



Positivity: a key for enhancing creativity

- enhancing organizational creativity
through positive leadership

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Abstract

This research explored how creativity can be enhanced through leadership. Specifically, what specific leader behaviour encourages employee creativity and why. Using a qualitative case-based study, nine interviews were conducted in three companies in the creative industry in Iceland: CCP, CAOZ and the Icelandic Advertising Agency. The results indicate that positivity (the quality of having a positive mindset) is a key behavioral contributor to enhanced creativity. Positivity was found to positively influence employee psychological well-being as well as motivation. Both motivation and psychological well-being were found to be important conditions for creativity to flourish. Positivity was also found to have a positive ripple effect throughout the organization, enhancing *esprit de corps*, including the feeling of group membership, positive social interactions, treating people with respect, setting higher goals, increased effort and work enjoyment as well as overall organizational performance. Positive leadership may thus be instrumental for an organization to reach extraordinary performance.

“Success in the knowledge economy comes to those who know themselves – their strengths, their values, and how they best perform.” - Peter F. Drucker, 1998

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May what is true in this research shine forth and the other left to be forgotten.

Contents

1	Introduction.....	7
1.1	Background.....	7
1.2	Purpose	8
1.3	Research questions.....	8
1.4	Structure.....	9
2	Theoretical framework.....	10
2.1	Creativity	10
2.1.1	Definition of creativity	11
2.1.2	Organizational creativity	14
2.1.2.1	Conceptual frameworks	14
2.1.3	The definition of creativity adopted for this research.....	16
2.2	Influencing creativity.....	17
2.2.1	Enhancing creativity	17
2.2.1.1	Brainstorming and problem solving	17
2.2.1.2	Establish purpose	17
2.2.1.3	Motivation – intrinsic motivation – passion	18
2.2.1.4	Curiosity and exploration	20
2.2.1.5	Psychological well-being and positivity	20
2.2.1.6	Encouraging domain-specific knowledge.....	21
2.2.1.7	Autonomy, freedom and impact	21
2.2.1.8	The creative environment: tolerate errors.....	22
2.2.2	Killing creativity: negative factors	22
2.3	Leadership behaviour and creativity.....	23
2.3.1	Empowering leadership and creativity	24
2.3.2	Perceived leader support and the Componential Theory of Creativity.....	25
2.3.3	The creative employee.....	27
2.3.4	Positive leadership	29
2.3.4.1	Background: Positive psychology and creativity	29
2.3.4.2	Building positive deviance	30
2.3.4.2.1	Positive climate.....	31
2.3.4.2.2	Positive relationships	32
2.3.4.2.3	Positive communication.....	32
2.3.4.2.4	Positive meaning.....	33
2.4	Summary.....	33

3	Methodology and method	35
3.1	Methodology	35
3.1.1	Why a qualitative research method?	35
3.2	Method	35
3.2.1	Data	35
3.2.2	Participants	36
3.2.3	Interview framework	36
3.2.4	Conducting the interviews	37
3.2.5	Data analysis	37
4	Analysis	39
4.1.1	CCP	39
4.1.2	CAOZ	39
4.1.3	The Icelandic Ad Agency (Íslenska auglýsingastofan)	40
4.2	Overview of content analysis	40
4.2.1	Case to case comparison	42
4.3	Positivity: the missing link	44
4.3.1	Psychological well-being	45
4.3.1.1	Positive social interactions	46
4.3.1.2	Visibility of managers	47
4.3.1.3	Helpful comments and solutions	48
4.3.1.4	The correalation to intrinsic motivation	49
4.3.2	Motivation	49
4.3.2.1	Intrinsic motivation	49
4.3.2.2	Extrinsic motivation	51
4.3.2.2.1	Rewards: Compliments, recognition, activities, bonuses, etc. ...	51
4.3.2.2.2	Goals – guality	54
4.3.2.2.3	Mistakes: a way to learn and innovate	55
4.3.2.2.4	Welcoming new ideas	55
4.3.2.2.5	Organizational support: Supporting creative culture	56
4.3.2.2.6	Trust and freedom	56
5	Discussions and Conclusions	60
5.1	Review of findings	60
5.2	Limitations	63
5.3	Contribution to organizational creativity theories	64
5.4	Future research	64
5.5	Management implications	65
6	Bibliography	66

List of figures

Figure 1. The revised componential model of creativity	15
Figure 2. The “Virtuous cycle of innovation” (adopted from Trott, 2008, p. 97).	23
Figure 3. Zhang and Bartol’s model on how employees’ creativity can be enhanced through a leader’s encouragement and empowerment (adopted from Zhang, 2010).....	25
Figure 4. The three components of creativity (adopted from Amabile, 1998, p. 78)..	26
Figure 5. Four leadership strategies that enable positive deviance (adopted from Kim Cameron, 2008, p. 14)	31
Figure 6. Getting there: Analysis leading to a theory of positivity and its ripple effect on organizational creativity	44

List of tables

Table 1. Various definitions of creativity or creative processes in existing literature	13
Table 2. Overview of content analysis.	41
Table 3. Case to case comparison.....	43

1 Introduction

1.1 Background

Creativity is beneficial for various economic reasons. Creativity aids in seeing things in new perspectives and finding new and better processes, products or services. Creativity can increase productivity and efficiency (Amabile, Barsade, Mueller, & Staw, 2005) as well as increasing an organization's resilience and flexibility when faced with an increasingly turbulent outer environment (Shalley & Gilson, 2004). Creativity can also be beneficial when going through organizational change (Amabile & Perlow, 2002). Increasing emphasis is therefore being placed on the creative abilities within organizations (Shalley & Gilson, 2004).

But can the creative process be enhanced and if so, how? The latest theories suggest that multiple components must come together for creativity to occur. These include intelligence, abilities, motivation, skills, beliefs, values and cognitive styles (Nickerson, 1999). Furthermore, several studies have shown that creativity can be enhanced through training (Teresa M. Amabile, 1983; Sternberg & Lubart, 1996) and motivation (Amabile, 1996; Amabile, Schatzel, Moneta, & Kramer, 2004; Zhang & Bartol, 2010).

The study of creativity is a relatively new field of research in organization studies. The field of organization studies benefits from the large body of existing research on creativity within the field of psychology. In organization literature, creativity refers to the idea generation phase of innovation (Shalley & Zhou, 2008) and creativity is viewed as an important initial step in innovation and a key to gaining competitive advantage (Amabile, et al., 2005).

This research is motivated by the desire to find out how creative workers can flourish in a corporate world, while trying to bridge the gap between the extremes of business and art; a gap known to create disrespect and defensiveness, inconducive to both parties and business as whole. The gap can also lead to ignorance, which can be a contributor to mismanagement of creative workers. For leaders of companies in creative industries, an understanding of how creativity can be enhanced is extremely important.

1.2 Purpose

Previous researches suggest that leadership behaviour affects employees' creativity (Amabile, et al., 2004; Zhang & Bartol, 2010). Hence, it is vital to understand how to manage creative individuals for optimal organizational performance in the creative industries. Along with leadership behaviour, motivation has been found to be one of the most important factors contributing to enhanced creativity and the one factor a manager can most readily influence to foster employee creativity (Amabile, 1998).

In this research the focus is on providing insight into the world of the creative worker in order to discover ways to manage and enhance creativity. By enhancing creativity, the chances of innovation are likely to be increased, and thus competitive advantage. The goal of this research is to explore *what enhances creativity and means with which leaders can enhance creativity*.

In the literature on organizational creativity there is little research on how specific leader behaviour affects the creativity of employees. Until recently, leader behaviour has not been thought of as an important factor influencing employee creativity (Mumford, Scott, Gaddis, & Strange, 2002).

It is the author's hope that this research will contribute to knowledge about leading creative employees in a way that benefits both employees and organizational performance.

1.3 Research questions

Based on the stated goals of examining how creativity can be enhanced and what specific leader behaviours encourage and enhance creativity, this research is guided by the following research questions:

How can leaders motivate their employees to enhance creativity?

What specific leader behaviours are likely to enhance employee creativity?

1.4 Structure

This thesis starts with an overview of the theoretical framework for the topic studied. It provides an overview of how the concept of creativity has evolved in psychology leading to creativity to being researched and studied within the organizational field. The means that existing research suggests for enhancing creativity are reviewed. Chapter 3 describes the research methodology and Chapter 4 outlines the findings of data analysis. Finally, in Chapter 5 the findings are reviewed and discussed, along with a discussion of limitations, suggestions for further research, management implications and a summation of contributions to theories of organizational creativity and leadership.

2 Theoretical framework

2.1 Creativity

The earliest conception of creativity is found in religious text such as the Biblical story of creation from which came the idea of God doing artisan's work. For the Hindus, Confucians, Taoists and Buddhists creation was seen mostly as a kind of mimicry and for Plato, nothing new was possible and art in his time was an effort to match ideal forms. Originality was only thought of as an important marker of creativity during early history (1500 B.C. - 500 A.C.), ideas not challenged during the middle ages until early renaissance (Dudek, 1999).

It took several generations of writers, philosophers and artists to develop the concept of creativity. Adam Smith was one of the first to value the need for a science of human behaviour, as he considered it imperative to develop a science based on systematic, political and social knowledge. By 1879 Galton had researched individual differences in sensory functioning, assuming that sensory discrimination was positively associated with intelligence (Albert & Runco, 1999).

By the 1900s, measuring *individual differences* in intelligence had become a research topic of interest for many psychologists (Albert & Runco, 1999). In 1950, Guilford (president of the American Psychology Association) reported that only 0.2% of the entries in Psychological Abstracts up to 1950 focused on creativity and challenged psychologists to pay attention to it in future research. In the following decades, a few research institutes were founded and interest in creativity research began to grow (Sternberg & Lubart, 1999).

A second major area of research within psychology concerned the *cognitive processes* involved in creativity (Newell, Shaw, & Simon, 1963; Shalley & Zhou, 2008). A cognitive approach to creativity tries to draw forth the mental representations and processes behind creative thought (Sternberg & Lubart, 1999). For further reading on the research of creativity within the field of psychology, please see Sternberg (1999).

2.1.1 Definition of creativity

Creativity as an outcome has been defined as something that is novel. In the psychological literature, some define creative outcomes generated in brainstorming periods in terms of originality, flow and flexibility. Hence, these definitions deal with originality in the sense that it represents statistical uniqueness, but do not include concerns of usefulness or appropriateness (Shalley & Zhou, 2008).

Other definitions from the fields of psychology and organizational behaviour include creativity's novelty aspect and the concern about whether it is useful and involves appropriate ideas, processes, or procedures (Amabile, 1988; Mumford & Gustafson, 1988). Amabile (1983; 1996) defines creativity as follows:

A product or response will be judged as creative to the extent that (a) it is both novel and appropriate, useful, correct or valuable response to the task at hand, and (b) the task is heuristic rather than algorithmic (T. M. Amabile, 1983, p. 360).

Amabile's (1983) conceptual definition of creativity is based on operational definitions of creativity (Amabile, 1983). It emphasizes that it is the production of *novel* ideas judged by observers and *appropriate* to the extent that it has the properties required by the task and hence *useful, correct or valuable* to the individual or company. She also emphasizes that the creative process is not a straight forward task with identified goal (algorithmic) but heuristic in sense that the problem discovery is a part of the creativity (Amabile, 1983) and a non-linear process (Amabile, 1996).

Creativity can range from suggestions for incremental changes to major radical breakthroughs (Mumford & Gustafson, 1988; Shalley & Zhou, 2008).

The latest research on creativity suggests that multiple components must come together for creativity to occur. (Teresa M. Amabile, 1983; Amabile, 1988; Csikszentmihalyi, 1997; Gardner, 1993; Sternberg, 1999). Amabile (1983) suggests that in order to be creative motivation, domain-relevant ability and thinking skills in certain cognitive stages influence creative performance (Teresa M. Amabile, 1983; Shalley & Zhou, 2008; Steiner, 1965). Csikszentmihalyi (1997) combines individuals abilities to flow, domain culture to transmit ideas and influential people in a domain to

evaluate an idea. Gardner (1993) influenced by Csikszentmihaly stresses an interactive perspective between the creative individual and other individuals, domain, field and relationships between childhood and the adult creator. And Sternberg and Lubart (1991) provide an investment theory where creative workers pursue ideas of low value to sell high influenced by intellectual processes and style, personality, motivation, and the environmental context.

In theories on the creative process there has been emphasis on incubation time, meaning the time that ideas and thoughts are passed back and forth and recombined into new forms of solutions with the subconscious gradually coming to a conclusion about what is most likely to be of success (Teresa M. Amabile, 1983; T. M. Amabile, 1983; A. Osborn, 1953; Rossman, 1931; Wallas, 1926). This time is commonly used for experimentation and play in the development of creative products and services (Ruscio, Whitney, & Amabile, 1998).

Amabile (1983; Amabile, 1988) proposed what she refers to as the Componential Theory of Creativity to describe the creative process; the creative process being similar in the aggregate to other theories of creativity in psychology (A. Osborn, 1953; Rossman, 1931; Wallas, 1926) and organizational studies but with different emphasis. Amabile's theory proposes the creative cognitive process is made up of problem identification, preparation, response generation, response validation and communication. According to her theory, external and internal factors influence an individual's creative process.

Csikszentmihalyi (1997) uses the term flow to describe a successful creative process. He suggests that the creative process benefits from a number of components such as culture, outside persons who bring novelty into the domain and a group of experts to validate the idea, evenly balanced with the individual's own contributions. Creativity is thus "the cultural equivalent of the process of genetic changes that result in biological evolution, where random variations take place in the chemistry of our chromosomes, below the threshold of consciousness" (Csikszentmihalyi, 1997, p. 7). What this implies is that the creative individual is not isolated in his or her domain but rather plays the role of a link in a chain of creative performance. To understand creativity one must therefore study the chain of the creative process and not only the creative individuals who seem responsible for a novel idea.

Table 1. Various definitions of creativity or creative processes in existing literature

<i>What is creativity?</i>	
Basadur, Graen and Green (1982)	A continuous process of thinking innovatively, or finding and solving problems and implementing new solutions
Amabile (1983)	A product or response will be judged as creative to the extent that (a) it is both novel and appropriate, useful, correct or valuable response to the task at hand, and (b) the task is heuristic rather than algorithmic
Csikszentmihalyi (1997)	Creativity results from the interaction of a system composed of three elements: a culture that contains symbolic rules, a person who brings novelty into the symbolic domain, and a field of experts who recognize and validate the innovation. All three are necessary for a creative idea, product, or discovery to take place.
<i>What is a creative process?</i>	
Wallas (1926)	<p>Creative insights and illuminations are a thought process consisting of five stages:</p> <ol style="list-style-type: none"> (1) preparation (exploring the problem's dimensions), (2) incubation (internalizing the problem into the unconscious mind), (3) intimation (a feeling that a solution is on its way), (4) illumination or insight (5) verification (the idea is consciously verified and applied). <p>(In numerous publications the intimation stage is seen as sub-stage and the model referred to as having four stages)</p>
Rossmann (1931)	<ol style="list-style-type: none"> (1) Observation of a need or difficulty (2) Analysis of the need (3) A survey of all available information (4) A formulation of all objective solutions (5) A critical analysis (6) The birth of the new idea (7) Experimentation and the selection and perfection of the final embodiment
Osborn (1953)	<ol style="list-style-type: none"> (1) Orientation: pointing out the problem (2) Preparation (3) Analysis (4) Ideation (5) Incubation (6) Synthesis (7) Evaluation
Amabile (1983)	<ol style="list-style-type: none"> (1) Task presentation (2) Preparation (3) Idea generation (4) Idea validation (5) Outcome assessment

Sternberg and Lubart (1991, 1995) proposed an investment theory in which creativity requires six interrelated resources: intellectual abilities (ability to see problems in a new way, analyze which of the ideas are worth pursuing and the ability to persuade or sell the value of one's idea to others), styles of thinking (preference for thinking in new ways), motivation, personality and environment.

A summary of several definitions of creativity and the creative process is shown in Table 1. The definitions of the creative process agree in their inclusion of the identification of the problem, research, incubation time or analysis, idea outcome and evaluation. However, Wallas (1926) and Osborn (1953) relate creativity more strongly to the subconscious through illumination and incubation, and Rossman (1931) chooses a more rational approach of cognitive behaviour through analysis and Amabile (1996) adds the practicality of the outcome.

2.1.2 Organizational creativity

The study of creativity within the organizational framework is a relatively new field of research. The organizational field benefits from the years of study of creativity within psychology. In the organizational literature, creativity refers to the ideation phase of innovation. However, innovation is generally used to refer to both the ideation phase and the development phase of innovation (Shalley & Zhou, 2008) and sometimes the commercialization phase.

2.1.2.1 Conceptual frameworks

Two main theoretical models set the tone for researches in the field of organizational creativity: previously mentioned Amabile's Componential Model of the Social Psychology of Creativity (Amabile, 1988) and the interactionist perspective of organizational creativity proposed by Woodman and colleagues (Shalley & Zhou, 2008; Woodman, Sawyer, & Griffin, 1993).

Amabile's (1996) Componential Theory of Creativity partitions the cognitive process of creativity into five stages: (1) task presentation (identifying and understanding of the project), (2) preparation (preparation with learning or memory), (3) idea generation, (4) idea validation (testing ideas) and (5) outcome assessment (introducing the ideas). According to her theory, external and internal factors influence an individual's creative process. External influences include those from the work environment (external motivation) and internal factors include intrinsic *motivation*, *domain-relevant skills* and *creativity-relevant processes*. The creative process should be "the production of a novel and appropriate response, product, or a solution to an open-ended task. The response must be new, but it must also be appropriate to the task to be completed or the problem to be solved" (Amabile & Mueller, 2008)(Figure 1).

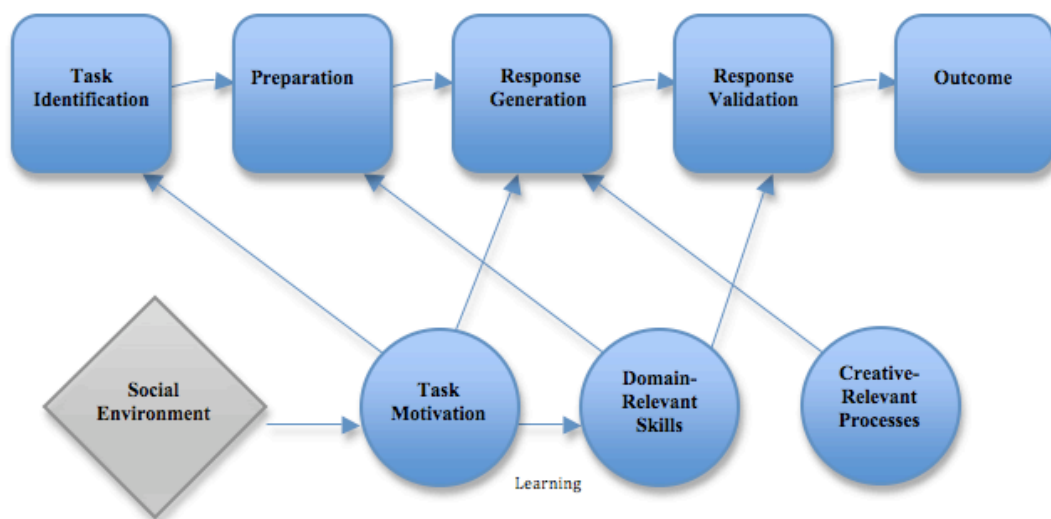


Figure 1. The revised componential model of creativity

Although the cognitive process is displayed in a linear fashion, it is not intended to be thought of as linear, as the creative individual can go through this process again and again, not necessarily in this order, until the solution has been found (Amabile, 1996). The Componential Model of Creativity was first put forth in 1983 and revised in 1996 including the introduction of the influence of the social environment and revised definitions of various variables (Amabile, 1996).

Woodman, Sayer and Griffin (1993) proposed an interactionist perspective of organizational creativity that suggests that an individual's creativity is affected by situational and dispositional factors. The interaction of the individual's dispositional factors within the work environment predicts creative performance. Their model also stresses cross-level influences to understand organizational factors that facilitate or stifle creative behaviour. Furthermore, according to their theory the creative performance in an organization is a function of interacting individuals, where group and organizational characteristics affect whether creativity occurs. Organizational characteristics include culture, resources, rewards, strategy, structure and technology.

Most of the major research findings apply to creativity as an outcome instead of the creative process within organizational creativity. Furthermore, most existing research examines the creative performance of individual employees rather than groups or teams (Shalley & Zhou, 2008; Woodman, et al., 1993). Recent studies in this area (Ford & Sullivan, 2004; Gilson & Shalley, 2004) propose that a supportive and stimulating work environment, either from co-workers or leadership, is positively associated with creativity. A non-supportive or controlling work environment is likely to stifle creativity (Amabile & Conti, 1999; Zhou, 2003) and time pressure has been demonstrated to impede creative performance (Teresa M.. Amabile, et al., 2002).

Other findings suggest that setting goals can increase organizational creativity (Carson & Carson, 1993) and that jobs with high autonomy, significance and complexity are characterized by a higher level of creative performance than simpler jobs (Amabile & Gryskiewicz, 1989; Oldham & Cummings, 1996).

2.1.3 The definition of creativity adopted for this research

This research uses a definition of creativity based on the revised Componential Model of Creativity (Amabile, 1996) and the definition of creativity by Amabile (1983):

Creativity is the production of novel, useful and appropriate ideas by either an individual or group. Novel ideas are those that are unique compared with other known ideas. Useful and appropriate ideas are those that have the potential to add value to products, processes or procedures.

2.2 Influencing creativity

2.2.1 Enhancing creativity

A clear indicator about how creativity can be enhanced is hard to find in the psychological literature. However the literature on creativity points to many variables that researchers have found to contribute to creative ability, such as intelligence, abilities, motivation, skills, beliefs, values and cognitive styles (Nickerson, 1999). Furthermore, several studies have shown that creativity can be enhanced through training (Teresa M. Amabile, 1983; Sternberg & Lubart, 1996), and motivation (Amabile, 1996; Amabile, et al., 2004; Zhang & Bartol, 2010).

2.2.1.1 Brainstorming and problem solving

One of the earliest documented attempts to enhance creativity was Osborn's (1953) process for brainstorming. Osborn designed a technique to be used for group brainstorming. His brainstorming process encourages participants to express all ideas that come to their mind regarding the problem or subject at hand and attempts to create an environment that gives free reign to imagination, which in turn is intended to strengthen it. Ideas are not to be criticized, no matter how bizarre or wild they may appear. The expression of an idea by one group member can spark an idea from another member - an idea that would not have emerged if it were not for open creative thinking free of criticism.

Brainstorming has been used as key element in a multi-staged process referred to as *creative problem solving* (Isaksen & Treffinger, 1985; Nickerson, 1999; A. E. Osborn, 1963). The process of creative problem solving is threefold, with each stage involving a brainstorming type of activity. The process includes: understanding the problem, generating ideas and planning for action (Nickerson, 1999).

2.2.1.2 Establish purpose

Nickerson (1999) proposes that purpose and intention are vital for creative expression as one could not “carve a statue without intending to do so” (Nickerson, 1999, p. 408).

Dudek and Côté (1994) also emphasize the importance of purpose, where creative vision is likely to be a result of slow personal development to achieve a novel point of view. However, Henle (1962) argues that creative ideas cannot be found by searching for them and also that creative ideas cannot be received if one is not receptive to them, and that this requires an appropriate attitude.

Assuming that both the previously mentioned assumptions are aspects of what is or could be, the result is that one cannot be creative without having the purpose or intention to create, but after having established the intention, one needs the attribute of mental quietness to receive the creative insight. It follows that purpose is directly linked to intrinsic motivation, which has been shown to be an important factor for creativity to flourish (Teresa M. Amabile, 1983; Amabile, 1988). Research has also shown that when creative employees know that their work has an impact, their creative work is likely to increase (Teresa M. Amabile, 1983; Amabile, 1988).

2.2.1.3 Motivation – intrinsic motivation – passion

Amabile's (1996) Componential Theory of Creativity stipulates that motivation is one of three primary factors positively influencing creativity. In the literature a distinction is made between intrinsic (internal) motivation and the influence of motivation from external (extrinsic) sources on creativity. Intrinsic motivation is motivation that arises from the positive reaction of the individual to the project at hand (curiosity, positive challenge, interest, etc.) and extrinsic motivation is any motivation arising from sources outside of the project itself (expected evaluation, contracted reward, etc.) (Teresa M. Amabile, 1983). Passion is also often used to describe intrinsic motivation or the preoccupation with finding a creative solution, "without the passion we soon lose interest in a difficult task" (Csikszentmihalyi, 1997, p.72).

Research has shown that both intrinsic and extrinsic motivation is important (Teresa M. Amabile, 1983; Amabile, 1988; Amabile & Khairi; Zhang & Bartol, 2010) and there seems to be a general consensus that intrinsic motivation is a more effective contributor to creativity than extrinsic (external) motivation (Teresa M. Amabile, 1983; Amabile, 1988; Deci, 1975; Golann, 1962).

According to Amabile and Perlow (2002), people are most creative when they are intrinsically motivated in terms of interest, joy or challenge from the work itself, not because of external factors such as pressure or rewards.

Intrinsic motivation marks the difference between what can be done and what will be done (Amabile, 1996). It is also a foundation for the resilience often needed to generate a creative solution (Shalley, 1995; Shalley et al., 2000). If an individual shows little interest in a task and chooses to participate as little as possible, the resulting solutions are less likely to be creative. Conversely, when an employee is fully active, using all his/her abilities in the creative process and looks at the problem from different sides and creates various alternatives to a solution, the solution is likely to be more creative (Zhang & Bartol, 2010).

Some research has shown that extrinsic motivation can undermine creativity if intrinsic motivation beforehand is high. However, if intrinsic motivation is low, extrinsic motivation can strengthen creativity (Nickerson, 1999). The way extrinsic motivation is perceived matters as well. If a reward is perceived as the reason for taking part in a creative activity, the extrinsic motivation can have an undermining effect. If not, the motivation can complement and strengthen intrinsic motivation (Teresa M. Amabile, 1983).

A study of professional artists showed that uncommissioned work was significantly more creative than that which was commissioned. In this case, the influence of the person(s) paying the commission on the work itself must be taken into account (Teresa M. Amabile, 1983; Amabile, Collins, & Phillips, 1994). In the same research, both extrinsic and intrinsic motivation proved to increase creative outcome, with intrinsic motivation being the challenge of the work itself and extrinsic motivation the recognition for the work.

When considering extrinsic motivation it is noteworthy to consider whether the extrinsic reward, in the form of monetary or contractual agreement, or non-material motivation, such as recognition, praise, etc., has a more lasting effect on creativity. One factor to consider is that external motivation based on non-material means might increase creativity without undermining intrinsic motivation; in fact it might even increase it.

2.2.1.4 Curiosity and exploration

Curiosity and stimulating exploration of a task from various perspectives have been shown to have a positive effect on creativity. Playing with ideas is a characteristic of creative adults, reminiscent of childlike behaviour or playfulness, that has been proven to increase creativity (Csikszentmihalyi, 1997; Nickerson, 1999). John Wheeler, a theoretical physicist, a later collaborator of Einstein, exemplifies the importance of playfulness as follows (Csikszentmihalyi, 1997, p. 61):

[The most important thing for a scientist is] this bounce, which
I always associate with fun in science, kicking things around.
It's not quite joking, but it has some of the lightness of joking.
It's exploring ideas.

The ability to see projects from different perspectives, especially original perspectives and the ability to be open-minded towards new perspectives are important elements of creative thinking (Sternberg & Lubart, 1991). Csikszentmihalyi (1997) reveals, however, that opposing tendencies can prevail for highly creative people, such as, openness and curiosity, or “almost obsessive perseverance” (Csikszentmihalyi, 1997, p. 326).

2.2.1.5 Psychological well-being and positivity

Psychological safety and psychological freedom have also been identified as two conditions for fostering creativity (Rogers, 1954), in addition to psychological empowerment (Zhang & Bartol, 2010). Thomas and Velthouse (1990) proposed that empowerment is “presumed to be a proximal cause of intrinsic task motivation and satisfaction” (Thomas & Velthouse, 1990, p. 668).

External empowerment has been shown to increase the creativity of individuals by affecting psychological empowerment. When empowerment is influenced by empowering leadership this influences both intrinsic motivation and creative process engagement, thus increasing creativity (Zhang & Bartol, 2010).

Fredrickson's research on positivity has shown that emotional well-being is increased by positivity, through positive emotions. Her broaden-and-build theory of positive emotions (B. Fredrickson, 2009) suggests that positivity is transforming in a way that increases awareness and builds lasting resources, such as strength, wisdom, social integration, resilience etc. Through positive emotions, the scope of attention and cognition is broadened and consequently upward spirals toward increased emotional well-being are initiated (Barbara L. Fredrickson & Joiner, 2002).

One of the consequences espoused by the Broaden-and-build theory is increased creativity. "A broad mind changes the way you think and act in a wide range of circumstances. When you see more, more ideas come to mind, more actions become possible" (B. Fredrickson, 2009, p. 59).

Positivity can also alter negative influences on creativity such as fear. Fear and shyness are seen as major reasons why children, for instance, hesitate to express unconventional ideas (Freeman, 1983). Positive emotions can help to alleviate this form of shyness and fear (Barbara L. Fredrickson & Joiner, 2002).

2.2.1.6 Encouraging domain-specific knowledge

For creative output in a given field, acquisition of domain-specific knowledge is necessary. Great artists seldom produce masterpieces unless they have mastered the tools and techniques of their art form through years of experience (Csikszentmihalyi, 1997; Nickerson, 1999). An artist needs to have the ability to put his or her own creation into form through a technique. Before that technical knowledge is acquired, the creation will be degraded by the lack of technical know-how. Nevertheless, knowledge of a specific domain alone does not always lead to creativity (Nickerson, 1999).

2.2.1.7 Autonomy, freedom and impact

Employees possessing creative cognitive abilities work best in environments that allow risk taking, autonomy and freedom to deviate from the status quo (Kirton, 1989). Similarly, people who possess great intrinsic motivation at work are those who

need challenges, do work that is meaningful and have the freedom from external constraints, which allows them to effectively unleash their creative abilities (Amabile, 1988). The experience of freedom in the workplace, by means of autonomy, entails the ability to select the means, tools, processes and structures in the way one is working towards a desired outcome (Amabile, 1998).

Along with autonomy, impact is an important prerequisite for creative outcome (Amabile, 1988; Amabile et al., 2004). Employees need to have an impact on decision making and perceived autonomy.

2.2.1.8 The creative environment: tolerate errors

A working environment that supports and rewards creative thinking is important for creativity (Amabile, 1988; Amabile & Gryskiewicz, 1989; Shalley & Zhou, 2008; Sternberg, 1999; Zhang & Bartol, 2010). Research has shown that successful experiences increase confidence and working around people who have had such experiences in the past can enhance creativity within the environment (Zhou, 2003). The role of success can be a motivator for further success when failure is experienced as a de-motivator for creative expression (Deci, 1975). It is therefore important for creativity to see mistakes as coming from a genuine effort and opportunities to be learned from, rather than signs of weakness. When ruling out the conception of failure as “failure” and instead seeing it as an opportunity, the event itself becomes positively charged and becomes a motivation for further creative efforts.

2.2.2 Killing creativity: negative factors

A lot of research has focused on how creativity is negatively affected. Among the factors that existing research suggests negatively influence creativity are: fear (Freeman, 1983), time pressure (Teresa M., Amabile, et al., 2002; Perlow, 2002), harsh criticism to new ideas (Amabile & Conti, 1999; Amabile & Perlow, 2002), political hindrances, inhibiting organizational environment (Amabile, Hadley, & Kramer, 2002), thinking of quantity instead of quality and ruling out individual abilities with standardization (Rogers, 1962). Many of these problems are

organizational problems and are reversible by enforcing positive enhancers of creativity.

The main focus in this research is identifying enhancing factors, meaning factors that leaders in organizations can influence to enhance creativity and diminish organisational problems and hence become more successful. These include factors that when enforced correctly can outshine the above negative factors.

2.3 Leadership behaviour and creativity

Individual creativity is an essential building block for organizational innovation (Amabile, 1988). Creativity can be a fuel for the responsiveness, renewal and repositioning of a firm. For organizations that rely on the creativity of their staff to prosper, the question of whether and how creativity is fostered should be vital. This applies not only for organizations in creative industries but for organizations in general. A leader of a creative organisation has a role to fill in propagating the virtuous cycle of innovation in establishing an environment that enhances creativity (Trott, 1998). Awareness of these factors is essential for creating competitive advantage (Trott, 1998).

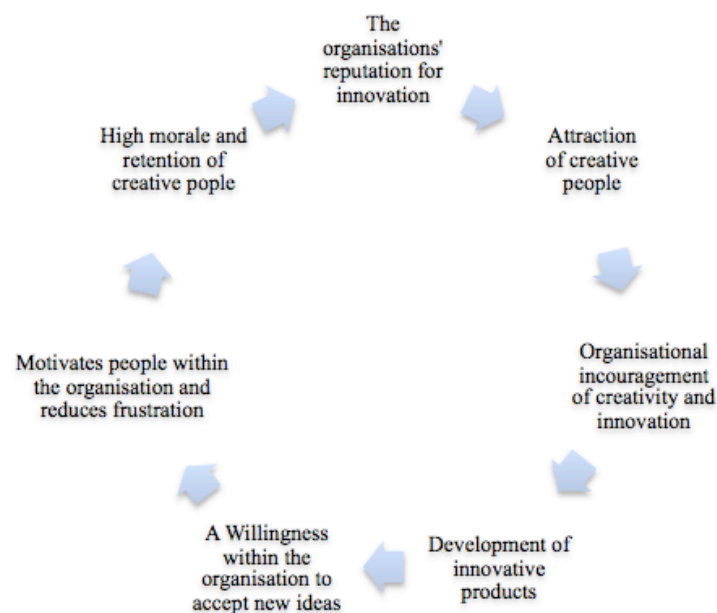


Figure 2. The “Virtuous cycle of innovation” (adopted from Trott, 2008, p. 97).

Recent studies have demonstrated that leadership behaviour influences employees' creativity (e.g., Amabile et al., 2004; George & Zhou, 2007; Shalley & Gilson, 2004; Tierney et al., 1999). When striving for competitive advantage it is important to understand means by which leaders can contribute to the enhancement of the creative environment of the firm. This is particularly relevant when the performance depends heavily on creativity as is true of companies in the creative industries. An organization that fosters creativity is more dynamic, resilient than one that does not and has the ability to function within a turbulent external environment (Gilson & Shalley, 2004).

A number of studies have suggested that managers need to support creativity within the organization for it to occur. Encouragement, support and motivation are important traits in leadership for enhancing creativity (Zhang, 2010; Gilson, 2004; Amabile, 2004). A leader's effort to manage creativity wisely can, therefore, help the organization to sustain competence and increase its ability to work in a turbulent environment. It is important for managers to realize that they can positively affect employees' creativity and to understand how they can do so.

Recently, researchers have investigated theories of leadership behaviour such as transformational leadership theory, charismatic leadership, controlling leadership, and, more recently, empowering leadership as it relates to creative performance (Zhang & Bartol, 2010).

Empowering leadership, based on sharing power with the aim of enhancing employees' motivation and investment in their work, has proven to have positive effects on psychological well-being and creativity (Zhang & Bartol, 2010). Conversely, the creativity of employees has been found to be negatively affected by controlling leadership (Amabile et al., 2004; Madjar et al., 2002; Oldham & Cummings, 1996; Tierney & Farmer, 2002, 2004).

2.3.1 Empowering leadership and creativity

Zhang and Barthol's (2010) research revealed that through psychological empowerment of the employee and a leader's encouragement, creative output was increased. They also demonstrated a positive correlation between psychological well-

being and intrinsic motivation. Their model (Figure 3) links empowering leadership and creativity through three mediating factors: psychological empowerment, creative process engagement, and intrinsic motivation.



Figure 3. Zhang and Bartol's model on how employees' creativity can be enhanced through a leader's encouragement and empowerment (adopted from Zhang, 2010)

For a leader's encouragement to benefit the creative process, employees need to sense psychological empowerment (Zhang & Bartol, 2010). Empowering leadership is characterized by empowerment to the employee by means of: creating trust, establishing autonomy, showing that the employee's abilities are trusted, clear communication on the importance of the job and removal of hindrances that stand in the way of performance (Zhang & Bartol, 2010). This research revealed that leaders' encouragement has the ability to empower employees and thus improve their psychological well-being, which, in turn, positively influences intrinsic motivation and engagement in the creative process, both variables having a positive influence on creativity (Zhang & Bartol, 2010).

2.3.2 Perceived leader support and the Componential Theory of Creativity

Amabile et al. (2004) found that perceived leader support was a key factor for fostering creativity. Certain leader behaviour could predict employees' perceived support, in extreme cases leading to spiraling positive or negative outcomes related to creativity. A leader's behaviour was found to influence employees' reactions and performance. To enhance creativity, leaders need to communicate clearly and efficiently with employees, value each employee's contribution, protect the group

within the organization, set clear goals but still allow freedom in means to the goals, be good role models at work (Amabile & Perlow, 2002), interact well, provide constructive feedback and be open to new ideas (Amabile, et al., 2004).

The revision of the Componential Theory of Creativity included the work environment as an influence factor for creativity. The Componential Theory is the most prominent of three theories which include this factor of organizational creativity, (Amabile, et al., 2004) and has therefore been chosen as the basic framework for this research. The other two theories on creativity which include this factor of organizational creativity are the interactionist theory of Woodman, Sawyer, and Griffin (1993) and the theory of individual creative action within multiple social domains of Ford (M. F. Cameron, 1996).

In the creativity literature, support refers to the totality of a leader's behaviour, both task-oriented and relationship-oriented. However, in the literature there is little evidence on connecting a specific leader's behaviour to creative performance. One research study shows trust, a relationship of mutual liking and respect enhances creativity (Amabile, et al., 2004).

According to Amabile (1996) as previously mentioned, the creative process of each individual is affected by three components: *expertise*, *creative thinking skills* and *motivation*. The outcome of the creative process should be more creative where the motivation, domain-relevant skills and creative skills affecting the creative process are nourished at work. (Teresa M.. Amabile, et al., 2002).

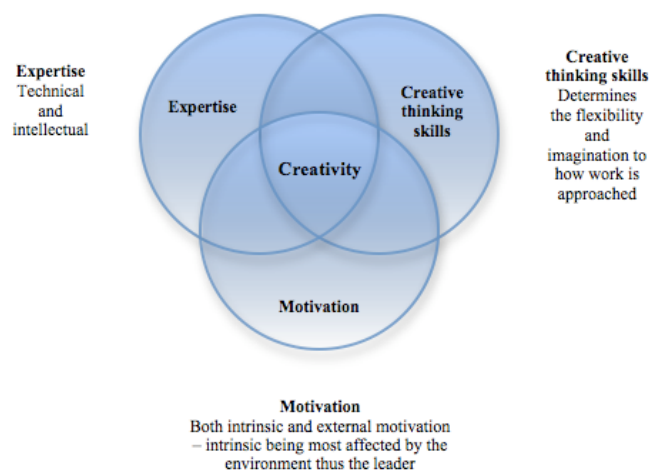


Figure 4. The three components of creativity (adopted from Amabile, 1998, p. 78)

All three components, especially motivation, can be influenced by managers. However, how the motivation is acted out is also important. Intrinsic motivation has a far more positive effect on creativity than external motivation, such as money. Intrinsic motivation is “the most immediately influenced by the work environment” (Amabile, 1998, p. 78).

Amabile et al. (2004) found that affective reactions were more prominent than perceptual reactions and emotionally supportive leaders were particularly beneficial in difficult times. Additionally, a number of positive reactions were related to stress or anxiety reduction. A leader’s behaviour was also found to have an effect on subordinates’ perceptions of themselves.

Interestingly, Amabile et al. found that with regards to negative and positive behaviour characteristics, “affective reactions to negative behaviours may be stronger than those to positive behaviours” (Amabile, et al., 2004, p. 28). In their discussions the researchers venture the following as explanation:

[This] suggests either that negative leader behaviours in organizations are more extreme than their positive ones, that people in organizations are naturally more oriented toward noting negative behaviours, or that negative behaviours have more of an impact than positive ones. (Amabile, et al., 2004, p. 28).

This striking effect between negative and positive behaviour characteristics provides a focus for this research and a basis for connecting with positive psychology.

2.3.3 The creative employee

Due to their creative abilities, creative individuals can adjust remarkably to any situation and use what they have at hand to reach their goals. Their qualities often consist of curiosity, wonder, interest in how things work, openness to experience and fluency of thinking (Csikszentnialyi, 1997), flexibility, originality, tolerance of

ambiguity and interest in divergent (open-ended) and convergent thinking (Guilford, 1959).

The creative person is often blessed with extreme characteristics, not a personality of the average norm. For instance, (1) the creative person can work long hours with great energy and concentration and then they can rest and sleep for long periods, (2) they can project themselves as being both naive and smart, (3) they can go from carefree playfulness to hard work, (4) they can go from a state of imagination and fantasy to a definite sense of reality, (5) and introversion to extroversion (6) ambitiousness and humbleness, (7) and have passion for their work yet are able to see it objectively (Csikszentmihalyi, 1997).

Creative workers are often portrayed as being independent, rebellious (Csikszentmihalyi, 1997) and difficult to manage (Nickerson, 1999). However, to rebel against something you must learn the rules so the creative individual can both be “traditional and conservative and at the same time rebellious” (Csikszentmihalyi, 1997, p. 71).

Creative people are open and sensitive to the environment and thus more exposed to extreme joy and as well as suffering, which can lead to anxiety (Csikszentmihalyi, 1997). The following words from the writer Elizabeth Gilbert (Gilbert, 2009) reflect the sensitivity creative employees have towards how their work is perceived and judged:

The way that I have to work now [following up her best selling novel], in order to continue writing, is that I have to create some sort of protective psychological construct...I have to, sort of find some way to have a safe distance between me, as I am writing, and my very natural anxiety about what the reaction to that writing is going to be, from now on.

However, positivity has been proven to alleviate anxiety and improve communication abilities (B. Fredrickson, 2009). Therefore, the above listings by no means constitute a definitive definition that applies to every creative worker, as each person is different.

2.3.4 Positive leadership

Kim Cameron, the cofounder of the Center for Positive Organizational Scholarship, based his theory on positive leadership on the analyses of organizations that have achieved exceptional levels of success (Kim Cameron, 2008). Cameron introduced the concept of positive leadership as “the ways in which leaders enable positively deviant performance, foster an affirmative orientation in organizations, and engender a focus on virtuousness and eudaemonism (Kim Cameron, 2008, p. 1).

According to Cameron (2008) if leaders emphasize on strengths instead of weaknesses in individuals or organizations, what is vitalizing, inspiring and considered as good along with what is extraordinary; positive leadership can promote: “thriving at work, interpersonal flourishing, virtuous behaviours, positive emotions, and energizing networks.” (Cameron, 2008, p.4)

2.3.4.1 Background: Positive psychology and creativity

Positive leadership refers to the use of positive principles that have arisen from positive organizational scholarship, positive psychology and positive change (Kim Cameron, 2008).

A decade ago, Martin Seligman proposed what was then a new scientifically-based idea of *positive psychology*. Positive psychology attends to three factors: (1) positive emotions, (2) positive strengths of individuals (i.e. compassion, kindness, curiosity, integrity, self-knowledge, wisdom, innovation etc.), and (3) positive institutions of which an understanding can lead to better communities with respect to justice, responsibility, work ethic, teamwork, leadership etc. (PositivePsychologyCenter, 2009). In positive psychology there is even emphasis on building strengths as a way to fix weaknesses. Before positive psychology, psychology had revolved around fixing weaknesses and to get to a zero-point (i.e. not to be unhappy) (Seligman, 2008) instead of going for happiness.

As previously mentioned, the Broaden-and-Build theory developed by Fredrickson (B. Fredrickson, 2009) has suggested that creativity can be increased by broadening individuals' scope of mind, hence broadening people's modes and action, building lasting resources and increasing well-being and positive social interactions. Further

studies have shown that positivity increases one's attention span, while behavioural competence (B. L. Fredrickson & Losada, 2005) increases intuition (Bolte, Goschke, & Kuhl, 2003) and thus creativity.

Positivity can therefore be considered a key behavioural characteristic for successful teamwork and influence decision-making in a positive way with a broader frame of mind and increased attention to one's work or actions. Positivity, with hope and optimism, can therefore be thought to play a major role in organizational goal setting, motivation and innovation (Frederickson, B. L., 2009).

The positivity ratio being referenced is the ratio between positive experience and negative experience. Generally there are transitions around 3 or when positive experiences or statements are 3 to 1. Research has shown that individuals and other teams which have a positivity ratio over 2.9 flourish and are creative, flexible and stable in a dynamic way (B. L. Fredrickson & Losada, 2005).

2.3.4.2 Building positive deviance

Building positive deviance is the cornerstone of positive leadership. To define positive deviance, let us first look at the word deviance. To deviate means to go off the beaten path, so deviant behaviour is something unexpected, something that departs from institutionalized expectations (KS Cameron, Dutton, & Quinn, 2003). In an organizational context, deviance describes behaviour that significantly departs from the norms. Positively deviant behaviour is usually a decision based on purpose. Positive deviance is made up of unexpected behaviours that improve the human condition and depart from norms, such as business norms, and exceeds normative expectations (KS Cameron, et al., 2003). When people are positively deviant they tend to be other-focused and purpose-centered (Quinn, 2004).

Building positive deviance can lead to extraordinary performance for an organization. Four leadership strategies that enable building positive deviance are generating positive meaning, positive communication, positive relationships and positive climate (Cameron, 2008). All aspects positively influence creativity.

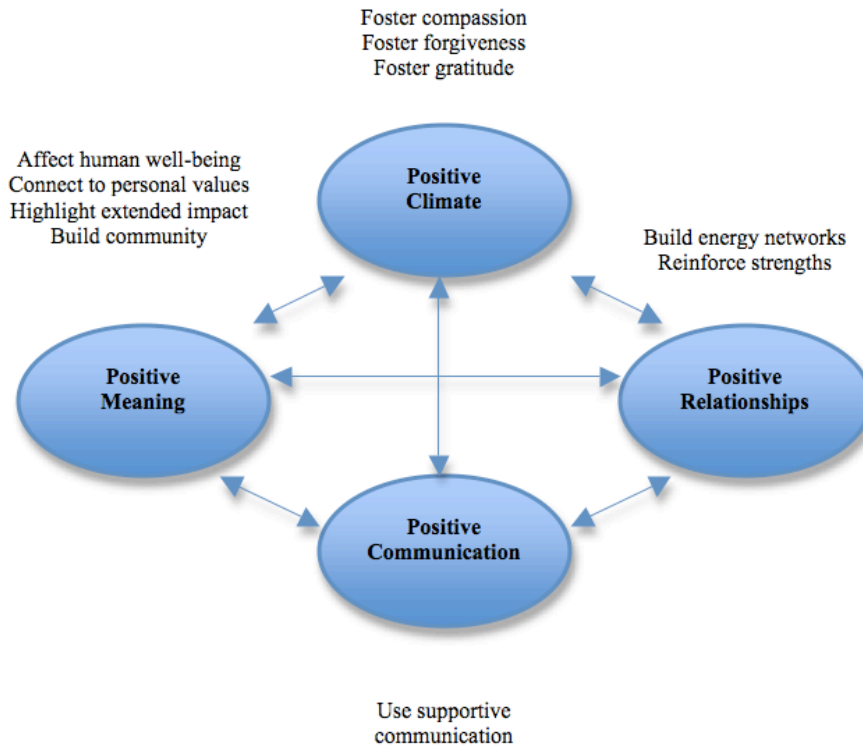


Figure 5. Four leadership strategies that enable positive deviance (adopted from Kim Cameron, 2008, p. 14)

Psychological positive deviance is, for instance, analogous to Csikszentmihalyi's flow, as previously described (KS Cameron, et al., 2003). This is not to suggest that any one leader can perfect all four strategies, but each is a key positive leadership strategy that is likely to build positive deviance (Kim Cameron, 2008). Furthermore, all the positive strategies influence factors that can enhance creativity.

2.3.4.2.1 Positive climate

Conditions that foster positive emotions lead to optimal individual and organizational functioning (B. L. Fredrickson, 2003). Positive climate refers to a condition in which individuals in organizations are characterized by happiness and optimism, and is a climate where positive emotions are stronger than negative ones (Kim Cameron, 2008). Positive emotions have been proven to enhance creativity (B. Fredrickson, 2009) and productivity (Isen, 1987), creating upward spirals of emotional well-being (B. Fredrickson, 2009; Barbara L. Fredrickson & Joiner, 2002), and counteract negative emotions such as fear, anxiety or sadness (B. Fredrickson, 2009). Positive leaders choose to focus on the uplifting side of organizational life even when faced

with difficult challenges. Positive leaders also express gratitude, kindness and forgiveness (Kim Cameron, 2008).

2.3.4.2.2 Positive relationships

Research has found that positive relationships increase creativity, trust, and openness to new ideas (Pratt & Dirks, 2006), foster healthier team functioning and increase commitment to the company (Kahn, 2007), and develop higher levels of energy, learning and project performance in organizations (Kim Cameron, 2008). Positive relationships also appear to have a good economic effect in terms of cost reduction (Baker & Dutton, 2007).

Kindness, compassion, and forgiveness are all necessary ingredients for positive relationships to have the most impact on well-being and hence performance. The emphasis for the positive energizer is on what he or she gives in a relationship instead of what he or she receives. Leaders can support such behaviour to improve organizational performance not only within themselves, but also by recognizing positive energizers at work and supporting and rewarding such behaviour. Such an energizer can positively affect teammates and their performance through interaction (Kim Cameron, 2008).

Another opportunity to create positive relationships is to focus on people's strengths rather than trying to correct their mistakes. Such leaders point to what is well done (Kim Cameron, 2008) as encouragement and this is likely to enhance creativity (Amabile, 1996; Zhang & Bartol, 2010).

2.3.4.2.3 Positive communication

Cameron (2008) suggests that positive communication means keeping the ratio between positive and negative statements 5 to 1 or higher, where one negative statement strikes out more positive ones. If the ratio is lower than that, it negatively affects organizational performance. The results from Cameron's research show that high-performing organizations had different communication patterns based on more positive statements than negative ones..

In her research on positive emotions and their effect on well-being, as previously mentioned, Fredrickson (B. Fredrickson, 2009) found that the positivity ratio had to be 2.9 or more for an individual to flourish in terms of mental health and performance in their personal life, perhaps because the relationships are built on a stronger emotional ground.

Leaders' communication patterns can have a powerful effect on positive deviance throughout the organization. Leaders can use supportive communication especially when criticizing or delivering bad news. Communication that seeks to preserve a good relationship while giving negative feedback by detaching the behaviour from the person - by focusing on the event not the qualities of the person - is most beneficial (Kim Cameron, 2008).

2.3.4.2.4 Positive meaning

When employees find their work to be meaningful, personally important or are pursuing a profound purpose, positive outcomes can be expected. Leaders can infuse purpose into working life when the work has a positive impact on the well-being of people, the work is virtuous or connected to personal value, the work has an impact that has desirable ripple effects, or the work builds supportive relationships and a sense of community (Kim Cameron, 2008).

When positive meaning towards work is defined by Cameron (2008) three types of work are identified. The work ranges from being a job, to a career to a calling, in which the positive deviance is the highest. In the same way, Amabile (1996) finds that when a task has the greatest level of intrinsic motivation it is a calling.

2.4 Summary

The preceding sections provide a theoretical overview of the definition of creativity and creativity as a cognitive process in organizations, as well as pointing out various enhancers to creativity.

As suggested by Amabile's Componential Theory of Creativity (Amabile, 1996) motivation is one of the three key enhancers to organizational creativity, intrinsic

motivation being the most influential to a creative outcome. Therefore the focus of this research was to explore how creativity can be enhanced through motivational leadership strategies.

Prior research regarding the link between a leader's encouragement and creativity has been, for instance, Zang's (2010) research on linking empowering leadership and creativity as well as the Amabile et al. (2004) research regarding the leader's perceived support and creativity.

This research, while being influenced by prior studies, moves to link positive psychology, by positive leadership strategies, to the creative studies of the organizational field.

3 Methodology and method

3.1 Methodology

This research rests on the methodology of Grounded Theory, a qualitative research technique originally developed by Barney Glaser and Anselm Strauss (Glaser & Strauss, 2007). Qualitative research is defined as, “any type of research that produces findings not arrived at by statistical procedures or other means of quantification” (AL Strauss & Corbin, 1998, pp. 10-11)

The Grounded Theory methodology stresses the importance of a guiding vision for the research and the method provides the means for the vision to be realized. Still, the main essence of the theory is based on openness in the analysis of data, allowing the findings to be grounded in the data and not starting the research with a preconceived theory in mind (AL Strauss & Corbin, 1998).

3.1.1 Why a qualitative research method?

The qualitative research method was selected as the most appropriate option for the nature of the research. This research studies behaviours and their causes and effects, to which the qualitative research design is particularly well adapted (AL Strauss & Corbin, 1998). When the researcher’s questioning revolves around why and how, instead of how many, qualitative research is more appropriate (Silverman, 2010).

Qualitative research provides the researcher with a good connection to the subject at hand without setting boundaries to findings through the frame of quantitative measuring tools. Qualitative research can thus help the researcher to “get beyond initial conceptions and to generate or revise conceptual frameworks” (Miles & Huberman, 1994, p. 1).

3.2 Method

3.2.1 Data

Data were collected by conducting nine interviews in three organizations in the creative industry in Iceland, as well as examining press releases and industry press.

3.2.2 Participants

Three companies from the Icelandic creative industries were selected for this study. Creative industries are defined according to the British Department of Culture, Media and Sports as “those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property” (British DCMS, 2001, p. 5). Creative industries include advertising; architecture; art and antiques; design; designer fashion; film; video and photography; music and the visual and performing arts; software and electronic publishing; digital and entertainment media; and television & radio (British DCMS, 2010).

The selection of participants was purposive and includes an advertising agency that was chosen for being a creative business-to-business company, a company that started out as a business-to-business company but evolved into company producing animated films for the business-to-consumer market, and an online gaming software company. The selections were made to achieve diversity in organizational structures and to find the common themes enhancing employees’ creativity without confounding characteristics attributable to a the culture of a specific creative domain.

The three CEOs were contacted by email and asked to participate and to also appoint one middle-manager and an artist/designer to be interviewed. Thus, three semi-structured interviews were conducted and recorded in each company, resulting in a total of nine interviews. The gender ratio was quite uneven, eight males and one female.

3.2.3 Interview framework

The interviews were semi-structured with questions inspired by the KEYS framework (Amabile, 1998) and Zhang’s (2010) qualitative research about linking empowering leadership to creativity.

The KEYS framework is a quantitative survey instrument developed by Amabile (1998) and is made up of 78 questions that are used to evaluate the level of support for creativity and various workplace conditions. Questions used in this study were mostly selected from the organizational motivation category.

3.2.4 Conducting the interviews

All participants were informed about the purpose of the research.

The interviews took place at the workplace of each respondent and were recorded with permission. The interviews were semi-structured, allowing the interviewee to add dimensions to the data collected. The pre-planned open-ended questions were asked when the topic arose, allowing the interviewee to lead the course of the topics and thoroughly get across their thoughts about each one. Silence was used by the researcher to provide the opportunity for each interviewee to express himself or herself fully. The original design of the interview was funnel-shaped, gradually narrowing down to the subject matter (Kvale & Brinkmann, 2009).

The length of interviews ranged from 43 minutes to 1 hour and 28 minutes, and the interviews were conducted in Icelandic.

It should be noted here that all quotations presented in this thesis are translated from Icelandic to English by the researcher.

3.2.5 Data analysis

The coding of data was based on the Grounded Theory approach to qualitative analysis. Grounded theory is not used with the purpose of testing an existing theory but rather to develop theory inductively through developing categories that capture the dimensions of experiences studied (Kvale & Brinkmann, 2009).

All interviews were recorded and transcribed. Each transcript was reviewed twice by four neutral persons not connected to the research in any way to check for transcription errors. All of the transcripts were then reviewed a third time by the researcher.

The transcripts of the interviews were treated as living conversations and therefore means to what was said during the interviews, trying to reflect the social constitution of the interview itself (Kvale & Brinkmann, 2009). Quotes were sent for validation to those interviewees who had asked to see their quotes prior to publication. This yielded no requests for changes in quotations.

Every interview went through the analytical process of open coding, being broken down, examined, conceptualized and categorized with the aim of discovering, naming and categorizing phenomena concurrent to its properties and dimensions (Anselm Strauss & Corbin, 1990). A codebook was made to further assist in the reliability of analysis between the interviews.

Before categorizing, a content analysis was also conducted to help emphasize core conditions. However, since full descriptions of the social interplay of cause and effect in each case were lacking in content analysis, along with the fact that some questions progressed throughout the interviews, coding proceeded to axial coding according to Grounded Theory practice.

The relationships between the conditions were labelled and grouped into categories and a causal map was drawn between the variables, with the aim of seeking patterns and structure. Three causal maps were drawn for clarification: the perspectives of creative workers, middle-managers and leaders. Afterwards, the perspectives of the middle-managers as employees of the leaders were compared with the causal map of creative workers, adding to the dimension of the prior causal map for employees. Axial coding helped the researcher to view the codes through a timeline, define why phenomena occurred, as well as the context and conditions that intervened along with the consequences (Anselm Strauss & Corbin, 1990).

Meaning condensations entailing the compression of meanings expressed as a few words (Kvale & Brinkmann, 2009) were documented in a table made for cross-case analysis. The table was created to facilitate cross-case comparison, further enhance the understanding of the subject studied, establish and validate patterns, and compare field notes made by the researcher after the interviews for further understanding and interpretation.

Finally, selective coding took place and involved selecting one core category and systematically relating subsidiary categories around it. The core category leading to enhanced creativity was selected, notably positivity, helping to propose a theory of *positivity as a key enhancer for creativity*.

4 Analysis

Three organizations participated in this research: CCP (on-line game company), CAOZ (animated film company) and the Icelandic Advertising Agency (advertising company). In each organization, the CEO, middle-manager and a designer/artist were interviewed.

4.1.1 CCP

In 1997, the multiplayer game company CCP (Crowd Control Productions) was founded in Iceland. While writing the script for *EVE Online*, the company's main product, the company started out developing table games and doing design work for *LazyTown* to keep afloat financially (Hansson, 2010). However, the goal was set to become "a leading massively multiplayer game company" (CCP, 2010) with all funding revolving around supporting the effort to make *EVE Online* a reality (Hansson, 2010).

One of the key employees helping to bring the script to life was Hilmar Veigar Pétursson, the current CEO, who was drawn by the attraction of the game to join the firm to work on *EVE Online* along with other employees from the company *OZ* (Hansson, 2010).

EVE Online was launched in May 2003 and today CCP is one of the leading companies in the field, winning numerous awards worldwide. CCP has grown from the idea of a single person in 1997 to about 600 employees with offices in Iceland (headquarters), the USA, China and the United Kingdom (CCP, 2010).

4.1.2 CAOZ

CAOZ is a leading 3D animation studio with approximately 60 employees.

The company was founded in 2001 with some of the key players also coming from *OZ*. CAOZ has a history of working in commercials, animated short films and visual effects. The two first short films, *The Lost Little Caterpillar* and *Anna and the Moods*, have received numerous awards (CAOZ, 2010). CAOZ has now moved entirely to the

production of the first Icelandic full-length animated film, *Legends of Valhalla*, to be premiered in August 2011 (CAOZ, 2010).

The goal at CAOZ is to “combine great storytelling, creativity, a sense of adventure and cutting edge animation to create compelling entertainment experiences for a wide range of audiences” (CAOZ, 2010)

4.1.3 The Icelandic Ad Agency (Íslenska auglýsingastofan)

The Icelandic Ad Agency was founded in 1988 and is one of the seven largest advertising agencies in Iceland (SÍA, 2011). The Icelandic Ad Agency’s main purpose is to serve their customers in a professional way and allow them to benefit from the company’s experience, knowledge and disciplined working methods in strategic marketing (IAA, 2010).

Their work has won numerous Icelandic marketing awards over the years. One of their, and Iceland’s, biggest ad campaigns *Inspired by Iceland* was nominated for two European awards at the European Excellence Awards in the categories of best campaign in the Nordic countries and best campaign in crisis management (Freyr, 2010).

The Icelandic Ad Agency has 41 employees (SÍA, 2011) and for ease of reference will be referred to in this thesis as IAA.

4.2 Overview of content analysis

Content analysis provided a good overview of how the groups studied perceived *how creativity could be best enhanced*. Content analysis helped to emphasize core conditions enhancing employees creativity, these being: freedom (autonomy), experiencing mission, good work morale, positive interactions, joy at work, constructive criticism by providing solutions and pointing out what needed to be changed and why, intrinsic and extrinsic motivation such as compliments, non-monetary rewards, psychological well-being, positive interaction with managers and helpful comments (table 2). Further explanations on each condition are to be found later on in this chapter.

Table 2. Overview of content analysis.

The darker colour is used for conditions found to be common to all the interviews, while the lighter colour is used for conditions found in at least 2/3 of the interviews.

Conditions affecting creativity			
	Employees	Middle managers	Leaders
Enhancers	Output that matters	Communication	Positivity
	Positive influence of coworkers	Fun at work	Social competence
	Social competence	Rewards	Criticism
	Freedom	Initiative welcomed	Joy at work
	Joy at work	Morale	Mistakes ok
	Good morale	Experience	Like challenges
	Complements	Intrinsic motivation	Whole
	Motivation (intr+extr)	Positivity	Faith in projects
	Impact	Freedom	Teamplayer
	Brings solution	Impact	Teamwork
	Get to know the manager	Motivation	Conversation
	Joy of life	Comments	Communication
	Extra effort when experiences mission		Create right environment
	Well-being		Trust
			Activities
	Trust	manager role model	Expertise background
	Learning	See through eyes of subordinates	Environment matters
	Meet other people	Responsibility	Flat organization
	Optimism	Part of a whole	Criticism based on knowledge
	Activities	Equal	Feedback from employees
	Brainstorming	Get to know each other	Make demands
	Recognition	Activities	Accessibility of manager
	new ideas welcomed	Solutions	Diverse work
	Positivity	Communications	Tips/comments
	Confidence	Well-being	Freedom within boundaries
	Equals	Visibility of managers	Morale
	Part of a whole	Complement	Good work needs effort
	Fun co-workers	Recognition	Drive/impetus
	Maintaining quality	Mistakes ok	Mission
	Communications	Trust	Respect
	Relax/sense of ease	Faith in projects	Initiative
	Honesty	Learning/knowledge	Motivation
	Visibility	Initiative within realistic boundaries	Constructive criticism/
		communications	Positive reinforcement
	Interactions for different perspectives		Experience
			Comments based on expert knowledge
			Challenges
Negative effects on creativity	Timepressure	Negative feedback	
	Sensitivity	Fear	
	Fear		
	Stress		
	Low self-esteem		

For further understanding of causal relationships to find the key theme, and since some questions were revised through the interviews, the analysis continued by axial and selective coding to find a key enhancer for creativity.

4.2.1 Case to case comparison

Case to case comparison was conducted (Table 3) for cross case analysis and to further enhance the understanding of subject and to establish and validate patterns. Comparisons were also made with field notes made after each interview by the researcher for further understanding and better interpretation.

As noted in Table 3, where the positivity of a CEO is strong, psychological well-being and motivation along with enjoyment through work are strongest. Interestingly, when there is non-monetary motivation, the positivity is also strongest in general, affecting all other variables.

Table 3. Case to case comparison

For ease of reference each condition is valued as: Yes, No or Partly, except for interactions and morale where the scale is: Bad, Not good, Good, Very good and Excellent.

	How conditions affecting creativity were reflected at each of the organizations							
	Fun at work/ morale	well-being affects creativity	Managerial motivation	Rewards	Positivity	Trust	Sense of impact	Interactions and morale
CCP								
Senior Concept Artist	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Excellent
Senior Producer	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Excellent
CEO	Yes	Yes	Yes	Yes Non-monetary	Yes	-	-	Excellent
CAOZ								
Animator supervisor	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Very good
Creative director	Yes	Yes	Partly	Yes	Yes	-	Yes	Very good
CEO	Yes	Yes	Yes	Yes Non-monetary	Yes	-	-	Excellent
IAA								
Graphic Designer	Partly	Yes	Partly	Yes	No	Partly	Yes	Not good
Creative Director	Yes	Yes	Yes	Yes	Yes	(not asked)	Yes	Not good
CEO	Yes	Yes	Partly	Monetary	Partly	-	-	Good

4.3 Positivity: the missing link

Encouragement and motivation have determining affects on creativity, along with psychological well-being. However, positivity appears to be the link missing in existing studies of organizational creativity. Positivity, *the quality of having a positive mindset leading to positive emotions*, is a key behavioral contributor to enhanced creativity. Positivity was found to positively influence employee psychological well-being as well as motivation. Both motivation and psychological well-being were found to be important conditions for creativity to flourish. Positivity proved to have a positive ripple effect throughout the organization enhancing creativity and its performance (Figure 7).

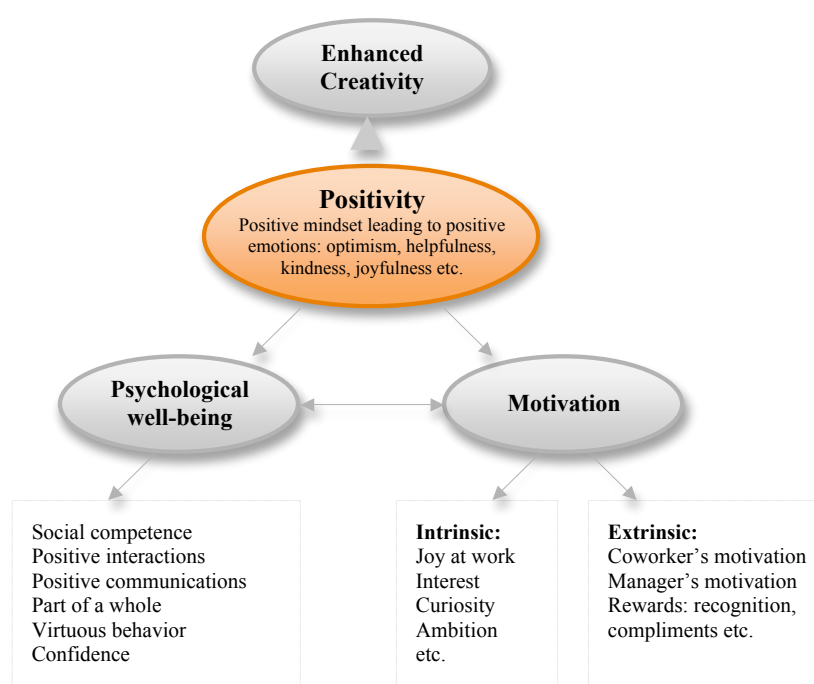


Figure 6. Getting there: Analysis leading to a theory of positivity and its ripple effect on organizational creativity

Existing research suggests that positivity may have an enhancing effect on creativity by changing how the mind works by broadening the boundaries of perception and changing the way people deal with circumstances in thoughts and actions. Positivity trades bad thoughts for good ones and brings positive emotions ranging from joy, gratitude, serenity, interest, hope, inspiration, optimism and kindness. Positive emotions depend vitally on ways of thinking (B. Fredrickson, 2009) and choosing to be positive can therefore stimulate creativity, bring forth psychological well-being and affect intrinsic motivation. This attitude was reflected by a respondent at CCP: “Yes, I

am happy at work. You see, it is a decision. It wouldn't matter if I were doing something else, it would still be fun – you just decide that it is going to be fun”.

Thus, positivity affects both emotions and mindset, bringing psychological well-being and motivation to the project at hand. “I really like challenges, I like nothing more than doing something that is impossible...that inspires me...I have never come across anything that I couldn't do, and that is just because one decides it can be done” (CCP, 2010). That kind of intrinsic motivation and belief in the project appeared to be contagious throughout the organization:

They [the managers] are so visible that it's very easy for them to have an influence of this good morale on people. They do lectures and communicate a lot to others in the company, which has kept up the good morale [from the time the company was started] (CCP, 2010).

CCP's managers were also looked up to as role models and the CEO was considered to be a leader: “He is an enormously great leader... he has indestructible faith in the projects and most of the employees” (CCP, 2010).

Positivity was also prevailing at CAOZ where positivity seemed to be the key drive for creative accomplishments and feelings of equality and being part of a whole.

It is this driving positivity and seeking input and getting everyone in the team to participate that is something that I haven't experienced before and I think it is really positive. When he [the director] comes to the floor there is no panic or everyone turning to work, he is only interested in output [because] that is what matters... he likes everything and he uses the word “fantastic” unsparingly (CAOZ, 2010).

4.3.1 Psychological well-being

A general consensus among the interviewees was that psychological well-being affected creative worker's abilities. “Creativity goes up and down, possibly based on

how happy you are in life. I think that everyone's well-being affects creativity. You are not creative if you are miserable and that is just the way it is" (CCP, 2010).

If creative endeavours were not going well, the employee suffered:

If you are not doing too well in what you are doing then you go into some psychological dive and it often takes you a while to work back up to where you were. We all know this – I think it is like this for most artists, in that the confidence needs little to be torn apart. Most [artists] are aware of it (CAOZ, 2010).

4.3.1.1 Positive social interactions

Positive social interactions entailed treating people with respect and included being respectful of their work and effort and showing them interest by means of positivity (i.e. recognizing their strengths). Consequently, their character and flow of creativity were able to strengthen and flourish.

I would say that treating people with respect is a keystone. To respect what people do, their time and work... sometimes companies misunderstand this aspect and start emphasizing strange high-flying ideas... where you treat people like children, doing everything for them. You can take that too far, and then you are not respectful. I think that it is the main thing, to respect the people that are doing the work and that is what most enhances creativity in my opinion (CCP, 2010).

Respect is a key element in treating co-workers as equals. In cases where the creative workers seemed the most joyful at their workplaces, they frequently mentioned that their manager treated them as equals.

Positive social interactions were observed to create a powerful group dynamic and good morale, which fostered friendship, trust and caring for the company. "My nearest manager is my friend so I am trusted by him and we understand each other most of the time. Most of the time I know approximately what he wants and he what I want" (CCP, 2010).

Negative interaction can in the same way be easily transmitted and create a hostile environment for creativity. The majority of creative workers expressed how negativity had a bad influence on the creative work and hence the company.

Positive attitude [matters]. You only need one person to be grumpy and it is transmitted very easily – there is an easy atmosphere here, so negativity doesn't thrive (CAOZ, 2010).

When negativity was displayed as the characteristic of not being a team player, it also proved to be bad for overall performance of the group:

Either you are a team player or not and it matters. If one person drags down 20 people then the morale is bad and everyone works badly. So it [a co-workers' behavioural influence] matters just as much as any direct talent in doing what you are doing (CCP, 2010).

4.3.1.2 Visibility of managers

Employees were observed to crave positive interaction and the visibility of top managers helped support good morale.

[Top executives] are so visible that it is very easy for them to transfer this good morale to people. They even have lectures and communicate extensively to others in the company and that has kept this good morale [since the beginning]. Also we do a lot of activities together (CCP, 2010).

The visibility of managers who had a positive outlook was a key to positively influencing employees and improving morale. The visibility of managers, the desire to get to know them and have meaningful dialogues with them as peers were all observed to be important to the creative workers. In motivational social activities the creative workers found the participation of a manager necessary in forming a group consensus, a feeling that everyone was equal and a part of the whole.

4.3.1.3 Helpful comments and solutions

Positive interactions also led to constructive criticism or helpful comments that creative workers said were very important to their work and found them to be a way to elevate their ideas and help them grow.

[After working on a project] you take a screenshot and post it to everyone in the art department... and if someone finds something wrong with it, it will be sent back and maybe you will see that it is right or you do not agree... I like this critique, it is healthy because otherwise nothing worthwhile would happen if you were not ready to criticize others and take criticism (CCP, 2010).

When constructive criticism based on providing means to a solution lacked, creative workers experienced frustration and confusion. Criticism without supporting knowledge had an especially negative effect on creativity and left creative workers with a feeling of grumpiness and confusion: “When communication is lacking, ... what helps me the most are these dialogues about things and that we sit down and [the conversation] leaves you with something substantial” (IAA, 2010).

One employee was uncomfortable with hearing only, “This is great,” (IAA,2010) without any additional feedback and may have wanted more help or direction.

I found it very helpful going to [the manager] and I found out why I liked it. She said something that I took notice of and she told me the truth... She was very honest in her opinion and I liked it very much. Instead of saying, “This is great, good and goodbye,” which leaves you with nothing, [...I prefer hearing] “This idea is good, but there is something that is lacking here” (IAA, 2010).

Constructive criticism or positive reinforcement that passed on professional knowledge from the manager proved to help creative employees in their quest for solutions. The employees often sought solutions or help from their managers and found it helpful when, if an idea was not good enough, the manager provided a solution based on knowledge of their work and pointed out the good parts of the idea.

They also appreciated when solutions were provided for what was “off”: “If you don’t have a solution then it is a little hard to criticize...When there is knowledge of the work, a dialogue can begin” (CAOZ, 2010)

4.3.1.4 The correalation to intrinsic motivation

Joy of life and a general perception of well-being were observed to enhance creativity and affect intrinsic motivation:

It’s really up and down how much creativity one experiences.
[It is] probably [influenced] by how happy in life you are...If I have been stressed than there is less chance of me going home to draw (CCP, 2010)

Supporting well-being and joy at work fuelled intrinsic motivation, not only motivation for the task itself but the good morale and general perception of tasks received in the workplace.

There is always fun at work. Often it is because of different assignments but also you never know what is going to happen. You come into your office and there is so much joy there. Everyone is rather relaxed, at least here in the graphic department around me. Everyone here is trying to do something we think is fun (CCP, 2010).

Employees described how they not only try to follow their intrinsic motivation but also enhance flow (Csikszentmihalyi, 1997), and thus creativity.

4.3.2 Motivation

4.3.2.1 Intrinsic motivation

Intrinsic motivation is theoretically defined as motivation that “arises from the individual’s positive reaction to qualities of the task itself” (Amabile, 1996, p. 115) such as interest, curiosity, positive challenges etc.

Most of the employees interviewed in the study expressed deriving *enjoyment from their work*: “It’s always fun at work...often because of different assignments and you never know what will happen...There is so much joy here” (CCP, 2010), and another worker said, “I absolutely love it [at work]” (IAA, 2010).

If intrinsic motivation was not consistent, this seemed to be correlated with whether employees felt that their workplace provided a creative outlet for them. “This is fun work, but it can sometimes be intolerable...I must always have some freelance work on the side, otherwise I think I would become grumpy” (IAA, 2010).

The most striking intrinsic motivation based on *challenges* was observed at CCP. One of the respondents said that there was nothing more fun than finding ways to do something previously believed to be impossible, the impossible being his inspiration. “I really like challenges, I like nothing more than doing something that is impossible...that inspires me.” (CCP, 2010)

A respondent at CAOZ seemed to experience intrinsic motivation as a *mission* as it related to creating the first Icelandic CG film when he stated that it was a privilege to work at the company and do the things he enjoys. “It is just such a privilege to be doing this work” (CAOZ, 2010). His words echoed those of his CEO when he stated that the work was a lot of fun and a privilege in itself.

It’s incredibly fun...a privilege in itself. We are producing the most expensive film in the history of Iceland...We are doing what we dreamed of doing eight years ago, and what we have worked systematically towards since, and it’s just great, it’s like living your dream (CAOZ, 2010).

The strongest form of intrinsic motivation is to feel that one’s work is a *calling* (Teresa M. Amabile, 1983). The creative director at CAOZ (2010) expressed how he perceived his work, having started out working hours on end in animation for advertising with less pay than a cashier at a local supermarket, as the Icelandic market was too small to support his creative effort financially. He did the work mostly to gain

experience and for financial reasons until he found his calling in creating animated films for children.

I feel like I am doing work that needs to be done. The imagery matters so much in real life, it's everywhere you are...Then I had kids that watched cartoons and movies and quickly found out that they knew everything about Greek mythology and nothing about Gunnar at Hlíðarendi [an Icelandic legend], still they were interested. Also I think it is important for us [Icelanders] to have a voice in this world [CG films], and not have everything coming from abroad (CAOZ, 2010).

4.3.2.2 Extrinsic motivation

Interactions were extremely important to a majority of respondents. Interactions leading to inspiration and motivations such as helpfulness in finding solutions, brainstorming, humorous activities, compliments, positive feedback, recognition and friendship.

The creative director at the Icelandic Ad Agency (2010) described how he seeks to help his designers be the best they can be at their work: “I really want them to turn to me, if I can help in any way. I am here for that and for providing a fearless environment for them to flourish in” (IAA, 2010).

4.3.2.2.1 Rewards: Compliments, recognition, activities, bonuses, etc.

Creative workers were most joyful about their work and experienced a greater outlet for their creativity when non-material communicative rewards such as *compliments, kindness or recognition* were given by leaders. Also, rewards such as *extra holidays, parties, games, trips* and *activities* were observed as means to boost work morale and strengthen the creative environment.

Different opinions were raised in the discussion about rewards. Some thought only in terms of *monetary rewards*.

We reward people every now and again who we think especially deserve it. Most commonly it is in the form of money or possibly going out to dinner... However, people are getting paid here and their work is in the business of getting ideas and finding solutions to projects, so people don't get rewarded for every project they find a solution to (IAA, 2010).

Others claimed that monetary rewards might be seen as offensive by employees, especially those promised beforehand "I don't think you can pay people to exist" (CCP, 2010).

Bonuses... it is a little disrespectful because it implies that "I don't trust you enough to do this job, therefore I am going to make a game and you get this if you do well", versus saying "you are the smartest in the world, here is your paycheck, go and make something, I trust you to do it". I'd much rather believe in that instead of "if you will do that for me, I will give you bonus". I have no belief in that (CCP, 2010).

Non-monetary rewards were observed to be the preferable way to reward people in most cases. For instance *recognition*:

I would say that people are rewarded in a wide sense for a job well done. We do a lot of having people present their own work at conferences and press meetings and we try to make much of when people do a great job (CCP, 2010).

Recognition of creative employees' work was seen to be a very powerful tool in motivating employees and strengthening group morale. Open and publicized recognition such as having employees speak of their own work at conferences or press meetings was seen as very motivational, boosting morale and the sense of being part of a whole.

[He motivates] in many different ways, one thing quite special and reflects the culture in the company...we have an Intranet with a phone book where pictures and information about every employee is found...when [the CEO] writes announcements to all the company...now 600 people... and he links to everyone he talks about i.e. "I would like to point out that this project is done and John did a great job by doing this etc.."... You can be pretty pleased with yourself if you are in his email... and he links to everyone in the project, there is no discrimination... I find that really cool (CCP, 2010).

Compliments appeared to play a strong role in enhancing and nurturing creativity, including compliments from both managers and co-workers. The experience of being complimented increased employees' confidence and sense of security, which are likely to enhance creativity.

We try to support each other when possible and compliment or comment on things... If you get complimented you can live on it for a long time and be happier about yourself and more confident. When people are confident at their job I think that creativity gets to emerge, as opposed to if you are unconfident and scared in a corner (CCP, 2010)

A fine example of how seemingly insignificant things can transform into having a lasting encouraging effect was when a senior concept artist returned to his monitor to find a smiley face sticker from his supervisor on his monitor.

He has put a smiley face sticker on our monitors [in the past]... This was also a joke but still this was when we had done something cool. A few of us were working together then, this was at a period when everyone was doing something that he considered good, that looked good, then he put that [smiley] on our monitors, [and] that was a little cute... Recognition always matters (CCP, 2010).

However, a minority were sceptical or uncomfortable about compliments without substance and preferred constructive criticism instead. “I find it difficult to listen to “great, good, brilliant”. Often I also prefer some criticism” (IAA, 2010). These feelings seemed to occur when a manager or worker knew that the work could be done better, or at least wanted to go further with the idea. In these circumstances compliments such as “Yes, great” proved troubling.

Nothing is worse than compliments without a cause...Often it is better to criticize people’s work because criticism can be positive when put forth in the right way. Then people find themselves with better solutions and feel better with the outcome, instead of [saying] “hey, this is great” when people know they can do better (CCP, 2010).

Positivity as a condition to enhancing creativity, in the form of *compliments*, *optimism* and *faith* in the creative projects was apparent with the majority of the CEOs, middle-managers and creative workers. Positivity seemed to enhance well-being, relaxation, confidence, joy and, hence, creativity among employees.

For the majority of artists, compliments proved to play an important role in their creativity and heightened their ability to turn a sketch into an aesthetic work of art, in turn boosting their confidence and motivation at work.

He is just great. I have heard that some [managers] rarely compliment but sometimes that is the only thing needed since the artist is always in doubt, never quite safe (CAOZ, 2010).

4.3.2.2.2 Goals – quality

The middle-managers interviewed agreed that setting goals fostered creativity, and creative employees stated that they would do extra work when experiencing what they considered to be a mission at work (intrinsic motivation). Goal setting and the perception of mission was put forth and fostered by clear communication. An example of how these variables were combined are found in an example set by the CEO of CCP, as told by a senior producer (CCP, 2010):

[The CEO has] undoubted faith... When we set goals, everyone knows what these goals are.... One goal was to get 300,000 subscribers to EVE Online... People may have found it a little unrealistic at first, but what [the CEO] did was to send a long email once a week on Mondays telling us what was happening everywhere... Then little by little the number of subscribers went up until there were close to 300,000. For a long time it stayed at 280,000, I think, and then it went up again and reached the goal. I really experienced it like he had, by stating the goals so clearly and pointing to everything done to reach the goals and constantly encouraging people...I experienced it like he had done it with the power of his mind.

4.3.2.2.3 Mistakes: a way to learn and innovate

In all the cases observed, CEOs and middle-managers created an environment where mistakes were there to learn from and not to be afraid of. In mistakes there could even be opportunities, a perfect positive approach to challenges.

I try to encourage that mistakes are to be positively treated. We are looking at innovation as some sort of failure way to success. All important discoveries of mankind are based on some sort of mistake...so people cannot be defensive when mistakes are made... [If] the only way to not make a mistake is to lower the expectations so much that it is almost a given that it will happen, then why are we doing that? I mean it has been so thoroughly detailed that a robot could do it. That is not exciting (CCP, 2010).

4.3.2.2.4 Welcoming new ideas

The majority of creative workers experienced that new ideas were welcomed and supported. “He [the director] encourages initiative from employees and puts the ideas into the film” (CAOZ, 2010). Some managers talked about initiative with some sort of

reasonable boundaries that were in line with the firm, but overall, initiative was welcomed.

4.3.2.2.5 Organizational support: Supporting creative culture

Culture was observed to be a strategic tool at CCP. Logos were designed to motivate employees, the most recent one called “Believe”. A powerful group morale was apparent and there was some sort of mesmerism in the air, with indoor graphic designers working on projects to visually communicate values and motivation to the rest of the company.

We are very aware of culture and work a lot with it. We are trying to create a culture where people have perfect freedom to do what they do best, and support it while doing it, with good outer conditions such as good food, flexible working hours... The computer industry in general has been plagued by a huge amount of working hours due to crunches and deadlines... Just before a deadline people have been working nearly 24 hours a day for many weeks or months (CCP, 2010).

CEOs emphasized that they wanted to be available for workers at all times.

I want to be a manager who can easily be reached. People can walk in, my door is always open unless I am talking to someone else. And people can call me or do whatever they want. I have tried to keep access to me as open as possible. I want to be someone creating an environment that people like to be in (IAA, 2010).

4.3.2.2.6 Trust and freedom

Freedom experienced at work through autonomy was observed to be very important for creative workers and middle-managers alike. Freedom is most powerful when creative workers are given a sense of autonomy and trust concerning how to do the work and not necessarily what work needs to be done (Amabile, 1998).

You get a little strained working from nine to five... and so the idea came up to go out sometimes to relax... You also have to brainstorm with others...I go to a coffee house. It is very easy to get stuck in something if an idea isn't working... This is my trick to find solutions, by doing something else...Isn't it just how the mind works, it is like when you are going to sleep and then something clicks together when you can properly relax. If you are going to force something, nothing happens. I don't know what it is, perhaps it's just relaxation (CAOZ, 2010).

In each of the case firms studied the *place* for doing creative work was *flexible*. People were encouraged to go out or to a game room, whatever works to create that open space in the mind for an idea to emerge. Some mentioned co-workers who had positive results with meditation because it decreases "the notice of the mind" (CAOZ, 2010).

Where *working hours* were *the most flexible* joy and autonomy at work was most apparent. In these cases the feelings of trust from managers was stronger and creative workers were more at ease. The creative workers who experienced greater creative output seemed to put in more effort and work more hours. Freedom was perceived in relation to experienced trust from the manager.

[The gameroom] is a sign of trust, and as a result you are much more at ease. I am not stressed if I slept in a little, unless if I had to be in a meeting, but generally if it is within some sort of normal boundary it is okay. I think it makes life easier for most people to live at their own pace and in the end they end up working much better (CCP, 2010).

Autonomy and flexibility related to how creative workers did their work, creativity seemed to be enhanced and employees' notion of being trusted was strengthened.

In one case did a company have a time clock for creative workers, as they caused frustration and a sense of constraint by rules or were simply found to be "tactless" or unsuitable (IAA, 2010). Bureaucracy was also found to have a negative effect on

creativity. “I am against all sorts of paperwork and a generally regulatory environment” (IAA, 2010).

Creative workers who did not feel they were being watched when they arrived and left were more joyful and experienced more trust from their supervisor. Some found their creative flow to be best before 10 o’clock in the morning and after 4 o’clock in the afternoon because that was the time when the worker was disturbed the least by the outer environment. Flow seemed to also be enhanced when their focus was not shifted between different software. They could experience flow when only working on one software program, doing what they do best, drawing.

[On experiencing creative flow]...I would say the flow comes mostly when I am drawing concept images or something similar, like when I draw the faces for all the characters. Then I can just be in Photoshop and the focus is only on the picture and that is the best for me... [That occurs] mostly before ten and after four o’clock. At that time there is the least distraction, almost no meetings [or] people talking to you, so it is often best to stay here at night...or come very early in the morning (CCP, 2010).

Others used music to block out the outer environment and create their own creative mindscape.

Sometimes when I am writing a brief or reading something, I just put on my headphones and blast some music. Sometimes the music is chosen based on what I am writing...I let the music help me through it, it puts me in a certain frame of mind (IAA, 2010).

In that case the music was used not only to block out distractions but also to inspire, helping to bridge the gap between the creative worker and the target group’s culture in advertising.

Trust was experienced from managers by the majority of the creative workers. “My closest supervisor is my friend, so I enjoy a certain amount of trust” (CCP, 2010).

Trust increased understanding and positive interactions between the workers. “Most of the time I know what he wants and he knows what I would do” (CCP, 2010).

Forming trust between employees and managers seemed to also be affected by social interactions or how the manager approached people. “The top people are the ones who know interpersonal communication properly. That gets the best out of people. They trust you with something, work with you and share” (IAA, 2010).

Trust therefore increased or decreased the ability and competence in social skills by positive or negative management interaction with the creative worker.

5 Discussions and Conclusions

5.1 Review of findings

In exploring the means that leaders can use motivate their employees to enhance creativity creative employees stressed the importance of experiencing freedom (autonomy) at work, mission, good work morale, positive interactions, joy at work, and meaningful dialogues with managers leading to a solutions and constructive criticism by providing solutions and pointing out what needed to be changed and why.

Of great importance was motivation, both intrinsic and extrinsic, such as compliments, non-monetary rewards, positive interaction with managers and helpful comments. Psychological well-being was considered the foundation for creative flow to flourish, and well-being being was affected by social interactions in the workplace and leaders' behaviour.

The questions guiding this research were the following:

How can leaders motivate their employees to enhance creativity?

What specific leader behaviours are likely to enhance employee creativity?

Analysis revealed that a positive mindset was an important pre-requisite for motivation and psychological well-being. Positivity, *the quality of having a positive mindset leading to positive emotions*, was found to be a key leadership behavioral contributor to enhanced creativity.

A positive mindset, positivity, was not only observed to increase motivation (intrinsic and extrinsic) provided by leaders, managers and co-workers but it also caused positive emotions to arise, leading to increased well-being. Both motivation and psychological well-being were found to be important conditions for creativity to flourish.

Positivity was also found to have a positive ripple effect throughout the organization, enhancing *esprit de corps*, including the feeling of group membership, positive social interactions, treating people with respect, setting higher goals, increased effort and work enjoyment as well as overall organizational performance. All of these attributes have been found to enhance creativity by existing research. Positivity can most readily

be influenced by leaders to enhance creativity in organizations. Positive leadership may thus be instrumental for an organization to reach extraordinary performance.

Positivity was found to be one of the keys for unlocking motivation and well-being and to be a mindset of choice – not a feeling waiting to be experienced. Positivity also led to virtuous behaviour such as treating co-workers with respect, kindness, helpfulness or joyfulness.

In the case firms, apparent differences in management approaches for creativity were found between those who considered themselves to be creative at work and often had a creative background, and those who did not. When the first priority of a manager was something other than to fuel creative expression or innovate, the management of creativity suffered. It was as if there was a gap between the manager's conception of managing a creative worker and the worker's preference for it, described as a lack of understanding waiting to be bridged.

With creativity often comes sensitivity, and sensitivity can fuel creativity if the creative worker is given the proper social environment for his or her sensitivity to thrive and prosper. Creative people should not be managed in the same way as workers in more routine jobs. The creative employee needs another kind of social interaction for his or her work to flourish since this work is highly based on well-being and motivation, along with technical know-how and creative abilities. The creative employee should be met with respect and the realization that he or she has rare intrinsic resources that can help the company to gain competitive advantage and be more resilient in the face of turbulent environments. Creative employees' skills can grow with each project and they often prefer challenges and the unknown, so therefore they are more prone to leave if mistreated.

In the case firms, constructive criticism and compliments played a big role for creative employees, in particular compliments and encouragement that were based on something tangible and described. Creative workers commonly referred negatively to criticism without substance, i.e. "why and how". They had a desire for meaningful dialogues with solutions based in expert knowledge or knowledge to lead them in their work.

A leader's presence without apparent action was strikingly important to creative employees. Examples include simple day-by-day interactions, transfer of knowledge, strength, direction, security, good morale, positive emotions and most of all, being part of a whole by treating co-workers as equals.

Again and again throughout the interviews, social competence came up as playing a very important role in creative solutions through the emotional well-being of co-workers. Social competence includes being easy to work with, part of a group, positive, friendly, respectful to others people's work, etc.

Social interactions such as positive communication, support and learning from others played an important role for the creative employees. An organization with positive social interactions enhances creativity when providing mind-opening dialogue, fertile soil for already grasped ideas to prosper.

Leaders' perspectives also contributed substantially to the morale and culture of the organizations. If the leader or CEO of the firm was not driven by vision, building positive team morale and encouraging the emotional well-being of creative employees by means of positivity, encouragement, enthusiasm, employee opinions and employee creativity suffered along with their engagement at work.

Fostering the sensitive nature of a creative employee turns out to require a management approach of excellent social skills and creating psychologically "safe" culture is important.

What was surprising was that even though positivity was a characteristic of a middle-manager it fell through if the leader's behavioral characteristic was not oriented towards positivity in interactions and was mirrored in creative employees lack of joy for work, thus negativity prevailed. This resonates with positive psychology theories according to which the positivity ratio needs to be 5 to 1 for positivity to prevail in organizations and the importance of the affect of leader behaviour.

It is important to understand that positive leaders need to be able to confront matters at hand, but to do so with a strength resting in positivity. Positivity must be enfolded by intrinsic strength and positive communication without turning a blind eye to what is wrong and acting on it. When positive deviance is strong in one's character, other's negative behaviour passes by.

In the case firms, where creativity flourished employees had friends among their co-workers, morale was very good and employees were consistently referred to as part of a whole, a team, and as equals. Managers valued the cleverness of their employees and subordinated expressed that managers were role models. Furthermore, the CEO was referred to as a leader.

Being a leader seems to entail developing oneself to become a role model that others can follow. Whether or not a group mirrors the leader, the leader must not sway in his/her positivity, being purpose-centered and inspiring – no matter how subordinates react.

Positivity must not be misunderstood as a “Pollyana attitude” seeking only good things and turning a blind eye to what needs improvement. Positivity can be seen as a mindset that reaps positive results; a mindset of optimism, faith, kindness etc.

A compelling viewpoint observed was that of treating all employees with respect while providing positive reinforcement. In an interview, Aung San Suu Kyi believes that respect stems from a generosity of spirit and she values kindness highly (Beech, 2011). There are many keys that can turn social interactions into positive ones, and a positive mindset is one of them.

As the mindset of managers needs to be the best it can be in regard to the responsibility of supervising human resources, so can creative employees benefit from a mindset of positivity. As Peter F. Drucker (1998) puts it so correctly “success in the knowledge economy comes to those who know themselves – their strengths, their values, and how they best perform.”

5.2 Limitations

Among the limitations of this research is the small number of cases studied. The research should be replicated using a larger number of organizations and respondents, particularly creative employees. Furthermore, the gender ratio among respondents was not at all even with eight men and one female. Thus, the possible moderating effect of gender was not taken into account.

All interview texts presented in this thesis were translated from Icelandic to English by the researcher. This may have resulted in some loss of nuance that may lead to misinterpretation by readers. However by clarifying the implications prior to presenting quotations, such opportunity for misinterpretation should be minimized.

Finally, the creativity of the employees interviewed was not ascertained specifically. Instead, the reputation of the organizations in question and statements by the CEO of each company were taken at face value. The research should preferably have been conducted over a period of time with creativity documented through validated survey instruments used to measure creativity, diaries or interviews with co-workers.

5.3 Contribution to organizational creativity theories

In the literature for organizational creativity that specifically studies leaders' behaviour as a way to enhance the creativity of employees, a single enhancer, such as positivity, has not been proven to affect creative performance and have the ripple effect of support for creative endeavours. Therefore, this research is of value to the literature of organizational creativity and adds dimension to existing models and theories.

Behavioural mindset should be included in theories for enhancing the creative process, for without the mindset relating to desired behaviour, the behaviour will not be internalized and turned into a habit.

5.4 Future research

The research area of leaders' behaviour and its effect on employee creativity needs to be researched thoroughly to find a leadership model that could benefit the creative industry at large.

Future research should test the theories developed by this research using quantitative data.

There is great opportunity for further study of respect and other qualities that can be said to stem from a generosity of spirit and their contribution to creative flow.

5.5 Management implications

Creativity is an important first step in achieving successful innovation to gain competitive advantage. By including a positive mindset in their leadership strategies, companies can expect to improve their creativity performance.

Positive leadership strategies are well worth studying and working with to improve leadership abilities, an organization's performance, as well as employees' performance, by enhancing creativity and their well-being.

“Everything worth while doing needs effort” (CCP, 2010)

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