

Leveraging the Creativity and Collaboration in Fragmented SME, A Case Study Approach

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Research Question

- This study seeks to find ways that enhance leveraging the creativity and innovation procedures in an organisation.
- The study recognises those characteristics of leadership that affect the aspiration to share knowledge among different individuals and groups.
- Keywords: Collaboration, Creativity, Diversity, Knowledge Sharing, Transformational Leadership

The Background of the Research

- Action research based development project
- The development project has been unique in each organisation and modified for meeting their own specific requirements
- The idea is to catch hidden innovation potential from all employee levels
- 5 different organisations, mainly from the forestry industry
- 1 public sector project
- 11 different organisational cultures altogether
- 80 participators in total
- Interviews (1-1,5 hour each), group meetings, idea generation workshops, assignments, feedback

Creativity as Organisational Capability

- An organisation's success and survival depend on its capability to create new ideas and then innovation.
- Creativity is one of many critical factors behind innovation, and is necessary throughout the whole process.
- In an organisational context, creativity without innovation is worth significantly less.
- The ability to stimulate innovation is highly dependent on the stock of creative ideas, which are available for feeding innovation.

Collaboration as a Source of Creativity

- The source of creative achievements is no longer only individuals but increasingly combinations of people.
- Creative ideas are born out of conscious, semiconscious and subconscious mental sorting, grouping, matching and melding.
- Interpersonal interactions stimulate and enhance these activities.
- Collaboration among individuals appears to be essential for creativity.

The Need for Proximity in Creativity

- An organisation's capacity to innovate may require proximity. Proximity can facilitate, in particular, the exchange of tacit knowledge, because of trust-based relations.
- Proximity can reduce uncertainty and solve the problem of coordination and facilitate interactive learning and innovation.
- But proximity also has a negative effect because of lock-in, meaning a lack of openness and flexibility.

The Need for Diversity/Distance in Creativity

- The centres of creativity tend to be at the intersections of different domains, where beliefs, lifestyles and knowledge mingle and allow individuals to see a new combination of ideas with greater ease (Csikszentmihalyi 1996).
- Creativity often requires the integration of different types of knowledge, skills and expertise.
- For example cross-discipline groups of individuals can offer applications of expertise from a variety of areas. This enhances learning opportunities, fresh thinking and promotes integration across traditional borders.

Enhancing Creativity and Communication by Leadership

- Transformational leadership
 - Can be clarified as processes aiming to build commitment toward organisations' goals and empowering employees to achieve these goals.
- 4 dimensions of transformational leadership
 - idealized influence (or charisma),
 - inspirational motivation,
 - intellectual stimulation and
 - individual consideration

(Burns 1978, Bass 1985, Yukl 1998)

The Case Company

- Finnish family-owned company in wood processing industry
- 740 employees in total
- HQ and 7 area units from Finland
- International operations in e.g. France, Japan, Italy etc.
- Focus in this case company has been knowledge sharing among different area units as well as colleagues; aiming to leverage creativity and collaboration for daily practices.
- 14 interviews
 - 12 Sales people (white-collar workers)
 - Managing Director and President (owners/leaders)

Discussion and Conclusion

- Leadership and managerial behaviour has an important influence on creativity and knowledge sharing at both individual and organisational levels.
- The problem of creativity in the case company has been that employees in different area units do not meet because of geographical and social distance.
- With innovation often being dependent upon dissimilar knowledge and skills, diversity becomes important.
- In the case company, leaders' behaviour and participation in development work has affected the employees' motivation, commitment and trust.
- In order to enhance knowledge sharing and creativity in the innovation processes, research participants decided to organize meetings in different units of the company.

Discussion and Conclusion

- Capability to meet global wood industry changes in the company.
- Ability to adapt forced changes into the development work.
- Some improvement suggestions from participants for the development process (meeting practices, more voluntary for the participants and also more informal conversations).

Limitations and Future Plans

- The sample is part of a wider research, and its response was minor in size.
- The case company does not represent a 'conventional' business environment in the industry
- The data merely describes the feasible challenges of leadership and managerial roles within creativity and innovation context in the organisation
- Future studies should concentrate more on the benefits of diversity and somehow examine which degree of diversity or what kind of diversity is most beneficial.
- Transformational leadership may have been a successful style in the beginning of the development work, but is it sufficient in the long run? If it is not, how and when the style should be changed?

Thank you for your attention!

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