in another sense do have the conditionally safe work condition without any fear of losing the job. In other words, all of the objectives do feel that they have a stabile and trustable work place in that sense that they will keep the job under more or less any circumstances.
**SUM UP:**

As a result, the SOQ offers an excellent starting point to help to understand the situational outlook surrounding the change effort you wish to implement.

As a sum up from the findings it is clear that some of the dimensions are more valuable to highlight in order to assess the climate. Based on the data collected, it is some dimensions have a clear potential for improvements, more than others. This will be elaborated below with following recommendations. How culture, climate and the dimensions from the SOQ are connected is illustrated in Appendix 4. A general impression from all the respondents it is clear that they do work under safe work condition without any concerns on their position in the organization, and at the same time the job is characterized by day to day work task are easily routines. There is low score on the challenge and involvement dimension, but again highly positive reaction on the playfulness/humor dimension.

As a bottom line, the overall impression indicates to a greater extend that there is more focus on reduced cost and a certain hierarchical environment instead of having focus on value creation and efficiency thorough creativity and innovation in both private and public sector.
“If you, as a leader of change, really want to pay attention to the many forces that are already at work within your organization, then one of the best things you can do is to formally assess the climate around you” (Isaksen & Tidd, 2006)

I am using the term manage here not in the sense of designing and running complex but predictable mechanism but rather creating conditions within the organization under which a successful resolution of multiple challenges under high levels of uncertainty is made more likely.

One of the concerns in successful innovative organizations is finding ways to ensure that individuals with good ideas are able to progress them without having to leave the organization to do so. (Tidd & Bessant, 2009)

The purpose of this chapter is to bring together the original research question, the findings, the previous work discussed in the literature review and in the wider context of the research problem outlined in the introduction. In other words the aim is to establish recommendation on how to improve the current situation that is identified and in order to fulfill my research question.

Reality is that all leaders within all organizations are already creating a climate, whether they it deliberately or not. Unless leaders are totally invisible to others, what they say and do is observed by others and is the greatest influence on the perceived patterns of behavior that characterize life and atmosphere within the organization. “Working to deliberately create climate that is conductive to innovation and change is emerging as a critical factor for organizational survival and growth” (Isaksen & Tidd, 2006)

It is obvious that an organizational change and building an innovative friendly climate is not a one day operation. As we can see it requires a well organized strategic approach as well as an assessment of the current situation. Therefore I will present three concrete recommendations based on the previous work where aim is to increase the understanding of how to build the required organization. Furthermore, how this recommendation can affect the results in short and long term perspective.
SHORT TERM
PERFORMANCE ASSESSMENT

What we have seen from the in-depth interviews it is clear that none of the respondents have some particular experience what performance appraisal concerns. I assume that to actively build a framework where important factors as; current situation, further development, wellbeing, vision, mission and results would be discussed, could contribute to enhance especially two of the dimensions presented in the SOQ with contribution to the development of an innovative friendly environment. My idea is that the outcome of the implementation will affect mainly the conflict dimension as well as the trust/openness dimension presented.

To implement a well function framework where performance assessment is prioritized will give the management an opportunity to get insight in the employee’s working day, routines and also identify individual triggers, motivation and competence level in order to use the human resources most efficient. As highlighted above, innovation is not a process that makes thing happen, it is the humans that are develop these processes. Further, the performance assessment will give the management some indications on what is working well and what processes that can be organized in a better and more efficient way within the organization. The results are supposed to affect the organizational climate in a positive way according to build an innovation friendly environment. Another consequence of implementing a systematic performance assessment could contribute to narrow the gap some of the respondents express between the managers and employees. It is clear that building a stronger bond with the employees and the managers would affect especially the trust/openness dimension as well as strengthen the mutual respect. At the same time the advantage of implement the framework of performance assessment successfully might contribute to breaking down if any potential formal barriers between the employees and the management team which can hinder the employees to promote ideas.

Therefore I will suggest that implement this as a communication tool it would increase the understanding of each other’s role within the organization. A result of the implementation can be increased loyalty and trust among the employees, the departments and among the different levels in the hierarchical system. The research has given me the impression of a certain mental as well as practical hierarchical systems among the various organizational climates. The result of this
recommendation can be to decrease this mental wall that may be present in certain organizations. Furthermore, by facilitating individually perception of the organization, it can learn the management more about what the organization are and at the same time figure out what they want to be for their employees.

As highlighted above it is clear that the process has to be well planned and motivated in order to gain some results. I will therefore mention two factors to take into consideration before implement this initiative. To do this successfully the management has to create time to do so. There has to be accepted that this is a time consuming process as well as it require human resources. Therefore it is important to delegate time to conduct performance assessment properly to get some results.

The other critical aspect is how the management chooses to rework the information from the assessment. My suggestion is that both parts together have to make a clear strategy for further development, challenges and long-term goals based on individual assessment. The management might also pay attention to any private conditions that might have any impact on the job situation.

This is a well known human resources tool used to identify the employee’s current situation within the organization. My impression, there were surprisingly low amount of feedback, engagement and experiences related to performance assessment in general. Therefore I do find it important to point out this as a suggestion on how the management can build an organization build on trust and respect.

Based on the findings and description of the dimension this suggestion would have a positive effect on the results of building an innovative friendly environment. Leaders who focus on work challenge and expertise rather than formal authority result in climates that are more likely to be assessed by members as being innovative and high performances. (Tidd & Bessant, 2009)

When conducted performance assessment I will suggest that this also have a pro-active effect on the conflict dimension. As we can see from the theory presented above this dimension refers to the emotional tension between individuals. A conflict that might occur can relate to disagreements about the goal, the content of work, the ‘what?’ needs to be done and ‘why?’ By actively use this as a tool this kind of conflict is more likely to avoid. The goal is not to
necessarily minimize conflict and maximize consensus, but to maintain a level of constructive conflict consistent with the need for diversity and a range of different preferences and styles of creative problem solving. (Tidd & Bessant, 2009 )

HAPPY HOUSE DAY

The second recommendation I want to present is the concept of a “happy house day.” The idea is to affect three of the dimensions presented in the SOQ in a positively direction in order to develop a climate where creativity is appreciated. The current dimensions as following; challenge and involvement dimension, the idea time as well as the playfulness/humor dimension. This suggestion is developed based on the finding according to the employee’s routines and day to day operations.

My suggestion according to the “Happy House Day” is mainly to get the employees to break free from daily routines. Therefore this initiative suggest to mobilize a group of employees on cross of the departments and involve them in a ‘case challenge’, which is totally different from what they are used to do. The idea is to relate the case with a current situation within the organization where the goal is to get people more involved in interpreting the vision, mission, purpose and goals of the organization for themselves and their work teams. Or involve a random case with no involvement on the daily operations or relation to the organization. Intellectual stimulation is one of the most underdeveloped components of leadership, and include behavior that increases others awareness of an interest in problems, and develops their propensity and ability to tackle problems in new ways. (Tidd & Bessant, 2009 ) When there is a high level of challenge, people within the organization gets more intrinsically motivated and committed to making contribution to the success of the organization. (Tidd & Bessant, 2009 ) Furthermore, this is an opportunity to break out from the daily routines, and a contribution to stimulate employees to think outside what they normally do. In the learning process there is a chance they will learn to work in a team they are not used to, which again force the environment in order get to know each other, which again might increase the level of respect towards each other. This can be a way where people increase the joy and meaningfulness in their work, and therefore invest more energy (Tidd & Bessant, 2009 ) A wanted scenario if successful implementation will encourage a higher level of
engagement, commitments and motivations. We can see from the findings that none of the respondents have time to develop ideas during the working day. The happy house day is an opportunity to improve the situation and the management can use the chance to prepare cases to get people more involved in interpreting the vision, mission, purpose and goals for the organization. Therefore it is a good idea to relate cases and use the opportunity to affect the individual perception of the organization.

This is also related to idea time; by implementing my suggested “happy house day” the management will give the employee’s time to elaborating new ideas. From the findings, it is clear that there is none time given especially to develop creative ideas. This will contribute to a high idea time situation, where the possibilities exist to discuss and test impulses and fresh suggestions that is not planned or included in the task assignment and people tend to trust these possibilities. (Tidd & Bessant, 2009) From the findings is clear that time for developing ideas are not prioritized. Research confirms that individuals under time pressure are significantly less likely to be creative (Tidd & Bessant, 2009) and as a large amount of the respondent expresses, the working day is overloaded by day to day operations and routine tasks.

LONG TERM

INNOVATION HUB

Leaders who provide feedback that is high on developmental potential, for example, provide useful information for subordinated to improve, learn and develop, will result in higher levels of creativity. (Tidd & Bessant, 2009) The above presented recommendations are mainly related to fundamental conditions needed to build a climate where ideas are appreciated and where innovation can flourish. Individuals, teams and managers may lack the skills to handle a large number of ideas and then converge on the most practical ideas for implementation. (Tidd & Bessant, 2009) The current recommendation will mainly concern how the organization can process ideas to become valuable for the organization. From the findings I do not get the impression of any established function within the organizations where it is a procedure to rework useful ideas.
Based on the success factors presented, together with the findings my recommendation on a long term condition is to build an “Innovation Hub” where the main purpose is to have a function within the organization who works fulltime as a separated business area to develop ideas and suggestion of improvements from employees and co-workers and the managers. The idea with this function is that the Hub will work as a place where the people can drop ideas and the organization has developed a function that will handle the large number of ideas and work them true. This will to a large extent communicate that creativity is valued from a managerial perspective which are vital in order to build an innovation friendly environment. Without appropriate support for new ideas, potential innovators grow frustrated. Therefore it is necessary for managers to provide the time and use the resources within the organization to generate and test ideas. That’s what my suggestion on an “Innovation hub” is all about. The message is mainly about that the managers is as much about leading through creating space and support within the organization as it is about direct involvement (Tidd & Bessant, 2009) The idea is that this function will work with strong relation to the managers where the decisions are made. As we can see from the stage/gate process there has to be clear bonds between the stages where the ideas are getting developed and where the decisions are made.

**SUM UP AND FURTHER DEVELOPMENT**

There is a clear message based on the reports presented and the assessment of the existing organizational culture that the conditions are not optimal for innovation to flourish in Norway. Action and change is needed both at a national and organizational level in order to achieve better result and to get better of the results in the reports. For further research on the current topic it would be interesting to use the SOQ tool properly on large amount organizations to obtain more valid results. Furthermore I find it to be a highly relevant to implement a national change what topic concerns when it is obvious that globalization and cross county communication are contributing to a fast changing environment, where innovation can contribute an organization or a country to stay competitive. Hence, as we can see from the results it is clear that we do have something to learn from our neighbors; Sweden and Denmark as per today is seen as Innovation leaders in Europe.


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**INTERNET SOURCES**


**Statistics Norway, 2012** [http://www.ssb.no/english/about_ssb/](http://www.ssb.no/english/about_ssb/)


Presidency Conclusions, 2010
Appendix 1- An illustration of the Situational outlook questionnaire

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Challenge/Involvement</td>
<td>The degree to which people are involved in daily operations, long-term goal, and visions. High challenge/Involvement implies better level of engagement, commitment, and motivation.</td>
</tr>
<tr>
<td>Freedom</td>
<td>The degree of independence shown by the people in the organization. High levels of Freedom imply more perceived autonomy and ability for individual discretion.</td>
</tr>
<tr>
<td>Trust/openness</td>
<td>The emotional safety in relationships. In high Trust/Openness situations, people feel more comfortable sharing ideas and being frank and honest with each other.</td>
</tr>
<tr>
<td>Idea-time</td>
<td>The amount of time people can, and do, use for elaborating new ideas. When Idea-Time is high, people can explore and develop new ideas that may not have been included in the original task.</td>
</tr>
<tr>
<td>Playfulness/Humour</td>
<td>The spontaneity and ease displayed within the workplace. Good-natured joking and laughter and a relaxed atmosphere (lower stress) are indicators of higher levels of Playfulness and Humor.</td>
</tr>
<tr>
<td>Conflict</td>
<td>The presence of personal and emotional tensions (a negative dimension, in contrast to the Debate dimension) When Conflict is high, people engage in interpersonal warfare, slander and gossip, and even plot against each other.</td>
</tr>
<tr>
<td>Idea-support</td>
<td>The way new ideas are treated. In a high Idea-Support situation, people receive ideas and suggestions in an attentive and professional manner. People listen generously to each other.</td>
</tr>
<tr>
<td>Debate</td>
<td>The occurrence and open disagreement between viewpoints, ideas, experiences, and knowledge. In the Debating situation, many different voices and points of view are exchanged and encouraged.</td>
</tr>
<tr>
<td>Risk-taking</td>
<td>The tolerance of uncertainty and ambiguity. In a high Risk-Taking climate, people can make decisions even when they do not have certainty and all the information desired.</td>
</tr>
</tbody>
</table>
Appendix 2- Interview Guide,

Use this in order to assess and then improve the climate for creativity and change.

Challenge and Involvement

- To which extent are you involved in daily operations, long-term goals and vision?
- To which extent are your daily tasks dynamic?
- Are you doing a meaningful job?

Idea time

- Are you welcome to present new ideas in general?
  - Response?
- Beside your day-to-day operations, do you get some time to develop new ideas for the company matters?
- Do the company give you time to develop ideas?

Freedom

- Do you have responsible for your own tasks?
- Who are defining your personal goals/results
- To which extent are you planning your long-term goals/results?

Idea Support

- To which extent do the management support your ideas
- To which extent do you and your college discuss ideas on how to improve your work conditions? (formal and informal)
- Have it ever happened that they have been using your ideas in practice?
- How is the atmosphere to create ideas?
- Do you get some sort of response on your ideas?

Debate

- Is there a atmosphere for sharing knowledge internal between both colleges and managers?
- To which extent do do the management have respect for the employees and visa versa?
- In a potential discussion, do everybody get heard?

Conflict

- In a possible conflict/fight, how would the management handle that?
- Would the managers stay objective
- Would your college stay objective?
Risk taking

- To which extent are you aloud to take initiative to practice “new ideas” even if you don’t know the outcome?
- If you have a good idea, how long time will it takes before if it possible are set out in practice?
- Are you sometimes aloud to living on the edge? (Related to work)

Playfulness/humor

- How is the atmosphere?
- Describe the atmosphere in one word.
- Do you have some socialization beside the office?

Trust and openness

- Do you feel safe at work?
- Do you share the same set of values?
- To which extent is the communication straight forward?
- To which extent can you share your options? Negative and positive?
Appendix 3 – Innovation results for Norway, used in the IUS

Norway is one of the moderate innovators with a below average performance. Relative strengths are in Human resources, Open, excellent and attractive research systems, Finance and support and Linkages & entrepreneurship. Relative weaknesses are in Firm investments, Intellectual assets, Innovators and Economic effects.

High growth is observed for Community trademarks. A strong decline is observed for Non-R&D innovation expenditure and Sales of new products. Growth performance in Human resources, Open, excellent and attractive research systems and Intellectual assets is well above average.
Appendix 4 – The Cultural three. Combines Culture, climate and SOQ together.
Appendix 5 – Interview Transcript

Respondent 1


2) I liten grad mulighet til å utvikle egen ideer, og det er begrenset hvor mye ressurser de bruker på det dersom de skulle velge å iverksette noen ideer I praksis. Mange arbeidsoppgaver er allerede standardisert og definert, derset vannskelig å integrere nye prosesser. Har ikke opplaved at man får tid avsatt til å utvikle ideer, det er gjort på et høyere nivå. Positive respons på gode ideer, men de blir ikke gjort noe med. (med mindre det e rang hvor kaffe trakten skal stå)

3) Opplever at jeg I stor grad kan lose mine arbeidsoppgaver, men det er ikke jeg som har definert de. Dårlige til å definere langsiktige mål. Det er ikke satt personlige mål, fordi holdingene er at det alltid har vært blitt gjort sånn.


Respondent B

Interview with Kristin

1) Fikk inntrykk av ting og prosesser kan forbedres. Veldig mottakelige for ider, men dårlig på å bearbeide de. Jobbet I team hvor indiveder og team be vurdert hver måned. Prosessene var
gode og effective I utgangspunktet. Forslag som ikke var for omfattende bled et tatt tak i. Oppgavene var I utgangspunktet rutinejobb, men med muligheter for oppgradering.


3) Kan stort sett velge egne oppgaver til en viss grad. Ofte kommer med forslag til hva man vil gjøre innenfor vise rammer. Opprett av god opplæring og langsiktige mål, noe som fører til at man kjenner bedriften god tog har derfor mulighet til å byte internt mellom avdelinger dersom det ville være mulighet for det.

4) Må opp på et ledelsesnivå for å få gjennomslagskraft for idde gjennomføring, liten grad av det blir diskutert om hvordan man kan være innovative god knowledge sharing, dad et er et høyt kompetanse nivå blandt ansatte.

5) Bra atmosfære, dad et er et ungt miljø. God respons på ideer, men om det blir tatt til ettertraktning!?


7) Var ikke mye mange risker å ta I forhold til beslutninger. Hadde en viss frihet I forhold til kunde oppfølging til en viss grad. Kunne love kunden for mye uten å ha tilatelse for dette.

8) Veldig sosialt, rom for en spøk og jordnære.


Respondent C

1) Challenge and involvement

Dersom jeg møter på utfordringer er jeg ikke red for å spore om hjel. Arbeidsoppgavene er I stor grad satt på forhånd og det er godt beskrevet I job annonsen. Er ikke godt innstruert I hva organisasjonens mål og visjoner er. (kan ha noe med å gjøre at jeg er deltidsansatt) får deligert oppgaver fra dag til dag og ofte varierte oppgaver. Spontant blir kastet ut I kortsiktige prosjekter hvor man får mye ansvar.
Derfor føler jeg at jeg er veldig involvert i daglige operasjoner i bedriften. Ser derfor fort resultater på det jeg gjør

2) Ide

Ideen blir ikke feiet bort og det er ofte god respons, men har ikke inntrykk av at det blir sett i gang tiltak for å gjennomføre. Har aldri opplevd at det er sett av tid i arbeidsdagen til å utvikle verken produksjon eller prosess ideer. Spontane ideer blir ofte ikke skrevet nevno dersom man foreslår det blir de fort glemt av ledelsen dersom man ikke har et rammeverk for å ta tak i disse ideene, da ofte er overbelastet med allerede eksisterende oppgaver.

3) Freedom

Ja, i veldig stor grad har jeg frihet til å lose operative oppgaver. Men ikke ofte jeg får definer mine mål. Har heller ikke tid til å gå gjennom en slik prosess på arbeidsplassen. Har veldig varierte oppgaver, og stor frihet til å lose de på min mate. Får ofte tilsendt oppgaver fra et lokalt kontor i Norge som ikke går gjennom sjefene. De har tilitt til meg at jeg loser de uten at det må gå gjennom flere organer.

4) debate

Deler mye kunnskap oss mellom og tar gjerne på hverandre hverandres oppgaver dersom man ser at andre er mer presset. Har fått god opplæring om hvordan bedriften fungerer og arbeidsoppgaver til kollegarer, så det er lettere å hjelpe hverandre.

5) Conflict

Av tidligere erfaring snakket vi mye om jobben intern toss ansatte mellom uten å si ifra til sjefene hva vi var missfornøyd med. Men en god ting var at vi prøvde å gjøre det så godt som mulig for hverandre med de ressursene vi hadde. Store bedrifter har ofte en HR avdeling som har kompetanse til å lose konflikter. Det har jeg ikke hatt noen erfaring med.

6) Risk

Har ikke vært i situasjoner der hvor mine avgjørelser har store konsekvenser eller høy risk.

Respondent D

1) Challenges and involvement
Forkjellig erfaring fra store og små arbeidsplasser. Får mer utfordringer ved de små arbeidsplassene jeg har jobbet. Da man kanskje bruker de ressursene og kompetansen man har litt på tvers, der man trenger det. I de store bedriftene er det ofte veldig strukturyt og byråkratisk.

2) Ide


Et godt arbeidsmiljø fremmer gode miljøer

3) Tust/openness

Vært veldig sosialt på alle jbbene, noen som har fort til at man føler seg veldig trygg på job sammen med ledelsen og sammen med de ansatte. Det er ofte lettere og utveksle ideer og endre prosesser sammen.

4) Freedom

Oppgavene er oofte gitt så det gir ikke stort rom til å definere egne arbeidsoppgaver. Men ja, det er let å sette langsiktige mål sammen med bedriften. For seg selv og for bedriften sammen.

5) Conflict

Mer sannsynlig I store bedrifter som har mer ressurser og en egen avdelig som kanseg av slike arbeidsoppgaver. Det er derfor det er viktig å kjenne hverandre godt. Blir ofte et arbeidsmiljø når det I store grad er en blanding mellom gytter og jenter.

Ledelsen ville ikke vært objective dersom det skulle oppstått konflikter på jobben!

Humor

God humor på jobben. Basert I at det er mye sosialt både med og utenfor job sammenheng.