A discussion of motivation for creativity within the business context
From the perspective of the Generation Y

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ABSTRACT

Creativity is one of the “hottest” words in today’s business world. Especially in the trend of globalization and fast development of the modern technology, creativity has become the most effective way for companies to survive and stay competitive in global market.

Due to the importance of creativity, various researches have been conducted and it has been studied from many possible perspectives. The purpose of our study is to understand how to motivate the new generation—the Generation Y, who is getting into workforce, to be creative. After we understand the new blood, we will move one step forward and try to find out what is happening in companies regarding the motivation of young employees.

In this Master Thesis, a variety of theories in the realms of creativity, motivation, social change and management innovation will be reviewed and applied to guide our research. We will analyze the interviews conducted to several young people and two experts to get a deeper understanding on Generation Y. Then we will study the cases of Microsoft and Pixar to understand what companies are doing. Finally, some possible advice and suggestions to company managers and leaders will be presented in the conclusion.

Key Words: creativity, motivation, identity, Generation Y, leadership, management, trust
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1. Introduction

The introduction chapter of the thesis will discuss the process of globalization and the importance of creativity and innovation. Then, we will move forward to the discussion of the generational change. And finally, we will present some issues of the postmodernism and the paradigm shift. The main objective of this chapter is to inform the reader about the importance of the study, and the research questions that could emerge.

1.1. Background

Globalization is a “buzz word” which appears everywhere nowadays. You can read it from all kinds of media, you can feel it in your daily lives, and you have even been involved in the trend of globalization and are making your contribution to it.

Harvey and Novicevic (2002) attribute globalization generally to four factors as follows:

1) Macro-economic factors. As the classical international trade theories state, every country has its own comparative advantages due to different resource endowment. A country should develop industries according to its comparative advantages. Therefore, countries have different roles to play in international trade. Meanwhile, the increasing gap between developed and developing countries demands the deeper international collaboration, in terms of economy, politics and culture (Harvey & Novicevic, 2002).

2) Political factors. Regional integration is sought in order to overcome tariff barriers and encourage trade and resource flow, such as capital, personnel and raw material. Various organizations, such as United Nations, International Monetary Fund and World Bank, have been formed in order to encourage international trade, accelerate the development of emerging countries and protect the stable environment for globalization (Harvey & Novicevic, 2002).

3) Technological factors. The fast development of technology is decreasing the cost of communication and transportation to a very large degree. It makes the form of multinational company possible. Large companies go to developing countries to explore cheaper resources and potential market. Meanwhile, the knowledge transfer and the rapid growth of knowledge-intensive industries give developing countries a short cut to catch up (Harvey & Novicevic, 2002).

4) Organizational factors. The strategic attention of corporation is changing from economies of scale to economies of scope. The expansion of multinational companies is blurring their nationalities. At the same time, the boundaries of countries are becoming less and less
visible. Multinational companies stimulate the flow of all kinds of resources and connect the fragmented market into a whole piece (Harvey & Novicevic, 2002).

Although the debate about globalization has never ended, the trend of globalization will never stop. The fast transfer of the latest technologies and the reduce of the cost make the products increasingly homogenize in the world market. Furthermore, customers have the opportunities to make choices in the range of the whole world and companies have been losing the original protection from the government and border. Therefore, companies are exposed directly to fierce competition. To most products, the market today is determined by the customers' demand because the supply exceeds the demand. This is a usual phenomenon due to the fast growth of productivity. So far, we can see a world market today with what we call hyper-competition (D’Aveni, 2007).

Harvey and Novicevic (2002) summarize several characteristics of hyper-competition. In first term, the relative competitive advantages are becoming fragile and very difficult to sustain. Therefore, companies should be aware of this and keep updating their competitive advantages. Moreover, strategies are losing the long-term effect and need to be formulated constantly to gain temporary competitive advantages. In addition, the life cycles of products, technologies, relationship and the like are becoming shorter and shorter. Harvey and Novicevic (2002) also state that the conventional industry boundaries are becoming blur and new industries are emerging. Finally, the competition in global markets are becoming increasingly fierce and intense; therefore, constant change in short timeframe is indispensible.

1.2. Creativity & Innovation

Under the circumstances presented above, companies do not have much leeway. Many researchers have identified creativity and innovation as a vital strategy for survival, and to some extent the reality is confirming so (Walmsley, 2007). The management teams are becoming more and more worried; new products and services are changing the competitive dynamics or their industries in ways that they are not able to anticipate (D’Aveni, 2007). New competitors are entering in the market, new fresh business models has invaded in the traditional competitive dynamic, and companies are using new channels to market their products. As a consequence, the industry leadership is changing hands with more frequency than ever, and competitive advantages are no longer sustainable over the long run (D’Aveni, 2007).

Therefore, in a period of intense change, companies need to adapt and evolve rapidly in order to thrive in the new markets environment. One possible solution for organizations is to embrace creativity and innovation into their business system (D’Aveni, 2007). Nevertheless, creativity and innovation should not only be implemented at the corporate level, but it should be at
every level (Walmsley, 2007). Creativity and innovation is helping companies to increase their capacity to evolve or to respond to fresh consumers, and ultimately to achieve competitive advantage (D’Aveni, 2007).

However, companies must take into account that it is not possible to sustain a competitive advantage in the long term under these circumstances. Therefore, companies need to use creativity and innovation to migrate as quickly as possible from one competitive advantage to another (D’Aveni, 2007).

D’Aveni (2007) has discussed a new set of guidelines for companies in order to compete under the shifting circumstances of hyper-competition. Among many of them, “stakeholder satisfaction is the key to winning each dynamic interaction with competitors”. However, stakeholders understood in a sense that embraces both customers and employees. Employees should be empowered to create new processes, methods and products for increasing customer satisfaction (D’Aveni, 2007). Therefore, if employees play an important role, managers and leaders “must learn how to inspire their employees to give the very best of themselves every day” (Hamel, 2007).

1.3. Generation Change

Grouping people into different generations is one of the ways that sociology has to understand people’s behaviour. People born in different years have different priorities, attitudes, and even values. Therefore, they interact and behave differently in the workplace, and companies need to adapt according the times.

Nowadays, there are three different generations in the workplace: the Baby Boomers, the Generation X and the Generation Y (NAS Recruitment, 2006). The Baby Boomers are about to retire; they were raised under the circumstances of the post-World War II. Then, the Generation X appears in this hierarchy of generations. Members of Generation X were born between in the 60s and 70s (McCrindle, 2006). And actually, members of the Generation Y are entering in the workplace. Three generations being at the same time in the workplace is generating intergenerational conflicts and uncertainty, for both employees and organizations (NAS Recruitment, 2006).

Our main focus is the members of the Generation Y, also called Millennial Generation. They were born between the end of the 70s and the beginning of the 90s; they are the largest proportion of the population in US for instance, around 20% of the population. The Millennial Generation is characterized by being racially and ethically diverse. They are also extremely independent, they have built a strong sense of security and optimism about the future due to the overprotection received from their parents (NAS Recruitment, 2006).
In general terms, Generation Y is approaching the work place with extremely high expectations and ambition. In addition, they are technological savvy and highly learning-oriented. In somehow, they need to fulfil their expectations, if not they would leave the organization and move to others which meet their expectations (NAS Recruitment, 2006).

The most arduous generational clash is happening between Generation X and the Millennial Generation (Thielfoldt & Scheef, 2004). “I had to work to get here, why don’t they?” As we will discuss lately, in the research part, they have more similarities than differences. However, these few differences and their competiveness are the main sources of the generational clash between Generation X and Generation Y that are experimenting many organizations nowadays.

In this sense, generational conflicts are inevitable. Nevertheless, organizations can certainly manage them. They need to adapt their recruiting process, their mentoring and training practices, but also the manner in which they motivate their employees (NAS Recruitment, 2006 et al). Therefore, companies should consider a reformulation of the pre-existing paradigm of how they approach their employees.

1.4. The Saturated Self and the Postmodern Society

Before the revolution of industrialization, people lived in an agricultural world. Most of them spent their whole lives in the same place and had never been to some other places relatively far away. It was very difficult for them to go to other countries, not to mention other continents or the other side of the earth. Therefore, Columbus and Magallanes were among the greatest people in their time.

However, technology has changed people's lives fundamentally. Railway and steamboat can make a British gentleman travel around the world in 80 days. The advent of airplane reduces the time to as short as one day. Radio accelerated the speed of spreading information. The invention of telephone made long distance communication possible. All of these pull people scattering around the world closer. People have the opportunities to meet more other people than ever in history. The borders of countries began to blur and the earth became a global village.

The popularity of television deepened a phenomenon which began from the start of industrialization -self-multiplication (Gergen, 1991), which means the capacity to be significantly present in more than one place at a time. In the face-to-face era, human beings’ social impact was strictly restricted by space and time. However, the communication and visual technologies multiple human beings’ power of influence. Lately, the rampant development of Internet, like an explosion, has been generating an exponential increase in self-multiplication. Meanwhile, these technologies have been expanding to a very large extent the range and variety of human beings’ relationship. With
the increasing mobility of human beings and expanding means of communication, people are interwoven together tightly and the relationship between people are becoming unprecedented complicated (Gergen, 1991).

In Kenneth Gergen’s book “The Saturated Self” (1991), he calls this phenomenon social saturation of relationship. This social saturation leads to the change of the whole society from modern to postmodern. Due to the increasingly complicated relationship, people are playing different social roles and taking in these roles as a part of the selves unconsciously, which inevitably leads to the populating of selves. Since people have so many roles to play, and they also have the capability to maintain and explore these roles due to the development of technologies; the focus of their lives are becoming blur and the phenomenon of “multiphrenia” (Gergen, 1991) appeared. Multiphrenia refers to the individual’s experience of conflict in values, ideals, opinions, and motives (Blackwell, 2007). Gergen believes that people are splitting themselves into a multiplicity of self-investments. As the society is experiencing drastic shift and the information explosion, people come to realize that their understandings of the reality or facts is based on different perspectives, which vary from person to person and group to group. People begin to lose their original values and sense of their selves.

Gergen (1991) further explains the postmodern society based on the technological root mentioned above. The loss of identity is the direct impact. The complicated relationship and social construction of identity confuse people’s sense of identity. They are changing the roles they play in society constantly, and consequently lose the focus of lives. The authority is being challenged. Because people have realized that reality or facts are constructed upon perspectives, they begin to doubt the authority and try to understand the world from their own perspectives. Therefore, boundaries are becoming blur and the identifiable is disappearing.

To some extend, the shift from modern to postmodern society has a great impact on the generational change. In that sense, many of the priorities, attitudes and the sense of identity of the Generation Y could be explained to a large extend by the postmodern society. Therefore, we can trace connection between the Generation Y and the postmodern society; and it would enrich the discussion of our thesis.

1.5. Paradigm Shift

The term of paradigm shift was coined for the first time by Thomas Kuhn in his book “The Structure of Scientific Revolution”. The main idea of his work was to describe a change in some fundamental assumptions within the theory of science. Kuhn (cited in Van Gelder, 1996) argues that natural science and social science were not just a cumulative acquisition of knowledge in a given
field. He supports the idea of science as “a series of peaceful interludes punctuated by intellectually violent revolutions”, and in each revolution one conceptual perspective is replaced by another. Moreover, Kuhn (cited in Van Gelder, 1996) suggests that traditional scientists are not free thinkers, but to some extent they are conservative by accepting the established knowledge. In doing so, they are accepting a paradigm.

In this situation, a revolutionary scientist may appear to challenge the current paradigm and the established knowledge. Then, a revolution takes place and a new paradigm is built. At this point, one part of the scientific community may conserve the old paradigm assumptions, and other part may adopt the new revolutionary paradigm (cited in Van Gelder, 1996).

![Figure 1.1 - The mind's eye (Jastrow, 1899)](image)

Do you see a duck? Or a rabbit? Kuhn pretended to explain how paradigm shift could change the perception of these lines.

Kuhn (cited in Van Gelder, 1996) states that the paradigm shift occurs just when a given scientific discipline changes from one paradigm to another, and the majority of the scientific community accept the new paradigm.

### 1.6. The Importance of the Study

The circumstances described above have a certain impact on today’s business world. Perhaps some of them are not on the surface, and it is rather difficult to perceive and confront them.

It is clearly seen by many researchers that companies and organizations need to adapt to the new times. The necessity of change comes both from inside and outside of the organization. As we stated before, companies are interacting in this high competitive environment. Organizations face competition from all possible different fronts. A new competitor may appear in a Southeast Asian country offering exactly the same product as your company but producing it 45% cheaper; or a company from other industry may absorb part of your market share. Competition is everywhere. And as Gary Hamel (2007) states: “Out there in some garage is an entrepreneur who’s forging a bullet with your
company’s name on it. You’ve got one option now – to shoot first. You’ve got to out-innovate the innovators”. There are many examples that proved creativity and innovation as a possible solution to surviving in the hyper-competitive era.

However, the necessity of change is also rooted inside the organization. As we mentioned before, the generational conflicts are unavoidable, but certainly manageable. Generation Y is approaching the workplace with fresh ideas, but also with high expectations and ambitions that are crashing head on with the pre-existing paradigm.

And if you take into consideration the shift that the entire society is experimenting from the modern to the post-modern era, and its implications in terms of identity, consumption and marketing, we are facing an interesting scenario worth studying and discussing from the perspective of management and leadership.

In addition, this cross-discussion could be located in the frame in the ongoing debate about Management Innovation. Gary Hamel (2009) and many other management gurus have identified some challenges that organizations should pay attention to. They mainly conclude that companies and organizations should pay more attention to human beings (Hamel, 2007). Many of those challenges are closely related with our research. Hence, the main importance of the study does not reside in the need to change what is suggested above, but a more deep need: the need to humanize organizations.

1.7. The Research Questions

There have been many researches and case studies about the perfect environment or the adequate leadership traits to foster and enhance creativity within the business context. It is not something “creative” at all.

Nevertheless, what could be something novel and useful for companies and organizations is the way they are embracing Generation Y. As we have mentioned above, each generation is different and behave differently in the workplace. Therefore, companies and organizations should figure out the adequate practice to motivate their employees and get the very best out of them.

We have considered adequate and interesting to discuss and understand the current generation change from the perspective of paradigm shift by analyzing not only the difference among different generation, but also understanding the variables and the structure of the suitable model for new generations.

Naturally, here then comes our first research question: What does the Generation Y look like in terms of motivation? And what are the paradigms that organizations and leaders need to shift?
Nevertheless, the discussion would not be complete, unless we do translate the new paradigm into the framework of management and leadership. Companies and organizations need to adapt to the new paradigm. Many of them are already changing their practices and attitudes. For instance, we have considered interesting to discuss through several case studies how companies are using games and converting companies into communities to foster creativity.

In consequence, the second research question is: What are the main issues that managers and leaders need to consider under the current paradigm?
2. Critical Literature Review and Conceptual Framework

In the second chapter we will focus on the concepts of creativity, motivation and the influence of management and leadership in both. Firstly, we will discuss the main theories regarding creativity. From these theories, it would emerge the notion of motivation. And in last term, we will present the different models or approaches to influence on creativity and motivation from the business perspective. This second chapter will conclude with the presentation of our conceptual framework.

2.1. Definition of Creativity

According to Ford and Gioia’s (1995) definition, creativity is a context-specific, subjective judgment of the novelty and value of an outcome of an individual’s or a collective’s behaviour. To disassemble this definition, we have three aspects to analyze. First, creativity is about novelty or difference, a deviation from the ordinary. This is the superficial meaning of creativity. Literally speaking, a creative idea must be a new idea.

However, a new idea is not necessarily a creative idea, which leads to the second aspect of creativity—value and usefulness. From the perspective of business and management, the reason why we do research on creativity is because creativity will bring us new motion to move forward and new opportunities to create value. Therefore, a creative idea must be valuable; otherwise, it would be meaningless for us to study it. Third, the criteria of judging novelty and usefulness are dependent upon specific context. Novelty is always relative. An idea might be new to certain people, within certain context. However, the same idea might be old if it was put within another context. The same idea could also be applied to the concept of value. For instance, an idea will be valuable in some industry, but not valuable at all in another industry. That means creativity also tends to be judged subjectively. Among other researchers, Amabile (1997) also has the same opinion on the definition of creativity.

Csikszentmihalyi (cited in Weisberg, p.62) expresses the same definition by depicting a creative process. This process emphasizes on how to prove the value of a new idea. An individual, who is working in some domain, has a novel production. In order to make it public, he or she has to present the production to the field, which consists of the individuals who also work in the same domain. These individuals will play the role of gatekeeper to the domain. They will evaluate the production to see if it is valuable enough to be a part of the domain, which represents the relevant knowledge. If they do not agree on the value of the production, it will not influence the domain. In Csikszentmihalyi’s view, a novel product becomes creative only after it goes through the whole cycle and becomes a part of the domain.
Based on the definition mentioned above, Chris Bilton (2007) adds intention as a necessary part of creativity. Undeniably, accidental occurrence of creativity happens from time to time, and it also makes contribution to the society. However, this unintentional creativity is by no means researchable. Therefore, it should be excluded from the research.

Furthermore, Amabile (1997) distinguishes creativity from innovation. Creativity is the first step of innovation, which is the successful implementation of those novel and appropriate ideas. She also points out that creativity is a necessary but not sufficient condition for innovation.

Robert W. Weisberg has discussed creativity from the psychology perspective. His primarily interest is in the creative thinking. He has focused his study on the cognitive processes involved in the intentional production of novelty (Temple University, 2009). His theory makes a counterpoint when understanding creativity, since he has refuted many of the ideas presented above.

Weisberg (2006) has refuted issues such as the concept of novelty, intentionality or usefulness. As we have been discussing, one of the critical issues identified by the majority of researchers is the concept of novelty; the outcome must be new. However, Weisberg (2006) has introduced the debate of novelty for the person or novelty for the world. Weisberg belongs to the person-side of the discussion. He agrees with the idea that as long as an individual follows the creative thinking or creative process to generate an innovation, it can be considered novel (Weisberg, 2006).
In addition, Weisberg (2006) agrees with the notion of intention. Creativity must imply intentionality. The creative person must have a desire direction toward some object or state of affairs (Stanford Encyclopaedia of Philosophy, 2003). Weisberg (2006) only considers the existence of creativity, when an individual with any sort of purpose produces an innovation.

However, his main counterpoint concerns with the inclusion of value in the definition of creativity. The majority of the researchers agree on combination of novelty and value when defining creativity. For instance, Csikszentmihalyi (cited in Weisberg, 2006) has discussed deeply the relevance of value and novelty when labelling something as creative. The majority of the researchers subscribe to Csikszentmihalyi’s theory, but not Weisberg. According to Weisberg (2006), all we need to consider in order to label something as creative is to be novel for the individual and be produced intentionally. Weisberg (2006) says that there is no solid foundation for the discussion of value from the psychological perspective; it just makes difficult to discuss and understand creativity, since we would be analyzing creativity through time.

On the other hand, Weisberg (2006) also recognizes that his theory of intentionality novelty is to some extent included in the theory of intentional novelty plus value. Weisberg has received many critics for leaving value out of his theory. The main critic refers to the idea that his theory could embrace ideas or inventions that fail. Weisberg (2006) argues that if an individual has spent time and efforts on it, and the outcome is labelled as novel according the individual's thinking and reasoning process, then it should be considered creative. However, people may find it useless or do not like it. But this is a different assessment from whether the outcome is creative. Weisberg (2006) also adds that there are many cases in which a tremendous failure or an acceptable idea has driven afterwards to a genius production.

After all his counterpoints, Weisberg (2006) suggest a possible working definition for creativity: “Creative thinking occurs when a person intentionally produces novel product while working on some tasks”. Weisberg (2006) also states the society value these innovations highly, and sometimes not, but all of them are creative outcomes.

As we have mentioned above, Weisberg focuses his definition from the psychological perspective. However, we are strongly interested in the impact of creativity in the business world. For this reason, we would consider more interesting to refer to creativity as a combination of intentional novelty and usefulness within a certain context.

2.2. Where is the Origin of Creativity?

This is a question that has been obsessing people for a long time. Since ancient times, thinkers and philosophers have been discussing this question, and trying to answer it from different
perspectives. The possible answers have varied from outside the mind to ordinary conscious thinking. In order to get a better understanding about creativity, we have considered adequate to make a short review of the main theories that discuss creativity.

2.2.1. The Greeks and the Classics

The quest of the origin of new ideas is not a new phenomenon; it has been of interest for centuries. Classical Greek philosophers and thinkers, such as Plato and Aristotle, made conjectures about how creative ideas came about. The Greeks suggested the idea that creative ideas were a gift from the Gods. The Greek mythology said that the Muses played a central in producing creative ideas (cited in Weisberg, 2006). The Muses were the nine daughters of Zeus, the King of the Gods; and each of them was in charge of a separate field. For example, Terpsichore ruled over the domain of dance and dramatic chorus, and her emblem was lyre (Britannica, 2008).

Dante Alighieri, in Canto II of The Inferno:

“O Muses, O high genius, aid me now!
O memory that engraved the things I saw,
Here shall your worth be manifest to all!”

(Anthony Esolen translation, 2002)

Translating the previous idea into the discussion, it means that creative ideas were generated outside the ordinary or normal reasoning process. Actually, they were originated outside individuals; the Muses put those ideas into an individual’s mind. The individuals served as mere “messengers” or “conduits” of those ideas. The Gods used certain individuals to present creative ideas to the rest of the people. What remains nowadays from this school of thought can be seen each time a person says: “I got an inspiration”. We use the expression inspiration because creative ideas are breathed in (cited in Weisberg, 2006).

According to Murray (cited in Weisberg, 2006), the most common belief of the Greeks was that a person in the throes of creativity was completely out of his or her mind. For instance, Plato described a poem as a process that happen outside the poet’s mind. But the following generation of philosophers, headed by Aristotle, directly concluded that states of mental illness played a central role in the generation of new ideas.

Nevertheless, these ideas have impact nowadays. Although the sources of creativity have moved to inner individual process, the underlying notion is still the same (Weisberg, 2006).
To sum up, the theories of creativity in ancient Greece is that a creative idea is a gift from the Gods. It has nothing to do with the individual who has the creative idea, but with the Gods who gives the individual the creative idea. This is a mysterious explanation of creativity.

![Figure 2.2 – The Greek's mysterious explanation of creativity](image)

### 2.2.2. Unconscious Thinking – Sigmund Freud & Henri Poincaré

Sigmund Freud (cited in Weisberg, 2006) introduced unconscious thinking into the explanation of creativity; and others, such as Cskszentmihalyi, have taken up the baton of the Freudian view at the present time (cited in Weisberg, 2006). Following Freud’s idea, unconscious needs and conflicts have a big impact on determining both the “subject matter that creative individuals dealt with and the way they portrayed it” (cited in Weisberg, 2006).

In theories highly influenced by Freud’s idea, the person that has generated the idea cannot argue it deeply, since many of the connections behind the creative idea happened unconsciously. Therefore, the creator is not able to make any argument on a conscious level. For example, Gedo has made an analysis of Picasso’s paintings, in which the Spanish artist tended to paint female figures or dead babies. Gedo has concluded, using the Freudian perspective, that Picasso’s work casts his childhood trauma (cited in Weisberg, 2006).

Henri Poincaré had a different perspective of the unconscious thinking in creativity. Poincaré was one of the most influential mathematicians and theoretical physicists of the 19th century. He was also a philosopher of science. Through all his studies, he concluded that the processes occurred during the unconsciousness had big impact on his own creative thinking (cited in Weisberg, 2006).

Poincaré (cited in Weisberg, 2006) discussed the phenomena of “illumination” and “incubation”. The “illumination” or “Aha! experience” refers to the sudden appearance during consciousness of a creative idea when the individual has not been thinking about it consciously.
Therefore, he suggested an unconscious “incubation”; individuals could have the capacity of thinking unconsciously about a certain matter while consciously thinking about something completely different (cited in Weisberg, 2006).

2.2.3. Leaps of insights

Gestalt psychologists have introduced in the discussion of creativity the notion of leaps of insight, which is closely linked with the importance of unconscious processing in creative thinking. According to this theory of mind, just “productive thinking” could lead to true creative advances. An individual must think productively to go beyond what have been discussed before. “Productive thinking” must make a fracture from the past. If individuals just discuss what have been discussed before, that was labelled by Gestalt psychologists as “reproductive thinking”. Gestalt psychologists also suggested that if an individual uses systematically “reproductive thinking”, he or she would not be able to generate new ideas (cited in Weisberg, 2006).

To some extent, the notion of leaps of insight in creativity is connected with other views of extraordinary thinking, since frequently the leaps of insight are explained by using an unconscious processes (cited in Weisberg, 2006).

2.2.4. Divergent Thinking and Creative Personality

From this point the discussion of creativity has taken a different direction. Guilford (cited in Weisberg, 2006) built a theory of how creative thinking works, and he tried to identify and measure the creative thinking ability. The main point of his theory was the individual’s ability to identify the existence of a problem in a certain domain. The individual must show sensitivity to problems. In summary, if the individual do not see the problem, there would be no option to generate any creative solution.

As well, he agreed with the Gestalt psychologists’ idea of breaking away from the past, also called divergent thinking. This sort of thinking does not take into consideration old assumptions, and it creates novel ideas as the foundations of the creative outcomes (cited in Weisberg, 2006). However, Gildford also suggested that we also need convergent thinking to narrow down these new creative ideas. We need to be able to select the best ones. According to Gildford, creativity is not a result an individual “act of genius” but of a combination of two different styles of thinking: convergent and divergent thinking (cited in Bilton, 2006).
### Table 2.1 – Two theories of creative thinking (Bilton, 2006)

<table>
<thead>
<tr>
<th>Divergent Thinking</th>
<th>Convergent Thinking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thinking around or away from the problem</td>
<td>Thinking through or into the problem</td>
</tr>
<tr>
<td>Discontinuity / Break</td>
<td>Continuity</td>
</tr>
<tr>
<td>“Dig another hole”</td>
<td>“Dig a deeper hole”</td>
</tr>
<tr>
<td>Spontaneous, informal, random</td>
<td>Systematic, formal, focused</td>
</tr>
<tr>
<td>Remove constraints</td>
<td>Work with constraints</td>
</tr>
<tr>
<td>Sub-consciousness process</td>
<td>Conscious process</td>
</tr>
</tbody>
</table>

In addition, Gildford also attempted to study the psychological characteristics of creative people. His work was a pioneer and a stimulus to the psychometric stream of creative research. He proposed that an individual’s personality has an important role in making a person creative.

These theories, including unconscious thinking, leaps of insights, divergent thinking and creative personality, try to consider the generation of creativity as a mechanism of thinking. Different from ancient Greek theories, the origin of creativity moves from outside into individuals’ heads, and creativity is discussed mainly from the perspective of psychology. Though the mechanisms theorists advocate vary from one to another, it is a great advance that people begin to explore inner origin of creativity.

![Creativity is located in the thinking process.](image)

#### 2.2.5. Psychometric Perspective

This psychometric perspective has led to the development of confluence models of creativity. The main theories under this umbrella are Amabile’s componential theory of creativity and the investment theory of creativity of Sternberg and Lubart. This confluence models try to sort out the different factors behind creativity.
2.2.5.1. **Amabile’s Componential Model**

Teresa Amabile has developed her study in both the field of psychology and management. Amabile’s (1997) componential theory of creativity assumes that “all humans with normal capacities are able to produce at least moderately creative work in some domain”. Moreover, the social and the work environment have a big impact on both the level and the frequency of the creative behaviour.

Amabile (1997) has sorted out three different components of individual creativity: expertise, creative-thinking and intrinsic task motivation are the three major components of individual creativity.

- **Expertise** indicates the knowledge and experience that a person has in the broad domain of his or her work. The dominant relevant skills are the foundation of creative work. Special talents in certain domain are one of components of expertise; however, by understanding and memorizing knowledge, improving proficiency and accumulating specific experience, expertise can be increased to some extent (Amabile, 1997).

- **Creative thinking** refers how people find approaches to problems and solutions. The expertise of a person must be combined with his/her creative thinking skills so that creative work can be produced. Amabile (1997) points out that these skills include a cognitive style favourable to taking new perspectives on problems, an application of techniques for the exploration of new cognitive pathways, and a working style conducive to persistent, energetic pursuit of one’s work. Creative thinking relates to personality characteristics. Independent, self-disciplined, risk-taking oriented people are more likely to be those with creative thinking skills (Amabile, 1997).
Task motivation. Expertises and creative thinking skills are critical to a creative work; however, the person's attitude toward the task is critical in determining whether he or she will respond creatively to it. This means that if a person is motivated to do his or her task, chances are high that he or she becomes creative. There are two different types of motivation: intrinsic and extrinsic motivation; that will be discussed later. In summary, many studies have found evidences that “people will be most creative when they feel motivated primarily by the interest, satisfaction, and challenge of the work itself, and not by external pressures” (Amabile, 1997).

2.2.5.2. **Sternberg and Lubart: the Invest Theory of Creativity**

Sternberg and Lubart’s (cited in Weisberg, 2006) investment theory of creativity assumes that creators buy low and sell high. Buying low indicates that creators will put forward ideas, which are not popular and try to persuade others to accept the ideas. After the ideas become popular, the creators will move to work on other unpopular ideas, which mean selling high. Furthermore, Sternberg et al. (1997) also suggest a componential model of creativity following the investment theory. They argue that several factors will influence human beings’ creativity, i.e. knowledge, intellectual abilities, thinking style preferences, personality, environment and motivation.

<table>
<thead>
<tr>
<th>Amabile’s Componential Model</th>
<th>Sternberg and Lubart’s Investment Theory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expertise</td>
<td>Thinking Skills</td>
</tr>
<tr>
<td>Intellectual abilities</td>
<td>Knowledge</td>
</tr>
</tbody>
</table>

Table 2.2 – Two confluence models of creativity (Weisberg, 2006)

The theories of Amabile, Sternberg and Lubart follow the psychological tradition. However, they widen the research area and take issues such as motivation, knowledge and environment into consideration. The change of researching direction makes the cross-discipline possible. Because creativity is a very important topic in business world, it began to enter management research. The discussion of motivation, how to build a creativity-friendly environment, how to manage creative talents and alike has become a hot spot in business.
2.2.6. Evolutionary Theories of Creativity

The theory of natural selection of Charles Darwin published in his book "On the Origin of the Species", had also influence in the discussion of creativity. Donald Campbell (cited in Weisberg, 2006) proposed an analysis of the idea generation using Darwin’s theory. He tried to make an analogy between an evolution of ideas and the evolution of species, based on the natural selection. Campbell suggested that in first stage of this process there was a blind and random idea generation. He stated that just if those ideas clearly deviate from the past, then there were truly creative ideas. After the idea generation, it is time to prove whether those ideas meet the specificities of the problem. Then, one or more ideas could be stored and used afterwards. In summary, Campbell’s model includes three conditions: a mechanism for introducing variation, a consistent selection process, and a mechanism for preserving and reproducing selected variations (cited in Simonton, 1998).

Campbell’s ideas were developed forward by Keith Simonton. He transformed Campbell’s model into a sort of confluence theory of creativity. Beside the three conditions proposed by Campbell; Simonton completed it with other components, such as personality traits, cognitive factors, the influence of the environment, and so on (cited in Weisberg, 2006).

2.2.7. Cognitive Perspective: Creative Thinking and Ordinary Thinking

Till this point the majority of the models and theories discussed require thinking “out-side-of-the-box”. The box contains all our past experiences, habits and behaviours; and it is constraining us when being creative. In someway, there is a tension between creativity and experience (Weisberg, 2006).

Nevertheless, the cognitive perspective suggests that creative thinking is basically the same as the reasoning process used daily. Among others, Weisberg (2006) states that creative thinking is just ordinary thinking. The cognitive perspective may be focus more on the outcome than in the process
itself. Weisberg argue that in many occasions, the impact of the outcome could be high, but the mechanism used to generate that outcome is very ordinary (Weisberg, 2006).

The creative thinking and ordinary thinking theory makes the target of creativity research even wider. It argues that creative ideas are not only generated by gifted people, and ordinary people can also produce creative sparks. This supports our research because most employees of companies are ordinary people, and how to make them creative is a valuable topic to discuss.

2.3. Motivation for Creativity

Amabile and Sternberg have identified similar factors, which influence creativity. Although a person’s development of expertise and practice of creative thinking skills can be influenced to some extent through various means, it is a long-term process and the cost is high. However, motivation, which is mentioned both in Amabile and Sternberg’s componential theories, is a relatively more efficient way to increase creativity in short term. According to “Pareto principle”, one should not spend 80% of his or her resource in one area in order to get the last 20% of return. It is the same for creativity. Amabile (1997) points out that motivation is the area which managers should pay more attention to. Her studies show that all the components of creativity will be impacted on through various means, but the impact on motivation appears to be the most immediate and direct.

2.3.1. Abraham Maslow and his “Hierarchy of Needs”

Abraham Maslow has been considered the father of the humanistic psychology, and he has gone down in history due to his conceptualization of a “hierarchy of needs” (Adair, 2006 et al). Maslow classified the human needs into five different categories. It is very common to see his theory in a sort of pyramid. From the educational perspective, it is very practical to sketch them. However, Maslow never discussed them in that way.

Maslow’s studies had a strong influence from the ideas of Sigmund Freud. Alfred Adler, a disciple of Freud, influenced Maslow with his contribution to psychology to a very large extent (Adair, 2006).

Maslow’s theory of motivation is so far one of the most influential theories in psychology, but it also has impact in other fields, such as management. His theory is the basis of many further theories about motivation. He pretended to establish a sort of “hierarchy of prepotency” in the realms of human needs, and by commenting the different steps we could gain more understanding about the concept of motivation (cited in Adair, 2006).

The main idea behind his theory is that the more basic needs are stronger, and individuals would use all possible means to satisfy them. The higher necessities are weaker comparing with the
basic needs, but those needs are what make humans different from other types of living organisms (Maslow, 1943).

Maslow (1943) distinguished between five different categories of needs: physiological, safety, social, esteem and self-actualization needs. However, he has also identified another need out of this categorization: the aesthetic needs.

The physiological needs are those required for the survival of humans. Maslow (1943) pointed out that humans seek to satisfy them firstly rather than any others. The physiological needs are the more prepotents of all needs; and Maslow (cited in Adair, 2006) argued so with two different points. He suggested that different needs could be relatively independent from one order of needs to another. And he also stated that there is a localized physical base for the need. The physiological needs may include the need of breathing, the need of water or food, the need of homeostasis, or the need of sex (Maslow, 1943).

“For our chronologically and extremely hungry man, Utopia can be defined simply as a place where there is plenty of food;... Such a man may fairly be said to live by breath alone” (Maslow, 1943)

Once an individuals has satisfied the physiological needs, another sort of needs arise; the individual is not longer motivated to cover them. Maslow (1943) states that the second order of needs are those related with the “safety of the organism”. Generally, people feel more secure dealing with familiar issues rather than unfamiliar; or with known rather than unknown. Maslow (cited in Adair, 2006) suggests that religions and philosophies have created a framework to create a sense of security and safety.

The third identified need by Maslow (cited by Adair, 2006) refers to the necessity of individuals to have relationship and emotions. Originally, Maslow (1943) refers them as “love needs”. People need to feel a sense of belonging and acceptance from the community (Cited by Adair, 2006).

After the “love needs”, Maslow (1943) identifies in fourth place the esteem needs. Maslow (1943) states that this needs include both self-esteem and the esteem of the others. Maslow (cited in Adair, 2006) sorts them in two set of subsidiaries. The first group refers to the desire for strength, or personal achievement. While the second set refers more to status, recognition and reputation.

The final need identified in the originally theory of Maslow (1943) is the need of self-actualization. Even if individuals have satisfied all possible needs, they will always feel discontent and relentlessness, unless individuals feel ultimately at peace with themselves.
Nevertheless, Maslow (cited in Adair, 2006) suggests that another set of needs could be attached to this hierarchy. People have been always attracted by the unknown, it seems to be an attractiveness. People feel the necessity to explore further. Maslow (cited in Adair, 2006) refers to this force as the aesthetic needs or the “motivation to realize one’s own maximum potential”. Moreover, Maslow (1943) refers to it as the “master motive”, being all other motives just a mere interpretation of it.

2.3.2. Douglas McGregor: Theory X and Theory Y

Maslow’s theory has a large acceptance in industry mainly thank to the work of Douglas McGregor who frame the “hierarchy of needs” into a model that embraces the more typical preoccupations of managers (Adair, 2006). McGregor has polarized Maslow’s assumptions into two different propositions about human behaviour: Theory X and Theory Y (McGregor, 1960).

Theory X represents the traditional managerial and leadership style in which control and direction are the main points. McGregor (1960) states that people have an inherent dislike of work, and if possible they will avoid it. McGregor (1960) suggests in this proposition that “management must counteract an inherent human tendency to avoid work”. A particular managerial approach based on control, coercion and punishment is required in order to achieve the organizational objectives. Therefore, people prefer to be delegated, but avoiding any sort of responsibilities.

On the other hand, Theory Y argues for the integration of the individual and organizational objectives. This proposition lies on the assumption that physical and mental efforts in work are natural. Therefore, managers can rely on other managerial attitudes such as self-direction and self-control. McGregor (1960) states that commitment to objectives is a function of rewards linked with their achievements. Moreover, individuals have a natural tendency toward learning and they accept and seek responsibility. In addition, he suggests that creativity is a matter of the entire organization and should be distributed among the entire population. He also states that organizations are not using the entire intellectual potential of the human beings (McGregor 1960).

McGregor (1960) concludes that a managerial approach based on Theory Y could be an effective manner to raise employees’ motivation. However, he recognizes that Theory X is more suitable for competing in the industry, at least under the circumstances in which it was formulated: the modern era.

2.3.3. Frederick Herzberg and his Motivator-Hygiene Theory

Frederick Herzberg is one of the most influential psychologists in business management (Adair, 2006). He has gone down in history due to his motivator-hygiene theory.
Firstly, Herzberg (1987) gives a thoroughly explanation about what is motivation. He does so by comparing it with movement. The effect of both may be the same, but the ignite source and the consequences are totally different. Herzberg refers to movement as those external incentives that make the employees to react. Nevertheless, they also get used to them and their effects tend to become futile. It is linked with external extrinsic reward. He distinguishes between negative psychical movement, negative psychological movement and positive psychological movement. Nevertheless, these practices are not motivation; they could be labelled as rape or seduction, depending on whether they are positive or negative.

Typically, managers believe that they are influencing motivation by using movement practices. Herzberg (1987) has identified that several movement practices are totally misused from the perspective of motivation: reducing time spent at work, increasing salaries, external benefits, training, or communication issues. For instance, managers believe that reducing the number of hours spent per week is a way to influence motivation; nevertheless, motivated employees always seek more time at work, not less.

On the other hand, when Herzberg (1987) refers to motivation, he refers to the inner generation of one’s own. He argues that an individual does not need any outside stimulus; it is vastly enough with the inner passion of doing something.

Based upon this definition of motivation, Herzberg (1987) develops his motivator-hygiene theory. Through a large research, he has concluded that there are factors in the workplace with a positive impact on job satisfaction (motivation) and other that lead to job dissatisfaction, which is not the antonymous of job satisfaction, but no job satisfaction.

<table>
<thead>
<tr>
<th>Hygiene Factors</th>
<th>Motivators</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Company policy</td>
<td>- Achievement</td>
</tr>
<tr>
<td>- Administration</td>
<td>- Recognition</td>
</tr>
<tr>
<td>- Supervision</td>
<td>- Work itself</td>
</tr>
<tr>
<td>- Interpersonal relationships</td>
<td>- Responsibility</td>
</tr>
<tr>
<td>- Working conditions</td>
<td>- Growth</td>
</tr>
<tr>
<td>- Salary</td>
<td>- Advancement</td>
</tr>
<tr>
<td>- Status</td>
<td></td>
</tr>
<tr>
<td>- Security</td>
<td></td>
</tr>
</tbody>
</table>
Herzberg (1987) has identified the hygiene factors as the main cause of job dissatisfaction. Its influence can at best create no dissatisfaction in the workplace. Nevertheless, the absence or misuse of one of them will lead to job dissatisfaction. According to Herzberg, these kind of factors are related with biological needs and are built for avoid any pain from the environment.

On the other side of the theory, Herzberg (1987) has discussed the motivators or those factors that exert a positive influence in the job satisfaction. Therefore, if managers work on them, they could see their employees’ motivation be increased. These factors are more in connection with the sense of achievement and the psychological growth of the employee.

At this point, Herzberg (1987) has introduced the term enrichment. He postulates for job enrichment as a manner to influence his motivator-hygiene theory. Managers need to increase the job enrichment to bring about effective utilization of the human resources. By doing so, managers will provide means of psychological growth for their employees. Nevertheless, the term enrichment should not be misunderstood with the term enlargement, which would just make the job structurally bigger.

2.3.4. Victor Vroom and his Expectancy Theory

Victor Vroom (1965) suggests motivation results from rational expectancy. He establishes the expectancy theory on the assumption that human beings make choices in order to maximize pleasure and minimize pain. Meanwhile, he assumes that employees will be motivated when they believe that:

- Effort will lead to improvement of job performance.
- Better job performance will result in desired rewards, extrinsic such as salary, promotion, benefit, and intrinsic such as satisfaction.
- The reward can satisfy a certain need and is desirable enough to make the effort worthwhile.

![Expectancy Theory](image-url)
Based on the three assumptions mentioned above, Vroom puts forward three relevant concepts, expectancy, instrumentality and valence. Expectancy refers to the extent of an employee’s belief about whether or not his or her efforts will lead to an improvement of job performance. The employee will be motivated only if he or she believes that the performance is possibly attainable.

Then Vroom puts forward instrumentality. It refers to the degree of an employee’s belief about whether or not a certain job performance will result in a certain outcome as a reward. The employee will be motivated only if he or she believes that an expected reward will follow the job performance.

In last term, valence refers to the value an employee puts on the reward he or she will get due to certain job performance. If the employee highly values the reward, he or she will be motivated to make an effort to attain the certain job performance.

Vroom suggests (1965) that an employee’s beliefs about expectancy, instrumentality and valence interact psychologically to create a motivational force. As a consequence, that the employee acts in ways that bring pleasure and avoid pain.

### 2.3.5. Amabile’s Extrinsic & Intrinsic Theory

Amabile (1997) discusses two types of motivation, intrinsic and extrinsic motivation. Intrinsic motivation is driven by a person’s internal interest and desire to do something, such as curiosity, enjoyment, and sense of challenge. Extrinsic motivation comes from outside a person, such as reward, promotion, or deadline. A number of studies have shown that a primarily intrinsic motivation will be more conducive to creativity than a primarily extrinsic motivation.

The antagonism model of the interaction between intrinsic and extrinsic motivation is accepted by many researchers, saying as extrinsic motivation for an activity increases, intrinsic motivation must decrease (cited in Amabile, 1997). However, Amabile (1997) put forward her Intrinsic Motivation Principle: “Intrinsic motivation is conducive to creativity. Controlling extrinsic motivation is detrimental to creativity, but informational or enabling extrinsic motivation can be conducive, particularly if initial levels of intrinsic motivation are high”.

Amabile’s (1997) study reveals extrinsic motivation may combine with intrinsic motivation as a synergism instead of an antagonism under three conditions. First, a person must have high initial intrinsic motivation state. If the person is deeply involved in the work due to personal interests or other internal factors, which means the initial intrinsic motivation is high; the extrinsic motivation is less likely to undermine intrinsic motivation.

Second, certain types of extrinsic motivation must be used. Amabile (1997) summarizes three types of extrinsic motivators, informational, enabling and controlling extrinsic motivators. Informational motivator means those types of reward, recognition or feedback, which confirm
competence or provide information on how to improve performance. Enabling motivator means those types of reward, recognition or feedback, which improve the person’s involvement in the job. These two are called synergistic motivators. Other types which constrain how work can be done are called controlling motivator.

Third, the timing of extrinsic motivation is important. As mentioned, a creative idea should have both novelty and usefulness. Therefore, some stages of the creative process are more important for novelty and some other stages are more important for usefulness. The synergistic extrinsic motivation may most possibly function well at the stages for usefulness, but not function ideally at the stages for novelty.

2.3.6. **Adair and the Fifty-Fifty Rule**

The “Pareto principle” may be understood in many different ways. One of its interpretations suggests that “80% of your really productive and creative work will be done in 20% of your time” (cited in Adair, 2006). John Adair (2006) has based on it to formulate the fifty-fifty rule of motivation. He states that fifty percent of motivation resides inside the person, and the other fifty percent comes from outside. Of course, he also says that percentages should not be taken as exact proportion. But this rule helps us to understand the role of the environment and leadership in the field of motivation.

The fifty-fifty rule (Adair, 2006) distributes the responsibility of motivation between followers and leaders. Adair does not conceive motivation just as inside mechanism, but he also puts responsibility to managers and leaders in this issue. He refers to leadership as “the art to work with the natural grain of the particular wood of humanity which comes to hand”.

It is convenient to discuss this theory for at least two reasons. The fifty-fifty rule brings us back to the ground, to the reality. It could be seen as an invitation to managers and leaders to take their challenge of playing his role in the motivation before criticizing the quality of their employees’ work. In addition, this rule matches perfectly with the original definition of motivation. By analyzing the etymology meaning of motivation, it came from the Latin expression “moveo”, we can conclude that it could be caused both by “inner impulse or proclivity” or “outer situations or stimuli” (Adair, 2006).

All these theories mentioned above discuss motivation in general terms. It is not the motivation specifically for creativity. However, we believe that our focus, motivation for creativity, is a part of the general motivation. The theories can be compatible. When an employee is motivated to do a good job, usually he or she is motivated to be creative at the same time. Therefore, we believe these motivation theories can perfectly help us to finish our thesis work.
2.4. The Link with Management and Leadership

2.4.1. Amabile’s Componential Theory

Using Amabile’s (1997) studies, creativity is the first step of innovation. As mentioned before, creativity lies on the level of individuals and has three main components, i.e. expertise, creativity thinking skills and task motivation. Furthermore, Amabile (1997) emphasizes the importance of working environment which is on the level of organization and decides innovation of the organization. According to her studies (1997), the working environment within an organization can make the difference between the production of new, useful ideas for innovative business growth and the continuance of old, progressively less useful routine. The working environment has a major impact on individual motivation. Therefore, the individual creativity is influenced by environment due to the impact on motivation. In turn, the individual creativity supplies an organization with the sources of innovation.

![Diagram showing the impact of organizational environment on creativity](image)

Amabile (1997) has discussed three major components of the working environment within organizations, organizational motivation to innovate, resources and management practices.

- Organizational motivation to innovate consists of orientation of organization toward innovation and supports for creativity and innovation in an organization. The orientation of
organization toward innovation, which comes primarily from the top management, indicates the general attitude of an organization toward creativity and innovation. According to Amabile’s study (1997), the most important components of innovation orientation include the value generally placed on creativity and innovation by the organization, a risk-taking attitude, the pride and confidence of the organization members’ capability, and an ambitious strategy of leading the trend. The support for creativity and innovation means an effective mechanism of producing and processing novel ideas. New ideas and useful information should be actively communicated within an organization. Creative work should be fairly recognized and rewarded. Meanwhile, organizational motivation requires the absence of several things which can sabotage creativity and innovation in an organization, such as destructive criticism, malignant competition, strict control and excessive organization structure etc.

- Resources can mean anything in an organization that will help creativity and innovation, such as free time, people with expertise, funds, information and so on. Managers have to decide how to allocate the limited resources.

- Management practices indicate the management at all level in an organization. However, Amabile (1997) points out that the management at the level of individual departments and projects is more important compared to higher level of management. Amabile (1998) summarizes six general categories of management practices, challenge, freedom, resources, work-group features, supervisory encouragement, and organizational support. In one of articles in which Amabile discusses creativity and motivation, she further divides managerial practices into 14 detailed categories, planning and organizing, problem solving, clarifying roles and objectives, informing, monitoring, motivating and inspiring, consulting, delegating, supporting, developing and mentoring, managing conflict and team building, networking, recognizing, and rewarding. By doing so, Amabile tries to analyze and assess the role and attitudes of the managers within these managerial practices.

These three components, in general, are on the level of management and leadership in an organization. Amabile’s Componential Theory of Organizational Creativity and Innovation reveals the link between management and creativity. Since motivation lies between management and creativity, the relationship between management and motivation should be paid attention to.

2.4.2. John Adair – The Eight Principles of Motivation

If there is a lesson that managers must learn from Adair’s fifty-fifty rule, it is that the extent to which you influence on an individual’s motivation is limited. Nevertheless, managers should consider using it to approach full commitment and devotion (Adair, 2006).
John Adair (2006) has formulated eight principles or guidelines of what managers and leaders can do in this issue. They are some general advices, which could be useful in many different scenarios and in many different approaches.

The first step that leaders must take is to motivate themselves. If one is not motivated, it is impossible to motivate others. Therefore, leaders need to make a retrospective assessment of whether their enthusiasm for and commitment to the task is true, honest and sincere. In that sense, leaders must embody the message. Enthusiasm can be spread easily; and if leaders combine it with trust, half work is already done (Adair, 2006).

Since, it is difficult to motivate people. Consequently, it is reasonable just select those individuals that are already motivated (Adair, 2006).

It is essential to treat and know each person individually. Teams are made by individuals; however, a motivated individual does not imply that the entire team is motivated. Leaders should know each person on individual basis. It is very sensitive to let them express freely. In summary, leaders have to foster an environment plenty of confidence (Adair, 2006).

Leaders must also understand that motivated employees are not “superheroes”. Therefore, it is rather convenient to set realistic goals, but at the same time they must mean a challenge. In general, if leaders allow their employees to take part in this process, they will be more motivated to reach them (Adair, 2006).

Feedback is very important, and it should not be underestimated. People like to complete their tasks; and if they receive signals that they are moving forward, they will devote themselves to completing it (Adair, 2006).

Leaders should build an environment to foster motivation. In this environment, the issues identified in the hygiene factors (physical and psychological needs) by Herzberg have priority. Try to avoid bureaucracy as much as possible; it acts as a demotivator. Let employees to take part in the decision-making process, especially when they are involved in them. Be sure that employees perceive that they are contributing to the organization, that they feel part of it (Adair, 2006).

Your reward should be fair. Fairness and justice mean that the return should be equivalent in value to the contribution. Salary is just a possible type of rewards; leaders must also consider others such as opportunities for professional development, or personal growth (Adair, 2006).

And ultimately, the most powerful motivator is recognition. Sometimes, just a couple of words, such as “thank you”, have an extraordinary impact on a person’s morale (Adair, 2006).
2.5. Conceptual Framework

After reviewing related literature in the realms of creativity, motivation and management, we can find clear links between them. Creativity consists of three critical parts, creative thinking skills, expertise and motivation. Thinking skills and expertise are relatively stable over time and thus difficult to change. Motivation is an active variable to influence creativity. Therefore we put our focus on how to motivate employees to be creative. Leadership and management is an effective way to impact motivation, and thus worth detailed discussion.

Consequently, we can depict our conceptual framework as follow:

Figure 2.8 – The conceptual framework
3. Methodology

In chapter number three, we will present the methodology of this thesis. It will discuss the approach that we used in our empirical research, and also the ways in which we address the diverse research activities.

3.1. Introduction

Methodology is the foundation of a thesis work, and has a decisive impact on the quality of the thesis. The choice of methodology approach should be based on the character of the thesis topic in order to better understand and study the topic. In the following chapter, the methodology we apply in this thesis work will be presented. Firstly, we will present the scientific approach we choose to use. Then we will explain the reason why we apply case study as our research strategy. Furthermore, the choice of companies as our cases will be justified. The strategy of data collection will be described in a detailed way, meanwhile, the advantages and disadvantages of our data collection will be highlighted. At the end, the quality, ethical issues and limitations of our thesis will be discussed.

3.2. Qualitative and Quantitative Data

Both approaches have a role to play when doing research. According with Strauss and Corbin (1998), the point is not to select one approach or another, but to combine both wisely in order to allow the theory to emerge.

Quantitative approaches refer to the analysis of facts and numbers in a systematic and standardize manner (Patton, 1990), whereas qualitative research refers to all type approaches that produces findings not obtained by any statistical, mathematical or numerical technique (Strauss and Corbin, 1998). According with Strauss and Corbin (1998), a qualitative approach may be more suitable for studies related with human behaviour, emotions or feelings.

In our particular case, the most important concepts discussed in our study are creativity, motivation and identity. These concepts are not very convenient to measure or to be framed into any statistical analysis. In addition, we have also introduced the notion of the generational gap, which humanize even more the study. In addition, the sort of connections that we have intended to build between the different concepts used in our study and the generational gap makes the use of any quantitative approach difficult. For these reasons, a qualitative research is the most suitable approach according with the intention and aim of this study.
3.3. Research Strategy

According to Yin (2003), a researcher can use five different research strategies in a study: experiment, survey, archival analysis, history, and case study.

Yin (2003) also believes that each of these five strategies can be used for all the three purposes of a study—exploratory, descriptive or explanatory. The choice of a specific research strategy depends on the three conditions as follows (Yin, 2002):

- The type of research question posed
- The extent of control an investigator has over actual behavioural events
- The degree of focus on contemporary as opposed to historical events

One of the topics of our thesis is creativity. After reviewing the most significant literature in this field, we decide to discuss this topic from the perspective of how companies can motivate employees to create. Therefore, we need to study motivation and management.

Fisher (2004) believes that case study can be the most appropriate means for researchers to have an in-depth understanding of a certain situation. Considering the purpose of the study, the nature of our research questions and the limitations that will be described below, we believe that the case study is the best choice for our intentions, because case study has the ability to deal with a full variety of evidence—documents, artifacts, interviews, and observations, gives us opportunity to analyze deeply the target and profoundly understand our research issues.

3.3.1. Case Study

According to Yin (2003), a case study is “an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between object of study and context are not clearly evident”.

To study how management can motivate employees, especially young employees, to create, we select two companies as cases to analyze, one is Microsoft, another is Pixar.

Microsoft is a leading company in computer technology industry with over 30 year experience. Its dominant position in the industry makes it attract the top creative talents all over the world to join the company. Today, Microsoft is still one of the best companies for young talents to start a career. Due to the figures released by Microsoft (Microsoft.com, 2009), 17.8% of the employees are 29 years old or under, 45.47% of the employees are between 30-39 years old, and 36.9% of the employees are 40 years old or over. The mix of different generation in the workforce
provides us with great opportunities to analyze the generational differences and how to motivate them differently.

Pixar is an animation studio. It has been producing blockbuster feature films based on computer animation. In 2006, it was acquired by Disney, and it is trying to place Disney back in its creative roots by using its creative leadership and managerial practices. Pixar is a magnet to attract talent; According to Businessweek (2007), it ranked 7th of the best places to launch a career. Its special combination of art and technology makes it special. And its special combination of art and technology makes it special. In consequence, we believed that is really valuable to analyze it.

These companies belong to different industries, and somehow both of them represent a model for their industries. Both of them are believed to be highly creative companies, especially Pixar, which is in an idea-focused industry. Their achievements can perfectly prove their creativity. Meanwhile, they are among the best places to attract young talents. This also fits perfectly for one aim of our study—to understand Generation Y. In addition, we believe that making a comparative analysis would help us to gain understanding about our research questions. Therefore, we choose Microsoft and Pixar as our cases in this thesis work.

3.4. Data Collection

Our intention in this section is to present and discuss the different types of sources that we have used to gather the necessary data for the purpose of our research. In doing so, we have discussed the terms primary and secondary data.
3.4.1. **Primary Data**

Primary data is the data collected by researchers themselves. According to Kumar (2005), there are three main methods to collect primary data: observation, interview and questionnaire. The choice of a method depends on the purpose of the research, the availability of the resources and the researcher’s skills. For the purpose of our research, we believe that making a limited number of interviews to individuals that belongs to the Generation Y is the best approach for us to capture the reality of this generation. In this case, we use semi-structured interviews since we are interesting in their thoughts about identity, what are their feelings and attitudes when approaching the work environment, and their opinion about the generation they belong to. The second reason for choosing semi-structured interviews lies on the fact that none of them have identical perception about the same fact, and also, even the order of the questions or the posed questions vary from one interview to another.

In addition, we have carried out two additional interviews to experts in this field. Firstly, we have conducted an interview with Katarina Zambrell, the Head of the Baltic Business School, whom has made deep research on the notion and role of identity within the organization and business context. In this particular case, the interview looked like more an open interview since we interacted actively with the interviewee, but at the same time we restricted entirely to the questions prepared for the occasion. Then, we have conducted a semi-structured interview with Lasse Johansson, who
at the same time plays professionally for Kalmar FF and he is the co-owner and consultant of Creare Consulting. We have decided to interview him since we would like to gain insight of the concept of motivation, and how a manager can exert influence on it. But also since its consulting company is very much focus on creativity and innovation, it came to other hands a great opportunity to learn what they are doing from the perspective of our thesis.

Semi-structured interviews allow the interviewees have much more leeway to answer according to their own experiences or feelings. In other words, the interviewees are free to emphasize or stress some issues or notions within the frame of the posed question. But also, these sorts of interviews allow the interaction between the interviewer and the interviewee. On the other hand, the role of the interviewer is to drive the interview covering all issues and topics needed for the study (Fisher, 2004).

The main idea behind open interviews is to allow the interviewer to engage in an informal conversation with the interviewee about a particular area of interest. In this kind of interviews, the interviewer have the opportunity to pick up some cues or themes suggested by the respondent; but in general terms, the one leading the conversation is the respondent (Fisher, 2004).

3.4.2. Secondary Data

Secondary data refers to the data collected not directly by the researcher. Sometimes, the data needed has been collected by others; and the researcher just needs to extract the necessary information to do the analysis. In other cases, due to some sorts of restrictions, such as money, time
or availability, a researcher has to refer to secondary data. According to Bryman and Bell (2003), secondary data has its advantages:

- Time and cost. Collecting data in first person is sometimes very time and money consuming. Using secondary data could help to save a lot of resources when doing research.
- High-quality data. If the researchers choose wisely their sources; by using secondary data, they may have access to high-quality data to do analysis.
- Opportunity for longitudinal analysis. In many situations, a longitudinal analysis is necessary in the research. Therefore, secondary data may offer similar data collected over time.
- Reanalysis may offer new interpretations. By using secondary data, the researcher may bring a new fresh perspective to the discussion of a given topic.

We have collected secondary data from many different sources: books, encyclopaedias, journal articles, newspapers, others. One of the purposes of this study is to gain understanding about the concept of creativity and its evolution throughout time; therefore, we have reviewed relevant books and articles about the topic. They allow us to discuss theories from the Ancient Greeks and their Muses to the recurrent Sigmund Freud and his unconscious theory and to the latest organizational theories regarding creativity. We have also reviewed the main theories regarding motivation and identity. The selected material will help us to gain understanding about creativity, motivation and identity, and to build a strong theoretical framework that connects all three notions.

In addition, we have used several journal articles, newspaper articles, magazine articles or “pod-cast” to give support to our research questions and build our case studies. This secondary data will provide us recent and actual information, allowing us to theorize about creativity and motivation under a solid ground.

We have selected our sources conscientiously. We have used just reliable and trustworthy sources that could bring understanding, insight and value to our research. In that sense, we have used articles written by the most prestigious authors and published by the most remarkable journals, such as Harvard Business Review or Business Strategy Review. In addition, beside from reviewing the most significant theories in the field, we have also contrasted what other authors think about those theories. Moreover, to a large extent, they fully cover all requirements suggested by Yin (2003) to verify the strength of any documentation: stability, precision and broad coverage.

Nevertheless, secondary data may present some limitations and disadvantages if it is not used wisely (Bryman & Bell, 2003):
- Lack of familiarity with data. If a researcher collects by himself or herself, he or she must be familiar with the data. However, the researcher might lack necessary familiarity with the second data collected by others.

- No control over data quality. As mentioned before, a researcher can find high quality data from secondary resources. However, he or she might also find poor quality data.

- Absence of key variables. Because the data was collected by others, it might lack some key variables and not fit well the purpose of the research.

**Methods of Data Collection**

![Diagram of data collection methods](image)

**Secondary Data**
- Documents
  - Books
  - Journal Articles
  - Newspaper Articles
  - Other Published Materials
  - Podcasts
  - Dictionaries
  - Others

**Primary Data**
- Observation
  - Participant
  - Non-participant
- Interview
  - Structured
  - Semi-Structured
  - Open Interviews
- Documents
- Mailed Questionnaire
- Collective Questionnaire

**Figure 3.3 – Our research path**

### 3.5. Ethical issues

In this learning process, some ethical issues have arisen. For instance, concerning to the Generation Y interviews, we would like to keep the anonymity of our interviewees. Even though they allow us to make public their names and occupations, we believe that they represent the general feelings and attitudes of the Yers. We want to avoid any possible misunderstanding or confusion when publishing the thesis. However, if needed, we are willing to reveal the names, activity, and as well any other required information to the thesis committee in order to guarantee the validity of our sources.

### 3.6. Quality of our research

After presenting our research design, it is critical to argue for the quality of our thesis.
Early on this thesis process, our aim was to get understanding of the existing theories and literature in the field. It was done by an extensive research on databases and journals. However, we tend to assume, especially members of the Generation Y, that Internet contains all information. Simply, that is not true. From time to time, we have to remember that in the 15th century Johannes Gutenberg invented the printing press, look at the library shelf and grab the existing literature in books and printing readings. In addition, we would like to emphasize that if any theory or fact has already been reported, it become automatically part of our secondary data.

We would like to comment also that all primary data that we gathered during the research process, it has been collected without any preconception. Under no circumstances, our intention was to drive the interviewees to respond in a prearranged way. In addition, we have tried to use all information gathered from our interviews in the most accurate and original manner. We are fully aware that the purpose of a Master Thesis is to conduct a trustworthy research.

According to Yin (2003), people usually criticize that the subjective judgments are used to collect data. When collecting data for our case study, we mainly use secondary data due to access issues. Secondary data is not as good as primary data in terms of pertinence and correlation; however, the secondary data helps us to avoid the subjectivity problem when collecting data. We use many secondary sources, such as books, authentic journals, company websites, newspapers articles, pod cast and so on. After we collect all the data we need from these sources, we extract the things related to our topic and reconstruct them in form of cases. Therefore, we can solve the problem of subjectivity.

The analysis of the data is carefully conducted. We try to keep our study as close to the data as possible, and generate our points based on the actually gathered data. We believe that our thought and analysis are essentially consistent and thus our points generated from the data are trustworthy.

Generalization of the conclusion is one aim of case study. However, this leads us to another problem we face. According to Yin (2003), it is dangerous to generalize a study’s findings beyond the immediate case study. To solve this problem, we choose two famous companies from different industries. First, we do separate analysis of the two companies and find out conclusions. Then, we do comparison analysis to find out similarities and differences of these two cases. After this, we try to generalize our finds with proper extent and give further recommendations in a careful way. Therefore, We believe the validity of our thesis work is reasonable.

In addition, the reader might perceive our topic somewhat twisted. We must report that either our ambition, the nature of the studied field or the well deep discussed theories in the fields has pushed us in this situation.
3.7. Limitations

We have suffered several limitations in all this research process. Although qualitative analysis allows somehow generalizations (Strauss and Corbin, 1998), we did not have enough access to necessary data, due to the limit of our resources. Then, the generalization of our outcome might face the risk of lacking of enough support. For instance, we have concluded that an entire generation have some traits, without considering any kind limitation, such as geographic or ethnic. It is just impossible to try to embrace an entire generation into some traits. Nevertheless, we believe that those traits perfectly fit for western knowledge-based economies.

Perhaps the reader may perceive the lack of enough primary data as one of the thesis’ weak flanks. However, we would like to comment that our main intention was to use primary data to support our analysis. In order to do so, we have contacted one of the most creative Swedish companies well established in many different countries: IKEA. Nevertheless, after a well initial approach, they could not set aside few minutes from its busy agenda to attend our necessities.
4. The Generation Y Comes on the Business Scene

In this chapter we will discuss the answer of our first research question: What does the Generation Y look like in terms of motivation? And what are the paradigms that organizations and leaders need to shift? To do so, we will use data gathered from our interviews to members of the Generation Y, and all insight captured from the interviews conducted to Katarina Zambrell and Lasse Johanson. In addition, we will use also some other supportive data.

4.1. Introduction

For the empirical data of this part, we have conducted a limited number of interviews to members of the Generation Y. We would like to gauge the general feeling of this generation in terms of identity and attitude toward work. The individuals that we have interviewed represent to some extent the general situation of the Yers, since they are either studying or have entered recently in the workforce.

In addition, nowadays, information and resources are available everywhere and at any time. As we have discussed in the introduction part, Internet and media are revolutionizing the way people and organizations are communicating. Many organizations have perfectly understood so. For instance, IBM in cooperation with many other organizations has launched an Internet-based platform where they deliver “valuable original information to help leaders and managers”. The platform is called “The Small Business Advocate”, and its main target is small organizations. However, Jim Blasingame, one of the “world’s foremost experts” on entrepreneurship, has been discussing interesting topics since 1997 with important implications for the business world (The Small Business Advocate, 2009).

In the last months, he has discussed together with Mike Muetzel, “an expert in changing traditional leadership paradigms”, one of the most “interesting dynamic” of today’s business world, the impact of Generation X and Generation Y in economics and management. Both of them belong to the “baby boomers” generation; and from that perspective, they have built and interesting discussion about the topic.

4.2. The General Picture of the Yers

4.2.1. Description of the Generation

Each generation is different. It is different in terms of years, and in terms of the era of their birth. However, they are also different due to the technological and economic period in which they have grown. In summary, the majority of the aspects that define a generation are related with their age.
Generation Y is the outcome of more than a decade of political and economic stability, but they are also the product of technology. Members of Generation Y are used to changes and shifts, either in professional career, society or family. Also, we can define them as a global generation. In addition, the Generation Y is the most educated and protected generation, they have grown with a supporting ceiling.

In general terms, the traits that define Generation Y are presented above (McCrindle, 2008):

<table>
<thead>
<tr>
<th>Work/Life</th>
<th>Life Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Team workers</td>
<td>Enjoyment</td>
</tr>
<tr>
<td>Empowerment</td>
<td>Support</td>
</tr>
<tr>
<td>Involvement</td>
<td>Flexible</td>
</tr>
<tr>
<td>Lifelong Learning</td>
<td>Globalization</td>
</tr>
<tr>
<td></td>
<td>Creativity &amp; Innovation</td>
</tr>
<tr>
<td></td>
<td>Moonlighter</td>
</tr>
<tr>
<td></td>
<td>Plural</td>
</tr>
</tbody>
</table>

Table 4.1 - Generation Y Traits (McCrindle, 2008)

According to our interviews, many of them have been confirmed. Nevertheless, our research has suggested some other interesting traits worth mentioning. All of our interviewees have defined their generation as a goal focus generation; however, they have also admitted that they may not have a clear path to achieve the goal. In other words, they have pretty clear where they want to get, but they do not know the means to get there.

At the same time, one of them describes his generation as a very independent generation. However, many studies have confirmed that Generation Y is a very much teamwork-oriented generation. To some extend, it could be contradictory. Nevertheless, due to multiplicity of identities discussed below, it could be perfectly possible.

In addition, our interviews have also revealed that Generation Y is very open to new experiences; they like to travel, to learn new things, and so on. This characteristic is somehow connected with the lifelong learning trait presented above, which at the same time is the motto of the European Commission of Education and Training (European Commission of Education and Training web page, 2009).

Another interesting trait that our interviews have shown refers to the fact that this generation is paying attention to social and environmental issues. Generation Y have high commitment to social activities. For instance, one of our interviewees is enrolled herself in social activities. On the other hand, in general terms, the entire society, both individuals and organizations, is responding to these matters.
4.2.2. Work as Part of Life

Blasingame and Muetzel have also discussed an interesting point. They state that Generation X puts a lot of more loyalty on social activities and their families than they do on work. In general terms, “they work so they can live the way they want to live”. On the other hand, Generation Y is looking for work-life balance. And he is guessing an interesting discussion about how Generation X is managing Generation Y.

We believe that in order to seek a work-life balance, to perceive your work as part of your life, and not something that just support your life. The individual must have the inner passion of what he/she is working on; the motivation.

To some extent, our interviews have confirmed the last part of Blasingame and Muetzel’s statement and our thoughts. All of our interviewees perceive work as part of life. Nevertheless, also all of them make a balance on this issue. For instance, one of them states that at the beginning of the professional career there are no many opportunities to catch the adequate job, and you must continue doing it just for the extrinsic reward.

However, Lasse Johanson, a consultant of Creare Consulting, believes that companies and organizations could do a better job regarding this issue. Due the multiplicity of identities and the pressures of the society, the younger generations could feel disoriented when balancing the working identity and the rest of identities. Therefore, especially during the first months in the workplace, companies should provide a little of training on this.

4.2.3. Issues when Choosing a Job

When choosing a job, a person usually has many issues to consider. Generally, we can divide all the issues into two categories, outside factors and inside factors. Outside factors include salary, position, reputation of company and so forth. Inside factors consist of constant learning, growth opportunity, meaningful work and so on. People belonging to each generation will consider both outside factors and inside factors when evaluating and choosing a certain job. However, people from different generation have different values, and therefore a different focus and emphasis on this matter.

According to Blasingame and Muetzel, “baby boomers” and Xers tend to weigh outside factors. Good salary and position are important when they consider a job. As we just mentioned, previous generations show more loyalty to their companies; therefore, the reputation of the company is also an important issues to consider.
Comparatively, Yers pay more attention to inside factors. According to our interviews, outside factors such as salary are important at the beginning of career, because young people need the job to support their lives. However, the interviewees say that the inside factors will become dominant once they can support themselves. They have a clear vision of their personal development. To achieve their ideal development, they highly value constant learning and growth opportunity in work. They also pursue the meaning of work. Repeated and dull work is not what they are looking for. For instance, one of our interviewee quit his job due to the lack of meaning of the tasks and personal development, even though the company is well-established and it offers high incentives. In general, Yers hope to do creative and challenging task in which their abilities and knowledge can be utilized and developed. Yers also show unprecedentedly high care about social responsibility. If their work reflects more or less social responsibility such as environment protection, they would be happy to choose the work.

4.2.4. Ideal Manager

Smircich and Morgan (1982) have discussed to a large extent the role of leaders and followers. They state that effective leadership lies in the balance between the leaders’ action and the followers’ receptivity and responsiveness; and they attempt to define leadership as “process whereby one or more individuals (leaders) succeed in attempting to frame and define the reality of other (followers)”.

In general terms, the leader or manager has been systematically located above the followers. Leaders and managers have been usually playing an autocratic role. According to Lasse, this sort of leadership may be more convenient in the short term, perhaps under certain circumstances. Therefore, if the organization wants to compete in the long term, the role of the manager needs to be reformulated.

![Figure 4.1 – Traditional role of the manager](image)

According to our interviews, they would like to have a cordial relationship with their managers. One of them describes the relationship with his former manager in a very positive way. They had a very good relationship, he perceived the managers more as a “mentor” with whom he
could have open discussions, and as someone that gave him advises and provided him with a clear direction.

In addition, another of our interviewees introduces again the concept fairness. She highly values a manager that takes decisions fairly, and avoids unfair situations within the working place. For instance, when she made her internship in a health care facility, she perceived so much inequity when setting up the schedules. Also, she would like a manager that gives recognition and positive feedback for the work done; she suggests that from time to time it is nice to hear a “thank you” or a “well done”.

According to Lasse, the role of the leader is indisputable nowadays. All organizations need a person that points out the desire direction or objectives. Nevertheless, the leader should be able to involve the team in the decision-making process. Lasse argues that the leader could do so by explaining and reasoning the decisions. The team must understand it, and have a clear vision. In addition, the leader needs also to enhance the feeling of belonging. In summary, the pillars of this sort of leadership style should be involvement, learning and belonging. In that sense, Lasse believes that in doing so, the leader has exerted a large influence in the inner motivation of the followers.

Blasingame and Muetzel also state that small businesses have a huge advantage over large companies in this matter. They discuss that the recipe for managers and leaders in the generational integration is somehow easy: trust, empathy and “get known your people”. In addition, they suggest that large corporations have in small business a good example to follow. They discuss that it is a lot easier to build confidence and mutual trust in a small organization. However, it is not enough just by doing that; both small and large organizations need to “capitalize on this advantage”. Furthermore, it would be necessary to release a high degree of transparency and ensure open discussion within the organization.

Figure 4.2 – New perspective of the manager’s role
4.2.5. Identity

As we mentioned in the introduction of this thesis, Kenneth Gergen (1991) argues that the fast development of modern technology leads to the emerge of the post-modern phenomenon. The increasing number of roles for people to play and the fast populating of selves generate the individuals’ experience of conflict in values, ideals, opinions and motives (Blackwell, 2007), which is called “multiphrenia” by Gergen (1991).

The Yers were born in the technology and information era and, as Blasingame and Muetzel has commented, “those kids” are particularly technology savvy; and they are not only willing to learn new things, but they are also able to teach new things to the older generations, such as social media. In addition, they would like to experience new things, which makes them exposed to “multiphrenia” to a larger extent than the previous generations. According to the interviews we conducted, young people have so many things to pay their attention to, such as work, personal development, hobbies, friends, exploration of new things, social responsibilities etc, and none of them have a dominant position in life as work for previous generations had in the past. Therefore, the weigh of work in young people’s lives has decreased.

According to our interviews, Yers have a clear and certain vision of their personal development, since they know where they want to be. They emphasize constant learning and the meaning of work. Meanwhile, as we discussed previously, they do not want work to occupy their whole life and they seek a life/work balance, so that they have more time to do other things, which weaken the sense of identity as a worker and strengthen the sense of other identities. The interviewees express that they would rather quit their jobs if their requirements are not met even the job seems good from the perspective of previous generations.

The populating of selves has enlarged the range of discussion for life and work. People used to talk about “work to live” and “live to work”. It seems that this two phrases are losing ability to describe the current situation. “Work to live” indicates that work is apart from life and supports life. “Live to work” indicates that work is an important and indispensible part of life. However, the current situation, perhaps, does not go into any of these two categories. For Yers, work is a part of life. However, life consists of many parts. Work is important and indispensible, however, it cannot replace and conflict with other parts of life. Generation Y wants to lead a balanced life with many parts coexisting.
4.3. A Connection Between Motivation and Identity

4.3.1. Identity and Motivation

Work, as Jackson and Carter (2007) discuss, had a significant impact on people’s understandings of self. “It was a widely held idea that people could grow and become better individuals through work… a cultural understanding of work as not just about the production of goods and services…it (work) was the passport to eternal bliss”. However, as we have discussed before, work has lost its dominant position in shaping individual’s identity, even though job title still appears after name on a name card. The rising of other identities’ positions in people, especially Yers’ lives has made them pursue a kind of balanced life. Like an eight-lane high way, they hope each of the identities run on its own lane without disturbing other lanes’ traffic.

In the past, changing job from one company to another was big thing. People tended to stay in one company for as long as possible, not to mention changing job from one industry to another. Due to the decline of work’s dominant position, people, especially Yers, do not stick to the current job any more. Changing job for them is quite normal. Some of them have a clear design of career. If the job fails to build the career, they would quit and find another job. Some of them feel the job disorder other parts of their lives, so they also quit and find another job. Some of them have not had a clear design of personal career, so they simply try different jobs, known as “job-hopping”, in order to find the real interesting job.

Figure 4.3 – The notion of multi-identity within the conceptual framework
When a job provides an employee with almost everything needed, and he or she is sure that this job is the ideal job, the employee will have a strong feeling of belonging to the job and the company, which can be considered as the sense of identity. Jackson and Carter (2007) say that “motivation, here, could be seen as, not about the acquisition of satisfactions, material or otherwise, but about search for identity, for a positive valuation from the other”. When an employee has a strong sense of identity, he or she will be motivated to do the job, including doing creative work. According to our interview to Katarina Zambrell, she also expressed the same opinion. She believes that building employees’ identity is an important way to generate motivation. Since the position of work is declining, it is even more important currently for companies to build young employees’ identity in order to retain and motivate them. Otherwise, young talents will probably choose the option of leaving.

As we have discussed in previous part, the Yers have some different traits from previous generations. These traits determine their attitude and requirements toward work. The best means for companies to build Gen Y employees’ identity is to understand these traits and try to meet their requirements.

![Figure 4.4 – The connection between traits, identity and motivation](image)

### 4.3.2. For Business and Organizations

We would like to present the conclusions for managers and leaders within the business context by using the paradigm shift mentioned at the beginning of the thesis. Thomas Kuhn was the first one who coined that term; and we would like to apply the notion of paradigm shift to give the discussion a new perspective. In that sense, the reader should not expect a change in basic assumptions within the theory of management and leadership. In that sense, we would not like the reader to compare our research with truly paradigm shifts, such as the Keynesian revolution.
In summary, we address this discussion by pointing the shifts that we have considered important for companies and organizations. We have identified several different issues that concern the ongoing generation discussion that should be addressed from a different angle.

- From “knowing the way” to “showing the way” (McCrindle, 2008). As we have anticipated before, Generation Y is demanding a different leadership and management style. The leadership and management style based on commanding and controlling is no longer acceptable according to the demands of the Yers (McCrindle, 2008). A positional leader based uniquely on job status, role and seniority is not the most suitable to lead this generation. As one of our interviewees mentions, he would never tolerate a manager with a “dictatorial behaviour”. Therefore, we could conclude that the leadership and managerial style should be built upon consensus and collaboration.

Figure 4.5 – Paradigm shift #1: From “**Knowing the way**” to “**Showing the way**”

- **A leadership style focusing on people.** According to our interviews, values such as fairness, equity or honesty are what Yers are looking for and demanding from a leader. They also want an energetic and inspiring leader, which foster at the same time a team spirit. A good approach would be to use a consulting leadership style. According to McCrindle (2008), the manager should tend to ask questions and include the team in the decision making process. Once again, we must keep in mind that teamwork is one of the main traits of Generation Y. And even more, Yers feel very comfortable working on teams. In addition, they are willing to express their opinion, and as we may deduct from the discussion of Blasingame and Muetzel, they are also capable to “*teach something*”.

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- Emotional intelligence. Nowadays, intellectual intelligence is not enough; today’s leaders also need emotional intelligence. According to Bradberry and Greaves (2005), emotional intelligence can be defined as ability, skills or capacity to identify, measure, and manage the emotions of one’s self, of others, and of organizations or teams. According to McCrindle (2008), it is a critical variable that leaders need to take into account, and that Generation Y is reacting well to. In that sense, an involving and coaching leadership style would be the most suitable for this generation. According to one of our interviewees, he prefers a participative manager who leads by example, which empowers the team. In general terms, Generation Y perceives the leader as a “coach”, with whom they could have honest and open communication.

- Training from a different perspective. It has been well described above that one of the main traits of Generation Y is life-long learning; they want to learn new things and have new experiences. Yers are demanding an ongoing training. Typically, training has been perceived as a practice to keep employees up to date in the different issues. Nevertheless, the perspective is changing. Based on our interviews, training is something that Generation Y is demanding, not just something that they are willing to accept; it is a motive to stay longer in the organization. Therefore, it may be conceived as a retaining practice, or even it may be included in the categorization of hygiene factors of Frederick Herzberg. Moreover, the focus
of training should move from tangible skills, such training in a new software programme, to more intangible skills focused on developing leadership skills and enhancing employee motivation.

**Figure 4.8** – Paradigm shift #4: From “Traditional training” to “New training perspective”

**The manager as a mentor.** As we have ventured before, a new managerial and leadership style might be needed. According to our interviews, Yers generally perceive the manager as a coach or a mentor. However, this shift may require leaders to change their attitude. Following Katarina’s ideas, today’s managers may need to adopt some attitudes like a teacher, expert or consultant. The Generation Y has grown in a life long learning attitude. Training should be provided in the workplace; therefore, the manager should play a life long role of a mentor. In addition, the Yers are looking for someone that empowers the team. In addition, leaders should know how to inspire, involve and instruct their employees.

**Figure 4.9** – Paradigm shift #5: From “Traditional view of manager” to “Manager as mentor”

**Getting known what motivates your employees.** Each person is different, and what motivates one person could not motivate another. Teams are built upon individuals, and team leaders should know what are the particular interests, aspirations or needs of each individual of the group. Following Blasingame and Muetzel’s opinion, organizations may have done a lot if they get known their employees. For instance, employee surveys or a personal discussion about career development would help on this matter (McCrindle, 2008).
In addition, Blasingame and Muetzel also conclude that respect plays a central role in this matter. Regardless the generation involved in, everybody should be treated with respect, and not with an attitude of disrespecting his or her ideas or values. And this respectful attitude should be taken into account “more than ever before”. And both of them are convinced that this attitude will “pay dividends in terms of productivity, loyalty, motivation” and ultimately it will have “impact on the bottom line employees”.

![Figure 4.10 – Paradigm shift #6: From “In General Terms” to “Individual by individual”](image)

- **Exit interviews.** Conducting an interview is a very common practice of the Human Resources department when hiring personnel. Nevertheless, as we have extracted from the interviews, Yers are willing to leave the job if they do not feel motivated or satisfied within the organization. McCrindle (2008) have concluded in his study that exit interviews with leaving Yers could be a great source of learning for the organization; and they will give insight of the mentality of the Generation Y, and they might be used as input for future strategies.

![Figure 4.11 – Paradigm shift #7: “From “Goodbye” to “Exit Interviews”](image)

- **Building a community.** One of the main traits of Generation Y is that they want a collaborative environment where they can interact socially with their peers. In that sense, what Generation Y is looking for in the workplace looks more like communities than a traditional bureau. Therefore, leaders and managers should foster an environment that
meets, if possible, their demands, encouraging social interactions and relationship among workmates; at the same time reducing all possible clashes and conflicts. Nevertheless, we will develop further this issue in the case studies.

Figure 4.12 – Paradigm shift #8: From “Traditional bureau” to “Communities”

4.4. Modified Conceptual Framework

According to our findings in the first research question, we believe that the working identity is getting more important in the motivation of employees, especially referring to the employees of the Generation Y. In consequence, we believe that identity is a critical issue to consider, and that leadership and management have an impact on the building of working identity. As a consequence, we modify our conceptual framework as follow:

Figure 4.13 – The conceptual framework 2.0
5. Issues to Consider under the Current Circumstances

In the fifth chapter of this thesis, we will present the case studies of Microsoft and the Windows Security Test Team and Pixar Animation Studio. Then, we will use these case studies to support the answer for our second research question: What are the main issues that managers and leaders need to consider under the current paradigm?

5.1. Case Study #1: Microsoft and the Windows Security Test Team

The number 42 is the answer to life, the universe and everything in Douglas Adams’ cult classic The Hitchhiker’s Guide to the Galaxy. In the book, it takes the Deep Thought computer more than 7 million years to figure this out – “I checked it thoroughly,’ says the computer, ‘and that quite definitely is the answer. I think the problem, to be quite honest with you, is that you’ve never actually known what the question is.” (Birkinshaw & Crainer, 2008)

5.1.1. General Introduction of Microsoft

Microsoft, founded in 1975 by Bill Gates and Paul Allen, is an American based multinational computer technology company. After 30 years’ development, it has achieved outstanding achievement in a wide range of business, such as operating system development, business software design etc. The dominant position of Microsoft in computer-related industry is apparent, however, due to the fast development of technology and thus the emergence of many new business such as e-commerce and family entertainment, Microsoft is facing furious competition from companies like Google and Apple.

Although Microsoft is not a young company as Google, it still appeals to young talents. According to a 2007 survey (Businessweek, 2007) to 44,000 US undergraduates conducted by, Universum Communications which is a Philadelphia research company, Microsoft ranked 6 in the best places to launch a career. The figures (Microsoft, 2009) released by Microsoft, 17.8% of the Microsoft employees worldwide are 29 years old or under, which means belonging to the Generation Y. Then, what makes Microsoft attractive to young people?

5.1.2. Introduction of the Windows Security Test Team

Windows Security Test Team is a very critical division inside the company. It ensures the function of security-related features of Windows operating system. The team consists of 85 employees over one third of whom have a master’s degree or higher and many members belong to Generation Y. (Birkinshaw & Crainer, 2008)

Ross Smith, who has 18-year working experience in Microsoft, took the team in early 2007. He graduated college with computer science degree in 1985. Before joining Microsoft, Ross did a lot
of different jobs. He has worked in a prison, doing data processing. He had a business selling T-shirts. He has worked in some computer companies, testing software. Ross says all these work makes him understand the importance of quality control (Microsoft, 2009). As a tester in Microsoft, he can participate the whole process of the development of a software, and he can make his own input. It has a very wide range. That’s why he likes this job. One of his colleagues says “He genuinely cares about people, and in a very unique way. There’s a lot of humor. He’s really down to earth, and a lot of fun to work with!” (cited in Birkinshaw & Crainer, 2008).

After he took charge of the team, he began to try to get deep understanding of this team. His means was to meet everyone on the team individually, which helped him to a great extent to understand his team and the situation he faced.

The work of this testing team is critical and intense because all the Windows users across the world rely on the team’s effort. The team ensures the security of Windows and, thus guarantees the benefits and trust of Microsoft’s customers. However, the work is not high demanding because the routine work is to manually test and verify codes, even though this is indispensible for the products. Talented team members usually will feel boring and underutilized by doing the repeated and uncreative work. In addition, the intensity of the work on the team is not regular. Sometimes it is intensive, but sometimes they have spare time and capacity (Birkinshaw & Crainer, 2008).

Given the fact that many of the team members are Yers and they love technology and new things, they would rather look for “cool and cutting-edge projects” (Birkinshaw & Crainer, 2008) outside the company and voluntarily work on them in spare time.

5.1.3. Trust-based Evolution of the Team

McGregor’s Theory Y (1960) says that people have some sort of self-direction and self-control. They naturally tend to learn and do a good job. After knowing his team members and the situation he faced, Ross began to think how he can motivate his staff and make the work more interesting. Since those young people like new things and challenging projects, Ross wondered if he could bring all the efforts made by employees in their spare time into Microsoft, which would increase the meaning of work and communication of team members, and perhaps the projects worked by employees will be business worthwhile and can bring profits to Microsoft. It is all about how to create the right condition in the team, how to apply Theory Y to Generation Y (Birkinshaw & Crainer, 2008).

All of the plan started with how to build and increase trust among team members. This is the first step to build a community-like working environment. When people trust each other, the communication and information flow will meet fewer barriers and work as fun becomes possible.
Microsoft developed an online survey to find out the factors that will improve trust. The results of the survey gave an ordered list about these factors. Issues like role model, honesty, open communication, integrity, honest feedback etc. are listed and ordered. Having this, the team began to integrate trust into the team.

1) Be honest (79.7%)
2) Be a role model – have integrity (78.9%)
3) Be open and authentic (75.6%)
4) Demonstrate integrity (73.9%)
5) Don’t let pride get in the way of doing the right thing (70.7%)
6) Give honest and frank feedback (70.0%)
7) Timely – open communication (No secrets) (70.1%)
8) Transparency in decision making processes and actions (70.1%)
9) Address the tough stuff directly (68.9%)
10) Admit mistakes and take visible blame (69.2%)
11) Be a constant learner (68.1%)
12) Hold yourself accountable (68.4%)
13) Say what you’re going to do, then do what you say you’re going to do (68.4%)
14) Give freedom to explore and experiment (68.1%)
15) Encourage open discussion (66.7%)
16) Respect the dignity of every person and every role (66.9%)
17) Empower people to develop their own process (67.2%)

Table 5.1 – Screenshot from Defect Prevention Web Page (Defectprevention.com, 2009)

In the autumn of 2007, a weekly “free pizza” meeting started. It is a sort of forum without hierarchy and team members are freely to put forward new ideas about anything such as new technology, product improvement and new product development. All of these projects are initiated voluntarily by team members, and any members are free to join in any projects. These ideas and projects are not rated or valued by any system. The information about these projects is released on web equally. If someone finds that one project is really interesting and would like to do it, he or she can find the project initiator directly and works on it. Of course, these activities are held in spare time without disturbing the regular work (Birkinshaw & Crainer, 2008).

As Ross comments, these “free pizza” meetings have been evolving from trust to a community, where there is no authority and hierarchy, and people just communicate and build relationship as they want. Consequently, team members’ feeling of being underutilized disappeared because they are doing things which they are interested in and pose challenges to them. Some of the projects finished by team members in spare time even provide Microsoft with new business opportunities.

Ross (Microsoft, 2009) gives an example. There was one high school intern on Ross’s team. His long-term plan was to be a marketing member, however, he was on the testing team then.
Therefore, Ross helped him contact marketing staff. The intern then had an opportunity to do a marketing blog, and encouraged the testers to try the blog and give feedback. At last, this blog gained several million users. The intern just took his interest and put initiative, and the outcome was tremendous.

As a consequence, these employees get satisfaction from their work, and working environment gets improvement. What's more, in addition to Generation Y, these projects also have attraction to Generation X (Birkinshaw & Crainer, 2008).

To give these activities a brand to highlight the changes, they selected 42 Projects. They believe the mystery of 42 is a perfect reflect of the unusual approach of the team.

5.1.4. The Prosperity of the 42 Projects

In 2007 and 2008, 42 Projects become rooted in Windows Security Test Team. Trust, respect and new way of working have become a new culture in the team. Meanwhile, other similar activities also emerge in the team.

42 New is specially-designed program for new employees whose experience is less than two years. These new employees might feel that their advices and opinions may not be respected by others in the team due to lack of necessary experience. 42 New is a separate forum where new employees can communicate. They put forward ideas and exchange experience. This makes new employees get used to the team faster (Birkinshaw & Crainer, 2008).

Generation Y grew up with video games. Nobody is more familiar with the game spirit than they are. They love the feeling of competing and seeing their levels growing or their names rank high. The Test Team introduces the principle of games into work based on young employees’ game-oriented quality. For example, when a product of software needs to meet the deadline and the test must be accelerated. A “bug bash” game will be held for an evening. A prize will be awarded to the one who finds the most bugs. This is a typical game held in the team to increase productivity. Not only in Microsoft, the principle of games has been getting popular in companies. Here are some other examples. A company called Seriosity has made the concepts of video game integrate into their work. They designed a special e-mail system with the application of virtual currency. This can help to solve the problem of information overload in e-mail system. The e-mail senders can use their virtual currency to prioritize their mails. This is just the same as what video game players do in a role-play game (Smith, 2008). Some companies apply a system called Massively Multiplayer Online Role Playing Games (MMORPG). Hundreds of players, in a virtual community, interact with each other, practicing all kinds of leadership skills. IBM also has such an internal gaming community. It has more than 200 players. Nearly half of them believe that their leadership skills are improving due
to playing the game. And many of them say they have used those skills gained from the game in their real world daily work. (IBM, 2007)

Game is a powerful way to improve working performance and influence organization behaviour, such as productivity mentioned above. However, it is also possible to overuse games so that the productivity is harmed. Therefore, the games must be carefully designed and applied. As Ross (2008) says in his blog, “successful game design is best achieved through experience and experimentation, and the goal should be to keep things interesting enough to always attract players”. The goals of the games must be clear, and the impact of the games should also be understood beforehand. Otherwise, the outcome of the games might not be as expected. In addition, the games should focus on extra activities. If a game is designed for regular job, employees might generate unusual feelings because rewards will be involved.

Games can also cover wider area in addition to productivity improvement. It can also improve creativity for instance. It is all about how to design and use the games. These games provide employees with opportunities to learn, compete and earn a reward. Employees will not refuse the fun of games.

Ross also found that many of the team members are fond of reading books, and one of their favourite is Gary Hamel’s The Future of Management. Therefore, 42 Books was started. It is a book club that encourages employees to read and discuss books. Topics like innovation, leadership and trust are very welcome by these readers. Employees can attend the book review without actually reading the books, and they can learn a lot from others’ book review. If they feel interested in some book, they can just go read it (Birkinshaw & Crainer, 2008).

42 Books is a real reflect of the trust and care toward employees. It is a sort of unconventional training. Just as Theory Y says that people have a natural tendency to learn, these employees will follow their interests to read books. These books have little relation with the regular job they are required to do. However, these books help employees to develop their skills in a more extensive way, known as soft skills. Therefore, these employees can better finish their job, and perhaps put forward more valuable ideas in various areas to the company.

5.1.5. **Summary of the Community and Consequence**

The 42 Projects of Windows Security Test Team is a series of various programs held to influence organizational behaviour. The core principle of these programs is to improve trust among team members. This is not easy to gain, and it requires long-term efforts and commitment. 42 Projects is a successful example of how to achieve this goal. The various programs held in the team usually have little to do with regular job, which is a perfect reveal of trust. The team trusts
employees to take part in these programs without delaying the regular job, and the employees return the trust with doing a better job.

These programs fully release employees’ aspiration to follow their interests. A trust-based community emerges around these programs. Team members gain the opportunities to get ideal personal development. The results are good. Employee retention rates of the team have reached unprecedented level. The working performance of the team is improving. The Windows Security Test Team is an example that illustrates perfectly the multiple benefits of trust within the workplace.

Due to the great success of the Windows Security Test Team, Ross’s views of 42 Projects enter Microsoft internal blog so that every employee in the company worldwide has opportunity to read them and share his experience. Microsoft is open to the innovation of management and would like to generalize successful experience. This is the reason why Microsoft can attract talents continuously.

5.2. Case Study #2: Pixar Animation Studio

5.2.1. Background of the Pixar

By the summer of 2009, Pixar Animation Studio would have released 10 feature films, and a large number of shorts. Everybody remembers 1995 as the year when this animation studio has started revolutionizing the film industry with its computer-animated feature films. It is not only about the amazing use of technology, but also about the large acceptance of its stories by all audiences.

Pixar has been awarded several times by the Academy of Motion Picture Arts and Sciences and by other outstanding institutions in the field of film and entertainment. In addition, their economic success is unquestionable. However, where does it success reside?

It all began in 1984 when the Computer Division of Lucasfilm decided to hire John Lasseter right after leaving Disney. He joined a team leaded by Ed Catmull, and they started working on a project that would allow using computer animation with minimal training. It goes without saying that both, Catmull and Lasseter, are experts in the field of Computer Graphic Animation (Pixar.com, 2009).

During this time, the team worked on film sequences of Lucasfilm Studio that required special animation effects. Two years later, in 1986, that team was purchased by Steven Jobs, by that time without any relationship with Apple. The newly independent team was renamed as Pixar, and Catmull served as CEO and President while Jobs performed functions of chairman (Pixar.com, 2009).
The initial focus of Pixar was computer hardware. Their primary customers were government agencies and medical companies. However, its leading buyer was Disney Studios. In despite of this, it was rather complicate to make profit out of this. Then, Lasseter, who had shown his ability creating short animations, rescued the company by producing short computer-animated advertisements. And since then, Pixar’s success has increased exponentially (Pixar.com, 2009).

The history of Pixar is strongly linked with Walt Disney Feature Animation. According to Catmull, the corporate culture of Pixar based on innovation and collaboration “has its roots in Disney Animation”. All of Pixar’s processes and structures are somehow derivatives from Walt Disney “school” of animated filmmaking. In addition, Lassater worked for Disney during a certain time before joining Pixar and he states that the “magic of Disney” is at the core of all Pixar’s employees (Pixar.com, 2006).

At the present time Pixar is a wholly owned subsidiary of Disney Studios. Nevertheless, their relationship had been rather changeable over time. They have collaborated in a large number of partnerships and agreements in terms of production and distribution. But also they have taken part in a large number of conflicts before Pixar has finally become a subsidiary of Disney Studios (Holson, 2006).

In 1991, Pixar and Disney Studies reached a $26 million agreement for the production of three computer-animated feature films. The first of them was “Toy Story”, which it was a huge success, both in critic and in economic terms; and it supposed a revolution in the film industry. However, during the production of the sequel of “Toy Story” the first confrontation between Pixar and Disney occurred. They did not agree on whether the feature film should be distributed as straight-to-video release, not being part of the $26 million agreement, or released on the theatres and being included in the agreement. Finally, the feature film was released on theatres, but both parties agreed on ending the partnership. The spilt was made in 50-50 basis, but Disney was the winner part since it kept exclusively owned all story and sequel rights and also collected a distribution bill (CNNMoney, 2004).

In 2004, they attempted to seal another partnership, but this time only in distribution terms, keeping Pixar all the control over the production of the feature films. But this second partnership did not remain so longer, and in six months later both companies announced that again the partnership was over. The unease feeling was palpable in both sides during certain time (CNNMoney, 2004). However, by the end of 2005 Pixar and Disney started the preparation for the possible fallout of both organizations. And by the beginning of the following year, Disney
announced the acquisition of Pixar in an all-stock deal. From then, Pixar is a wholly owned subsidiary of Walt Disney (Holson, 2006).

According to Robert A. Iger, the President and CEO of The Walt Disney Company, this merge had the potential to mix Pixar’s finest creative and technological abilities and resources with Disney’s unparalleled portfolio entertainment, characters, theme parks and other franchises. In this new order of this, Jobs is the largest individual shareholder of Walt Disney, whereas Catmull keeps his position as President of Pixar and becomes President of Walt Disney Animation Studio; and Lasseter serves as Chief Creative Office of both Pixar and Walt Disney Animation Studio (Holson, 2006).

5.2.2. Relationship with Disney

We have described briefly in the background of this case study the first partnerships and the acquisition of Pixar by Disney. Despite the conflicts generated in the production of “Toy Story 2” and the personal conflict between Jobs and Michael Eisner, the different partnership agreements and deals were somehow successful, both in economic and critic terms. Regardless of the fact that Pixar is a wholly owned subsidiary of Disney, Pixar’s corporate culture, financial and creative practices are still far different from its parent company. In addition, Iger has stated that Pixar’s corporate culture is totally protected and allowed continuing (Holson, 2006). However, there have been many occasions, both before and after the acquisition, in which Jobs has complained about Disney’s decisions. For instance in a conference call in 2005, he stated that Pixar felt “sick about Disney doing sequels” (Fonda, 2006).

At the personal level, we have stated that Jobs was the main winner of the acquisition, becoming the largest individual shareholder of Walt Disney. But at the corporate level, it seems that both organizations have won something. On one hand, Pixar is enjoying Disney’s marketing and distribution channels, but also all merchandising, theme parks and “Broadway Shows” structure; while at the same time Catmull and Lasseter are keeping the entire control over the production of Pixar’s featured films and they have reached some influence on Disney (Grover, 2007).

On the other hand, Disney has much to learn from the Pixar’s “quality-first” attitude that has generated large revenues on ticket box, and from the way they foster creativity (Grover, 2007). In addition, this merge could bring Disney back to its creative and innovative roots. Iger qualified this acquisition as a unique opportunity for Disney to benefit from a unique corporate culture. And he also believed that it would help to place Disney back on creative and technological innovation realms, increasing its chances for future growth and success across Disney’s business units (Pixar.com, 2006).
The future success of Disney largely depends on the influence of Lasseter and Catmull. According to Glen Keane, employed by Disney during more than 32 years, both of them are bringing “fresh air” into Disney, and the changes, although slow, are perceptible. Nevertheless, it is too early to know whether Lasseter and Catmull will be able to translate Pixar’s successful practices into a more rigid giant, like Disney. However, their intention is not to create a “clone of Pixar”, but to create an animation studio built upon “talent and passion” (Eller, 2006).

5.2.3. Key Persons at Pixar

Ed Catmull

All his colleagues at Pixar consider him as the key to Pixar’s success. He got a dream when he was a kid to make computer-animation featured films. All his entire adult life was devoted to fulfilling that dream. And now he has gone down to history due to his passion (Eller, 2006).

His childhood heroes were Albert Einstein and Walt Disney. He wanted to work at the factory of dreams: Disney. But soon, he realized that he was not good enough to join them. However, he has a talent in physics and computer science. During his studies in the University of Utah, he realized that he could perfectly merge his artistic and technological passions. And then, he started pursing his dream: to use computer graphics to create animated movies (Eller, 2006).

The journey was complicated. He was a visionary that practically invented field of computer graphics animation. In general terms, the society did not have so much room for this kind of technology. However, he has met two persons really fascinated and interesting in computer animation: George Lucas and Steven Jobs. From George Lucas, he learn the attitude of risk-taking; and from Jobs, he admire his capacity for identifying talent people and giving them free rein to create (Martin, 2003). These lessons are somehow the foundations of his anti-bureaucratic, artist-driven and bottom-up managerial and leadership style (Eller, 2006).

Nowadays, Catmull is co-founder and President of Pixar animation studios, and since it was acquired by Disney, he is also trying to reactivate the creative blood of Disney by being the President of Walt Disney Animation Studio (Eller, 2006).

Once he achieved his dream of creating a full-length computer-animated feature film with “Toy Story”. His dream moves forward, and his new goal is to create a study that could continue his dream long after he was gone. It is very much like an entrepreneurship challenge. He wants to ensure the transition from doing something personally, to create an entity to carry on with it. His leadership style is conditioned by his new ambition and passion (Prokesch, 2008).
Catmull believes in people. This is one of the main pillars of Catmull’s leadership. According to Catmull, in first term, Pixar invests in individuals, and then the good ideas come along (Martin, 2003). It is a very much people-centred leadership. However, Catmull also emphasize talent, and the management should be shaped around the talent. In a large of the multiple interviews that he has done, he coined the term “talentocracy” as a way to organize Pixar (Eller, 2006).

One of the premises that Catmull learned from Jobs and carry to the extreme is not to micromanage (Martin, 2003). Catmull and the senior management team have plenty trust on Pixar’s directors and they have given them great authority. In Pixar, the directors have completely free rein under the budget and deadline imposed by the senior management team. Top management do not have any influence on any production. If a problem arises, all opinions are equal and valid, no matter where they come from. Nevertheless, the directors are the ones who finally take the decisions. In summary, Catmull believes that filmmakers should have a complete ownership over their work (Prokesch, 2008).

Talent is another special pillars of Pixar. Catmull always hires based on potential and not on seniority, position or achievements. In addition, he states that it is particularly necessary to hire people better than you. He argues this statement saying that we may be aware that there is always something that we would not be able to do, but there are people outside perfectly capable of doing it (Martin, 2003). Catmull is also very critical with the policy that Disney followed during many years, managers just hiring to avoid being threatened (Prokesch, 2008).

According to Catmull, another premise that is an imperative in Pixar is learning. There are always critic moments in the production process, and all of them are at the same time leaning moments. Catmull is always encouraging a risk-taking attitude. In this sense, short movies are the perfect opportunity to experiment and take risks. Learning from mistakes is one of the commandments in Pixar (Prokesch, 2008).

Nevertheless, as important as learning from mistakes is to learn from success. Catmull is also fighting against the “success syndrome”. It is rather easy to stop trying to go further when your organization has received several awards and it is a leader in the industry. However, Catmull is pressing Pixar’s employees to take the post-mortem analysis seriously, and remembering them that Pixar has made many mistakes, but there are many of them that have not been identified, and therefore they could not learn from them (Prokesch, 2008).
John Lasseter

John Lasseter is another important person in Pixar, and his name appears in the majority of the successful productions of this animation studio. He is nothing but a creative leader. Lasseter also embodies the message that Pixar is transmitting to the society.

Lasseter can be considered as pioneer in modern animation (O’Connor, 2009). His passion for animation began when he was in high school, and his soul and ambition made him send a letter directly to Disney telling about his passion. They replied him with courtesy encouraging him to receive a good education in arts and drawing, and later they will bring him up in animation. He did so in the best animation schools, and he was even awarded with a scholarship to study at the California Institute of the Arts (Schlender, 2006).

Right after, he was hired by Disney. He spent five years there, but his ambition, an increasing interest in computer animation and the opposition of the management team of Disney, forced him to leave Disney. By chance, he met Catmull, and the rest is history well described in this case study (Schlender, 2006).

Despite of being a guru in computer animation, a great storyteller and having reached success till a point many only dream of, a large part of his leadership resides in his personality. One of the interviewers has praised his easygoing, down-to-earth amiability during the interview. He embodies perfectly the core values of Pixar, such as “freshness, likability, and young-at-heart quality”. In addition, he spreads an aura of humanity and sensibility (NYTimes, 2009).

However, Lasseter has now a new challenge to face: “save Disney animation from creative oblivion”. Lasseter and his creative leadership have taken over the creative direction of Disney. It seems the prodigal son is back home, and he is back to bring Disney back to its roots (Schlender, 2006).

Lasseter is Pixar’s creative man. He has got an inherent talent. In addition, he has the ability to be in the right place at the right time (Schlender, 2006). According to Animation Guild Local 839, he is the most respected single person in American animation. In consequence, all colleagues from the industry perceive him as a creative leader (Solomon, 2006).

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1 A union of artists, writers, and technician making animated films.
He perfectly knows how to impregnate his projects with his values. When producing a film, he trusts his intuition, and makes films for him; but always paying attention in first term to the quality (Schlender, 2006).

According to the Vice-President of Pixar, Andrew Stanton, Lasseter’s identity and personality are strongly influenced by his premature and frustrating first experience in Disney. Stanton believes that Lasseter has benefited a lot from being on the other side in his early stage of his career. He has experienced personally the managerial practices that constrain creativity and frustrate the animator. For instance, Lasseter has confessed that by that time the managerial team of Disney were only interested in computer animation “if it saves money saves time”. (Schlender, 2006).

Depending on the source, you may find that he was fired or that he quit his job; the fact was that Lasseter found himself out of Disney, the frame of references in which he dreamt. Nevertheless, he was faithful to his principles. He believed that computer animation would change the industry, he trusted in his intuition And now this is part of his identity, and it is what he is transmitting to the others: trust your feelings and instincts (Schlender, 2006).

According to Catmull, we must keep into account that Lasseter was a visionary. He believed in computer animation before everybody. One of his secrets is to have always a challenge going on (Schlender, 2006). Even nowadays, his ambition is to develop forward the technology whose creation he contributed to. Lasseter is contributing actively in the next technology with which Pixar will create his 3D featured animation films (O’Connor, 2009).

As we mentioned before, Lasseter’s creative leadership is very based on the way he trusts his values and instincts. Nevertheless, it is not only about his instincts and beliefs, Lasseter gives Pixar’s people creative ownership over all production matters. One of the foundations of the creative ownership is that fact that through the time Pixar has developed a mutual trust and respect feeling. Everybody can trust each other, no matter his position, seniority or salary payment (Schlender, 2006).

Another key aspect of his leadership style is to make it as simple as possible. He gets his inspiration from real life: toys, cars, and so on. And according to the people around him, Lasseter has not changed anything over time; he is faithful to his personality and values. He believed in the spirit of Mr. Walt Disney, and he still believes in the “nobility of entertainment”.

5.2.4. Pixar Collective Creativity

Among many other important issues, one of the secrets of Pixar lies on the fact that they have perfectly understood long time ago about the importance of people over the initial idea
Following Catmull’s opinion, many studios have a completely misguided conception of creativity. There are so many ideas and issues that need to be taken into consideration during a film production, that in consequence it is incorrect to just focus on a single idea (Harvard Business Idea Cast, 2008).

For Pixar, creativity is a group of people that generate thousands of ideas used in a film production, but not just a single idea. Catmull believes that if people start thinking about a single idea, then they just focus on that single idea. However, Pixar’s view is that the motive is not the single idea, and therefore, the people is the most important thing because they are the ones that solve the problems and come up with thousand of ideas (Harvard Business Idea Cast, 2008). In summary, for Pixar, creativity implies complexity, and many people working together to solve a large number of problems.

Moreover, Pixar has a unique combination of technology and art. They have been capable of merging two different cultures, the technical and the creative. It has required a lot of work and sensitivity. In Pixar, they are aware of their differences, however, they have combined both cultures by fostering a peer culture. In addition, if the technology culture is strong enough, it inspires the artistic culture; and if the artistic side is strong, then the technological culture is challenged. In fact, both sides have more common issues than what they believed: software developers are quite creative, and the storytellers are as good problem solvers as programmers (Morsen, 2002).

In Pixar, they believe in their people. All Pixar’s stories and scripts are generated and created within the organization. Their purpose is to create a community of artists.

They are aware that it is rather difficult to sustain success over the long run. However, they believe in the sustainability of their relationships. Using Catmull’s word: “Pixar is a community in the pure sense of the word”. And they believe in their principles and practices for managing creativity, talent and risk (Catmull, 2008).

The statement that creativity is everywhere becomes real in Pixar. According to Catmull, in this industry the pressure of the audiences is palpable; they demand something novel all the time (Catmull, 2008). The notion of new drives automatically to the notion of unexpected. It is very difficult to locate and isolate where the creative idea comes from. And therefore, and as we mentioned before, Pixar is not focusing so much on an idea, as they focus on a community of creative people with creative leadership (Harvard Business Idea Cast, 2008).

The main role of creative leadership is to provide a vision, and encourage your people to generate ideas. And then, the creative leaders must select the ideas that best fit into the overall
vision. However, there are some cases that the vision also changes because of the ideas generated; and the creative leader needs to be aware of that and adapt (Harvard Business Idea Cast, 2008).

In addition, Catmull also states that there is another important issue to consider when dealing with creativity: the acceptance of risk. By definition, novelty implies the notion of uncertainty. Moreover, the organization should be able to recover if fail occurs. One of the key aspects lies in the talent of your people. But talent is not enough; they need to work well together, in an efficient manner. In general terms, the leader should enhance a trust and respectful environment (Catmul, 2008).

In Pixar, creative power lies on creative leadership, which is very much related with the management of risk. It is a mistake to think in terms of minimizing the risk, that is a way to prevent creativity. The role of the leaders is to understand the creative community, so they can work together to solve the problems. From Catmull’s experience, if you trust your people, they will solve the problems (Harvard Business Idea Cast, 2008).

In this peer culture, it is of the greatest importance that people support each other at every level. There are two managerial practices that Pixar is doing concerning this issue: the “brain trust” and the “dailies”. Both practices are merely colleagues giving feedback to each other. There is no ego or seniority during the sessions. Trust and respect should be the overall trend. They suppose a great learning and inspiration for the participants. However, the creative ownership of the production is above all opinions. At the end, it is up to the director and the production team to use these advices (Catmul, 2008).

These sort of managerial practices have many benefits. In first place, people have the natural tendency to feel embarrassed when presenting an incomplete work. And this feeling is enlarged when your colleagues are top class professionals. However, if everybody shows their incomplete work, then it is seen as something normal, and they become more creative (Harvard Business Idea Cast, 2008). In addition, it also helps to encourage the “quality-first” attitude, since people tend to feel fear of how your colleagues would react to an incomplete idea; therefore, they perfect and refine their ideas before showing them (Harvard Business Idea Cast, 2008).

Nevertheless, there are other benefits from these managerial practices. The director and the production team can communicate clearly the main issues that they are facing, it helps to overcome any communication barriers. And they are also useful to bring the people involved in the project back to the reality, and avoid any lately obstacle (Catmul, 2008). According to Catmull’s experience, these types of practices are working really well in Pixar (Harvard Business Idea Cast, 2008).
It is well described above the fusion of art and technology in Pixar’s culture. Nevertheless this interplay is based upon three principles. The first one refers to freedom that everybody has to communicate with everybody. It is very clear in Pixar that the organizational and the communication structure are different things. The communication structure allows everybody to communicate freely with everybody; they are making efforts to overcome any possible communication barrier. Even the design of the studio has the mission to maximize the number of casual encounters (Catmul, 2008). However, by using Catmul’s opinion, to have an “open door” policy does not mean the doors should be opened all the time. But it means, that as humans “we are continually making mistakes”, and it is imperative to have a good communication to solve them and learn from them. In this sense, honesty plays an important role (Harvard Business Idea Cast, 2008).

Another important issue regarding this first principle is the fact that in Pixar disagreements are not taken as personal issues. There is no penalty on that. In addition, through everybody’s opinion, it is easier for the creative leader to select the best path to be followed (Harvard Business Idea Cast, 2008).

The second principle refers to the safety environment that allows to express and communicate freely no matter the position, seniority and so on. It is all about honesty and respect.

The last principle that operates in Pixar refers to the fact of constant learning and staying in touch with the academic community. This not only allows Pixar’s employees to become aware of what is outside the organization, but it helps to attract new talents to the organization. In relation with this principle, they have created Pixar University (Catmul, 2008).

Pixar University has a centre place in employees’ agenda. It is not just about breaking for the routine, but it has become part of daily work. Pixar University is focused on both, hard and soft skills. They develop skills that could be used across the organization (Taylor, 2008). The main focus of Pixar University is issues such as morale, spirit and communication among employees (Hempel, 2003). The motto of Pixar University is: “Alienus Non Dintius”\(^2\); which perfectly embraces Pixar’s core values (Taylor, 2008).

As we have described above, Pixar’s creative leadership exerted by Catmull or Lasseter is one of the main aspects of its success. Nevertheless, many companies have faced problems in the post-era of an influential leader. Regarding to this issue, Catmull seems to be very relax. On the creative side, all creative leaders at Pixar have a very inclusive personality, and they want everybody to

\(^2\) Alone no longer.
succeed. Pixar is not a one-director animation studio. In fact, Pixar is developing a programme to bring up directors; they teach them how to encourage others, give them experiences, and so on. Pixar is ensuring an ongoing creative continuity (Harvard Business Idea Cast, 2008).

On the management side, there are young people that they have been part of Pixar’s culture; and actually they are driving a lot of new changes. Therefore, Catmull’s job now is just to let them make these changes as Pixar grows as a company. In Pixar, it is clearly understood that things never stay the same, and they are not trying to freeze anything, instead Pixar is trying to make a culture where people respond creatively and positively as life changes. At the same time, Catmull admits honestly that he should move aside, and of his goals is to get all people at Pixar comfortable while the World is changing, and let them change Pixar in a positive way (Harvard Business Idea Cast, 2008).

5.3. Analysis of Both Case Studies

5.3.1. Trust

Trust is one of the most difficult equations to solve, not only in the business context but also in life. It may be needed and understood as air. You may not value it until you miss it. And then, you may look for it or deserve, and it is impossible to get it.

Trust is a part of the organizational culture. In addition, it is the foundations of the different aspects that will be discussed following, such as communication or the importance of people. Moreover, there is a strong link between trust and respect; both concepts should be paid attention together.

For instance, using the case study of Microsoft, their very first intention was to know the factors or issues that influence trust. To integrate trust into its organizational culture, an on-line survey was conducted by Windows Security Test Team to find out how to increase trust. The result turns out to be a very long list with ordered points about trust (see Table 5.1). Therefore, based on the result, we can see that improving trust in an organization is not easy to do. It involves everyone and so many aspects to consider. In Microsoft’s case, we can definitely find many of the points listed are fully reflected among the team members. “Give freedom to explore and experiment” (Defectprevention.com, 2009) is a perfect example in the testing team. All the programs held for team members are designed to give them freedom to explore their personal interests. By doing so, the employees are given a relatively loose working environment where they are not forced to focus only on the regular job. This is a trust to employees from the organization. Meanwhile, the employees trust that the organization cares about them; therefore, they will work hard in return. As the point listed—“Trust is a two way street” (Defectprevention.com, 2009).
One important thing to bear in mind is that trust cannot be improved instantly. It has a mechanism of evolving. As Ross Smith says the condition of trust has been evolving constantly. When the relationships of the employees are built based on trust, the relationships will improve themselves. Once the trust has been integrated into the organization, positive changes become easy to happen due to the disappearance of barriers.

Concerning the case study of Pixar, its success heavily depends on the particular fusion of its two cultures: the technological and the artistic. This merge could only take place if there is a trustworthy environment to allow so. Then, trust is one of the main pillars of Pixar managerial and leadership style, and it has influence in all its practices and habits. For instance, one of the lessons that Catmull has learnt from Jobs is to not micromanage. By micromanage, we refer to any sort of practices that pretend to keep control over any possible small issues or details. The management team headed by Catmull and Lasseter is allowing the directors and their teams to keep control over every detail of the production, from the creative ideas, to the budget, problem solving dynamics and so on. This is what in the case study is referred as the creative ownership. In that sense, the senior managers play a supportive role.

Moreover, this trustworthy environment is possible because people are at the centre of Pixar, and because of people trust in their instincts and feelings. One of the main ideas that could be extracted from the case study is that Pixar value more people than ideas. Therefore, people need to work together to solve problems. And according to Catmull, if you trust your people, then they will solve the problems.

5.3.2. Communication

As we have discussed in the introduction part and in the last research question, it is not a generational gap, but a communication gap. In order to motivate your people, it is very important to understand the people that you want to motivate; and in this sense, communication is essential.

In addition, there is a two-way relationship between trust and communication. Trust improves communication. And communication also has impact on trust, because a clear communication makes the organization transparent, and it enhances fairness. Also, we have discussed the leader as a mentor or a coach, and therefore, communication is an important tool.

As a consequence, organizations need to minimize any possible barriers that will block communication, and make communication as smooth as possible.

In Pixar, they have wisely understood that the organizational structure is different from the communication structure, which should not be constrained or shaped by the organizational
structure. This statement has been reflected clearly in Pixar, since, as we discussed above, people is at the centre of the organization. In Pixar, it is essential to use communication for solving problems. For instance, the “dailes” and “brain trust” are used with this sense. With this managerial practices, Pixar pretends to channel the communication to solve any possible drawback occurred during the production.

As a consequence, all managerial practices are designed to overcome any possible communication barrier. For instance, the design of the animation studio has the purpose to maximize the encounter between members of the different departments and divisions. And also, one of the objectives of Pixar University is to facilitate the communication between Pixar’s employees.

Referring to Microsoft’s case study, what Ross Smith did is to talk to every team member and understand them individually. This is not easy to do, however, it is the most effective way. After talking with everyone, he understood the problem existed in the team. Without effective communication, the leader might never understand the real situation of the group. This is the communication between leader and followers.

The communication between peers is also critical. In Microsoft, all the programs, such as 42 New, 42 Books etc, are communication-oriented. Young employees newly hired may feel difficult to join the team. They may feel that their opinions will not be respected by others due to lack of experience. 42 New is designed to solve this problem. 42 New is a forum young employees can communicate and put forward opinions. In the forum, they can exchange experience, so they will grow fast. 42 Books gives team members an opportunity to exchange experience of reading. By communicating reading experience, the relationship among team members is getting improved.

5.3.3. Peer Culture

The peer culture is one of the demands of the Generation Y. As we conclude in the last research question, they feel more comfortable working on teams and with a working relationship closed to a community relationship.

The peer culture and the community feeling is one of the most discussed issues when referring to Pixar. In the theory part, we have sectioned the concept of creativity into the notions of novelty and usefulness. In that sense, Pixar has a particular understanding of creativity. They do not believe in a single new and useful idea; but they do believe in the sustainability of relationships to develop lot of new and useful ideas.
In addition, we could also conclude that Pixar’s peer culture is one of the facilitators in the merge of the technological and the artistic cultures. Moreover, one of the ambitions that Catmull has developed over time is to develop a community of artist that carry out his dream.

In general terms, disagreements and discrepancies are not taken as a personal matter. It is much more easy to find support from a peer or a colleague than from any other professional relationship. Moreover, there are other benefits, such as the improvement of communication or the freedom when organizing a given production. For instance, Pixar University is one of the consequences of this peer culture.

5.3.4. Freedom

Freedom is an effective way to show trust in the working place. Like communication, it is also a two-way relationship between freedom and trust. It might be difficult at the beginning to develop freedom in an organization when trust is not in position. However, they will improve each other.

In Windows Security Test Team, freedom is generously provided for the team members. They can create any interesting projects and work on that in their spare time. Other members can also join if they find the projects are worth doing. These team members, especially young members, felt unsatisfied with the software-testing work. They would like to do some “cool and cutting-edge” projects. They would rather find these projects outside and finish them as hobbies. This shows the traits of Generation Y. Yers pursue the meaning of work and follow their interests. After finding this, Ross Smith decided to bring these projects inside and give employees freedom to do them. These things are carried out without any supervision of authority.

Besides this, as we mentioned above, team members also have freedom to put forward new ideas and communicate with each other. The most important thing is that all of these are not compulsory; people make their choice voluntarily. They select extra projects based on interests; they give out new ideas or suggestions voluntarily.

Referring to Pixar’s case study, the creative ownership of the production is one of the means to show freedom in the animation studio. The directors are responsible for managing deadlines, budgets, and other production matters; but it is also up to them to use the advises given by Catmull, Lasseter and the others senior managers of Pixar.

5.3.5. Leadership and Vision

As we have discussed in the first research question, the new role of the leader is more like a coach, a teacher or a consultant. The new role of the leader pursues to encourage learning within
organization and a risk taken attitude. But still, the leader is the one that has the vision and communicate the desire direction of the organization to the followers; in that sense, he or she need to argue why the organization want to be there.

In the Microsoft’s case study, Ross Smith, as the leader of the Windows Security Test Team, has a leadership as consultancy. His discourse with every team member shows his care of people. He tries to make the structure of the team flat and pour sufficient freedom into the team. One of his colleagues also comments that he is humorous and it is fun to work with him. His type of leadership perfectly fits the traits of Generation Y, which we have discussed in previous part.

Ross Smith also has a vision. When he took the team, he had the ambition of implementing a series of changes in the team. He is open to management innovation. As mentioned in the case, Gary Hamel’s The Future of Management is one of the favorite books of 42 Books. After 2 year’s efforts, the changes have been a great success and the new culture of the team better motivates the team members.

From the perspective of Microsoft, the Windows Security Test Team is a small part of the whole machine, and Ross Smith is not a senior executive. However, he can lead such a successful cultural change. Now, Microsoft is trying to generalize this cultural change by sharing Ross Smith’s experience. This means, sometimes, big changes do not necessarily come from top to bottom. They can happen from the bottom as well.

In the Pixar’s case study, we have focused on the figures of Catmull and Lasseter. Their leadership styles are highly influenced and conditioned by their passion and ambition. For instance, one of the most remarkable leadership traits of Lassater is that he impregnates all the projects in which he has collaborated with this values and feelings. He trusts his instincts. And this is essential in Pixar, because by trusting your own feelings and instincts, you could trust the others, which is highly critical in Pixar.

One of the maxims at Pixar is learning. But learning not only from mistakes, but also from success. Truly, it is rather difficult and attitude-demanded to learn from success. Catmull has understood this issue perfectly, and he has referred to it as the “success syndrome”. Catmull does not want that Pixar becomes blind thanks to its success, therefore, he is motivating the production teams to take the film post-analysis meetings seriously. Catmull is encouraging them to be critical with themselves and their work, and not just counting the number of awards the film got or the number of interviews they will do next week.
An important lesson that Catmul learnt from Lucas is the attitude toward risk. In that sense, Catmul has perfectly understood that an attitude of minimizing risks is not the most convenient for creativity and for the particular perspective of creativity that Pixar has. For instance, Pixar has produced a large number of short films. They are the perfect frameworks to experiment and take risks before taking them in a large production.

5.3.6. People at the Centre of the Organization

People have passed from being the ones who just work in the organization, to be the ones that really add value to the organization. Following Gary Hamel's ideas (2008), people should be main centre of organization, and all managerial practices should be developed around them.

For instance, Pixar has a particular notion of creativity. In this conception, Pixar prefers to focus on people instead on a single idea. This is not a random attitude. They believe in the sustainability of the relationships and in the talent of their people as a way to generate novel and useful ideas. By focusing on their people instead of in a single initial idea, they are generating a large number of successful ideas that are traducing into blockbusters or technological improvements. In summary, all managerial practices, such as the “dailies”, the “brain trust” or Pixar University have people in their focus.

In Microsoft, Ross Smith believes that the change of culture should also happen in people’s mind in addition to in actions. Therefore, he encourages his team members to think differently and give out the ideas in their heads. Because many of the team members belong to the 42 Books, and they are interested in reading management books, they have developed the specialty in the management area. Therefore, the cultural revolution is happening in those team members’ heads and they have had many new ideas. Forums have been created for them to put forward these new ideas. These new ideas might not be complete or mature, but after discussion and improvement, they may become great suggestions.

Gary Hamel's The Future of Management is the team’s favourite book. The core idea of Gary Hamel is also reflected in the changes of the team. And all the changes happened in the Windows Security Test team are focused on people and, most importantly, from people. The new culture is designed for all the team members and the team members design it for themselves. They know the best what they really want. This really and truly reflects the principle of people at the centre of the organization.
5.3.7. Challenge

Following Amabile’s intrinsic and extrinsic motivation theory, one of the components of the employees’ intrinsic motivation is the challenge of the work itself. In addition, by following the traits of the Generation Y, challenge is part of their identity; no matter it is in the workplace or outside the working environment. As a consequence, in an attempt to build their identity, organizations should offer an environment where they could feel challenged.

Concerning Microsoft’s case study, the regular work of Windows Security Test Team is not high demanding, though intensive and painstaking. Talented people would have a feeling of being underutilized. This is the basic problem of the team. As we have discussed in previous part, young people like challenge. If they find challenge in work, they will feel motivated. Therefore, Ross Smith uses two ways to introduce challenge into daily work. First, employees are allowed to initiate interesting projects and they can find challenges themselves. Although the projects are not a part of the regular work, team members can still feel that they are meeting challenges every day. Second, the principle of game is introduced into the team. For example, productivity game will be held to make outcome better. The competition of the games also gives young employees the feeling of challenge. This makes them interested in the boring regular work.

One of the most discussed characteristics of all Pixar’s productions is the emphasis on quality above all other issues. Regardless the efforts needed to finish the production, it must be a high quality production. It is a maxim. In that sense, it is a challenge, not only for the organization but also for all employees. One of the ways that Pixar has to ensure high quality productions are the “dailies”, in which employees must show to all their colleagues their incomplete work. It is a challenge for them, and also a good practice to learn, get inspiration and preserve the quality attitude.

Constant learning could be also perceived as a challenge. We have discussed that one of the main principles in Pixar is learning, both from mistakes and from success. In that sense, it is a challenge to make a continuous introspective analysis to assess whether the production is in a good track or what could be improved.

In addition, it is also described in the case study the recent acquisition of Pixar by Disney. One of the main objectives of this acquisition is to bring Disney back in their creative and technological roots. This operation supposes a huge challenge for Pixar as an organization.

Also, at the personal level, Catmull has revealed that he is actually facing a huge challenge. After pursuing his dream, to produce a computer animation feature film, he has pushed forward his
dream to create an entity that continually creates computer animation feature films. In that sense, it is a truly challenge that soon will be achieved.

5.3.8. Passion and Interest

As we have discussed in the theory part, beside from the different levels that Abraham Maslow discussed in his original “hierarchy of needs”; he also attached the aesthetics needs as the “master motive”. He referred to them as the need of the human beings of reaching their own maximum potential. In summary, humans want to explore what is further of what they know. In addition, the identity of the Yers is shaped by their interests. As a consequence, organizations should pay attention to this issue.

When the requirements of challenge and interest are satisfied, work for them becomes meaningful, though the regular work stays the same. Therefore, passion at work is natural.

In Windows Security Test Team, none of the programs is compulsory. Every one chooses the program to participate in voluntarily and based on interests. For instance, 42 Books offers the team members variety of books to read. They can simply join the book review without reading the books. But if they feel interested in any of the books, they can go and read it.

Their favorite topics are innovation, leadership and trust. These interests also help team members develop in a more general way. The team members know more about management, and then they can think differently and help the cultural change.

As we could deduct from the case study of Pixar, all Pixar employees really love their professions, either if they are in the artistic side of the organization or in the technological side. All of them have the magic of Disney at their core. In addition, they have in Catmull and Lasseter the perfect examples in which their dreams become true. For example, Catmull realized that his dream could be reached when he could combine his both passions, animation and technology. This reflexion has a direct impact on employees’ passions and interest, and their motivation may reach higher levels.

5.3.9. Hire Based on Potential

Things never stay the same, and even less in the world described in the background of the thesis. For that reason, organizations must renew their people, and let the new generation to be part of them. These sorts of practices should be done in a wise way, trying to benefit as much as possible the organization.
Looking at Pixar’s case study, they believe in people and in the talent of people. In this sense, the human resources department of Pixar is hiring according to complement the current skills of their people. They are aware that outside Pixar, there may be another person that is capable of carrying out a particular task better. Therefore, it is not just hiring to avoid problems, but to add value to the organization.

In addition, they are also fully aware that things will never stay the same. According to Catmull, Pixar is trying to create a culture that allows organizational changes in accordance with life changes. And the main goal is that people feel comfortable with changes.

5.3.10. Sense of belonging

This is the truly relationship that organizations want to pursue with their employees. It implies that employees feel identify with the organization, and therefore it would help to retain employees, attract new employees, and in general terms, to improve their motivation. In summary the sense of belonging is the apex of the issues discussed above; and all of them could contribute in one way or another to increase the sense of belonging. It is a matter of identity.

When all the efforts mentioned above are done, a positive outcome can be notice clearly. The sense of belonging improves the mentality of employees. If they have a strong sense of belonging when working, they will feel they are working not just to achieve the organization’s goals but also to pursue their dreams and passions; they are working for themselves. This is a very strong inner motivation for them.

Pixar is a particular good example regarding this issue. For instance, we must take into account that Lasseter found himself out of Disney thanks to his passion and ambition, and he found in Pixar an excellent frame in which he has consolidated as one of the best computer animation filmmakers. In addition, all new hires within the industry have confessed that they like Pixar’s way of understanding creativity. They feel part of the community. Pixar does not separate their creative staff from the rest of the employees, since they believe in the peer culture, and that it would be critical consequences for the project.

5.4. Summary

Through the case studies of Microsoft and Pixar, we have identified several issues that have direct impact on the motivation for creativity. In addition, these identified issues match to some extent the needs of the Yers.

In summary, these identified issues are: trust, communication, freedom, peer culture, leadership and vision, challenge, hire base on potential, passion and interest, people at the centre and sense of
belonging. All of them are interrelated, and have a sort of two-way relationship. Among them, we believe trust is at the centre of these identified issues.
6. Conclusion

In the last chapter of the thesis, we will draw conclusions concerning to our research questions. In addition, we will also give a direction and some advises regarding further research on the topic.

In this research, the importance of creativity in today’s business world has been addressing from the perspective of motivation and the generational change. Our research has revealed many important issues that organizations need to pay attention to regarding this discussion, such as trust, freedom, communication or the sense of belonging. When it comes to the analysis of these issues, we have realized that all of them are interrelated. But above all of them, there is one issue that play a critical role on the analysis: trust.

![The cobweb of the identified issues](image)

Figure 6.1 – The cobweb of the identified issues

It seems that all of the identified issues have a sort of two-way influences with trust, but also between the rest of the identified issues. For instance, the peer culture may influence the leadership style, and the other way around; or the leadership style influences another identified issue. The relationship of the identified issues could reach a high level of complexity. In that sense, we do
believe that the best way to map all identified issues is to place them in a web, in which trust is the centre, and all of them are located around it.

Our aim is not to develop a ranking or to prioritize one order above the others. In that sense, a web is a perfect mean to explain our findings. Firstly, we would like to stress the importance of realizing that all issues have influence on each other. In addition and because of these interrelated issues, the web allow us to give the notion of a supportive net. If one side of the web is weak, then it will immediately have consequence in the other identified issues. For example, if the communication were not adequate, then the sense of freedom would also receive a negative impact.

Moreover, using a web allows us to place trust in the centre giving it the critical role that it is playing in our model. Nevertheless, the reader should not confuse our web model with any sort of pyramid in which one issue leads to another, and so on.

We are labelling trust as the centre of our model. Nevertheless, trust is not anything a company can reach overnight. It requires long-term commitment. And since we are studying the Generation Y, it is very sensitive to show trust since the very first moment of the employee in the company. Otherwise, the negative impression would have drawbacks in the future.

On the other hand, we are aware that some of the identified issues that we map in our model are very aware, and fit perfectly to any individual no matter they generation she/he belongs to. However, we think that our web model includes also issues that match specifically the traits of the Generation Y, which is the aim of our study.

One of the reflections that Lasse Johanson, the consultant of Creare Consulting, has made during the interview refers to the fact, that these ideas are very easy to be accepted. Nevertheless, there must be always some limits or boundaries. In that sense, the leadership exerted in the organization has an important role to play. For instance, it could be particularly useful to give freedom to the employees in a particular issue, or to foster a peer culture in an organization for a given reason; however this only works in the reality that there are some rules.

In that sense, we think it is very important to also emphasize the role of the leader as the one who provide the vision, give meaning, and set up the limits or boundaries. Furthermore, it is the leader who must also enlighten why the organization will give freedom to their employees in a particular task or why the organization is fostering a peer culture.

The main aim of our research is to study motivation for creativity from the perspective of the generational change. In this sense, we have identified several issues in which organizations have to pay attention to. However, these identified issues are not only valid in terms of motivation for
creativity, but they could benefit other aspects of the working environment. And also, our research focuses on the Generation Y, but some of the general issues that we have discussed also fit for all people, no matter the generation they belong to.

In addition, we would like to stress that, if there is any change that need to happen within the business context, the reader must take into consideration that the change in mind is as important as the changes in actions. As we have already discussed in the first research question, it is sensitive for organizations and leaders to adapt their mind set to the emerging circumstances. And therefore, the paradigms shifts discussed in the former part would illustrate them to do so. For instance, an organization could perfectly modify his managerial practices, but if it were not able to succeed in change its mindset, the outcome of the change would be worthless.

6.1. Further Research Recommendations

In our study, we emphasize the issue of generation differences. However, we are very careful with this issue because it is very easy to exaggerate and absolutize the differences. We believe the generation differences are relative and the generation transition is consecutive instead of discrete. Therefore, we suggest that following researchers be prudent in this issue.

Due to lack of available access to necessary sources, we cannot collect primary data about creative companies. If condition permits, we recommend following researchers to get into some creative companies to collect primary data. By doing so, researchers can get more related data and perhaps better understand those managers’ perspectives so that they can generate more practical conclusion. We also believe that other methods of collecting data are worth trying, such as conducting a survey. In the issue of generation differences, conducting a survey would be an effective way to understand different generations.

According to our outcome of the analysis, we have found ten interrelated issues for companies to consider when motivating employees to be creative. It is very difficult to do research more deeply on all of them at the same time. Therefore, we suggest that following researchers focus on single or several issues of them and dig deeper on them. But always taking into account the multiplicity and complexity of relationships happened between the different issues.
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