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**ST.MARY'S UNIVERSTY
SCHOOL OF GRADUATE STUDIES**

**THE IMPACT OF ORGANIZATIONAL CULTURE ON EMPLOYEES' CREATIVITY
AT ANBESA SHOE FACTORY**

BY

HABTAMU ASCHALEW (SGS/0033/2008B)

JANUARY, 2018

ADDIS ABABA, ETHIOPIA

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A THESIS SUBMITTED TO ST.MARY'S UNIVERSITY, SCHOOL OF GRADUATE STUDIES
IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF MASTERS OF
ARTS DEGREE IN GENERAL MANAGEMENT (MBA)

JANUARY, 2018

ADDIS ABABA, ETHIOPIA

ST.MARY'S UNIVERSTY
SCHOOL OF GRADUATE STUDIES
FACULTY OF BUSINESS
THE IMPACT OF ORGANIZATIONAL CULTURE ON EMPLOYEES' CREATIVITY
AT ANBESA SHOE FACTORY

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DECLARATION

I, Habtamu Aschalew, declare that the thesis entitled “**The Impact of Organizational Culture on Employees’ creativity; The Case of Anbesa Shoe Factory**” is my original work. I have carried out the present study independently with the guidance and support of the research advisor, **Dr.Solomon Markos**. Any other contributors or sources used for the study have been duly acknowledged. Moreover, this study has not been submitted for the award of any Degree or Diploma Program in this or any other Institution.

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January, 2018

ENDORSEMENT

This thesis has been submitted to St.mary University, school of graduate studies for examination with my approval as university advisor.

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January, 2018

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ACKNOWLEDGEMENTS

First of all and foremost I would like to express my deepest gratitude to the Almighty God for his blessing and for making every step of my life possible. Secondly, I am greatly indebted to thank my advisor **Solomon Markos (PHD)** for his unreserved attention to correct my report and advising me for the better improvement of this thesis.

Thirdly, I am very grateful to thank my family for everything they have done for me up to this moment. Moreover, I would like to acknowledge the participants and individuals who have been contributing to the study for their willingness, participation and valuable information. Finally, those individuals who have been contributing a lot for the entire work deserve to be acknowledged.

THANK YOU ALL

Habtamu Aschalew

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LIST OF ABBREVIATIONS

ANOVA:	Analysis Of Variance
ASF:	Anbesa shoe factory
HQ:	Head Quarter
OC:	Organizational Culture
EC:	Employees' creativity
VIF:	Variance inflation factor
O.E:	Organizational encouragement

ABSTRACT

The objective of the study is to assess the impact of organizational culture on employees' creativity at ASF. The concern is to examine the four organizational culture practices and how they affect employee' creativity .The study provides a review of the current organizational culture practice and offer suggestion for future investigation. Data was collected through simple random sampling method. Questionnaire was designed using structured questions to collect primary data from employees of ASF.The total sample size was 187 out of which 142questionnaires were completed and included in the analysis part. The responses of respondents were analyzed using descriptive statistics and narrated. SPSS software was used in analyzing the collected data and multiple regression analysis was used to determine the impact of all independent variables on dependent variable ,employee's' creativity. For the study, the researcher deployed explanatory research design and quantitative research approach. The results show that the four traits measuring organizational culture were all positively related with employee's creativity. Moreover, involvement is the most contributing organizational culture trait that to employees' creativity. The research also shows that if employees are involved in work and share the same norms and values as per the organization, it could increase the level of employee's creativity. The study suggested that an emphasis should be given on ASF's involvement, working place atmosphere and organizational encouragement practices in order to enhance the level of employees' creativity.

Keywords: organizational culture, organizational encouragement, innovation/risk taking orientation, involvement, working place atmosphere, employees' creativity

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Employees' creativity is defined as the production of original and useful ideas concerning products, services, processes and procedures (Zhou and Shalley, 2003). Ideas are considered novel if they are unique relative to other ideas currently available in the organization. Ideas are considered useful if they have the potential for direct or indirect value to the organization in either the short- or long-term. Given this definition, creativity could range from suggestions for incremental adaptations in procedures to radical, major breakthroughs in the development of new products (Shalley and Zhou, 2004). In today's highly competitive marketplace, one of the key components of a company's survival is its ability to generate new ideas or better ways of doing things. It may be the most important tool in a manager's weapon store. . It is impossible to escape the reality that corporations must be innovative in order to survive. Domestic and international competition, changing government regulations, and rapidly shifting market conditions demand constant and visionary innovation (Amabile, 1996). Creativity can lead to new and better solutions to business and customer problems. Thus creativity may be the key organization's success and improved operating efficiencies. Creativity is an important ingredient for organizational success. Given their need to thrive within a rapidly changing global economy, many organizations are aware of the important role that creativity plays in the process of innovation. As Westwood and Low (2003) put it, due to the rapidly changing marketplace, companies must innovate, not just to growth but also to survive. Creativity is part of the innovation process. Innovations are the practical application of creative ideas, and an organization cannot innovate unless it has the capacity to generate creative ideas. In consequence, creativity becomes important not only for individual and organizational performance, but also for economic success and social development at a societal and global level.

Culture has been defined in many different ways and by many different theorists. For instance, according to Geert (2010) "it is the collective programming of the mind that distinguishes the members of one group or category of people from others".

Katter (1992) noted that culture is "a set of beliefs, values and behaviors commonly held by a society, being derived from social anthropology as a framework for understanding 'primitive' societies". Deal and Kennedy (1982) also defined culture in short as "the way we do things

around here”. When establishing and developing a company or other organization, an internal culture will develop step by step. The purpose of its existence is to improve solidarity and cohesion, stimulate employees' enthusiasm and creativity, and to improve the economic efficiency of an organization. Creativity comes from organization that is open to new ideas and new ways of doing things. Culture reinforces the behavior and strategies required to succeed in any given organization. Values, norms and beliefs play a role in creativity and can either support or inhibit creativity, depending on how they influence individual and group behavior. Forming a creative organization starts with having a creative culture at both a national and an organizational level: the values, rules, customs and incentives that govern the way we work and the way the organization functions. In the world of creativity, culture comes down to shared attitudes, values and beliefs. It determines how well we encourage creativity, risk taking, entrepreneurship, and networks to share knowledge and ideas. In short, cultures that encourage creativity tend to be more creative. Among all the factors, culture probably plays the most important role in creativity. In this context, it is organizational culture in the general employees that is referred to. How does the organization treat new ideas? Does it encourage them? Does it discourage them? Does it disrespect employees who do things differently? Does it encourage employees who are different? Creativity requires conditions to emerge. This is a crucial aspect that needs further investigation. Furthermore, in order to manage creativity in organizations it is important not only to enhance creativity, encouraging people to ‘think outside the box’, but also to ‘define the box’, that means understanding the context and constraints. In addition, it is generally recognized that part of an organization’s creativity is embedded in its individual members. Employees with a creative potential usually come up with new ideas that enhance the organization’s ability to grow and compete.

Therefore, investing in human capital is surely one of the keys for organizational success. Indeed, creativity means not just developing employees’ skills to allow them to be creative, but also making sure that they have a proper organizational culture for creativity. Following these considerations, two research gaps emerge in the literature, specifically in Ethiopian business organization case. First, considering the tension between fostering and inhibiting creativity, further research is needed on the specific organizational culture that allows creativity to take place. Second, considering the importance of culture in enhancing employees’ creativity and results, further studies are required to analyze the impact of cultural values on creativity.

The objective of this study is to address these gaps in the literature and, thus, advance research on creativity in organizational contexts. Because creativity is an essential element of an organization and crucial for overcoming challenges such as organizational change, and as little attention has been given to the relationship between culture and creativity, especially from the Anbesa shoe factory, this study will address this gap by looking at the influence of culture on creativity in the Anbesa Shoe Factory setting . Empirical research has examined relationships between certain organizational characteristics and employees' creativity. The rationale is, as pointed out in Shalley and Gilson (2004), that along with certain individual characteristics, creativity also requires some level of internal, sustaining forces that pushes individuals to persevere in faces of challenges inherent to creative work. For the empirical part of this study the following organizational factors are examined as having the potential to affect employees' creativity, such as organizational encouragement, innovation and risk taking orientation, involvement and working place atmosphere. Organizational culture must be able to provide the survival factors of the organization and organizational growth conditions for the globalization. Without an effective organizational culture, creative activities cannot be expected. In fact, creativity is the change and adaptation in intellectual capitals, learning, etc. in the context of changing environments and provides an appropriate background for the creative growth of the culture that has high levels of risk, dynamism, response to the environmental changes, change creation, flexibility and freedom in the organization (Valencia and Jimenez, 2010). Successful organizations are organizations that creativity and innovation are the arrowhead points of their movement. In other words, today's organizations must be dynamic and should have innovative and creative managers and employees in order to comply with changes and respond to community needs. It could be said that innovation and creativity are as keys to the survival and success of organizations in the global economy and the existing increasing competition so that the lack of innovation and creativity is equal to the destruction of the organizations. An organization without creativity and innovation cannot survive and disappears over time (Randall, 2008). Even though the literature on organizational culture and its relationship with employees' creativity is rich and diverse, there are very few empirical studies that actually examined the nature of this relationship in most of Ethiopian business organizations.

For this reason, this study examined, based on empirical research, the link between culture and employees' creativity with special reference to Anbesa shoe factory share company (ASF).

1.2. BACKGROUND OF THE ORGANIZATION

Anbessa Shoe Share Company is the oldest shoe manufacturing enterprise in Ethiopia. The company was established by an Italian expatriate in the 1930s. It obtained a measure of goodwill by the 1950s when it was known by the name DARMAR. It introduced industrial machinery and availed shoes for men, women and children. In the mid 1970s the manufacturing facilities were nationalized by the Derg regime. The company was privatized again in 2012 and purchased by the current owner, Ato Tedla Yizengaw. At the time of privatization, the company had 800 employees and was making significant losses.

Now the company is profitable, has expanded its workforce to over 1,600 and increased production as a result of restructuring, machinery upgrades and improvement in systems and production layout. Anbessa's manufacturing facility is located in Addis Ababa and has about 33 outlets locally. Its main products are leather shoes (casual, military and safety shoes), leather articles (bags, wallets, and belts) and outsole. It serves both the domestic and the export market. Anbessa is a market leader, commanding approximately 65% to 70% of the local shoe retail business. It also contributes significantly to the generation of foreign currency for the country by exporting shoes to different parts of the world like USA, EU, Middle East, Asia, and Africa.

1.3. STATEMENTS OF THE PROBLEMS

Employees' creativity makes an important contribution to organizational survival and development. Hence, the researcher has become increasingly interested in identifying the organizational culture conditions that influence employees' creativity.

In today's highly competitive marketplace, one of the key components of an organization's survival is its ability to generate new ideas or better ways of doing things. It may be the most important tool in a manager's weapon store. It is impossible to escape the reality that organizations must be innovative in order to survive. Domestic and international competition, changing government regulations, and rapidly shifting market conditions demand constant and visionary innovation (Amabile, 1996). Creativity can lead to new and better solutions to business and customer problems. Thus creativity may be the key to organization success and improved operating efficiencies (Jacobs, 1996).

Several researchers have pointed out the importance of culture-creativity relationship and lack of studies. For instance, based on the literature review, McLean (2005) concluded that "the existing literature exploring the relationship between organizational culture and

creativity/innovation is relatively limited and the literature on organizational culture and creativity is not extensive “in local organization like ASF.

Vincent (2004) looked at the role of organizational and environmental factors on creativity and pointed out that “there are only a limited of studies that attempt to understand the role of culture and strategic orientation on creativity”. Therefore, an empirical research investigating the link between organizational culture and creativity capability would be a great contribution to both organizational culture and creativity literatures. This research is carried out in local organization ASF context is expected to bring new insights into better understanding the concept of organizational culture and creativity. The role of organizational culture in creativity has been studied in numerous organizations. However, the scarcity of finding, this role is uncovered or explicit theories that do exist have not been developed and applied in local organizations like ASF. Organizational culture must be able to provide the survival factors of the organization and organizational growth conditions for the globalization. Without an effective organizational culture, creative activities cannot be expected.

Creativity requires conditions to emerge. This is a crucial aspect that needs further investigation. Furthermore, in order to manage creativity in organizations it is important not only to enhance creativity, encouraging people to ‘think outside the box’, but also to ‘define the box’, that means understanding the context and constraints. In addition, it is generally recognized that part of an organization’s creativity is embedded in its individual members. Employees with a creative potential usually come up with new ideas that enhance the organization’s ability to grow and compete. Therefore, investing in human capital is surely one of the keys for organizational success. Indeed, creativity means not just developing employees’ skills to allow them to be creative, but also making sure that they have a proper organizational culture for creativity. Following these considerations, two research gaps emerge in the literature. First, considering the tension between fostering and inhibiting creativity, further research is needed on the specific organizational culture mechanisms that allow creativity to take place. Second, considering the importance of culture in enhancing employees’ creativity and results, further studies are required to analyze the impact of cultural values on creativity.

The objective of this study is to address these gaps in the literature and, thus, advance research on creativity in organizational contexts. Because creativity is an essential element of an organization and crucial for overcoming challenges such as organizational change, and as little attention has been given to the relationship between culture and creativity, especially

from the Anbesa shoe factory perspective, this study will address this gap by looking at the influence of culture on creativity in the ASF setting.

The purpose of this research is to identify how Anbesa shoe factory's culture dimensions are displayed in practice in organizations. The findings will be highly relevant for academics, practitioners and management bodies in understanding how organizational culture can affect employees' creativity.

1.4. RESEARCH QUESTIONS

Little is known about the nature and uniqueness of the ASF culture and its effect on employees' creativity. In view of these limitations, there is an attempt in this study to provide answers to the following research questions:

1. What specific cultural characteristics does Anbesa shoe factory has?
2. What is the level of employees' creativity in ASF?
3. What is the relationship between organizational culture and employees' creativity?
4. Which cultural variables have significant effect on employee's creativity?

1.5. OBJECTIVES OF THE STUDY

In line with the above introduction the following are general and specific objectives:

1.5.1 GENERAL OBJECTIVE

The main objective of this study is to determine the relationship between employees' creativity and organizational cultures ,then investigate to which extent the culture of ASF affects its overall employee's creativity.

1.5.2. SPECIFIC OBJECTIVES

The study specifically attempts to:

1. Identify the characteristics of organizational culture of ASF.
2. Measure the level of Employees' creativity in ASF.
3. Determine the relationship between organizational culture and employees' creativity.
4. Identify which cultural variables has significant effect on employee's creativity.
5. Provide recommendations to decision makers at Anbesa shoes factory s.c based on findings.

1. 6. SIGNIFICANCE OF THE STUDY

Anbesa shoe factory is currently implementing explanation project that will see it become leading shoe manufacturing in Ethiopia .Organizational culture is one of the critical factor that enhance the attainment of organizational goal and objectives .Thus, it seems highly essential that ensuring to have highly creative employees might help Anbesa shoe factory to meet the strategic objectives and goals outlined, Furthermore, this study will have the following significance:

- The study could benefit the case organization by determining which type of organizational culture has highest effect on employees' creativity .This could also lead to improvements in work place to help employees become creative to their jobs.
- Effect of organizational culture on Anbesa shoe factory employees' creativity is not evidently known. Therefore, this study can help the organization to enrich its organizational culture practice and adjust its focus on most important organizational culture type that can bring employees' creativity.
- The study might contribute to the exiting literature though identifying the significant relationship between the selected organizational culture and employee creativity .Moreover, empirically identifying the contribution of organizational culture traits to employee's creativity in Ethiopian context is an important addition for the literature as well.
- Lastly, similar stake holders might use it as input for further study and to investigate more in the area in broader and wider scope

1.7. SCOPE OF THE STUDY

The research has geographic, time and conceptual delimitation. On the geographic delimitation, the case company operates in west of Addis Ababa, Lideta sub city Dar Mar area. The research is conducted on Addis Ababa (Head office) only because of the following reasons:

- First, the majority of the workforce is found at head office and the researcher believes that a representative sample could be drawn from this target population.
- Second, the financial capacity and time constraint on the researcher inhibit the luxury to cover the geographical distance to city and outlying areas.

This study addressed the effect of the current organizational culture practice of Anbesa shoe factory on employees' creativity.

Apart from the geographical and time delimitation, the research has the following points in the conceptual Scope:

- ✓ The study encompasses four selected organizational culture traits which are; Organizational encouragement, innovation and risk taking orientation, involvement and workplace atmosphere. These organizational cultures, which are adapted from Denison, Ambile and Rice model of organizational culture, are selected for the

following reason. First, these traits are expressed in terms of a set of managerial practices. Moreover, the selected traits are designed and created within the business environment and also uses business language. Thus, showing the effect of each organizational trait to employees 'creativity in Ethiopia context is another area addressed by the study.

- ✓ As the issue under investigation, effect of organizational encouragement, innovation and risk taking orientation ,involvement and working place atmosphere on employees 'creativity is strategic matter, the research participants are professional employees in the business and possess a minimum of Certificate in their educational qualification. Moreover, their work experience is greater than one year so as to ensure that they have experienced Anbesa shoe factory organization culture.

The study also encompasses the four key traits or skills of employees creativity such as capturing or preserving new ideas, Challenging or seeking challenges; Broadening or broadening skills and knowledge and surrounding (need to change the social environment and to seek inspiration and stimuli in people and objects that surround them) .These key traits or skills of creativity, which are adapted from (Epstein, 1999) are selected as to measure employees' creativity.

- ✓ Lastly, the study addressed the effect organizational culture, only one factor, on employees' creativity. Thus, it didn't emphasize on the effect of other variables on employees' creativity such as job - related characteristics, work experiences etc.

1.8. OPERATIONAL DEFINITIONS

Culture: is the set of key values, assumptions, beliefs, understandings, and norms that peoples within the same location.

Organizational culture: refers to a system of shared meaning held by members that distinguishes the organization from other organizations.

Creativity; is the mental and social process used to generate ideas, concepts and associations that lead to the exploitation of new idea.

Impact: the extent to which one variable affects the other one positively or negatively.

1.9. ORGANIZATION OF THE STUDY

The research paper consists five chapters. The first chapter deals with background of the study, background of the company, statement of the problem, research questions, objective of the study, significant of the study, scope of the study and organization of the study. The second chapter presents the review of related literatures. The third chapter is all about research design and methodology of the study. Results and discussion are described under chapter four. Finally, chapter five is deals with summary of major findings, conclusions and recommendations.

CHAPTER: TWO

LITERATURE REVIEW

2.1. THEORETICAL REVIEW

2.1.1 INTRODUCTION

Organizational culture is an important factor used to determine how well an employee fits into their organizational context, and it has been asserted that a good fit between the employees and their organization is important (O'Reilly, 1997).

To encourage creativity, organizations need to create a culture that supports and enables the creative thinking of employees (Amabile, 1988). In other words, organizations must try to remove barriers that might impede creativity and enhance the factors that enable creativity. The following review of literature represents an interest in the area of organizational culture and creativity in the workplace. As organization's environments are in a continual state of change, innovation and the ability to creatively adapt to change become key to organizational success. Employees' creativity makes a valuable contribution to the overall organizational performance, effectiveness and continued existence. Factors which may support and/or inhibit creativity such as organizational encouragement, involvement, innovation and risk taking orientation and working place atmosphere are addressed in the succeeding reviews.

2.1.2. ORGANIZATIONAL CULTURE DEFINITION

It is, however, important to have clarity on what is meant by the term organizational culture, if it is to be analyzed and managed (O'Reilly, 1989). According to Hellriegel. (2004), organizational culture is the distinctive pattern of shared assumptions, values and norms that shape the socialization activities, language, symbols, rites and ceremonies of a group of people. This definition emphasizes a number of important aspects of organizational culture, such as shared assumptions, shared values, shared socialization and norms, and shared symbols, language, narratives and practices; and also emphasizes how organizational culture assists employees in being introduced and socialized into the new organization, while concurrently ensuring internal integration. In doing so, organizational culture lets the employees know how to perceive, think and feel when faced with new problems within their new organizational environment. Rowe. (1994) provide a similar definition to Hellriegel (2004), in which organizational culture is defined as the combination of shared values, attitudes, beliefs, rituals, norms, expectations and assumptions of the people within the organization. Rowe. (1994) go on to indicate that corporate rituals provide a way of showing

the beliefs and values of the organization, and therefore define the organizational culture, social interaction, priorities and the way in which employees deal with one another.

Rowe *et al.* (1994) also acknowledge the importance of the socialization process of new employees into the organization. This form of socialization, through organizational rituals, assists employees in understanding and adhering to specific practices and procedures within the organization. Schein (1992) defines organizational culture as ‘a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, which has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems. With regard to this definition, Schein (1992) has a similar view to Rowe. (1994) that socialization plays an important role in what is passed on to new generations of employees. Furthermore, the way in which a new employee learns, and the socialization process to which they are subjected, may reveal deeper assumptions (Schein, 1992). O’Reilly *et al.* (1991) add to the above definitions by stating that organizational culture can be thought of as a set of cognitions that is shared by members of a specific social unit or organization, which includes elements such as fundamental assumptions, values, behavioral norms and expectations. Rowe, (1994) observed that employee’s social needs are met by defining relationships, specifying roles and duties and establishing set standards that are to be adhered to. Deal and Kennedy (1982) have a similar perspective to that of O’Reilly *et al.* (1991) and explain their definition of organizational culture as the ‘integrated pattern of human behavior that includes thought, speech, action and artifacts and depends on man’s capacity for learning and transmitting knowledge to succeeding generations.

The informal cultural elements of an organization can be described as the way things are done around the organization.

2.1.3. DIMENSIONS OF ORGANIZATIONAL CULTURE

Organizational culture can be examined by its different dimensions. Accordingly different researchers and authors have identified different types / dimensions of organizational culture based on their studies. Haccoun (2002), have identified different dimensions which in aggregate capture the essence of organizational culture that could be used to compare culture across organizations. These dimensions are:

- **Innovation and Risk Taking:** characterizes the degree to which employees are encouraged to be innovative and take risks while performing their duties.
- **Organizational Encouragement:** Refers to all organizational support including financial support and mind support or concerning of the value of employees that give contribution to the organization.
- **Involvement (Being Involved in Work):** effective organizations make their employees able, establish their organization on the basis of working groups, and develop the capabilities of their human resources at all levels; thus the members of the organization feel commitment against their work and see themselves as a part of the body of the organization.
- **Working place atmosphere:** Involve a trust and a caring atmosphere in the workplace can also enhance or inhibit employees' creativity

2.1.4. EMPLOYEES' CREATIVITY

Employees' creativity is defined as the production of original and useful ideas concerning products, services, processes and procedures (Zhou and Shalley, 2003). Ideas are considered novel if they are unique relative to other ideas currently available in the organization. Ideas are considered useful if they have the potential for direct or indirect value to the organization, in either the short- or long-term. Given this definition, creativity could range from suggestions for incremental adaptations in procedures to radical, major breakthroughs in the development of new products (Shalley and Oldham, 2004). Understanding of creativity in a workplace is very much needed, and examinations of such have increased in recent years.

The fast pace of change in the world and organizations of today, along with global and internal competition makes creativity essential if individuals are to cope and if organizations are to survive and be successful.

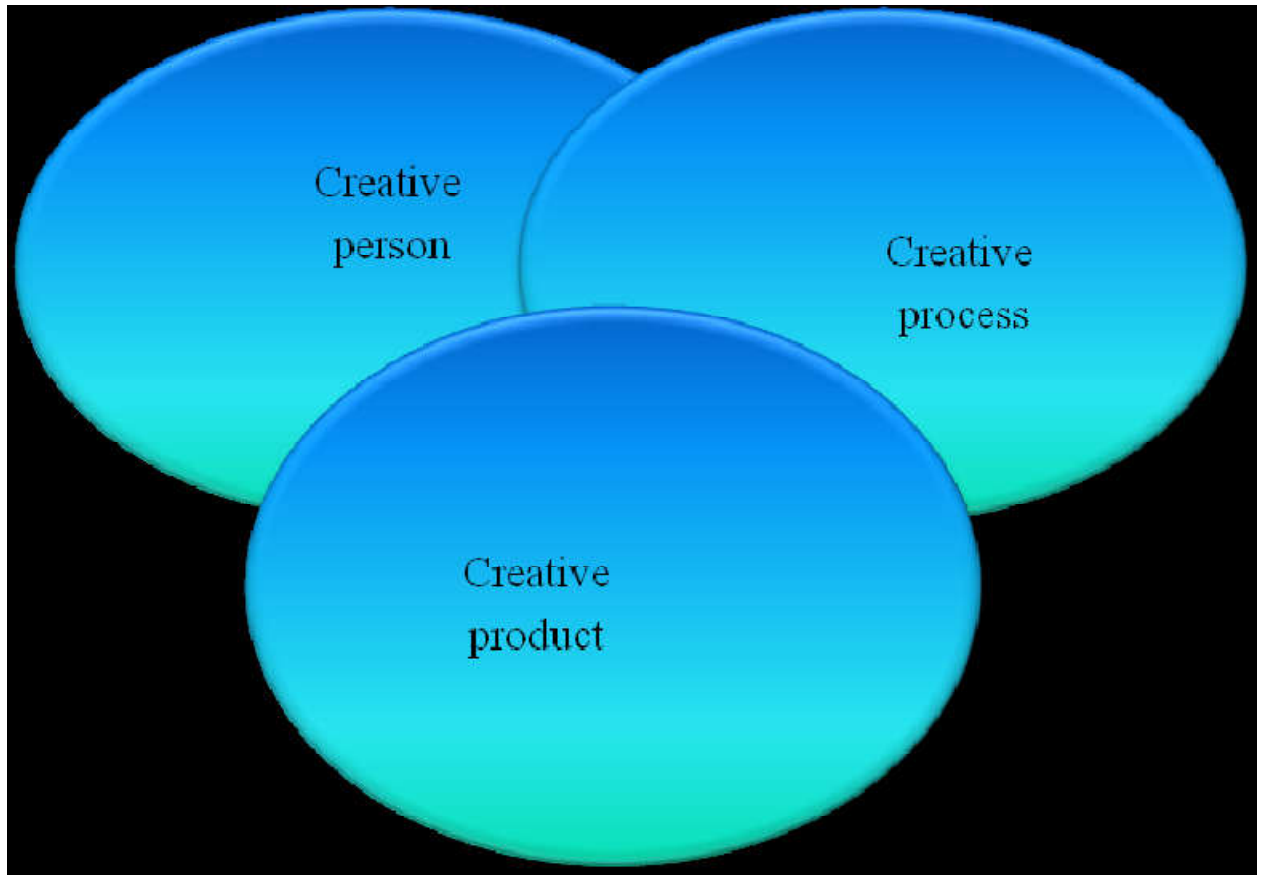
Creativity, as expressed and brought to life through organizations, plays a critical role in society. Whether the organization is a business that is bringing creativity to life through innovative products and services that customers desire, thereby fulfilling customers' needs, creating jobs and contributing to the economy, or whether the organization is the local government using ideas in a creative way to meet the needs of the community, thereby increasing the quality of life, organizational creativity and innovation, such organizations play an integral role in serving all of us. Yet, the majority of the literature on creativity views it as an individualized phenomenon (Sternberg and Lubart, 1999).

The major focus in creativity researches have been on the individual creator and his or her personality, traits, abilities, experiences, and thought processes' (Williams and Yang, 1999). However, it is important to study and understand the context in which the individual creator functions. 'The organizational culture can influence both the level and frequency of creative behavior' (Amabile, 1996)

2.1.5. DEFINING CREATIVITY

Sternberg and Lubart (1999) maintain that 'Creativity is the ability to produce work that is both novel (i.e. original, unexpected) and appropriate (i.e. useful concerning tasks constrains)'. Runco (2007) define creativity as involving the creation of something new and useful. It is evident that definitions of creativity vary from covering personality traits to the creative process or merely the outcomes of the process. Botha (1996) categorized the multitude of definitions derived from the 4P model of Rhodes quoted by Davis. The 4P structure (Person, Process, Product and Press) will serve as a definition classification framework. Davis (1999) states that the creative person is the result of three integrative psychological variables: intelligence, cognitive style and personality. Smith. (1995) elaborates on the latter by defining creativity as the result of a cognitive process resulting in any form or degree of novelty. The cognitive process involves 'individual or social context', 'deliberate or non-intentional', 'goal-defined' dimensions, a 'subjective sense of novelty', 'continuous or discontinuous problem solving', 'dreams' that resemble novelty and 'consciousness', as well as 'conscious' or 'unconscious' activation.

**Figure 2-1 the 4P structure (Person, Process, Product and Press
CreativePress(Environment))**



Source: Adapted from Couger (1995)

2.1.6. THE CREATIVE PERSON

Csikszentmihalyi (1996) distinguishes the creative person in a definition that states that no clear-cut characteristics can be allocated to an individual to declare him or her as someone who is able to create a novelty. The individual is creative on a cognitive level firstly due to his or her 'genetic predisposition for given domain'. A critical component of creativity is, secondly, an 'interest in the domain'. The third component in his definition emphasizes the 'access to the domain'. The role of the individual's immediate social environment is essential in creative thinking. He describes this domain as 'culture capital'. This environment may, for example, be 'interesting books', 'stimulating conversations', 'role models' and 'expectations for educational advancements

2.1.7.. THE CREATIVE PROCESS

Davis (1999) distinguishes the different meanings of the creative process by means of the three different views. The first meaning involves the successive steps, from identifying a problem to the novel solution thereof. Secondly, it shows the expeditious ‘perceptual’ changes that take place when new idea creation occurs in a short time frame. The third meaning encompasses all the techniques that are used when new ideas or solutions are generated. Davis describes the basic process as one that starts with problem recognition, a solving phase and the final solution phase. The creative process as developed by Williams (1999) describes the integration of all variables as shown in Table 2.1; it shows the mental and action-driven requirements needed in each stage in order to develop a new idea, product, service or process.

Table 2-1 The Creative Process

Stages	Requirements
1-Awareness and interest	.Recognition of a problem or situation .Curiosity
2-Preparation	.Openness to experience .Analysis of how the task might be approached .Tolerance of ambiguity .Willingness to redefine concepts .Divergent thought processes (explore many possibilities) .Intuitive ability
3-Incubation	.Imagination .Absorption .Seeking ideas, possible answers and solutions . Independence .Psychological freedom
4-Illumination (insight)	Ability to switch from intuitive to analytical patterns of thought .Eureka! A-ha
5-Verification	.Critical attitude .Analytical ability .Testing

Source: Adapted and integrated from Williams (1999)

2.1.8. THE CREATIVE PRESS (ENVIRONMENT)

The context, in which creativity takes place, or the creativity environment, has attracted a multitude of research interventions. The main focus in defining creativity in an environment context or the creative system approach is on the educational environment.

More contemporary studies focused on the work environment. The majority of these studies assessed factors that contribute to creativity productivity. These variables served as critical components in defining creativity. Amabile, Oldham and Cummings (1996) found evidence (in various stages) that a challenging work environment influenced the creation of new ideas or products positively. The successful interaction and interrelation among the variables, person, product and process appear in a creativity-induced environment. The environment in which an individual finds him/herself actuates the existence of creative behavior and performance.

2.1.9. THE CREATIVE PRODUCT

The result of creative thinking is defined as the novel outcome or product of creativity. The product can be seen as anything new that results from thinking creatively or applying creative techniques that encompass creative thinking. The 'new' may range from ideas to physical and tangible products and intangible services or processes. Creativity and creative thinking as a single construct is a catalyst in the creation of the new. The final result is the occurrence of an innovation (e.g. new product, service or process).

2.1.10. CREATIVITY IN ORGANIZATION

Creativity nowadays forms an important part of organizational life, because rapid changes of the world have affected the operational environment of the organizations in a way that the organizations and their managers have to find novel ways to adapt themselves to the global developments and changes. Therefore, all organizations need new thoughts and novel ideas to protect their existence. New ideas and thoughts are as a spirit in the organization's body and survive it, but compact and tough competitions, tastes and desires of the customers have made the organizational affairs unpredictable. In such a situation, new ideas and ways should be provided in order to maintain the organization's relationship with the customers, maintain the market share, cover the needs and tastes of the customers, achieve an appropriate share of the global market, success in the struggle against clients and so on (Bolanowski, 2008). For this reason, creativity and innovation are known as a new competitive field for product development in organizational and engineers and product designers are expected to be creative, idea generator and innovative in addition to competency and merit . It should be

noted that the complexity of today's business environment forced the organizations to enhance their capabilities in response to environmental changes. On the other hand, social changes, rapid and challenging technologies, and the development of new mission in organizations made the necessity of flexibility and the preparedness to face the new situation inevitable. Therefore, novelty and innovation in organizations should be continued in order to survive and thrive them in the present era. This is because of stagnation and destruction prevention and demands suitable culture. Any organization can enhance its performance and productivity and take forward steps in order to achieve predetermined objectives through reforming its culture and enhancing its employee's and organizational creativity.

2.2. EMPIRICAL REVIEW

2.2.1. ORGANIZATIONAL CULTURE AND EMPLOYEES' CREATIVITY

Regarding organizational culture, there is an agreement in the literature about its importance for creativity (Martins and Terblanche, 2000). Organizational culture can be defined as the values, beliefs and hidden assumptions that organizational members have in common (Denison, 2000). Various research works have been conclusive as to the key role of culture in creativity (Martins and Terblanche, 2003; Mumford, 2000). The main reason is that it can stimulate creative behavior among the members of an organization since it can lead them to accept creativity as a basic value of the organization and can foster commitment to it.

Furthermore, cultural aspects and management behavior are closely related and can be serious impediments to change. According to Tesluk (1997), the basic elements of culture have a twofold effect on creativity from the perspectives of socialization and of coordination. Through socialization, individuals can know whether creative behaviors are part of the path the business treads. At the same time, the business can, through activities, policies and procedures, generate values, which support creativity, and its creative capacity will subsequently improve. According to Poskiene (2006), organizational culture 'refers to the complex set of ideologies, traditions, commitments, and values that are shared throughout the organization and that influence how the organization conducts its whole performance becoming a potential source of innovation, advance and advantage'. As such, inevitably 'it is not the values individuals bring to the organization that count, but the values the organization brings to the individual'. All in all, the author claims the relationship between creativity and culture is not necessarily proved by empirical research as it contains too many variables which simply cannot be expressed, measured or perceived. Martins and Terblanche (2003)

convey that successful organizations blend an emphasis on creativity into their management processes and overall culture in two primary ways.

First, via the socialization processes present within an organization whereby individuals learn the existing organizational norms and whether or not creativity serves as one of those norms.

Secondly, since an organization's basic values, assumptions and beliefs are exposed by the structures, policies, and management practices and procedures, they are linked to the levels of creativity in the workplace. In this line, Ahmed (1998) contends that culture is the primary determinant of the level of creative activity within a company but while many companies discuss creativity, far fewer actually implement it. To a large extent, many companies are averse to the risks involved with creativity. Nonetheless, Angel (2006) remarks that firms must 'innovate or die' and despite being difficult to implement, creativity remains a critical success factor. While risks do exist in the implementation of a creativity culture, they are mainly short term and cost based, but also brings about the potential for opportunities which may offset such risks (Ahmed, 1998). Furthermore, there is no guarantee that implementing a creative culture will lead to effective creativity, but nonetheless the presence of a creativity culture is necessary to ensure that innovation is at all possible. Creativity serves as a dynamic capability and is born out of an organization's ability, referred to as the ability to explore and exploit as well as increase variance at the same time (Hitt., 2005). Research carried out by Poskiene (2006) indicates that a strong and deeply-rooted organizational culture is a primary factor in allowing for sustained creativity. The author argues that a strong culture will probably only lead to diminished ability to be creative if that culture inspires uniformity, which limits individual creativity within the organization.

Kenny and Reedy (2007) argue that a 'creativity organizational culture is one in which continuous improvement throughout the organization is the norm. Creativity is not only derived from a small number of employees who perform a specific task (such as research and development), but it is a philosophy that is embedded throughout the organization and is present among all employees (at least to some degree). Isidre (2009) define a creative culture as a 'way of thinking and behaving that creates, develops, and establishes values and attitudes within an organization, even though such changes may mean a conflict with conventional and traditional behavior'. This definition suggests four attitudes to be met in order to create a successful creativity culture: willingness among corporate managers to take risks, widespread participation among members of the organization, stimulating creativity and shared responsibility. Moreover, Despard. (1993) propose that long-run competitiveness requests a

unified culture that values creativity. This prediction is probably due to the idea that the culture of an organization impacts the degree to which creative solutions to questions or problems are encouraged, supported and implemented (Kenny and Reedy, 2007). Thus, if an organization is unable to produce creative solutions to problems then that firm's chances for long-term survival and success are likely to be limited. The significance of organizational culture is becoming so high that it has taken on nearly equal status to that of strategy, structure and control. In terms of creativity culture, there exist two primary stages to the creative process: development and implementation. The first stage of development includes risk taking, searching for alternatives, and discovery. The second stage, implementation, entails testing, refining and implementing. Read (1996) concludes in his literature review that the most important determinant of a beneficial creativity culture is the management's attitudes towards creativity. Managers who support creativity and a creative corporate culture build organizations with stronger overall creativity cultures. This view is supported by Martins and Terblanche (2003) and O'Reilly (1997). Furthermore, O'Reilly (1989) contends that shared cultural norms determine the level and success of a firm's creativity culture, but that those norms need not be substantial in total numbers. He argues that firms such as Wal-Mart, Toyota or Hewlett Packard hold a strong creativity culture which is underpinned by only a few shared values. However, the intensity of those shared values is exceedingly strong, and so is the firm belief in a few shared values which can create the appropriate organizational and creativity culture for a firm. Leadership and top management support towards a creative culture is also crucial, as remarked by several authors.

Schein (1992) sustains that it is the firm's leadership and their actions that promote a creative culture, a view also supported by Tierney. (1999) maintain that senior managers play a crucial role in building an effective and sustainable creativity culture. Particularly in terms of developing new products (a capability provided by a proper creative culture) the role of senior managers includes four primary areas: leadership, responsibility, flexibility and employee empowerment. A properly implemented and maintained creativity culture ought to allow senior managers to excel in the aforementioned areas and allow the firm itself to compete effectively by blending the present consumer needs in the market simultaneously with process innovations that provide firms the capability to meet those consumer needs. Unfortunately there is no uniform single agreement among academic literature on the type of organizational culture needed to foster creativity. Moreover, an inconsistent relationship

exists between culture and creativity as organizational culture can be a driver for, or impediment to, creativity (Kenny and Reedy, 2007).

For instance, a strong organizational culture can lay the foundation for an innovative organization but may also serve to stifle creativity and discourage the interactions among employees which are vital to the innovative process. Thus, Kenny and Reedy (2007) maintain that the creative capabilities of an organization are determined by the way in which an organization's culture is both created and implemented. Successful organizations are organizations that creativity and innovation are the arrowhead points of their movement. In other words, today's organizations must be dynamic and should have innovative and creative managers and employees in order to comply with changes and respond to community needs.

It could be said that innovation and creativity are as keys to the survival and success of organizations in the global economy and the existing increasing competition so that the lack of innovation and creativity is equal to the destruction of the organizations. An organization without creativity and innovation cannot survive and disappears over time (Randall, 2008). As O'Reilly (1997) further point out, successful organizations have the capacity to absorb innovation into the organizational culture and management processes. Thus organizational culture lies at the heart of organizational innovation. Kenny and Reedy (2007) emphasize that organizational culture affects the extent to which creative solutions are encouraged, supported and implemented. Terblanche (2003) put forward that a culture supportive of creativity encourages innovative ways of representing problems and finding solutions. They explain that unlike operations where the activities are formalized and pre-specified, innovation is a non-routine activity where there is a fair amount of uncertainty around the tasks to be performed. Organizational culture must be able to provide the survival factors of the organization and organizational growth conditions for the globalization. Without an effective organizational culture, creative activities cannot be expected. For the empirical part of this study the following organizational factors are examined as having the potential to affect employees' creativity: (1) organizational encouragement, (2) Innovation and risk taking orientation (3) Involvement (4) Working place atmosphere.

2.2.2. ORGANIZATIONAL ENCOURAGEMENT AND CREATIVITY

The first of the components to be examined is organizational encouragement of the generation and development of new ideas. This feature of the environment is made up of four key factors that enhance an organization's ability to promote an environment that supports creativity (Amabile, 1996). The first of these aspects is the encouragement of risk taking and idea generation. This variable is driven by the value that managements place on creativity and innovation (Amabile, 1996).

Research examining this contextual influence has demonstrated that people are more likely to deviate from routine problem solving if an encouragement to take risks is supported in certain situations or by the explicit instructions of management (Amabile, 1988; Gilson and Shalley, 2004). The provision of the fair and supportive evaluation of ideas is the second feature of organizational encouragement (Amabile, 1996). It has been suggested in research that the expectation of external, highly critical evaluation of creative accomplishment can have negative consequences for creativity (Amabile, 1979). This result of these types of evaluations adversely affecting creative motivation, as employees are reluctant to take risks because they may be negatively evaluated (Pervaiz, 1998). Studies have shown that managements need to provide supportive and informative evaluation that taps into the intrinsic motivation of people to positively influence their creative output (Sundgren *et al.*, 2005). Reward and recognition of creativity is the third component of organizational encouragement. It has been shown in a number of empirical studies that engaging in an activity to gain only the contracted extrinsic rewards can potentially inhibit creativity from occurring (Amabile, 1988). On the other hand, it has been found that creativity can be enhanced by providing intrinsic rewards that are perceived as a bonus, a confirmation of one's creative work and performance accomplishments, or a method of enabling an individual to engage in better, more interesting work in the future (Anonymous, 2001). This theory of the influences of intrinsic and extrinsic rewards on creativity is reiterated in a study that found employees stating 'It's the money that brings me to work, but it's not money that gets the best work out of me' (Morris, 2005). Collaborative ideas flow across an organization; participative management and decision making are the final aspects that are seen to have an impact on organizational creativity (Amabile, 1996). Research evidence suggests that the ability of an organization to exchange information within its environment is an important contextual variable. The underlying idea of this variable is that being exposed to potentially

relevant ideas and information from across the organization increases the probability that creativity will also increase (Amabile, 1996;)

2.2.3. INNOVATION AND RISK TAKING ORIENTATION AND CREATIVITY

Characterizes the degree to which employees are encouraged to be innovative and take risks while performing their duties. Risk taking orientation, for the purpose of this study, is conceived as one characteristic of an organizational context that encourages attitudes of the type of doing things in a different way. It is generally held that a certain degree of risk taking is essential in order to explore and produce creative ideas.

Dewett (2006) argues that creative behavior requires an employee to be willing to engage risk, and aside from the discussion of risk propensity as an individual difference, he developed and tested a new situational variable: willingness to take risks (WTR), emphasizing the “knowledge-doing gap” in organizations, as a void where no action is taken based on acquired knowledge due to the salience of risk, and where a vital prescription for success is to drive out fear from the organization. As Shalley (2004) states, creativity inherently involves risks and it is inherent in a process of trial and error, where failure is something that will happen continuously along with success. If an employee is risk averse, then it’s more common for him to engage in routine tasks better than in creative ones. Creativity is considered to involve risk taking, pressure, stimulation and challenges.

Building upon the research by Amabile (1988), hypothesized that individual creative performance would be enhanced by a risk-taking context and according to Roth well analysis, there are nine cultural factors that affect the adoption of a new idea; particularly, factors such as risk taking and long-term orientation can have a direct effect on creativity. If leaders value and want employees to be creative, a critical contextual factor they need to attend to is fostering an environment where risk taking is encouraged and uncertainty is not avoided (Shalley, 2004).Dewett (2007) points out that people vary in their propensity towards risk, with some people being more motivated to avoid failure than to achieve success.

2.2.4. INVOLVEMENT (BEING INVOLVED IN WORK) AND CREATIVITY

Effective organizations make their employees able, establish their organization on the basis of working groups, and develop the capabilities of their human resources at all levels; thus the members of the organization feel commitment against their work and see themselves as a part of the body of the organization. At all levels, the individuals feel that they are involved

in decision makings and these decisions are effective in their work, and their work is directly tied with the organizational goals. According to a Korean CEO, more involvement in work means being completely involved by heart and mind. In this model, the mentioned characteristic is measured in this model by measuring three indexes:

- **Empowerment:** the individuals have the needed authority, initiative, and ability to administer their work. This makes them feel the sense of ownership and responsibility in organization.
- **Team orientation:** team works in order to fulfill the common goals are highly appreciated in the organization, so that like the managers, the employees feel that they are responsible for their work. These organizations rely on the groups for doing the works.
- **Capability development:** in order to supply their needs and survive in the completion arena, the organizations develop the skills of their employees continually.

2.2.5. WORKG PLACE ATMOSPHERE AND CREATIVITY

Finally, organizational contexts that involve a trust and a caring atmosphere in the workplace can also enhance or inhibit employees' creativity. Wheatley (1999) explains positive affect in terms of the energy that flows through an organization via healthy relationships: relationships where people listen and speak honestly to one another, work well with diverse members, are trusted with information, and honor collaborative efforts. In such environments, positive energy results in increased productivity, personal satisfaction, and creativity.

2.2.6 MEASURING EMPLOYEES' CREATIVITY

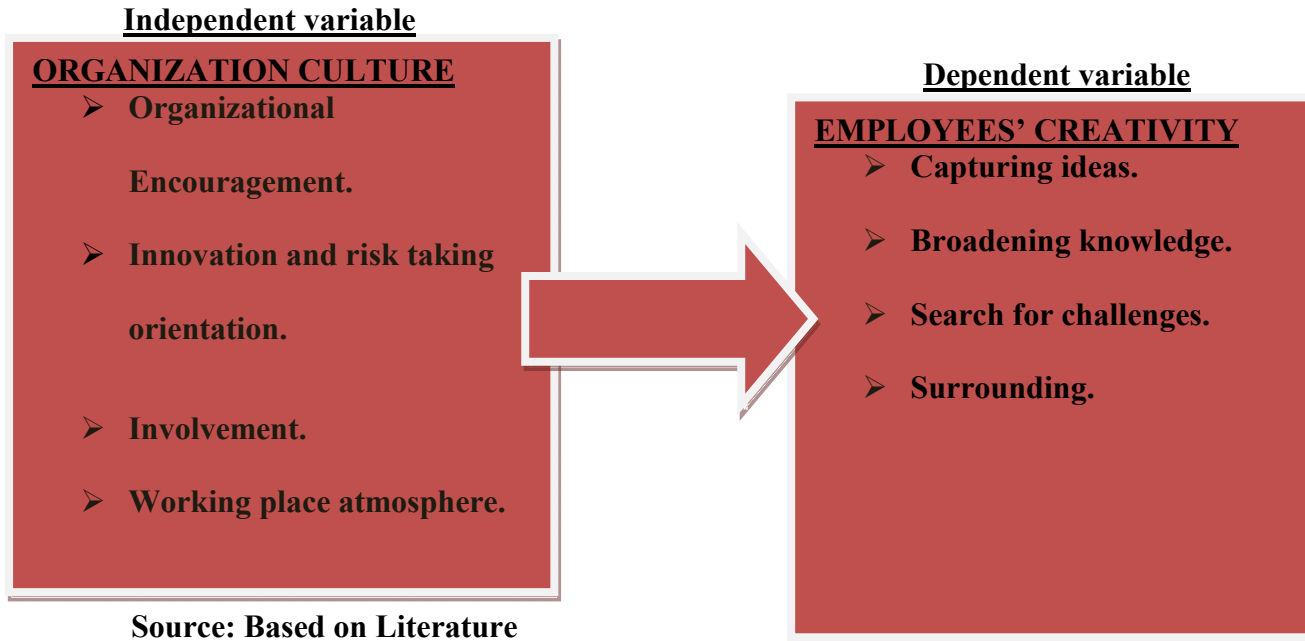
Employees' creativity is defined as the production of original and useful ideas concerning products, services, processes and procedures. Creativity is one of the hottest terms in the business world. Especially with regard to the globalization process and the very rapid development of the modern technology, creativity is now the most effective way of survival and competition in the global markets for the companies. Creativity is the ability to think in new and unusual ways and to come to exclusive and original solutions for the problems. Indeed the creativity is the interaction of the talent, process, and environment, through which the person or group produces an understandable product that is both new and useful for its targeted society. The four key traits or skills are Capturing, Challenging, Broadening and Surrounding. (Epstein, 1999). Capturing or preserving new ideas is described as the skill to capture new ideas and record them any time and any place. Challenging or seeking challenges is the search for new and unfamiliar tasks or activities, which go beyond current skills and knowledge, searching for tasks that will stimulate thinking in an effort to find new

and creative solutions. For this feature it is very important to overcome failure by reducing the inner fear of failure. Broadening or broadening skills and knowledge is described as the need for expanding knowledge through training and education in informal programs. The trait of surrounding is described by the need to change the social environment and to seek inspiration and stimuli in people and objects that surround them. Epstein (1999) developed a predictive questionnaire, which determined the individual's skill to express creativity.

2.2.7. CONCEPTUAL FRAMEWORK

Conceptual frameworks of the study have independent variables which are organizational culture and dependent variable employees' creativity

Figure 2.2 Conceptual Frameworks Organizational Cultures And Employees' Creativity.



2.2.8 RESEARCH HYPOTHESIS

Based on the literature review and the hypothesized connections presented in the conceptual framework the following hypotheses were tested:

1. There is significant and positive relation between involvement and employees' creativity
2. There is significant and positive relation between working place atmosphere and employees' creativity
3. There is significant and positive relation between Organizational encouragement and employees' creativity,
4. There is significant and positive relation between innovation and risk taking orientation and employees' creativity

CHAPTER- THREE

RESEARCH DESIGN AND METHODOLOGY

3.1. RESEARCH DESIGN

As Lewis and Thronhill (2009), explained studies are classified by three according to their purpose i.e. exploratory study, descriptive study and explanatory study. Among these, the research used explanatory design because it emphasizes on discovering relationship between organizational culture and employees' creativity.

3.2. RESEARCH APPROACH

Researcher might adopt mixed methods approach where both quantitative and qualitative data collection techniques and analytical procedures are used in same research design (Lewis, and Thorn hill, 2009).The data collection method has been quantitative in nature. The quantitative method has been used to collect quantitative data using self-administered questionnaire. Primary and secondary data's has been used to support and study. The primary data has been collected from pre organized self-administered questionnaires and the secondary data has been obtained from *the document* of the organization under study, internet and the organization's website, etc.

3.3. POPULATION AND SAMPLING TECHNIQUES

The total population of this research was the employees and management staffs with in main office of the organization. The number of the total population who are currently working in the organization at head office is 930. This study sampling method is based on the probability sampling which is the simple random sampling approach. In this method of sampling, each individual has an equal chance of being selected. This sampling's advantage is its probability to produce a representative sample. Also, this method is easy to conduct as the time is constraint for the research and less costly compare to other sampling methods.

To draw the sample size from the total population, the following Taro Yamane (1967) sampling formula, which is appropriate for small size population has been employed.

$$n = \frac{N}{1 + N(e)^2}$$

Where,

n= Sample Size

N= Total Population Size and,

e= the standard error with 93% confidence level and P = ±7% are assumed.

$$n = \frac{930}{1+930(0.07)^2}$$

$$n=167$$

Even though the formula the researcher used in order to determine sample size suggested that the researcher should distribute 167 questionnaires, in order to make the data or the findings more reliable the researcher accounted for unreturned questionnaires and distributed 187. From them 30 were not collected and 15 were not valid and the study consider them as missing value of the study. So the researcher used 142 questionnaires which are almost 85% of the planned sample size. A total of 142 questionnaires were distributed to the samples selected from four different departments in ASF. This helps to better analyze the data as they may have different perspective of organizational culture and creativity.

3.4. DATA TYPES AND SOURCES

3.4.1. PRIMARY DATA

Primary data was collected from employees and managers through questionnaires distributed to employees' of Anbesa shoe factory s.c.

3.4.2 SECONDARY DATA

Secondary data was obtained by analyzing the data obtained from different secondary sources of documents about ASF. *i.e.* document of the organization under study, internet and the organization's website, etc. This study chooses all these materials because these data are available and contain adequate information about the study area.

3.5. DATA COLLECTION METHOD

Moreover the data collection modes are different for different researches. Some researchers require observation; others may rely on surveys, or secondary data. The Data collection was occurred after the confirmation of the sampling criteria. In this study, the researcher used a single type of data collection techniques. Therefore, the researcher designed to use quantitative data collection techniques. Accordingly, to obtain sufficient information from the selected sources, data were collected through questionnaires. In line with this, questionnaires were designed and distributed to concerned study units.

3.6. MEASUREMENT

This stream of research has developed a validated method of measurement based on four cultural traits of an organization derived from Denison (1995). Four basic dimensions or conceptual domains appear to be in this study's questionnaire in order to measure the organizational culture of ASF. First, Organizational Encouragement referring to all organizational support including financial support and moral support or concerning of the value of employees that give contribution to the organization. Second Involvement (Being Involved in Work) was measured in order to examine whether the organization make employees able, establish their organization on the basis of working groups, and develop the capabilities of their human resources at all levels; thus the members of the organization feel commitment against their work and see themselves as a part of the body of the organization. Third is another significant component which is innovation and risk taking: characterizes the degree to which employees are encouraged to be innovative and take risks while performing their duties. Working place atmosphere is fourth dimension that involves a trust and a caring atmosphere in the workplace can also enhance or inhibit employees' creativity. Five point Likert scale questions ranging from **1-5** (strongly disagree to strongly agree) was used. The four key traits or skills of creativity are Capturing, Challenging, Broadening and Surrounding (Epstein, 1999). Capturing or preserving new ideas is described as the skill to capture new ideas and record them any time and any place. Challenging or seeking challenges is the search for new and unfamiliar tasks or activities, which go beyond current skills and knowledge, searching for tasks that will stimulate thinking in an effort to find new and creative solutions. For this feature it is very important to overcome failure by reducing the inner fear of failure. Broadening or broadening skills and knowledge is described as the need for expanding knowledge through training and education in informal programs. The trait of surrounding is described by the need to change the social environment and to seek inspiration and stimuli in people and objects that surround them. Epstein (1999) developed a predictive questionnaire, which determined the individual's skill to express creativity. In the basic version of the questionnaire, Epstein (1999) presented four skills that are manifested in behavior. Employees' creativity was measured using five point Likert items, ranging from 1=strongly disagree to 5=strongly agree.

3.7. DATA ANALYSIS AND PRESENTATION

The data analysis was made by using both descriptive and statistical regression. Descriptive statistics such as percentages, means and standard deviations were used to summarize and present the data. Also, tables were used to increase understanding and facilitate easy comparison of the data collected from the survey. With regard to statistical regression (particularly multiple regression) was used to examine the significance contribution of each independent variable to the dependent variable; Employees' creativity. Lastly major findings were interpreted based on the result. Pearson Coefficient of Correlation was also used as a measure of finding correlation between the two variables.

3.8. VALIDITY

Validity is the most critical criterion and indicates the degree to which an instrument measures what it is supposed to measure. In this research content, the researcher has used questionnaires that their validity and reliability are checked and are modified according to literatures within the specific topic. Also an approval from advisor and other consultants was applied in order to increase the face/content validity.

3.9. RELIABILITY

To ensure the reliability of the instrument in this case of study and the researcher has tested the reliability using Cronbach's Alpha (α). Cronbach's Coefficient (α) is calculated to estimate the internal consistency of reliability of a measurement scale. Cronbach's Coefficient is a reasonable indicator of the internal consistency of instruments that do not have right or wrong marking schemes, thus can be used for questionnaires using scales such as rating . For this particular study, the questionnaires Likert scale items reliability was checked by Cronbach's - alpha coefficient with the help of SPSS software and as shown below in table 3.1

TABLE 3.1 RELIABILITY STATICS

Variables	No. of Items	Crobach's score
Organizational encouragements	3	0.823
Innovation and risk taking	3	0.799
Involvement	3	0.805
Working place atmosphere	3	0.953
All Organizational culture variables	12	0.835
Employee' creativity	12	0.813

TABLE 3.2 RELIABILITY SCORE FOR ALL ITEMS

Cronbach's Alpha	No. of items
0.874	24

Source; Survey data (2017)

Cronbach's alpha coefficients should fall within a range of 0.70 to 1.00. (Pallant, 2005) and as shown in the table the result has fall in between.

3.9. Ethical Considerations

Ethical consideration was among the main consideration of research. Before the data collection process all the necessary information on the purpose of the study ,voluntary participant confidentiality of information were make known and participate as well as researcher liability on any harm happened to the respondents because of their participation.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

4.1 INTRODUCTION

This chapter presents the data analysis and discussion of the research findings obtained from data collected from the survey questionnaire. Responses for the measures on the questionnaire are summarized and presented using tables to facilitate easy understanding.

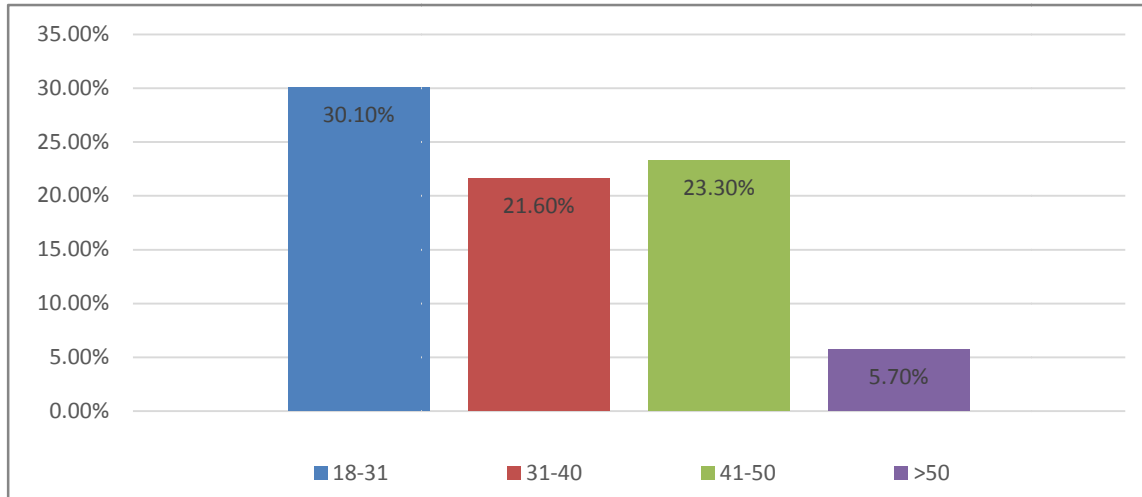
The demographic profiles of the study sample have been described using descriptive statistics and also different inferential statistics were employed in order to analyze data obtained from the survey. Accordingly, standard multiple regressions were used to test hypothesis and achieve the study objective that focuses on identifying an organizational culture trait with higher contribution to the dependent variable. Furthermore, Pearson correlation coefficient and Cronbach's Alpha coefficient were used to test goodness and internal consistency of the measure. . Furthermore, Pearson correlation coefficient and Cronbach's Alpha coefficient were used to test goodness and internal consistency of the measure. Even though the formula the researcher used in order to determine sample size suggested that the researcher should distribute 167 questionnaires, in order to make the data or the findings more reliable the researcher accounted for unreturned questionnaires and distributed 187. From them 30 were not collected and 15 were not valid and the study consider them as missing value of the study. So the researcher used 142 questionnaires which are almost 85% of the planned sample size.

4.2 DESCRIPTIVE ANALYSIS

4.2.1 Demographic Profile of Respondents

This section summarizes the demographic characteristics of the sample, which includes age of the respondent, gender, education level, work experience and working department. The purpose of the demographic analysis in this research is to describe the characteristics of the sample such as the proportion of males and females in the sample, range of age, education level and working department, so that the analysis could be more meaningful for reader.

4.2.1.1: Age of Respondents



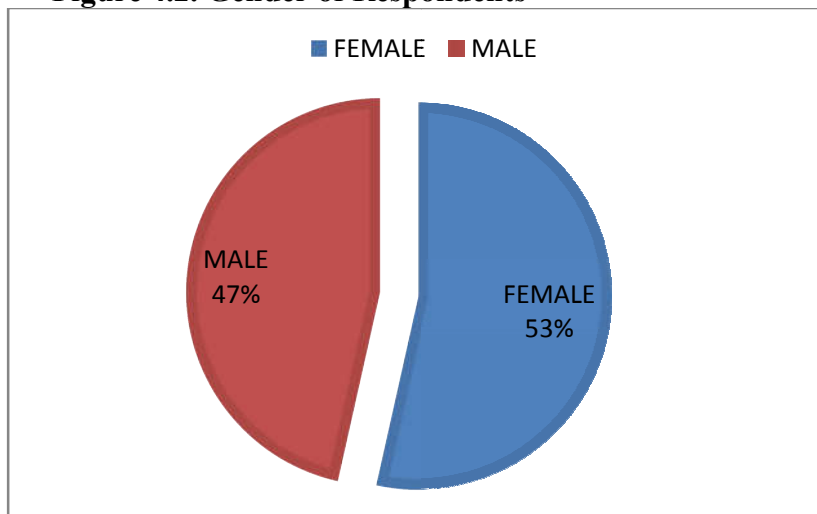
Source: survey data, 2017

Figure 4.1

show that 30.1% respondents are between ages 18-31, 21.6% are age between 31-40, and 23.3% are age between 41-50 and 5.7% are age above 50 years. Hence many of respondents (64.1%) are within production age which has high value for the organization.

4.2.1.2: Gender of Respondents

Figure 4.2. Gender of Respondents



Source: survey data, 2017

From the total respondent's male group respondent accounts for 66 out of 142 which is 47.5% and female respondents are 76 (53.5%). From this we can reveal that more than half of the respondents are female.

4.2.2.3.Respondents Working Department

Figure4.3. Respondents Working Department

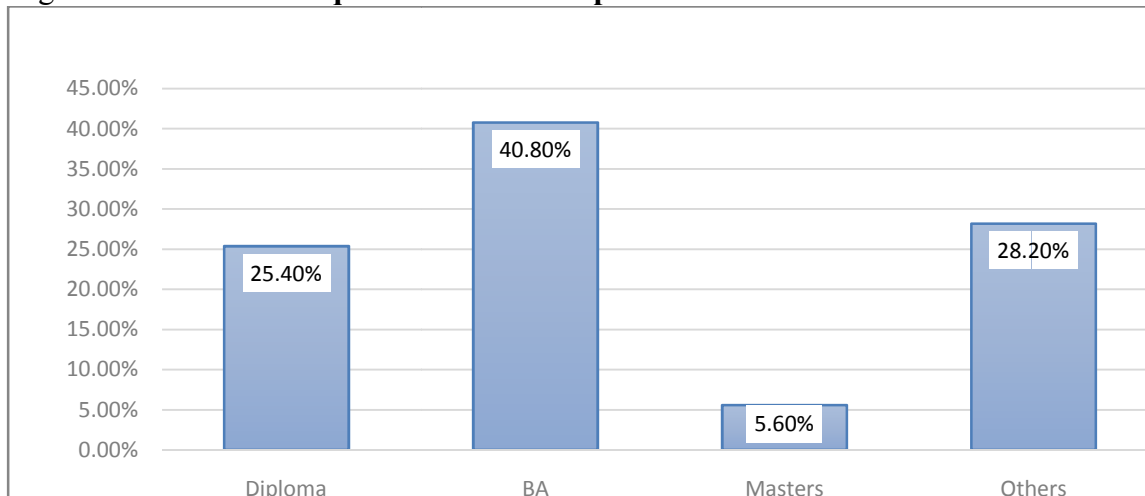


Source: Survey data, 2017

From the study we can understand that 38 percent of the respondents were from marketing department while 21.8 percent is working in production department. Purchasing and quality & design department covers 20.4 and 19.7 percent respectively.

4.2.1.4 Educational qualifications of respondents

Figure4.4. Educational qualifications of respondents

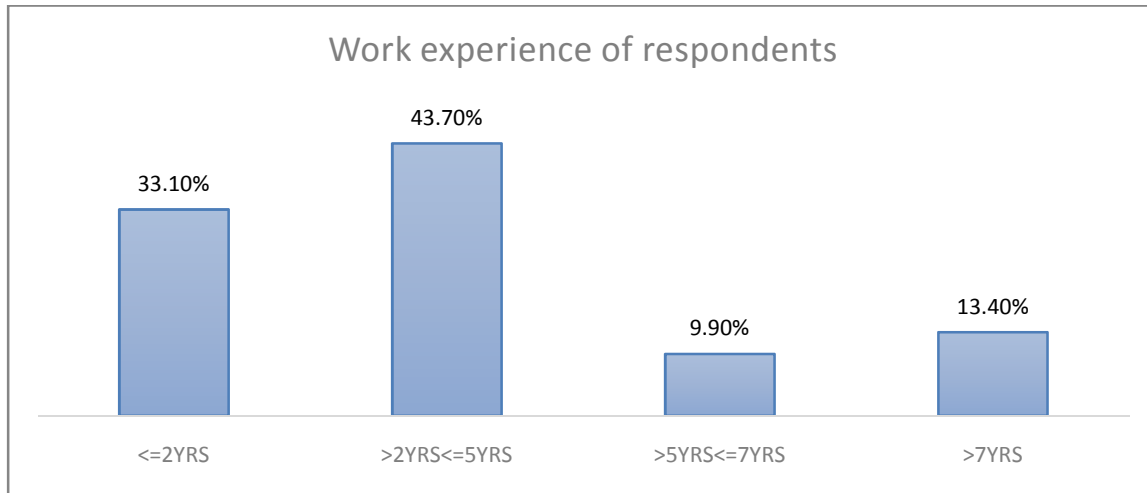


Source: survey data, 2017

When we come to educational qualification of the respondents, we can understand that 25.4% of them are Diploma holders while 40.8% are Degree holders. Those who have Masters are 5.6 percent while the rest 28.2 percent fall into the others category. This fact is explained by the figure above.

4.2.1.5. Work experience of respondents

Figure 4.5. Work experience of respondents



Source: survey data, 2017

Coming to respondents job experience around 33.1% of the respondents have work experience of less than or equals to two years. Most of the respondents have work experience of two to five years, 43.7%, which implies ASF has more senior staffs. Staffs with more than five years experience accounted 23.3% of the organization. The detail figures and proportion is put in Figure 4.5.

4.2.2. DESCRIPTIVE ANALYSIS OF ORGANIZATIONAL CULTURE MEASURES

There are four variables identified as dimensions of organizational culture that affect the creativity of employees' in ASF; after critical literatures reviewed under chapter two. These variables are organizational encouragement, innovations and risk taking orientation, involvement, and working place atmosphere. The preceding paragraphs describe every question with their statistical values.

After then the three dimensions of the dependent variable will be discussed at last ordering of the independent variable according to their mean value will be done in order to identify which variable of organizational culture affect organizational creativity more.

Table 4.1 Descriptive Statistics for organizational encouragement

Variables	N	Minimum	Maximum	Mean	Std. Deviation
Employees are encouraged to experiment with new ideas and senior managers provide the support needed for employees to try things out.	142	1	5	4.11	1.124
Employees are encouraged to Solve Problems creatively in this organization.	142	1	5	3.31	.916
Our organization rewards employees who contribute new ideas.	142	1	5	3.28	.985
Grand Mean				3.6	
Valid N (list wise)	142				

Source: survey data, 2017

As shown in the table 4.1 the mean statistics of the questions under organizational encouragement is greater than three which is the average this is due to the repetitive response for values four and five. So the respondents are believe ASF has an organizational culture that encourages creativity through fair, constructive judgment of ideas; reward and recognition for creative work; mechanisms for developing new ideas and an active flow of ideas .

Table 4.2 Descriptive Statistics for Innovation and risk taking orientation in ASF

Variables	N	Minimum	Maximum	Mean	Std. Deviation
Thinking up new ideas and being creative is acceptable in this organization by all members.	142	1	5	2.94	1.103
Top management does not want to take risks in my organization	142	1.00	5.00	3.0634	1.04654
Employees are encouraged to take risk in this organization	142	1.00	5.00	3.0845	1.04842
Grand Mean				3.3	
Valid N (list wise)	142				

Source: survey data, 2017

We can see from table 4.2 that the mean for the respondents are 2.94, 3.0634 and 3.0845. From this we can understand that employees' opinions are skewed to neutral.

These response show employees of ASF are more of indifferent in the concept that AS encouraged employees to be innovative and take risks while performing their duties.

Table 4.3 Descriptive Statistics for Involvement

Variables	N	Minimum	Maximum	Mean	Std. Deviation
The management style in this organization characterized by team work, consensus and participate.	142	1.00	5.00	2.9366	1.10585
Employees of the organization are empowered with real responsibility.	142	1.00	5.00	3.0352	1.06799
This organization continuously invests in the development of employees 'skill to initiate their creativity.	142	1.00	5.00	3.1127	1.05251
Grand Mean				3.03	
Valid N (list wise)	142				

Source: survey data, 2017

We can understand from the table below (table 4.3) that all the means from the respondent's answers are concentrated to the mean value three. Again here ASF employees are more of indifferent in the involvement culture of employees in the creativity of the organization as a whole.

Table 4.4 Descriptive Statistics for working place atmosphere

Variables	N	Minimum	Maximum	Mean	Std. Deviation
There is truly an atmosphere of fun and playfulness at my workplace	142	1.00	5.00	3.8873	1.10510
In my organization, there is an atmosphere of caring about building up employees' skills and expertise.	142	1.00	5.00	3.7254	1.14943
The members of my workgroup feel a strong sense of commitment to working for our organization	142	1.00	5.00	4.0423	1.23698
Grand Mean				3.885	
Valid N (list wise)	142				

Source: survey data, 2017

Here on table 4.4 which is the descriptive statistics for working place atmosphere, we can see that more of the respondents answers fall on more than average the average; for this matter the grand mean of the questions is found out to be 3.885. This implies most of ASF employees

believe Involvement a trust and a caring atmosphere in the workplace can also enhance or inhibit employees' creativity. This indicates that employees give more value and agree with the measure of working place atmosphere. This implies the majority of respondents agree that the organization has a good working place atmosphere that encourages creativity in the organization.

4.2.3. Descriptive Analysis on Employees' creativity Measures

Now the below table 4.5 discusses the mean value of employee creativity regarding capturing ideas, search for challenges, broadening knowledge and surrounding.

Table 4.5: Employees' creativity

Employee creativity					
Variables	N	Minimum	Maximum	Mean	Std. Deviation
Employees' creativity regarding capturing ideas					
I set aside time every day to think of new ideas	142	1.00	5.00	3.3803	1.02267
I sometimes use my day dreams as source of new ideas	142	1.00	5.00	3.0141	1.04499
I always record my new ideas as they occur to me.	142	1.00	5.00	2.7817	.93866
Grand Mean				3.06	
Employees' creativity regarding search for challenges					
When I set goals for myself, I make sure they're attainable.	142	1.00	5.00	2.8803	.93386
I like to work on difficult problems.	142	1.00	5.00	2.9366	1.10585
I am not afraid of failure.	142	1.00	5.00	3.0352	1.06799
Grand Mean				2.95	
Employees' creativity regarding broadening knowledge					
I regularly read magazines or other material in a wide variety of subject areas.	142	1.00	5.00	3.1127	1.05251
I often read books on topics outside my specialty.	142	1.00	5.00	3.5845	.96934
It's important to me to continue my education throughout my life.	142	1.00	5.00	4.0282	1.22587
Grand Mean				3.58	
Employees' creativity regarding surrounding					
I Sometimes place unusual or novel items in my work	142	1.00	5.00	3.6268	.93482

environment to stimulate my thinking.					
I sometimes seek out unusual combinations of people to help stimulate my thinking.	142	1.00	5.00	3.5493	.94214
I redecorate my work environment regularly.	142	1.00	5.00	4.0563	1.12215
Grand Mean				3.74	
Valid N (list wise)	142				

Source: survey data, 2017

As can be seen from the above table except the variable “employees’ creativity regarding search for challenges” the other rest have a grand mean value of greater than three. This reveals more of responses collected are skewed to agree and strongly agree; so in turn guarantee there is more employee creativity.

The implication of the mean score is that relatively employees are near to neutral regarding capturing of ideas and the organization is not properly working on the building capacity of capturing of ideas .As creativity begin with idea capturing, the organization should give staff time to work on ideas and invest on idea generation.

According to their mean value we can rank organizational culture dimensions (organizational encouragement, innovations and risk taking orientation, involvement, and work place atmosphere) by summarizing their mean as indicated in the table below. However as per the question the employees gives to choose which variable affects their creativity more is Involvement is the first variable which is chosen by 59 respondents and working place environment as second chosen by 42 employees following by organizational encouragement 29 counts and the last is innovation and risk taking which is elected by 12 respondents. This finding is different from the mean ranking. We will refer the finding of the multiple regression result as the most robust result and dependable one. As it is stated earlier in the first cheaper, this study aims to identify the most contributing independent variable in the prediction of dependant variable. Thus the strength of each predictor (independent variables) influence on criterion (dependent) variable can be investigated via standardizes Beta coefficient, hence, the regression coefficients explain the average amount of change independent variable that cased by amount of change in the dependent variable

Table 4.6 Mean statistics of the four variables from higher value to lower value

Rank	O.C dimension that	N	Mean
1 st	Working place atmosphere	142	3.88
2 nd	Organizational encouragement	142	3.6
3 rd	Involvement	142	3.3
4 th	Innovation /risk taking orientation	142	3.03

Source: survey data, 2017.

4.3. ANALYSIS OF INFERENTIAL STATISTICS RESULTS

One of the major objectives of the study is to assess the relationship that the selected organizational cultures have with employees' creativity. For this purpose, inferential statistics of correlation and regression analysis have been used and the results are presented in the below sections.

4.3.1 CORRELATION ANALYSIS

Correlations are the most basic and most useful measure of association between two or more variables. Expressed in a single number called a correlation coefficient (r), correlations provide information about the direction of the relationship, either positive or negative. If two variables tend to move in the same direction they would be considered to have a positive or direct relationship. Alternatively, if two variables move in opposite directions they are considered to have a negative or inverse relationship.

In relation to this a correlation analysis with Pearson's correlation coefficient (r) was conducted on all variables in this study to explore the relationships between variables.

To interpret the strengths of relationships between variables, the guidelines suggested by Field (2009) were followed, mainly for their simplicity. This guideline is presented on the table 4.7 as follows.

Table4.7 Correlations analysis guidelines

Strength of association	Coefficient,r	
	Positive	Negative
Small	.1to.3	-0.1to-0.3
Medium	.3to.5	-.3to-0.5
Large	.5to1.0	-0.5to-1.0

Table 4.8 indicates the correlation of the four independent variables for each other and their relation with the dependent variable employee creativity.

TABLE 4.8. CORRELATION ANALYSIS

Pearson Correlations	Organizational encouragement	Working place atmosphere	Innovation/risk taking	Involvement	Creativity
Organizational encouragement	1	.576**	.124	.104	.337**
Working place atmosphere		1	.128	-.056	.244**
Innovation/risk taking			1	-.189*	.008
Involvement				1	.679**
Creativity					1

** . Correlation is significant at the 0.01 level (2-tailed). Source: own survey (2017)

*. Correlation is significant at the 0.05 level (2-tailed).

As it can be seen from Table 4.6 all the correlation coefficients between the independent variable and the dependent variables are significant at 1% level of significant except Innovation and risk taking orientation.

All the correlation coefficients show a positive sign indicating that the variables tend to move on the same direction.

The strengths of the variables correlation fall on the range of small and good. Small and insignificant correlation of the independent variables indicates there is less multicollinearity problem in our data; but to be certain a multiple regression should be run and seen

4.3.2. REGRESSION ANALYSIS

In order to evaluate contribution of organizational culture traits on employees' creativity, standard multiple regression analysis was employed. The regression model presents how much of the variance in employees' creativity is explained by the selected organizational traits: organizational encouragement, innovation and risk taking orientation, involvement and working place atmosphere.

The table below i.e. Table 4.9 provided some measures of whether there is co linearity in the data. Specifically, it provides the VIF. Since, the VIF is less than 10 it shows no multicollinearity problem in the data

Table 4.9 VIF/Multicollinearity test

Variable	VIF
Organizational Encouragement	1.544
Innovations and Risk Taking Orientation	1.062
Involvement	1.073
Working Place Atmosphere	1.530

Source: survey data, 2017

According to pallant(2005),Torrance is the indicator of how much of the variability of independent variable is not explain by another independent variable .Thus ,if the value is less than 0.1 or VIF ;the inverses of Torrance value is above 10,it implies possibility of

multicolenarty .As multiple regression result on table 4.10 shows all Torrance value score greater than 0.1 and VIF is less than 10,there is no possibility of multicolerty among variables.

Table 4.10 Multiple Regression Analysis

Model Summary								
R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
			R Square Change	F Change	df1	df2	Sig. F Change	
.566	.553	.41303	.566	44.620	4	137	.000	1.621
a. Predictors: (Constant), INNVOLVMENT, WORK_ATMOSPHER, INNOVATION_AND_RISK_TAKING_ORIENTATION, ENCORAGMENT								
b. Dependent Variable: CREATIVITY								

Source: survey data, 2017

Correlation coefficients say nothing about which variable causes the other to change. Although it cannot make direct conclusion about causality, we can take the correlation coefficient a step further by squaring it. The correlation coefficient squared (known as the coefficients of determination, R²) is a measure of the amount of variability in one variable that is explained by the other. The R-squared of the regression, sometimes called the coefficient of determination, R² is the ratio of the explained variation compared to the total variation, and thus it is interpreted as the fraction of the sample variation in y (the dependent variable) that is explained by x(the independent variables).(Wooldridge, 2002). Here we can note that 55.3% change of the dependent variable or employees’ creativity is explained by the independent variables which were organizational encouragement, innovations and risk taking orientation, involvement, and work place atmosphere. A 44.7 % change of employee creativity is explained by other variables, which have not been included in this regression model.

R² tells us how much of the variance in Y is accounted for by the regression model from our sample, the adjusted value tells us how much variance in Y would be accounted for if the model had been derived from the population from which the sample was taken. The adjusted R² gives us some idea of how well our model generalizes and ideally we would like its value to be the

same, or very close to, the value of R². (Andy Field, 2009) By taking this case to our model, the difference for the final model is small (in fact the difference between the values is 0.566 – 0.553 = .013 (about 1.3%).

This shrinkage means that if the model were derived from the population rather than a sample it would account for approximately 1.3% less variance in the outcome. The ANOVA table shows the overall significance/ acceptability of the model from a statistical perspective.

As the significance value of F statistics shows a value of (.000), which is less than p<0.05. Thus, the model is significant which indicates that the variation explained by the model is not due to chance.

Table 4.11. ANOVA^a table

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	30.448	4	7.612	44.620	.000 ^b
	Residual	23.372	137	.171		
	Total	53.819	141			
a. Dependent Variable: CREATIVITY						
b. Predictors: (Constant), INNVOLVMENT, WORK_ATMOSPHER, INNOVATION_AND_RISK_TAKING_ORIENTATION, ENCORAGMENT						

Table 4.12 Coefficients

Co efficient ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Colinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.941	.224		4.191	.000		
	Org .encouragemen t	.104	.050	.146	2.078	.040	.644	1.554
	Working p[lace atmosphere	.103	.039	.186	2.667	.009	.653	1.530
	Innovation and risk taking	.067	.040	.097	1.672	.097	.942	1.062

	orientation							
	Involvement	.469	.039	.693	11.877	.000	.932	1.073
a. Dependent Variable: CREATIVITY								

Source: survey data, 2017

The standardized coefficients for the four independent variables encouragement, working place atmosphere, innovation and risk and involvement are (0.146,0.186,0.097 and 0.693) and their significance levels are .040, .009, .097, and .000 respectively which are all less than 0.05 for all of the variables except the variable Innovation and risk taking orientation.

This indicates a significant relationship between the independent variables and the dependent one at 5% level of significance and 10% level of significance for the independent variable Innovation and risk taking orientation.

In table 4.6 the researcher made ranking of determinants of employee creativity variables in relation to organizational culture using their mean value and find out work place atmosphere the first and involvement as the last. However, regression result gives us different result; as per the ranking of significant determinants of employee creativity using their Beta values involvement is the first variable to affect the employee creativity of ASF employees following by work place atmosphere and organizational encouragement as the third variable. The last variable according to the ranking is Innovation/risk taking orientation. This finding is consistent with finding of other researchers .For instance, Mohamed Reza (2005) conclude that The dimension of involvement has the strongest impact on the employee’s creativity .But innovation and risk taking was not found to significantly predict employees’ creativity.

This finding is consistent with other findings such as research done by Mohamed Zakeralehi(2011)indicate there is a weak relationship between risk taking and orientation and creativity ,respondents claimed a weak relationships between providing allowance for mistake and opportunity to generate novel ideas and creativity. Since ASF is a manufacturing company and innovation and risk taking orientation which is defined as (The degree to which employees are encouraged to be innovative and take risks while performing their duties) should not be the last variable which affect the employee creativity because innovations related to task/step minimization in manufacturing the product would make the company more profitable and efficient in utilizing the recourses. The management of ASF should make an intensive investment in enhancing the innovative and risk taking appetite of its staffs. Since involvement

(Being involved in work) is the first variable to affect the employee creativity of ASF and innovation and risk taking orientation is highly related with it the company should work in integrating this two concepts together.

Table 4.13: Ranking/ordering of significant determinants of employees' creativity

Variable	Standardized Coefficients β	Sig.	Rank
Involvement	.693	.000	1 st
Working place atmosphere	.186	.009	2 nd
Organization encouragement	.146	.040	3 rd
Innovation/risk taking orientation	.097	.097	4 th

4.4. SUMMARY OF HYPOTHESIS RESULT

Table 4.14. Hypothesis testing

Hypothesis	Independent variable	Coefficient Beta	Sig.	Hypothesized sign and significance	Result from the model
H1	INVOLVEMENT	.693	.000	Positive and significance	Accepted
H2	WORKINGPLACE ATMOSPHERE	.186	.009	Positive and significance	Accepted
H3	ORGANIZATIONAL ENCOURAGEMENT	.146	.040	Positive and significance	Accepted
H4	INNOVATION/RISK TAKING ORIENTATION	.097	.097	Positive and significance	Accepted

Dependent: Employees' creativity

Hypothesis 1: Involvement and employee creativity

Hypothesis one hypothesized that involvement of ASF has a positive and significant effect on employees' creativity. From the predicted model which can be seen from table 4.134 this

hypothesis is supported at 1%, 5% and 10% level of significance. The coefficient of beta was found to be 0.693.

Hypothesis 2: working place atmosphere and employee creativity

Hypothesis two hypothesized that working place atmosphere of ASF has a positive and significant effect on employees' creativity. From the predicted model which can be seen from table 4.14 this hypothesis is supported at 1%, 5% and 10% level of significance. The coefficient of beta was found to be 0.186.

Hypothesis 3: Organizational encouragement and employee creativity

Hypothesis three hypothesized that Organizational encouragement of ASF has a positive and significant effect on employees' creativity. From the predicted model which can be seen from table 4.14 this hypothesis is supported at 5% and 10% level of significance. The coefficient of beta was found to be 0.146.

Hypothesis 4: Innovation and risk taking orientation and employee creativity

Hypothesis four hypothesized that Innovation and risk taking orientation of ASF has a positive and significant effect on employees' creativity. From the predicted model which can be seen from table 4.14 this hypothesis is supported at 10% level of significance. The coefficient of beta was found to be 0.097.

CHAPTER- FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

This chapter aims to aligned the research findings with regard to the objectives of the study and illustrate the summary and conclusions that have been reached. Recommendation that focuses on how the problem identified could be addressed is included in the present chapter. Lastly, limitation faced while conducting the study and suggestion for future researches is included.

5.1 Summary of major findings

This section summarized the core points and major findings which were obtained from data analysis of survey questionnaire.

- At this point, the casual relationship between the organizational culture and its dimensions, and the employee's creativity was measured in terms of structural models. As it is obvious from table 4.7. Correlation analysis, there is a significant and positive relationship between the organizational culture and its dimensions, and the employee's creativity. The dimension of involvement has the strongest impact on the employee's creativity. The other three organizational culture traits, in their descending order of standardized coefficients, are Working place atmosphere, organizational encouragement and innovation /risk taking orientation.
- The mean score for the measures of working place atmosphere was relatively high (3.885), followed by organizational encouragement (3.6) and innovation/risk taking orientation (3.3). However, involvement scores a mean of 3.03. This indicates that, the majority of respondents have slight agreement on the measures of involvement
- Mean score of employees' creativity (3.812) implies that the responses are mostly inclining to agree on creativity measures.
- Findings from the multiple regression analysis depict, 55.3% variation in employees creativity is explained by organizational culture (where by R square is .566 and adjusted R square is .553%).
- There is no possibility of multicollinearity among the variables which was asserted by tolerance values greater than 0.1 and VIF value less than 10.
- The result in correlation analysis shows that organizational culture has positive and significant relationship with employees' creativity

5.2. CONCLUSION

Through deep analysis, the research has drawn the following conclusion.

- The findings showed that there is a significant and positive relationship between the organizational culture and the employee's creativity and among the dimensions of organizational culture; involvement had the highest correlation with the employee's creativity. It means focuses on empowering, team making and capabilities development can increases the employee's creativity.
- Working place atmosphere, one of the other organizational culture traits, is found to be more practiced in the organization. This is asserted by the highest mean score of working place atmosphere, which indicate employees agree with the measure of working place atmosphere. The results of regression analysis indicated that working place atmosphere is the second highest predictor of employees' creativity. Therefore, it can be concluded that being able to create good working place atmosphere contributes to both short and long term creativity of employees to the organization.
- This study finding shows that organizational encouragement has moderate level of correlation with employees' creativity , which means that employees are creative to their organizations when the organizational culture that encourages creativity through the fair, constructive judgment of ideas, reward and recognition for creative work, mechanisms for developing new and an active flow of ideas .
- Innovation and risk taking orientation is not found to significantly predict employees' creativity

5.3. LIMITATION OF THE STUDY

Since organizational culture is a complex phenomenon ranging from underlying beliefs and assumptions to visible structures and practices, it was questionable that whether organizational culture can actually be measured in a comparative sense. Research on the link between organizational culture and creativity is also limited by lack of agreement about appropriate measures of creativity. In addition to this: Difficulty in collecting questioners on time, Confidentiality of information that can be major input for the research, negligence of some respondents to respond to the questioner openly and timely, lack of sufficient time and finance to

conduct the study were also among the various problems encountered by the researcher during the study .

5.4. FUTURE RESEARCH DIRECTIONS

The research findings reported in this study make a valuable contribution to the awareness of the effect underlying organizational encouragement, involvement, risk taking orientation and working place atmosphere assessment have on employee' creativity. However, additional research is needed to further investigate the potential relationship and effect of other internal and extraneous variables.

Additionally, future research of this nature may assist Human Resource Managers and Operational Managers on all levels of ASF to be aware of the effect of organizational culture and allow them to proactively put mechanisms in place to enhance employees' creativity.

5.5. RECOMMENDATIONS

Depending on the findings of the study and conclusions made, the researcher came up with some important recommendations which would help the organization to focus on organizational culture that can largely contribute to the improvement on level of employees' creativity. The recommendations given are the following:

- The organization should emphasize on involvement, working place atmosphere and organizational encouragement, whose contribution to employees' creativity is high. This indicates employees prefer to be given the freedom to do the job rather than being compelled to do it in a rigid manner. Flexible, implicit control systems based on internalized values are more effective means of achieving employees' creativity.
- As involvement has positive and significant predictor of employees' creativity, the organization should continue its investment to develop the skills of employees and empower employees so as to increase capacity for autonomy.
- The organization should continue to encourage innovation and teamwork among employees so as to enable them adapt in an environment of change, thereby increased their level of creativity.

- Senior management of the organization should have commitment to creativity in a way that be sensitive to the concept of creativity and count it as one of the major factors in development and survival of the organization

Finally, implementing the above listed recommendation, the organization would be able to focus on selected organizational culture and also it would be possible to have improvements in workplaces to help employees become more creative to their jobs.

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APPENDICES

APPENDEIX A: QUESTIONNAIRE
ST.MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES
FACULTY OF BUSINESS AND ECONOMICS
DEPARTMENT OF BUSINESS ADMINISTRATION

DEAR RESPONDENTS,

The main purpose of this questionnaire is to gather information or primary data on the impact of organizational culture on employees' creativity with specific reference to Anbesa Shoe factory Share Company for the partial fulfillment of master's degree in Business Administration. Dear respondents, you are expected to provide genuine, accurate and balanced information with respect to organizational culture and employees' creativity. Your genuine information is highly valuable as it determine the success of this study. Therefore, the researcher is very much grateful for the sacrifice you pay to this end and the information gathered will be highly confidential and purely for academic purpose.

At last, if you have any questions or comments on this research work, please participate via the following addresses

Habtamu Aschalew

E Mail: habtalew2017@gmail.com

Mobile: 0913835045

Notice:-

- No need to mention your name
- Put “√” on a box that matches to your response.
- Your honest response is expected
- Returning the questionnaire in time is appreciable and very help full

If you have any enquiry, please feel free to contact the researcher:

PART A: GENERAL PROFILE (PLEASE PUT „√“ MARK IN THE BOX THAT BEST DESCRIBES YOU)

1. Gender	Male	<input type="checkbox"/>	Female	<input type="checkbox"/>
2. Age category	18-30	<input type="checkbox"/>	31-40	<input type="checkbox"/>
	41-50	<input type="checkbox"/>	Above 50	<input type="checkbox"/>
3. In which Department are you participating currently?				
	Machine operation (Production)	<input type="checkbox"/>	Marketing and marketing	<input type="checkbox"/>
	Quality and design	<input type="checkbox"/>	purchasing	<input type="checkbox"/>
4. Educational level				
	Certificate	<input type="checkbox"/>	Diploma	<input type="checkbox"/>
		<input type="checkbox"/>	Bachelor Degree	<input type="checkbox"/>
			Masters Degree	<input type="checkbox"/>
5. How long you have worked in ASF?				
	Less than 2years	<input type="checkbox"/>	2-5 years	<input type="checkbox"/>
			5-7 Years	<input type="checkbox"/>
			8 years	<input type="checkbox"/>

PART B: ORGANIZATIONAL CULTURE OF ANBESA SHOE FATORY

Organizational Culture is defined as “the beliefs and values held by management and communicated to employees through norms, stories, socialization processes, and observations of managerial responses to critical events. Please indicate the degree of your agreement/disagreement with the following statements associated with the four traits of organizational culture; organizational encouragement, Innovation and risk taking orientation,

Involvement and working place atmosphere in Anbesa shoe factory (Tick the Alternative Number That Best Describes Your View)

NB:

1. Strongly disagree 2. Disagree 3. Neutral

4. Agree 5. Strongly agree

1. ORGANIZATIONAL ENCOURAGEMENT

An organizational culture that encourages creativity through the fair, constructive judgment of ideas; reward and recognition for creative work; mechanisms for developing new ideas; an active flow.

Q.NO	Organizational Encouragement In ASF	S.Disagree	Disagree	Neutral	Agree	S.Agree
		1	2	3	4	5
1	Employees are encouraged to experiment with new ideas and senior managers provide the support needed for employees to try things out.					
2	Employees are encouraged to Solve Problems creatively in this organization.					
3	Our organization rewards employees who contribute new ideas.					

2. INNOVATIONS AND RISK TAKING ORIENTATION

Characterizes the degree to which employees are encouraged to be innovative and take risks while performing their duties.

	S.Disagree	Disagree	Neutral	Agree

Q.N O	Innovations and risk taking orientation in ASF	1	2	3	4	5
1	Thinking up new ideas and being creative is acceptable in this organization by all members.					
2	Top management does not want to take risks in my organization					
3	Employees are encouraged to take risk in this organization					

3. INVOLVEMENT (BEING INVOLVED IN WORK):

Effective organizations make their employees able, establish their organization on the basis of working groups, and develop the capabilities of their human resources at all levels; thus the members of the organization feel commitment against their work and see themselves as a part of the body of the organization. At all levels, the individuals feel that they are involved in decision makings and these decisions are effective in their work, and their work is directly tied with the organizational goals.

Q.N O	INVOLVMENT	S.Disagree	Disagree	Neutral	Agree	S.Agree
		1	2	3	4	5
1	The management style in this organization characterized by team work, consensus and participate.					
2	Employees of the organization are empowered with real responsibility.					
3	This organization continuously invests in the development of employees 'skill to initiate their creativity.					

4. WORKING PLACE ATMOSPHERE

Involve a trust and a caring atmosphere in the workplace can also enhance or inhibit employees' creativity.

		S.Disagree	Disagree	Neutral	Agree	S.Agree

Q.N O	Working place Atmosphere	1	2	3	4	5
1	There is truly an atmosphere of fun and playfulness at my workplace					
2	In my organization, there is an atmosphere of caring about building up employees' skills and expertise.					
3	The members of my workgroup feel a strong sense of commitment to working for our organization					

PART C: EMPLOYEES' CREATIVITY

Creativity is the ability to produce work that is both new and valuable. New means unusual, unique, new point of view, varied, original, breaking from existing patterns and contributing something to the field, which was not there before. This involves the production of original and useful ideas concerning products, services, processes and procedures. The four key traits or skills are Capturing, Challenging, Broadening and Surrounding (Epstein, 1999). Tables below examine the overall Competency of employees' creativity in the organization based on the four key traits or skills of creativity and to what extent the organizational culture affects the employees' creativity competencies.

Please indicate the degree of your agreement/disagreement with the following statements associated with the measurement of employees' creativity (Tick the Alternative Number That Best Describes Your View)

CAPTURING IDEAS	S.Disagree	Disagre	Neutral	Agree	S.agree
	1	2	3	4	5

I set aside time every day to think of new ideas.					
I sometimes use my daydreams as a source of new ideas.					
I always record my new ideas as they occur to me.					

Q.N O	SEARCH FOR CHALLENGES	S.disagree	Disagre	Nuetral	Agree	S.agree
		1	2	3	4	5
1	When I set goals for myself, I make sure they're attainable.					
2	I like to work on difficult problems.					
3	I am not afraid of failure.					

Q.N O	BROADENING KNOWLEDGE	S.disagre	Disagre	Neutral	Agree	S.gree
		1	2	3	4	5

1	I regularly read magazines or other material in a wide variety of subject areas.					
2	I often read books on topics outside my specialty.					
3	It's important to me to continue my education throughout my life.					

Q.N O	SURROUNDING	S.disagre	Disagre e	Neutral	Agree	S.agree
		1	2	3	4	5
1	I Sometimes place unusual or novel items in my work environment to stimulate my thinking.					
2	I sometimes seek out unusual combinations of people to help stimulate my thinking.					
3	I redecorate my work environment regularly.					

PART D: ORGANIZATIONAL CULTURE AND EMPLOYEES' CREATIVITY

Which of the following organizational culture impacts on your creativity most at ASF?

Put “√” on a box that matches to your response.

Constituents/characteristics of ASF’S Culture

- 1. Organizational encouragement.
- 2. Innovations and risk taking orientation ion.
- 3. Involvement.
- 4. Working place atmosphere

THANKS IN ADVANCE TO YOUR GENUINE COOPERATION

APPENDIX B.ANALYSIS RESULTS

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	INNVOLVMENT, WORK_ATMOSPHER, INNOVATION_AND_RISK, ENCORAGMENT ^b		Enter

a. Dependent Variable: CREATIVITY

b. All requested variables entered.

Model Summary

Mode	R	R Square	Adjusted R	Std. Error of	Change Statistics
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Coefficients^a

1			Square	the Estimate	R Square Change	F Change	df1
1	.752 ^a	.566	.553	.41303	.566	44.620	4

Model Summary

Model	Change Statistics		Durbin-Watson
	df2	Sig. F Change	
1	137 ^a	.000	1.621

a. Predictors: (Constant), INNVOLVMENT, WORK_ATMOSPHER, INNOVATION_AND_RISK, ENCORAGMENT

b. Dependent Variable: CREATIVITY

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	30.448	4	7.612	44.620	.000 ^b
	Residual	23.372	137	.171		
	Total	53.819	141			

a. Dependent Variable: CREATIVITY

b. Predictors: (Constant), INNVOLVMENT, WORK_ATMOSPHER, INNOVATION_AND_RISK, ENCORAGMENT

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.941	.224		4.191	.000
	Organizational encouragement	.104	.050	.146	2.078	.040
	Workingplace atmosphere	.103	.039	.186	2.667	.009
	Innovation&risk taking orientation	.067	.040	.097	1.672	.097
	Involvement	.469	.039	.693	11.877	.000

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	ENCORAGMENT	.644	1.554
	WORK_ATMOSPHER	.653	1.530
	INNOVATION_AND_RISK	.942	1.062
	INNVOLVMENT	.932	1.073

a. Dependent Variable: CREATIVITY

Collinearity Diagnostics

Mode	Dimension	Eigenvalue	Condition Index	Variance Proportions		
				(Constant)	ENCORAGMENT	WORK_ATMOSPHER
1	1	4.781	1.000	.00	.00	.00
	2	.100	6.910	.00	.00	.03
	3	.075	7.989	.00	.07	.24
	4	.026	13.665	.00	.88	.67
	5	.019	16.008	.99	.05	.05

Collinearity Diagnostics^a

Model	Dimension	Variance Proportions	
		INNOVATION_AND_RISK	INNVOLVMENT
1	1	.00	.00
	2	.21	.50
	3	.44	.04
	4	.01	.07
	5	.33	.39

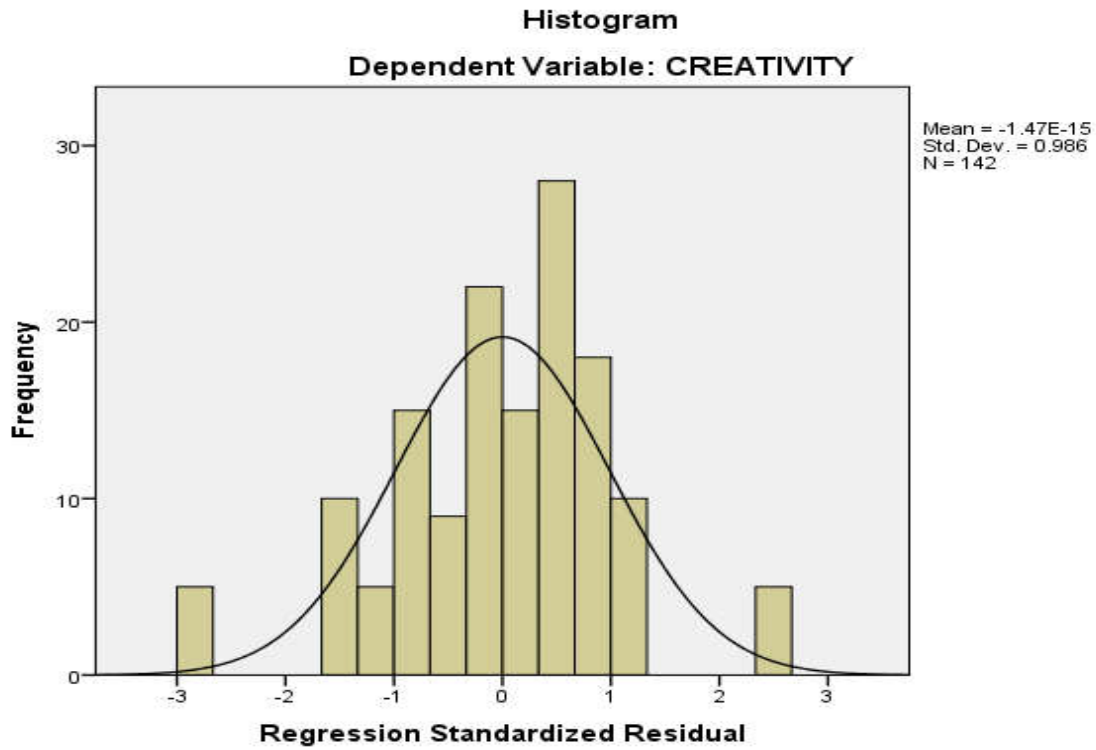
a. Dependent Variable: CREATIVITY

Residuals Statistics^a

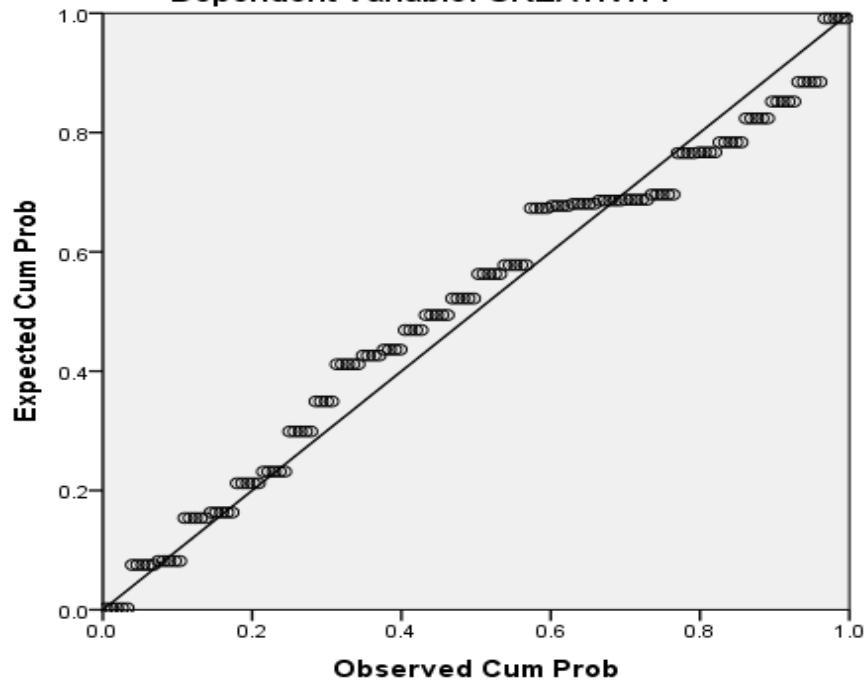
	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	2.0104	4.2424	3.3322	.46469	142
Residual	-1.15822	.98071	.00000	.40713	142
Std. Predicted Value	-2.844	1.959	.000	1.000	142

Std. Residual	-2.804	2.374	.000	.986	142
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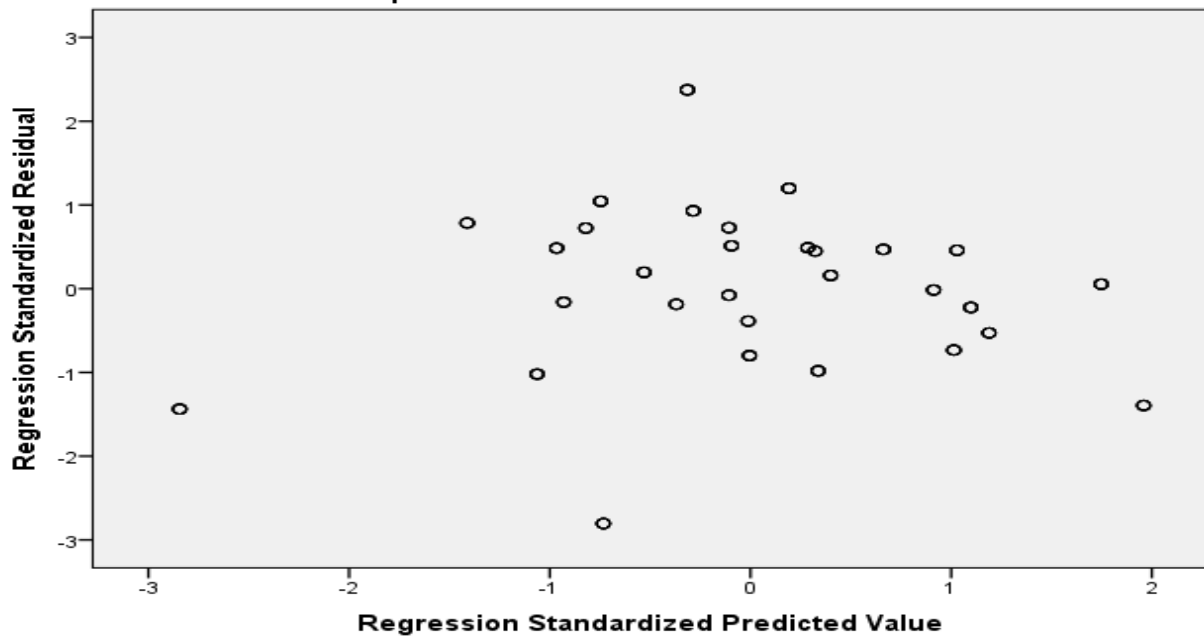
a. Dependent Variable: CREATIVITY

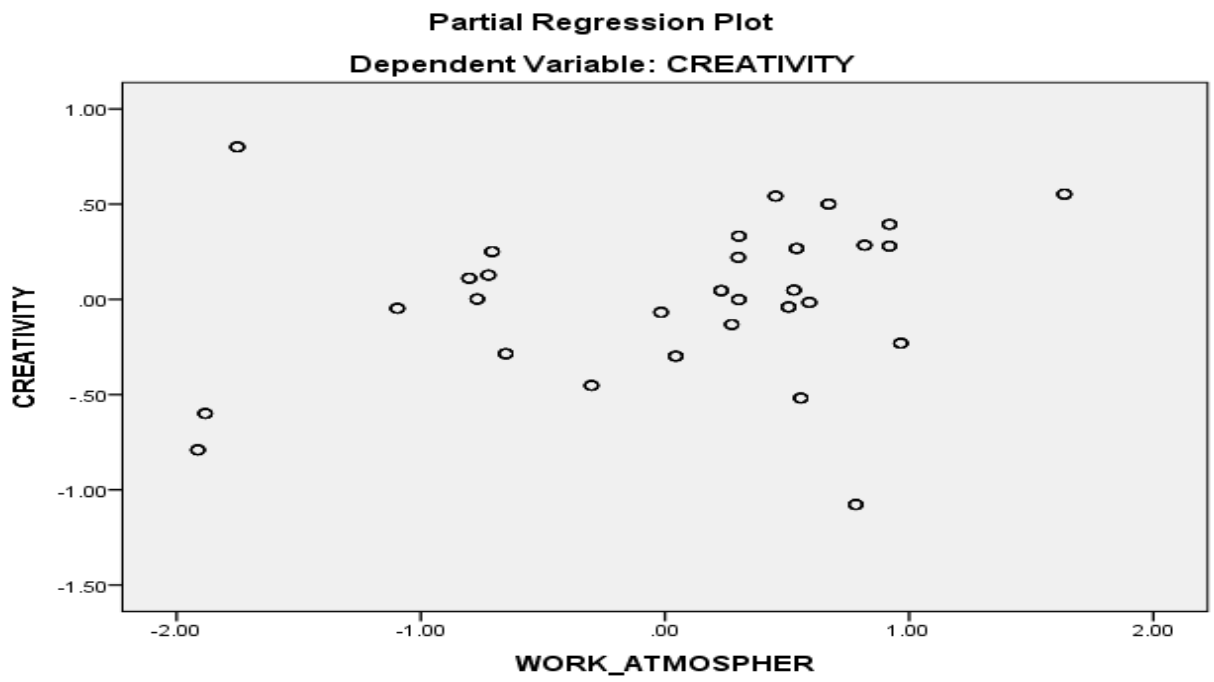
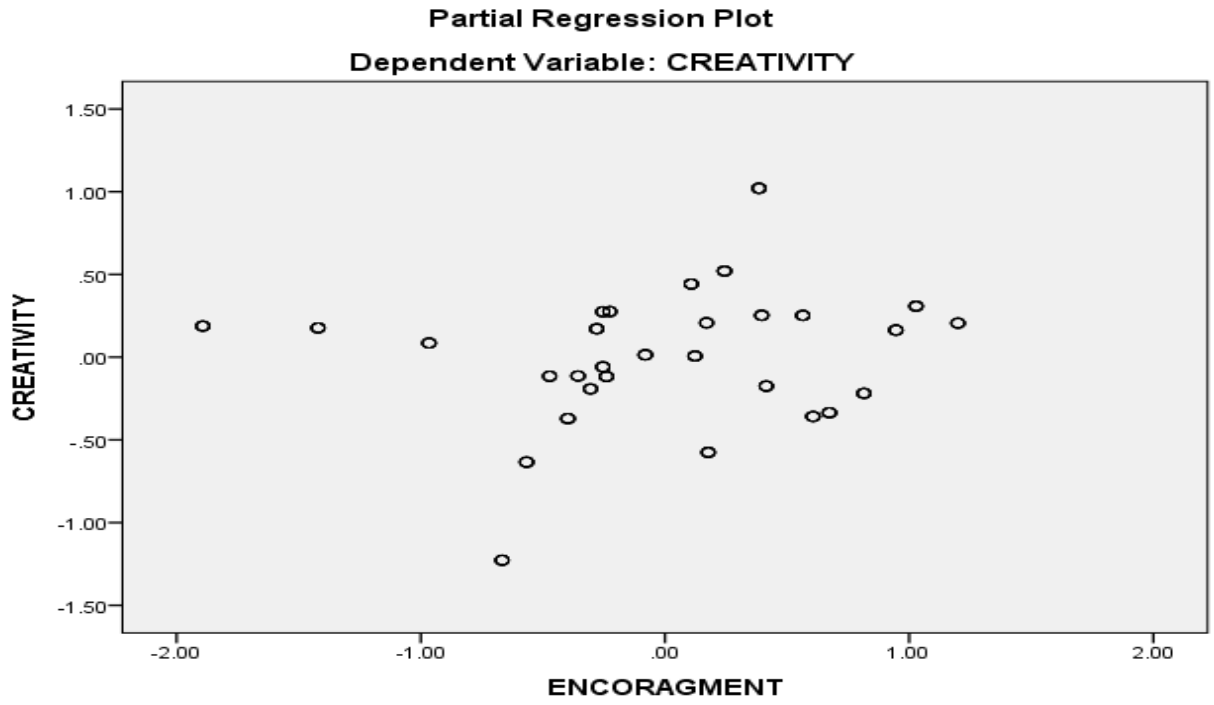


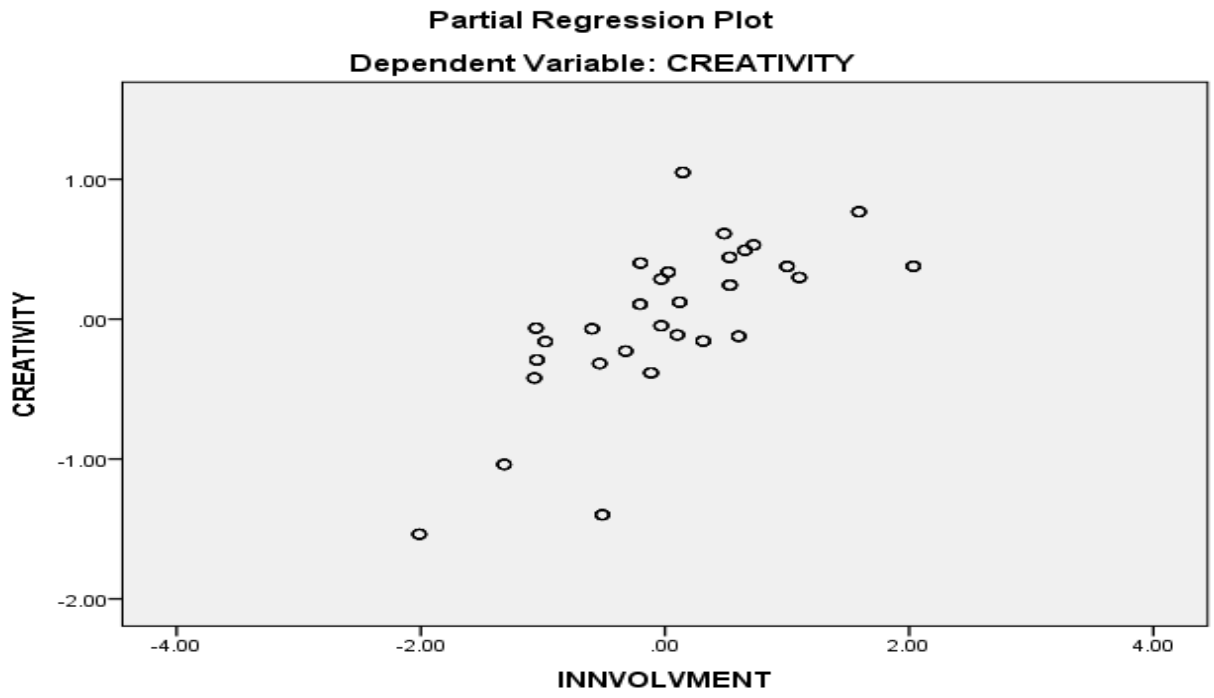
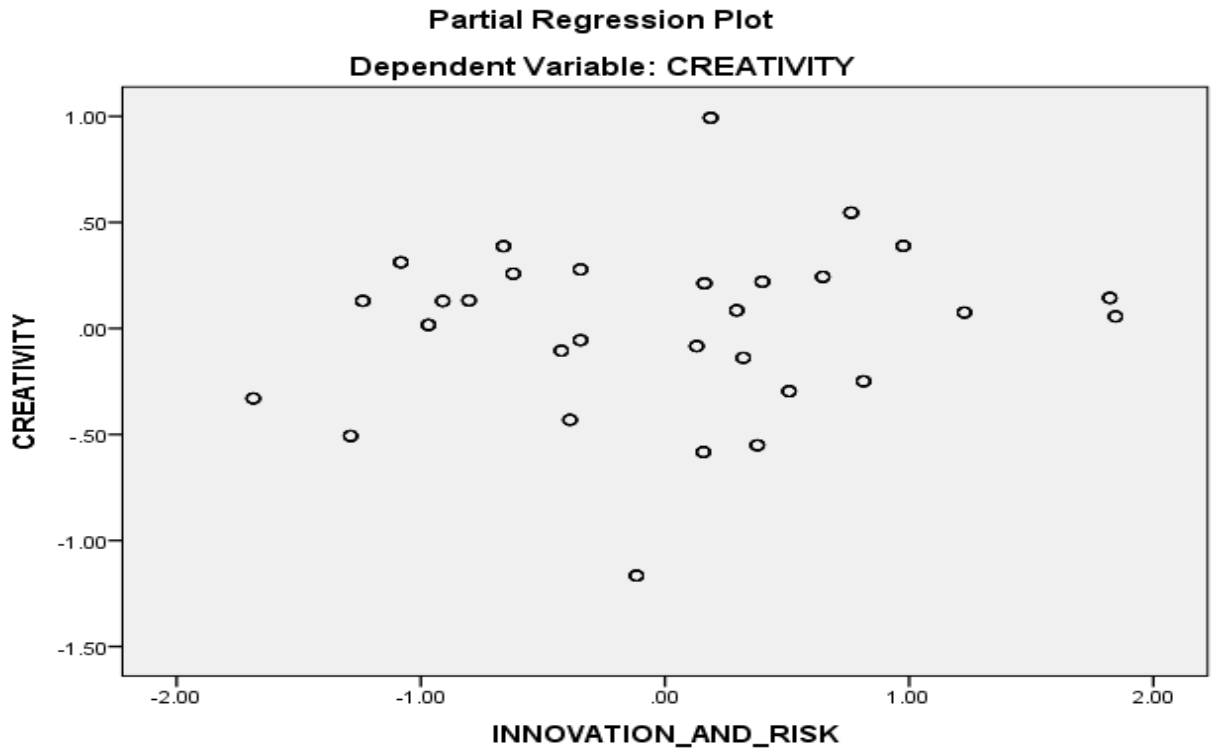
Normal P-P Plot of Regression Standardized Residual
Dependent Variable: CREATIVITY



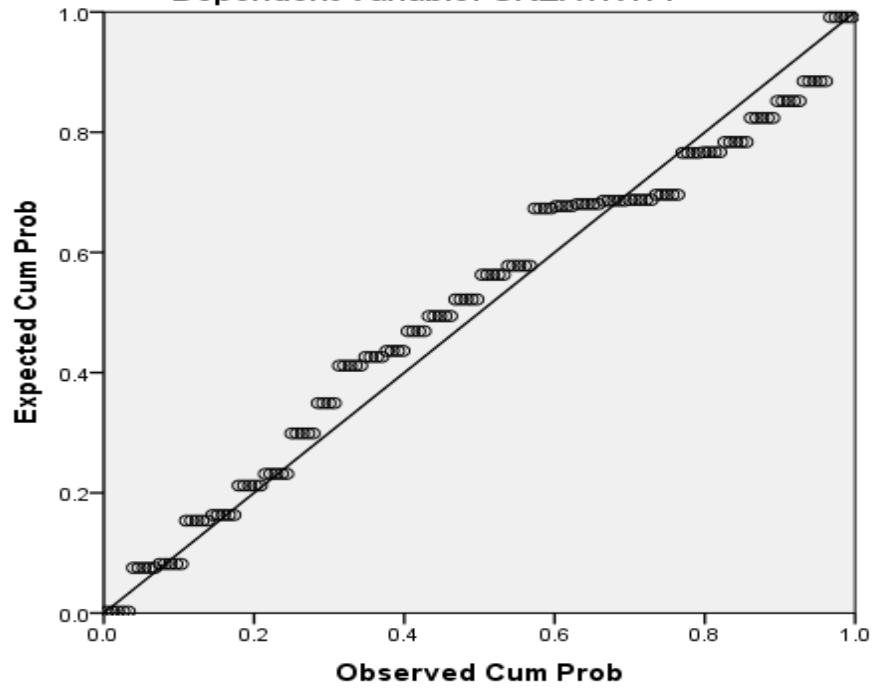
Scatterplot
Dependent Variable: CREATIVITY



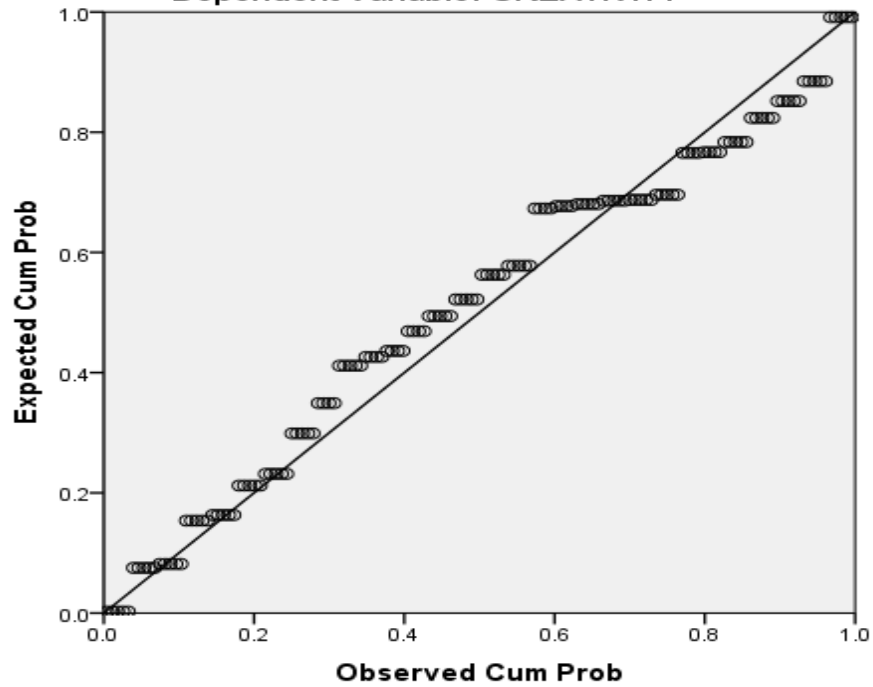


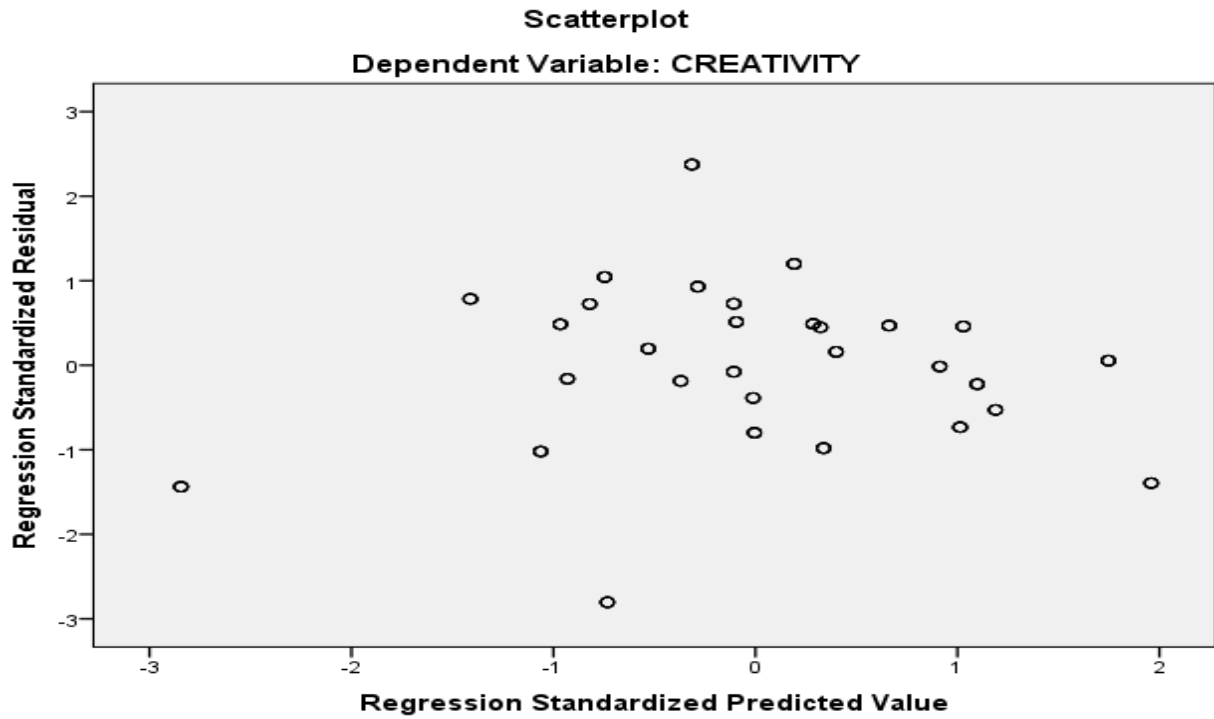


Normal P-P Plot of Regression Standardized Residual
Dependent Variable: CREATIVITY



Normal P-P Plot of Regression Standardized Residual
Dependent Variable: CREATIVITY





APPENDIX C: ORGANIZATIONAL STRUCTOR OF ASF

