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HANDELSHØJSKOLEN

Creativity and Innovation at the Bjäre area

-A project carried out for Innovation Hub, concerning company creativeness and innovativeness

Executive Summary

Lately, creativity and innovation has become increasingly paid attention to in the academic world as well as in the business climate and governmental area. There are several new initiatives that all ties to either creativity or innovation – or as in this case, both. Vinnova the Swedish agency for enhancing innovation throughout Sweden was founded in 2001, and is thus further supporting this trend. It is however not only at a national level that these sorts of initiatives are taking place. In the small County of Båstad, in the south part of Sweden, a pilot project named: "Innovation Hub" was recently founded.

Innovation Hub is an initiative and cooperation between several countries, and has as goal to function as a platform where creativity and innovation can flourish. Furthermore the aim of this platform is also to be a place where companies and current or recent graduates, can meet and co-create value. However, the pilot project will take place in the small County of Båstad, as already mentioned. Therefore there was an increasing need for Innovation Hub to gain knowledge on what the perception amongst companies at the Bjäre peninsula is in regards to creativity and innovation.

In this paper six Bjäre companies contributed with their viewpoints by taking part in semi-structured on-site interviews, which was further analyzed and compared with what the current literature is stating. The reason for this was to find out what companies are currently doing and if there is a need for Innovation Hub to develop and work as a helping tool.

The key findings are that all of the companies are, to different extents, using both creativity and innovation in today's business. However, there is currently very low cooperation between these companies and Universities, which was found to hinder companies from digging into new knowledge pools that students can provide. It was also revealed that Innovation Hub has different stakeholders – not only students and companies, but also the community as a whole. Therefore Innovation Hub should work for ensuring that the community is open for innovation, thus change. Furthermore it was revealed that Innovation Hub could also be needed in terms of being an inspiring platform. This would allow employees to get out of their everyday working environment and be inspired. Thus, this platform would interlink the company's internal knowledge with external specialized workforce, allowing creativity and innovation to prosper.

The recommendations for Innovation Hub, based on this research, are first of all to ensure that they work with all stakeholders. Meaning managers at company levels to ensure their willingness to cooperate, the community to be open for innovations and Universities to make sure the right skilled students are recruited. Also I recommend Innovation Hub to create an open working environment to ensure open communication and a flat working feeling. Lastly, I do propose that they make certain to show the value they can bring into companies in terms of diversity and thus better business solutions to companies.

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Båstad the 12th of May 2014

I would hereby like to thank my supervisor Trine Bille Ph.D and Program Director at BSc Sem program at Copenhagen Business School, for asking the 'right' questions throughout my writings. I would also like to say thank you for my external supervisor at Innovation Hub and Bjäre PrAkademi Ingrid Thuresson, for incorporating me in the Innovation Hub project as well as discussions and contacts with companies. Last but not least, I am thankful for all of the six companies that contributed with their time and thoughts for the interviews. It was a pleaser getting to know more about all of these interesting companies!

Cassandra Jertshagen,

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1. Introduction

1.1.   Background

The background for choosing this theme for writing my Bachelor thesis is for many different reasons. First of all, I wanted to write and base my project on a real case as well as writing it for someone that could make use of the outcome of this project. Together with my personal network I found a project that could fit with the above mentioned. It turned out to be a very interesting topic, namely the hard-to-define topics: creativity and innovation.

There has been a lot of literature written in regard to both creativity and innovation, and dates back to the Schumpeterian economy from the 1950's, it is increasing of importance and is more or less spread among all companies. In Sweden for example, a specific government agency named Vinnova was founded in 2001, which aims at increasing the innovativeness in Sweden as well as a fund for need-driven research. I believe that with the funding of this agency, it is really depictured how important this theme is and a hot topic at the moment.

However, this specific research that I am conducting with this project, is important for the recently funded project "Innovation Hub". This pilot project will firstly be tested in the Bjäre area, which is important and close to me, since I grew up in this small coastal community in the south of Sweden. My research will be working as a help for Innovation Hub in terms of getting a foundation and gaining knowledge on how companies in this specific area think of creativity and innovation. Also, how they use it and how Innovation Hub can help in order to further enhance what is already being done.

1.2.   Problem formulation

I have chosen the following problem formulation to my project for Innovation Hub:

"How can the Innovation Hub project work as a tool for enhancing creativity and innovation in the Bjäre area in addition to what is already being done?
   o   Are creativity and innovation present features of companies in the area, and are they using it in order to increase their productivity and economic growth?"

2. Innovation Hub

In order to fully understand the underlying reasons for this project, it is important to have knowledge about Innovation Hub and what it stands for. This is since the project is based on this specific pilot project. Innovation Hub is a recently funded project with its roots from an organization called "Business Management Öresund". It was invented with partners from Sweden, Denmark, Norway as well as the Northern of Germany. It is thought of as being further developed in other EU member countries.

The initiative has as a goal to create a meeting spot and a platform for recent university graduates with creative and innovative characters. Further, this platform will be interlinked with the research world, the business world as well as the local community. Due to this spread of partners, Innovation Hub will create synergies between innovations, politics, research and citizen's initiative.

Innovation Hub will serve as a mean of connecting recent graduates with organizations and together solve difficult issues. It will work as a way of recruiting young people with high level of education, innovation and creativity to companies and get them out in the working life. It is this projects' goal to contact current students and later on, after steady analyses and counseling with both the student and the potential organization, create well-working relationships in a win-win situation. On the one hand, the student wins in terms of getting in contact with a potential employer as well as using its specialized university knowledge out in the real business world. On the other, the company gains in terms of getting recruitment help to hire specialized and young workforce, and opportunities for creating new ideas and developments for the company is enhanced through this creativity, innovation and diversity (Business Management Öresund, 2014).

3.   Methodology

3.1.   Research approach

In this project the research method will be of both qualitative and quantitative nature. In order to be able to fully answer the research question, several methods will be used. First of all, a literature based research methodology will take place in order to evaluate existing

findings on this topic. Furthermore, I will identify the shared themes and findings in the different literatures in order to be able to relate this to my project.

Lastly, by gathering all the above-mentioned methodologies, the result will be able to respond to the problem formulation. This means that a triangulation approach will be taken in this project in order to get a deep understanding anchored in several viewpoints. Therefore this will be useful for the organization "Innovation Hub" and the results will make up the foundation for their continuous work when they move into phase 2 in their project. Namely when they are going to sell their idea to companies in the Bjäre area.

3.2.   Primary data

The companies that are chosen for interviews are divided up in three different categories. The first being the large stock listed companies with more than 1000 employees, the second category being medium sized companies with at least 100 employees and the third group will be small companies with less than 10 employees. The reason for taking three different categories into consideration is the fact that Bjäre consists of a large amount of small companies compared to the Swedish community average. Thus, does make up an important segment.

In the large companies, interviews should be conducted with the human resource (HR) department, since they should be involved in strategic decisions as well as working as a good link between upper management and the people throughout the organization. Whereas with the smaller companies, they do most likely not posses an HR department, and therefore interviews will be conducted with the owner or founder of the company.

3.3.   Secondary data

The obtained secondary data will come from quantitative as well as qualitative data. Please see criteria's below each of the headings.

3.4. Quantitative method

The use of quantitative data in this project is very limited. As a fact, it will only be done in regards to the use of economic data retrieved from the 2013 annual report at Lindab. The reason for this is since it is a requirement from the course guidelines at Copenhagen Business School to incorporate financial knowledge; I make use of knowledge gained from the course "Financial Accounting" as well as "Financial Markets and Portfolio Management".

I decided to base the quantitative part on Lindab since it is a large and listed company, meaning that it is easy to gain access to their annual report. It is also more of a reliable source since it is approved by the accounting firm Ernst & Young, and thus has to be in accordance with Swedish law.

3.5. Qualitative method

The qualitative data that will be obtained is both of primary data source and secondary data. Each qualitative method used will now be discussed.

3.5.1. Literature review

There will be a literature review in this project and it is aiming to report what has already been found in previous research. These findings shall then be commented on in terms of its contribution and worthiness in regard to this project, critiques shall also be mentioned if needed. Gathering and reading findings from several authors on this theme can also review it if there are any gaps in the literature as well as the different findings from different sources.

In the search for accurate literature, it has taken standpoint from the e-library of Copenhagen Business School (hereafter: CBS) with search words as "Creativity and innovation", "University collaborations", "Creativity at the workplace", "Creativity" and "Innovation" as some examples. However literature from previous finalized courses at CBS has also been utilized. The aim was to start with the broad picture and little by little narrowing it down and relate the two main themes, creativity and innovation, to Innovation Hub and thereby my project.

3.5.2. Interview method

As a base for this project, interviews will take place. During the planning stage of this project, the idea was to categorize the companies interviewed according to size, namely: "Large, medium and small." Large was suppose to entitle all of the three listed companies situated in the Bjäre area, and together with my external supervisor, it seemed possible to get access to, and interview these companies. However, several obstacles were revealed such as not having time for an interview as well as companies being afraid of having to take on responsibilities after the interview. Therefore it ended up with only one out of three companies being able to take part in this project. "Large" does therefore include one company only, with more than 1000 employees. When it comes to the "Medium" sized companies, I wanted to obtain the same quota as for the large portion of companies, and therefore picked three (3) and the set the criteria to be at least 100 employees. The same obstacles were run into, and therefore, due to time constraints, one (1) company was interviewed fulfilling this criteria. Finally, the "Small" company part, where the criterion was set to be less than 100 employees and three different ones, was scheduled at the same time. The ability to get in touch with the smaller companies was revealed to be easier and all three interviews were successfully held.

Qualitative interviews with companies situated in the Bjäre area will be conducted and the interviews will be of semi-structured nature. This is then allowing space for the people being interviewed to answer in a rather adjusted and open way. All of interviews will be based on the same questions. The interviews will take place on each company site and should take approximately 30 minutes.

Also, the questions, which can be found in the appendix 8, will be translated into Swedish as well as held in Swedish. The reason being that all interviews are held in Sweden and all interviewees are speaking Swedish. The question sheet is divided into three different parts. Part one and part two, namely creativity and innovation, starts with a definition of each one of them. This is based on literature readings and is thought of as a way to answer questions with a standpoint in the same sort of definition. Since both creativity and innovation are hard to define, and there are currently many different ways to define it, I identified this way to start the interviews accurate in order to minimize the confusions between interviewee and interviewer.

As mentioned, questions are prepared beforehand and are going to be the same for all companies. The reason for this is to be able to get a comparable outcome as well as try to limit the biases. If the questions are being followed one by one, it is easier to get an accurate outcome from the different interviews. However, there will be some possibilities for the interviewee to add what might be relevant for this topic according to them. Therefore, the interviews are of semi-structured nature. As an example, after each section of questions, there will be time and space allocated for any additional questions concerning creativity and innovation. The last part of the interview questions are with no specific relation to either creativity or innovation, but rather based on the literature review.

3.5.3.   Grounded Theory

When conducting the interviews the method of Grounded Theory (hereafter: GTM) will be used. This method can be used when conducting and analyzing interviews. It has been proven to be useful in terms of learning about different peoples feelings and perceptions in a particular area. Since both creativity and innovation are two subjects that are hard to measure and also difficult to define, this method is accurate to use.

Based on the findings using GTM will usually lie as the background of the creation of a new theory. Although in this case it will only serve as a mean of investigating the individuals interviewed and their perception of creativity and innovation in their companies. As well as the base for suggestions for Innovation Hub and how it can further enhance creativity and innovation for companies in this geographical area.

Each person, and by that company, chosen for the interview was based on one main criteria being that it had to be situated on the Bjäre area, since the project is only based on this geographic area. Also when choosing companies to contact and offer being a part of this project, I also wanted to ensure a wide spread of companies as this will give a broader picture of creativity and innovation in this area. The theoretical sampling was therefore important not to only investigate for example the hospitality industry, since Innovation Hub is aiming to be a platform for a wide variety of companies. These criteria's resulted in the following: one company in the industrial sector, hospitality industry, garden sector, beauty industry, the hand-crafting industry as well as one in product designing and production.

When preparing for the interviews, the questions were based on existing literature, which might not always be the way of conducting GTM. However, the questions developed were rather open-ended allowing for the interviewee to answer openly according to his/her perception. All the interviews were recorded in order to be able to throughout the analyzing of the obtained data go back and forth and potentially find new emerging themes and correlations. After the interviews, each one was transcribed, which can be found in the appendices 2-7. According to the GTM, one suggestion is to conduct so called open-coding, meaning indentifying different occurring important themes mentioned by the interviewees. This was done line-by-line in the transcriptions followed by gathering and structuring all of the themes in each interview onto memo cards. This is an important part of being able to identify common concepts amongst companies. After this part of the GTM process, each memo card was put in order according to the frequency of mentions. This was done ranging from number one (1) to six (6). If a memo card was put in the pile number six, this meant that each interviewee mentioned this and if put in pile number 3, only half of the interviewees mentioned it and so on. This way, each concept was ranged in importance and also in correlation. Moreover, this way of decoding and reading the transcripts, common issues and concerns are revealed and by that made easier to see.

After this process, a deep analyzing between the interviewees' statements and experiences regarding creativity and innovation, in comparison with what was revealed from the literature review will take place. This whole process will then be the ground for answering the problem statement as well as making recommendations for Innovation Hub.

The drawbacks associated with GTM, are first of all the fact that it is a time consuming process, and in this specific case, if more time was given the process of collecting data could have been further enlarged. The analyzing method requires, which has been already explained, several steps in order to come up with themes from the interviews. Lastly it is also said to be a method that is very much dependent on the researchers knowledge and ability, and could, considering the fact that this project is at a Bachelor level, be a drawback.

3.6.   Limitations

In this project there are several limitations. First of all, the obtained first-hand data, from the interviews, might be lacking in terms of not being deep enough since they were only held for duration of approximately 30 minutes. Since it during the interviews are a lot of non-wording communication to consider there is a potential risk of not having a full understanding of the outcome when put in writing. The fact that this is a project at Bachelors level, it also depictures the fact that I am rather new to doing research that can impact the project in a negative manner as an example I might be biased when gathering and analyzing the interviews due to limited experiences.

There might furthermore be a lack of quantitative research and due to that large parts of the project will have to be based on secondary data. There might also be a gender perspective to take into account. During the six (6) interviews, only one (1) was a male. Although not proven, this might impact the results since it is possible that men and women perceive creativity and innovation differently. A further potential issue is the fact that it was only decision makers – managers or founders that were interviewed. It could be that if different people were interviewed – at different levels throughout the organization, the outcome could also be different.

When it comes to this projects ability to answer the problem formulation effectively, I have come to the conclusion that it is possible as well as relevant. However there might be a need to have more information from companies whether or not they are willing to be a part of the Innovation Hub project. Furthermore, there are more limitations in terms of the limited time that was allowed for the writing of this project. It might not be enough for fully answering the problem formulation in regards to both the time and space constraints. Also, the fact that the research is being done at a Bachelors level might be a limitation; probably more for Innovation Hub since they might need more specialized and further developed skills for this type of research.

Lastly, several of the mentioned limitations are not in my own control. Even though the collection of more quantitative data as well as more in-depth interviews could have been made. Anyways, many of the issues can be overcome in the future. For example the time issue could have been decreased by being more engaged in the CBS administration in order to

ensure faster and earlier information sharing on deadlines and guidelines. Also, if the focus was on only one company instead of searching for the broad picture – a more thoroughly and deep analysis could have been made.

4. Literature review

It is rather common to discuss creativity and innovation at the same time and the reason for this might be quite hard to determine why. There are several reasons for being challenging to determine, among these is the fact that there are several and different definitions of both of the terms. E.g what it means, how it should be used, identified and implemented. Each of the following sectors discusses different definitions of creativity and innovation, as well as determining what definition that is being chosen in this specific project.

However, Amabile suggests in her paper "Creativity and Innovations in Organizations" (1996) a model, figure 1, on how to see the links between the two. The model also depictures what components creativity and innovation is made up of, and which eventually leads to creativity and innovation in the workplace. Amabile's model makes the connection between the two, creativity and innovation, easy to see and therefore makes it natural to discuss both of them together in this sense. She defines them the following way: "Creativity is the production of novel and useful ideas in any domain" and "Innovation is the successful implementation of creative ideas within an organization" (Amabile, p 1, 1996). This implements that innovation cannot be present without creativity and therefore creativity and innovation will be discussed together. With this link, each of the two will be discussed in detail with additional literature as well as application of the model.

Figure 1

14
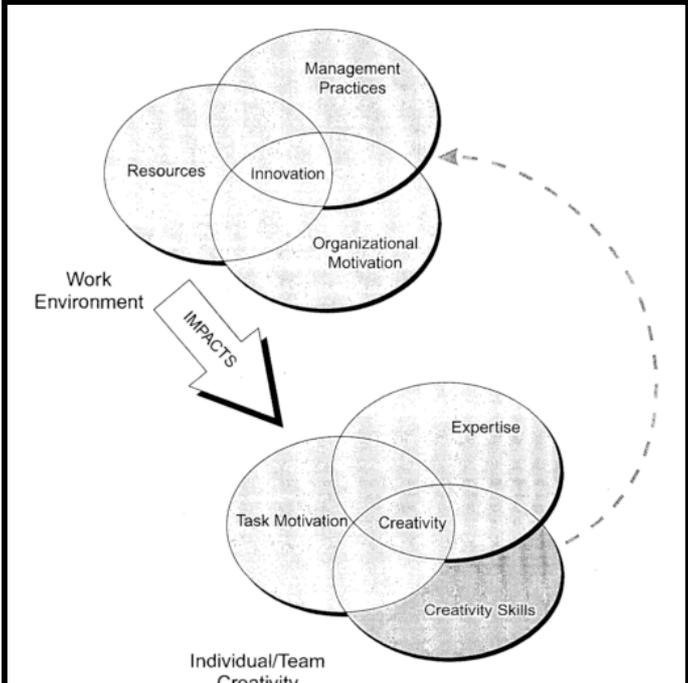
4.1. Creativity

Creativity is, as was mentioned above, a subject with very many different definitions, which makes it very complex to use. Amabiles definition of creativity, as already introduced, is one whereas Martins & Terblanche (2003) have identified two different types of creativity, namely 1: Personal Characteristics and 2: Process and Intellectual activity. Wilenius (2006) believes that creativity is imposed via the company culture whereas Hospers (2005) defined it is as dependent on environmental factors together with personal imagination and expectations. All of the above mentioned definitions could all be applied and used, in this case it is important to use Martins & Terblanche (2003) identification of two different sides of creativity, which Amabile (1996) states that looking at creativity as personal characteristics belongs to the old way of defining it. She suggest that in a contemporary viewpoint – everyone posses some sort of creative ability. In this specific project, there are companies involved and interviewed with people perceived as possessing highly creative personal characteristics. Therefore it is of high importance to state that it is not this viewpoint of creativity that is being used in this case. It is rather in the processes and the intellectual parts of creativeness that is the focus.

However, creativity is regarded as an important feature of enhancing intrinsic values amongst employees. It should therefore be put emphasize on raising the value of creativity within organizations due to its potential positive impact on intrinsic values. Also, in order for creativity to take place there are several aspects to be considered. Examples of these are the need of management to believe in innovations as well as empower its employees and maintain a flat company structure (Wilenius, 2006; MacCormack et al, 2013; Martins & Terblanche, 2003; Powell & Snellman, 2004). Furthermore, looking at figure 1, we see that creativity is made up of three components being: expertise, task motivation and creativity skills (Amabile, 1996). When looking at expertise, it is identified as the foundation for all sorts of creative work, and is highly increasing in importance with the era of a knowledge economy (Amabile, 1996; Powell & Snellman, 2004; Martins & Terblanche, 2003). Furthermore, the creative thinking is dependent on personal traits and together with this part of the model the task motivation is also identified as important in terms of organizational creativity. As has already been mentioned, the higher the intrinsic motivation is, the higher is the likeliness of a creative outcome. According to Amabile (1996) there are no lack of hard skills that can make up for complete lack if intrinsic motivation, which makes this part of the model of utterly

importance. Thus it is important for managers to recognize this. If managers are aware of this, they can ensure that the work environment is having a positive impact on the intrinsic motivation by designing it accordingly since this is influencing creativity via the individual.

However, both creativity and innovation is of high importance in the current economic shift towards a knowledge economy, and identified as the main influencer of success (Powell & Snellman, 2004; Martins & Terblanche, 2003). As already mentioned, the company culture is of importance when implementing creativity and innovation and in order to be successful, the company culture has to have the possibility to assimilate them in a natural manner (Martins & Terblanche, 2003). With this mentioned, the importance of a culture that both encourages as well as accept creativity and innovation is made very clear and agreed on between several authors (Martins & Terblanche, 2003; Wilenius, 2006; MacCormack et al, 2013; Wu, 2010).

4.2.   Innovation

When discussing innovation, it is relevant to have a look at Joseph Schumpeter. Schumpeter can be seen as the first person to discuss innovation as an important aspect for companies to consider. In the beginning to mid of the 20th century, Schumpeter was already discussing the importance of creative destruction (Hospers, 2005) in order for companies to have economic growth he considered this an important factor. He can be seen as a pioneer in the field, and his research is still considered as important. Due to the fact that his works have been recognized for several decades, I consider it important to have it included in this project.

First of all, Schumpeter referred to "creative destruction", which for him was equal to the importance of incorporating innovations in companies, as well as an entrepreneurial spirit and technological development in order to obtain economic growth and development. (Hospers, 2005 and Nelson, 2012). He talks about innovations as a mean of creating new combinations and create new ways of doing business or new products. Further, he also stresses that it has to be a natural process to maintain a continuous innovational path.

Schumpeter and his creative destruction are however not without criticism and should be considered when discussing his theory. Hospers (2005) is one of many that have addressed points of criticism. According to him, Schumpeter is only vaguely defining what innovations

are and in what contexts innovative companies grow. He also leaves out what kind of environment that is required in order to enhance innovation. Even with this criticism, the use of Schumpeter's theory might according to Nelson (2012) gain new importance. Nelson argues that with today's technological industries, the implementing of Schumpeter's theory might have a better fit than before. The fact that recent literature is continuing being published based on Schumpeter's theory makes it relevant to make use of it in this specific project.

The 'creative destruction' can also become more important due to the fact that there is a paradigm shift identified in the industry, namely a shift from industrial nations based on natural resources to one that is mainly based on intellectual assets (Hospers, 2005). This leads to a natural demand for constant innovation as Schumpeter stressed already in the beginning of the 20th century. Firms need innovations in order to grow and maintain its position on the market (Powell, Snellman, 2004; Ahlstrom, 2010). With a knowledge economy, the outcome and productivity suggested to be measured with the number of patents company posses (Powell and Snellman, 2004). It is further argued that the drawbacks are that it is hard to measure this new era in any other way.

However, it is also being discussed that together with this paradigm shift, other changes are also occurring. It is identified that with innovation and knowledge economy, a more flexible workplace is currently evolving. A workplace requiring more autonomous employees in order for them to be able to focus on their specificity without being interrupted by for example specific work hours is of increasingly importance (OECD, 2002; Powell and Snellman, 2004).

Furthermore, in order to identify in what angle innovation is being discussed, it is important to define what innovation is. There are currently several definitions together with Amabile's (1996) definition, as already mentioned. Many of the definitions have their standpoint from, and agree on the fact that innovations are some kind of novelty. Hospers (2005), define innovation as "carrying out new combination", Wilenius (2006) as "Creation of new things", Ahlstrom (2010) "Innovation is a mean of increasing productivity and economic growth" and Martins & Terblanche (2003) as: "Implementation of ideas for restructing, saving costs, improved communications, new technology, new organizational structures and new personnel plans". It is important to recognize that these definitions are only a few of all existing definitions. When talking about innovation in this project, I have chosen to use Ahlstrom's

(2010) definition together with Amabile's (1996), since they are together making up a holistic approach to innovation and linking it to creativity. There are several reasons for this choice. First of all it depictures change as a mean of leading to a positive change for the company and not only implementing change for the sake of doing it. Also, this definition is still broad enough to cover the different aspects and companies being a part of the interviews that this research is building upon.

According to several authors, innovation is important for organizations in many different ways. It is regarded as important for an increasing growth of production (Ribeiro & Huarang, 2013; Nelson, 2012) but also as a main driver of economic growth (Ribeiro & Huarang, 2013; Wu, 2012; Hospers, 2005; Ahlstrom, 2010). When looking at figure 1 and the innovation part of it, it is depictured what parts that have to be present for innovation to take place. These being the following three parts: resources, management practice and organizational motivation. According to this, if innovations should be carried out in its full potential resources have to be allocated in terms of allowing employees enough time as well as providing the right expertise within the organization in order for this part to contribute and function. On the other hand, the higher management has to value innovation throughout the company and ensure that the company is open for change. Amabile (1996) mentions together with this the importance of a high level of well functioning communication as well as rewards and recognition of innovations. The last part of figure 1, is ensuring that management practices are carried out through the organization by creating effective work groups building on trust, communication, supportive of each other as well as challenging one another together with work commitment. Furthermore, management should ensure that diversity is implemented in order to enhance the mentioned characteristics.

Ahlstrom (2010) further stresses company's main goal as being to come up with new innovations for the consumers and believe in accordance with the Schumpetrian view that this should be made by disruptive innovations. Amabile (1996) also has this as one of the mentioned factors contributing to innovations. On the other hand, Martins & Terblanche (2003) are arguing that innovations should only be carried out if it makes an improvement, and is not just made for the sake of it.

Also, it is discussed that innovation in different forms can be a source of sustainable competitive advantage for firms. Further it is recognized as important to have the management highly involved in innovations in order for it to be realized and implemented throughout the organization (Wu, 2010; Martins & Terblanche, 2003). Wu (2010) argues that the higher level of education people within an organization posses, the more open they are to change and thus, innovations. Hospers (2005) and Martins & Terblanch (2003) believe that it is not only about the people being open for changes, but having economic systems that are open to changes. Together with management innovation comes the need for empowering employees, have individualized work arrangements and also a specialized workforce that are able to solve complex problems of today's knowledge economy (Wu, 2010; Powell and Snellman, 2004).

4.3.   Diversity

The above discussed literature and theories on creativity and innovation have different elements on how it can all be enhanced. Different authors and organizations throughout the above mentioned literature is talking about diversity, in different terms, as a present factor that can enhance creativity and innovation. Thus since diversity has been proved to enhance diversity, this is an important factor to consider (Amabile, 1996; Rebeiro & Huarang, 2013; Wu, 2010; MacCormack, Murray & Wagner, 2013; Martins & Terblanche, 2003). In order for companies to be innovative they have to find ways to access new knowledge and by that creating an organizational diversity. Universities are a specifically good source of digging into new knowledge pools (Vinnova, 2013a). In addition to this Rebeiro & Huarang (2013) also mentions that companies cannot solely rely on their internal capabilities and R&D departments, but needs to incorporate outside knowledge and by that, firm diversity, in order to become more competitive.

Furthermore, diversity will lead to a wider spread of solutions to any given problem and create new possibilities (MacCormack et al, 2013). Coming back to Amabile's model on the "Impact of the Organizational Environment on Creativity" (figure 1), diversity will be important to consider and implement for management practices in terms of, what has already been mentioned, ensure groups with diverse skills that can challenge each other. This is easier made if the group consists of a diverse set of people. Also, diversity can be created by

investing resources in training and by that make up a more diverse workforce and together all of this, can further contribute to enhancing the intrinsic motivations of employees. Having a more creative and innovative workplace, which is open for changes and further enhancing diversity throughout the organization, all does this (Amabile, 1996; Ribeiro & Huarang, 2013; MacCormack et al, 2013).

5. Empirical findings

In this part of the thesis, a brief introduction to the community of Båstad will take place in order to get an understanding of the environment that the interviewed companies are operating in. This will be followed by a short introduction to one and each of the interviewed companies. The final part of this section is a through presentation of findings from the interviews. The interview questions as well as the transcriptions of each interview are to be found in the appendix.

5.1.   Båstad as a community to operate in

First of all, Båstad is a small community situated in the south parts of Sweden, in Skåne County. Båstad consists of 14' 275 habitants, of these 25 % are over 65 years old and this is a rather high percentage compared to the Swedish average of 19%. This habitant structure might be challenging for companies developing in this county since it is an aging population in the closest area. This might therefore be challenging for companies to recruit as well as attract a younger work force (Om Båstad, year n/a).

However, the business climate is, looking at a national level, rather good. Each year an investigation is made on the community environment – everything from daycare, schools, quality of life, individual and family as well as commercial and industrial life. In the previous year, Båstad ameliorated its commercial and industrial life, which is positive for the companies in the community. In 2014 a total increase of 25 % of new business creation took place, as well as a 6 % increase in private companies contribution to the County in terms of salaries paid and general contribution as well as a 2 % increase was also seen in general business enterprising (Båstad, 2014).

Another contributing factor to businesses in the area is the closeness to beautiful surroundings. Båstad is close to the ocean, has beautiful forests and an esker from which beautiful views over the Båstad bay can be admired (Om Båstad, year n/a).

5.2. Companies interviewed- introduction

For the interview selection criteria's please see the Methodology section.

5.2.1. *Large*

5.2.1.1. *Lindab*

The 'large' company that was interviewed is named Lindad. Lindab was established on the Bjäre area in year 1959. This company has had an extensive growth over its existence, and today the company is established in 32 countries and are employing about 4 400 people (Lindab's history, year n/a). However, they still have their headquarters in Bjäre where they first started. After more than 50 years in the business, they have recently implemented a new business concept that they are working towards, which they call: "Back to basics – into the future" (Annual Report 2013, pp 3). Their product line includes building products, buildings and ventilation systems (Product areas, year n/a).

When having a look at graphs from the Lindab Annual Report from 2013 (Appendix 9) it is visible that they are currently pursuing a growth strategy. In the cash flow statement, their investing activities reveals that new companies have been bought as a net of cash of 21 million SEK. Further investments in tangible and intangible fixed assets were made of 93 million SEK. Sale of tangible fixed assets also took place during 2013, leading to a negative cash flow from investments of about 111 million SEK. This witnesses that company growth is taking place and which might also have been necessary due to the negative development of the Lindab International shares have been negative over the last years. It was at its peak before the new year of 2011 and have after that continued to decline and reached the bottom at the end of 2012 (Lindab Annual Report, 2013).

The new CEO entered the company the 18th of March 2013, and at this point of time the share price was still low. However, since the new CEO Anders Berg, started his position as president and CEO of Lindab, the share price have steadily increased and as of today reached

a price per share of 78,45 SEK compared to its lowest in 5 years as low as 39,75 SEK/share (26th of June 2012), thus meaning an increase per share price of 197% in approximately one year and ten months (DI Trader History, 2012-2014).

Lindab's new business concept is changed, and they are now focusing on "Back to basics into the future" (Lindab Annual Report, 2013, pp 4). Together with this change they have set an important goal that is to maintain an operating margin of 10 %. According to a recent article in the Swedish financial magazine, they are currently approaching their goal (DI, 2014).

Furthermore, the company had a net profit in the year of 2013 augmenting to 230'465 SEK, and together with the profit brought forward from previous years, the total profit carried forward into the financial year of 2014 reached approximately 596 million SEK. Even though a profit was made last year, the board proposed not to pay any dividend for the shareholders since they considered the possibilities to use these funds for organic growth as well as further acquisitions. This suggestion ended up being followed in order to have a larger positive dividend in the future (Lindab Annual Report, 2013).

Lastly, when looking at the sales revenues for Lindab over the three last years, the revenue has decreased from SEK 6,878 m in 2011 to SEK 6,523 m in 2013, meaning a total decrease of 5,2%. This total decrease is worth a total of SEK 355 m. However, a steady cash flow increase from it operating activities can be seen looking at the last five operating years. The peak, as was also seen on the shares value, was in 2009, with operating activities augmenting to SEK 719 m. In 2012 it was as low as SEK 222 m, but was again recovered in 2013 with a total increase to SEK 620 m. These numbers are an important consideration in order to fully understand the underlying reasons for the importance of their latest innovation.

5.2.2.   *Medium*

5.2.2.1.   *Skansen*

The medium sized company that will be part of the interviews is Hotel Skansen. This hotel was established in the 1920's and has been in its current state since the beginning of 2000. Skansen is situated in the center of Båstad with a close location to the beach and harbor (Historia, year n/a). They are employing 121 people and had a turnover of 130 million SEK in 2013 (Restaurang & Hotell Skansen i Båstad AB, 2014).

5.2.3.   *Small*

5.2.3.1.   *Märta Måås-Fjetterström*

Märta Måås-Fjetterström (hereafter MMF) is a company with long history of hand-produced woven textiles and rugs, dating back to year 1919. Mostly they produce after ordering from clients, but there are also a few products to buy directly from the store, and production center in Båstad. They have a showroom in Stockholm and also some exhibitions around the world, as an example, they are currently showing their art works in Musée d'Art Moderne de la Ville de Paris (About MMF AB, year n/a). In 2013 they had a turnaround of 4,2 million SEK, with a deficit of 2 million SEK (Märta Måås-Fjetterström, Verkstaden för […], 2013).

5.2.3.2.   *Le Beauvisage*

The small sole proprietorship Le Beauvisage is a beauty salon in the very center of Båstad. The company has no employees, and is therefore based on the owner Martina Beckman. She offers different beauty treatments, as well as renting out facilities to others in the same field. She has together with this concept created a small beauty center that today has a turnover between 1-1,5 million SEK (Le Beauvisage i Båstad, 2014).

5.2.3.3.   *JellyBean*

Lastly, an interview with Jelly Bean is also being conducted. Jelly Bean are designing and selling colorful glass collections with different bowls and serving platters as well as some porcelain products. The company was founded in 2001(About JellyBean, year n/a). They are currently two people working in the company – the owner, funder and creative director Ingela Benson, and her co-worker Emma. In 2013 they had a turnover of 9,3 million SEK with a negative result of 370 000 SEK (Jellybean Aktiebolag, 2013).

5.2.3.4.   *Bäckdalen*

Bäckdalens Handelsträdgård [Garden Center] is a company with sole proprietorship and they have less than 10 employees (exact data not available). Their turnover in 2012 was between 200 000 and 300 000 SEK (Bäckdalens Handelsträdgård, 2013). Bäckdalen is a garden center selling and cultivating mainly herbs, but also vegetables such as peppers and eggplants. All

their plants are KRAV-labeled meaning that no artificial fertilizer or pesticides are being used. They were also the first to cultivate organic herbs in conservatories (Om Bäckdalen, year n/a).

5.3.   Empirical themes revealed

In the combining all of the interviews as well as analyzing and searching for themes throughout the interviewees, a couple of the themes are matching through all of the six interviews. Looking at these matches it is shown that at these companies interviewed – no matter the number of employees nor age of company, the intrinsic motivation and passion together with a good working environment, are being less or more perceived in the same matter throughout all companies. Also, all interviewees are stating that they are either working on becoming more of a flat organization or is already considering their organization to be of flat character. Together with this, the fact that companies are all, no matter what industry, somehow putting resources into innovations. However, the empirical themes found will go into the main themes in the coming section of this paper.

5.3.1.   *Themes with six matches*

5.3.1.1.   *Intrinsic motivation*

When conducting the interviews and talking about creativity it has been reveled among the six companies the importance of being intrinsically motivated and having passion for what you are doing. It is mentioned in interview 1 (pp 1) that you must have passion and intrinsic motivation in order to be able to be creative – when this is the case great ideas will come along. Furthermore it has been stated that it is impossible to have a continuous development and work if passion is not present (interview 2, pp 1, pp 3; interview 3, pp 1). Also, if passion is not there – there is nothing left due to the fact that this is argued to go hand in hand with one another. According to the outcome of interview 6 (pp 1) "passion comes from within, if you enjoy your job – passion will come" she is arguing that it is a sort of kickback effect resulting in creativity.

   However, from interview 4 (pp 1), it is not passion and the intrinsic motivation that is discussed as being important but rather a happy feeling and motivation to be going to work. This could however be identified as a sort of intrinsic motivation.

5.3.1.2. Work environment

When discussing and questioning interviewees about their work environment, I have identified a similar pattern no matter what company. This is especially interesting since all of the companies are otherwise very different from each other in regard to what they are making money on doing. Yet, a good work environment is mentioned to: feel good, have fun, help each other and be surrounded by beautiful things.

The two companies that have a working space with ocean view both mentioned it as a contributing factor to a good and creative work environment (interview 1, pp 2; interview 2, pp 3). In interview 1 (pp 2) and 2 (pp 2) they are highlighting the importance of helping each other throughout the organization and being able to discuss the different issues they might face as a contributing factor of creating a good and creative work environment. These findings shows that when it comes to the working environment "good" is perceived as "good" no matter what organization or person that was interviewed.

5.3.1.3. Flat organization

Looking at the interviews from all of the smaller companies, they consider themselves to be operating in a rather flat organizational structure. It was discussed that as a small company, the same people have to take on several roles since there are not a department dedicated to each task. As an example there might not be a specific Research and Development center and so on. They have to be flexible in small companies and this is enhancing a flat structure (interview 2, pp 3; interview 3, pp 2; interview 6, pp 2). Furthermore, in interview 1, it is argued to be a flat organization even if latter on in the interview it was revealed that there is several hierarchal features.

In interview number 4, it is explained that they are implementing a new overall company strategy that is designed to promote a more flat company structure. Seen from the interviewees' perspective, this is a new innovative way for them to bring their company forward with the aim to open up the organization, become more flat in order to enhance the information flow- as well as internal information sharing.

During the interviews, when asking whether or not resources are put a side for ensuring a continuous flow of innovations, many of the respondents directly thought of it as only being liquid assets (e.g hard cash). However after clarifications regarding the fact that it can also be time and education, this question seemed to clarify for most. Almost everyone claimed that they were investing time to ensure innovations flow within the organization, which is in accordance and reflected in the fact that passion and intrinsic motivation is of high importance.

It was only the large and listed company Lindab, that have a research and development department in the company, which I consider a way of ensuring via usage of liquid assets and investments that innovations will take place throughout the organization.

5.3.2.   Themes with four matches

5.3.2.1.   Creativity, innovation and maintaining customers

It was revealed that at least four of the interviewed companies are using creativity and innovation as a mean to maintain its current customers. The hotel interviewed is for example using it to ensure that guests are willing to return because they know that the Hotel will have something creative and innovative waiting for them (interview 1, pp 2-3). The same was found in interview 3 (pp 2) in terms of having new products fitting the existing customer wants and needs. On the other hand, the handicraft company, MMF, feel the need to have a continuous flow of new creative ideas in order to ensure that the interest in their products remain. Since they have a long history, almost 100 years in the business, they have to add parts of what is modern today. This is made by cooperation with the big artists of today, and this way they are ensuring a constant interest from virtuosos and other potential buyers (interview 2, pp 5).

Moreover, the usage of creativity and innovation at the garden center was even discussed by the interviewee as the savior of their core business. By adding a café to their business in a very creative environment, they saved the rest of their business. Furthermore it helped them to

maintain their customers as well as raising the overall interest in their core business – organic plants (interview 5, pp 2).

5.3.2.2.   *New people in the organization*

Most of the interviewees agreed on the fact that taking in new people in your organization is helpful and this could apply when someone is newly hired – they look at the organization with new fresh eyes and might therefore also bring in new ideas (interview 5, pp 3; interview 2, pp 6; interview 1, pp 3). MMF, is specifically highlighting the importance of encouraging both new hires and external artists to question everything and use their "fresh eyes" to ensure that new ideas flow throughout the organization. Furthermore, after being almost for 100 years in the same business it is easy to become blind of flaws, and especially in this ever-changing economy it is important to find new ways of maintaining a business (interview 2, pp 6).

Lindab are adding another viewpoint of how they use new people in their organization. They have noticed that recent graduates are more "on it" and this is a great way of bringing in new and helpful knowledge. According to the interviewee, they are trying to make use of this whenever possible. They have however had very helpful inputs from graduates already, where their ideas were implemented (interview 4, pp 8-10).

5.3.2.3.   *Founding of the company*

Many of the interviewees were agreeing on the fact that the foundation of the company took a standpoint from creativity. It was also said that if it were not for creativity – the company would never have been founded. The reasons for this was explained in terms of the founding of a company is many times about spotting a need and then implement it in a creative way (interview 2, pp 1; interview 3, pp 1; interview 6, pp 1).

Moreover, according to interviewee 5 (pp 1) if there was no passion included in the creativity features of the company, they could shut down. The reason for this being the number of hours spent would not be worth it if it were not thanks to both creativity and passion.

5.3.2.4.   *Where creativity comes from and where it is found*

When discussing creativity during the interviews, it was sometimes explained as some sort of magic and that it is everywhere (interview 6, pp 1; interview 4, pp 1). Furthermore it belongs to the entire body and it comes from within in you – it was described as a feeling from your unconsciousness. However there is no on-and-off switch to your creativity it is somehow always on. Further, it is argued that it cannot be controlled but rather what is created have some sort of creative feature (interview 2, pp 1-3; interview 5, pp 1).

At the largest company interviewed, namely Lindab, it was argued by the interview that "creativity is everywhere, at all levels". At Lindab they have incentivized creative thinking and innovative ideas, meaning that positive things are related to an individual whenever a new great idea is invented. Example of incentives can be either in monetary themes, travels and other. (Interview 4, pp 1, 3)

5.3.2.5.   *Innovation, first-movers and innovation hinders*

Throughout the interviews, it was sometimes revealed that there is a lot of frustration related to innovations. Sometimes companies have more creative ideas than what customers are open for. It was explained as frustrating to always having to explain yourself and your great idea for everyone if it is new, and also a lot of patience is required. It can lead to a costly impact as well. If companies are more open to change than the environment in which they operate and have their customers – there might not simply be a demand for new and innovative products. In relation to this issue, it was concluded that you should maybe not be too open for change as a company and try to minimize the gap between the producer and the customer as a way to ensure demand before investing and spending a fortune on creation of innovative products (interview 5, pp 4; interview 4, pp 7).

On the other side, there are other companies interviewed that are more or less arguing that they have to be ahead of competition and set out their way- not sit and wait for someone else to take the lead. They believe it is important to be first movers and are also enforced to innovate due to the external, ever changing environment (interview 6, pp 3; interview 2, pp 6). Another way of being first movers is hiring for new positions and by that ensuring that they are first and gain an advantage over competitors (interview 1, pp 3).

5.3.2.6.   How to educate internally

Another theme reveled was the importance of internal education – a sort of information sharing and teaching your co-workers as an important way of enhancing information flow and thus creativity and innovations in the organization.   Internal education can take place in several different ways. A common way is to take in external lecturers and by that have employees learn from that (interview 1, pp 5). It was however discussed that it can be very useful to send away one or two from the company to learn something externally and than at a later stage, have them present internally what they have learned. This way of internal information sharing is especially useful since external knowledge is mixed with internal knowledge and the presentation for co-workers is adjusted to fit their specific organization (interview 4, pp 5, pp 9).

An upside to teach one another within the organization is that a more flexible workforce is created where the different functions can help each other more. By moving both horizontally and vertically throughout the organization it is both ensured that knowledge is shared, people become more flexible as well as employees perceiving the company more holistically (interview 1, pp 5; interview 4, pp 5, pp 9).

Furthermore internal information sharing is a way of allowing employees to be engaged in problems and solutions linked with the business. Also, by using internal information exchange new ways of looking at issues is taking place. It is important to share the already acquired knowledge. The Garden Center have written a book about their expertise in order to ensure educational flow not only internally and JellyBean are working in open offices to ensure that everything is discussed and shared (interview 5, pp 2-3; interview 6, pp 2 – 6).

5.3.2.7.   Innovation Hinders

At JellyBean, they use a constant hands-on approach in order to try to minimize the impact of hinders for innovations – things have to be taken care of immediately. However, sometimes it is hard to overcome hinders that we create ourselves and then a solution for overcoming hinders in the innovation process is to reach out to external sources. External people can help overcome obstacles by discussions and other ideas and thoughts. Both professional and

personal network can be very useful help. Also, as discussed at the MMF interview, it is good to work with external artists since they are pushing their limits by having different agendas on how to reach the final goal of a project, which is important for overcoming issues throughout an innovation process (Interview 2, pp 5; interview 6, pp 5).

Two other main issues discussed in relation to innovation hinders are the need for time and explanations internally to ensure that everyone is 'on board' in terms of willing to innovate. People tend to be unwilling to change since "we have always done it this way, and it works". This hinder is present in several organization, and in these interviews it was mainly mentioned by Skansen and Lindab, which are both larger organizations and might therefore explain why it was only mentioned by them. In the process of change and new ways of doing things, people might have a hard time to see the benefits to them and more or less feel like they are wandering around in the dark. This creates internal frustrations related to the innovation process. The solution according to Skansen and Lindab interviewees is to increase the information flow as well as explaining why the changes are good and necessary, as well as allowing more time than you usually expect for adjusting to changes and news (interview 1, pp 4; interview 4, pp 4, 5).

5.3.2.8.   *How to solve problems*

When discussing with the interviewees how they solve potential upcoming problems in relation to creativity and innovation, many witnessed of the importance of using their network. For example many interviewees said that they are using their suppliers in order to discuss and solve problems. Also former employees can be of help since they have knowledge about the company and industry (interview 2, pp 7; interview 5, pp 3-4; interview 4, pp 1, 9).

By having a flat organization it is also easier to solve problems since it is easy to discuss everything and find solutions straight away. Internal solutions might not always be enough and it is therefore important to incorporate family and friends on the path to finding solutions (interview 6, pp 5; interview 5, pp 3-4). Problems can furthermore be solved by making online research as well as searching in the literature, engage all employees and all networks that is shared (interview 5, pp 3-4).

Another solution might be to work in teams and solve it together on a small team operation level. Another angle is to come closer with customers - where the products are utilized in order to improve understanding between producer and user, is also a way of solving problems (interview 2, pp 5, 7;interview 4, pp 1, 9). Lindab, as a larger corporation, also discussed the possibility of acquiring new companies as a way of finding solutions and have complete control over their supply chain (interview 4, pp 1, 9). Finally, it was also discussed during the MMF interview that by pushing the limits of what we know as well as what are comfortable with and try different methods during the different faces of a process can work as a problem solver (interview 2, pp 5, 7).

5.3.2.9.   *Time constraint*

When it comes to time constraint, it was revealed, not surprisingly, that many of the companies feel like they do not have the time needed for co-operations with graduates or universities. It is very time consuming, and as of today they companies interviewed do not have enough time for their everyday business and how should they then have time for students. Also, it can be hard to see the purpose of it and what the positive impact can be. This was shown to be most relevant for the smaller the companies and this might be due to the fact that there are less man hours dedicated to the company (interview 3, pp 6).

However, both Skansen and Lindab would want to be able to spend more time on students and universities – and if everything feels right in terms of purpose and chemistry, they do accept collaborations (interview 4, pp 9; interview 1, pp 6). It was also discussed by the limitations of a smaller company that time is money and they cannot afford loosing time on students without knowing it if is going to be any paybacks. MMF has found a solution to this issue. They are applying for a scholarship that covers parts of their time spent on students and this way, they ensure their ability to hosting and teach interns (interview 2, pp 7).

5.3.3.   ***Themes with less than 4 matches***

There are of course many more potential themes that could be discussed that were found in the interviews. However, due to space constraints as well as the inability to have deeper interviews on each topic there are several revealed themes that I will not be going further into

depth with. I have chosen to only mention them very briefly without going into depth on how it was discussed by the different interviewees.

Which has already been mentioned, many of the companies make use of, and find it very important with networks. Usage and incorporation of both professional and personal networks is important for most companies. Communication is also considered as important by several of the interviewees as a way to enhance the creativity within their company (interview 1, pp 3; interview 4, pp 5; interview 6, pp 2). It was also discussed with several of the interviewees that by being creative in terms of adding new products, the possibilities to reach out to new customers and also other customer segments, are increasing. It is therefore considered important to keep up to date and know what your customers want when making adjustments to products offered (interview 3, pp 1-2; interview 5, pp 2; interview 6, pp 3).

Furthermore, travelling with your company was mentioned as a way to increase the idea flow as well as gaining insights on what your competitors are doing, and might lead to new ideas in your own organization. It is considered to create a "fun" spirit amongst employees that can be useful for creativity and innovations (Interview 1, pp 4; interview 2, pp 7; interview 3, pp 5). Another theme outcome from the interviewing is that creativity mainly comes from decision makers. The reason for this might be that managers are usually the people implementing change as well as the ones setting the standard and how the working environment should be as well as working on the company strategy (interview 1, pp 1, pp 4; interview 4, pp 6; interview 6, pp 4).

The office layouts were also discussed during the interviews, and the outcomes were different between the companies interviewed. The hotel interviewee was considering their office as rather open, since the highest decision makers are sitting in rooms but most of the others are in open-plan spaces (interview 1, pp2). The very small companies, JellyBean with 2 employees and MMF with 11 employees, both said that they have very open office spaces and this is helping them to ensure an open information flow throughout the organization (interview 2, pp 6; interview 6, pp 2). The largest and most hierarchical company, Lindab, was identified to be rather traditional office spaces with separate office rooms (interview 4, pp 2).

Lastly, a theme revealed, was the importance of not always looking at innovations as a mean of creating completely new things, but the fact that an innovation could also be the exclusion of things. This was discussed by the two companies that are currently are working on reconstruction of the company, and therefore they might be in the process of questioning why they are doing things they way they are and if there is a more effective way of doing things within their organization that can enhance productivity and economic growth (interview 1, pp 5; interview 6, pp 4-5).

6. Analysis

In this section, an analysis will be made based on the literature review and the interviews, thus the themes reveled. Theme by theme will be discussed in relation to the literature.

Intrinsic motivation

When it comes to the theme intrinsic motivation, many of the interviewees identified it as crucial in order for creativity to flow. The definition I chose for creativity was Amabile (1996, pp 1) "Creativity is the production of novel and useful ideas in any domain", this definition is however not very compliant with what the companies have said. Thus, this might mean that the literature is more or less looking for a way to measure the outcome of creativity whereas many of the companies are positive to the fact that it comes from within and is not something you can decide on to have or not – it just comes by itself!

However, as mentioned in the literature review, Martins & Terblanche (2003) have identified two different types of creativity, namely 1: Personal Characteristics and 2: Process and intellectual activity. Based on Amabile's statement (1996) that looking at creativity as a personal characteristic is outdated, I decided to only use the second of the two definitions for the interviews. Somehow this might have showed to be wrong since many of the interviewee were questioning this and disagreed, since many of them believed it was a personal characteristic.

Therefore when approaching companies, it is important in the future to have an understanding on their definition on creativity as a mean to fully understand how they use it in their organization.

Resources and innovations

When it comes to resources, Amabile's model is built on six different components that she argues make it possible to have both creativity and innovation within organizations. One of them is spending enough resources to ensure this. Interesting enough all companies agreed on the fact that they, to some extent, do put resources a side for innovations. Amabile further argues that management has to allocate enough time to be able to be creative and come up with innovations. But, what most companies said is that they do not have enough time for hosting university students as an example. This is further a mean of not having the time to incorporate diversity into the organization.

The conclusion on this part is therefore, that even though resources are spent on innovations at companies in the Båstad Community, companies might not yet have seen the upsides of allocating enough time on the creation of partnerships with universities as a way of facilitating complex business solutions and diversity of skills.

Work environment

Many of the interviewees said that they felt like they have a very good work environment. Hospers (2005) explained this as an important factor for personal imagination, as well as having a positive impact on creativity via the individual. Many of the companies visited are all regarded upon as beautiful places, with the woods and ocean present or at least close by. This is stated in the literature to have a positive impact, and is also proven to be the case for these six companies. Thus, the conclusion is, that it is of highly importance for Innovation Hub to consider this as a part of the actual construction phase.

Creativity, innovation and maintaining customers

Several companies witnessed of the importance of creativity and innovation as a mean to maintain customers. This can be linked to Schumpeter's creative destruction. He argued that it is essential for companies to have presence of creative destruction in order for companies to obtain economic growth. This is highly present at the companies interviewed and this is further gaining importance in the new economy – the already discussed knowledge economy. However it is argued that the new economy will require flexible workplaces. This is identified by many of the companies, except for the large company due to hierarchical features still present. This is an advantage for these companies and a way to be able to attract the new

generation the new workforce is requiring new working conditions compared to previous generations.

However, even if it is being recognized by many of the companies, the increasing importance of flexible work conditions, it seems like the Bjäre companies are not open to inclusion of a more specialized work force when it comes to reaching out for external help. They use their professional and personal networks, and even though this might be helpful, it might be a hinder in terms of digging into new knowledge pools. Gaining access to these knowledge pools can however be crucial for creativity and innovation to prosper (Vinnova, 2013 a). Furthermore, a more specialized workforce usually have a background from higher education and according to Wu (2010) people with higher education tend to be more open for change. This openness is crucial for creativity and innovation.

Diversity in an organization is also proved to enhance both creativity and innovation, according to the literature, whereas it is not mentioned by any of the companies interviewed. By not getting out of the old networks, it might be hard to obtain an organizational diversity. Although, all of the companies are getting out of their everyday business – either company trips, meetings or education, and this is argued by them to create new ideas by seeing what others are doing. The companies that said that they were going away on trips together with their company, all agreed on the importance of having fun together outside of their everyday environment. It was somehow described to have a large kickback effect on the organization after that a trip was fulfilled. This is interestingly enough not mentioned in any of the literature that was used for the literature review. The focus differs since the literature is more focusing on acquiring the right personnel to maintain in your organization, whereas this might not always be possible for small companies. Small companies cannot acquire highly specialized work force for each small issue that might arise. This might be the reason for the difference in the literature and the majority of the Bjäre companies interviewed.

Flat organization & communication

Moreover, it was discussed in several of the literature work that a flat organization is a way to enhance the individuals intrinsic motivation as well as creating a flexible workplace, and ensure that the organization have individual work arrangements (Wilenius, 2006; MacCormack et al, 2013; Martins & Terblanche, 2003; Powell & Snellman, 2004). Flat organizations were argued to be the case especially for the small company category – most

likely due to the fact that it is easier when there are fewer people working in the organization. The smaller the company – the closer they have to work with each other to ensure a good working environment where creativity and innovation can flourish, and thus many of these company are as flat as an organization can be.

However, this might not be the case for the medium and large sized companies. This is most likely due to a larger workforce add more complexity, and it might therefore be harder to maintain a flat organization. However, the large companies, with more then 4'000 employees, is working towards increasing the hierarchical layers and thus reach a flatter organization. It moreover also seems to be the case that the managers at these companies are the ones setting the standard for creativity within the company. It has been argued in the literature review the importance of management being involved in innovation practices as well as seeing the value of it and being willing to change accordingly.

Also, by having a flatter organization the communication is more easily flowing between the different parts and people in the company, this is argued to be true for the large company. This is further more also confirmed by Amabile (1996), that in order for innovation to work – there must be a good internal communication. From this section, it can be concluded that it is important to ensure that the upper management is engaged in Innovation Hub in order for it to be implemented throughout the organization. Also the actual platform has to be architecturally open, which will function as a parameter for Innovation Hub being a platform of a flat character. It should be a place where creativity and innovation can easily flow throughout the organization.

Innovation, first movers and innovation hinders

The literature review in this case, has mainly focused on the importance and upsides of creativity and innovation. However, a few of the companies argued that it might not always be positive to be a creative and innovative company. According to these interviewees - being first movers can be very frustrating. Moreover it can also be costly since it may take long time for the customers to either adapt or understand innovations. This was very interesting since it was seen in both the large company as well as the smaller as an innovation hinder creating a lot of frustration as well as cautiousness for innovations. The literature does however argue that openness for innovations has to be encouraged as well as accepted (Martins & Terblanche, 2003; Wu, 2010; Wilenius 2006). Comparing this to the companies viewpoint is

leading to the conclusion that Innovation Hub will have to work not only for companies to open up for change – but the Community of Båstad as a whole in order for innovations to be lucrative for companies to pursue in.

Internal education & how to solve problems

Moreover, the literature is very focused on having the internal and specialized knowledge. As was previous discussed, this might not always be possible for small companies. Many of the companies did however discuss their way of solving difficult issues in terms of reaching out to their networks and ensure that it is at the same time discussed in the organization. Ribeior & Huarang (2013) said that companies could not rely on internal capabilities and thus need external knowledge, whereas Amabile argues that the right expertise should be within the organization.

I believe, that by combining the literature and the companies viewpoint will together make up an important consideration for Innovation Hub. For small companies, Innovation Hub can work as a provider of specialized skills so that they do not have to hire for these expensive positions. This would therefore be a way of combining Ribeiro & Huarang's (2013) argument that organizations have to incorporate external knowledge and Amabile's (1996) if incorporating the right expertise in the company. Thus Innovation Hub can be the interplay and balance between internal knowledge and external specialized expertise.

New people in the organization

One last conclusion from the analysis between the literature and interviews is the importance of new hires within the organization. It was argued that it is important to make fully use of new hires and their "eyes" to ensure that companies do not become blind to flaws. This was however not discussed in the literature. This angle can be a part of the sales proposition for why companies should cooperate with Innovation Hub. If Innovation Hub can provide these "new eyes" for companies – it can help preventing companies from getting stuck in the everyday business and thus, becoming blind to flaws.

Company culture & diversity

However, there are a few important parts of the literature that was not found in the interviews. The company culture was argued by Martins & Terblanche (2003) to have a positive impact

on enhancing creativity and innovation, and yet none of the interviewees discussed it. This insight might therefore be lacking as it is at the current stage.

Also, the literature suggests that management should ensure diversity as a way to ensure that creativity and innovation can flourish. This was not discussed either, but rather viewed up-on as challenging to find time for university cooperation's which is a suggested way of incorporating diversity in the organization. This could therefore be an important aspect for Innovation Hub to consider. Thus, there might be an absence amongst companies in the Bjäre Community of the upsides of diversity as a mean of boosting creativity and innovation.

7. Conclusion

In this section a conclusion will be made based on the analysis. This is also where an answer to the problem formulation will be made. The problem formulation is hereby repeated:

"How can the Innovation Hub project work as a tool for enhancing creativity and innovation in the Bjäre area in addition to what is already being done?

- *Are creativity and innovation present features of companies in the area, and are they using it in order to increase their productivity and economic growth?"*

First of all, it has been proved that many of the companies in the Bjäre Community are, less or more, using creativity and innovation in their organizations. Many of the aspects discussed by previous written literature in relation to creativity and innovation can be found in the interviews. This means that the companies are using creativity and innovation to increase their productivity and economic growth in a positive manner. However, there is more that can be done. This also means that there is a gap for Innovation Hub to fill and thus help companies to take their creativity and innovation to the next step.

Innovation Hub can work as a tool for enhancing creativity and innovation in several ways. Based on the analysis, the different ways will now be presented. First of all, the lack of incorporation of diversity would be the main goal for Innovation Hub. By companies utilizing Innovation Hub, they can ensure that an diversity in terms of specialized skill will be made and thus, better business solutions can be provided to organizations. This further means that Innovation Hub can help companies to dig into new knowledge pools, which can be useful in the economic paradigm shift towards a knowledge economy.

Moreover, Innovation Hub, can work as a link between the existing knowledge within companies and the linkages between external expertise as well as the provision of new points of solving issues and come up with new innovations. Also, this platform can work as a way of employees getting out of their everyday work environment and thus be inspired and come up with new solutions.

In order to ensure that this will be possible, the platform in itself will have to be fun and inspiring. It has to be an open structure, which will work as a metaphor for openness, communication and a non-hierarchical working environment where creativity and innovation can flow unhampered throughout the building and the people.

Innovation Hub must also consider the different stakeholders involved in creativity and innovation. It is not only the companies and the students – they have to work with the close surroundings - the Community of Båstad. The underlying reason for this is the fact that the entire environment has to be open for change in order to lessen the innovation frustration described by interviewees. The final conclusion is however that Innovation Hub is needed in the Bjäre Community to ensure that diversity is implemented within the existing companies together with the above-mentioned conclusions.

8. Recommendations

My recommendations based on this study for Innovation Hub is first of all to ensure that there is an understanding of how companies look up on spending time on external projects. Thus it is my recommendation to make sure to understand the different companies issues as well as their way of looking at and working with, creativity and innovation. If this is made the partnership can be used to its full potential.

Together with this, I recommend that Innovation Hub work with the upper management at the different companies and make sure that they are convinced of the value that can be provided via this cooperation. Consequently, make certain that the value on spending *time* on this platform can lead to better business solutions and more. When the management has agreed, it will easier be implemented throughout the organization since decision makers value it.

I would also recommend that Innovation Hub does not only work towards companies, but to the community as a whole to ensure that they, the potential buyers, are open for innovations.

Lastly, I suggest that the actual platform creates a feeling of beautifulness by bringing in the stunning surroundings at the Bjäre area, into this creative and innovative platform. Elements such as the ocean and the woods would have a positive impact on the individuals' creativity when being at Innovation Hub, and should be incorporated in the working environement.

9. Further research

From the outcome of this project and onwards, more research might be needed on a more in-depth manner focusing on one company at the time. This could bring a deeper understanding on how Innovation Hub is needed for enhance creativity and innovation in the Bjäre area. Moreover it could also be focused on one of themes revealed in the interviews in order to gain more knowledge on each of the themes. For example, observations could be made to identify creativity and innovation in companies, as well as how it is transformed and used at different levels throughout the organization.

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