

BI Norwegian Business School

Thesis

*Master of Science in Innovation and Entrepreneurship*

Exploring the  
Influence of  
Entrepreneurial  
Leadership on the  
Context for  
Creativity: The Case  
of Åpent Bakeri

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# SUMMARY

## BACKGROUND AND CASE SELECTION

In the post-industrial society organisations are increasingly recognising ideas as their most valuable commodity and their employee's creative potential as a huge resource. *The creative economy* links creative assets such as creative people in organisations to competitive advantage, by focusing how *the creative industries* influence the general economy. The aim of this thesis is to explore creativity *outside* the defined creative industries.

In a preliminary interview the head of the Norwegian Union for Bakers and Confectioners (BKLF), Anders Vangen, described how revenues had been in decline in the Norwegian bakery industry, and how the only creative industry-wide project<sup>1</sup> had yielded few results. However, it was also revealed that in Oslo some of the Bakeries are successfully going back to the traditional craft baking - while still maintaining a modern image. These were being highly successful in an otherwise troubled industry. One of these is Åpent Bakeri, which is the case of this thesis.

## CREATIVITY AND ENTREPRENEURIAL LEADERSHIP

The field of *organisational creativity* focuses on the contextual influences on creativity in organisations. Previous research has revolved around creative climates; the artificial level of organisational culture (McLean, 2005). This thesis takes a deeper dive into the creative context by also exploring the link between the organisational climate and culture.

Leaders of organisations are often described as definers or givers of culture. Schein (1990, 2010) argues how entrepreneurial leaders can embed, articulate and reinforce their values in a culture through primary and secondary leadership mechanisms. By merging creativity theory and Schein's (2010, 1990) mechanisms this thesis presents an analytical framework for examining entrepreneurial leadership's influence on the context for creativity.

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<sup>1</sup> The CEREAL project in collaboration with the research facility NOFIMA.

## RESEARCH METHODOLOGY

Our research question is: *How does Entrepreneurial Leadership Influence the Context for Creativity at Åpent Bakeri?*

The research is designed as an exploratory case study. Qualitative data is collected through in-depth, semi-structured interviews at all levels at Åpent Bakeri. The exploratory nature of our study allow us to piece together information, gaining a deeper understanding of creativity in Åpent Bakeri and how it is influenced by its entrepreneurial leadership.

## MAJOR FINDINGS

The major findings of our research are that the entrepreneurs at Åpent Bakeri help facilitate a context for creativity through three main mechanisms. First, they facilitate *communication* through implementing a semi-flat hierarchy, building personal relationships with employees and designing a physical work environment conducive to communication and humour. Second, they encourage *diversity* through symbolising and recruiting people from different backgrounds and nationalities. Third, they *motivate* employees through inspirational role-modelling, challenge, and perceivable freedom; exercising control on what they believe is crucial for the success of Åpent Bakeri, while allowing employees to feel free in their day-to-day tasks at work.

All through they cannot be accredited for everything that is creative at Åpent Bakeri, the entrepreneurs create a context where norms dictate that creative behaviour is allowed; sometimes even expected.

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1

# INTRODUCTION

**“What beautiful bread you serve, she said, and I felt that the respect that laid in this also included me.”**



# - CHAPTER 1 -

## INTRODUCTION

Creativity plays a central role in modern organisations (McLean, 2005). Even businesses outside what is traditionally considered *creative industries* are increasingly recognising ideas as their most valuable commodity – and that gaining competitive advantage relies crucially on capitalising on such ideas (C. Andriopoulos, 2003; Cunningham, 2013; Florida, 2005; Hartley et al., 2013).

Creativity is considered a social phenomenon, and the classic approach, where creativity is what a creative person does, is being challenged by organisational creativity arguing that creativity cannot be directly managed; only influenced by contextual factors (Woodman, Sawyer, & Griffin, 1993). Those who can assert the strongest influence on this context are leaders; the *definers* or *givers* of organisational culture (Jaskyte, 2004; Shin & Zhou, 2003) and Schein (2010, 1990) suggests how *entrepreneurs* can embed, articulate and reinforce organisational culture through leadership mechanisms.

The aim of this thesis is to explore how organisations in non-creative industries might create an organisational context for creativity; examining context through the lens of the organisational climate and culture for creativity. The creative industries in Norway, are defined as those who produce products communicated primarily through such aesthetics expressions such as symbols, images, colours, movement, sounds (Espelien & Gran, 2011; T Haraldsen, Flygind, Overvåg, & Power, 2004; T. Haraldsen, Hagen, & Alnes, 2008)<sup>2</sup>. Non-creative industries are those who fall out of this definition, all though such an industry definition is believed to be politics, not exact science (Espelien & Gran, 2011).

The head of the Norwegian Union for Bakers and Confectioners (BKLF), Anders Vangen, describes the Norwegian bakery industry as being in a creative rut<sup>3</sup>. Revenues have been steadily declining – especially in Oslo (Flesland,

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<sup>2</sup> The industries have also been categorised using NACE codes as: architecture, design, film, video and photography, cultural heritage, art, marketing, music, publishing, TV and radio.

<sup>3</sup> Interview at 14.2.2013

2013). Although the industry as a whole seems to be in trouble, there are some examples of successes, notably Åpent Bakeri, Godt Brød and United Bakeries, who are more or less reviving the craft bakery. Of these Åpent Bakeri stood out as focusing on design and aesthetics in an otherwise sober industry. As such, it presented itself as a natural candidate for exploring creativity outside the creative industries. Our research question is:

***How does Entrepreneurial Leadership Influence the Context for Creativity at Åpent Bakeri?***

To answer this question an exploratory case study was undertaken, interviewing some of the key people at all levels in Åpent Bakeri as well as in the Norwegian Bakery Industry.

This thesis approaches the creative context through the lens of creative climates and creative cultures in organisations, and assembled an analytical framework using Schein's (2010, 1990) leadership mechanisms for embedding, articulating and reinforcing culture.

The thesis is structured in four parts. The first part provides an introduction to the project and the structure of the thesis. The second part presents the background, terms such as *the creative economy* and some of the most prominent research on creativity. It also introduces the two parts of the creative context, the role of *entrepreneurial leadership*, before presenting the analytical framework. Part three part introduces the Norwegian bakery industry, the case of Åpent Bakeri and the chosen research methodology. It presents the interviewees and discusses the validity and reliability of our research. Lastly, the fourth part presents our findings and relates them to the preceding chapters through a concluding discussion. It also discusses the implications and limitations of the project.

All pictures used on pages that divide the parts of this thesis are courtesy of Åpent Bakeri, and all quotes on such pages are courtesy of Nielsen and Hansen (2000). For an overview see Appendix.



# 2

## CREATIVITY THEORY

**“Bakers, as masseurs, became very strong in their hands. A handshake from a baker could therefore be quite a challenge.**

**Maybe that is why bakers had so few friends?”**

## - CHAPTER 2 -

### BACKGROUND AND CREATIVITY

In this chapter we summarise some of the theoretical literature on creativity, explaining the term of *the creative economy*, its relationship to innovation and the importance of a social context for facilitating creativity.

The chapter is organised as follows. We start by emphasising the role of creativity in business, before operationalizing the relationship between some of the core concepts, such as *innovation* and *creativity*; terms that tend to overlap to some degree and that can be hard to separate. As already noted, creativity has proved to be an elusive concept, and our aim is not to come up with an explicit definition. It is however important to clarify our understanding of the term, to provide some consistency throughout this thesis. It should also be mentioned that different researchers and writers whose theories will be introduced at a later point, might have a different understanding of the term creativity.

#### 2.1. THE CREATIVE ECONOMY

In the Scandinavian countries (Norway, Sweden and Denmark) – as in the rest of the industrialised world – creativity is becoming more and more important. Sweden ranks number one on the Global Creativity Index (CGI), and Richard Florida characterises 42% of Danish and Norwegian workers as a part of his *creative class* (Florida, 2005; Florida, Mellander, & Stolarick, 2011). Creativity and aesthetics are increasingly recognised as crucial factors for fostering innovation and gaining competitive advantage (Innovasjon Norge, 2012). The Scandinavian governments have embraced creative or cultural activities as more than just *pleasant distractions* and to a great extent acknowledged them as drivers of economic growth (Power & Jansson, 2006).

Several scholars have studied how creativity contributes to innovation and effectiveness in organisations, from multiple disciplines, industries and from multiple perspectives. Perhaps most famously, John Howkins (2001)

popularised the concept of *the creative economy* in 2001. The creative economy is the relationship between creativity and economics; which is capitalising on creative assets, and is believed by many to be the key to understanding how competitive advantage is gained and lost in the post-industrial society (Florida, 2005; Howkins, 2001; UNCTAD, 2008). The most widely understood definition of the Creative Economy is that it is...

*“...An evolving concept based on creative assets potentially generating economic growth and development...At the heart of the creative economy is the creative industries” (UNCTAD, 2008, p. 15).*

Owing to the fact that creativity in itself is hard to define, a clear definition of what constitutes *creative industries* is lacking<sup>4</sup>. In Norway the creative industries<sup>5</sup> are defined using NACE codes provided by the National Bureau of Statistics (SSB), and fields of architecture, design, film, video and photography, cultural heritage, art, marketing, music, publishing, TV and radio constitutes the creative industries (Espelien & Gran, 2011; T Haraldsen, et al., 2004; T. Haraldsen, et al., 2008). The conceptual definition of the creative in the Norwegian creative industries is that they are...

*“Those industries that create, more or less, commercial cultural products, which are primarily communicated through aesthetic expressions such as symbols, signs, images, colours, movement, forms, sounds and stories.” (Espelien & Gran, 2011)*

Some contend the need to define the creative industries at all, and such approaches have been fiercely disputed by some as neo-liberalistic attempts to merge culture with economic agendas (Galloway & Dunlop, 2007; Garnham, 2005). Powers and Jansson (2006, p.12) emphasise the importance of having multiple and flexible definitions of the industries as local varieties support local variations of, and approaches to, the industries. Espelien and Gran (2011,

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<sup>4</sup>The process of defining the industries will not be covered here, but can be found in the Appendix as “Defining the Creative Industries”

<sup>5</sup> In Norway, the creative industries are commonly referred as “the cultural industries. In Sweden the most commonly used term is “the experience industries” while in Denmark the term “the culture and experience economy” is widely adapted (Espelien and Gran, 2011, p.7).

p.6) refers to the definition of creative industries to be “politics, not exact science”.

Even outside the creative industries innovation through creativity is increasingly considered a factor for long-success for organisations (Acharya & Taylor, 2012; Knudsen & Çokpekin, 2012; Santanen, Briggs, & Vreede, 2002; Styhre & Sundgren, 2005; Woodman, et al., 1993).

Organisation for Economic Co-operation and Development (OECD) considers mobilizing assets of knowledge capital and creativity to be very important for both absorbing short-term shocks, and dealing with long-term implications from the current economic crisis (OECD, 2012). Without creativity organisations cannot create and innovate to increase their performance, or survive significant environmental change (Santanen, et al., 2002).

Lundvall (1988) stated that an innovation process will always have a unique element; creativity. According to Jonathan Kestenbaum (2006), Chief Executive of NESTA, “innovation increasingly occurs where science, technology and the arts meet”. The father of modern innovation theory, Joseph Schumpeter (1883-1950) believed that innovation is the fuel for economic growth (Fagerberg, Mowery, & Nelson, 2005). Others now see creativity as the fuel for innovation; that there is no innovation without creativity - while there can be creativity without innovation (McLean, 2005).

Innovation is argued to be creativity expressed and brought to life by organisations (T Amabile, Conti, Coon, Lazenby, & Herron, 1996; McLean, 2005). Amabile (1996, p. 2) define innovation as “the successful implementation of creative ideas within an organisation”.

Not all understand how creativity can lead to better business outcomes. According to Isaksen and Ekvall (2010) management and creative literature are “two parallel, yet distinct, streams of research have yet to be harmonized”. Shaughnessy (2011), a contributor at Forbes.com, neatly summarises a sceptical view on creative work:

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*“it’s [...] difficult to see where creative work contributes, in the sense that we can measure many kinds of work by their outputs, but a lot of creative work falls into a Darwinian black hole.”*

## 2.2. WHAT IS CREATIVITY?

The previous section indicated that scholars and managers are increasingly stressing the importance for creativity for creating competitive advantage in the post-industrial society, but what is creativity, really?

*“Creativity has even been described as defying basic definition and, indeed, it is often not defined” (Agars, C., & Locke, 2008, p. 8).*

The diversity in definitions and the multi-disciplinary approaches to creativity lead to a “failure to establish a coherent and unified view on what creativity is and how it should be managed” (Styhre & Sundgren, 2005, p. 40).

The most used definition of creativity, especially in organisational studies in the non-creative industries, *is coming up with novel ideas that are both useful and appropriate* (T. M. Amabile, 1996; Ekvall, 1996; Martins & Terblanche, 2003; Oldham & Cummings, 1996; Paulus & Nijstad, 2003; Young & Moultrie, 2009). Amabile (1998) calls this *business creativity*. In a dynamic business environment it is not enough that the idea is original, it also needs to be useful (T. M. Amabile, 1998; Cropley & Cropley, 2010). This is the definition that will be applied throughout this thesis.

### 2.2.1. FROM INDIVIDUAL TO ORGANISATIONAL CREATIVITY

*“The construct of creativity, especially slippery when it comes to definition, has a tendency to slide into the tautological trap: creativity is what a creative person does” (Watson, 2007).*

Managers have tended to focus their practices on how to attract and retain the *creative talent* (Bissola & Imperatori, 2010). Studies such as “the Innovator’s DNA” by Dyer, Gregersen and Christensen (2011) focuses on the unique characteristics of extremely creative individuals. They aimed to pinpoint what

characteristics are, and were, present in people such as Steve Jobs, Jeff Bezos and Michael Dell.

Creativity is mostly studied in the field of fine arts and social psychology (Styhre & Sundgren, 2005). In these disciplines it is often considered to be a quality or skill that characterises an individual, something romantic and personal; the “lone genius” (Paulus & Nijstad, 2003). This “big C”-type creativity occur when artists, researchers and the likes develop knowledge that has a profound impact on society (Paulus & Nijstad, 2003).

Multiple studies have demonstrated a set of stable core personal characteristics that relate positively to creative performance across a variety of domains, including; broad spectrum of interests, attraction to complexity, intuition, aesthetic sensitivity, conscientiousness, innate resourcefulness, toleration of ambiguity and self-confidence (T. M. Amabile, 1996; Oldham & Cummings, 1996; Taggar, 2002).

The presence of creative individuals is believed to be essential for organisational success (Parjanen, 2012). Research suggest that creativity by individuals contribute to innovation in the organisation through suggesting novel and useful procedures, ideas and products, which impact the organisations ability to respond to opportunities to adapt, grow and compete (Oldham & Cummings, 1996; Woodman, et al., 1993).

#### 2.2.1.1. ORGANISATIONAL CREATIVITY

It often comes as a surprise that many such *creative geniuses* were a part of bigger teams. In Thomas Edison’s team, the name Edison was even regarded a collective noun (Hennessy, 2003). Albert Einstein had his “Olympia Academy”; a friendship club where ideas were discussed at length (Hennessy, 2003). Hargadon and Bechky (2006) as well as other scholars suggest that creativity does not occur in a vacuum.<sup>6</sup>

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<sup>6</sup> Some researchers go as far as to separate creativity from the individual; where creativity is the process of originating ideas, where no single individual can be accredited (Drazin, Glynn, & Kazanjian, 1999; Hargadon & Bechky, 2006; Parjanen, 2012). This “collective creativity” emerges from collaboration and the contribution of individuals connected by a common concern; where the generation of an idea cannot be traced to a single individual.



While research has proven that creativity can be connected to certain abilities and attributes of people, the role of contextual influences should not be ignored (Agars, et al., 2008; T. Amabile, 1996; T Amabile, et al., 1996; Andriopoulos, 2001; Bissola & Imperatori, 2010; Csikszentmihalyi & Sawyer, 1995; Drazin, et al., 1999; Ekvall, 1996). Theories such as the investment theory of creativity argues that it is a product of intellectual processes, knowledge, intellectual style, personality, motivation as well as environmental context (Sternberg & Lubart, 1991). Prominent creativity researchers such as Ford (1996) views creativity as both subjective and domain-specific, and Csikszentmihalyi (2009) devised a systems model, arguing that creativity is an interaction between the domain, the field (the judges) and the person. Even early work emphasised the importance of context, and Rhodes (1961) included context (press) as one of his four P's of creativity.<sup>7</sup>

Creativity is as such argued to be a social and contextual phenomenon; if one is considering the interaction of the individual and the context, outcomes will be discovered that would not be, if the two were studied separately (Angle, 2000; Oldham & Cummings, 1996).

Organisational Creativity is an emerging field of research exploring the relationship between creativity and business outcomes. In this field, the common approach to creativity is that it cannot be managed directly, but one can rather facilitate what enables it, and reduce what does not (T. M. Amabile, 1996; Ekvall, 1996; Woodman, et al., 1993). Woodman et al (1993, p. 293), the most cited work in the field, define organisation creativity as:

*“The creation of a valuable, useful new product, service, idea, procedure or process by individuals working together in a complex social system.”*

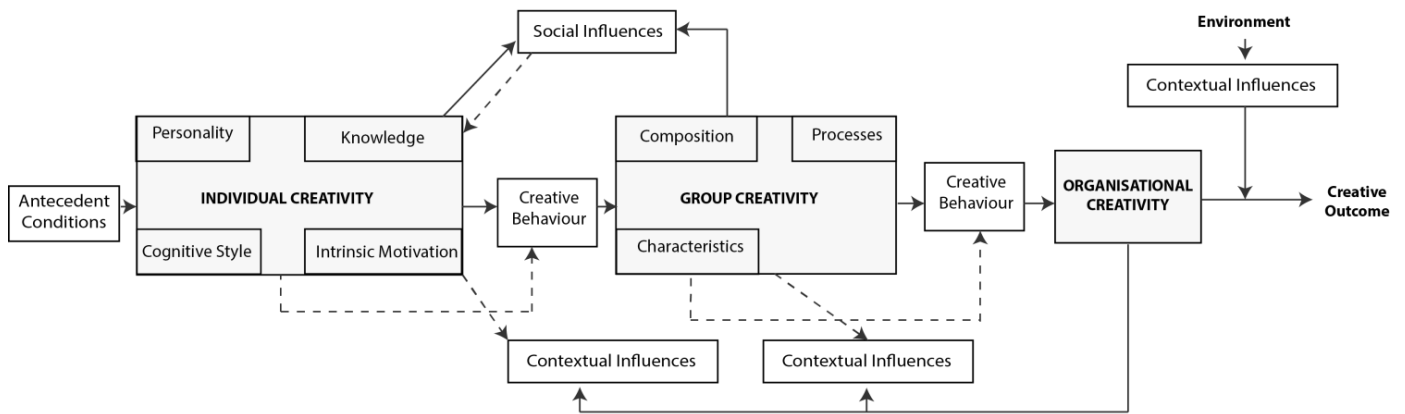
It challenges the individual *lone genius creator* by removing the focus on the individual and seeing creativity as something social and contextual, a trait of the whole organisation (Styhre & Sundgren, 2005). As such, organisational creativity can be argued to be the organisation's ability to facilitate creativity.

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<sup>7</sup> Rhode's four P's of Creativity are the creative Person, Process, Product and Press (context).

The interactional view of organisational creativity by Woodman et al (1993) shows how context influences creativity by individuals and groups in organisations. See figure 1 below.

**Figure 1: The interactional view on organisational creativity.**



Source: Woodman, 1993

## - CHAPTER 3 -

# ENTREPRENEURIAL LEADERSHIP AND THE CONTEXT FOR CREATIVITY

This chapter has two main purposes. First, it will explain how terms such as the creative organisational climate and organisational culture can create a context for creativity in organisations. Previous research has focused on the climate for creativity, but this chapter puts forward arguments for why it should be embedded in the culture, as such creating a *context*. Second, it will introduce how an entrepreneurial leader can influence and facilitate such a context. It focuses on how an entrepreneurial leader can embed, articulate and reinforce a creative culture in an organisation through primary and secondary mechanisms.

The next chapter will introduce an analytical framework based on the theories presented in this and the preceding chapter.

All though Woodman et al (1993) emphasises the importance of contextual factors influence on group and individual creativity (see figure 1), to the best of our knowledge there are little or no *qualitative* research on such influences. Previously the context for creativity in organisations has been conceptually approached from two angles; the creative organisational climate and the creative organisational culture.

### 3.1. FROM CLIMATE TO CULTURE – THE CONTEXT FOR CREATIVITY IN ORGANISATIONS

The two terms climate and culture are somewhat vague, and might easily be confused. Previously the climate has both been recognised as embedded in culture (McLean, 2005), and divided in order to investigate it as a separate phenomenon (Andriopoulos, 2001; Ekvall, 1996; Young & Moultrie, 2009).

### 3.1.1. THE CREATIVE CLIMATE

A climate is fast changing and addresses how social and other perceivable system's influence individuals in an organisation (Ekvall, 1996). A climate is commonly defined as:

*“an attribute of the organisation, a conglomerate of attitude, feelings, and behaviours which characterises life in the organisation” (Ekvall, 1996).”<sup>8</sup>*

Theories on *creative climates* are based on the belief that the extent to which employees will be creative, depends on individual characteristics, but also even more on the work environment that they perceive around them (T. M. Amabile, Schatzel, Moneta, & Kramer, 2004).

Previously, creative climates have been the chosen approach to measuring the context for creativity in organisations, and as such this section will describe the two most frequently used and tested tools for assessing it; two psychometric tools that describe the climate using quantitative data (ibid).<sup>9</sup>

#### 3.1.1.1. THE CCQ & KEYS

The concept of *creative climates* in organisations was introduced by Göran Ekvall in 1996, arguing that organisations that are high in risk taking, challenge, freedom, idea support, idea time, dynamism, trust and playfulness and low on conflicts and have potential to be high on creativity (Ekvall, 1996). He developed the psychometric tool called the Creative Climate Questionnaire (CCQ) to assess the climate; a 50 question quantitative survey.

Amabile's famous 1983 psychology study *Creativity in Context* resulted in the componential model for organisational creativity consisting of; encouragement of creativity, autonomy or freedom, resources, pressures and organisational impediments to creativity (T Amabile, et al., 1996). The first four components

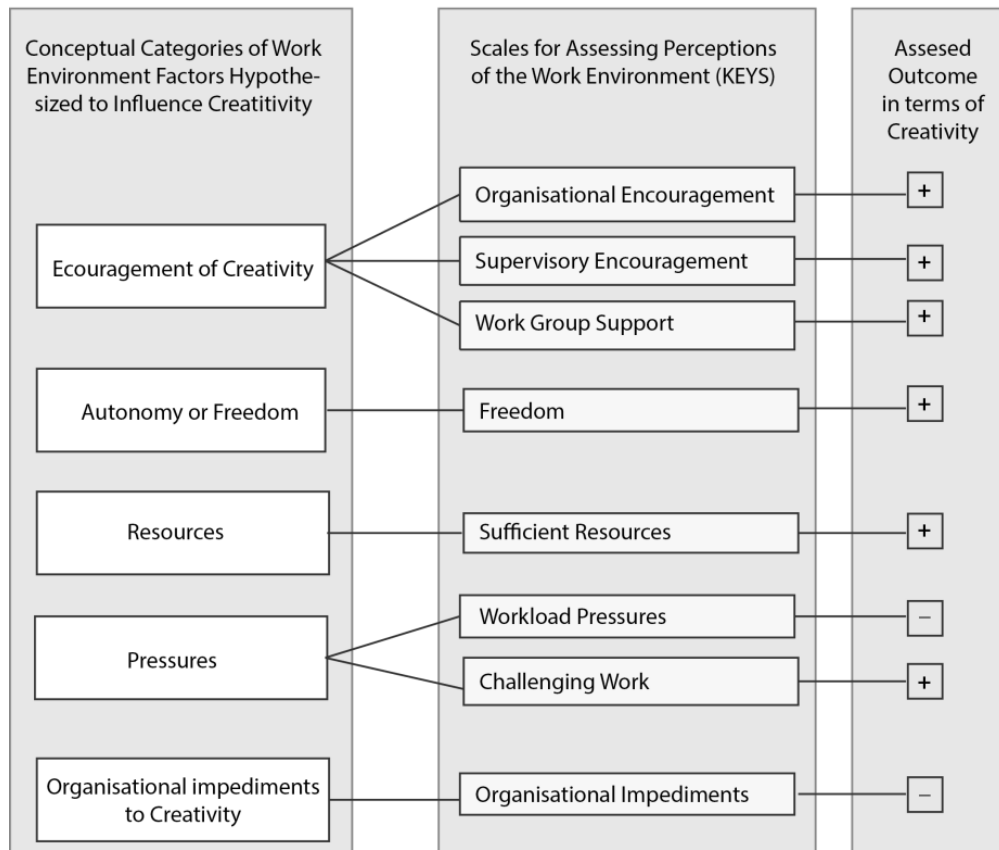
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<sup>8</sup> It is also known as “a reflection of people's perceptions of, or beliefs about environmental attributes that shape expectations about outcomes, contingencies requirements and interactions in the work environment” (Hunter, Bedell, & Mumford, 2007, p. 70).

<sup>9</sup> Hunter et al (2007) performed a meta-study of 42 studies of organisational climates, concluding that there was a close correlation to most climate attributes and creative outcome in organisations.

are believed to enhance creativity, while the last is believed to hinder it. To measure the five categories Amabile et al (1996) developed the psychometric instrument KEYS; a quantitative questionnaire to assess workers perceptions of their work environment. KEYS consist of 78 items divided into ten scales.

**Figure 2: The Conceptual Model for a Creative Work Environment and KEYS**



Source: Amabile et al, 1996

### 3.1.2. THE CREATIVE CULTURE

As a contrast to the fast changing and easily perceived climate, the organisational culture is argued to be deeply rooted in the values, norms and basic assumptions of the organisation, and changes slowly over time (McLean, 2005). A culture can be defined as:

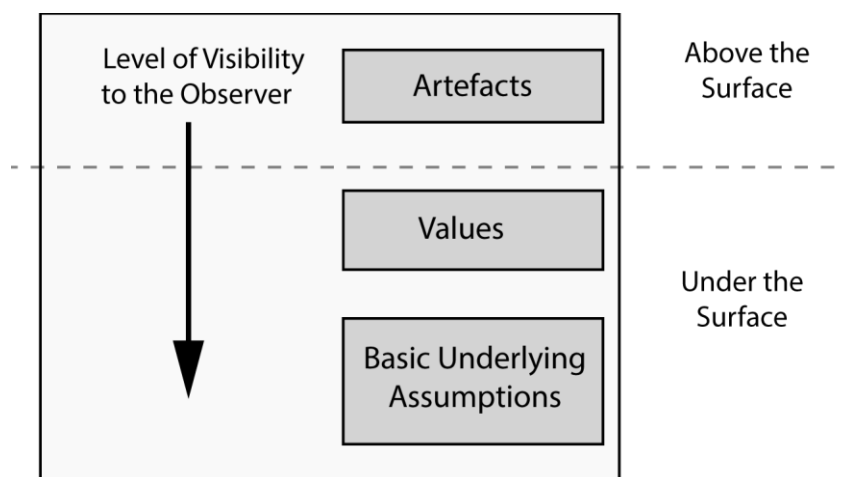
*“A pattern of shared basic assumptions learned by a group as it solved its problems of external adaption and internal integration, which has worked well enough to be considered valid and, therefore, to be taught*

*to new members as the correct way to perceive, think and feel in relation to those problems” (Schein, 1990, 2010).*

All though Schein provides a definition of culture, there is no one definition of what a an organisational culture is, as the term is often used “to cover everything, and consequently nothing” (Alvesson, 2013, p. 3). The organisational culture influences how people in that organisation think, act and value, based on ideas meaning and beliefs (ibid). Alvesson (2013) uses organisational culture as a umbrella concept of a way of thinking that takes interest in cultural and symbolic phenomena in organisations.

The concepts of climate and culture can, and has been, separated or merged using the Schein Model (1992) (Ekvall, 1996; McLean, 2005). In this model culture can be constructed at three levels:

**Figure 2: Schein’s three levels of culture**



The **artefact** level of organisational culture is the level of tangible manifestations of culture; what one can see, hear and feel when encountering a group (Schein, 2010). It also involves the visible symbols of the group such as elements of the physical environment (ibid). The climate can be embedded in the visible manifestation of culture; artefacts (Ekvall, 1996; McLean, 2005; Schein, 1990).

**Values** are related to ideologies, norms and philosophies. These can only be revealed through conversations/interviews (Schein, 1990). A norm is a group-

held belief how individuals and groups should behave in a given situation (Martins & Martins, 2002).

**Assumptions:** One can seek to explore the underlying assumptions that are taken for granted in organisation through focused question and deep self-reflection. If one understands the underlying assumptions one can understand how organisational cultures can seem ambiguous and even self-contradictory (Schein, 1990).

Having an organisational culture that supports creativity is argued to foster success and competitiveness (Martins & Terblanche, 2003); while creativity play an important role in the change process, the organisational culture influence the degree to which change occurs (Martins & Martins, 2002).

Martins and Terblanche (Martins & Terblanche, 2003) suggest that organisational culture influence creativity and innovation in two ways; the creation of norms<sup>10</sup> and the manifestation of values<sup>11</sup>. This is reflected in behaviours, practices and procedures (Martins & Martins, 2002; Martins & Terblanche, 2003).

### 3.1.3. DISCUSSION AND OUR CONTEXT

A context can be defined as:

*“the surroundings associated with phenomena which help to illuminate that phenomena [sic], typically factors associated with units of analysis above those expressly under investigation” (Cappelli & Sherer, 1991, p. 56).*

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<sup>10</sup> According to these norms individuals will make assumptions on if creative behaviour forms a part of the company culture.

<sup>11</sup> The basic values, assumptions and beliefs are manifested by behaviour and activity, and are reflected as structures, policy, practices, management practices and procedures which impacts directly on creativity in the workplace.

Previously organisational climates have been the main object of research, as it is regarded as a less abstract term than the organisational culture in being perceivable, visible and haven been proven to be somewhat measurable.<sup>12</sup>

Schein (2010) argues that the artefact level, the visual and quantitatively measurable part of culture according to Ekvall (1996) Amabile et al (1996) and Hunter et al (2007), is the hardest one to decipher. Further he notes that it is dangerous to draw any conclusions based on this level alone; to understand the deeper meaning of the artefact level, one must analyse the values, norms and rules of organisational culture; move to the deeper levels (ibid).

The organisational culture is defined as being to be deeply embedded in norms, values and underlying assumptions, and as such it is argued to change slowly over time (Ekvall, 1996; McLean, 2005; Schein, 1992). Climate on the other hand, is believed to change faster, and be a visual manifestation of culture. This creates a paradox; if the climate factors are fast changing, this *could* lead to a false reflection of culture, which has not changed in the same manner. As such, it seems beneficial to study both the climate and culture together.

To create a better analytical framework for our thesis, the context for creativity will be the creative organisational culture, which is visually and observably manifested in the creative climate at the artefact level. As such it is a mix of climate and culture in the organisation. The figure below depicts the relationships, to avoid any further confusion on *our understanding* on the relationship between the concepts.

<b>Figure 3: The relationship between context – climate –culture and the Schein Model</b>		
<b>Context</b>	Climate	Artefact-level
	Culture	Value and Norm-level
		Deeper underlying assumptions

<sup>12</sup> Organisational creativity focuses on the social context in which creativity occurs, and climate research measures the influence of social systems on members of an organisation (Axelsson & Sardari, 2011; Denison, 1996).



### 3.2. ENTREPRENEURIAL LEADERSHIP AND ORGANISATIONAL CULTURE

Schein (1992) offers two ways cultures are created in organisations:

- (1) Norms forming around critical incidents.
- (2) Identification with leaders.

Leaders can transmit organisational culture and climate through relevant mechanisms; aiming to create commitment, motivation or any other outcome (Jaskyte, 2004). Leaders are *definers* or *givers* of culture, and can influence the culture to be open to innovation and creativity (Jaskyte, 2004; Rasulzada, 2007). As leaders recognise this, they try to create a framework where creativity is accepted a basic cultural norm in the midst of change (Martins & Terblanche, 2003).

Peter Drucker describes the difference between managers and leaders as such: “Management is doing the right thing, leadership is doing things right” (Covey, 1989, p. 101). The manager is a defined position within an organisation, and successful leaders often know that they need to hire people with the right competency to manage their business (Linfield, 2013).

There is also a difference between leadership and entrepreneurship, but the two terms often go hand in hand. In addition to often leading and or managing a business, the entrepreneur is most commonly described as the person who starts and takes the risk for, an organisation (Merriam-Webster, 2013). In this thesis the entrepreneur is the one who leads, has as started and assumed risk for the organisation.<sup>13</sup> *Entrepreneurial leadership* can be defined as an effective use of the skills of the individual entrepreneurs - applying then within the environment of the larger organisation (Roebuck, 2011).

Entrepreneurial leaders are especially important creators of culture (Schein, 2010). When an organisation are created there are usually dominant figures whose own beliefs, values and assumptions create a visible and clear example

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<sup>13</sup> In the case of Åpent Bakeri, the entrepreneurs are also the leaders of the organisation and as such when describing the case the terms will be used interchangeably.

of how the organisation should be structured, and how it should function (ibid). If the leadership is powerful it will continue to have a dominant effect on the emerging culture, as it learns and grows (ibid). Schein (2010) emphasise that such leaders does not force their view points on others, but they are naturally accepted after being tested in the first years of business.

### 3.2.1.1. HOW LEADERS EMBED, ARTICULATE AND REINFORCE CULTURE

Being such an important definer of culture, Schein (1990, 2010) conceptualised two types of mechanisms describing how leaders can embed, articulate and reinforce their own values and in an organisation; as such creating and facilitating an organisational culture.

**Table 1: Schein's (1990, 2010) Leadership Mechanisms for Affecting Culture**

<p><b>Primary: Embedding</b></p>	<p>Attention and Control Reaction to Critical Incidents and Crises Allocation of Resources Role Modelling and Coaching Allocation of criteria for rewards Recruitment, selection, promotion and termination.</p>
<p><b>Secondary: Articulation and reinforcement</b></p>	<p>Design and structure Organisational systems Design of physical space, facades and buildings Stories, myths and symbols Formal statements of philosophy</p>

Table 1 summarises the entrepreneurial leader's mechanisms of affecting culture, as defined by Schein (1990, 1010). This creates the basis of our analytical framework, explained in the next chapter.

The primary mechanisms are what Schein (2010) *the main toolbox* for entrepreneurial leaders for embedding culture. They reflect how leaders teach the organisation to think, feel and behave based on their own convictions. The secondary mechanisms are just that, secondary, as they do not work if they are

not consistent with the primary mechanisms (Schein, 2010). They are thought of as highly visible, but difficult to decipher without insider knowledge on actual behaviours. If the model was to be compared to the Schein model (1990, 2010) the secondary mechanisms would reside at the artefact level, while the primary mechanisms would be deeply embedded in the culture.

## - CHAPTER 4 -

### **ANALYTICAL FRAMEWORK**

The literature review indicated that there is a gap research that empirically relates the creative organisational climate to the creative organisational culture. To the best of our knowledge, there is little research on the role of entrepreneurial leadership on the context for creativity, and a lack of qualitative research on most creativity theory.

This section will relate Schein's (1990, 2010) mechanisms for embedding, reinforcing and articulating culture to theory on creativity in organisations. The result is analytical framework for analysing the relationship between entrepreneurial leadership and the context for creativity.

The merging of such theories into a framework has to the best of our knowledge never been attempted, and as such some liberties had to be taken for a sharper and more logical structure. Some of the mechanisms were merged or renamed, relating them more closely to the theory on creativity and leadership. The categories for the analytical framework are shaded in grey and will be explored further in the next section of this chapter.

**Table 2: Analytical Framework based on Schein's (1990, 2010) Leadership mechanisms for Affecting Culture**

<b>Primary: Embedding</b>	Attention and Control	Role Modelling and Coaching
	Reaction to Critical Incidents and Crises	
	Role Modelling and Coaching	
	Allocation of criteria for rewards	Allocation of, and creating criteria for, Rewards and Motivation
	Allocation of Resources	Allocation of Resources
	Recruitment, selection, promotion and termination.	
<b>Secondary: Articulation and reinforcement</b>	Design and structure	Designing organisational structures and systems
	Organisational systems	
	Design of physical space, facades and buildings	Design of Physical Space and Symbols
	Stories, myths and symbols	
	Formal statements of philosophy	

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## 4.1. PRIMARY EMBEDDING MECHANISMS

### 4.1.1. COACHING AND ROLE MODELLING

The mechanisms of attention and control, reaction to critical incidents as well as role modelling and coaching are merged into the single mechanism role modelling and coaching. What leaders pay attention to, reward, control and emotionally react to reflect of their own priorities, goals and assumptions (Schein, 2010). How leaders react in crises also reveals their deeper underlying assumptions (ibid).

*“For creativity and the spirit of innovation to develop in any organisation, it must recognise the role of the leaders in encouraging creativity” (Agbor, 2008, p. 42).*

This section will discuss theories and previous research related to managers facilitating creativity in the workplace through role modelling and coaching; how leaders embed values and norms that encourage creativity through communication the form of behaviour and coaching employees.

#### 4.1.1.1. COACHING, TEACHING AND SUPPORTING

Schein emphasise that one of the ways leaders can influence desired behaviour in organisations is through deliberate teaching and coaching.

Oldham and Cummings (1996), one of the most cited papers on the relationship between creativity and leadership in organisations explored the link between supportive supervision and creative outcomes. Their study showed a positive relationship between non-controlling, but supportive, supervision on creative output by subordinates.

Hargadon and Bechky explored the mechanisms for creativity in multiple organisations in 2006. Their paper presented model for collective creativity, stressing the importance of senior co-workers input in reframing problems using their competence and experience. Two of their creative behaviours; help-seeking and help-giving, relies on communication (p.494);

*“A McKinsey consultant described how asking for help was not only accepted but expected of junior-level consultants: “[It’s] a cultural thing. It is assumed that you will make those calls.””*

Amabile et al (1996) and Amabile (1996) argue for the importance of supervisory and organisational support in creating a creative work environment; especially encouragement of ideas and risk-taking, setting clear goals, support for ideas and fair evaluation of such set goals. They argue for the crucial role for problem definition, what Hargadon and Bechky (2006) call problem reframing, drawing on past experience.

Amabile, Schatzel, Montena and Kramer (2004) built on Amabile et al’s (1996) “supervisory encouragement” factor in a research paper on leadership’s influence on creativity. The study expanded the scope from closest supervisor to leader and confirmed a close relationship between employee’s creative performance and the perception of leadership support. The leadership support was again a strong influence on subordinate creativity (ibid). They also argued for the how leaders directly influence creativity through direct help on projects, development of the subordinate’s expertise and as such enhancing intrinsic motivation (ibid) <sup>14</sup>.

#### 4.1.1.2. DELIBERATE ROLE MODELLING

Employees are increasingly demanding more genuine performance, and leaders that model behaviours of being self-aware, ethical, and motivating and inspirational have been argued to inspire creativity in subordinates (George, 2003; Rego, Sousa, Marques, & Cunha, 2012; Černe, Jaklič, & Škerlavaj, 2013).

Tierney and Farmer (2004) examined the Pygmalion effect<sup>15</sup> and employee creativity.<sup>16</sup> Their study focused on the role of the supervisor as a Pygmalion agent for subordinate creativity. They found that the more expectation of

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<sup>14</sup>“To be motivated means *to be moved* to do something” (Ryan & Deci, 2000, p. 54). Extrinsic motivation is most basically described as doing something because it is interesting or enjoyable; extrinsic motivation refers to doing something because it leads to a separate outcome; for instrumental value (ibid).

<sup>15</sup>The Pygmalion effect is a phenomenon in which is placed upon people, the better they perform

<sup>16</sup> See Figure 11 “Hypothesised Pygmalion model for creativity” in the Appendix

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creativity is placed on the employee, the higher the likelihood of creative behaviour. The expectations were a function of the supervisor's expectations, the supervisor's *behaviour* towards creativity and the employee's view on creativity.

*“Although other factors may come into play, our findings indicate that it is possible for supervisors to either stimulate or stifle employees' creative efforts by their beliefs and associated actions” (Tierney & Farmer, 2004, p.428).*

#### 4.1.2. ALLOCATION OF, AND CREATING CRITERIA FOR, REWARDS AND MOTIVATION

*“I am referring here to actual practices – what really happens- not what is espoused, published or preached” (Schein, 2010, p.247).*

Experiences with promotion, performance appraisals and discussions with leaders teach employees what is valued in the organisation (Schein, 2010). Leaders can communicate their own values and expectations of employees by linking them to rewards (ibid). Leaders are argued to enhance creativity through coaching, extending and nourishing employee's interests by setting challenging goals, and motivating employees to reach them (Gumusluoglu & Ilsev, 2009).

Money and other extrinsic motivators are increasingly being viewed obstacles to creativity, and multiple studies have found creative people to be mainly intrinsically motivated through factors such as freedom, support, challenge and a sense of meaning (Amabile, 1988, 1998; T. Amabile, 1996; Bennis, 2006; Oldham & Cummings, 1996; Shin & Zhou, 2003; Tierney, Farmer, & Graen, 1999).

Intrinsically motivated employees are more likely to find measures for solving problems through new approaches and persistency; and are more creative as a result (Shin & Zhou, 2003). According to intrinsic motivation theory, contextual and situational factors are argued to influence creativity, such as leadership (Amabile, 1988; Oldham & Cummings, 1996; Shin & Zhou, 2003).



This leads to a challenge for leaders to motivate employees intrinsically, to facilitate creativity (T Amabile & S Kramer, 2011).

Shin and Zhou (2003) proved a relationship between leadership style and creativity in Korean organisations<sup>17</sup>. They tested the link between intrinsic motivation in employees and transformational leadership, proving that it related positively to follower creativity. Their study indicated that intrinsic motivation in subordinates mediated the contribution of transformational leadership to creativity (Shin & Zhou, 2003). Transformational leadership has four components (Bass & Riggio, 2006; Gumusluoglu & Ilsev, 2009);

**Charismatic role modelling:** Creates respect and loyalty, and can be connected to authenticity. Transformational leaders serve as role models for their followers.

**Individual consideration** Building one-to-one relationships the leader gets a deep understanding of the employee's needs, skills and aspirations. The leader acts as a mentor and coach, giving freedom to develop and accepting individual differences.

**Inspirational motivation:** Leaders create and communicates a vision for the future, and guides and motivates employees on their way to reach set goals.

**Intellectual stimulation:** Transformational leaders inspire creative and innovative thinking by questioning assumption, reframing questions and approaching situations in new ways. They broaden and elevate the interest of his or her employees.

The rest of this section will describe some of the most common research on how to intrinsically motivate employees.

#### 4.1.2.1. SENSE OF PROGRESS

Amabile and Kramer (2011; T Amabile & Kramer, 2012) explored the relationship between leader's feedback and subordinate creativity in their papers "How Leaders Kill Creativity at Work" and "The Power of Small Wins". They argued for a close relationship between the boost of creativity,

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<sup>17</sup> The hypothesized, and later confirmed, relationship is depicted in Figure 12" The relationship between transformational leadership and conservation interaction (support) for creativity " in the Appendix

emotions and motivation during a work day, and a sense of progress provided by supervisors. "...the more frequently people experience that sense of progress, the more likely they are to be creatively productive in the long run" (2011, p. 72). They believe that

*"progress in meaningful work, is the most powerful motivator in modern organisations, especially for creativity, way ahead of raises and bonuses" (2011, p. 362).*

Some of the main functions of leaders in creative organisations are supporting workers in meaningful work, improving their *inner work lives* through feedback and motivation (T Amabile & S Kramer, 2011).

#### 4.1.2.2. CHALLENGING WORK

One of the most important ways to enrich the work lives of creative employees is through challenge (T Amabile, et al., 1996; Ekvall, 1996).

The design of jobs is considered an important contribution to employees' intrinsic motivation and creative performance (Oldham & Cummings, 1996; Amabile et al, 1996). Oldham and Cummings (1996) found that when jobs are complex and challenging, and there is an amount of creative climate factors such as freedom, employees are more likely to be excited about their work activities (Oldham & Cummings, 1996). They also argue that complex jobs might also demand creative solutions, as employees are encouraged to work in and examine multiple dimension of their job (ibid).

Challenge is also one of Ekvall's (1996) ten dimensions of a creative climate. He argues that low challenge leads to alienation, apathy and lack of interest in one's job (ibid). Amabile et al's (1996, p.1166) KEYS also emphasises the importance of challenging work for facilitating creativity, describing it as "a sense of having to work hard on challenging tasks and important projects". As a contrast, excessive pressure could have a negative effect on creativity (ibid).

#### 4.1.2.3. LEADER-EMPLOYEE RELATIONSHIPS

Tierney, Farmer and Graen (1999) looked into the impact of leaders-employee relationships on creativity in organisation. They discovered that employees who are highly motivated, intrinsically, and reported a positive leaders-employee relationship rated higher on their creativity scales. They also found

that the pairing of employees with low intrinsic motivation, with highly intrinsically motivated employers, resulted in lower scores on such scales.

This study was confirmed by Clapham (2000), who believes that such leaders might unknowingly intimidate extrinsically motivated employees, and as such kill creativity. “The type of relationship that exist between the leader and the employee could affect employee creativity” (Clapham, 2000, p. 138).

This is also communicated by the dimensions of transformational leadership, where motivation is given through communication vision and goals (Shin & Zhou, 2003). The transformational leaders also engage in helping employees to reach such goals through challenge and intellectual stimulation (ibid).

#### 4.1.2.4. FREEDOM AND EMPLOYEE TRUST

Amabile (2006) believe that leaders should give employees freedom in the working process, but also give them clearly defined goals; as this often enhances their creativity. There is a paradox between freedom and leadership; as leaders should lead, while it is also argued to be important for creative people to have freedom to experiment (T. Amabile, 2006; T Amabile, et al., 1996; Andriopoulos, 2001).

According to Amabile et al (1996) individuals work in a more creative manner when given freedom and choices on how to solve a task, and it is a part of KEYS to a creative work environment. When people have a high degree of freedom and choice other rewards are not as important, since freedom can be regarded as a reward in itself. They see it as a stimulant to creativity that people have sense of control over their own work and ideas and have the freedom in “deciding what to do or how to accomplish the task”(T. Amabile, 1996, p. 231).

Brand (1998) studied creativity at 3M. His result emphasise the importance of freedom to experiment, as well as tolerance of mistakes for creating better and more creative products. He exemplifies this in how some of the most important products at 3M, such as the post-IT, where first regarded as mistakes.

Ekvall (1996) also present the dimensions of freedom, idea-support, trust and openness in his ten dimensions of a creative climate. In an environment with a

lot of freedom people make contacts, receive and give information, discuss problems and initiatives and ultimately make decisions; the opposite climate would be one where people are passive, rule-bound, and anxious (ibid).

### **4.1.3. ALLOCATION OF RESOURCES**

The most frequently mentioned resources to facilitate creativity are human resources and allocation of time and money to work on creative projects (T. Amabile, 2006; Andriopoulos, 2001; Hargadon & Bechky, 2006; Parjanen, 2012). Therefore the categories regarding resources and human resources have been merged for the purpose of this analytical framework.

#### **4.1.3.1. TIME AND MONEY**

As suggested earlier money as a reward is argued to hinder creativity (Amabile et al, 1996). On the other hand, the allocation of money and other explicit resources for completion of project is still important. Schein (2010) emphasise that leaders allocates resources to what they believe to be important, and this reinforce, or dispute, what they officially express.

Hargadon and Behcky (2006) emphasised the importance of taking time out of your work day to help others, or seek help in creative processes. This is a way in which organisations can better utilise its human resources, as they learn from each other's experiences, share skills and knowledge.

#### **4.1.3.2. HUMAN RESOURCES**

Schein (2010, p.249) argue that selecting new members for the organisation is "one of the subtlest yet most potent ways through which leader assumptions get embedded and perpetuated".

Kramar, Bartram and De Cieri (2010, p. 32) define sustainability as "the ability of a company to survive and succeed in a dynamic competitive environment" and underline the importance of a firm's employees in creating a sustainable competitive advantage. Their book present the resource based view on HRM where...

*“...Human resources are viewed as one type of organisational resource that are capable of providing sustained competitive advantage, as they are valuable, rare, inimitable and non-substitutable” (p. 7).*

The whole concept of organisational creativity is built on people in creative context; that the *lone genius* might need to be socialised. Enhancing creativity is not only having the right people, but the right mix of people; in creativity theory the most important social factor for creativity is *diversity* (Amabile et al, 1996).

People with various intellectual foundations and approaches to their work will see problems from different perspectives (Kurtzberg & Amabile, 2001). Diversity in education, experience, age and other factors can be seen as resources, as people draw on past experiences to find solutions to current problems and challenges (Hargadon & Bechky, 2006). In combination with tapping into personal networks of colleagues, it connects the problem with two things that are considered most important when solving a problem; knowledge and experience (T. Amabile, 1998; Hargadon & Bechky, 2006).

Vogel et al (2005) examined the product innovation processes in teams, and claim that successful products came out of diverse teams. They emphasises the importance of multi-disciplinary teams, where people have different backgrounds such as nationalities, training and education. Cross-disciplinary groups add different value to creative processes. Further they argue for having teams composed of designers, artists, marketers, engineers and more, as consumers are increasingly demanding products that are novel, functional, cool as well as aesthetically pleasing.

*“At the core of the product development process are engineers, designers, and market researchers, with each group viewing the products from a distinct perspective” (Vogel, et al., 2005, p. 148)*

The importance of the creative worker<sup>18</sup> is at times overlooked in research on the creative economy (Chapain et al, 2010). According to the Work Foundation (2007) knowledge spill-overs can occur through flows of creative workers into non-creative industries. Such embedded creative workers<sup>19</sup> might bring with them techniques, ideas and ways of working that can spill over; meaning that practices, experience and knowledge might rub off on their work environment (Chapain, Cooke, De Propriis, MacNeill, & Mateos-Garcia, 2010). Hartley et al (2013) this a *major supply side spill-over*, and The Work foundation (2007, p. 113) sees it as “one of the most potent ways the creative industries can create spillovers”.

Diversity in groups also pose a number of challenges as “individuals from diverse disciplines face perceptual gaps when they come together to work as a team” (Vogel, et al., 2005, p. 146).

Kurtzberg and Amabile (2001) also argue that one of the pitfalls of working together is that the influence of other people members can reduce an individual’s personal opinions and therefore also the effectiveness.

However, if with the help of some factors such as the right combination of personalities, the right level of diversity and the right amount of resources and incentives effective problem solving can be achieved (Kurtzberg & Amabile, 2001).

Conflict and discussion amongst individuals because of differences might also be beneficial, if one can focus the conflicts on the process not the people (Vogel, et al., 2005). Ekvall (1996) argue that debate is beneficial for creativity; in a debating organisation “many voices are heard and people are

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<sup>18</sup> A creative worker working in a creative occupation, as defined by the industry definition introduced earlier.

<sup>19</sup> Higgs et al (2008) created a framework for analysing creative workers and their impact on the broader economy. They created *the Creative Trident* consisting of three modes (1) Specialist mode: Workers in defined creative occupations in the defined creative industry (2) Support mode: Workers in defined non-creative occupations in the defined creative industry. (3) Embedded mode: Workers in defined creative occupations working outside the defined creative industry.

keen on putting forward their ideas” (p.108). Conflict is the only factor he believes to inhibit the creation of a climate for creativity; to facilitate creativity people should behave more mature, with insight and control of their impulses.

## 4.2. SECONDARY ARTICULATION AND REINFORCEMENT MECHANISMS

### 4.2.1. DESIGN OF ORGANISATIONAL STRUCTURES AND SYSTEMS

Schein (2010) presents the notion that first generation organisations<sup>20</sup> are results of passion instead of pure logic; as entrepreneurs often have strong assumptions on how to organise for maximum effectiveness. Structures tend to lean towards either tight hierarchies where founders have the ultimate control or loose structures where people are considered the strength (ibid).

Creativity has been described as social phenomena (Styhre & Sundgren, 2005). Some organisations have a formal system for communicating with other employees and departments, often based on the organisational structure. Research such as The Minnesota Innovation Survey concluded that internal communication in teams and to other department of the organisation was beneficial for facilitating innovation and creativity (Angle, 2000). Organisational structures are believed to be the most important determinant of the flow of communication across the organisation (ibid).

Rasulzada (2007) and Starbuck (1995) argue that hierarchical organisations often find it more difficult to adapt to change, as the structure makes the flow of information harder and decision making processes become top-down. As such these organisational structures are less facilitating for creativity (ibid).

Brand (1998) stresses the importance of a flatter organisational structure to quickly implement important decisions at all levels of the organisation. Flatter organisational structures are more adaptive, which Woodman (1995) believes

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<sup>20</sup> First generation organisations are those still being led by founder(s).

increase the odds for creativity. As a contrast, mechanistic or ridged structures are believed to inhibit creativity (Martins & Terblanche, 2003; Woodman, et al., 1993).

#### 4.2.2. DESIGN OF PHYSICAL SPACE, SYMBOLS AND STATEMENTS

Sailer (2011) believe that creativity is a social as well as a spatial process; that both social interaction and the physical workspace influence creativity. Csikszentmihalyi (1995) underlines the importance of *stimulating surroundings*. Brown (2009) described the role of creative emblems as a manifestation of culture:

*“Google has slides, pink flamingos, and full-size inflatable dinosaurs; Pixar has beach huts; IDEO will erupt into a pitched Finger Blaster war on the slightest provocation” (p.32).*

Ekvall (1996) describes that an environment should encourage playfulness, as jokes and laughter are believed to positively influence creativity. The opposite would be a grave and serious environment characterised by gloom, stiffness regarding jokes and laughter as improper (ibid). Amabile (1996) also acknowledges the effect that the physical environment has on creativity, but she believes that the individuals must learn how to use the environment effectively.

Gagliardi (1999) claims that the physical artefacts are important for the creation of a productive culture in n organisation, and define them as “the visible expression of a culture” (Gagliardi, 1990, p. 3). This includes all physical objects, patterns of behaviour and abstract productions.

*“Material reality, which performs such an important role in the construction and development of the individual self, is equally decisive, perhaps more so, for the collective identity of an organisation” (Gagliardi, 1999, p. 13).*



Gagliardi (1999) further claim that by surrounding employees with artefacts with the right aesthetics you can improve the organisation's efficiency. He classifies the aesthetic experience as *basic*, and thereby it forms the basis for other types of experiences and cognition. Due to this the aesthetic experience can influence the culture of a company (ibid).

The aesthetics of the physical space of the company is given little attention. Gagliardi (1990) says that the role of the designer and the architect has been neglected in the corporate world, despite their knowledge on how to influence the physical work space of employees, as well as their ability to do something about it.



**“Nothing is heavier than flour in rainy weather”**

## - CHAPTER 5 -

# THE BAKING INDUSTRY AND ÅPENT BAKERI

This chapter will provide an introduction to the bakery industry in Norway, describing the industry, its recent developments and its most prominent actors in the Oslo Area. Lastly, it will introduce the case of Åpent Bakeri.

### 5.1. THE BAKERY INDUSTRY

<b>Table 3: Products of the Norwegian Bakery Industry</b>
Fresh bread products
Wheat products
Fresh cakes
Bake-off (ex: dough and lightly baked products)
Fast food products
Long life products (ex: crackers)

Baking is an ancient trait and can be traced all the way back to Babylon 5000 years ago, and was perfected by the Ancient Egyptians 2300-2800 BC (Consulting, 2013; Gyldendal, 2013). Bread is a big part of the Norwegian's diet, and the average Norwegian consumes almost 41 kg of fresh bread products each year (Flesland, 2013). Table 3 describes the products of the Norwegian Bakery Industry (ibid)<sup>21</sup>. To piece together the industry characteristics and paradigm

shifting events in the last 20 years we have been in contact with Anders Vangen and Sissel Flesland.

#### 5.1.1. THE SHIFTING INDUSTRY STRUCTURE

At the time when Vangen and Flesland came into their positions in the mid 1990's big changes was afoot in the industry. Not long after, in 1998, the first

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<sup>21</sup> There are different ways to define the baking industry. The baking industry produces and sells baked goods which defined as those produced in bakeries, these can be fresh, "long lived" or frozen (Flesland, 2013). It can also be defined by NACE codes provided by SSB.

Åpent Bakeri shop opened. Before this the industry had been made up by many small actors, mainly little bake shops where customers bought fresh bread every morning from their neighbourhood baker. Most of the bakeries were simply a hole in the wall, but had long standing loyal customers.

In the mid 90's large industrial bakers such as BAKERS and Gomann took over the bakery industry, becoming the most prominent players. Collaborating with actors such as Norges Gruppen and Coop Norge, customers could suddenly buy a cheaper version of their *daily bread* in the local supermarket. In Sweden the same evolution led to Pügen monopolising the market, and as such change was not as dramatic in Norway.

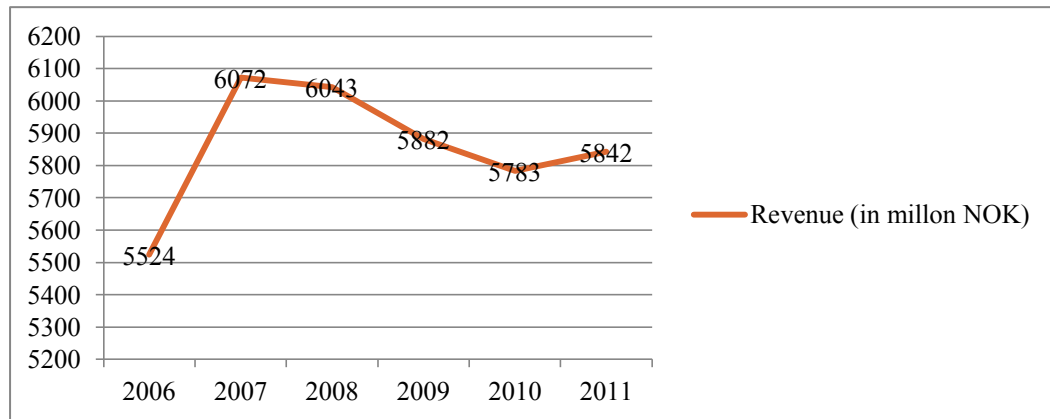
Nevertheless, this had big consequences for many of the small bakeries in Norway, forcing their prices down and robbing them of lucrative contracts with supermarkets as well as many loyal customers (Gyldendal, 2013; Havro Lysengen, 2012). Simultaneously, the industry saw a steep increase in the price of grain, while imports increased 358% from 1995 to 1996 (Flesland, 2013).

#### 5.1.1.1. RECENT TRENDS AND DEVELOPMENTS

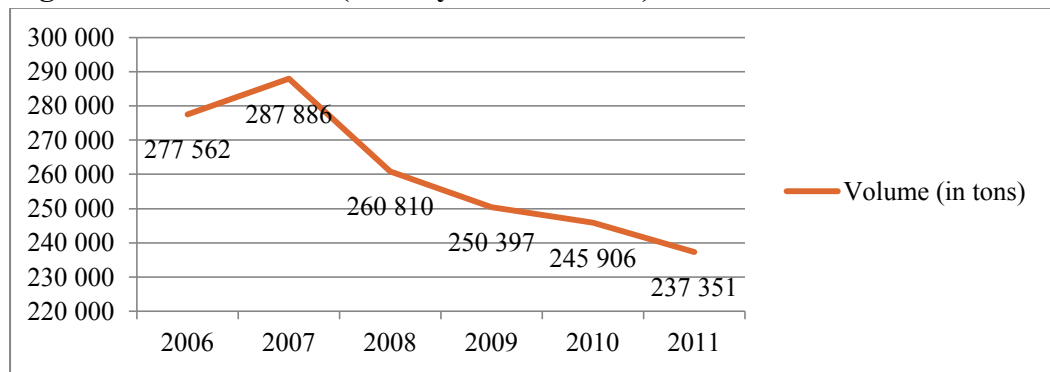
Today there are about 6-700 producers of baked goods in Norway, spearheaded by 5 large chains; Bakers, Bakergruppen AS, Din Baker, Goman and Mesterbakeren (Flesland, 2013). These are called industrial bakers, as they do not bake by hand, which separates them from craft bakers (Sissel Flesland, 2013). There are approximately 1000 shops selling baked goods in Norway, 450 of these are franchises or a part of one of 70 bakery chains (Flesland, 2013).

The industry shows signs of slow recovery from 2007. The paradigm shifting events of the 90's left a shortage of craft baked goods, and some people seemed to be tired of the five kroner bread at Rema1000 (Mauno, 2013). As a reaction small chains and free standing bakeries and shops started offering high quality baked goods at higher prices. This section will present some of the recent developments in the industry. The figures below are based on the annual reports on the bakery industry (Flesland, 2010, 2013) and are totals for the entire industry in Norway. More recent numbers are not yet available.

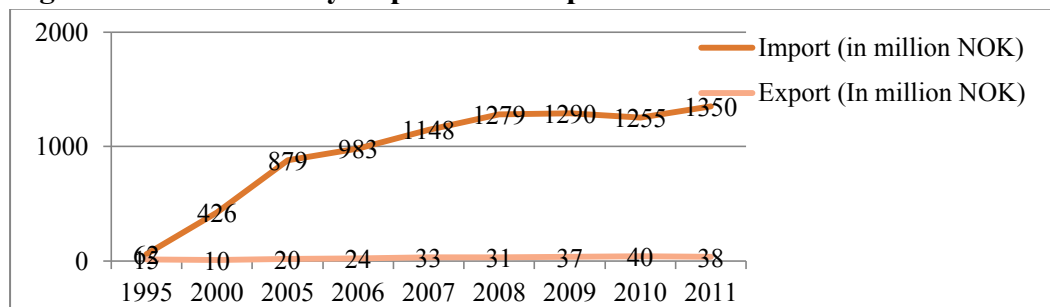
**Figure 4: Revenue (Freshly Baked Goods)**



**Figure 5: Total Volume (Freshly Baked Goods)**



**Figure 6: Total Industry Imports and Exports**



The figures indicate a decrease in overall volume in the sale of baked goods, while the revenue seems to be carefully increasing. Though the volume is prognosed to increase (Flesland, 2013), it has still dropped with 24 176 tons since 2008, while revenues have increased with 180 million NOK in the same period (Flesland, 2013). This is argued to be due to the effect of the craft bakers charging a higher price. The industry still imports much more than it exports. The baking industry imports goods for a total of 1,663 million NOK (Flesland, 2013), where bread is the number one product group. This is one of the biggest challenges for the industry (ibid).

## 5.2. THE BAKING INDUSTRY IN OSLO

In Oslo and Akershus revenues decreased by 216 million NOK between 2007-2010, while the Norwegian average increased (Flesland, 2013). The inhabitants have seen an increase in number of bakeries, shops and cafés selling baked goods in the latest few years, resulting in a 2,88% increase in the number of bakeries and many more bakeries than any other districts in Norway. This is summarised in Table 4.

**Table 4: Overview of the Baking Industry in Oslo (Flesland, 2013)**

	<b>Number of bakeries in 2010</b>	<b>Revenue in million NOK</b>	<b>Change in revenue since 2007</b>	<b>Change in number of bakeries</b>
<b>Oslo &amp; Akershus</b>	107	2091	-9,3 %	2,88 %
<b>Norwegian average</b>	36	428	8,3 %	0,58 %

The 5 most prominent players, with their own production in the bakery industry in Oslo all have a positive operating income, even though the rest of the industry is struggling.<sup>22</sup>

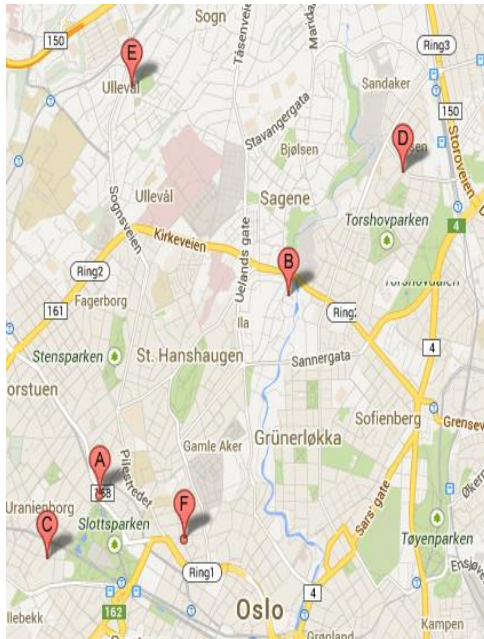
Recently there has emerged three new chains of self-supplying craft bakeries; Godt Brød, Åpent Bakeri and partially United Bakeries (Flesland, 2013). United Bakery mainly makes its revenue on selling bread to supermarkets and bake-off, while Godt Brød is barely making a positive revenue. The next section of this chapter will introduce the case of Åpent Bakeri.

### 5.2.1. ÅPENT BAKERI

Åpent Bakeri was founded by Øyvind Lofthus and the French Baker Emmanuel “Manu” Rang in 1998. Their first bakery was opened at Inkognito

<sup>22</sup> See table 5 “Prominent Actors in the Bakery Industry in Oslo” in the Appendix

Terasse in Frogner, Oslo. Since then, three more Oslo shops have been opened; Parkveien, Dampplassen and Åsengata.



**Figure 7: Location of Shops in Oslo**  
(source: maps.google.com)

Åpent Bakeri's philosophy is creating products based on knowledge, tradition and great produce. They take pride in going back in time, to the traditional way of making bread; without an over reliability on machines, with more passion and craftsmanship. This is more resource-intensive both in time and produce, but as a result they can provide customers with better products. The result is what Åpent Bakeri describe as "not revolutionising, maybe even the opposite" (2013).

Åpent Bakeri does not bake in-site in each store, but has a centralised bakery in Maridalsveien, next to Akerselva in Oslo. The only exception is Dampveien, which has its own small bakery. The centralised bakery bakes 2000 fresh breads by hand, every night. They also have a confectionary on-site, for the sweet pastries and marmalade.

#### 5.2.1.1. EXPANDING THE CONCEPT

Åpent Bakeri is not afraid to expand the concept into partially, or totally, new arenas. All shops also operate as cafes, offering a selection of fresh coffee, juices and smoothies. In 2005 Åpent Bakeri acquired the small sandwich shop Blings at St. Olavs plass. In 2010 they came up with the idea to use the facilities of Åsengata as a pizza bakery at night time, under the name of Lofthus Samvirkelag. In 2012 they took the initiative to re-open the traditional, Norwegian restaurant Tranen at Alexander Kiellands Plass. Åpent Bakeri also sells their products through a few different retailers of quality food in the Oslo area.

Additionally they have published a book with bread recipes; which was nominated for the *World's best book in bread* by Gourmand World Cookbook Awards. In the book they argue why an organisation that makes its revenue by selling bread would give away their cherished recipes:

*“Of course we want you to buy our bread. But we would also like you to understand the work that goes into it; the ingredients, work and techniques. And you can rejoice in your own effort - we think that is great” (Nielsen & Hansen, 2000, p. p.5).*

The book is filled with nostalgic and personal images from Åpent Bakeri, short stories and charming sayings on bread, as well as recipes. The chef at Lofthus Samvirkelag has also published a pizza cookbook.

The shops all have a special history in Oslo, and Åpent Bakeri focuses on choosing locales with deep roots in the local community, and tries to restore them in their original spirit.<sup>23</sup> This spirit is reflected in loyal customers. At Yelp.com, reviews are ticking in, praising the shops and their products. A selection of the reviews is presented below.

*“The big windows, the checked floor, this really make Åpent Bakeri at Åsengata into something special. This is a cafe with style. With a capital S.” – Lene, Berlin*

*“This is one of my favourite cafés in the Oslo-area; it must be the size, the sounds and the interior that takes me away from Oslo and into a bigger European city.” - Andrea, Oslo*

*“Åpent Bakeri is one of the favourites, and I am not alone in this, it shows in the crowd. Here bread is made in the old way; a video on their website takes you along on the night shift, showing how the baked goods are made” – Christine, Oslo*

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<sup>23</sup> See “A brief description of Åpent Bakeri’s shops and restaurants” in the Appendix



## - CHAPTER 6 -

# METHODOLOGY

This chapter will discuss the chosen research design, as well as opportunities and challenges related to the case study method, and issues of reliability and validity concerning our empirical findings.

### 6.1. QUALITATIVE RESEARCH

While quantitative research is concerned with the amount of things, qualitative research is concerned with the *nature* of things; meanings, concepts, definitions, characteristics, metaphors, symbols and descriptions – things that cannot readily be quantified (Berg, 2009). Qualitative researches mostly work with small samples of units, studied in-depth (Huberman & Miles, 2002).

We believe a qualitative approach is particularly appropriate in our case. First, although topics such as *creative climates* have been subjected to quantitative techniques (T Amabile, et al., 1996; Andriopoulos, 2001; Ekvall, 1996; Hunter, Bedell, & Mumford, 2007; Young & Moultrie, 2009) creative processes are hard to capture fully without in-depth studies, as they are highly qualitative in nature (Chapain, et al., 2010). Second, there is a lack of research and consensus on the subject (Bissola & Imperatori, 2010; Hargadon & Bechky, 2006; Kurtzberg & Amabile, 2001) which is in itself an argument for a qualitative, more exploratory method (Berg, 2009).

We argue that one should not disconnect the creative climate from the creative culture. We also argue that therefore it might be examined more fruitfully in a qualitative manner if one is to understand the deeper meaning of the results; as a contrast to previous quantitative measurements.

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## 6.2. CASE STUDY

Case studies are usually a preferred research strategy when the research poses a *how* or *why* question, when researchers have little control over events and focus on a contemporary phenomenon within a real-life context (Yin, 1994).

Our research question is: *How does Entrepreneurial Leadership Influence the Context for Creativity at Åpent Bakeri?*

The case study method is used as a tool to systematically investigate a set of related events with the aim of describing or explaining the phenomena (Berg, 2009). Indeed, Berg (2009, p. 331) argues that “the case study method is an *extremely* useful technique for researching relationships, behaviours, attitudes, motivations, and stressors in organisational settings” (emphasis added).

### 6.2.1. EXPLORATORY DESIGN AND SCIENTIFIC APPROACH

According to Yin (1994) and Berg (2009) there are several appropriate designs for case studies; explanatory, descriptive and exploratory. The explanatory is mostly used for causal studies of complex organisations and communities; the descriptive case study is based on a framework of descriptive theory, and the unit of analysis has to be clearly defined; the exploratory case study allows fieldwork and data collection to be undertaken before defining a research question (Berg, 2009).

According to Berg (2009) there are two theories on how to relate ideas to theory. (1) The theory-before-research (deductive) model claim that ideas and theory must exist before empirical research. (2) The research-before-theory (inductive) orientation, argues for the opposite, that in order to achieve good ideas and theory one must have conducted some empirical research, as research might highlight new problems and interesting areas (ibid).

In summary, an exploratory case study was the chosen research design, as it seeks to help describe a social phenomenon. The thesis aims to mainly to *explore* how context for creativity can be related to the entrepreneurial leadership at Åpent Bakeri.

#### 6.2.1.1. THE RESEARCH PROCESS

Working in an exploratory manner, the research process has been quite open and adaptive. This thesis has been built on a mix of a deductive and inductive approach to theory and research. Both approaches indicate a linear research process, which is not the case in this instance. Some empirical research was conducted before the theory was firmly in place; even before the final case was selected.

The first case for this thesis was the research facility NOFIMA in Ås, and the CEREAL project; an open innovation project in the bakery and grain industry in Norway, combining insights from industry professionals, industrial designers as well as innovation students from the University of Life Sciences (UMB) in Ås. The aim was to investigate the role of embedded creative workers outside the creative industries.

A meeting with Anders Vangen of BKLF led to an interest in the bakery industry and its lack of creativity; the CEREAL project had led to basically nothing. He did however indicate that a new, almost niche based, type of Bakeries was doing great. After a meeting with two of these, Åpent Bakeri and Godt Brød, the case was selected. This sparked a long line of creativity theory leading to the context for creativity, and the influence of the entrepreneurs as their presence was so strong at Åpent Bakeri.

### 6.3. DATA COLLECTION

Both primary and secondary data was used to shed light on the case. Primary data was collected through in-depth semi-structured interviews. Secondary data was gathered through comprehensive desk research.

#### 6.3.1. PRIMARY DATA: SEMI-STRUCTURED INTERVIEWS

Interviews are the one of the most important sources of case study information (Yin, 1994). An interview can be defined as a conversation with a purpose; to gather information about something (Berg, 2009).

The three main types of qualitative research interviews are unstructured, semi-structured and structured (Denscombe, 2003). In line with our exploratory research design semi-structured interviews were performed at all levels in Åpent Bakeri.

In semi-structured interviews the researcher has a clear list of issues to address and suggested question to ask (Denscombe, 2003). The researcher is in a flexible mode; some questions are provided by the researcher and some naturally occurring within the time allocated for the interview (Sociology, 2012). This type of interviewing can provide the investigator with new and different perspectives on the case, but it is important to be critical and not become too dependent on one informant (Yin, 1994).

There were two rounds of interviews at Åpent Bakeri with two semi-different interview guides. The guide was updated as the first data was analysed and the theoretical framework evolved. The first round included the employees at Parkveien as well as the administrative manager at Åpent Bakeri. The second round included another interview with the administrative manager, as well as the bakery, the restaurant Tranen and the shops Blings and Inkognito Terrasse.

In addition to Åpent Bakeri, other central people in Norwegian bakery industry were interviewed. This was to help the case selection process, as well as to get a holistic understanding of the industry in which Åpent Bakeri operates.

#### 6.3.1.1. INTERVIEWEES

The interviewees were chosen for two reasons. Firstly, they were chosen based on their role in Åpent Bakeri. Aiming to explore as many parts of the organisation as possible, interviewing employees who had previously held other positions at Åpent Bakeri facilitated an even broader coverage. Secondly, it is based on the response rate, unfortunately not everybody were able to participate. Interviews were conducted between May and June; as such some of the most interesting employees were out travelling or otherwise engaged.

**Emmanuel “Manu” - Entrepreneur and product manager:** Manu started Åpent Bakeri together with Øyvind Lofthus in 1998. He is educated as a French baker and is also the product manager at Åpent Bakeri.

**Espen - Administrative manager:** Espen is the administrative manager at Åpent Bakeri, and was interviewed three times. He was also our contact person, and of immense help in contacting all other interviewees. Espen is responsible for all the administrative tasks at Åpent Bakeri. He has also worked part-time in the shop at Inkognito Terrasse for several years-

**Kevin: Maître De/Manager at Tranen:** Kevin was the manager at Tranen at the time of the interviews; he is a waiter that stepped up as manager while the owners looked for a more permanent solution.

**Guillaume- Day-Time “Innovation baker”:** a former night-baker that was approached by the owners to step in as day-time baker.

**Pierre – Assistant in the Bakery**

**Laura- Manager at Parkveien**

**Isak - Waitor at Parkveien**

**Julia - Waitress at Parkveien**

**Hanne - Manager at Blings**

**Yannick – Manager at Inkognito Terrasse**

#### 6.3.1.2. INTERVIEW GUIDE

The first interview guide was quite basic, exploring the interviewee’s regular work day, routines and responsibilities, methods for problem solving, and communication with other departments. All interviews were recorded, and post-interview findings were transcribed, discussed and interesting findings or observations would lead to an update in the guide as well as the theoretical base of the thesis. The second interview guide was based loosely based on the preliminary version of the analytical framework presented in chapter 4.

To gain trust the interview was initiated by simple questions on the person’s position and responsibilities in the organisation. Our understanding of creativity was also explained early in the interview, to have a common understanding of the concept. The development in the interview guide was not

so radical that the data collected at the first interviews were irrelevant for the continuation of the project<sup>24</sup>.

### 6.3.2. SECONDARY DATA

#### 6.3.2.1. LITTERATURE REVIEW

The literature review was compiled in many stages using data from multiple sources. Scholarly articles is argued to be the most reliable source for theoretical information (Berg, 2009). The theories used in the thesis was chosen based on citations, as suggested by Google Scholar and Science Direct as well as other well-cited articles and books on the topics. To gain access to articles BI's databases at Business Source Complete, Econlit, Emerald Management, Science Direct and Web of Science was the preliminary sources.

Where articles were not available the database at Queensland University of Technology (QUT), Library of Queensland, Google Scholar and generic Google searches was utilised. The database at QUT was accessed through the help of former peers. Multiple books were used, some yet to be published at the time of access, given through the ARC Centre of Excellence for Creative Industries and Innovation (CCi).

EndNote has been used to format and present the references.

#### 6.3.2.2. CASE DATA

Some secondary data was provided by Åpent Bakeri, such as the overview of the organisational structure. Åpent Bakeri's website was also used to give an overview of the organisation. Other secondary data such as financial information, used to gain a deeper understanding of the industry and the case has been compiled using Proff Forvalt, accessed through the library at BI. Journal and newspaper articles were also utilised in the process of understanding how Åpent Bakeri fit into the Bakery Industry in Oslo as a whole.

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<sup>24</sup> See "Interview guide" in the Appendix

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## 6.4. ANALYSIS OF EMPIRICAL DATA

The goal of qualitative analysis is to make it possible for the reader of the report to gain understanding of the research area, without having to read all the data collected in the research process (Tjora, 2012). According to Corbin and Strauss (1990) there are three main types of data coding for analysing qualitative data. They are open coding, selective coding and axial coding. Open coding is “the process of breaking down, examining, comparing, conceptualising and categorising data (Corbin & Strauss, 1990, p. 61).

An analytical framework was assembled for this research project. The analytical framework was rooted in Schein’s (2010, 1990) leadership mechanisms and it was assembled to suggest the connection between these mechanisms and creativity theory. Findings were grouped according to this framework. Later, findings were later related to other categories and sub categories, using matrices, as their meaning was interpreted. In the matrices similar statements from the interviews were grouped together and at times simplified.

## 6.5. VALIDITY, GENERALIZABILITY AND RELIABILITY

### 6.5.1. VALIDITY

Validity is that the study measures what it claims to measure (Berg, 2009). According to Yin (1994) and Berg (2009) case studies has often been considered to be the weaker and less rigorous alternative to other social science methods, and that it is characterised by insufficient precision. To increase validity an analytical framework was assembled based on existing well-known theories on creativity in organisations.

### 6.5.2. GENERALISABILITY

According to Yin (1994) there are many critics on the matter of whether a single case study, like ours, can be generalizable. However, to reach general

statements about the industry is not the aim of this thesis. When that is said, it might also be possible to find generalizable findings, which might be confirmed in further research.

In his book reflecting upon qualitative research methods, Tjora (2012) prefers the term conceptual generalisation in qualitative research. In such generalizations concepts and theories could be developed that could affect other cases than those studied. This thesis has, in some ways, developed some new theory based on those of Schein (2010, 1990).

### 6.5.3. RELIABILITY

Reliability is the probability that the research can be repeated. This can be related to objectivity of the researcher during the research process (Berg, 2009). It often rests on the researchers ability to articulate the procedures, such that other can replicate the work (Berg, 2009).

A weakness of this study is that semi-structured interviews rely heavily on the interview skills of the interviewer and the truthfulness of the subject (Berg, 2009). There is no consensus on how to conduct an interview and in some cases the ability to perform a good interview is described as an innate ability or quality possessed by an individual (Berg, 2009). As the interviewers in this case had close to no experience, the book *Kvalitative Forskningsmetoder* by Tjora (2012), among others were utilised to improve interview skills and help create the interview guide. This can be found in the appendix.





# 4

## FINDINGS AND CONCLUSION

**“Nothing in the world is as silent as flour.”**

# - CHAPTER 7 -

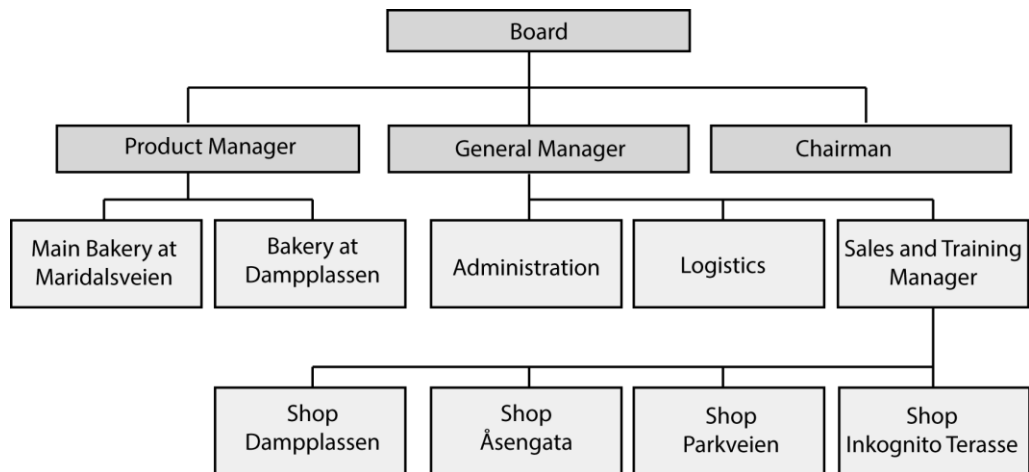
## FINDINGS

This chapter presents the findings from the semi-structured interviews<sup>25</sup> performed at Åpent Bakeri, using our adaption of Schein’s (2010, 1990) leadership mechanisms as introduced in part 2. In this chapter theory is used structural means only, while the next chapter will relate the findings to theory. The structure of this chapter is as follows. Findings related to the secondary mechanisms; the design of structures and systems as well as the physical artefacts, are presented first. According to Schein (2010) the secondary mechanisms will not function without being embedded or reinforced in the primary mechanisms. As such we examine this artefact level first, giving a somewhat superficial introduction to Åpent Bakeri. Assumptions might then either be confirmed or disputed as we go into the deeper levels of culture at Åpent Bakeri, exploring the findings related to the primary embedding mechanisms.

**7.1. SECONDARY ARTICULATION AND REINFORCEMENT MECHANISMS**

**7.1.1. DESIGN OF STRUCTURES AND SYSTEMS**

**7.1.1.1. ORGANISATIONAL STRUCTURE**



<sup>26</sup>

**Figure 8: Official Organisational Structure at Åpent Bakeri**

<sup>25</sup> As well as a small amount of secondary data provided by Åpent Bakeri

<sup>26</sup> The structure provided was without Lofthus Samvirkelag, Tranen and Blings.

We were provided with the formal organisational structure depicted in figure 9 above.

When asked about the presence of a hierarchy at Åpent Bakeri interviewees stated that there is little formal hierarchy. Espen, the administrative manager, commented as such:

*“Less than it should be [with a smile]. There is a little hierarchy, but at the same time, it is not as strict as many other places, it is very free and open.”*

He believes that this affects the communication in the organisation. As he is the one trying to keep structure, he believes that in that sense it is negative:

*“In terms of asking for help and input they [the employees] do that every day. And, they don’t always ask the one they should be asking. They usually ask the one that can help them, even though that person sometimes needs to go and ask the right person.”*

At Blings Hanne describes her job as doing a little bit of everything; she shares the responsibility at Blings with their chef, and states her main responsibility as keeping order and managing the staff. She thinks there is not much hierarchy at Blings, but could not give a statement on Åpent Bakeri due to lack of knowledge:

*“I can only speak for us. Blings is very relaxed, people are not afraid to ask for help, give help. There is a friendly environment... We work so closely together, it is such a small cafe, everybody contributes... We are together a lot on our spare time as well as friends.”*

In Parkveien the lines between management and *floor level* also seem blurred. And during conversation before and after the interviews subordinates *lovingly* make fun of Laura, the manager, and they seemingly have an open and personal relationship.

There is however a management level at Åpent Bakeri and managers are gathered each month for a meeting and coffee tasting at the main office at Maridalsveien.

Tranen and Blings are not represented on the formal organisational chart; as such we asked the employees how, and if, they feel a connection to the rest of the organisation. At Tranen the Åpent Bakeri sign was clearly visible upon entering the restaurant and the manager stated that:

*K: "Yeah, we have a bakery and we sell a selection of the bread from Åpent Bakeri, just like the other cafes. We also use the same coffee, and we got the same training. All the interior design and the outdoor settings have a same design language that passes through. The kitchen gets the opportunity to use a lot of the products as well. They use for example the sour dough bread for lunch, and they use the flat bread from the bakery. The customers are both pleasantly surprised as well as partially expecting this.*

*It is working really well, and it is exciting. In Lofthus Samvirkelag the product is almost bread-based so this is an even bigger "branching out" than that. They are successfully extending the brand of Åpent Bakeri in Tranen. And it is kind of a bakery, as we still sell the bread; it still got that sales opportunity for bread."*

Blings was not started by the entrepreneurs. According to Espen it was started by two people working at Åpent Bakeri, but eventually bought and embedded into the organisation. At Blings they do not sense the same connection to the rest of Åpent Bakeri, and Hanne explains it as this:

*"We are Blings; it has always been like that. The former manager wanted it be different as well. And we did, we just were different. I know they are trying to make some of the Åpent Bakeri cafes more similar, but I like that we are different. We are unique, and people don't really know that we are a part of Åpent Bakeri. We only have their logo on our bags that is really it."*

### 7.1.1.2. KEY POSITIONS

This section will describe in more detail some of the key positions at Åpent Bakeri; the people in those positions that was most frequently mentioned in the interviews.

Espen explained early on how there is someone from the administration out in the stores 80-90% of the time, John - the *spokesperson* for the administration. He trains the employees at all the cafes and restaurants, while they are on the job. Manu describes the importance of his job as such:

*M: "We also have one employee in charge of all the communication between the different branches of the company and we use mystery shoppers. One of the biggest challenges we have is to make the communication work still when the managers are not around."*

Espen also shares a small office with Åpent Bakeri's very own architect, which job is to create and develop the visual profiles and designs of new projects and other visual aspects of the company.

Espen describes how the bakery, located in the basement of the administration building, and its employees are important for creativity in Åpent Bakeri:

*"Maybe not so much in this office [speaks about creativity], but those in there [points down] in the Bakery. In the bakery there is a lot trial and error, experiments. Like right now, they are trying to create a..."<sup>27</sup>*

Guillaume is a former night-time baker, which is now in the position of day-time baker. He is a Frenchman, educated in France with some experience from USA. Guillaume's job description involves having the responsibility of creating new products for Åpent Bakeri; his predecessor created products such as liquorice, sweet potato and spinach bread. Guillaume has many new exciting ideas, some involving his passion for experimenting and chemistry<sup>28</sup>.

*"I have some things that I need to make, that require patients such as Knekkebrød and stuff like that. But, the other part of the job, which is*

---

<sup>27</sup> Product idea is censored due to the privacy of Åpent Bakeri.

<sup>28</sup> Guillaume has not yet launched any of his products, but he let us in on some of his ideas. They will not be discussed further out of respect for his work and original ideas.

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*the favourite one for me, is looking for new product and create, create, create, create. It is fantastic”*

He works in a loosely assembled team:

*“I am almost alone. There is two persons who work with me; one girl that is just an assistant as she is not a baker, so I teach her a little bit. And this one guy who is not a baker, he was a chef before.”*

The chefs at Tranen and Lofthus Samvirkelag also have seemingly important positions in Åpent Bakeri, and have been given much freedom to create the menus for the restaurants. The pizza chef at Lofthus Samvirkelag, Eirik Sevaldsen, is also a co-owner of Tranen.

The entrepreneurs are also employees at Åpent Bakeri. Rang is product manager while Lofthus is general manager.

### 7.1.2. DESIGN OF PHYSICAL SPACE

K: *“They [the entrepreneurs and the other owners at Tranen] spent so long planning the opening of Tranen. And it is not just in terms of getting a positive bottom line, but how they are going to pay homage to how Tranen used to be. Even down to the art, the stuffed bird [note: common crane] that operates as a cuckoo clock and the interior design, there is obviously a lot of planning that has gone into it.”*

#### 7.1.2.1. SYMBOLS AND ARTEFACTS

The shops and restaurants are all decorated in different ways, but all speak the same design language through colour pallets, logos, other symbols and nostalgia. They are all developed individually in order to, among other things, suit the neighbourhood it is located in.

L: *“This is what really drew me into working at Åpent Bakeri. All the other cafes in Oslo were so “chainy” and homogenous; Åpent Bakeri’s shops have so much personality. They remind me of the small coffee shops I am used to back in Sydney.”*

Laura and Kevin both argue that all the shops have an interesting dynamic with the neighbourhood in which they are placed:

*L: “Parkveien is located just behind the royal castle and Bogstadveien [one of the most high end shopping streets in Oslo]. It has a big patio and big glass windows; it is a place to see and be seen; we have a lot of celebrity customers.”*

*K: “Åpent Bakeri, where ever the bakeries are located they seem to participate with their surroundings. Like the café at Inkognito Terrasse, and the pizza shop at Torshov, the locals love them; they speak so fondly about it. And I think that is closely connected to that participation –they are a part of what goes on around them.*

*Tranen has quite a unique position in the city as well; it is not located on Aker Brygge, Nasjonal teateret or Karl Johan, so we don’t have that many tourists –mostly locals.”*

Hanne believes the uniqueness makes both employees and customers love Blings:

*H: “You can see it in the way the shop looks; people grow very fond of it. We have customers who live nearby who comes in every single day.”*

Yannick loves the shop at Inkognito Terrasse, but thinks that it being the first one, it was kind of a trial project:

*“We are the first one. They did not spend much time on it before opening, but it became very successful. Things should have been done differently, but it works. It’s like when you make a cake for the first time. It does not look that good, but it tastes good. It is lovely and charming. But we really need to redecorate this place!”*

Åpent Bakeri’s website introduces all the different shops, and place special attention to the buildings and their history. What makes the shops a part of the same brand, even though they are so individual, is having the same coffee,

cutlery, cups, plates and bags, and the Åpent Bakeri sign more or less visible on the façade.

Blings only has the bag and wrappers, none of the other symbols, not even the same coffee. While all other shops sell the Åpent Bakeri products they only use it as an ingredient in their sandwiches.

The main office of Åpent Bakeri is in an old red brick industrial building on the banks of Akerselva, which has been partially renewed and restored. The offices looks quite casual, on the boarder to messy but in an artistic way: the walls are decorated with funny pictures and quotes, and there are drawings and post-ITs scattered around.

Espen share a small office with the Åpent Bakeri Architect, and as such his wall is decorated with a huge mood board. The mood board is composed with pictures of the shops from the early 1900's and modern time, old neon signs, drawings, old lamps and furniture.<sup>29</sup>

#### 7.1.2.2. LAYOUT

The bakery and the administration are located in the same building; offices on the first floor and bakery in the basement, only separated by a door and a small set of stairs. Guillaume describes how he uses the people in the bakery for testing his products:

*“Off course I am not Norwegian, so I have to try and learn to make Norwegian style bread. So, I ask those who are in the bakery at the time to try the product. Normally the people in the office try, everybody try.”*

Espen was at all times interested and knowledgeable on what was going on downstairs in the bakery, as it was located just downstairs from his office.

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<sup>29</sup> See pictures “Mood board” in the Appendix



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## 7.2. PRIMARY EMBEDDING MECHANISMS

### 7.2.1. COACHING AND ROLE-MODELLING

This section will explain the observed behaviours of role modelling by the entrepreneurs at Åpent Bakeri, as well as their behaviours of coaching, encouraging and supporting creativity; using their own experience and knowledge to help employees.

#### 7.2.1.1. BUILDING RELATIONSHIPS

At InkognitoTerasse the entrepreneurs sometimes visits the shop as much as 2-3 times a week. Manu says that he wants to a present manager, but that he is not able to visit the different cafes as often as he would like. Instead he tries to keep contact and a good dialogue over the phone. All interviewees showed a positive relationship with the entrepreneurs, and it was mentioned how all employees speak of them with fondness:

*K: "I think that you go into any of the bakeries [note: what we call shops] they all speak with the same fondness that we do [note: at Tranen]."*

*Y: "Yes, very good. They are my friends. I have followed them and them me, for a long time."*

Manu also expresses appreciation of his employees.

*M: "I try to see all of my employees so that they see that I care. Because of this, it is natural that they talk about themselves and that I get to know them personally. I would be a bad manager if I didn't. It is Alfa and Omega for the employees to feel that they are seen and appreciated. It is crucial in order to create a warm work environment."*

#### 7.2.1.2. COACHING

All our interviewees called Øyvind Lofthus by his first name, and Emmanuel Rang is known as Manu. The relationship was not just built on having a positive work relationship, but a genuine personal interest in employees:

K: *“I think they are good at picking out characters and giving them opportunities. It comes through in the conversation. They [the entrepreneurs] have conversations with you and ask you about what is going on, and it is not always about work, it is almost like a family environment in many ways.”*

G: *“They proposed me [to work as day-time baker]. They knew I was one of the passionate ones. Not those who are just happy to just bake what they are told and go home.”*

Manu is the product manager and often works in the main bakery at Maridalsveien together with the day-time baker baker Guillaume, as a part of what Espen calls the *creative team*. He also sometimes works regular shifts in the bakery during the nights.

The day-time baker expresses a need and a desire for help and feedback from the entrepreneurs, and he is not afraid to ask:

G: *“I ask for help all the time. The Norwegian boss [Lofthus] and the French boss [Manu] do not always agree. When I make a product, sometimes the Norwegian boss says it is fantastic, and the French one says “ah, no, you can do better”.*

*Sometimes they say “now we do this, because it is good” and they send it into the shops. And, after I have the feedback some of the shops want it, some do not; it depends.”*

He feels a sense of safety in communicating with the entrepreneurs, and frequently asks for help:

*“You don’t have to be scared! You have to do shit before you find the best product. It is alright that I make a mistake, the day after I start again.”*

Manu expresses an appreciation of employees asking for help and contributing with ideas:

*”In production I put much emphasis on the matter that everyone can contribute with ideas, new products – and I give personal guidance. I give the employees tasks; I follow up with guidance and encouragement, even when the person fails.”*

All employees are taught about baking and the craftsmanship. Laura described how they were all taken to the bakery at Maridalsveien, showed the machines, the different types of bread and how they are made.

*L: “They think it is important that we know our product, as it is the core of Åpent Bakeri. And I agree, I think it is very important. Each month the managers also gather at Maridalsveien for coffee tastings and such.”*

*M: “The heart of Åpent Bakeri is the production. We have to have good communication in order to sell what we produce.”*

#### 7.2.1.3. ROLE-MODELLING

Manu is aware of the fact that he is a role model, and tries to use his position to be inspiring for his employees:

*“I see myself as a role model on several levels because it is my job.”*

Further he explains how he tries to be a role model through being precise and trustworthy, as well as modelling values such as tolerance, understanding and encouragement. He tries to show creativity and the will to do new things. This is due to him wanting his employees to show curiosity towards others employees' ideas.

Åpent Bakeri is a conglomerate of people from all over the world, from different industries, educations and backgrounds. This is discussed further in the next section. Kevin, an Australian Fashion designer working as the maître de at Tranen, appreciated that entrepreneurs welcome such diverse people, and that it rubs off on subordinates:

*K” I think that speaks to the openness of the place, how they treat people and bring them in. And I think that it rubs off on the staff, which treats customers in the same way; just as open and caring.”*

Kevin explains how he is inspired by the entrepreneurs expanding the concept in new and different ways through going into restaurants and publishing books with creative recipes.

*K: “When I hear Øyvind [Lofthus] talk about when he started with Manu, the way they used to work. There is definitely a creative process to the way that they work, and the way that they build different recipes and bake. I definitely think they have a creative outlook in the way they see things. I think that as individuals they are very open to the world, and they love to participate.”*

Being a physical presence at the shops, entrepreneurs deeper values and passions are revealed in different ways. Kevin described their work-ethics through the story of the opening of Tranen:

*K: “I have never seen bosses work so hard, you know. Øyvind [Lofthus] was in the dishwashing area, running around cleaning, resetting tables. It is really inspirational, they are really willing to work for it, not just be the bosses that sit back.*

*“I really work hard to do a good job, because I know how invested the owners are in the place. I feel as if I bear the responsibility to make it as successful as I can. I feel the weight of my responsibility, personally, and I think everybody else does too.”*

Manu says that he works hard and helps where it is needed. He helps with cleaning tables in the cafes, helps the chauffeurs with the transportation of products and he sometimes takes regular shifts in the bakery:

*“This is one of the core values of Åpent Bakeri. We help where it is needed.”*

Kevin and Manu both argue that the entrepreneurs embed their personalities, norms and values into the way they do business:

K: *“I do not think they ever do a project for financial reasons. At the heart of their bakeries is their passion for baking. The guys love to go out to eat and drink, especially gin. The cocktail bar upstairs has got an insane selection of gin, as the boys [owners] love gin. It represents something that they are passionate about. If they are going to sink money into something, see something grow, to own something it has to be something they love.”*

M: *“I absolutely feel that Åpent Bakeri is closely tied to me and Øyvind’s personal values!”*

### 7.2.2. ALLOCATION OF, AND CREATING CRITERIA FOR, REWARDS AND MOTIVATION

In the case of Åpent Bakeri there is no official system for rewards, and none interviewed expressed any feelings of missing or wanting such a formal system.

#### 7.2.2.1. CHALLENGE AND COMPLEXITY

Kevin argues that leaders are challenging the employees through responsibility, as well as taking risks by promoting people without explicit experience. He believes the entrepreneurs get to know their strengths through their personal relationships with the staff.

L: *“I am originally a relator, so I did not really have the right background. But they still gave me the chance.”*

E: *“I am educated as an electrician, and I have a bachelor in electric engineering. But, I was working part-time at Inkognito terasse, and I felt that this (note: taking the job as administrative manager) was a big chance for me.”*

K: *“In my personal situation, I have not got any experience as a restaurant manager; I have been in this industry for 13 years but also run my own fashion business. I think they (note: the entrepreneurs) are good at picking out characters and giving them opportunities.”*

Y: *"My background is in marketing and sales; in France 20 years ago."*

Guillaume expresses how the entrepreneurs are involved in his processes and challenges him to do better:

*"And all the time, off course I can do better. That is the way to make the best product."*

At Blings, they are expected to create at least one new product each month, and each month they launch a new soup, salad or sandwich.

As a contrast to the other interviewees, Yannick, who has been working in Åpent Bakeri for many years, would like more challenge:

*"I would like to be more challenged, really. But things are going really well, so it is ok do not get challenged that much."*

#### 7.2.2.2. FREEDOM, TRUST AND CONTROL

Freedom in everyday work situations was found at several places at Åpent Bakeri. Such as Guillaume in the bakery:

G: *"They do not tell me that I have to work on this and this, try to find this. I just, do what I want, and try to find something that Norwegians like."*

*"For me, freedom is the most important factor. I am really free to do what I want, it give me the pleasure to do it. You have to like what you do. I love my job, the minimum you must to do a good job I like it."*

At the different restaurants chefs were given some freedom in composing their own menus. At Tranen the chef was challenged to stay true to the place's origin:

K: *"The owners let him be free in terms of choosing the menu, as well as encouraging him to stay true to the roots of this place. They had some original menus from the old Tranen which they used as inspiration. The food has got this sort of great humble, authentic feeling."*

The spokesperson of the main office provides equal training to all employees of Åpent Bakeri, but there are not any strict routines as exemplified by Parkveien:

J: *“We are free to structure our day the way we want, we have some routines that we need to do, some are concerned with Norwegian law. Our daily routines are not in any way structured, we perform them how and when we believe to be best.”*

I: *“I like to be creative in the way I relate to customers, it makes my day more fun and it makes them smile.”*

L: *“We mix it up with things such as how long a person is at a station, or how we present the products. It gives us more ownership to the place, and we do have a lot of that.”*

As a contrast Blings and Inkognito Terrasse follows strict routines at all times. When asked if they are reliant on routines Hanne and Yannick answered:

H: *“Very much so, there are old routines from way back. There is so much to do here, all the time that we need some sort of structure, or everything will just turn to chaos. The system is tried and tested, a recipe for success.”*

Y: *“No, we have quite strict routines. You have to have routines in order to make things work.”*

It was also revealed that though they provide some freedom for employees in their day to day tasks and routines, the entrepreneurs exercise strict control over products and the appearance of the shops.

L: *“They are very particular on what products go into what shops. For example, we have not got any of the jams. This is because we are a breakfast restaurant. If the customer could go in and buy a separate piece of bread and jam, we would lose the opportunity to buy a breakfast made by us. Other shops do this.”*

Y: *“They always make the big decisions!”*

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### 7.2.3. ALLOCATION OF RESOURCES

At Tranen and Parkveien people are from countries such as Australia, Portugal, Norway, Sweden, and Germany. In the Bakery people are from Italy, Poland, France, and Lithuania.

When asked about what he believed to be Åpent Bakeri's biggest strengths, Guillaume emphasised the importance of diversity in cultures:

*G: "I think some of it is that we do not only make Norwegian bread. It is a mix of Norwegian and French Bread. Normally Norwegians uses quite hard dough, and the French use a soft dough. Instead of just choosing one, we make a mix.*

*When you have different backgrounds everybody can give something new to the group, and for me, mixing all the cultures is important."*

Åpent Bakeri also consists of people from different backgrounds, such as Espen, Laura and Kevin.

Hanne believes this an asset for Blings:

*H: "At Blings there are so many creative people. There is an amazing composition of people here, everybody is so incredibly different, everybody does so many things on their spare time; there are musicians and artists, a lot of creative people. I don't know about Åpent Bakeri as a whole, but here there are so many characters."*

Guillaume emphasises that it can be productive to have people from other educational and training backgrounds than himself, as the chef who occasionally helps him out in the bakery:

*G: "He knows quite a lot, he was a chef so he knows different things. He has a good pallet and we look for new flavours together."*

Espen believes it is important to have input from different people from many parts of the world and from different backgrounds such as him. He also



underlines that that seems to be the normal in many of today's organisations; and they have found a way to make it work to their advantage.

Kevin believes it speaks to the openness and inclusiveness of Åpent Bakeri, that everybody gets a chance and is valued. He believes that the common ground in Åpent Bakeri is the love for the organisation, as transmitted by leaders. He also explains how his background as a fashion designer has influenced his way of thinking and solving problems in everyday situations:

*“It is really hard for me to see myself as someone who is not creative; it cannot be separated from who I am. It has been important for me, it helps me be a bit more unique at problem solving a work.”*

Manu believes it is important to be different, but that you have to work to create well-functioning teams. He emphasise the importance of team building:

*“I work with teambuilding; how we are towards each other and lift each other. Important key words: Team spirit, tolerance, understanding, encouragement.”*

## - CHAPTER 8 -

### CONCLUDING DISCUSSION

The preliminary aim of this thesis was to explore creativity outside the creative industries. As our exploratory project progresses, the focus became exploring how the entrepreneurs influence the context for creativity at Åpent Bakeri through Schein's (2010, 1990) leadership mechanisms.

This chapter has multiple aims. Firstly, it will present the findings of research at Åpent Bakeri and their relationship with creativity theory and entrepreneurial leadership. The second part of this chapter will summarise this discussion in a conclusion. The third and final part will discuss the implications and limitations of our research.

The previous chapter presented our findings in the structure using of our adapted Schein leadership mechanisms (1990, 2010). This chapter offers a somewhat different structure, this is explained as follows. Schein (2010) make two distinct points regarding how his leadership mechanisms are related to each other. Firstly, he argues that the secondary mechanisms are only relevant if they are reinforced in the primary mechanisms. This is an echo of his argumentation of not examining the artefact-level of organisational culture as a separate unit, as it can be deceitful. Secondly, he argues that all though he presents the mechanisms in a sequence, this is also somewhat misleading; arguing that they all operate simultaneously, and as such the lines in between them are often blurred.

As a result, in further analysis of the findings three somewhat *new* overarching, or summarising, mechanisms emerged naturally. The leadership mechanisms in the findings were at times hard to separate from each other, and overlapped at multiple occasions. For example was role-modelling important in attracting diversity and coaching, as well as being a strong source of inspiration for employees. This chapter also removes the division of secondary and primary mechanisms, discussing their relationship; or the lack there of.

The process revealed that seemingly, the most significant ways the entrepreneurs at Åpent Bakeri facilitated the context for creativity were through the leadership mechanisms that facilitated *communication*, those who attracted and utilised the potential in *diversity* and those who *motivated* employees.

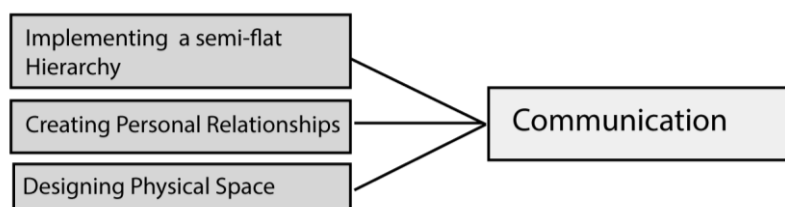
The section below will describe these findings further, presenting a simple model in each section to describe the structure and the process.

### 8.1. FACILITATING COMMUNICATION

Creativity is a social phenomenon, and it has been argued that a communicating and debating organisation is beneficial for creativity (e.g. see Ekvall, 1996; Hargadon & Bechky, 2006). Hargadon and Bechky (2006) argue for the importance of having an organisation where norms dictate that communication is allowed at, and between, all levels of the organisation. Communication, they believe, is the main factor for facilitating creativity as it brings together the most important components for being creative; *knowledge* and *experience* (ibid). This is modelled, taught, and facilitated by the entrepreneurs at Åpent Bakeri, as explained in this section.

At Åpent Bakeri communication seemed especially important for developing products in the bakery, for seeking help and feedback and for developing leader-subordinate relationships. The importance of communication is also exemplified in Åpent Bakeri having an employee that spends most 80-90% his time out in the shops as a spokesperson for the administration.

The norms at Åpent Bakeri seem to dictate that communication of a casual nature is welcomed and encouraged at all levels of the organisation. This section will describe how this is facilitated by the entrepreneurs. The results are summarised in the model below.



### 8.1.1. IMPLEMENTING A SEMI-FLAT HIERARCHY

The structure of an organisation could be argued to be both advantageous for, or be an impediment to, creativity in the workplace (Amabile et al, 1996; Woodman et al 1993). A rigid mechanic organisational structure is believed to hinder the flow of communication, elongate the decision-making time and as such stifle creativity (Andriopoulos, 2001; Kelley & Littman, 2001).

We were provided with a chart of the formal organisational structure of Åpent Bakeri, as depicted figure 9 in chapter 7. The figure gives an indication of the hypothesised relationships between the different positions and departments, as well as an indication of how the flow of communication should be in the organisation. The administrative manager indicated that, as it is his job is to keep control, he would like employees to follow this structure.

In our findings, they do not. There is a clear difference between the formal and the formal organisational structure and the behaviour modelled by the entrepreneurs and most other employees at Åpent Bakeri.

Our findings indicate that the entrepreneurs are implementing a semi-flat hierarchy through their behaviour. The first example is the opening of Tranen, where the owners climbed all the way down to the bottom of the organisational structure. Instead of doing what might had been expected; taking on the role as hosts, meeting and greeting celebrity guests, they busted tables and did the dishes. The second example is how Manu a still takes the nightshift when it is needed, as well as working a lot in the bakery, not just managing, but actually baking alongside Guillaume. Manu also stated that this is one of the core values of Åpent Bakeri - to help out when it is needed.

There seemed to be a lack of hierarchy internally in the shops, exemplified by humour and friendly laughs on each other's expense throughout the interviews.

All though such behaviour happens, the organisational structure does not appear to be *completely* flat. There are some indications of hierarchy. The first is the clear admiration and respect given the entrepreneurs by subordinates. The second is the articulated responsibilities of each management positions in

the shops, even though there is seemingly a big degree of freedom to structure their work day. Fourth, there also seems to be a line between management and *floor level* positions, as management from the stores and restaurants are invited to the main office once a month for a meeting and coffee/product tasting.

Fourth, and maybe the most apparent, is that the leaders make the big decisions. They branch the concept of Åpent Bakeri out into new fields, they have strict control on what products goes into what shops as well as how each shop should look. This is also indicated in them visiting shops frequently, and having a say in every part of the organisation.

The entrepreneurs have created a formal and quite hierarchical organisational chart. This chart seems to depict what responsibilities the different employees have, but not how information and communication flow across the organisation. The structure in terms of communication seems in practice to be loosely assembled, and lines seem to be blurry between leaders, the rest of the administration and shop/restaurant managers, as well as such managers and their subordinates.

A somewhat flat organisational structure, as is practiced at Åpent Bakeri is argued to facilitate creativity as it facilitates the flow of communication, ideas, knowledge and experience across the organisation (Hargadon & Bechky, 2007; Amabile, 1996). In Åpent Bakeri the communication seems casual, frequent and free from strict hierarchy.

### 8.1.2. PERSONAL RELATIONSHIPS

All employees interviewed were one a first-name basis with the leaders of Åpent Bakeri, and they all talk about it being a family environment with one-to-one conversations. Even at Blings, which seems perfectly happy being only semi-attached, communication with the entrepreneurs is one a first-name basis.

Employees state how they are not afraid to ask for help, and Espen confirms that communication across the organisation happens on a daily basis. E.g. for Guillaume this communication is a part of his day-to-day job. This does not

only entail communication with the leaders, but also others at the bakery and in the main offices upstairs. Manu explains how it is important for him to communicate with all of his employees, and get to know them personally, and that he wishes he could be able to this even more.

This indicates that there are norms that support communication and help-seeking at Åpent Bakeri, what Hargadon and Bechky (2006) believe as one of the key ingredients for facilitating creativity in organisations. Employees are not afraid to ask for help, the leaders are more than willing to give it; in Maunu's case he even expects it. For Guillaume there is a close relationship between communication and his creations in the bakery.

Kevin described how the managers have one-on-one conversations with him and others at Åpent Bakeri taking genuine personal interest. As a result, all employees speak with respect and fondness - Yannick even call them friends. Through one-on-one conversations the leaders revealed Kevin's passion for management in having his own business, realising he would be good as a maître de at Tranen.

Creativity research such as Oldham and Cummings (1996), Amabile and Kramer (2011) and Amabile et al (2004) emphasise the importance of having a positive and supportive leaders-subordinate relationship, and that such relationships might influence the degree to which communication occurs.

### 8.1.3. DESIGN OF PHYSICAL SPACE

The physical layout of the administrative office at Åpent Bakeri also seems to influence the degree to which communication, and as such creativity, might occur.

The administration is located directly over the bakery, which makes it easy for Guillaume to communicate with the entrepreneurs as well as the rest of the administration at Åpent Bakeri. He described how he makes everybody in the office try his products, and that this is how leaders decide what ideas should be tested in the stores and not. As he states how he is not Norwegian, and he needs

Norwegians opinions on his product, as they are the main customer group of Åpent Bakeri.

The physical layout of a work space is something that is often overlooked in both management and creativity research (Gagliardi, 1990, 1999; Kerstin, 2011). Gagliardi (1990) emphasises the important role of the designer and the architect in the corporate world, but also how they are often ignored. At Åpent Bakeri, they have their very own architect who has been given room to influence the organisation through design of space, and symbols of creativity.

#### 8.1.3.1. CREATING NORMS FOR THE NATURE OF COMMUNICATION

The physical work spaces at Åpent Bakeri are full of playful and humoristic elements such as posters, signs, pictures and figures. Tranen has a gigantic stuffed common crane in their locale, with eggs as pendulums. The office walls at Maridalsveien have funny quotes and pictures, as well as a huge mood board<sup>30</sup>.

This gives the offices and shops a playful, humoristic and relaxed feeling. All other locations of Åpent Bakeri also have some of this humour and charm. These statements are based on our own experiences of the shops as well as that indicated by interviewees. This was what first drew us in to examine at Åpent Bakeri as a case, and we can relate to how it also was the deciding factor for Laura.

This physical appearance could be argued to create an atmosphere where the employees feel inspired, and where they are not afraid to say their opinions and have a playful tone amongst each other. This is playful tone also exemplified in the loving nickname of Emmanuel Rang, *Manu*, which all employees use when addressing, and referring to, him.

Gagliardi (1999) emphasise this *visual expression of culture* as important for the efficiency, as it inspires employees as well as reminding them of the values of the organisation. Ekvall (1996) emphasised the importance of having a

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<sup>30</sup> See pictures in "Mood board in Appendix", taken with the permission of Åpent Bakeri.

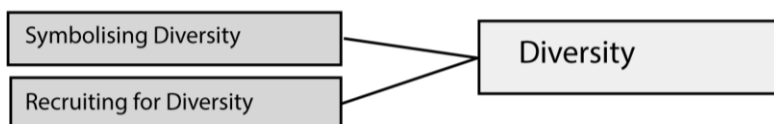
relaxed atmosphere characterised by spontaneity, jokes and laughter. He believes this is beneficial for creating a climate where creativity thrives.

## 8.2. FACILITATING DIVERSITY

Diversity in teams and organisations is a hot topic in creativity research, as it is believed to create a debating organisation where everybody contributes with ideas (Ekvall, 1996). When people with different backgrounds and education are put together in an environment conducive to communication, they can contribute to creativity through drawing on past experiences (Hargadon & Bechky, 2006). This happens for example when Manu coach employees in the bakery, when Guillaume works with his team, or when they bring employees to the bakery to learn about products.

Chapain et al (2010) and Higgs et al (2008) also argues that people in creative professions outside the creative industries can create powerful spill-overs of creative practices and inspiration. One instance where this has seemingly happened is the relationship between the architect and the appearance of the main office at Åpent Bakeri, as discussed. The visual appearance of the shops is also something that characterises Åpent Bakeri, and is a part of the brand.

The leadership mechanisms applied, knowingly or unknowingly by the entrepreneurs, argued to facilitate diversity in Åpent Bakeri are depicted in the model below.



### 8.2.1. SYMBOLISING DIVERSITY

Employees at Åpent Bakeri are from different backgrounds, personalities and nationalities. Åpent Bakeri was built on cultural diversity, as the two entrepreneurs are French and Norwegian. It is on this diversity the bread of



Åpent Bakeri is based, being a mixture of the hard Norwegian and the soft French bread.

Rang argues that by him being French, he can communicate more easily with the French bakers. It might also seem less intimidating to work in an environment where the main parts of employees, even the boss, are not Norwegian, creating more openness.

As such the entrepreneurs at Åpent Bakeri are symbolising, or role-modelling for, diversity in the organisation.

Espen and Kevin emphasise that it can be hard at times to have so many different people to manage, but that they have made it work through finding a common ground in the passion for Åpent Bakeri to make it work to their advantage. This passion is one that is modelled by entrepreneurs, for example through their hard work and love of baking. They also create shop interiors that give employees certain ownership to *their* shops.

### 8.2.2. RECRUITING FOR DIVERSITY

Leaders in big organisations are argued to affect the recruitment, selection and retention of employees for designing systems and criteria (Schein, 2010). As Åpent Bakeri is such a small organisation, the leaders are still involved in recruitment and especially the promotion of employees.

Diversity seems to be highly appreciated at Åpent Bakeri, and people are hired from different educational backgrounds and different nationalities and cultures.

Espen is for example educated as an electrician, Kevin as a fashion designer and Laura as a realtor. Yannick has a career in marketing in France before he started at Åpent Bakeri. The bakery employs are mostly educated bakers and especially Guillaume has a long education in France. As mentioned Åpent Bakeri also has its very own architect, responsible for designing the shops and restaurants and other visual aspects of Åpent Bakeri.

Åpent Bakeri is as such a conglomerate of nationalities and cultures. For example is Espen is Norwegian while Laura and Kevin are from Australia. In the bakery, bakers are Norwegian, French, Italian and Polish.

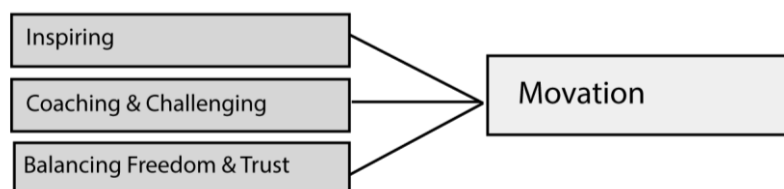
Guillaume argues that this is very importance for his creative process, to communicate with people with such different input. He is learning to make Norwegian style bread, so he needs to communicate with Norwegians. The bread is also a mixture of French tradition, where both he and Manu have experience. Also, he has a chef that comes in and experiments with flavours, giving him a fresh perspective on things.

### 8.3. MOTIVATING EMPLOYEES

Amabile et al (1996) believes that providing employees with intrinsic motivation is the most powerful way to facilitate creativity, mainly because they believe that creative people most often are intrinsically motivated in their work.

Tierney et al (1999), Oldham and Cummings (1996) and Clapham (2000) argues that if subordinates are intrinsically motivated they would have a positive response to intrinsically motivated leaders, extrinsically motivated employees would have a negative response.

There is no official system for feedback or promotions at Åpent Bakeri. Seemingly it is all based on communicating a need for help or feedback from the leaders or others at Åpent Bakeri, which was found to happen every day. Our findings suggest that employees are intrinsically motivated mainly through challenges and coaching, freedom and trust. They were also positive to the leadership style of the entrepreneurs, and all seemingly affected by their role modelling.



### 8.3.1. INSPIRATIONAL ROLE-MODELLING

The employees stated that they were motivated through seeing how hard the entrepreneurs worked. Kevin explained how it makes him want to do his part as well, when he knows how *invested* the leaders are. Manu stated how he was very aware of his position as a role-model, and that he acts accordingly.

As explained in the communication section, the leaders model a semi-flat hierarchy at Åpent Bakeri. Through this hard work and devotion they set an example for the behaviour they wish to see in their employees; both in hard work, communication and idea-generation.

They show how one can be creative by embedding one's own passions and interests into the product; as is the case of the gin-bar at Tranen, and their choices of locales with roots deeply emerged in the history of Oslo.

This seems to be inspirational for Guillaume; where he looks into his own interests for chemistry in creates exciting products. It might be an inspiration for employees at Blings, where they use their backgrounds as designers to decorate the shop. It might also be the case for Kevin, where he uses his creative mind-set, from his background as a fashion designer to reframe problems.

Manu expresses how it is important for him to support employees and their ideas, and that he wants to create an environment where they also support each other's ideas. He does this through role-modelling, as well as team building.

### 8.3.2. COACHING AND CHALLENGING

Amabile et al (1996) extended by Amabile and Kramer (2011) argue that feedback and a sense of progress are some of the most powerful facilitators for creativity. When employees feel a sense of progress, they are more likely to be more creative and more productive (ibid). Oldham and Cummings (1996) emphasise the importance of a positive leader-subordinate relationship, and

Amabile et al (2004) argues how this is influenced through individual goal setting and coaching to development subordinate's expertise.

As discussed in earlier sections of this chapter, entrepreneurs take a personal interest in both the work and personal lives of employees. Through conversation they revealed goals, aspirations, and strengths of employees such as Kevin and Guillaume. They provided coaching and challenges accordingly. When jobs are challenging creative solutions are more likely to be applied to solve tasks (Oldham & Cummings, 1996).

The challenges given differed across the organisation, and some were given more challenge than others. Chefs were given much responsibility for creating the menus for their restaurants; others were challenged through increased responsibility, even those with little prior experience such as Kevin, Espen and Laura.

In Kevin's case Tranen is developing, as it just opened in early 2013, and they are still learning as they go alone. He therefore has the possibility to influence future practices, which displays a level of trust in him.

Guillaume is challenged in more direct ways, through feedback that pushes him to work even harder. As they also tell him it is OK to *make shit* in his pursuit of creative products, which indicates a great deal of support. Manu states how it is important for him to always support his employees, even when they fail. He supports his employees in having ideas and making progress, it is a part of the way he is as a leader.

### 8.3.3. BALANCING FREEDOM, TRUST AND CONTROL

Amabile (1996) argues that freedom for subordinates is often the *choice* in deciding how they would like to accomplish a task.

Through our interviews with employees we learned that all of the locations have their routines, but that often employees are free to make their own interpretations of them. This enabled some everyday creativity such as

employees Parkveien were relating to customers differently, or that employees at Blings were presenting the cafes in different ways.

Åpent Bakeri in general seems to have a relaxed view on routines, and many of the interviewees were free to structure their day as they wish. This was found in the administration, bakery as well as in the shops interviewed.

There were two exceptions of this, Blings and Inkognito Terrasse. At both locations they were reliant on routines because they have found that it is the best way to work. This however, seemed to be a product of how the manager at that location preferred it to be.

The tension between freedom and routines creates a paradox. There is a fine line between having freedom to be creative, and setting clear goals (Amabile, 2006). Too much freedom might cause confusion, while too much control might kill creativity (ibid). Amabile believes it can be rooted in perception, if employees *perceive* that they have freedom, it is deemed to be beneficial for creativity.

The findings at Åpent Bakeri revealed a balance. The entrepreneurs had strict control on a lot of things, such as what products each shop should sell and how the shops were decorated. The exception here was Blings where they felt freer to decorate in their own taste. Even so, the employees all described a feeling of being free to make their own interpretations of things in their everyday work lives.

Some employees are given more freedom than others in their job design such as Guillaume. He stated that this was one of the most important factors for his creativity, as it gave him time to experiment with new products. He stated that he was free to do what he wanted, but it was also revealed that he had certain products that he *had* to make every day, such as knekkebrød.

There are also some differences between the shops and restaurants, where the restaurants have more routines and are a subject to more Norwegian laws and health codes than the cafes.

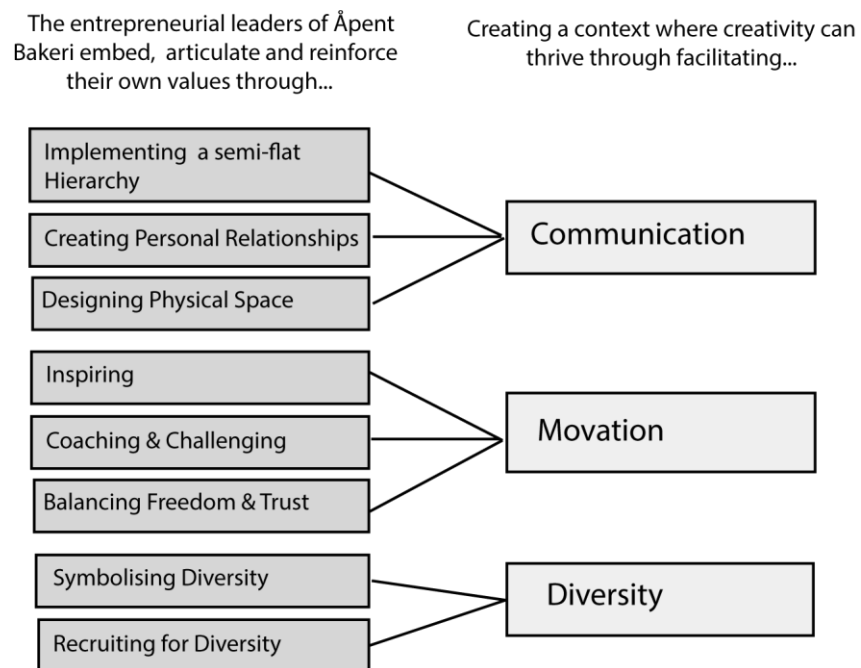
**8.4. CONCLUDING SUMMARY**

Our research question is:

*How does entrepreneurial leadership influence the context for creativity at Åpent Bakeri?*

The discussion in the previous section is summarised in the figure below. In our findings on the context for creativity, the *context* is argued to be the combination of the organisational culture and climate.

**Figure 9: Summary of major findings**



As such, the entrepreneurial leaders at Åpent Bakeri are believed to, through the behaviours and mechanisms depicted in figure 10, influenced a context for creativity through facilitating communication, motivation and diversity.

Not all findings are directly related to the entrepreneurs. For example, they cannot be credited for hanging each inspiring image up on the office walls - but, we do believe that they have created the culture in which norms dictate that such behaviour and decoration is allowed. Nor can they be accredited for the products created by Guillaume, but they offer the help and support he needs in the process. They have, in our opinion been highly influential in the creation of an organisational context for creativity at Åpent Bakeri.

## 8.5. IMPLICATIONS

Even the *father* of creative organisational climates, Göran Ekvall (1996) stated that the organisational climate could be embedded in the organisational culture at the artefact level of Schein's model of culture (1990, 2010). McLean (2005) combines the two in her literature review on the relationship between climate and culture. Yet, no researchers have to our knowledge looked deeper into this relationship, in terms of an organisational context for creativity; they have settled on explaining that there exists a relationship, but have not looked into the dynamics between them.

This thesis could argue to have located attributes of a creative climate in Åpent Bakeri<sup>31</sup>. But, at times they had to be linked to deeper levels of organisational culture such as values, norms and general assumptions to be more meaningful. As such it proves that, at least in this case, there is a close link between the two concepts of climate and culture. In our opinion they should not be studied separately, as climate/artefact attributes can be deceitful upon observation, and more thorough investigation is needed gain a deeper understanding, as indicated by Schein (1990; 2010).

We also discovered an attribute that was important at Åpent Bakeri that has, maybe wrongfully, been ignored in previous approaches to creative contexts (climates). This attribute is the design of the physical space, symbols and other visual artefacts. At Åpent Bakeri symbols are argued to create inspiration and a sense of ownership, as well as being a facilitator for the type of communication that happens in the organisation. The design of the physical work space at Åpent Bakeri was also a very strong influence on the frequency of communication.

## 8.6. LIMITATIONS

The small sample size and the single case somewhat reduces generalisation on the case, all though it should mentioned that the answers by the employees

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<sup>31</sup> See "Beyond the Climate" in the Appendix

interviewed showed substantial similarities, and after the first interviews little new data was discovered. In the findings chapter some interviewees are mentioned more frequently than others, and it might seem as we rely too heavily on those. The reason however, is simply the individual interviewee's ability to articulate him or herself. When answers were similar, the ones with richest descriptions were used, in order to create better structured and a more exciting thesis.

Another limitation is the "halo effect", where the perception of a person is clouded by him or her overall likableness (Dean, 2007). The entrepreneurs at Åpent Bakeri are extremely well-liked, and have personal relationships with all interviewed, which could lead to admiration and respect to cloud the judgements of subordinates. Bias might occur when interviewees are asked about how they feel towards a topic; this could especially be a problem in the interview of one of the entrepreneurs. In the process of studying Åpent Bakeri we have been in contact with some very passionate people, and have also become fond of the organisation. This might have had an effect on how it has been presented, as it might have led it to be more positive than objective. To avoid biases we have tried to interview as many as possible at all levels of the organisation, and tried to present the findings in an objective way to the best of our abilities.

To our knowledge, there is a clear absence of research relating the organisational climate to the organisational culture. As inexperienced researchers we are not trained in creating analytical frameworks, and therefore had to improvise at times. The lack of research indicates a need for more and further research, but also created an absence of input in the literature reviewing process. To create a good analytical framework we have combined existing, mostly well-known studies, on creativity, organisational climates and culture.

Our inexperience as research also creates challenges of reliability as discussed in the methodology chapter. As educated fashion designers neither of us wrote a bachelor thesis, and as such we had absolutely no experience with designing and performing research projects. This has been addressed by reading



extensive literature on research methodology and seeking assistance by our thesis supervisor.

## 8.1. SUGGESTIONS FOR FURTHER RESEARCH

We suggest further research on the *context* for creativity, rather than just the climate or culture. We also suggest that such research should include the appearance and the layout of physical space as possible facilitators for creativity. At Åpent Bakeri, there were also two interesting findings that could be interesting for further research; the sub-culture at Blings and the transformational leadership style.

### 8.1.1.1. THE SUB-CULTURE AT BLINGS

Blings, which had different entrepreneurs than Åpent Bakeri, showed a somewhat different culture. The manager, indicated that she had little knowledge on how the rest of Åpent Bakeri operates, and that they were perfectly happy to be somewhat separated. Nevertheless they share a lot of the same culture; they have casual relationships, humour and a strong love for their shop. Blings did not have the strong direct cultural influence by Åpent Bakeri's entrepreneurs through personal relationships, or the same symbols of culture. It was however started by employees of Åpent Bakeri, so its entrepreneurs might have been influenced by the culture Åpent Bakeri indirectly. This could be a very interesting case for further research.

### 8.1.1.2. TRANSFORMATIONAL LEADERSHIP

Our findings also indicates that the leadership at Åpent Bakeri is transformational, providing further support for the influence of transformational leadership on the context for creativity (e.g. See Shin & Zhou, 2003). This is based in finding examples of charismatic role modelling, individual consideration, inspirational motivation and intellectual stimulation, as suggested as the main characteristics of the transformational leadership style (Bass & Riggio, 2006).

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## APPENDIX

### CITATIONS

“Nothing is heavier than flour in rainy weather.” (Nielsen & Hansen, 2000, p. 67)

“Bakers, as masseurs, became very strong in their hands. A handshake from a baker could therefore be quite a challenge. Maybe that is why bakers had so few friends?” (ibid, p.58)

“Nothing in the world is as silent as flour.” (ibid, p.52)

“What beautiful bread you serve, she said, and I felt that the respect that laid in this also included me.” (ibid, p.19)

### DEFINING THE CREATIVE INDUSTRIES

The creative industries have many characteristics that both make them similar to, and widely different from, other industries. Since the late 1990's there have been different efforts in classifying and defining what the creative industries (or Cultural industries or Experience Industries) really is. The result is different definitions based on the context for which it is being used. Powers and Jansson (2006, p.12) even emphasise the importance of having multiple definitions as local varieties support the local variations of the industries. While some countries' policies such as those in the UK and Australia focus on creativity as a driver for economic growth, others countries such as Norway focus more on culture and its importance for national heritage. Espelien and Gran (2011, p.6) refers to the definition of creative industries to be “politics, not exact science”.

There are good reasons for operating with a clear definition of the creative industries such as policy creation (Flew 2012), as a tool of gaining precise measurements (Galloway and Dunlop 2007, p.18) and to define what the non-creative industries are. There is no one definition of the creative industries, reflecting the fact that creativity in itself is hard to define.

The UK Tony Blair government in the late 1990's recognised the need for developing a classification and definition of the emerging creative industry; to facilitate growth and policy creation (Flew, 2013; Hartley, et al., 2013). The result was the "Creative Industry Mapping Report" conducted by the Department for Culture, Media and Sports (DCMS) in 1998. The report used Systematic Industry Classification (SIC) codes resulting in a based classification of the Creative industries (DCMS 1998; 2001):

*"...Those industries which have their origin in individual creativity, skill and talent, and which have the potential for wealth and job creation through the generation and exploitation of Intellectual Property." - (DCMS 1998; 2001)*

Other models for classifying creative industries, such as the Concentric Circles model based on the work of Throsby (See Throsby 2001), the World's Intellectual Property Organisation's (WIPO) definition, NESTA's 2006 elaboration of the DCMS or UNCTAD's model for the creative industries will not be discussed in this report. This is due to the limited scope of this research, and a focus on creating a holistic picture of the creative economy.

The Scandinavian governments are increasingly embracing creative or cultural activities as more than just "pleasant distractions" and to a greater extent acknowledging them as dynamic drivers for economic growth (Powers and Jansson, 2006, p.8). In Norway they industries are called "the cultural industries", in Sweden the most commonly used term is "the experience industries" while in Denmark the term "the culture and experience economy" is widely adapted (Espelien and Gran, 2011, p.7).

There have been three major attempts to define (and redefine) the creative industries (which in the context of Norway will be referred to as the cultural industries), all commissioned by the Norwegian Government's department of industry and trade.

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Norwegian cultural industries. The paper classifies the industries after NACE industry codes provided by the Norwegian Bureau of Statistics (SSB), much like the DCMS approach. The data was gathered from labour statistics also provided by SSB, as well as individual firm and national financial accounts (Haraldsen et al, 2008, p.9). The study acknowledges the fields of architecture, design, film, video and photography, cultural heritage, art, marketing, music, publishing, TV and radio as being “The cultural industries”.

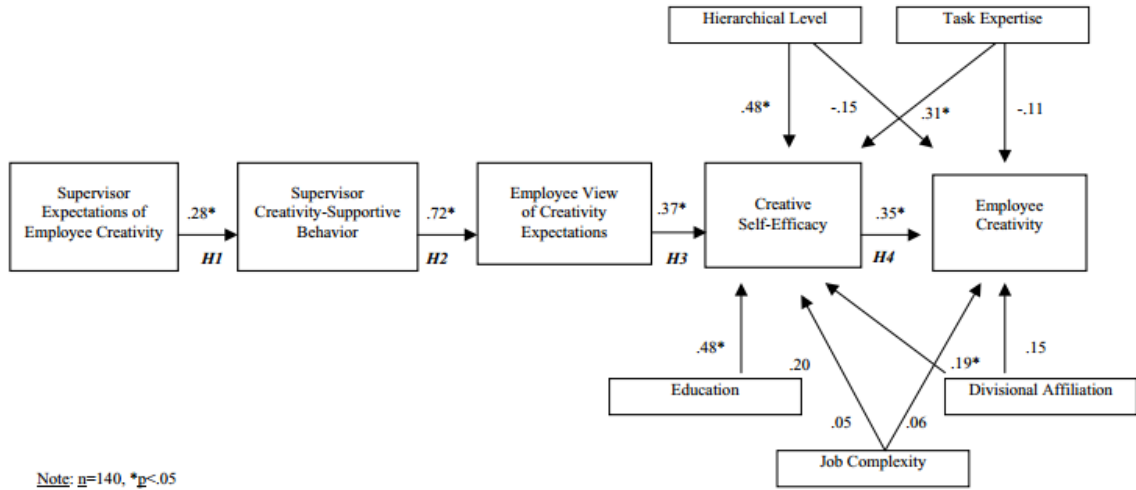
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*“Those industries that create, more or less, commercial cultural products, which are primarily communicated through aesthetic expressions such as symbols, signs, images, colours, movement, forms, sounds and stories.”*

**ADDITIONAL MODELS**

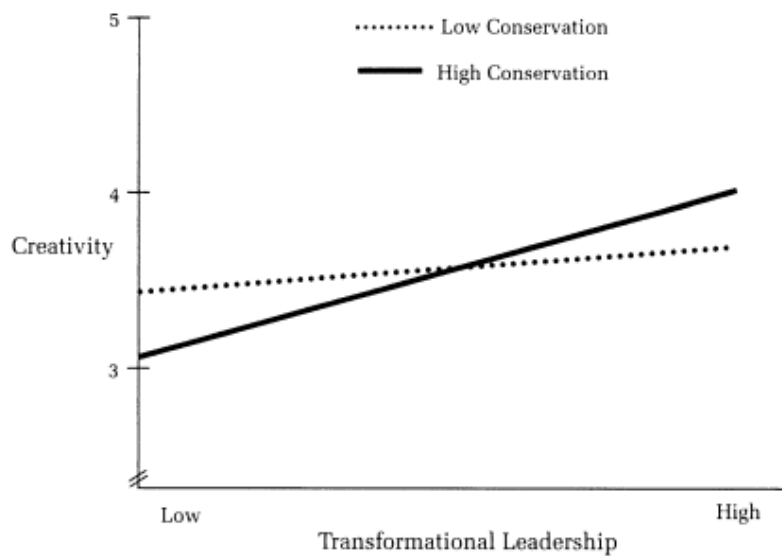
**TIERNEY ET AL (2004)**

**Figure 10: Hypothesised Pygmalion model for creativity**



**SHIN & ZHOU (2003)**

**Figure 11: The relationship between transformational leadership and conservation interaction (support) for creativity**



## THE BAKERY INDUSTRY IN OSLO: 5 MOST PROMINENT PLAYERS

**Table 5: Prominent Actors in the Bakery Industry in Oslo (Proff Forvalt, 2011)**

	Revenue	Operating Income	Products	Oslo Shops
<b>United Bakeries</b>	421,6	28,5	Craft baker + imports and produce bake-off and bread for super markets.	9
<b>Baker Hansen</b>	114,2	13	Craft baker. Bakery and confectionary, catering.	20
<b>Godt Brød</b>	78,2	0,29	Craft baker. Bread and cakes. Ecological.	4
<b>W B Samson</b>	122,8	4,5	Craft Baker. Bread and cakes. Member of Din Baker.	21
<b>Åpent Bakeri</b>	59,05	2,67	Craft Baker. Restaurants and bakery shops.	5

## A BRIEF DESCRIPTION OF ÅPENT BAKERI'S SHOPS AND RESTAURANTS

The information below is gathered from apentbakeri.no as well as from interviews with employees of Åpent Bakeri.

**Inkognito Terrasse:** This was where everything started, and the café has evolved alongside Åpent Bakeri. The locale was an old convenience store, converted to a bakery by the blood, sweat and tears of Lofthus and Rang themselves.

**Parkveien:** The café is located between the shops of Bogstadveien and the Royal Palace; a place to see people and be seen. It was originally a shop selling French cars, and has kept the industrial rustic feel. Parkveien specializes in breakfast and lunch, both warm and cold.

**Damplassen:** The old bakery at Damplassen at Ullevåll Hageby was bought with the intent to restore it to look as it did when it was built in the early 1920's, and the bakery oven from 1929 is still being used daily.

**Åsengata:** This café used to be a part of Oslo Cooperatives. It is the only Åpent Bakeri on the eastern part of Oslo. The façade has been partially restored to its 1920's appearance. When the café closes, the pizza restaurant Lofthus Samvirkelag opens.

**Blings:** A small shop that sells fast take-away, with a focus on the best ingredients. The main products are sandwiches, soups, salads and buns and pastries. The bread for the sandwiches, as well as the fresh buns and pastries are direct from the ovens at Åpent Bakeri. Blings also offers catering in the Oslo Area.

**Tranen:** Tranen is a full-on restaurant. It opened in 1921, and has been a cult symbol of Oslo in many ways. It was neglected for many years, before it was bought by Åpent Bakeri in 2012. It has been restored and modernised, but the history is still embedded in the premises.

## INTERVIEW GUIDE ÅPENT BAKERI

Name	
Age	
Department	

This interview/conversation is a part of a master thesis on creativity in Åpent Bakeri and the Bakery Industry in Oslo, which is defined as a non-creative industry.

Åpent Bakeri is an example of an organisation that is performing well in an industry that is declining, which caught our interest. Our aim is to map creativity in Åpent Bakeri, as it seems at first glance to be a quite creative organisation.

We are very open to input. We have some questions but they are more of a topic guide, and if you at any point have a story/anecdote or any other type of idea on any of the topic, we would be very happy to listen. We are looking at what goes on in your everyday work life, as well as what happens at more special occasions.

If you have any questions along the way or if you would like to stay anonymous that is fine. The conversation will be recorded, but feel free to request the deletion of the tape afterwards.

Thank you very much for taking the time to talk to us.

### 8.1.2. INTRODUCTORY QUESTIONS

Introduction	#	Questions
	1	What is your job description?
	2	How long have you been in the organisation?
	3	What is your background (academic/professional)?

### 8.1.3. INVIDUAL/ GROUP LEVEL

individual	#	Questions
	1	What motivates you the most in your work? Can you tell us of a time your felt very motivated/inspired?
	2	What are your daily routines and responsibilities?
	3	Are you creative or innovative in any way during your work day? Why/why not?
	4	Do think it is important to be creative in Åpent Bakeri? Why/Why not?
	5	Have you ever used insights from your past to solve problems in your current job? How?
	6	Have other people used insights from their previous experience in solving problems?

Help-seeking & -giving	#	Questions
	1	How often do you ask other people for help/input?
	2	How often do you help other people for help/input?
	3	How motivated are you to help other people with their problems and tasks?
	4	How engaged are people in other peoples tasks and problems?
	5	How is your relationship with the Entrepreneurs at Åpent Bakeri?
	6	How often do you see and /or communicate with them?

**8.1.4. FACTORS**

Symbols and Architecture	#	Question
	1	Describe the most important aspects of a physical work environment?
2	Describe the most important psychological aspects of a work environment?	



	3	Can you describe the atmosphere in Åpent Bakeri?
	4	How do the creative artefacts/emblems reinforce the culture at Åpent Bakeri?
	5	Are you inspired by your surroundings at Åpent Bakeri, how?

Culture	#	Questions
	1	Is creativity and innovation some of core the Values at Åpent Bakeri?
	2	If not, what do you believe are some of the core values at Åpent Bakeri?
	3	Can you describe the culture in Åpent Bakeri?
	4	How easy is it to ask people for help?
	5	Are you afraid to make mistakes?
	6	How often do leaders give feedback/ progress reports?
	7	Do leaders in Åpent Bakeri inspire creativity? How?
	8	How important is group/organisational interactions?
	9	Do you feel good ideas originate in the collective, or in individuals?

Systems and Structure	#	Questions
	1	How are you rewarded for your work? Does it give collective or individual rewards?
	2	How often do you communicate with people from other departments?
	3	Is there a clear hierarchical structure in Åpent Bakeri?
4	Are roles and power in the organisation clearly defined?	

Resources	#	Questions
	1	Would you say you are free to seek help, or help others in tasks and problems?

2	How many other resources are you given to work on projects? Etc. money, material
3	Is the organisation /your department diverse? (Background, education, ethnicity etc.)

### MOODBOARD AT ĀPENT BAKERI'S MAIN OFFICE



Pictures taken with the permission of Āpent Bakeri.

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**BEYOND THE CLIMATE**

Firstly, attributes that could be linked to creative climates were located (see table 5). But, at times they had to be linked to deeper levels of organisational culture such as values, norms and general assumptions to be more meaningful. As such it proves that in this case there is a close link between the two concepts of climate and culture, and in our opinion they should not be studied separately. In our experience climate/artefact attributes can be deceitful upon observation, and more thorough investigation is needed to decipher their deeper meaning, as indicated by Schein (1990; 2010).

This was exemplified in our case; the formal organisational structure provided by Åpent Bakeri seemed to be more of a guide and a description of positions, rather than a real indicator of how the actual practiced structure at Åpent Bakeri is.

**“OUR MECHANISMS”, CCQ AND KEYS**

Table 5 below relates the mechanisms assembled by us from Schein (1990, 2010) to the dimensions of a creative climate (CCQ) and the KEYS of a creative work environment.

The dimensions are, as explained earlier, argued to be enhancing or inhibiting, creativity in organisations (T Amabile, et al., 1996; Ekvall, 1996; Hunter, et al., 2007; Young & Moultrie, 2009). The table shows them to be somewhat relatable; this might indicate that there is a climate for creativity at Åpent Bakeri. It might also argue that the contextual factors found at Åpent Bakeri are indeed facilitating creativity, as previous research has confirmed them to do so (e.g. see Hunter et al, 2007). It also suggests that leaders, and especially entrepreneurial leaders by embedding, reinforcing and articulating values and norms, might be an influence on the existence of these dimensions. This could be verified further with doing the related quantitative surveys of KEYS and CCQ.

<b>Table 5: Relating the Leadership Mechanisms to KEYS and CCQ</b>		
<b>“Our” mechanisms</b>	<b>KEYS Environment Scales</b>	<b>CCQ Dimensions</b>
Role Modelling and Coaching	Supervisory Encouragement	Idea Support
		Trust/Openness
Allocation of, and creating criteria for, Rewards and Motivation	Challenging Work	Challenge
		Risk-Taking
Creation of Structures and systems	Organisational encouragement	Dynamism/ Liveliness
		Playfulness/Humor
	*Organisational impediments	*Conflicts
	Freedom	Idea-Time
Allocation of Resources	Sufficient Resources	Debates
	Work-group support	
Design of Physical Space, Symbols and Statements	No clear similarities found	

\* Argued to hinder creativity

**BI Norwegian Business School – Preliminary Thesis Report**

**“the case study of Nofima: Exploring the creation of dynamic capabilities through interdisciplinary 2B2-linkages”**

Hand-in date:

29.01.2013

Campus:

BI Oslo

Examination code and name:

**GRA1900 Master Thesis**

Supervisor:

Thomas Hoholm

Program:

Master of Science in Innovation and Entrepreneurship

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## 1. INTRODUCTION

### 1.1. THE PROJECT

This master project seeks to explore what kind of spillovers can occur when firms and professionals from the creative industries collaborate with those in the non-creative industries, and if these spillovers can be measured in terms of dynamic capabilities.

The research question is: "Can B2B linkages between creative and non-creative firms generate dynamic capabilities for both, or any, of the parties involved?"

### 1.2. ABOUT US

Our main interest in this topic stems from our background, as we both have a bachelor's degree in art and design from Oslo and Akershus University College. Having experience from both design and business studies gives us a unique perspective and understanding for the topics and their linkages.

Empirical research indicates that the role of creative businesses and creative professionals in the non-creative industries is a little examined, or understood, topic (Chapain et al, 2010; Miles and Green, 2008). Very little research on the topic exists in Norway, something we wish to change.

## 2. BACKGROUND

*Now the Industrial Economy is giving way to the Creative Economy, and corporations are at another crossroads. Attributes that made them ideal for the 20th century could cripple them in the 21st. So they will have to change, dramatically." Peter Coy (BusinessWeek, 2000).*

The world is constantly changing. Since the 1990's there has been a shift towards a knowledge-based economy, much due to factors such as rapid technological progress and increasing globalisation. Firms are finding that in a post-industrial society; where the barriers to reproduction of concepts, products and ideas are low, an important source of competitive advantage lies

in creativity and other intangible factors (Flew, 2012; Howkins, 2001; Florida, 2005; Cunningham, forthcoming; Hartley, Potts, Cunningham, Flew, Keane and Banks 2012).

#### 2.1.1. NORWAY

In the Scandinavian countries (Norway, Sweden and Denmark) creativity is becoming increasingly important; Sweden ranks number one on the Global Creativity Index (CGI), and according to Richard Florida 42% of Danish and Norwegian workers can be characterised as being a part of his “creative class” (GCI, 2008; Florida, 2005, p.8).

Norway is somewhat of an innovation and creativity puzzle. Even though Norway has one of the highest GDP's in Europe it is still underperforming on most indicators of creativity and innovation (The Norwegian Research Council, 2008). While Sweden and Denmark ranks 1<sup>st</sup> and 4<sup>th</sup> in the CGI, Norway ranks 7<sup>th</sup> (CGI, 2011, p.15). The 2007 Summary Innovation Index (SII) performed by the EU ranks Norway at 25/24 of the 27 countries in both the categories “innovation and entrepreneurship” as well as “innovative results” (The Norwegian Research Council, 2008). This seems strange as Norway's GDP is higher than almost all EU Countries (OECD, 2008, p.7).

### 3. CORE CONCEPTS

#### 3.1. THE CREATIVE ECONOMY

In 2002 Peter F. Drucker anticipated that “the next society will be a knowledge society. Knowledge will be its key resource and knowledge workers will be the dominant group in its workforce” (p.217). This evolution is known as the “Knowledge Economy”. Dan Pink (2005) explains that there are too many suppliers of basically the same product, that machines can outperform people in basic physically performed jobs, and that low skill jobs are being moved to Asia where the wages are lower. The new competitive advantage may lie in intangible assets of skills and knowledge (Howkins, 2001; Florida, 2005, p.27) and that the possibilities of today's economic growth might not be limited to



scarce resources, but to the limits of our own imagination. In the words of Nonaka (1991): "In an economy where the only certainty is uncertainty, the only lasting competitive advantage is knowledge."

The creative economy is highly debated and emerging concept based on, or seen as a contender to, the knowledge economy. There is no one definition, but the one most widely adopted is provided by United Nations Commission on Trade, Aid and Development (UNCTAD) in its 2008 report on the creative economy:

*"The creative economy" is an evolving concept based on creative assets potentially generating economic growth and development...At the heart of the creative economy is the creative industries." (UNCTAD, 2008, p.15)*

The Creative Economy is, in short, the relationship between creativity and economics; first introduced in John Howkins' 2001 book "The creative Economy". This relationship is emerging as a key the gaining and sustaining competitive advantage in the knowledge economy and post-industrial society (Florida, 2005, p.9).

### 3.2. THE CREATIVE INDUSTRIES

The creative industries have many characteristics that both make them similar to, and widely different from, other industries. They are characterized by having a typical hour-glass structure; dominated by a few major firms as well as many small specializing businesses (Power and Jansson, 2006; Flew, 2012). Their product value is often based on intangible and or symbolic values, and there is often a sense of care and empathy towards the products (Powers and Jansson, 2006; Flew, 2012; Cunningham, forthcoming; Pink, 2005). The industries are subject to clustering (see Porter 1998) found to be closely linked to ICT clusters. (Chapain et al, 2010). The industries are also a subject to Engel's law and affected by inherent uncertainty; what Caves (2001) calls "Nobody Knows".

---

### 3.2.1. DEFINING THE CREATIVE INDUSTRIES

There are good reasons for operating with a clear definition of the creative industries such as policy creation (Flew 2012), as a tool of gaining precise measurements (Galloway and Dunlop 2007, 18) and to define what the non-creative industries are. There is no one definition of the creative industries, reflecting the fact that creativity in itself is hard to define.

Since the late 1990's there have been different efforts in classifying and defining what the creative industries (or Cultural industries or Experience Industries) really is. The result is different definitions based on the context for which it is being used. Powers and Jansson (2006, p.12) even emphasise the importance of having multiple definitions as local varieties support the local variations of the industries. While some countries' policies such as those in the UK and Australia focus on creativity as a driver for economic growth, others countries such as Norway focus more on culture and its importance for national heritage. Espelien and Gran (2011, p.6) refers to the definition of creative industries to be "politics, not exact science".

#### 3.2.1.1. THE DCMS

The UK Tony Blair government in the late 1990's recognised the need for developing a classification and definition of the emerging creative industry; to facilitate growth and policy creation (Hartley, Potts, Cunningham, Flew, Keane and Banks 2012; Flew 2012). The result was the "Creative Industry Mapping Report" conducted by the Department for Culture, Media and Sports (DCMS) in 1998. The report used Systematic Industry Classification (SIC) codes resulting in a based classification of the Creative industries (DCMS 1998; 2001). (See figure 1 p.5)

The report also provided a definition of the creative industries, which has, though fiercely disputed by some as a neo-liberalistic attempt to merge culture with economic agendas (Garnham 2005; Galloway and Dunlop 2007), and criticised for excluding the GLAM (Galleries, Libraries, Archives and Museums)

sectors (Flew, 2012) been accepted as a international main stream definition of the creative industries.

*“Those industries which have their origin in individual creativity, skill and talent, and which have the potential for wealth and job creation through the generation and exploitation of Intellectual Property” - (DCMS 1998; 2001).*

In 2011 the DCMS published a new mapping document, scaling the number of employees in the creative industries from 2.3 to 1.5 million, by removing two of the SIC codes (Cunningham, forthcoming, p.83)

#### 3.2.1.2. OTHER APPROACHES

Other models for classifying creative industries, such as the Concentric Circles model based on the work of Throsby (See Throsby 2001), the World’s Intellectual Property Organisation’s (WIPO) definition, NESTA’s 2006 elaboration of the DCMS or UNCTAD’s model for the creative industries will not be discussed in this report. This is due to the limited scope of this research, and a focus on creating a holistic picture of the creative economy.

---

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The Scandinavian governments are increasingly embracing creative or cultural activities as more than just “pleasant distractions” and to a greater extent acknowledging them as dynamic drivers for economic growth (Powers and Jansson, 2006, p.8). In Norway they industries are called “the cultural industries”, in Sweden the most commonly used term is “the experience industries” while in Denmark the term “the culture and experience economy” is widely adapted (Espelien and Gran, 2011, p.7).

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*“Those industries that create, more or less, commercial cultural products, which are primarily communicated through aesthetic expressions such as symbols, signs, images, colours, movement, forms, sounds and stories.”*

In addition to the updated definition Espelien and Gran provided a new classification of the cultural industries in Norway, as well as updated statistics. The major findings were that in 2009 the Creative industries in Norway employed 4% of the working population (75 000 people in 14 000 firms), had a turnover of NOK 42 billion, had seen a growth of 70% since 2000 and accounted for 45% of the total value of the Norwegian Economy..

### 3.3. THE LINK BETWEEN CREATIVITY AND INNOVATION

In 2012 the OECD published a paper with highlights from its Science, Technology and Industry outlook for 2012. The summary focused on the recovery of the OCED countries after the short-term shocks of the recent economic crisis and its long-term implications on environmental, demographic

and societal nature (OECD, 2012, p.1). The OCED suggests that when designing appropriate responses to these challenges, one should seize the opportunities provided by the internet and global markets and mobilise assets of human capital, knowledge capital and creativity (2012, p.1).

The HASS sector (Humanities, Arts and Social Sciences) has long been seen as an “inferior handmaiden” to the STEM (Science, Technology, Engineering and mathematics) sector in terms of contribution to research and innovation, but is currently emerging as an important actor and direct contributor to innovation systems (Cunningham, forthcoming, p.8 and p.33-34). When innovation was first acknowledged as a legitimate field of study in the 1960’s it was exclusively under the realm of technology, science and resulting policy measures. It has later been recognised that science is amongst many ingredients for successful innovation, and that no single discipline deals with all aspects; to get an overview one must combine multi-discipline insights (Fagerberg et al, 2005, p.2-3).

This preliminary thesis report will summarise some of the most influential empirical research and theories on the relationship between creativity and innovation: Hidden innovation (Miles and Green, 2008), Creative spillovers in different forms, Design Thinking (Brown, 2008) and Soft innovation (Stoneman, 2010).

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### 3.3.1. HIDDEN INNOVATION

Shaughnessy (2011) a contributor at Forbes.com, adequately summarises a general view on creative work: “But it’s also difficult to see where creative work contributes, in the sense that we can measure many kinds of work by their outputs, but a lot of creative work falls into a Darwinian black hole – much of it fails. So is it really useful?” Many, including Shaughnessy, cannot understand what they cannot measure and quantify.

The concept of “hidden innovation” was presented by Miles and Green in 2008, in a paper examining innovation in the creative industries using a taxonomy provided by NESTA (2006). Miles and Green (2008) chose four

among the creative industries that had scored high on innovativeness in the UK Community Innovation Survey (CIS) and set out to gather deeper insight into what triggered these results. The findings were that much innovation in the creative industries is hidden from traditional measurements (such as those of the Oslo Manual). According to Miles and Green (2008) hidden innovation could take the form of:

- ❖ R&D not undertaken in conventional laboratories or using conventional methods.
- ❖ Organisational forms and business models.
- ❖ Combining existing resources (incremental innovation), not being considered as innovation. (i.e. new packaging).
- ❖ One-off solutions that occur on-the-job, and fail to be recognised or noticed (Miles and Green, 2008, p.6).

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### 3.3.2. B2B-LINKAGES: CREATIVE SPILLOVERS

The research conducted by Miles and Green in 2008 also shows that the creative industries are “dotted with” especially innovative enterprises. “Creating Innovation: Do the creative industries support innovation in the wider economy?” A report by Bakhshi, McVittie and Simmie (2008), investigated the impact creative firms had on the general economy through firm-to-firm linkages (B2B). The major finding in this research was that firms that had strong B2B-linkages to creative industries had a 25 % bigger output of new-to-market innovations.

The spillovers generated from these B2B linkages could stem from different sources; often product related, but they revealed a high degree of knowledge transfer between firms, creating market failure (Bakshi et al, 2008, p.6):

“These results raise the possibility that there are knowledge spillovers between creative businesses and other sectors, which may have important implications for policy to the extent that knowledge is under-produced in the free market.” (Bakshi et al, 2008, p.6)

Even though much of the creative efforts might be “hidden innovation”, the creative industries are increasingly impacting the overall innovativeness of the broader economy. Müller, Rammer and Trüby (2009) suggests that the creative industries impact the broader economy by providing valuable outputs to other industries, pushing technological innovation forward through demand and providing idea generation. Chapain et al (2010, p.24), using a cluster approach, mention how the creative practices might “spill over” on the broader economy; not just through direct interactions, but also indirect through knowledge, products and networks. Spillovers occur when the knowledge activities (i.e. R&D) originated in a firm or industry are not captured, and creates an advantage (i.e. economic) for another (Chapain et al 2010, p.24). The Work Foundation (2007, p.111) noted that there is “a number of creative spillovers between the creative industries and beyond” but that they might be hard to capture the extent and nature of these because of lack of statistical data – they are hidden.

#### 3.3.2.1. CREATIVE PRACTICES – DESIGN THINKING

One possible spill-over from the Creative industries is the practice of design thinking. Design thinking is a concept by Tim Brown (2008) CEO of IDEO, where the work process used by, and taught to, designers is applied to problems and processes in the broader economy. According to Brown (2008) “thinking like a designer can transform the way you develop products, services, processes – and even strategy”. Simplified it is a process of inspiration, ideation and implementation with a high degree of flexibility, freedom, creativity and a focus on people and personalities, as well the fact that “we are all creative” (Brown, 2008). The process of design thinking has been applied successfully to different industries and projects and is proof that the creative industries can be of greater value to the broader economy than producing creative content with an aesthetic focus.

#### 3.3.2.2. CREATIVE OUTPUT – SOFT INNOVATION

According to Stoneman (2010, p.1) that there is a type of innovation that has largely been ignored by previous studies; namely soft innovation.

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*“Soft innovation is innovation in goods and services that primarily impacts upon aesthetic or intellectual appeal rather than functional performance.”*

(Stoneman, 2010, p.22). Here, aesthetics are considered in a wider sense than the visual element of beauty; it also encompasses touch, smell and sound. Products that appeal to the intellect are i.e. books, fashion and art (Stoneman, 2010, p.22). These non-functional aesthetic innovations are usually found in the creative industries. Another version of soft innovation is that in industries where the output per se is functional; usually in non-creative industries (Stoneman, 2010, p.24). According to NESTA (2009) “soft innovation is a concept that reflects aesthetic changes”.

### 3.3.2.3. CREATIVE KNOWLEDGE WORKERS

A major supply side spill over can be the flow of creative workers into non-creative industries (Hartley et al, 2012). The importance of the creative worker is often overlooked in research on the creative economy as most efforts to analyse the creative industries have taken an industry-based approach; including all workers within the industries even those whose job is not mainly creative. Other research such as that of Richard Florida focuses on creative workers but utilises an industry-based approach of classifying them (2005).

Nonaka (1991) recognises that creating new knowledge is not just about processing objective information, but tapping into tacit and often highly subjective insights, intuitions and hunches of individual employees. Kramar, Bartram and De Cieri (2012, p.36) define sustainability as “the ability of a company to survive and succeed in a dynamic competitive environment” and underline the importance of a firm’s employees in creating a sustainable competitive advantage. Their book present the resource based view on HRM where “human resources are viewed as one type of organisational resource that are capable of providing sustained competitive advantage, as they are valuable, rare, inimitable and non-substitutable” (Kramar et al, 2012, p.7). Kramar et al (2012) also emphasise the importance of having employees with key KSAOs (Knowledge, Skills, Abilities and other Characteristics).



According to the Work Foundation (2007) knowledge spillovers can occur through flows of creative workers into non-creative industries. Creative workers might bring with them techniques, ideas and ways of working that can spill over to their new work environment (Chapain 2010, p.25). The DCMS estimated that in 2006 there were 800 000 creative jobs outside the creative industries in the UK (Higgs et al 2008, p.41). Hartley et al (2012) calls the supply of creative professionals to the broader economy a “major supply-side” spillover, and The Work foundation (2007, p.113) sees it as “one of the most potent ways the creative industries can create spillovers”.

Changes in society due to factors such as globalisation and technological progress create new challenges for firms; creative individuals can help solve these problems (Cunningham, forthcoming, p.80).

#### 3.3.2.4. DIFFERENT TYPES OF CREATIVE WORKERS – THE CREATIVE TRIDENT

Higgs, Cunningham and Bahkshi expand on the DCMS classification in their 2008 NESTA research report on the UK creative Economy. Taking an occupational-based approach they exclude 14 of the 26 occupational groups identified by the DMCS and add five new groups of creative occupations. The research aimed to analyse the “Creative Economy” rather than just the creative industries, though requires more detail on occupation and industry data. The result of the research was the CCI’s creative trident methodology.

The creative trident, consisting of three modes summarises the total workers in the “creative workforce” and their mean income (Higgs et al 2008, p.20). It is a framework for measuring and analysing the creative workers and their impact on the broader economy. Specialist mode: Workers in defined creative occupations in the defined creative industry. Support mode: Workers in defined non-creative occupations in the defined creative industry. Embedded mode: Workers in defined creative occupations working outside the defined creative industry.

The Scandinavian countries all has an “industrial approach” to the creative industries; including the number of people employed and firms in the industry;

no matter if the all job descriptions are not “creative in nature” (Espelien and Gran, 2011, p.8).

#### 4. CASE STUDY: NOFIMA

Nofima is Norway’s biggest applied research institution focusing on the food, aquaculture and fish industries. It was established in 2008 to make Norwegian research more internationally competitive, has a yearly turnover of about 500 million NOK and employs 440 people. The Norwegian state owns 56,8% of Nofima’s shares.

##### 4.1. INNOVATION AND PRODUCT DEVELOPMENT

We will be working with the department of Innovation and product development located in Ås. This is a newly established department of Nofima, providing Norwegian firms with different types of competencies, guiding them through the innovation process from idea to finished marketed product.

“To make progress in today's tough competitive situation, those involved in the food industry must focus on new ventures and innovation to an ever increasing extent. A focus on innovation is one of the most vital tools for increasing competitiveness and value creation in the food sector.” (Nofima, 2013).

This department facilitates innovation projects for firms in the food and agriculture industry, linking some of them with design firms in the process.

#### 5. MEASURING CREATIVE IMPACT: DYNAMIC CAPABILITES

As previously mentioned it is extremely hard to measure creativity and creative efforts, and this project will not seek to explain what creativity really is. It will take for given that the efforts of creative professionals, as defined by the creative trident, are creative. It will seek to classify these efforts in terms of hidden innovation such as spillovers and creative practices as well as soft innovation. The findings will be analysed in terms of dynamic capabilities, to

see if there is a relationship with a firm's competitive advantage and their existence.

### 5.1. WHAT ARE DYNAMIC CAPABILITIES?

The dynamic Capabilities framework grew out of a need to understand strategic change and how and why firms create and sustain competitive advantage (Teece, Pisano and Shuen, 1997). It is closely related to, and a more dynamic version of, the resource-based view of the firm; believing that firms have access to specific internal resources and competencies that interacts with their competitive environment (Hobday, 2005, p.135). The framework draws upon a large body of work related to fields such as knowledge management, firm behaviour, innovation, organisational learning and change management (Easeterby-Smith et al, 2009, p.2). This breadth suggests possibilities for studying the concept from many directions and disciplines.

*"... A capability is defined as a special type of resource—specifically, an organizationally embedded nontransferable firm-specific resource whose purpose is to improve the productivity of the other resources possessed by the firm." Makadok (2001, p. 389).*

*"A dynamic capability is the capacity of an organisation to purposefully create, extend, or modify its resource base."(Helfat et al, 2007)*

#### 5.1.1. ANALYZING CASE DATA

Teece (2007, p.1319) argue that competitive advantage at a point in time depends on the firms difficult-to-imitate assets; but that the key to sustainable competitive advantage is having difficult-to-imitate dynamic capabilities (Teece, 2007, p.1319). The firm's dynamic capabilities consists of a resource base of tangible and intangible assets, and the knowledge and processes the firm needs to recognise new opportunities and orchestrating its resources in a dynamic business environment (Ellonen, Wikström and Jantunen, 2009, p.755; Helfat et al, 2007; Teece et al, 1997; Teece, 2007). Dynamic capabilities are

highly useful in today's market, as a framework for analysing a firm's ability to sustain competitive advantage in a constantly changing environment.

For analytical purposes Teece (2007) divides dynamic capabilities into the capacity to (1) sense and shape opportunities and threats (2) seizing opportunities and (3) orchestrating and reconfiguring tangible and intangible assets, which can be related to the innovation process. Firms with strong dynamic capabilities will be able to anticipate changes in its environment and be act upon them before slower competitors.

Teece suggests that the firm's ability to continuously innovate depends on the firm's dynamic capabilities and their strengths. The concept of dynamic capabilities offers a framework for categorizing and analysing the findings of the research project and their relationship to a firm's sustainable competitive advantage. The dynamic capabilities could be a result of creative professionals 'having unique skills, knowledge and other abilities (KSAO's), uncovered in the research.

The concept of dynamic capabilities is still very open and little empirical research exists to this data, but some example of data analysis exists. If the research locates dynamic capabilities they can be linked to the firm in which they exists' ability to sense, seize and transform, as defined by (Teece, 2007). This is exemplified by Teece (2011) using the example of Apple: When introducing the iPod, Apple showed strong dynamic capabilities in all three categories, leading to the domination of the portable music player market (Teece, 2011). In such the findings can be grouped into the strength of dynamic capabilities within the firm, using the pattern of Ellonen, Wikström and Jantunen (2009); grouping the dynamic capabilities discovered after their strength (weak, moderate and strong).

## 6. RESEARCH DESIGN FOR THE CASE STUDY

### 6.1. AIM

The aim of this case study is to examine if cross-disciplinary cooperation through B2B-linkages could result in the development of dynamic capabilities in any or both of the firms involved. This will be done by examining cases from Nofima where firms in the food and agriculture industry are linked to design firms to develop new products and strategies.

## 6.2. RESEARCH QUESTION(S)

The research question is..

## 6.3. CASE STUDY

This thesis will use a case study approach, treating each case as a unit as well as comparing and contrasting the cases amongst each other. The case study method is used as a tool to systematically investigate a set of related events with the aim of describing of explaining the phenomena (Berg, 2001, p.283). The reason the project will examine different cases is to examine how the work-environment is affecting the embedded workers and their contribution through dynamic capabilities, by measuring their existence and strength.

### 6.3.1. CASES AT NOFIMA

There are multiple cases to study at Nofima, these are the ones considered at the moment.

- ❖ Cerealfagdagen: Cerealfagdagen is a yearly one-day project for the cereal industry initiated and hosted by Nofima. The goal is to generate new product ideas and strategies, linking firms with creative professionals. We are interested in seeing if there are any spillovers occurring between the firms in the cereal industry and the firms in the creative industry as they work together on these projects, treating each firm as a case and contrasting them to each other.
- ❖ The “innovation and product development” department of Nofima: Nofima has a very interesting internal dynamic; the new department is going in directions very different from those of the rest of the, very

traditional, research institute. They are meeting some resistance and doubt for their projects and methods. We are interested in the linkages and spillovers that can occur between Nofima and the designers they are in contact with during the projects they facilitate.

#### 6.4. QUALITATIVE DATA

This research project will gather qualitative data, and use the data to draw conclusions on the extent creative professionals contributes with dynamic capabilities in non-creative firms, and the other way around. We will take the individual approach as well as seeing the firms as a whole.

“It is necessary to use qualitative tools to access human capital data and it is this data that distinguishes the difference between companies and their potential for future performance” (Kramar et al, 2012, p.60). This research project will mainly produce qualitative data.

While quantities approaches are concerned with the amount of things, qualitative research focuses on the what, how, when and where (Berg, 2001, p.3). “Qualitative research properly seeks to answers to questions by examining various social settings and the individuals who inhabit these settings” (Berg, 2001, p.6).

#### 6.5. SEMI-STRUCTURED INTERVIEWS

The data will be gathered through focused semi-structured interviews at all levels of the selected firms as well as desk research and observation. Chapain et al (2010, p.31) suggests using in-depth interviews to locate the “soft innovation” contributions, as these are hard to capture and highly qualitative in nature. Focused semi-structured interviews allow the researcher to get a thorough understanding of the subject and produces qualitative data. It uses open-ended questions, some provided by the researcher and some naturally occurring within the time allocated for the interview (Sociology, 2012). It can produce fast, highly valid data and discuss complex issues. It also relies heavily on the interview skills of the interviewer and the truthfulness of the subject.

Semi-structured interviewing is believed to be the best way to gather data for this research project and interviews will be performed at all levels in the organisation to get a holistic picture by drawing on more than one perspective and using multiple observations. The data generated from the interviews will be complemented by qualitative and quantitative data gathered from observation and desk research. Appendix 11.1 includes a list of suggested questions for the interview process

#### 6.6. PROGRESSION AND TIMEFRAME

The table below explains the different phases, tasks and milestones for the project from January 2013.

Phase	Month	Tasks	Milestone
<b>Preparation</b>	January	▪ Create research design	Preliminary thesis report due on January 29 <sup>th</sup>
	February	▪ Update theories ▪ Update references ▪ Chose cases	Cases chosen
<b>Execution</b>	March	▪ Design interviews	
	April	▪ Gather secondary data	
	May	▪ Interviews	
	June	▪ Observation	
<b>Assembly</b>	July	▪ Feedback	Research completed
	August	▪ Assembly	
<b>Delivery</b>	September	▪ Finish	
	September	▪ Submission	Master thesis due on September 1 <sup>st</sup>

## 7. CONCLUSION AND SIGNIFIGANCE

This preliminary thesis report has tried to explain the background for this research project: The increasing importance of creativity in creating and sustaining competitive advantage, or even just for keeping up with competitors. It has explained some efforts for defining the creative economy, the creative industries and their role in Norway. In addition it has introduced other core concepts that try explain the link between creative industries/firms/professionals and innovation in the broader economy, and a framework for analysing the concepts.

The first idea for this master thesis was examining embedded creative workers impact on the broader economy, but after being introduced to Nofima we decided to change focus towards creative professionals and spillovers as a result of B2B-linkages.

### 7.1. THE NORWEGIAN CREATIVE ECONOMY

“Non-R&D-based innovation, such as innovation in the service sector and in the organisation and the business model of enterprises, which is difficult to capture by available quantitative indicators, seems to underlie the exceptional productivity performance of the private services sector, which would otherwise be hard to explain” (OECD, 2008, p.7). It seems - Norway is full of hidden innovation efforts not showing up on traditional indicators.

Creativity and design is becoming more central for fostering innovation and gaining competitive advantage, and creativity is slowly being recognised as a driver for innovation in Norway. In 2012 Innovation Norway stated that they aim to stimulate value generation and gain competitive growth through “unleashing the inherent potential in the culture and experience economy”. One of their newest initiatives is a programme offering design counselling to Norwegian firms; much like Nofima’s department for innovation and product development.



This indicated that this research project, working with innovative firms collaborating with Nofima, could shed some light on where some this hidden innovation might be coming from.

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## 9. APPENDIX

### 9.1. INTERVIEW QUESTIONS

#### 9.1.1. CREATIVE WORKERS

- ❖ What is your job description?
- ❖ How closely do you think what you actually do correlate to the job description?
- ❖ Have you ever worked in the creative industries (provide definition)?
- ❖ How does your work situation differ from working in the creative industries?
- ❖ What do you think are your key o Knowledge o Skills o Abilities o Other characteristics
- ❖ Do you feel you affect other people in the organization?
- ❖ (Provide a description of the innovation process) What part do you feel you play in the innovation process?
- ❖ (How) do you structure your work process?
- ❖ In (a particular past case chosen as a representative of how the firm innovates), what was your role? At what point did you feel you contributed the most? Were you involved at all stages, or more than one stage?
- ❖ How does your firm structure your innovation process? Is there a best practice or is it flexible? Do you feel free to experiment?
- ❖ Do you feel your role in the project is proportionally big in terms of the value it adds to the product?
- ❖ How often do you cooperate with people from other departments on projects where you are free to structure your work process?

#### 9.1.2. GENERAL QUESTIONS

- ❖ How much of the value of the product (concrete example of product they have made) do you think depends on “soft” factors (explain soft factors)?
- ❖ Do you think the company has a strategy to focus on design?
- ❖ How often do you cooperate with people from other departments?
- ❖ What kinds of cooperation is it?
  - Teamwork over a long period
  - Dynamic teams with changing roles
  - Other types of teamwork

#### 9.1.3. FOR OTHER WORKERS

- ❖ Working closely with people in the (design) department, what do you feel you have learnt?

- ❖ Have you noticed something special about the work practices of the people in the design department?
- ❖ When working in a team with (people from the design department) do they take charge in organising the work process?
- ❖ How would you describe the work that is being done in the design department?
- ❖ What do you believe the role of people in the design department is?
- ❖ Do you think they perform a greater role outside their job description?
- ❖ What do you think are your key
  - Knowledge
  - Skills o Abilities
  - Other characteristics
- ❖ What do you think are people in the design department's key
  - Knowledge
  - Skills
  - Abilities
  - Other characteristics