



**UNIVERSITY OF GOTHENBURG**  
**SCHOOL OF BUSINESS, ECONOMICS AND LAW**

Master Degree Project in Innovation and Industrial Management

**How a reorganization can impact  
organizational creativity**

A qualitative single case study investigating how a reorganization impacted the ability for the employees to be creative in one Swedish apparel company

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# Abstract

The purpose of this thesis is to investigate how a growing, and historically creative Swedish apparel company, perceive that a reorganization has impacted the organizational characteristics influencing organizational creativity. Semi-structured interviews were conducted at the headquarters of Nudie Jeans Co (Nudie), to better understand how the employees perceive that the reorganization has impacted their ability to be creative.

Creative ideas are prerequisites for innovation in companies, and innovation is increasingly important for businesses in all fields. Based on this reasoning, it is important to create suitable conditions for creativity to flourish inside the organization. Organizational creativity is dependent on how the company manages individuals, groups, and organizational characteristics. How the company manages the different characteristics can either enhance or constrain the likelihood of the generation of creative ideas. The initial research regarding organizational creativity focused on the individual. However, more recent studies have acknowledged the importance of organizational characteristics when trying to foster an environment where creativity thrives. Based on the theory it is possible to argue that organizational characteristics can change and possibly constrain organizational creativity when firms reorganize to accommodate for company growth.

It is evident from the findings of this study that the reorganization has impacted the organizational characteristics influencing organizational creativity. The empirical findings from the interviews show that the reorganization resulted in both enhancing, and constraining impact on the organizational creativity. However, the number of empirical findings highlighted as enhancing, outweigh the number of empirical findings viewed as constraining. After the reorganization, Nudie is a more formal and rigid organization, and this is expected to enhance adaptive creativity according to the theory. However, issues are raised regarding a possible decline of radical creativity. Despite the tilt towards an overall enhancing impact, it is still possible to find empirical findings that show constraining impacts as a consequence of the reorganization. To mitigate the constraining effects, Nudie is for example recommended to develop the company vision and make sure that the employees are provided with sufficient time and education to be able to generate creative ideas.

**Key Words:** Organizational creativity, Creativity, Reorganization, Organizational Change, Apparel industry, Fashion industry, Managing creativity

# Acknowledgements

Firstly, I would like to extend my gratitude to my supervisor Daniel Ljugberg. He has provided me with valuable insights and ideas throughout the thesis writing process, and always been available and open for discussions. I would also like to thank Erik Gustafsson for his initial guidance regarding the scope of the thesis.

This study would not have been possible to conduct without the cooperation and support from Nudie Jeans (Nudie). I would therefore firstly like to thank Joakim Levin for allowing me to perform this study. Without his support and shared information, this study would not have been made possible. Additionally, I would like to extend my deepest gratitude towards all the interviewees at Nudie who generously shared their time, experiences, and ideas.

Furthermore, I would like to thank my classmates, family, and friends for keeping me sane throughout this semester. I would especially like to thank my father, brother, and brother in law for helping me proofread the thesis. Lastly, I would like to thank Guldhedens Studiehem for supplying me with suitable facilities and great food.

Gothenburg, 2017-06-02

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Filip Landälv

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# 1. Introduction

## 1.1 Innovation, creativity, and organizational creativity

Innovation is a word that is gaining increased attention in the realm of business. One reason for this growing interest is the view that companies operating in today's competitive landscape need to continuously evolve and enhance their business to remain relevant (Mumford, 2012). Innovation can be defined as the implementation of novel and useful ideas in companies (*ibid*). Several authors link the term innovation with creativity (Amabile, 1998; Gurteen, 1998; Martins & Terblanche, 2003). Creativity in the realm of business is the generation of novel and useful ideas. Once the ideas are implemented, they can be classified as innovations. Based on the above reasoning it is crucial for companies to create an environment where creative thinking is encouraged and desired.

Creativity in business research has historically been connected to personal traits and the right kind of knowledge. It was initially believed that you were either born creative or you were not. The likelihood of a creative outcome was thus based on the characteristics of the individual. This viewpoint has now changed, and researchers have acknowledged that the characteristics of groups and organizations in which individuals work also impact the likelihood of creativity. A new theory was established to accommodate this view, called organizational creativity. Organizational creativity states that the probability of creativity taking place in an organization is dependent on Individual characteristics, group characteristics, and organizational characteristics (Woodman et al., 1993). Andriopoulos (2001) continues the research regarding organizational creativity and states that research investigating the impact of organizational characteristics on organizational creativity is too often overlooked. Organizational characteristics can, for example, be organizational structure, strategy, processes, and organizational culture. The organizational characteristics are important because how they are managed can either enhance or constrain the likelihood of creative ideas being generated by workgroups or individuals in the company (Amabile, 1998; Andriopoulos, 2001; Woodman et al., 1993). Examples of enhancing factors are encouragement of divergent thinking, autonomy in the work process, and a flat organizational structure. Constraining factors can manifest themselves through example standardized processes, hierarchical structures, and bureaucracy.

## 1.2 Organizational characteristics and company growth

The organizational characteristics presented by Andriopoulos (2001) and Woodman et al., (1993) show immense similarities to the term organizational design. Kates & Galbraith (2007) define organizational design as “*The deliberate process of configuring structures, processes, reward systems, and people practices to create an effective organization capable of achieving the business strategy*” (p.1). The factors making up the organizational design needs to align with the company strategy, and how the elements are managed will also profoundly influence the company culture. Mintzberg (1980) present that organizational design can have consequences on company performance, and that different designs might be suitable depending on circumstances and strategic goals. An example of a circumstance that can influence organizational design is company growth. Companies as they grow become increasingly complex and this often results in more complex organizational designs (Kates & Galbraith, 2007). According to Mintzberg (1980), there is a high likelihood of increased bureaucracy and



thus a new organizational design because of company growth. Shah et al. (2013) add that growing companies often become more formalized and for example create clearer communication channels, more precise job descriptions, and implement management control systems to be able to track performance. Organizing in a structured way to accommodate the increasing complexity is necessary. Restructuring and evaluating existing processes because of company growth is thus common, and often necessary. To the author's knowledge, there is no research investigating how company growth might impact organizational creativity through organizational characteristics. It is however based on the similarities between the term organizational design and organizational characteristics possible to argue that organizational characteristics also might change due to company growth.

### **1.3 The case company reorganizes to accommodate for growth**

Nudie Jeans (Nudie) is a Swedish apparel company focused on selling sustainable denim products. The company was established in the early 2000's and has since then grown organically. The company has a history of creativity among its employees and frequent interaction between all different departments in the organization according to the CEO (Levin, 2017). Nudie has for many years had a position in the frontier when it comes to sustainable fashion (Ethical fashion forum, 2012; Fisher, 2015; Forne, 2014). One major reason for Nudies frontier position in sustainable fashion is their decision to only use organic cotton in their jeans, and a high level of sustainable materials in the remainder of their products (Nudie Jeans Co, 2015). Other Initiatives taken by Nudie showing their willingness to think creatively and try new ideas can be seen through their choice to pioneer a transparent supply chain (Egels-Zandén et al., 2015). Nudie is also one of the few apparel brands trying to take corporate social responsibility by paying living wages to a few of their producers (Egels-Zandén, 2017). Because of the increased market growth and more complex operations, Nudie has decided to spend more time standardizing work processes and clarifying the chain of command. This has resulted in Nudie reorganizing most of its departments at the head office. Actions have also been taken to clarify expected performance by each department and employee. The organizational structure and the organizational culture can thus be argued to have become more rigid, hierarchical, and formal (Levin, 2017).

### **1.4 Problem discussion**

Nudie intends to keep growing as a company and to be able to do so a reorganization was necessary according to the CEO. The reorganization resulted in changes in leadership, department structure, and employee work assignments. The CEO believes that this more rigid structure, with enhanced control systems, will increase the likelihood of operational excellence. He also believes that this new structure will make it easier for the employees to understand their tasks and what is to be expected of them. Nudie operates in an industry where creativity traditionally relates to the creation of new items of clothes. Creativity at Nudie has however also been concerned with other areas of the business as well, and the initiatives taken by Nudie through, for example, free repair services of their jeans, and transparent supply chains, has put them in the forefront of sustainability in the fashion industry (Egels-Zandén et al., 2015; Fisher, 2015; Forne, 2014). Nudie's learning-by-doing approach and entrepreneurial background have also resulted in many problem-solving scenarios over the years, and the CEO express that the

company has a history of creativity among its employees (Levin, 2017). Nudie's decision to reorganize and change areas that can be connected to organizational design is understandable from a company growth theory perspective. It is as previously stated possible to argue that organizational design and organizational characteristics describe similar areas of the organization. Based on this connection it is possible to argue that the organizational characteristics, and thus organizational creativity also can be impacted by the reorganization.

Innovation is increasingly important for organizations in all fields. Creative ideas are necessary for innovation, and it is thus important for organizations to create suitable conditions for creativity to flourish. Creativity in organizations is influenced by individual, group, and organizational characteristics. When companies grow, it is possible that organizational characteristics are impacted. Reorganizing to accommodate for growth can result in organizational changes that according to the literature can have a constraining impact on organizational creativity. Nudie looks to stay creative and keep exploring new ways to grow their business and enhance their position in the frontier of sustainable denim-fashion. To be able to reach these goals Nudie thinks that operational excellence through more streamlined processes and set structures are necessary prerequisites.

## **1.5 Purpose**

The purpose of this study would thus be to investigate how the reorganization at Nudie might have impacted the organizational characteristics, and consequently the organizational creativity. The focus of the study is on organizational characteristics influencing organizational creativity. This study will investigate if the reorganization, according to the employees at the Nudie headquarter, enhances, or constrain organizational creativity. Nudie has grown organically over the years and has shown creative thinking that has resulted in awards related to sustainable fashion (Ethical fashion forum, 2012; Fisher, 2015; Forne, 2014). Their pioneering position in transparent supply chain and their decision to pay living wages to producers has also drawn the attention of researchers (Egels-Zandén et al., 2015; Egels-Zandén, 2017). These ideas display that Nudie is a company where organizational creativity is present.

To the author's knowledge, there is no prior research investigating how a reorganization might impact organizational creativity through changes to the organizational characteristics. However, it is possible to argue that changes occurring to companies reorganizing to accommodate for growth, can result in changes that possibly constrain organizational creativity. Nudie also mentions standardization and increased management control as reasons to recognize, and these initiatives can have a constraining impact on the organizational creativity according to the theory. However, Nudie believes that this reorganization is a necessary step moving forward. This presented scenario, and the lack of prior research regarding the impact of a reorganization on organizational characteristics influencing organizational creativity, makes this case interesting to study. Additionally, the author did not find any previous research regarding organizational creativity connected to the apparel industry. Moultrie & Young, (2009) furthermore argue that limited research has been conducted on organizational creativity in traditionally creative industries. This study will thus be able to increase the knowledge of how a reorganization can impact organizational creativity for one Swedish apparel company with a history of creative ideas.

### **1.5.1 Research question**

*How have the organizational characteristics, which have an influence on organizational creativity, been impacted by the reorganization carried out at Nudie Jeans?*

### **1.6 Limitations**

This thesis will be limited to a single case. The findings from this single case study will give propositions into how organizational characteristics influencing organizational creativity in a medium sized apparel companies might be impacted by a reorganization. The term creativity will also be limited to the definitions used in business environments and be interpreted based on theories investigating creativity from a business perspective. Creativity in complex social settings has by previous researchers been named organizational creativity. Organizational creativity should be analyzed as a multi-level construction, including individual characteristics, group characteristics, and organizational characteristics. The theory argues that these levels together make up organizational creativity and that it is important to investigate all levels to get a complete view of creativity within an organization.

Due to the limited time of this thesis, a thorough investigation of all three levels of organizational creativity will not be possible. The focus of this thesis will be on the organizational characteristics relating to organizational creativity. This limitation is made since organizational characteristics often get overlooked in organizational creativity research and the fact that Nudie is undergoing a reorganization, which can be connected to the organizational characteristics. The impact of individual and group characteristics will be acknowledged in the study, but not be focused upon. Limiting the research to organizational characteristics which has an influence on organizational creativity will result in the thesis not providing a complete picture of organizational creativity at Nudie jeans. It will, however, give parts of the picture and valuable insights for further investigations. This study will provide increased knowledge regarding how organizational change can impact organizational creativity through the organizational characteristics for one Swedish apparel company.

## 2. Literature review

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The structure of the literature review follows a funnel-like structure. The initial section will begin by giving a definition of the word creativity and describe how creativity research has evolved in business research over the years. This initial description and definition are important when moving to the next section that presents the theory of organizational creativity. Organizational creativity is divided into three levels, and all the levels are presented. In this thesis, the organizational level is in focus, and that section is thus presented more thoroughly. The aim of the organization characteristics section is to describe how organizational characteristics possibly impact organizational creativity. The literature review then presents possible problems with creativity research in business to show a fairer picture of the theory. The chapter is concluded with a summary.

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### 2.1 Creativity

Creativity is a word that is often associated with artists and designers. It is also commonly believed that creativity is a trait that cannot be taught or developed. Puccio et al. (2011, p. 10) contain several quotes that describe a common view of creativity in the early 1990s: "*That's for artists and scientist*", "*It's bizarre*", "*you can't enhance someone's creativity*". These views have changed since the 1990s, and people now associate creativity with more favorable terms, such as problem-solving and challenging the status quo. The scope of where creativity is thought to be needed has also expanded to include the realm of business, and it is no longer solely limited to the works of artist and scientists. (Puccio et al., 2011)

Firstly, it should be stated that this paper will look at the term creativity from an organizational theory perspective and focus on literature connecting creativity to a business environment. Creativity in the realm of organization theory has been defined in several different ways over the years (Mumford, 2012). The reason for this diversity in definitions is according to Amabile (1998) explained by three different interpretations of the fundamental characteristic of creativity. Some research has investigated creativity in the realm of business with the definition that creativity is a personal characteristic. Others have defined creativity as the process of generating novel and useful ideas, and measured creativity based on the process of for example problem-solving. The third and most commonly held view is that creativity in the realm of business is defined as a novel and useful outcome (Amabile, 1998). The definition that creativity is the creation of a novel and useful outcome in the setting in which it is created is the definition that will be applied in this thesis as well. What is also important to add to this definition is that creative outcomes are to be considered ideas that are yet to be implemented in the organization. The implementation phase of these novel and useful ideas is according to Amabile (1998) regarded as an innovation. The terms of creativity and innovation are thus deeply linked, and several additional researchers also define innovation as the implementation of a creative idea (Amabile et al., 1996; Gurteen, 1998; Woodman et al., 1993). Creative ideas are necessary for innovation, but not all creative ideas are innovation. The idea needs to be implemented in the organization to be regarded as an innovation. For the remainder of this thesis creative outcomes, creative ideas, creativity, and new ideas will be used as synonyms.

Creative ideas do not need to be new to the world; they only need to be novel to the individuals generating the outcome. The novelty of the idea is however not enough for the idea to be classified as creative. Amabile (1998) states that creative ideas in an organizational setting in some way need to influence the way business gets done. Gurteen (1998) states that one significant barrier for creative work, both at individual and organizational level is the misconception that creativity only is needed in specialist disciplines such as R&D for example. Gurteen (1998) continues by saying that creativity is necessary in all areas of the organization and that new ways of organizing workflows or procedures for writing papers can make use of creative thoughts.

The standpoint that creativity is the creation of a novel and useful idea is widely accepted, but some researchers have also pointed out that this definition might be too narrow and limit the term creativity. Unsworth (2001) propose that creativity can be split into four categories based on why people engage in creative work and what underlying conditions led to the need for creative work. Unsworth (2001) divided the concept creativity into these categories: Expected creativity, Responsive creativity, Proactive creativity, and Contributory creativity. Most research has been conducted on Responsive creativity, which is the generation of creative ideas as a response to a specified problem. An example of responsive creativity is focus groups assembled to solve a pre-specified problem. The type of creativity that is argued to have had the least attention in research is proactive creativity. This type of creativity is characterized by voluntary engagement into a self-discovered problem. The reason for this skewness in research is, according to Unsworth (2001), the fact that it is easier to collect data connected to responsive creativity. Unsworth (2001) continues by arguing that it is important to understand that there are multiple reasons and pre-requisites to engage in creative work and that it is important to not limit the term creativity to just one type of creative work.

The connection between creative ideas and problem-solving is an established relationship in the literature (Amabile, 1998; Mumford, 2012; Unsworth 2011). This relationship also increases the scope of what creativity is in organizational theory research. Mumford (2012) argues that the need for creative ideas can vary depending on problem characteristics. The need for creative ideas is according to Mumford (2012) greater if companies have problems that are:

- Ill-defined
- Novel
- Demanding
- Complex
- Exploitable

A problem scoring high in all the above criteria most certainly needs a highly creative solution. The criteria are however to be regarded as independent, and a problem does not need to show signs of all criteria simultaneously to call for a creative solution. It is worth noting that these attributes are not absolute, but rather referenced against the people addressing the problem (Mumford (2012). It should also be stated that creativity can be manifested in the action of solving an already solved problem with a new creative approach, for example solving a problem in a new way and in that action upset the status quo (Mumford, 2012).

## 2.2 Organizational creativity

The theory of organizational creativity was developed to understand and describe how complex social settings, such as formal organization, impact creativity.

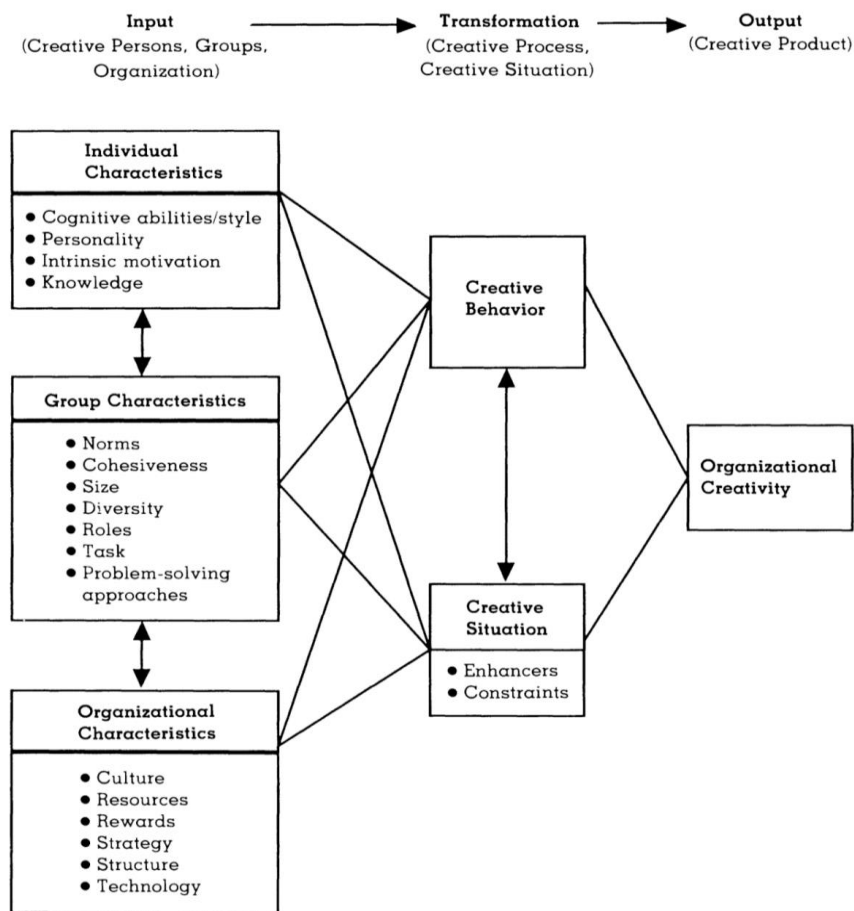


Figure 1. Conceptual links showing the relationship for organizational creativity. (Woodman et al., 1993, p. 309)

Woodman et al. (1993) define organizational creativity as “*The creation of a valuable, useful new product, service, idea, procedure, or process by individuals working together in a complex social setting*” (p. 293). Several researchers’ all agree that creativity in a social setting is a multi-layered concept including individuals, groups, and the organization (Andriopoulos, 2001; Gupta & Banerjee, 2015; Mumford, 2012; Woodman et al., 1993). These three layers all play an important role in understanding how creativity in an organization can be either enhanced or constrained (Woodman et al., 1993). Woodman et al. (1993) propose a conceptual model, which can be seen in Figure 1. This model shows how organizational creativity is the outcome generated by the management of the three separate input levels and their characteristics. It is worth keeping in mind that the figure is illustrative and not intended to show an exhaustive list of inputs.

Initial research regarding creativity in organizations had a major focus on the individual and what made certain individuals likely to generate creative ideas. The individual aspect is still an important factor in understanding how creativity in organizations work, but more recent studies have shown that a work environment plays an increasingly important role in enhancing or constraining the likelihood of creativity (Woodman et al., 1993). The impact of the work environment on organizational creativity will be presented further in section 2.5.

The following three sections will explain the three levels of organizational creativity theory presented by Woodman et al. (1993) in more detail and present additional theories regarding each level.

### **2.3 Individual characteristics**

Even if organizational characteristics have gained increased attention within creativity research, it is hard to overlook the importance of creative individuals. It is according to Gupta & Banerjee (2015) essential to retain and take care of creative individuals to foster organizational creativity. Creativity and personal characteristics have been connected since the beginning of creativity research, and some studies have tried to determine what makes individuals creative and why some individuals are more likely than others to generate new ideas (Amabile, 1988).

Amabile (1998) proposes that individual creativity in the realm of business is dependent on three components, namely: expertise, creative thinking skills, and motivation. These components are the same as the ones presented by Woodman et al. (1993) in figure 1, but with slightly different wording. Expertise is related to the individual's knowledge in the designated realm of work. Expertise is the extent to which employees can use their domain specific knowledge to for example solve problems. How people approach problem-solving is connected to their creative thinking skills, which can also be referred to their cognitive style. People with creative thinking skills are not afraid to upset the status quo and explore different ways to solve problems. Using knowledge from many different and diverse fields to generate novel ideas are common for people with developed creative thinking skills. Expertise and creative thinking skills are fundamental building blocks to determining the individual's ability to generate creative outcomes. These two building blocks are however also heavily dependent on the individual's motivation. Motivation can be, according to Amabile (1998), both extrinsic and intrinsic. Extrinsic means that the individual gets motivated by external factors, such as monetary reward or threat of negative consequences if not completing a set task. Intrinsic motivation, on the other hand, is when an employee is motivated by self-interest in the work. It is more likely that the employees will have an intrinsic motivation if they think that performing the work is interesting and rewarding. Intrinsic motivation is argued to foster creativity more than the extrinsic motivation (Amabile, 1998).

### **2.4 Group characteristics**

Since organizations are made up of groups of individuals working towards shared objectives, one could argue that group level creativity is of greater interest than individual when trying to understand creativity in an organization (Gupta & Banerjee, 2015). Factors that influence the creativity of a group are according to Woodman et al. (1993) leadership, intergroup cohesion, and group diversity. Gupta & Banerjee (2015) express that groups that are led by leaders who encourage creativity are more likely to generate creative outcomes. Group diversity will result in people bringing together different kinds of knowledge and cognitive styles, and this will lead to better quality ideas and more ideas in general. Amabile et al. (1996) found the support within workgroups are an important enhancer for creativity within the organization. It was found that support from co-workers within the group was even perceived more important than supervisor support. Amabile (1998) adds to the importance of group constellations and states that diverse backgrounds and perspectives will increase the likelihood of creative ideas. A way of killing

creativity is by assembling homogeneous groups. Homogenous groups often reach "solutions" more quickly and with less friction. The group, however, do little to enhance their expertise and creative thinking skills. They arrive at the group with a similar mindset and leave with the same (Amabile, 1998).

Woodman's et al. (1993) model proposes that groups in the organization form the norms of the organization. Martins & Terblanche (2003) agree to this point and further argues that group norms profoundly influence the company culture and in the end the environment for creativity in the organization. It is thus important for organizations to spend time on managing group constellations towards enhancing creativity. Doing this will eventually enhance the creativity in the entire organization.

## **2.5 Organizational characteristics**

Amabile et al. (1996) emphasize that focusing solely on hiring creative individuals with the right skills and expertise is not enough when fostering creativity in the organization. The internal environmental aspects within the organization need to encourage and promote creativity as well. The internal environmental aspects are similar to the organizational characteristics presented by Woodman et al. (1993).

Andriopoulos (2001) adds to the theory presented by Woodman et al. (1993) in figure 1 but focuses solely on factors influencing the organizational level of analysis. The organizational characteristics that according to Andriopoulos (2001) can enhance organizational creativity are leadership style, resources & skills, structure & systems, organizational culture, and organizational climate. Andriopoulos (2001) research focus on the organizational level, but he does not discard the importance of individual and group level factors and the interactive relationship between the three. Focusing on establishing an environment that enhances creativity at the organizational level will inevitably enhance the creativity at the individual and group level as well (Amabile et al., 1996; Andriopoulos, 2001; Martins & Terblanche, 2003).

The organizational characteristics presented by Woodman et al. (1993) and Andriopoulos (2001) are similar, yet different wording has been used to describe similar characteristics. When the author started looking for additional theory regarding organizational characteristics, it became apparent that research solely focusing on the organizational characteristics of technology, and rewards, presented by Woodman et al. (1993), was limited. The research focusing exclusively on organizational climate, which is an organizational characteristic in Andriopoulos (2001) model, was also limited and hard to distinguish from organizational culture. The leadership style factor presented by Andriopoulos (2001) is furthermore presented under the strategy characteristics in Woodman et al.'s. (1993) model. Based on the lack of specific research regarding a few of the characteristics, and the differences in wording between the two models, the author has decided to create four self-made categories of organizational characteristics for further analysis. The categories aim to provide a comprehensive view of the organizational characteristics that are proposed to influence organizational creativity. The categories are 1) strategy, 2) resources & skills, 3) structure & systems, 4) and organizational culture. The following subsections will contain more in-depth theory regarding how these organizational characteristics enhance or constrain organizational creativity.



### **2.5.1 Strategy**

Strategy in organizational theory is often connected with the mission and the vision of the company. Having a vision that incorporates the need for creativity will influence the organizational culture towards an openness to new ideas (Martins & Terblanche, 2003). A clear vision is also important for the employees when engaging in creative work because the vision serves as a map that shows the gap between the current state and desired future state for the organization (Martins & Terblanche, 2003). Company vision and company goal are closely related, and Amabile (1998) argues that for people to stay creative, the goal needs to remain stable over time and not continuously change. If the goal continuously changes it is harder for the employees to know what kind of creative work that is useful for the company. It is important that the vision is repeatedly communicated through several channels and to every level of the organization (*ibid*).

Setting the company vision and making sure it is communicated is primarily a job for the company leadership. How the leadership is managed can also influence the organizational creativity. Leadership styles that enhance creativity are according to Andriopoulos (2001) democratic styles that emphasize the importance of leadership involvement with the employees. Alencar & Bruno-Faria (1997) present that non-present leadership together with unclear and sometimes unspoken direction of the company are obstacles to creativity. It is also often the leadership's responsibility to create functioning groups and departments in the organization. The constellation of these groups is important when trying to enhance the likelihood of creative solutions as presented in the "Group characteristic" section. It is thus important that the leadership is aware of the company strategy and the importance of group constellation when creating creative workgroups (Andriopoulos, 2001; Woodman et al., 1993).

### **2.5.2 Resources & skills**

The individual plays a significant role in organizational creativity, and it is necessary that the company acknowledge people with knowledge, developed creative thinking skills and motivation and try to retain them (Mumford, 2012). A way of doing this is by making sure that the employees continuously feel challenged in their work. It is, however, important to try and distinguish the difference between challenging work and workload pressure. Challenging work is argued to enhance creativity, while excessive workload pressure is claimed to have a negative impact (Amabile et al., 1996). Some employees can, however, see workload pressure as a challenge in itself, and Foss et al. (2013) displayed findings that showed that workload pressure had a positive impact on creativity. Providing the employees with stimulating training and education to keep growing in their field is favourable when trying to enhance organizational creativity. Matching employee's skills and interest in work assignments is crucial for their intrinsic motivation, and thus their likelihood of being creative (Andriopoulos, 2001).

It is also important that the employees are provided with enough money and time to pursue their creative ideas, especially when the ideas have been accepted as worth pursuing by the leadership (Moultrie & Young, 2009). Telling the employees to peruse and build upon their ideas and not supply sufficient time or funding will have severe negative impact on creativity. It is important for the organization to make sure that the individual or group receive adequate resources and skills to develop decided upon creative ideas (Moultrie & Young, 2009). It is

however also equally important that the process of developing the ideas is done in an autonomous fashion. Autonomy in work assignments promotes a sense of ownership that is argued to enhance creativity (Alencar & Bruno-Faria, 1997). Amabile (1998) presents that it's a delicate balance between under and overstimulating employees. The employees need to be challenged enough not to get bored, but at the same time creativity will be constrained if the employees feel overwhelmed. A way of managing this is making sure that the managers have detailed information about their employees' skills and interests and at the same time all available work assignments. Having this detailed information will make it easier for the management to create a good fit for the employees. The detailed information needed is, however, both difficult and time-consuming to obtain (Amabile 1998).

Amabile et al. (1996) and Alencar & Bruno-Faria (1997) both add to the notion that providing individuals and groups with challenging tasks and missions that require creative thought increase the creativity within the organization. Alencar & Bruno-Faria (1997) also added that the lack of training and learning, both concerning problem solving and knowledge in the decided upon field could have a negative impact on creativity.

### **2.5.3 Structure & systems**

Amabile (1998) states that to truly enhance the creativity in an organization, the entire organization needs to be oriented towards making creativity within the organization a priority. This starts by creating structures, systems, and procedures which emphasize the notions that creativity is something that is sought after in the company. One way of describing the organizational structure is by distinguishing if the organization is organic or mechanistic. Organic structures are flat with horizontal collaboration between individuals with different knowledge and specializations. In the organic structure, there is limited formalization of tasks and a decentralization of power, which is argued to contribute to proactive employees and an open and trust-based culture (Khandwalla & Mehta, 2004; Martínez-León & Martínez-García, 2011). The mechanistic structure, on the other hand, is hierarchical and often bureaucratic. There are high horizontal differentiation and high formalization of tasks. A mechanistic structure is also centralized with decision making happening at the top of the organization (Martínez-León & Martínez-García, 2011). It is argued that organizations that foster creativity tend to be flexible have loose job descriptions and high autonomy among the employees, resembling organic structures (Gupta & Banajeer, 2015; Woodman et al., 1993).

A study performed by Alencar & Bruno-Faria (1997) found that a way of encouraging autonomy and thus the ability for employees to make their decisions is by adopting a flat organizational structure. Alencar & Bruno-Faria (1997) found indications that limited numbers of hierarchy levels, flexible norms and decentralization promoted creativity in the organization. In the study, Alencar & Bruno-Faria (1997) found that organizational structure and organizational support were the most stimulating factors for creativity according to the respondents. Organizational support in their study is explained as recognition and support for developing creative ideas, and developed mechanisms for gathering ideas. Diliello et al., (2011) express that a perceived support of creative ideas by the employees enhances the likelihood of creativity. Rigid organizations, where it is hard to present new ideas, and change initiatives in general, often suffer from lack of new ideas (Alencar & Bruno-Faria, 1997).

An alternative management system that is argued to promote structure, but at the same time enhance adaptive, and problem-solving creativity is Management by objectives (MBO) (Ekvall, 1996). Adaptive creativity results in the development of an already existing product or process. MBO resembles a bureaucratic system in the sense that it promotes predictability, consistency, and risk avoidance. It is however different from the bureaucratic system in the sense that it promotes freedom to be creative within set frames. When using MBO, the management states clear goals and mission statements. The employees are then expected to work creatively towards these goals in their respective task or department. Utilizing MBO, will according to Ekvall (1996), result in employees becoming productive problem solvers. The set frames of work connected to MBO is however argued to decrease the likelihood of radical, boundary crossing creativity. The reason for this is that the creative ideas promoted using MBO primarily should contribute to the already set performance goals in a set area of work (*ibid*). Rietzschel et al. (2014) also present an alternative view regarding the connection between structure and creativity. Rietzschel et al. (2014) present studies that show that task structure has the possibility to enhance creativity if the employees express a need for structure. Rietzschel et al. (2014) state that the individual need for task structure differs, and that those who prefer increased structure also are capable of being creative in that structure.

The organizational structure promoted should reward creative work by giving recognition to the individual or group generating the idea (Andriopoulos, 2001). It is however argued by Andriopoulos (2001) that extrinsic motivation in the form of money can have negative impacts on motivation, and thus creativity. The reason for the negative impact on creativity when using monetary rewards is the perceived bribe and control factor it brings. The physical working environment is marginally important for enhanced creativity in comparison to other organizational characteristics (Amabile, 1998).

#### **2.5.4 Organizational culture**

Organization culture has been defined as the deepest level of core values, assumptions, and beliefs within the organization (Martins & Terblanche, 2003). The organizational culture is manifested in the actions undertaken by the managers in particular, but also in the employees. The culture can be manifested in, for example language, stories, or tokens pointing towards important milestones in the company's history. Martins & Terblanche (2003) states that perhaps the most commonly held view of organizational culture is captured in this quote "*The way we do things around here.*" The culture takes a long time to establish and is often tricky to change.

Andriopoulos (2001) argues that companies need to build a culture that empowers the employee to act, and encourages divergent thinking and learning to foster creativity. Amabile et al. (1996) found that individuals are more likely to produce creative ideas if they perceive that the management is encouraging them, too for example, solve a problem in a creative way. The culture that enhances creativity should encourage open communication flows and risk-taking (Amabile, 1998). The company culture should manifest itself in such a way that creativity is regarded as both desirable and normal (Martins & Terblanche, 2003). Martins & Terblanche (2003) propose that how organizations manage strategy, structure, support mechanisms, encouragement of ideas, and communication will influence company culture and through that, creativity. The culture for creativity will be determined by how the company handles these

areas. If enhanced creativity is the goal, the factors need to be managed in a way that promotes creativity. The factors that are important to control for enhanced creativity culture is presented in table 1. These factors presented are in line with enhancing and constraining factors presented in previous sections of the literature review and is also in line with Amabile et al.'s (1996) argument that full commitment towards creativity within the organization is necessary for creativity to flourish.

The organizational culture should also provide the employees with a sense of security in voicing their ideas. An organizational culture with little acceptance of new ideas, low risk-tolerance, and general fear of making mistakes is according to Alencar & Bruno-Faria (1997) a major obstacle to creativity. Handzic & Chaimungkalanont (2004) found that socialization among the employees, both formal, and informal, has an enhancing impact on creativity.

Table 1: A Self-made replica of table presented by Martins & Terblanche (2003, P. 70), which shows factors that should be managed when creating an organizational culture that promotes creativity.

| <b>Determinants of organizational culture that influences creativity and innovation</b> |  |  |  |                      |
|---|--|--|--|----------------------|
| <b>Strategy</b>   | <b>Structure</b>   | <b>Support mechanisms</b>  | <b>Behaviours that encourages new ideas</b>                  | <b>Communication</b> |
| Vision and mission  | Flexibility  | Rewards and recognition  | Mistake handling   | Open communication   |
|   | Freedom:<br>- Autonomy<br>- Empowerment<br>- Decision making | Availability of resources:<br>- Time<br>- Information<br>- Creative people | Idea generation<br>Continues learning culture<br>Risk Taking |                      |
|   | Cooperative teams and group interaction                      |  | Competitiveness<br>Support for change                        |                      |
|   |  |  | Conflict handling  |                      |

## 2.6 Issues with creativity research

The theory about creativity is still evolving, and it is branching out in several promising directions (Gorge, 2007). There is still very little known about the nature of creativity, and it is thus important to keep exploring new ways of investigating it (*ibid*). The exploratory nature of the research is, however, not without drawbacks and it has, for example, resulted in definition issues and sometimes oversimplifications (Blomberg, 2014; Gorge, 2007). An obvious concern that has already been presented is the multitude of creativity definitions and the several measurements used when trying to investigate the subject. Even the commonly held definition that creativity is the creation of a novel and useful idea is subject to ambiguous terms. The prerequisite that creative work needs to be useful calls for the question: useful to whom? This question is not answered in many of the research papers concerning creativity and George (2007) argues that it is evident that the usefulness criteria is subjective and that different stakeholders find creative work differently useful.

George (2007) also states that creativity, too many times, has been interpreted as a unitary construct and thus resulted in simplified research. This unitary construct of creativity was however challenged by Unsworth (2001) who proposed that creativity differs based on set factors (see creativity section in this thesis). Another skewness in the research which goes hand

in hand with the usefulness discussion is the notion that creativity is always positive and sought after. George (2007) argues that creativity is not always positive and that insufficient research has been conducted on the negative consequences of creativity within an organization. Mumford (2012) also points out that creativity might not always be desirable and research needs to show a more nuanced picture.

Organizational creativity is an even novel field of research compared to creativity, and it is also subject to controversies. Blomberg (2014) propose that there is a high risk that the term organizational creativity soon gets diluted and passed on as an organizational theory fad. Blomberg (2014) argues that researchers and practitioners alike have accepted a far too simple approach to creativity within the organizational theory perspective. The organizational creativity theory is practical and approachable from a managerial perspective, and Blomberg (2014) believes that the theory consciously has been developed and accepted to ignore the more rebellious, chaotic, and irrational aspects of creativity. The accepted theory appears to be easy, achievable, controllable, and profitable with low risk of upsetting the status quo in a negative sense. The theory of organizational creativity is argued to generate practical solutions and general guidelines for companies to follow, but as a result, the theoretical framework is not properly developed and challenged (Blomberg, 2014).

Blomberg (2014) argues that organizational creativity theory is a "one size fits all" solution that is too simplistic. This is manifested in the simplistic approach in measuring creativity as an outcome and not sufficiently considering creative processes and all the ideas that are generated that are not deemed useful. Another way that organizational creativity can be argued to be oversimplified is the lack of research discussing the danger and trade-offs connected to enhanced organizational creativity. There is certainly a risk with increased creativity within the organization, and this risk needs to be further investigated and acknowledged.

## **2.7 Summary of literature review**

Creativity is the creation of novel and useful ideas (Amabile, 1998). The novelty and usefulness criteria of creativity are determined by the individuals generating the idea and the setting in which it is created. Organizational creativity uses the same definition of creativity but tries to accommodate understanding concerning how the interaction between individuals, groups, and organizations impact the likelihood of creativity in the organization. The organizational characteristics influencing organizational creativity has gained increased attention in the literature, and it is also the focus of this thesis. Woodman et al. (1993) firstly introduced the term organizational creativity, and it has since then been further investigated by Andriopoulos (2001), who focused solely on the organizational characteristics. Characteristics presented by both the authors were combined and categorized into four categories of organizational characteristics. Enhancing and constraining factors for each category were then gathered and presented from several sources. A summary of these findings can be found in and in Table 2 on the following page.

Table 2: A summary of enhancing and constraining organizational characteristics impacting organizational creativity. The theory is gathered from the organizational characteristics subsection.

| <b>Summary of enhancing and constraining organizational characteristics impacting organizational creativity</b>  |  |   |   |
|--|--|---|---|
| <b>Strategy</b>  | <b>Resources &amp; skills</b>  | <b>Structure &amp; systems</b>  | <b>Organizational culture</b>   |
| <i>Enhancing factors</i>   | <i>Enhancing factors</i>   | <i>Enhancing factors</i>  | <i>Enhancing factors</i>  |
| <ul style="list-style-type: none"> <li>• Communicating Vision</li> <li>• Conscious choices regarding work group constellations</li> <li>• Participative leadership</li> </ul>              | <ul style="list-style-type: none"> <li>• Retain and educate employees</li> <li>• Provide sufficient resources</li> <li>• Balance stimulating tasks and manageable workload</li> </ul>      | <ul style="list-style-type: none"> <li>• Low formalization</li> <li>• Few hierarchies</li> <li>• Decentralization</li> <li>• Flexibility</li> <li>• Autonomy in task</li> <li>• Organizational support for creativity</li> <li>• Reward systems for creativity based on recognition</li> <li>• MBO can enhance adaptive creativity</li> </ul> | <ul style="list-style-type: none"> <li>• Making decisions regarding the other characteristics with the goal to enhance organizational creativity</li> <li>• View creativity as desirable and normal</li> <li>• Encouragement of new ideas</li> <li>• Empower employees</li> <li>• Encourage divergent thinking and learning</li> <li>• Risk-taking</li> <li>• Low barriers of communication</li> <li>• Formal and informal socialization among the employees</li> </ul> |
| <i>Constraining factors</i>  | <i>Constraining factors</i>  | <i>Constraining factors</i>   | <i>Constraining factors</i>   |
| <ul style="list-style-type: none"> <li>• Lack of vision and direction</li> <li>• To frequent changes regarding company goal</li> <li>• Vision not containing need for new ideas</li> </ul> | <ul style="list-style-type: none"> <li>• Lack of training in problem-solving</li> <li>• Lack of learning opportunities in general</li> <li>• Low autonomy in creative processes</li> </ul> | <ul style="list-style-type: none"> <li>• High Formalization</li> <li>• Hierarchic and bureaucratic organization</li> <li>• Monetary rewards for creative work</li> </ul>  | <ul style="list-style-type: none"> <li>• Fear of making mistakes</li> <li>• Low-risk willingness</li> <li>• Low interest in new ideas</li> <li>• Absence of encouragement for divergent thinking</li> </ul>   |

## 3. Method

### 3.1 Single case study

The research design for this thesis is an exploratory single case study with a qualitative approach. The qualitative approach is manifested in that the study is aiming to get rich and profound understanding from the respondents regarding their view of the reorganizations impact on creativity on an organizational level. The unit of analysis is Nudie Jeans' organizational characteristics influencing organizational creativity. The unit of observation will be individuals from different departments of the organization. This case was chosen to increase the insight of a specific situation, namely how reorganizations can impact creativity through changes in the organizational characteristics. This is the most comprehensive reorganization ever to take place at Nudie Jeans. The company was founded by a small group of friends and has over the years grown organically. The reorganization was initiated in an attempt to become more corporate. For example, management control systems and formalized hierarchical structures for decision-making were implemented. The company has a history of creativity and looks to stay that way. According to the literature, the initiated reorganization can, however, have according to the literature have a negative impact on organizational creativity. These facts taken together makes this reorganization interesting to investigate. According to Bryman & Ball (2011), this type of case is called an intrinsic case.

A case study approach is appropriate when in depths answers to questions regarding “how” and “why” are sought after (Yin, 2009). Other factors that influence whether case studies are suitable or not are the degree to which the researcher can control behavioural events and if the case focuses on contemporary events or not. For a case study design to be suitable, the researcher should have no control over studied events, and the events should be contemporary. In this case, the question is regarding how the individuals perceive that the internal organizational environment for creativity has been impacted by the reorganization and the accompanying changes to for example structure, processes, and culture. The event cannot be influenced by the researcher, and the study is focused on the contemporary event of the reorganization. This single case study will look in depth into organizational characteristics influencing organizational creativity in one apparel company undergoing organizational change. (Yin, 2009)

In general, it is more favourable to conduct a multiple-case study in comparison to a single case study (Yin, 2009). The reason for this is the increased reliability of the study and the higher likelihood of generalization of the findings. A major issue when conducting case studies, in general, is the lack of generalizability of the findings. Since the fundamental aim of case studies is to gather in-depth knowledge about for example an organization, individual, or event it is naturally hard to draw conclusion to other cases. The multiple case study takes input from different cases into account and because of that will have higher generalizability. Despite this, generalizability is often problematic with all kinds of case studies, and the findings in this thesis will also be difficult to generalize to other companies. Case study work will still, however, generate theoretical propositions (Yin, 2009).

Because of the limitations, single case studies bring to the generalizability of the findings it is increasingly important to justify why the single case is chosen Yin (2009). There are numerous reasons to why Nudie is an interesting case regarding organizational creativity. Nudie Jeans is a company with a history of creative ideas throughout the organization and has through these ideas been recognized as a frontrunner in sustainable fashion. The fact that Nudies creative work has impacted several areas of the organization, such as business model, supply chain, and design, makes it increasingly interesting from a creativity research perspective. A lot of research concerning creativity in business is connected to high-tech and R&D, and limited research has been conducted regarding organizational creativity in traditionally creative industries (Moultrie & Young, 2009). No research has been conducted regarding organizational creativity in the apparel industry based on the conducted literature search. The increased interest for organizational characteristics influencing organizational creativity and the limited research investigating the connection between reorganization and organizational creativity further increases the interest for this case. Bryman & Bell (2011) adds that cases should be chosen based on the anticipation of learning. The researchers should select cases based on where they think learning will be greatest, and the author believes that Nudie has great potential to increase the understanding of organizational creativity in apparel companies undergoing a reorganization.

### **3.2 Data collection method**

The research method used for gathering the primary data for this thesis was semi-structured interviews. Interviewees are by far the most common way of collecting data when conducting qualitative research (Eriksson & Kovalainen, 2008). Interview types in business research are commonly categorized into structured, semi-structured and unstructured interviews (*Ibid*). When conducting qualitative research unstructured and semi-structured interviews are often preferred (Bryman & Bell, 2011). One of the reasons for this is that semi-structured and unstructured interviews are concerned with the question "how" in comparison to the structured interviews, which often focus on the questions "what." Focusing on the "how" is also something preferred when conducting a case study according to Yin (2009), and choosing a semi-structured approach regarding the interviews with a case study design can thus be argued to be suitable. Interviews conducted with a qualitative approach have more interest in the interviewee's point of view and aims to try and gather as rich and detailed answers as possible. To try and get these kinds of answers interviewers often use open-ended questions with a semi-structured or unstructured approach to the interview. Structured interviews are often connected with quantitative research, where easily codable short answers are preferred (Bryman & Bell, 2011). Rich, detailed and in-depth answer are sought after in this study, further explaining why semi-structured interviews were chosen.

A semi-structured approach in contrary to an unstructured approach was chosen because of predetermined topic of interest which the study aims to investigate. Bryman & Bell (2011) states that semi-structured interviews are suitable when there is a fairly specific topic to be investigated in the study. A semi-structured interview is based on an interview guide with pre-set questions regarding the chosen topic. The questions do not have to be asked in a specific order. However, it is preferred if all questions are asked at the end of the interview. A semi-



structured approach makes it easier to compare findings between interviews which is also preferred in this study when similarities and differences between departments are investigated.

When preparing the interview guide and when conducting the interviews, it is important to not forget the fundamental nature of qualitative interviews. The interviews should focus on gathering in-depth data about the respondent's perspective and ideas about the decided topic. It is important to be flexible and give the respondent the possibility to elaborate thoughts and ideas that pop up during the interview. Asking spontaneous follow-up questions on emerging topics was practiced during the interviews, and it is a common and often preferred approach when using interviews in qualitative research (Bryman & Bell, 2011).

### **3.3 Planning and preparation**

Before the interview guide was created and before the interviewees were chosen, two meetings were held with the CEO of the company. In these two initial meetings, the subject of the thesis was discussed, and the CEO explained his view regarding why the company had to undergo an organizational change. These two sessions worked as a brief pre-study and helped the author get further understanding regarding the company, their history of creativity, and their need for reorganization. The meetings followed the structure of unstructured interviews and were not recorded. The information obtained in these meetings helped the author to create the problem discussion for this thesis. The conversation was also helpful in guiding the author when choosing suitable interviewees for the primary study.

To understand how the organizational characteristics influencing organizational creativity has been impacted by the reorganization, interviews were held with representatives from all different departments at the Nudie Jeans Headquarters. The reason for covering all departments was to try and capture a complete picture of the organization. Choosing several different departments also made it possible to compare findings within the organization. Interviewing people from different departments have the possibility to reveal if people with different tasks perceive that the changes have impacted the organizational creativity differently. To prepare the respondents before the interviews, a document was sent out containing information about the study and the interview guide (see Appendix 1). This document was sent out to both explain the background for the study, and to explain how the terms of ideas and creativity are interpreted by the author in the interview questions.

#### **3.3.1 Literature review**

The literature was mainly collected at the beginning of the thesis work, after the initial meeting with the CEO of Nudie. This was done to get a thorough and profound understanding of the subjects relevant to the thesis research question. Conducting a literature review at the beginning of a case study is according to Yin (2004) preferable when doing a case study. Conducting a literature review creates propositions regarding what could be interesting to investigate in the scope of the topic. The literature review can help in guiding data collection and analysis (Yin, 2004). Yin (2004) argues that even if a case study has an inductive approach to the theory, it is necessary to conduct a literature review before investigating the case. This thesis has an inductive approach and the theory gathered was not meant to generate a hypothesis to be tested, but to guide the author towards interesting aspects of the topic.

When having an inductive approach to the theory, it is common to use a narrative approach in the literature review. Bryman & Bell (2011) argues that a narrative approach is suitable when the researcher is aiming to get an initial impression of a topic. In this thesis, the literature was gathered using a combination of both a narrative and systematic approach. Bryman & Bell (2011) argue that the gap between narrative and systematic approach is narrowing. It is increasingly more common to see procedures connected to a systematic approach in a narrative literature review.

In this thesis, the initial search was narrative when trying to get an overall grasp of the topic of creativity in business. Once the scope was narrowed down to organizational characteristics influencing organizational creativity a more systematic literature review was conducted in that area. The sources used when searching for literature was Gothenburg University Library and well know databases such as Emerald, Scopus and Google Scholar. When conducting the search, these keywords were used: "Creativity", "Creativity + business" "Organizational creativity", "Organizational creativity + company growth", "Organizational creativity + organizational change", and "Managing Creativity". Articles were sorted based on both the number of citations, and the year of publication. This was done to cover both influential pieces of literature in the field and to look for new studies. The author Teresa Amabile reoccurred in many of the highly cited articles connected to these keywords, and a systematic search containing all her work was also conducted. All the articles used in this thesis are peer-reviewed. Showing keywords and the procedure in which articles were selected are elements connected to a systematic literature review, thus showing that even if the initial search was narrative, systematic elements are also present. Showing these systematic elements of the literature review increases the reliability of the study because it makes it easier to replicate (Bryman & Bell, 2011).

Secondary data concerning Nudie Jeans was gathered both online and directly from the company. Additional information regarding the company's operations and size was gathered through publicly available sustainability reports, and peer-reviewed articles written about the company. These secondary data sources were mainly used in the introduction, problem discussion, and case description section of the thesis.

### **3.3.2 Interview guide**

The interview guide consists of questions regarding organizational characteristics impacting organizational creativity. The literature review is the foundation for the interview guide. The initial questions in the interview guide are asked to try and understand the interviewees perspective of creativity and the reorganization in general. The remainder of the interview questions is associated with the categories presented as headlines in the subsections of the organizational characteristics section of the literature review. These categories are strategy, resources & skills, structure & systems, and organizational culture. The questions try to gather understanding regarding how the employees think that these organizational characteristics impact creativity and if these characteristics have changed because of the reorganization. The full interview guide can be found in Appendix 1.

### 3.3.3 Interviewees

The representatives were chosen on the criteria: years of experience in the organization, and their position in the hierarchical structure. All the respondents have worked in the organization for several years, and all have explicit knowledge about the conditions before and after the reorganization. As a result of the reorganization, a new management group was formed containing representatives from all departments. The initial thought was to interview people outside of the management group to get a cohesive mid-level view of the studied subject. This proved to be difficult because of the department size, and structure of some of the departments. This resulted in eight representatives being outside of the management group and two being inside the group. The main reasons for wanting to interview people at roughly the same hierarchical level was to be able to make more accurate comparisons between the departments regarding how the interviewees relate to questions regarding leadership. Even if getting two respondents from the management group was not initially planned, it proved to add valuable insight regarding the management group. The management group was referenced by many of the respondents, and gaining information from both inside and outside the group made it possible to cross-reference findings. The fact that few of the respondents have different levels of responsibilities is noted and thought of when conducting the analysis.

The choice of only interviewing one respondent from each department was made because a few of the departments only had one respondent fulfilling the two initial criteria of work experience and placement in the hierarchical structure. If the author were to interview more than ten individuals, it would result in the study having certain departments more represented than others. In the departments where there was more than one equally suitable respondent the choice was made based on availability.

The type of sampling used for this study resembles what Bryman & Bell (2011) describes as purposive sampling. Purposive sampling is common in qualitative research and describes a scenario where respondents are chosen so that different key characteristics relevant to the research question are appropriately covered. In this case, the key characteristic is different departments to better cover the organizational aspect of the research question. The drawback of this sampling is the same as with all non-probability samples; the findings will not be generalizable to the population. This means that one should keep in mind that other employees in the same department might have different views on the studied subject.

In this thesis, all interviewees are anonyms and will only be referred to as representatives of their department. Being anonymous was requested by a few of the interviewees, and because of that, the author decided to make all interviewees anonymous. The fact that the gathered data was going to be handled anonymously was presented to the interviewees before the interview. Some of the departments at Nudie are small and internal anonymity is thus limited when respondents are referred to as representatives of their department. This was explained to the respondents and agreed upon as not being problematic. The respondents would still be entirely anonymous for external viewers, and this was appreciated by the respondents. Knowing that their identity would be treated anonymously might have increased the comfort of the interviewees and increased the likelihood of them sharing detailed and in-depth answers (Bryman & Bell, 2011).

### 3.4 Data collection

All the interviews took place face to face at the head office of Nudie. The length of the interviews varied between 40 minutes and 65 minutes, as displayed in Table 3. According to Bryman & Bell (2011), it is favourable for interviews to take place at locations where the interviewees feel comfortable. It is also stated that it is important to find a calm and relaxed environment in which the interviewees are not distracted by surrounding noise or activities. All the interviews were held in either conference rooms or office spaces behind closed doors to minimize distractions and strengthen the anonymity for the interviewees. The calm environment together with the fact that all interviews took place at the respondent's office makes it possible to argue that the respondents were comfortable in the interview environment. A summary of the departments interviewed, date, and time of the interviews can be seen in Table 3.

*Table 3: A summary of information regarding the interviews*

| Department               | Acronym in thesis | Date       | Type of meeting | Time   |
|--------------------------|-------------------|------------|-----------------|--------|
| Finance                  | FI Rep.           | 2017-04-19 | Face to face    | 55 min |
| Supply Chain             | Scm Rep.          | 2017-04-05 | Face to face    | 60 min |
| Design                   | Des Rep.          | 2017-04-24 | Face to face    | 45 min |
| Product Dev. QC & CSR    | Prod Rep.         | 2018-04-12 | Face to face    | 40 min |
| Wholesale                | WS Rep.           | 2017-04-18 | Face to face    | 60 min |
| Retail                   | Ret Rep.          | 2017-04-04 | Face to face    | 65 min |
| Web shop & Cust. Support | Web Rep.          | 2017-04-11 | Face to face    | 50 min |
| IT                       | IT Rep.           | 2017-04-07 | Face to face    | 65 min |
| HR                       | HR Rep.           | 2017-04-06 | Face to face    | 55 min |
| PR & Marketing           | Mark Rep.         | 2017-04-05 | Face to face    | 55 min |

The interviews started with the author asking if it was ok to record the session. It was then explained that the respondents would be referred to as representatives for their department, and thus anonyms in that sense. The respondents were then informed that they would be sent a transcript of the interview after the session. These initiatives were taken to make sure that the respondents would feel safe sharing data, knowing that they could validate the gathered data. The interview mainly followed the pre-made interview guide. It was, however, possible that respondents managed to answer questions without the author having to ask them, or giving interesting insight not directly related to the asked question. The author's goal was to make sure that every question in the interview guide was asked, but there was flexibility regarding the order of the questions. It was common that the answer to one question drifted into the answer to another question. Despite having the interview guide as a map, the author was not shy to ask follow-up questions or probing question when happening upon reasoning or scenarios that were relatable to the investigated subject.

Being only one interviewer doing all the interviews face to face results in a couple of positive effects according to Bryman & Bell (2011). Being one interviewer, naturally, results in the same interviewer being present for all the interviews. This mitigates possible problems of interviews being performed or interpreted differently by different interviewers. Doing the interviews face to face results in the possibility to take body language into account when asking questions. Body language can, for example, show signs of confusion or discomfort by the respondent and

thus help the interviewer to take this into account when asking follow-up questions (Bryman & Bell, 2011).

The interviews were all recorded and transcribed to mitigate the risk of losing information during the interviews, and to minimize misconceptions (Cooper & Schindler, 2014). The interviews were conducted in Swedish. Swedish is the native tongue for all the interviewees, and the author assumed that interviewees would feel more comfortable expressing themselves in their native tongue. Interviewing in Swedish and writing in English results in possible difficulties when translating interview findings, especially if exact translations of words are hard to attain. To minimize misconceptions and misunderstandings the final draft of the thesis was sent out for further validation before publication, this time in English.

### **3.5 Data analysis**

The data analysis was performed using coding and thematic content analysis to look for patterns (Edmondson & McManus, 2007). The content was also subjected to a case-theory analysis, where gathered data was analyzed against established theories presented in the literature review. Edmondson & McManus (2007) propose that thematic content analysis is appropriate when the collected data initially is open-ended and in need of interpretation, which is the case in this thesis. The literature review was the foundation for interview guide and its structure. The reason for this was to make sure that the gathered data would be focused on the organizational level of organizational creativity theory, and not all the three levels of analysis. The research question is concerned with the organizational characteristics and how they impact creativity, it is thus important that the interview questions are guided towards that topic. The theory was used to make sure that the constructed interview guide would keep the scope of the interviews to organizational characteristics impacting creativity. This decision was done to ensure that the research question could be answered, and to help in the case-theory analysis. The tight connection between the literature review and the interview guide result in that the gathered data was initially coded into four categories of organizational characteristics argued to impact creativity. These categories are strategy, resources & skills, structure & systems, and organizational culture. These categories make up the structure for both the empirical findings and the analysis chapter.

In the analysis part of the thesis, the empirical data is further coded and analyzed to appropriately answer the research question. The initial step of the analysis was a thematic content analysis. In the thematic content analysis similarities and discrepancies between different respondents were investigated and later presented as empirical findings in four summary tables. The next step was to code if the empirical findings describe the organization "before and/or after" the reorganization. This coding was performed to better understand which areas that had undergone changes as a result of the reorganization. The next two steps were to determine the impact of the empirical findings both from a theoretical perspective and according to the respondents. The empirical findings were coded and case theory analyzed as either constraining, neutral or enhancing for organizational creativity. When empirical findings are coded as neutral by the respondents, the empirical findings were neither specified to be enhancing or constraining, or insufficient data was presented to determine the code. When the empirical finding is regarded as neutral according to the theory, the theory regarding that

statement is inconsistent. Table 4 shows an example of the analysis displaying thematic content analysis of the empirical findings, coding, and case-theory analysis.

Table 4: An example of the analysis.

| <u>Empirical findings</u>   | The empirical findings describe the organization before and/or after the reorganization | Regarded as enhancing, neutral, or constraining according to the <b>respondents</b> | Regarded as enhancing, neutral, or constraining according to the <b>theory</b> |
|---|---|---|--|
| Three respondents experience increase in stimulating work assignments | After   | Enhancing   | Enhancing  |

### 3.6 Quality of research

Bryman & Bell (2011) propose alternative criteria for evaluating the quality of qualitative research, named trustworthiness. Trustworthiness consists of four sub-criteria which all have equivalents in quantitative research. Since this is a qualitative study, the quality of the research will be evaluated and explained based on the four criteria of research trustworthiness.

#### 3.6.1 Credibility

A common way to increase the credibility of the findings is through respondent validation (Bryman & Bell, 2011). Respondent validation is when the respondents are asked to validate the content and in that way, increase the likelihood of a correct interpretation by the researcher. In this thesis, respondent validation took place regarding the transcribed records. A few company representatives also validated the final analysis. The transcribed records were of course based on the recorded interviews. Some of the sentences were, however, a bit unclear and fragmented. These sentences were thus completed based on the author's interpretation. All the transcribed documents were sent out to the interviewees, and returning email was received stating that the contented was correctly interpreted and OK for use. Before the thesis was published, the final version was also sent to the company for validation. Respondent validation is however not without setbacks. Bryman & Bell (2011) states that respondent validation might cause defensive reactions and in a sense unqualified feedback regarding the analysis because of for example less knowledge regarding the used theories. The risk of experiencing these issues compared to the reward of making sure that the respondents are interpreted correctly was deemed to be worth taking. In the end, the author did not experience issues either with defensive reactions or unqualified feedback regarding the analysis.

#### 3.6.2 Transferability

Transferability is concerned with the ability to generalize the findings from the research into other settings. Generalizability is often an issue when conducting qualitative research and especially when looking only at a single case (Yin, 2004). This will as mentioned be a problem with this study as well. To try and mitigate this issue with transferability I have sought to give what Bryman & Bell (2011) refers to as thick description of the case. A thick description means that the researcher presents the case in detail, to make it possible for other researchers to see in what kind of circumstances the findings are discovered in. Providing thick descriptions makes it possible for other researchers to judge if the findings are transferable or not. In the introduction part and throughout the empirical finding an in-depth description of the case is presented. The history of Nudie presented in the empirical findings is an example of detail that shed light upon why the reorganization happened, and why it happened at this moment.

### **3.6.3 Dependability**

Dependability is closely related to the reliability of the findings. This means that the research should be carried out and explained in such a way so that it can be replicated. This is a difficult criteria to fulfil when conducting research on social phenomena's since they often continuously change (Bryman & Bell, 2011). Attempts taken to increase the dependability in this thesis is a detailed description of the work process. The process of gathering literature, creating the interview guide, and conducting the interviews are for example explained in detail.

### **3.6.4 Confirmability**

The author has previously and is still working for Nudie Jeans. This connection to the company is the main reason the author could get in contact with the CEO initially, and in turn, conduct this study. However, this naturally puts the author in a compromising position regarding confirmability. The confirmability criteria is concerned with the extent to which the author is unbiased and objective in his or her research (Bryman & Bell, 2011). The author knows that it is possible to argue that the author's connections to the company could possibly impact the author's judgment and portrayal of the findings. Firstly, the author would like to state that this possible bias has been thought of continuously during the processes of writing this thesis, and the goal is to portray the findings as objectively as possible. Secondly, all the gathered data used for the analysis is transcribed and stored. It is thus possible to access the entire data set if one believes that the findings presented in this thesis show a biased view. The data collection process could also be argued to be negatively impacted by the author's history in the company. The author would, however, argue that the author's history in the company is a major upside when collecting the data. Understanding how the basic operation of the company works gives the author a better ability to accurately interpret the information shared and ask appropriate follow-up questions. Cooper & Schindler (2014) express that it is great for a qualitative interviewer to have a deep understanding about the studied subject or situation to be able to quickly adapt based on how the interview progresses. Having a previously established connection with the interviewees also allows the possibility to ensure trust between the interviewer and the interviewees. This trust might consequently result in the interviewees sharing more in-depth answers in comparison to if there was no trust (Myers & Newman, 2007). No non-disclosure agreements were signed, and the decision regarding how to publish the thesis was left to the author. These two facts show that the company entrusts the author with handling its data, and the author aims to do so in an objective and fair manner.

The author's work experience in the company in comparison to the respondents is very limited. The author has only worked as a substitute during summer vacations or when ordinary personal have been on parental leave. The author did not work in the company when the major part of the reorganization took place and thus has no knowledge of that time in the company that could impact the analysis. The author has partial insight into the company and connections that made this study possible. The author, however, does not have experience regarding the reorganization or a permanent position in the organization moving forward. The author would thus argue that the author is in a position which grants the author information which would not otherwise be accessible, but not invested deep enough in the company to be biased.

## 4. Empirical findings

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Initially, this chapter will present the case company in more detail. The empirical findings will then be presented following the same structure as the organizational characteristics section of the literature review. The subsections under the four main categories of organizational characteristics are generated by combining related interview questions from the interview guide found in Appendix 1. The empirical findings are presented in a synthesized manner taking information from all the ten respondents into account simultaneously. The acronyms from table 3 in section 3.4 will be used to reference the different respondents.

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### 4.1 Case background - Nudie Jeans Co

Nudie is a medium-sized Swedish apparel company founded in the early 2000s. The company produces denim fashion, and 80% of the company's turnover comes from the sales of jeans. The remaining 20% originates from sales of tops & accessories (Shirt, jackets, and bags) (Egels-Zandén et al., 2015). Nudie was originally founded by a group of close friends and has since the beginning been a company with a strong "family" culture. Many of the employees at Nudie jeans are self-taught, and learning by doing has repeatedly been practiced (Levin, 2017). Over the years the company has grown organically and in 2015 Nudie retailed in 40 countries around the world, with 22 concept stores and representation in 2000 multi-brand stores. The company employs 170 people worldwide and has two daughter companies operating in the American and the Australasia market (Nudie Jeans Co, 2015).

Nudie has for many years focused on producing denim in a sustainable way and taking social responsibility in their production and promoted consumption of their products (Nudie Jeans Co, 2015). Nudie's ideas regarding free repair services, using sustainable materials, and pioneering a transparent supply chain has resulted in a forefront position when it comes to sustainable denim, and sustainable fashion in general (Egels-Zandén et al., 2015; Ethical fashion forum, 2012; Fisher, 2015; Forne, 2014).

Over the years, Nudie's organizational structure has not been of primary concern. Departments have existed, but there has been a lack of a formal and communicated organizational chart. The company has had reoccurring issues with for example unclear responsibilities and evaluation processes. Nudie wants to keep growing and to be able to do so the CEO believed that the company needed to reorganize the structure and re-evaluate existing processes. The perceived need to streamline the organization has been felt and expressed for years, and smaller reorganizations and changes have occurred in the organization. During the fall of 2016, a major reorganization was finally initiated resulting in changes to leadership, department structure, and employee work assignments. The major part of the reorganization is now completed, but the new way of working in the new organization is still settling during the spring of 2017, at the same time as this thesis is written. With the reorganization, Nudie has put effort into structuring the organization and all different departments in a thorough way. The structure is now a hierarchical function based structure as seen in Figure 2. Under every department, there are several individuals working with different pre-determined areas of responsibility. The structure was hierarchical before the reorganization as well, in the sense that it exhibited levels in the



management. However, the organization was perceived by many as being flat, and some departments had limited or unstructured management (Levin, 2017)

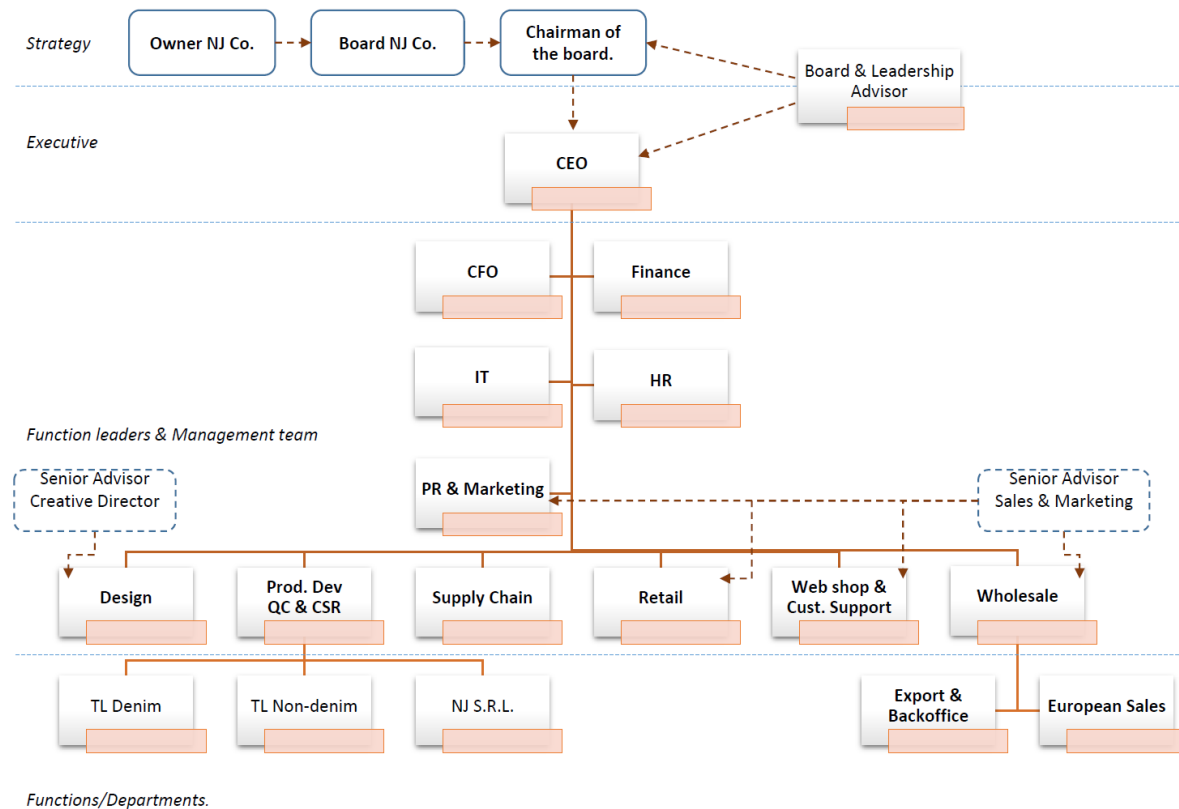


Figure 2: The new function based organizational chart for Nudie Jeans after the reorganization.

From the start, the people working at Nudie referred to themselves as a family and not as a company. The new CEO, who is one of the founders, believes that it is crucial for Nudie to transition from this family type of organizational culture to a more streamlined and corporate organization, yet keeping the values intact of course. The CEO believes that this shift in structure and culture is necessary to be able to keep growing. He also believes that the reorganization has the possibility to increase creativity within the organization and generate new improvements into the day to day operations and further innovation regarding sustainability. (Levin, 2017)

## 4.2 Organizational characteristics

### 4.2.1 Strategy

#### Vision

None of the ten respondents could state with certainty: “this is the communicated company vision.” A couple of the respondents stated that they thought that they knew the company vision, and others stated that not having a clear, outspoken vision had been an issue they had expressed for several years. The HR Rep. expressed that not having clear goals is troublesome when trying to evaluate results, both on a company, and on an individual level. The vision has according to the WS Rep. been an issue over the years, and at times been a bit vague and indecisive. Sometimes the vision has been related to economic figures and increased turnover, and at other times the focus has been on sustainability in production.

Many of the respondents feel uneasy with stating the vision in a couple of sentences. All the respondents, however, express clear descriptions regarding the fundamental values on which the company is based upon. These values are connected to staying true to denim and producing the products in a sustainable and ethical way. The FI Rep. states that *“Nudie jeans should be a sustainable company that takes care of its personnel, both internal and external.”* The WS Rep. continues by stating that *“The vision is to show the world that it is possible to run a successful company without breaking your moral or ethical code.”*

A few of the respondents expressed that there has always been an initial thought that they think the founders have stayed true to. Added to this initial thought of denim and sustainability, different additions have been added and removed over the years. The Prod and Des Rep. also state that the vision has evolved over time and that small changes are still occurring. The WS Rep. explains that the vision is tightly connected to the company founders. He thinks that the fact that the vision to an extent is more connected to people rather than to the organization makes the vision subjective to more rapid changes. The WS Rep. does not grade this as being either good or bad but plainly explains that this might be a contributing factor to why the vision has undergone slight changes over the years. Additionally, the WS Rep. states that the founders are very involved and easily accessible in the day to day work, which makes it easier for the employees to get in contact with the founders' view of the company.

### **Communicating the vision**

The vision or the company values on which the respondents relate to when talking about company vision has, over the years, been communicated in different ways and to a varied extent. Three respondents plainly state that the communication of the vision has been insufficient, historically. The most commonly used way in which the employees have been informed about the company vision has been through large meetings such as monthly meetings, company lunches or similar activities. The IT and FI Rep. also point out that common activities such as "After work" and similar activities are places where the employees have discussed and shared their view of the company's vision. A few respondents stated that there has been increased focus by the management regarding the *“reason to be”* and *“what is Nudie Jeans?”* after the reorganization. The new CEO, who got appointed as a result of the reorganization is also mentioned to have shown increased interest in communicating the current company status and the future heading.

The HR and Scm Rep. express that they think that they have understood the company vision better when looking at mood boards which have been presented by one of the founders. They both express that the company vision is rooted in a feeling, and this feeling can be seen and better understood through these mood boards. The Prod Rep. also expressed that the vision is connected to a feeling and that the product development department, because of their close connection to the product, is most likely more in touch with this feeling. The Prod Rep. expresses concern with the fact that the product development department might be more connected to the company values than the other departments. The Prod Rep. believes that it is important for the other departments to also attain this connection.

### **Written down vision**

None of the respondents could directly reference to a place where the vision is written down in an explicit way. The Retail Rep. refer to the company website and blog as places where one could find traces showing what the core of the company is about. The retail Rep. also speaks about the employee handbook and that there is a chapter in the handbook explaining the company philosophy. Five out of the ten respondents clearly state that they would like to have the company vision in writing. Reasons for this are both for clarification purposes within the organization, and for use in external contacts with customers. The IT and Des Rep., however, states that they think that parts of the vision exist in writing, and the Des Rep. states that a written down vision is in the makings. The vision is still undergoing minor changes, and this is according to the Des Rep. a reason to why it is not in writing yet. The HR and Prod Rep. both believe that the vision could preferably be communicated in writing, orally and graphically. The Ret and Web Rep. express a wish for a written down vision that could be stated when communicating externally.

### **Changes to the vision**

Six of the respondent's state that there was no communicated change to the vision because of the reorganization. The reorganization was primarily initiated to bring structural changes and not visionary ones according to the Mark Rep. Four of the respondents express that the vision became slightly clearer because of reorganization.

The Scm Rep. states that continuous management meetings and progress reports, which are both results of the reorganization, make it easier to understand the future goals for the company. The WS also express a positive connection between the newly formed management group, progress reports, and company vision. The argument for this positive connection is based on the notion that the goals set up for every department should hopefully be in line with the company vision. The HR Rep. also mention that the new management group has attended a strategy meeting after the reorganization and that this gathering helped in clarifying future heading and visions. The IT Rep. states that many of the questions discussed in the management group at this moment are connected to company strategy.

One of the initial steps in the reorganization was the employment of the new Des Rep. The Des Rep. was employed before the major part of the reorganization took place. The employment of the new Des Rep. is however stated to be an initial step taken towards forming this new organizational structure. The Des Rep. expressed that the company vision has grown to become more explicit during his relatively few years in the company. When the Des Rep. initially became employed, the company had started to drift towards a more fashion oriented and clean jeans look. This direction has since then been changed back to the company's original roots, which is good sustainable denim products. The slogan for this turning point was that Nudie should return to their foundation and focus on the things they do best. The following quote from the Des Rep. explains their current standpoint. *"The brand Nudie Jeans is primarily jeans, and then we also do t-shirts. All other products we design are created to clarify that look"*.

### **Process of evaluating if ideas are relevant for the company**

Communication and peer evaluation are mentioned by all the respondents as a way of evaluating if ideas are relevant for Nudie. Ideas are openly discussed within the department and with the

department manager. Many departments experienced new leadership as a result of the reorganization, and reviewing and evaluating ideas with the new department management is common and appreciated according to most of the respondents. It is also common to assess the idea by discussing it with the persons who are affected by the idea or knowledgeable in the area. For example, if a retail representative has an idea regarding shipping it is naturally discussed with the supply chain department. Six out of the ten respondents also state that if they were unsure if the idea was relevant for Nudie they would share the idea directly with the CEO to get his opinion. It is mentioned by several of the respondents that the CEO is easy to get in contact with and that he is willing to set aside time for meetings and discussions. The ability to get in contact with the CEO has not changed as a result of the reorganization

#### **4.2.2 Resources & Skills**

##### **Workload**

Seven out of the ten respondents experience that they have an increased workload as a consequence of the reorganization. The ones who experience increased workload all find it to be a reasonable effect, based on the changes accompanying the reorganization. Three out of the ones experiencing heavier workload state that they have been given more responsibility in their new assignments and are happy with the changes. The increased workload for the others is due to new work processes still settling in the new organization. These respondents hope that the workload will settle to more normal conditions once the reorganization has properly settled in the organization.

##### **Stimulating task**

Six out of the ten respondents associated stimulating tasks with solving problems and taking on challenges. The respondents also related stimulating work to tasks that are development oriented and are associated with responsibility. Three respondents mentioned that solving day to day repetitive work also sometimes could feel rewarding and in a sense stimulating.

##### **Relationship between workload and stimulating task**

The Ret Rep. is one of the respondents who experienced a too high workload before the reorganization, and who thinks that the workload will be more manageable once the new organization settles. The focus for the Ret Rep. before the reorganization was often on keeping the operation afloat and trying to solve urgent issues in a rapid manner. There was limited time available for stimulating tasks, which for Ret Rep. is developing the stores. The WS Rep. also describes a situation where the workload under a long period has been too high. Because of the high workload, there has been very limited time to work on development projects and long-term solutions to problems. The WS Rep. describes a work environment where a lot of time has spent on "putting out fires." The term "putting out fires" refers to when quick fixes are needed to deal with urgent matters. The term "putting out fires" have been used by five of the ten respondents to describe how work has sometimes been performed at Nudie, historically. Three respondents also believe that working with "putting out fires" is a clear obstacle to creativity as they believe that time and less stressful environments are needed to be creative.

Five respondents stated that they experience that people to a greater extent work with the right kind of assignment for their skill and departmental belonging after the reorganization. The Web, Scm and Mark Rep. have all experienced new and increasingly stimulating work as a result of

the reorganization. The Scm Rep. explains that before the reorganization he had been working with the same tasks for many years and at the end almost worked in an automatic fashion. After the reorganization, his work assignments drastically changed, and he now feels more challenged in his day to day work. To sum up his current work he states *"I believe I am expected to be creative in my work and solve the tasks I am presented with; no one else will do it for me. I can, of course, ask for help and advice, but I am expected to manage the work on my own and solve problems"*. The Mark Rep. describes that the reorganization has resulted in more work connected to greater and more challenging projects and less time spent on repetitive tasks. The Prod Rep., on the other hand, has experienced a decline in stimulating work as a result of the reorganization. Stimulating tasks according to the Prod Rep. is associated with working with challenges, development and being able to have responsibility. These kinds of assignments have declined as a result of the reorganization and the accompanying new management of the design department.

### **Resources impacting creativity**

Five out of the ten respondents mention additional personnel as the most important resource for them to generate new ideas in their department. The Mark, HR, Web and the WS Rep. all suggest that increased number of people would offload the workload and thus give them more time to focus on developing their work and generating new ideas. The WS Rep. has already received an assistant working in the department as a result of the reorganization, and the Web and Marketing department is also getting new hires to help with the workload.

The IT Rep. does not mention the need for more people to offload workload but instead stresses the importance of the knowledge of the possible new hire. The company is getting increasingly more IT dependent and reliant on complex business software systems. The IT Rep. thinks that it is important that the business software systems used by the company are utilized to their fullest potential. If a person with excellent knowledge about the systems was hired, it is possible that the person might generate new ideas and solutions. Nudie works a lot with external consultants when working with their IT solutions and business software systems. In this work, it has become apparent that the most important knowledge to have when developing smart IT solutions for Nudie is the knowledge of the company's operations and internal flows. This gap of knowledge present between those working internally and externally makes the IT Rep. wonder if the company might benefit from hiring an additional person instead of the extensive use of consultants.

The Des Rep. states that the clothes collections have gotten smaller after the reorganization, counted in the number pieces they contain. The fact that the collections now contain fewer items gives the product development team time to think of the proper finish of the products instead of as rushing out many items in too short a period of time.

### **In-service training and competence enhancing activities**

There is no internal program or written down plan for In-service training or additional education mentioned by any of the respondents. Six of the respondent's state that they have not undergone any additional education during their years at Nudie. This is not to say that the respondents have not thought of, or tried to attain additional education. The general view expressed by all respondents is that competence enhancing activities are valuable and desirable. Three of the

respondents, however, share that they feel knowledgeable enough for their current tasks and therefore have no pressing need for additional education in their specific field.

The Ret Rep. thinks that it would be interesting to spend one or a couple of days at different departments of the company as a trainee to gain increased knowledge and possibly new ideas. The HR Rep. also believes that there is a lot of knowledge that could and should be shared between the departments. The Mark Rep. thinks that additional education or some form of competence enhancement might result in him being able to be creative in new ways. Many of the respondents express that the reason for them not enrolling in additional education is because of lack of time, or because of their own inability to express a need. In most of the departments, there has at least existed a positive view of competence enhancing activities, even if some of the departments suffer from time constraints or inability to express a need.

One of the department representatives, however, express that their department has actively been denied the opportunity of additional education. The finance department has historically not been informed about the dedicated educational funds that exist in all departments. This is according to the FI Rep. due to the previous department manager who did not promote competence enhancing activities. The finance manager quit at the same time as the reorganization. The Fi Rep. states that the employees in the finance department have not been encouraged or able to attain either in-service training or other competence enhancing activities before the managerial shift. After the managerial shift, the finance department has started to receive short in-service training from the CFO, and the whole department is also scheduled for a competence enhancing courses this spring.

The FI Rep. would like that both the managers and the employees take responsibility for competence enhancing initiatives in the future. It should be possible to hand in requests to attend suitable courses, but it would also be appreciated if the management encouraged and guided the employees towards new and interesting competence enhancing activities. The WS Rep. also states that shared responsibility between the employee and the manager regarding attendance of competence enhancing activities would be preferable in the future. The Scm, Mark, and Web Rep. all share that the management has been involved in giving ideas for competence enhancing activities over the years. The Scm and the Web Rep. have both received new work assignments as a result of the reorganization, and they have both also been scheduled for additional education in that area.

The Web and WS Rep. express that the reorganization has revealed flaws in the organization now when responsibilities are more set. These flaws can be, for example, the lack of knowledge in specific areas. Moving forward education could be a way of dealing with these kinds of issues according to the Web Rep. The Mark. Rep. also states that the work processes are more rigid after the reorganization. The Mark Rep. continues by stating that the more rigid processes make it easier to determine which process that need improvements.

### **4.2.3 Structure & systems**

#### **Organizational structure**

All the respondents agree on the fact that Nudie historically has been lacking a clear organizational structure. There has always been some form of structure, but it has not been

thoroughly thought through, and issues have reoccurred. A couple of issues mentioned in the old organizational structure are wrong personnel at the wrong work assignment, loose work descriptions, loose chain of command, and many decisions being taken during a "corridor-chat." The exact term "corridor-chat" was used by three of the respondents, and it refers to how decisions and information are shared when people run into each other in the corridor. These "corridor-chats" are hard to control in the sense that decisions might be taken on an impulse. It is also troublesome to keep track of which people that have been informed or not regarding issues or potential new ideas.

The lack of formal structure and clear work descriptions are also argued by some of the respondents to result in problems in the internal communication. It was sometimes hard to know which person to contact regarding problems or new ideas, for example, and this resulted in extensive emailing and long lead times regarding decisions. The WS Rep. sums it up by stating that Nudie, before the reorganization was based around people and that Nudie post the reorganization is based around department function. If you wanted the answer to a specific question in the old organization, you needed to know which person that was knowledgeable in that area. Some of the employees at Nudie have worked in the organization for a long time and have many different roles and responsibilities over the years. This resulted in some individuals being extremely knowledgeable about the company's operations. Due to their extensive internal knowledge, some employees were prone to take on increased workload, and sometimes even work with tasks that were not related to their department. This kind of work is mostly gone in the new organization, and the extensive emailing to determine who oversees what assignment has also diminished according to several of the respondents.

A change that is mentioned by two of the respondents as a result of the reorganization is the implementation of the RACI matrix in all the departments. The RACI matrix is a way of determining and displaying responsibility of different assignments. RACI stands for, responsible, accountable, consultant, and informed. These kinds of matrix should exist in all the departments after the reorganization according to the two respondents. These matrices were implemented to for example make it easier to determine responsibilities, and who to contact. Several respondents express that it is clearer in the new organization what is to be expected of them, and what is to be classified as their task.

Three out of the ten respondents state that the organization on paper is now more hierarchical than before the reorganization. None of the three, however, state that this has resulted in any notable issues so far. The remaining seven respondents do not explicitly state if the new organization is either hierarchical or flat. They all, however, describe a new and more rigid chain of command and the implementation of management control system in every department. One major change that is mentioned by all the respondents is the new management group that was formed as a result of the reorganization. The management group contains one representative from every department, the chief executives, and the advisors. The chain of command is now as follows: Employees in the different departments share ideas or issues to their department manager. The department manager then brings the subjects to the attention of the management group in the following management group meetings. The management group meets on a weekly basis. In these meeting, the questions are discussed, and the information is later reported back to the employees in the respective departments. It is expressed by several of the respondents that this procedure is a welcome change and that they perceive the decision process to be more transparent and direct now, compared to before the reorganization. The IT

Rep. describes that there has existed frustration among the employees regarding why for example initiatives not have been initiated. According to the IT Rep, in the new organization employees are, to a greater extent, presented with a proper reasoning as to why a decision was made. The IT Rep. perceive that the employees now have more faith in a denied request because they are presented with the proper reasoning for the decision.

The IT and HR Rep. state that the decision lead time is shorter with the new management group. The two respondents, however, express concern that perhaps too many subjects now are discussed in the management group meetings. Moving forward, the decision and questions suited for the management group meetings might need to be re-evaluated so as to not overwhelm the management group. A possible solution presented by the two respondents is giving increased mandate to the department managers.

Nine out of the ten respondents state that they have high autonomy in their work process. No one expressed a decline in autonomy as a result of the organization, three of the respondents, however, experienced an increase. The HR Rep. states *"At Nudie you have a lot of personal responsibility, and if you don't like to work under that premise, you will not like working at Nudie Jeans."*

### **Rewarding new ideas**

None of the respondents have ever been monetarily rewarded for new ideas. Seven out of the ten respondents, however, state that they have been rewarded in the form of recognition and a "good job," or similar statement. It is expressed by the respondents working with product development and marketing that it is more likely common for visually accessible products to gain recognition, compared to ideas of a more administrative nature. Two out of the ten respondents express some form of issue with the way ideas are rewarded. The FI Rep. describe that it historically has been a lack of rewards and encouragement for new ideas in the finance department. After the reorganization, the department got its first public recognition when the CEO publicly expressed gratitude for the work accomplished by the finance department in front of the entire company. The FI Rep. states that the entire department appreciated this.

The IT Rep. explains that the lack of rewards for IT-related ideas most likely is due to inconsistency regarding what kind of IT solutions the company needs and wants. The historical lack of rewards is possibly due to the management's not-always-positive view of IT solutions. Historically, The IT department has been assigned to implement new IT solutions by the top management. When the implementation is underway, and problems occur, the IT department has experienced inconsistent support from the management. The IT Rep. argues that the decision to implement a new IT system is a top management decision, and it should thus be supported by the managers. The IT Rep. thinks that this inconsistency in managerial support is a factor contributing to why the IT Rep. has felt marginally rewarded for new ideas in the past. A quote used by one of the managers a few years back sums up Nudies view of IT. *"Nudie is not the best at IT; we are the best at making jeans."* The IT Rep. fully agrees with this statement, but also argue that this reasoning might impact the view of IT-related ideas in the company. After the reorganization, the IT Rep. feels more supported and encouraged by the management, and in particular by the new management group. The new management group consists of managers from all departments, and this gives a more nuanced view of the pros and cons



regarding new IT solutions. No respondents expressed concern with people taking the reward or recognitions of somebody else's idea.

### **Work environment impacting creativity**

The Ret and Scm Rep. state that the physical work environment can impact the likelihood of them generating new ideas. These two respondents express that the reorganization has resulted in worse physical work conditions with increased noise levels and unstructured work environments. The Des Rep. however, states that the reorganization and the accompanying swap of office spaces are much better for the product development department. In the old organization, the product development department was located in such a way that people from other departments had to continuously walk through the department. This often resulted in an unwanted disturbance in the creative process. After the reorganization, the product development department is situated in a more secluded part of the office. As a result of the reorganization, almost everybody in the organization changed office space. Now all the visually creative departments are located close to each other, and all the administrative and sales related departments are situated close to each other.

One department that experienced drastic changes in their work environment was the finance department. Under the former management, before the reorganization, there was limited internal communication within the finance department. The employees did not feel encouraged or motivated to share potential new ideas. Now, in the new organizational structure and without the former manager there is increased communication and willingness to share ideas and help each other with problem-solving.

The HR and WS Rep. state that the work environment has been too stressful in the old organization, and that stress most likely has been a problem when trying to be creative. Both the representatives still experience stress, but they believe that the level of stress will decrease once the reorganization settles. The IT Rep. states that a close connection to the management is an important work environment factor increasing the likelihood of creativity. The connection to the management has always been strong, but the new management group makes this connection even stronger.

### **4.2.4 Organizational culture Culture**

The historical organizational culture at Nudie is by many of the respondents described as “family” culture. Many of the employees are also close friends outside of work. The fact that the employees enjoy each other's company has resulted in many non-work-related gatherings over the years. After work and similar activities have been very common at Nudie. Even if these activities strictly do not count as work activities, it is mentioned by many of the respondents that work, of course, has been discussed during these meetings. Several respondents stated that the amount of non-work-related gatherings have declined after of the reorganization. The number of employees taking part in the non-work-related activities has also, according to a few of the respondents, lessened. The Prod Rep. states that this might be a natural course of events as the number of employees increases, but it is at the same time sad to see the sense of affinity decline.

Most of the respondents agree that the organization and its culture has matured over the years, and this started even before the reorganization. The reorganization is however according to four respondents a clear attempt to become more corporate as a company. The Mark Rep. sums it up by stating *"People work more at work now and socialize more on their leisure time"* The HR Rep. describes that the close "family-like" culture sometimes has resulted in issues. Some of the employees have confused family culture to family. There are now written down rules regarding the behaviour of conduct, and this was not present before the reorganization.

### **Reactions to new ideas**

The general attitude towards new ideas is according to most of the respondents positive. Both the employees in the departments and the managers are perceived to have a positive view of new ideas according to most of the respondents. The Prod Rep. states: *"I believe that the type of people who like new ideas, and new things are the once who have oriented themselves to Nudie, and that is why new ideas keep popping up"*.

Three representatives present changes to the attitude towards creativity as a result of the reorganization. The FI Rep. states that new ideas were not common in the finance department before the reorganization. The old manager did not react positively to new ideas and did not promote or ask for new ideas. The Finance department experienced a shift in attitude towards creativity after the reorganization, and the change in management it brought. Now there is a more constructive and open atmosphere for discussing potential new ideas. The Prod Rep. experience a reverse scenario where the reaction to new ideas now is more hesitant compared to before the reorganization. The Product development department got a new design manager as a result of the reorganization. The structure and cohesiveness this manager brought were welcome and needed. The Prod Rep., however, experienced that ideas are less welcome now compared to before the reorganization. The Prod Rep. agrees that the product development department historically might have generated too many crazy ideas. Limiting the number of ideas, and creating a structure to peruse the most appropriate ideas was needed. The increased structure and new way of working have however perhaps resulted in the employees sharing too few ideas instead. The product development department used to have a "think outside of the box meeting" before the reorganization to discuss potential new ideas. This meeting is now removed. The Web Rep. states that the reactions towards new ideas after the reorganization are mixed. The employees feeling uncertain about the changes accompanying the reorganization, will also feel uncertain about new ideas according to Web Rep.

What is mentioned to be a major change as result of the reorganization is the likelihood of ideas being implemented. Seven respondents state that the process of evaluating and implementing ideas is better understood and developed in the new organization. Before the reorganization, many respondents stated that even if the attitude was positive, it was often hard to know how and when ideas would be evaluated or implemented. The respondents believe that the new clearer chain of command and new management group are contributing factors to why this now is clearer. In the new organization employees to a greater extent work with more detailed work descriptions, and this is also stated as a good when sharing potential new ideas. Less time is spent on trying to understand who to contact when you have an idea.

### **Importance/ non-importance of new ideas**

Five of the respondent's state that it has always been perceived important for the employees at Nudie to generate new ideas. The Ret, HR, and WS Rep. also refer to the work description that,

according to them state that the employees are expected to develop their area of work. These three respondents believe that every employee has the same kind of expectation of developing their work in their work descriptions. The Web Rep. states that the employees of the Web department are more expected to generate new ideas now, contrary to before the reorganization. The Mark. Rep. sees a trend where the marketing department is expected to generate more impactful ideas now, compared to before the reorganization. The FI Rep. also express that it is perceived to be more important to generate new ideas in the new organization, compared to the old. Another factor that has changed according to the HR and Mark Rep. is the level of professionalism. The level of professionalism has increased after the reorganization, and this has impacted the expectancy level of the employees.

### **Encouragement of new ideas**

All representatives except the FI Rep. say that they have been encouraged to generate new ideas before the reorganization. The FI Rep. under its former management did not receive praise or recognition for new ideas. In the new organization, all representatives except for the Prod Rep. agree that they feel encouraged to generate new ideas. A problem apparent before the reorganization was that people were encouraged to think of new ideas, but it was often problematic to transform the idea into practice. The respondents could receive encouraging words to keep exploring an idea, but they were not given guidance or extra time to spend on the idea. The problem of not having time to develop a new idea is still apparent in the new organization. The Web Rep. states that "*Good ideas rarely results in more time.*" The WS. Rep. would like to have a workload where 10-20% of the time could and should be allocated towards being creative.

### **Cross-departmental communication and cooperation**

Eight of the ten respondents express that they believe that the internal communication is better after the reorganization. Reasons given for this are, for example, that employees work with more specific tasks. When people work with more specific tasks, it is easier to know whom to contact. The RACI model implemented during the reorganization is also mentioned as a tool for helping the employees when deciding who to contact. The clearer boundaries between the departments in the new organization also makes it easier to know where to start looking for the right individual to contact. Several respondents express that cross-departmental communication and collaboration worked rather badly before the reorganization. On many occasions, it was unclear who to contact regarding problems or potential ideas, for example. It could also happen that people worked on the same assignment simultaneously, without knowing it. These scenarios do not happen anymore according to several respondents, and the Mark Rep. states that "*Nobody leaves a meeting and ask the question, who is responsible for what?*". The WS Rep., however, explained that the new structure and the importance of following the RACI-model also could result in extensive communication. A work assignment that in the old organization was put on a single individual can in the new organization involve up to three individuals, all doing separate stages of the work assignment related to their department. This way of working can potentially result in issues when the task passes through the different departments. The WS Rep., however, believes that these routines will become smoother once the new way of working settles in. The Mark Rep. on the other hand express that the

reorganization has resulted in more structured hand-overs of tasks between responsible individuals.

Several departments describe cross-departmental groups that are formed post the reorganization with an aim to solve problems, develop new ideas or evaluate products. A few respondents state that they now work in cross functional groups in a way that they did not do before the reorganization. Other respondents, who did work cross functional before the reorganization, state that the purpose and evaluation of the groups now are more thought through. The Des Rep. describes a new gate-process group where product development, retail, and sales representatives gather and evaluate cloths for the coming collections. This group is new after the reorganization and the people who are a part of this group are appointed solely based on their departmental belonging and expertise.

## 5. Analysis

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The analysis chapter will follow the same structure of the empirical findings chapter. The analysis will be presented using comprehensive tables, and related text. Each category of organizational characteristics is analyzed in tables 5-8. The corresponding text connected to every category further explains the coding of the empirical findings in the tables. Tables 5-8 all follow the same structure. The first column presents the empirical findings. The second column presents if the findings describe the organization before and/or after the reorganization. The following two columns present if the empirical findings are coded, and case-theory analyzed as enhancing, neutral, or constraining. The final column displays the references used to determine the impact according to the theory. The tables and how the empirical findings are coded is the foundation for the key findings. The key findings are presented at the end of the chapter.

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### 5.1 Strategy

Six of the respondents argue that the reorganization primarily resulted in structural changes and that the vision was not discussed. Amabile (1998) states that stable goals are ideal when trying to create an environment that enhances organizational creativity. The vision is also stated to work as a map for creativity, to help the employees understand in what areas new ideas are sought after (Martins & Terblanche, 2003). The fact that several respondents stated that there were no changes to the vision as a result of the reorganization could argue for an enhancing or neutral impact of the reorganization on the organizational creativity. This reasoning is however dependent on that the organizational vision was well communicated and understood before the reorganization. However, most of the respondents could not state with certainty the company vision, indicating that the vision is a topic for discussion. This indication is further proven by respondents that argue that not having a clear, outspoken, or written down vision has been an issue for years. Unclear or not outspoken visions is something that Alencar & Bruno-Faria (1997) argue to have a constraining impact on organizational creativity.

A few of the respondent's state that the vision has, and still is, undergoing changes. The Des Rep., for example, shared that the vision has changed quite drastically during the last two years. Continual changes to the vision can also be argued to constrain organizational creativity according to Amabile (1998). The fundamental values on which the company is built is on the other hand well understood by all respondents, and stated to be stable over time. Four of the respondent's state that the vision and company goals have become clearer after the reorganization. The new CEO is also stated to spend significant time talking about "the reason to be," and he is a contributing factor as to why the vision is perceived to be clearer. Communicating and stating company vision thus seems to be increasingly important after the reorganization, which can be argued to enhance organizational creativity (Alencar & Bruno-Faria, 1997; Amabile, 1998). The way of evaluating if creative ideas are relevant for Nudie is described by most of the respondents to be done by peer evaluation and discussion with department, and top management. Democratic and present leadership is by both Andriopoulos (2001) and (Alencar & Bruno-Faria, 1997) argued to enhance creativity. This kind of employee – leadership connection is however present before and after the reorganization. Table 5 show a comprehensive analysis of the empirical findings relating to the strategy category of organizational characteristics.

Table 5: Analysis of the empirical findings regarding strategy and the perceived impact on organizational creativity

| <u>Empirical findings</u><br>Strategy   | The empirical findings describe the organization before and/or after the reorganization | Enhancing, neutral or constraining according to the respondents | Enhancing, neutral, or constraining according to the theory | Source used for the case-theory analysis<br>(Sources used to determine if the theory regard the empirical finding as enhancing, neutral or containing) |
|---|---|---|---|--|
| No one could state a clear communicated company vision  | Before & after  | Constraining  | Constraining  | (Amabile, 1998)  |
| All respondents expressed knowledge about fundamental values of the company   | Before & after  | Enhancing   | Enhancing   | (Amabile, 1998)  |
| A few respondents express that the vision has undergone changes over the years  | Before & after  | Neutral   | Constraining  | (Amabile, 1998)  |
| No one could refer to a clear written down vision. Two respondents indicate that parts are written down   | Before & after  | Constraining  | Constraining  | (Martins & Terblanche, 2003)   |
| Three respondents express insufficient communication of the vision  | Before & after  | Constraining  | Constraining  | (Alencar & Bruno-Faria, 1997),<br>(Amabile, 1998)  |
| Six respondents expressed no explicit change to the vision as a direct result of the reorganization   | <u>After</u>  | Neutral   | Neutral   | (Amabile, 1998)  |
| Four respondents expressed that the vision is clearer after the reorganization  | <u>After</u>  | Enhancing   | Enhancing   | (Amabile, 1998)<br>(Martins & Terblanche, 2003)  |
| A few respondents express increased focus and communication regarding “reason to be” – New CEO is stated to be a contributing factor to this increase in focus and communication                        | <u>After</u>  | Enhancing   | Enhancing   | (Amabile, 1998)<br>(Martins & Terblanche, 2003)  |
| The Prod Rep. express a fear that the product development department is more connected to company values then other departments   | Before & after  | Constraining  | Constraining  | (Martins & Terblanche, 2003)   |
| Three respondents express that the goals are clearer after the reorganization. The reason for this is the progress goals set up by the new management group and the continues evaluation of these goals | <u>After</u>  | Enhancing   | Enhancing   | (Alencar & Bruno-Faria, 1997)<br>(Ekvall, 1997)  |
| The Des Rep. express that Nudie’s vision has undergone changes as a part of the reorganization  | <u>After</u>  | Neutral   | Constraining  | (Amabile, 1998)<br>(Martins & Terblanche, 2003)  |
| Most of the respondents frequently discuss ideas with department managers   | Before & After  | Enhancing   | Enhancing   | (Alencar & Bruno-Faria, 1997)<br>(Andriopoulos, 2001)  |
| Six out of ten respondents would share ideas with CEO if they were unsure if the idea was relevant for Nudie or not   | Before & after  | Enhancing   | Enhancing   | (Alencar & Bruno-Faria, 1997)<br>(Andriopoulos, 2001)  |

## 5.2 Resources & skills

Seven out of the ten respondents experienced an increased workload as a result of the reorganization. To high of a workload is, according to Amabile et al., (1996) considered being a constraining factor for creativity. Foss et al., (2013) however argue that workload pressure can have a positive impact on creativity. Foss et al.'s., (2013) reasoning do not seem to hold true at Nudie, however. Five respondents express that quick fixes to solve urgent matter ("putting out fires") is an unappreciated way of working. "Putting out fires" was by three of the respondents even concluded as a constraining factor for creativity. Most respondents associate stimulating tasks to development, challenges, and problem-solving. These characteristics are associated with creative tasks according to Mumford (2012). These findings make it possible to argue that if the employees at Nudie are working with stimulating tasks, they are most likely working with tasks requiring creativity.

The Mark, Web, and Scm Rep. all express that the amount of stimulating (and thus challenging) work has increased after the reorganization. The amount of stimulating work has increased both in absolute terms and in ratio compared to their workload. Amabile (1998) states that it is important to balance workload and challenging work. Amabile et al., (1996) continues by stating that challenging work can enhance creativity and high workloads most likely constrain creativity. The three respondents' new situations indicate an enhancing impact of the reorganization regarding organizational creativity. Several respondents also state that employees in the new organization, to a greater extent, work with tasks that are better suited for their skill and knowledge. Matching employees to work assignments that correspond with their interest and skills is enhancing for creativity according to Amabile (1998). This reasoning further indicates the enhancing impact of the reorganizing. The Prod Rep., however, expressed that the amount of stimulating work has decreased after the reorganization and this indicates constraining impact on the organizational creativity also (Andriopoulos, 2001).

The resource mentioned by most respondents as needed for them to generate more creative ideas was time. Time is mentioned by Moultrie & Young (2009) as a key resource for generating creative ideas, and not being supplied with enough time to peruse, or generate ideas is constraining for organizational creativity. It is possible to see the connection between high workload and lack of time. Seven respondents experienced high workload in the new organization, and it is thus understandable if there also is a lack of time. New personnel have however been hired in three departments after the reorganization to offload the workload, indicating that the reorganization tries to create a more manageable workload for the employees and thus more time. Lack of time is still mentioned as an issue in the new organization, but a few respondents hope and believe that they will have more time once the new way of working in the new organization settles indicating that the reorganization did no aim to increase their workload.

The number of employees who have attended in-service training or additional education is limited among the respondents. The Scm and Web Rep. are nonetheless scheduled to participate in additional education related to their new work assignments after the reorganization. Alencar & Bruno-Faria, (1997) argue that not attending in-service training and competence enhancing activities can have a constraining impact on creativity. It is thus important to provide the employees with the opportunity to attend competence-enhancing activities. Common reasons

mentioned for not attending competence-enhancing activities is by most respondent's lack of time or inability to voice a need. Time is (as previously mentioned) a resource that a few respondents hope to gain more of as a result of the reorganization. The newly hired personnel are also argued to offload the workload for three departments and it thus possible to argue that more employees might be able to attend competence enhancing activities after the reorganization.

The FI Rep., however, describes a different reason than time for not attending in-service training before the reorganization. The former management in the finance department did not encourage or promote additional education, which is constraining for creativity (Alencar & Bruno-Faria, 1997). The way additional education is encouraged in the finance departments has changed after the reorganization and the shift in management. The finance department is now scheduled for competence enhancing activities. Two respondents are after the reorganization scheduled to attend additional training for their new work assignments. Personnel is hired to free up time, and a managerial shift has resulted in increased encouragement of additional education. These three findings make it possible to argue for enhancing impact of the reorganization on the organizational creativity. A comprehensive analysis of the empirical findings relating to the resources and skills category of organizational characteristics is displayed in Table 6.



Table 6: Analysis of the empirical findings regarding resources & skills and the perceived impact on organizational creativity

| <u>Empirical findings</u><br>Resources & skills  | The empirical findings describe the organization before and/or after the reorganization | Enhancing, neutral or constraining according to the <b>respondents</b> | Enhancing, neutral, or constraining according to the <b>theory</b> | Source used for the case-theory analysis<br>(Sources used to determine if the theory regard the empirical finding as enhancing, neutral or containing) |
|--|---|--|--|--|
| Seven out of the ten respondents experience Increased workload   | <u>After</u>  | Constraining   | Constraining   | (Amabile et al., 1996)<br>(Alencar & Bruno-Faria, 1997)  |
| Most respondents associate stimulating tasks to development, problem solving and challenges  | Before & after  | Enhancing  | Enhancing  | (Mumford, 2012)  |
| Five respondents express that quick fixes have been utilized to deal with urgent matters – “putting out fires”. Three respondents argue that this way of working actively constrain creativity | Before  | Constraining   | Constraining   | (Amabile et al., 1996)<br>(Alencar & Bruno-Faria, 1997)  |
| Several respondents express that employees to a greater extent work with better suited work assignments for their skills and knowledge   | <u>After</u>  | Enhancing  | Enhancing  | (Andriopoulos, 2001)<br>(Amabile, 1998)  |
| The Mark, Web, and Scm Rep. experience an increase in stimulating tasks  | <u>After</u>  | Enhancing  | Enhancing  | (Amabile, 1998)<br>(Foss et al., 2013)   |
| The Prod Rep. experience decrease in stimulating tasks   | <u>After</u>  | Constraining   | Constraining   | (Andriopoulos, 2001)   |
| Three departments are scheduled to attain new hires to offload the workload and free-up time   | <u>After</u>  | Enhancing  | Enhancing  | (Moultrie & Young, 2009)   |
| Smaller clothes collection has resulted in more time in the product development department according to Des Rep.   | <u>After</u>  | Enhancing  | Enhancing  | (Moultrie & Young, 2009)   |
| No written down program for in-service training, or plan for competence enhancing activities   | Before & after  | Constraining   | Constraining   | (Alencar & Bruno-Faria, 1997)  |
| Many respondents express that the reason for not attending competence enhancing activities is the lack of time, or inability to express a need   | Before & after  | Constraining   | Constraining   | (Alencar & Bruno-Faria, 1997)<br>(Moultrie & Young, 2009)  |
| The finance department has for the first time been offered competence enhancing activities   | <u>After</u>  | Enhancing  | Enhancing  | (Alencar & Bruno-Faria, 1997)  |
| Web and Scm. Rep. both attend additional education related to their new work assignments   | <u>After</u>  | Enhancing  | Enhancing  | (Alencar & Bruno-Faria, 1997)  |

### 5.3 Structure & systems

Based on theory, Nudies structure both before and after the reorganization can be argued to be both enhancing and constraining for organizational creativity. Employees described looser work descriptions before the reorganization, and this can, for example, be argued to enhance creativity (Martínez-León & Martínez-García, 2011). Respondents also describe that it was more common for employees to work with tasks not suited for their skill and knowledge in the old organization, which (Andriopoulos, 2001) states as constraining. The "corridor-chat" in the old organization could be argued to promote an open communication regarding new ideas and the sharing of different pieces of knowledge, which can be argued to be enhancing for generating new ideas (Amabile, 1998). The respondents did, however, have a more hesitant view of the "corridor chats" and argued that they had the potential to result in confusion and additional work. After the reorganization, three respondents state that the structure can be perceived as more hierarchical, and most respondents describe a more rigid chain of command. These features are resembling a mechanistic structure which according to theory can have a constraining impact on organizational creativity (Andriopoulos, 2001; Martínez-León & Martínez-García, 2011).

Rietzschel et al., (2014) however argue that increased structure necessarily doesn't have to neutralize creativity and that individuals who enjoy structure, in fact, can be creative in structured work environments. Ekvall (1997) proposes that Management by objective (MBO), with clear goals and specialized tasks, also can enhance creativity, despite its similarities with a mechanistic structure. These two theories contradict the theory that argues that formalization and rigid structures likely to constrain creativity (Andriopoulos, 2001; Martínez-León & Martínez-García, 2011). Several respondents stated that they enjoy the increased structure accompanying the reorganization and that clearer expectations and evaluation processes have an enhancing impact on their creativity. Nudie's new structure and increased focus regarding measurable goals for every department and increased task structure show similarities to MBO. Several respondents perceive the structural change as enhancing for creativity, thus indicating that Nudie will reap the same benefits as companies utilizing MBO. The creativity fostered in MBO environments result in adaptive creativity and enhanced problem solving within frames (Ekvall, 1997).

A risk associated with MBO is however that radical creativity might be less likely to increase focus on reaching set goals. Blomberg (2014) presents that an issue with creativity research is that creativity, most of the time, is perceived and researched based on the assumption that all kinds of creativity are always a good thing. Creativity can have a disruptive impact, and it is not certain that all companies are looking for all forms of creativity (George, 2007). The Prod Rep. state that a "think outside of the box" meeting was removed after the reorganization, potentially arguing for less interest in radical ideas, and more focus on adaptive creativity within frames. Based on the theory regarding this and the respondents' attitude towards the increased structure it is possible to argue for increased adaptive creativity and potentially a decreased amount of radical creativity as a result of the reorganization.

Rewarding creativity in the form of recognition is important (Alencar & Bruno-Faria, 1997). Rewarding creativity with money can, on the other hand, have constraining impact

(Andriopoulos, 2001). Seven of the ten respondents state that they have been rewarded with recognition for generating new ideas, and no one has ever received monetary rewards for creativity. According to these seven respondents, the rewards system has not changed as a result of the reorganization, and the reward system can thus be argued to be constant and enhancing for organizational creativity. Two respondents did mention changes to the reward system as a result of the reorganization, and the changes were both enhancing. The FI Rep. express that the finance department had received increased recognition after the reorganization. The department manager who left the department during the reorganization did not reward or recognize creative ideas. After the reorganization, the finance department had received recognition by the newly appointed CEO, which is appreciated. The IT Rep. described a similar scenario where ideas related to IT before the reorganization did sometimes not receive proper recognition. The newly formed management group is argued to help in recognizing the potential of IT-related ideas. Based on these findings it is possible to argue that the reorganization and the shift in management have resulted in better recognition of new ideas. The Prod, Des, and Mark Rep. express that visually creative employees might get more recognition than those working with administrative kind of tasks. This argument seems reasonable based on the findings showing that the finance and IT departments are the departments sharing historical issues with recognition.

Alencar & Bruno-Faria (1997) mention a developed mechanism for gathering ideas as enhancing for organizational creativity. Several respondents stated that the management group has provided the employees with a more direct way of sharing ideas, and it is also stated that the evaluation process of ideas is more transparent with the new management group. This indicates an enhancing impact on the organizational creativity as a result of the reorganization. The IT and HR Rep., however, express concern that perhaps too many questions are being discussed in the management group. Moving forward, the structure, and what is to be discussed in the group might need to be re-evaluated to not overwhelm the management group. Martínez-León & Martínez-García (2011) argue that top-down decision making can constrain creativity. This indicates that the management group can potentially have constraining impact as well.

The HR Rep. states that the employees at Nudie are expected to take a lot of personal responsibility and that personal responsibility has always been a fundamental key when working at Nudie jeans. This statement seems to hold true based on the fact that most respondents express high autonomy in their work process, before and after the reorganization. Three respondents also experience greater autonomy after the reorganization, arguing for an enhancing impact of the reorganization on the organizational creativity (Amabile, 1998; Alencar & Bruno-Faria, 1997).

Three respondents experienced changes to physical workspace after the reorganization, and the changes are perceived as both enhancing and constraining by the respondents. Amabile (1998) presents that the positive impact of physical working environment on creativity is overemphasized in the literature. However, in this case, it is perceived as important by the respondents. Table 7 presents a comprehensive analysis of all empirical findings related to the structure and systems category of organizational characteristics.

Table 7: Analysis of the empirical findings regarding structure & systems and the perceived impact on organizational creativity

| <u>Empirical findings</u><br>Structure & systems  | The empirical findings describe the organization before and/or after the reorganization | Enhancing, neutral or constraining according to the respondents | Enhancing, neutral, or constraining according to the theory | Source used for the case-theory analysis<br>(Sources used to determine if the theory regard the empirical finding as enhancing, neutral or containing) |
|---|---|---|---|--|
| Loose work descriptions   | Before  | Constraining  | Enhancing   | (Martínez-León & Martínez-García, 2011)  |
| A few employees working with wrong work assignments for their skill or departmental belonging   | Before  | Constraining  | Constraining  | (Andriopoulos, 2001)   |
| Three respondents express that decisions and issues often have been disused in the corridors, referred to as “corridor-chats”   | Before  | Constraining  | Enhancing   | (Martínez-León & Martínez-García, 2011)  |
| Two respondents state that a RACI matrix have been implemented into organization for increased structure  | After   | Enhancing   | Neutral   | (Ekvall, 1997)<br>(Rietzschel et al., 2014)  |
| Three respondents state that structure is more hierarchical   | After   | Enhancing   | Constraining  | (Gupta & Banajeer, 2015)   |
| Most respondents experience more rigid chain of command   | After   | Enhancing   | Constraining  | (Gupta & Banajeer, 2015)   |
| Several respondents express that it is clearer in the new organization what is to be expected of them, and what is to be classified as their task                       | After   | Enhancing   | Enhancing   | (Ekvall, 1997)<br>(Rietzschel et al., 2014)  |
| Several respondents state that the new management group result in better evaluation of new ideas, and better feedback regarding why ideas are implemented or not        | After   | Enhancing   | Enhancing   | Amabile (1998)<br>(Alencar & Bruno-Faria, 1997)  |
| No one of the respondents have been monetary rewarded for creativity  | Before & after  | Neutral   | Enhancing   | (Andriopoulos, 2001)   |
| Seven of the ten respondents have experienced rewards in the form of positive feedback  | Before & after  | Enhancing   | Enhancing   | (Alencar & Bruno-Faria, 1997)  |
| The FI Rep. states that the finance department has experienced an increasing amount of recognition after the reorganization   | After   | Enhancing   | Enhancing   | (Gupta & Banerjee, 2015) (Amabile, 1998)   |
| The new management group gives more rewards in the form or recognition to the IT department   | After   | Enhancing   | Enhancing   | (Alencar & Bruno-Faria, 1997)<br>(Amabile, 1998)   |
| Three respondents express that the autonomy in the work process is higher. The reaming respondents express that they already have high autonomy in their work processes | After   | Enhancing   | Enhancing   | (Amabile, 1998)<br>(Alencar & Bruno-Faria, 1997)   |
| There is increased willingness to share ideas and solve problems in the finance department after the reorganization and the managerial shift                            | After   | Enhancing   | Enhancing   | (Andriopoulos, 2001)   |
| Ret and Scm Rep. experience worse physical work environment   | After   | Constraining  | Neutral   | (Amabile, 1998)  |
| Des Rep. express better physical work environment, with less disruptions.   | After   | Enhancing   | Neutral   | (Amabile, 1998)  |
| HR and WS Rep. express issues with stress in the old organization. Stress is to an extent till present in the new organization  | Before & after  | Constraining  | Constraining  | (Amabile et al., 1996)<br>(Alencar & Bruno-Faria, 1997)  |

## 5.4 Organizational culture

Several respondents expressed that the culture has matured over the years and three respondents state that reorganization is an attempt to make the organization more corporate. The Mark Rep. states that the employees after the reorganization work more at work and socialize more after work. A few respondents however also mention that the non-work-related gatherings and socialization outside of work among the employees have diminished after the reorganization as well. The respondents do not perceive these changes to the culture as neither enhancing nor constraining for their creativity but do perceive the change as mournful in general. Handzic & Chaimungkalanont (2004) found that socialization among the employees both formal and informal has the potential to enhance the likelihood of creativity. The combined reasoning from the respondents and the presented theory would suggest that the reorganization has a negative impact on the organizational creativity.

Martins & Terblanche (2003) argue that it is important to create an organizational culture where creativity is something sought after and encouraged. (Diliello et al., 2011) Propose that a perceived interest for new ideas by the company enhances the likelihood of creativity in the organization. Most respondents express that the general attitude towards new ideas has always been positive in the company.

Three respondents, however, experienced changes in the attitude towards new ideas as a result of the reorganization, both enhancing and constraining. The FI and Prod Rep. both experienced a change in management as a result of the reorganization. The FI Rep. now experience a more open attitude towards new ideas compared to before the reorganization and the managerial shift. The Prod Rep. on the other hand experience a more hesitant attitude towards new ideas by the new design management. The findings from the FI and Prod Rep. indicate that management changes accompanying the reorganization can have a substantial impact on organizational creativity through the managers' attitude towards new ideas. Gupta & Banerjee (2015) also argue for the importance of leadership encouragement for generating new ideas, further explaining the consequences shown in this case. The Web Rep. described a more polarized view of the attitude towards new ideas after the reorganization. Those who are uncomfortable with their role in the new organization and experienced trouble with the changes accompanying the reorganization, most likely also have problems with new ideas. This is because new ideas often result in additional changes. According to Martins & Terblanche (2003), a supportive environment for change is enhancing for organizational creativity, and the reorganization can thus have a negative impact on creativity by the individuals who not are open for additional changes.

Active encouragement for new ideas is also argued to create an organizational culture that enhances the likelihood of organizational creativity (Andriopoulos, 2001; Amabile et al., 1996; Martins & Terblanche, 2003). After the reorganization nine respondents perceive that they are encouraged to generate new ideas. The FI Rep. has experienced positive changes to the amount of encouragement because of the managerial shift, and the Prod Rep. has experienced a decline in encouragement due to the managerial shift. The findings regarding the attitude towards new ideas and the active encouragement of new ideas show similar patterns of the managerial change and its impact.

The FI, Mark and Web Rep. state that it is perceived to be more important after the reorganization to generate new ideas, which can be argued to be enhancing for organizational creativity (Amabile et al., 1996; Dillion et al., 2011). Seven respondents also perceive that it is easier to understand the evaluation process of new ideas, and in general, also easier to implement ideas. A clearer evaluation and implementation process of ideas can indicate a cultural shift towards ideas being perceived as something normal and reoccurring. This could argue for an enhancing impact of the reorganization based on the enhancing impact of perceiving new ideas as something normal and encouraged in the organization (Amabile et al.'s, 1996; Dillion et al., 2011).

Eight respondents express that communication channels are clearer after the reorganization, because of the more set work desperations. Better understanding regarding what the different departments do and the RACI matrix is also argued to make it easier to know whom to contact. The way communication is handled after the reorganization is argued by several respondents to save time, and time is an essential resource for creativity according to both the respondents and the theory (Moultrie & Young, 2009). Open communication flows are according to Amabile (1998) also important to enhance creativity, and the reorganization seems to have resulted in a more direct form of communication. The respondents furthermore share that it is common and easy to voice ideas with managers and co-workers, further indicating an open communication in the company. The more direct form of communication and the time saved after the reorganization would argue for enhancing impact to the organizational creativity.

In the new organization, a few respondents stated that they work with cross functional groups in a way that they did not do before the reorganization. Diverse background and different knowledge among group members are argued to enhance the likelihood of creative ideas (Amabile 1998; Woodman et al., 1993). The groups described by the respondents have the goal of problem-solving, developing new ideas, and evaluating products. These characteristics can be argued to need creative thinking (Mumford, 2012). The fact that respondents with different expertise work together to a greater extent after the reorganization would argue for an enhancing impact on the organizational creativity. It should, however, be stated that not all respondents work cross functionally, and it is also expressed by two respondents that it would be welcome to create opportunities for all employees to work more cross-functional and attain the knowledge of the other departments. All the analysed empirical findings that are related to the category of organizational culture can be found in Table 8.

Table 8: Analysis of the empirical findings regarding Organizational culture and the perceived impact on organizational creativity

| <p style="text-align: center;"><u>Empirical findings</u><br/>Organizational culture</p>  | <p style="text-align: center;">The empirical findings describe the organization before and/or after the reorganization</p> | <p style="text-align: center;">Enhancing, neutral or constraining according to the respondents</p> | <p style="text-align: center;">Enhancing, neutral, or constraining according to the theory</p> | <p style="text-align: center;">Source used for the case-theory analysis<br/>(Sources used to determine if the theory regard the empirical finding as enhancing, neutral or containing)</p> |
|--|--|--|--|--|
| <p>Three respondents express that the culture is shifting towards a more cooperate culture</p>   | <u>After</u>   | Neutral  | Constraining   | (Handzic & Chaimungkalanont, 2004)   |
| <p>The number of non-work-related gatherings have decreased according to several respondents. The number of employees attending these gatherings have also decreased</p> | <u>After</u>   | Neutral  | Constraining   | (Handzic & Chaimungkalanont, 2004)   |
| <p>The general attitude towards new ideas is positive according to most of the respondents</p>   | Before & after   | Enhancing  | Enhancing  | (Andriopoulos, 2001)<br>(Diliello et al., 2011)  |
| <p>The change of management in the finance department resulted in a more open attitude towards new ideas</p>   | <u>After</u>   | Enhancing  | Enhancing  | (Alencar & Bruno-Faria, 1997)<br>(Andriopoulos, 2001)  |
| <p>The Prod Rep. experience a more hesitant attitude towards new ideas by the new design management</p>  | <u>After</u>   | Constraining   | Constraining   | (Alencar & Bruno-Faria, 1997)<br>(Martins & Terblanche, 2003)  |
| <p>Web Rep. states that individuals that are uncertain about their role in new organization are possibly also negative towards new ideas</p>                             | <u>After</u>   | Constraining   | Constraining   | (Alencar & Bruno-Faria, 1997)<br>(Martins & Terblanche, 2003)  |
| <p>Evaluating and implementing new ideas is perceived to be easier by seven of the respondents</p>   | <u>After</u>   | Enhancing  | Enhancing  | (Amabile et al.'s, 1996)   |
| <p>Five respondents state that it has always been perceived important to generate new ideas</p>  | Before & after   | Enhancing  | Enhancing  | (Amabile et al.'s, 1996)<br>(Diliello et al., 2011)  |
| <p>Web, Mark and FI Rep. express that it is more important to generate new ideas in the new organization</p>   | <u>After</u>   | Enhancing  | Enhancing  | (Amabile et al.'s, 1996)<br>(Diliello et al., 2011)  |
| <p>Nine respondents feel encouraged to generate new ideas</p>  | <u>After</u>   | Enhancing  | Enhancing  | (Andriopoulos, 2001)<br>(Amabile et al.'s, 1996)   |
| <p>The prod Rep. feels less encouraged to generate new ideas</p>   | <u>After</u>   | Constraining   | Constraining   | (Andriopoulos, 2001)<br>(Amabile et al.'s, 1996)   |
| <p>Eight respondents experience better internal communication due to more specific work descriptions</p>   | <u>After</u>   | Enhancing  | Enhancing  | (Amabile, 1998)  |
| <p>Several respondents state that cross functional groups are formed to solve problems and develop the work process</p>  | <u>After</u>   | Enhancing  | Enhancing  | (Amabile, 1998)<br>(Woodman et al., 1993)  |

## 5.5 Key findings

This section will present a summary of the analyzed empirical findings used for answering the thesis research question. The empirical findings in the tables 5-8 are coded as describing the organization "before," "before & after," and "after" the reorganization. Empirical findings that describe the organization "before," and "before & after," are presented and analyzed to show a complete picture of the organizational characteristics influencing organizational creativity at Nudie. The empirical findings that describe the organization "after" the reorganization are however the empirical findings that are the foundation for the key findings. The reason for this selection is that empirical findings describing the organization "before," and "before & after" the reorganization, indicates that no changes have occurred as a result of the reorganization. The empirical findings coded in these two ways show no changes as a result of the reorganization and are thus not of primary interest when answering the thesis research question. The empirical findings that describe the organization "after" the reorganization in tables 5-8 are presented in a synthesized way as key findings in Table 9. Table 9 displays how the reorganization has impacted the organizational characteristics influencing organizational creativity at Nudie. The theory was used when determining if the key findings should be coded as enhancing, constraining or neutral in the key findings. It is apparent that the reorganization has had both enhancing and constraining impact. However, the number of key findings coded as enhancing outweigh the number of key findings coded as constraining, which thus indicate an overall enhancing impact of the reorganization.

The vision is still a subject of discussion, and changes to the vision are still occurring after the reorganization. This can be argued to constrain creativity (Amabile, 1998). However, the vision is perceived to be clearer, and more communicated after the reorganization, and these findings indicate an enhancing impact (Martins & Terblanche, 2003). Time is according to several respondents, and the theory, important for generating creative ideas. The lack of time at Nudie is mainly due to high workload experienced by several respondents. The workload is perceived to be greater after the reorganization, which is constraining for organizational creativity (Moultrie & Young, 2009). Initiative to relieve the workload pressure is however initiated, and new personal is hired to offload the workload in a few departments. Several respondents have new work assignments after the reorganization. The respondents also state that people to a greater extent work with tasks that are better suited for their skills and knowledge. These changes can according to the theory be regarded as enhancing for organizational creativity (Andriopoulos, 2001). More employees have experienced an increase in stimulating work, in contrary to the employees who have experienced a decrease in stimulating work. A decrease in stimulating work has however occurred. These findings are both enhancing and constraining (Andriopoulos, 2001). The number of employees attending additional education has increased after the reorganization, further displaying an enhancing impact of the reorganization according to (Alencar & Bruno-Faria, 1997).

The new structure and way of organizing at Nudie, after the reorganization, resembles management by objective (MBO) (Ekvall, 1997). This way of organizing can be perceived as enhancing for organizational creativity, in the sense that it promotes adaptive creativity within set frames. The constraining impact of MBO is that the amount of radical creativity might decrease. The new management group and the structure it brings when evaluating new ideas is appreciated by the employees, and the theory (Alencar & Bruno-Faria, 1997). However, concerns about the number of issues being discussed in the management group are expressed.



Slow decision making in the management group could in the future possible constrain organizational creativity (Martínez-León & Martínez-García, 2011). Autonomy in the work process is enhancing for creativity according to Alencar & Bruno-Faria (1997). The autonomy of the employees is perceived to be higher after the reorganization. The amount of socialisation among the employees has decreased after the reorganization. This can according to Handzic & Chaimungkalanont (2004) constrain organizational creativity. The general attitude towards new ideas and the perceived engagement for generating new ideas is greater after the reorganization, indicating an enhancing impact (Amabile et al.'s, 1996). However, there are changes in management resulting in both enhancing and constraining impact based on the management's perceived encouragement of new ideas. A general attitude towards additional change is also experienced by a few respondents as negative, which is constraining for organizational creativity (Martins & Terblanche, 2003). Communication is more direct, and cross functional group are more common, which is also is enhancing for organizational creativity (Amabile, 1998; Woodman et al., 1993).

Table 9: Key findings describing how the different categories of organizational characteristics have been impacted by the reorganization. All empirical findings describe the organization after the reorganization.

| <u>Key Findings</u>   | Enhancing and/or<br>constraining for<br>organizational<br>creativity based on<br>the theory |
|---|---|
| <b>Strategy</b>   |   |
| Vision slightly clearer and more communicated by the new CEO  | Enhancing   |
| Vision still undergoing changes   | Constraining  |
| <b>Resources &amp; skills</b>   |   |
| Time is the most important recourse for being creative. New-hires have been employed after the reorganization to offload the workload in a few departments  | Enhancing   |
| Several respondents experience increased workload   | Constraining  |
| Employees work with better suited tasks for their skills, and three respondents also experience increase in their amount of stimulating work  | Enhancing   |
| One respondent experiences a decrease in stimulating work   | Constraining  |
| A few respondents experience increase in the amount of competence enhancing activities  | Enhancing   |
| <b>Structure &amp; systems</b>  |   |
| Nudie's new structure and systems resembles Management by objective (MBO) and is appreciated by the employees. MBO will likely result in adaptive creativity and improved problem solving within set frames | Enhancing   |
| Radical creativity might decrease because of the increased structure and set frames of responsibilities   | Constraining  |
| The way ideas are gathered and evaluated is better understood by the employees. The new management group is a contributing factor to this   | Enhancing   |
| The number of topics discussed in the management group can in the future potentially result in slow decision making   | Constraining  |
| The autonomy in the work process has always been high. The reorganization has however resulted in a notable increase in the autonomy for three respondents  | Enhancing   |
| <b>Organizational culture</b>   |   |
| Decrease in formal and informal socialisation among the employees   | Constraining  |
| Managerial changes have impacted the attitude and encouragement towards new ideas in both positive and negative ways in two different departments   | Enhancing &<br>Constraining   |
| A few employees show resistance towards additional change, and thus new ideas   | Constraining  |
| Most respondents state that they feel encouraged to generate new ideas  | Enhancing   |
| It is perceived to be more important in the new organization to generate new and useful ideas   | Enhancing   |
| Internal communication is clearer, and cross functional groups are more common.   | Enhancing   |

## 6. Conclusion

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In this chapter, the initial research question will be revisited and answered based on the analyzed empirical findings. Recommendations will also be presented together with further research suggestions.

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The thesis research question is:

*How have the organizational characteristics, which have an influence on organizational creativity, been impacted by the reorganization carried out at Nudie Jeans?*

Organizational characteristics, which influences organizational creativity, are in this thesis divided into the four categories: 1) strategy, 2) resources & skills, 3) structure & systems, and 4) organizational culture. The research question will be answered by providing answers to how these categories have been impacted by the reorganization.

The findings show that the reorganization has had both enhancing and constraining impact on the organizational characteristics influencing organizational creativity. Despite the reorganization resulting in changes that can be argued to be both enhancing and constraining for organizational creativity, it is possible to argue that the number of empirical findings coded as enhancing outweigh the number of empirical findings coded as constraining.

Nudie Jeans is, after the reorganization a more structured and formalized organization. There are, for example, clearer and more measurable goals, and several employees work with more specialized and better-suited tasks for their skill and knowledge. The structure and the way Nudie is managed after the reorganization resembles MBO (Management by Objective) (Ekvall, 1997). This way of managing and structuring seems to be appreciated by the employees, and there are few articulated problems with the new structure. MBO results in adaptive creativity and enhanced problem solving within frames. The drawback of MBO is according to the theory a potential decrease in radical creativity (Ekvall, 1997). Based on the data gathered in this thesis it is hard to tell if this reorganization will result in similar results for Nudie.

It is apparent that the management has had a notable impact on the organizational creativity through the organizational characteristics. The future direction of the company is increasingly communicated as a result of the newly appointed CEO. The managerial shift in the finance and design department has impacted the attitude and encouragement towards new ideas, resulting in both enhancing and constraining impact. The way the new management group processes and evaluates ideas is enhancing for organizational creativity according to several respondents, and the theory as well. Nudie has historically had an issue with time constraints, and people have shared work conditions where creativity is argued to be constrained by for example stress and to high workloads. Having time is essential for generating new ideas. It is mentioned that the reorganization has resulted in increased workload and thus less time for several respondents. Initiatives argued to save time have however also been initiated as a result of the reorganization. Better and more direct communication is one time-saving initiative, and this has resulted in faster decision making and more structured task-handovers. The decision to hire additional personal to offload the workload is another initiative that actively was made to provide

employees with more time. Lack of time is also mentioned as a reason to why employees not have attended competence enhancing activities. After the reorganization, more employees are attending competence enhancing activities, possibly further indicating an increasing amount of available time after the reorganization. The culture has shifted as a result of the reorganization and, the historical "family culture" is less present. The formal and informal socialization has somewhat diminished, which could result in fewer ideas being shared and discussed. The general attitude towards ideas is however still positive, and there are signs that creativity is rated as more important in the new organization compared to the old. The increasing number of cross functional groups and the focus of these groups being on tasks needing creative thinking would also argue that the new culture promotes creativity as something important.

The enhancing impact of the reorganization outweighs the constraining impact. There are however still constraining impacts present, and potential future problems are also voiced. All employees are not positively attuned to the changes accompanying the reorganization, and this results in a negative attitude towards new ideas as well. The increased structure and formal management group are appreciated by most as enhancing for creativity at this moment. Potential fears of increased lead time and bureaucracy are however expressed for the future.

Creativity can have a disruptive nature, and it is not certain that all companies look for all forms of creativity (Blomberg, 2014). This reorganization seems to have impacted the organizational characteristics, and thus the organization creativity, in such a way that adaptive creativity can be argued to be more likely. Based on the CEO's wish to obtain operational excellence it is possible to argue that this might be the desired outcome. To stay at the forefront of sustainable fashion Nudie might, however, need more radical creativity, and how the reorganization impacted the ability to generate radical creativity remains to be seen.

## **6.1 Recommendations**

This section is primarily for the eyes of the case company and contains possible recommendations for the future based on the findings and the presented theory.

To have a clear, communicated, and stable vision is important for enhanced organizational creativity. The findings indicate that the vision is somewhat clearer after the reorganization. There are nonetheless several respondents who still express a wish for a more easily accessible and definitive vision. Oral communication of the vision is now the most common way of communicating the vision. Other ways of communicating the vision are however also sought after by the respondents and could preferably thus be utilized in the future. Examples of how the vision preferably could be communicated are verbally, in writing, and graphically.

A major reason to why the vision is argued to be important for organizational creativity is its ability to work as a guideline showing what kind of ideas are relevant for the company. Respondents mention that the way of evaluating if ideas are relevant for the company now is often by discussing the ideas with department managers and the CEO. Discussions regarding an ideas relevance could, of course, be positive, but a more easily accessible vision would make it easier for the employees to make the initial evaluation by themselves. A clearer vision could also lead to the employees generating ideas that they previously would not. There is widespread knowledge about the fundamental values of the company by all the respondents, and this can be argued to work as guidelines for what Nudie represents and works towards. This could argue for less need for a clearer vision. The respondents have however all worked at Nudie for a long

time, and it is thus not surprising to find that they feel connected to the company values. Several of the respondents have also known the management for many years, and this most likely makes the respondents more at ease when contacting the management to evaluate ideas. If the company looks to continue growing and possibly employ additional personnel, a more set and easily accessible vision might be preferred by the new personnel. There is additionally a voiced concern that departments working close to the products perhaps are more connected to the company values. This might be worth investigating further to make sure that all departments are equally connected to the values and consequently the vision of the company.

Several of the respondents have never attended in-service training, or any competence enhancing activity during their time at Nudie. The number of respondents attending additional education is higher after the reorganization, which is a positive change. Nevertheless, several of the respondents still have not attended any form of additional education during their time in the company. Seven of the respondents express that they have thought about attending additional education but that lack of time or inability to express a need has hindered them in their attempt. Two respondents also mention that it would be appreciated if the management pushed them to attend additional education. Acquiring additional knowledge is enhancing for creativity according to the theory. Based on these findings and the theory it is recommended that increased focus is put towards making in-service training and additional education a priority.

The proposed impact of more time once the reorganization settles would also possibly make these kinds of activities more easily accessible. The more detailed work descriptions could also make it easier to decide regarding relevant additional educations as well. It is also possible to argue for a connection between clearer vision and the choice of additional training necessary for the employees. Once the heading for the future is set, it is possible to see in what areas additional knowledge might be needed. An alternative use of the competence enhancing activities could be to use that opportunity to let the employees explore areas outside their set work description, and in that way perhaps diversify their expertise and nature of creative ideas.

Initiatives to relieve the workload pressure have been initiated, but several respondents still express that they don't have time to be creative. A few respondents also express that there seldom is additional time provided for developing new ideas and that work related to a new idea often gets put on top of the original workload. Continuously evaluating the workload and making sure that employees get more time to develop their ideas would be positive from a theory perspective, and the respondents have voiced similar wishes. The new process of evaluating ideas through the management group is appreciated by all the respondents and the theory. A few respondents, however, raise a concern that the management group might be hamstrung by handling too many questions. Continuously evaluating the effectiveness of the management group is thus recommended to make sure that the now faster and more transparent chain of command does not end up in extensive meetings and an overwhelmed management group. Autonomy in the work process is proposed as enhancing for creativity. Two respondents propose increased decision-making mandate to the respective departments as a way of decreasing the workload for the management group. This seems like an appropriate action based on the fact that autonomy in the work process and the ability to make your own decisions is enhancing for organizational creativity.

It is proposed that the reorganization perhaps will result in more adaptive creativity and less radical creativity. Activities which could promote radical creativity are increased knowledge sharing and encouragement for the employees to acquire diversified types of knowledge. A way of acquiring diversified knowledge is, as mentioned, additional education in fields not directly connected to the employees' current task. Two respondents also mention internal knowledge sharing as a way of generating new ideas. Internal knowledge sharing could be promoted through the creation of cross-functional groups gathered to generate new and useful ideas based on their diversified knowledge. After the reorganization, several respondents are part of cross-functional groups, which of course is positive. A few employees are however still not present in these forms of constellations, and this could potentially be looked in to.

Managerial support and encouragement for generating ideas are according to these findings and the theory, important. The overall attitude and way of encouraging and recognizing ideas were according to the findings positive. There were, however, issues raised regarding the lack of encouragement and recognition by the management, both before the reorganization, and after. Moving forward it would thus be recommended to keep the importance of managerial support in mind. The same kind of socialization among the employees that has been present historically at Nudie might not be either desired or possible anymore due to the growing organization. It is, however, worth noting that socialization among the employees has the possibility to result in enhancing impact for the organizational creativity according to the theory.

## **6.2 Theoretical contributions**

In the introduction chapter, it was mentioned that limited research had been conducted regarding organizational creativity in traditionally creative industries. The fashion industry can be regarded as a traditionally creative industry, and this thesis is thus an addition to the lack of research in that area. The limitations of a single case study naturally make the findings impossible to generalize. However, the findings in this thesis provide propositions. It is proposed that organizational creativity for companies in traditionally creative industries can be impacted by a reorganization.

In the introduction chapter, it was also mentioned that the author had found limited research investigating how a reorganization possibly can impact the organizational characteristics, and thus the organizational creativity. The findings in this thesis provide arguments that companies reorganizing to accommodate for growth can experience both enhancing and constraining impacts on the organizational creativity. It is important to take Nudie's history, and type of business into account when trying to generalize these impacts to other companies undergoing a reorganization. Furthermore, the extent of the impacts is not entirely understood solely based on this study. This is due to this thesis lack of research regarding the impact of the reorganization on the individual, and group characteristics of the organizational creativity theory. However, previous research state that organizational characteristics too often gets overlooked in organizational creativity research. This study provides a theoretical contribution by providing insight regarding how employees in a Swedish mid-sized apparel company perceive that organizational characteristics impact organizational creativity.

### **6.3 Future research**

The theory of organizational creativity is a multi-level construction, with three levels of analysis. The three levels of analysis are individual, group and organizational characteristics. This thesis is limited to the organizational characteristics, and the reason for this limitation is explained in the limitation section of the introduction chapter. Taking all the levels of analysis into account would result in a more comprehensive study regarding how a reorganization might impact organizational creativity. Further research could thus preferably be conducted taking all level of analysis into account.

Additional research could also preferably be conducted in a few years' time using the same case company and approach. The way of working in the new organization is according to several respondents still settling. This thesis was conducted in close connection with the reorganization, and all the impacts of the reorganization are yet to be properly displayed. A few respondents, for example, shared that they believed that the workload would become more manageable once the reorganization properly settles in the organization. To get a deeper understanding regarding how a reorganization impact organizational creativity through organizational characteristics, a similar study could thus be performed in a few years. Such a study would provide insight into the lasting impact of the reorganization and possibly find out if the proposed MBO resulted in any notable shift towards adaptive creativity over radical creativity. An alternative approach to waiting a few years is to conduct a study on a similar company that has performed a reorganization a few years ago. If another company is selected, the proposed impact of MBO will most likely not be possible to investigate in the same way. However, the lasting impact of a reorganization on organizational creativity could be better understood.

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### 7.4 Interviews

Levin, Joakim; CEO Nudie Jeans. 2017. Interview 20<sup>th</sup> January & 2<sup>th</sup> March

## 8. Appendix

### Appendix 1. Information regarding interview & interview guide

The following document contains a short description of what I aim to investigate at Nudie during the spring of 2017. This document also contains the planned questions which I intend to ask during the interview. It is possible that I ask follow-up questions regarding interesting answers relevant for my study, but the interview guide is the foundation and starting point.

My thesis and thus my questions in my interview guide will be about creativity in companies. The definition of creativity that I have established based on reading business administration theories is that creativity is to generate new and useful ideas for the company. These ideas can be everything ranging from enhancements in the daily work to ground-breaking new ideas in for example sustainability work. A creative idea based on this definition does not mean that the idea needs to be new to the world, it is enough that the idea is new for the people generating it. Creativity and the ability to generate new and useful ideas are thus synonyms in my thesis, and many of the questions will be regarding factors that can be thought to impact the ability to generate new ideas.

The likelihood that a company generates a new and useful idea is according to the theory dependent on what kind of individuals there are in the company, how groups are formed, and how general organizational factors are handled. Organizational factors can, for example, be organizational structure, work processes, and organizational culture. How these organizational factors are managed can increase or decrease the likelihood that the company employees generate new and useful ideas. It is the organizational factors that will be the focus of my study. I have understood that Nudie has undergone a reorganization, and the accompanying changes might have impacted the ability for the employee to be creative. How the reorganization has impacted the organizational factors, and consequently the ability to generate new and useful ideas, is the question I hope to answer in this thesis.

I am aware that a few of the terms in the questions below can be perceived as complicated. There will, of course, be time during the interview to discuss and define terms further. I am calculating that the interview will take between 45-60 minutes.

Than you in advance!

Filip Landälv

### General questions

- Is it ok if I record this interview?
- Can you please tell me your name and how old you are?
- In the thesis, your name and title will not be mentioned, but I will refer to you as a representative for your department, is that ok?
- Can you please shortly describe your history in the company?
- How has the ongoing reorganization impacted your work?

### General questions regarding creativity

- What comes to mind if I say a “creative company”?

**In the preceding information document, I describe the general topic of my thesis. In this paper, I define creativity as the generation of novel and useful ideas for the company.**

- What do you think about this definition?
- What would be your definition of creativity within your department?
- When we talk about a new and useful idea in the company, do you have any examples of new ideas that have been helpful in your department?
- Why do you think that the company decided to undergo a reorganization?
- How would you describe the general attitude towards new ideas in the company before the reorganization?
- How would you describe the general attitude towards new ideas in the company now?

### Strategy

- What is the current company vision?
  - Has the vision evolved/changed during your years in the company?
- In what way has the vision been communicated over the years?
  - How was the vision communicated in connection to the reorganization?
  - How would you like the vision to be communicated in the future?
- Imagen that you would get a new idea related to your department or the company, in what way would you grade if the idea is relevant/good for Nudie Jeans?
- Are you part of work team containing people from different departments? If yes, how was the team created and how is it managed?
  - How was this situation before the reorganization?

### Resources and Skills

- In what way has the reorganization impacted your workload?
- What do you regard as a stimulating/interesting work assignment?
- How would you describe the relationship between workload and stimulating work assignments before the reorganization?
- How would you describe the relationship between workload and stimulating work assignments now?
- What kind of resources do you think would increase the likelihood of new ideas being generated in your department?
  - Has the reorganization impacted the supply of that resource? If Yes/no, in what way?
- During your years in the company have you ever undergone in-service training, courses or scheduled continued education?
  - If yes, what kind?
- What are your thoughts concerning in-service training and additional education for the future?

### Structure & Systems

- Could you please describe your view of Nudie's organizational structure now and before the reorganization?
  - Changes to your work description?
  - Changes to decision-making?
  - Impact on autonomy?
- Can you remember a time when the leadership asked you to generate a new idea?
  - If yes, can you describe that process?
- Imagine that you have thought of a new idea, relevant to your department that you want to explore, develop, and maybe implement. How would you go about it?
  - Is there any difference in your process now in comparison to before the reorganization?
  - How would you like the process to be in the future?
- In what way have new ideas been rewarded, historically?
  - How are they rewarded now?
  - How would you like to be rewarded for new ideas in the future?
- What work environmental factors do you believe are important for the employees to be able to generate new ideas?
  - Why do you think that?
  - Have these factors been impacted by the reorganization?

### Organizational Culture

- How did you perceive Nudie's organizational culture before the reorganization?
  - How do you perceive it now?
- How would you react if a colleague shared an idea with you?
- How do you think that the leadership would react if you shared an idea with them?
- Do you think that reaction to the previews two questions are the same today compared to before the reorganization? If yes/no – Why?
- Before the reorganization, how important/not important would you say it was for the employees to generate ideas in your department?
  - How important/ not important is it today? – Why is that?
- Historically, how have new ideas been encouraged in your department?
  - How are ideas encouraged today?
  - What kind of encouragement would you like to see more of in the future?
- How is communication and cooperation work in between the departments?
  - Are there any changes as a result of the reorganization? If yes – what kind?

### Concluding questions

- Do you have anything that you would like to add regarding what we have talked about?
- That was all the questions I had, do you have any questions?
- Is it ok if I contact you if we need to clarify something after this interview?
- Once I have transcribed the interview, I will send you a copy for validation, so that you can clarify that I have understood you correctly. Is that ok?