



UNIVERSITY OF READING

**The Relationship between Employees' Perceptions of Climate
for Innovation, Organisation Innovativeness, and
Customer Experience in a Major Telecommunications
Organisation in Egypt**

PhD Thesis

School of Marketing and Reputation, Henley Business School

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ABSTRACT

Organisational success in the 21st century is determined by an organisation's ability to remain in a state of continuous innovation. Innovation is considered as a competitive tool for an organisation's long term performance and an important means for adapting to the evolving customer needs. Therefore, it is vital for organisations to develop work environments that promote innovation. By fostering a climate for innovation, employees are inspired to be innovative, leading to the production of innovative outcomes. Customer experience also is increasingly becoming a differentiating factor for companies. Interest in the customer experience concept has increased tremendously over the past decades among researchers and practitioners. Organisations need to introduce innovative products and services to leverage the customer experience. There have been no studies examining the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience in a single study. Therefore, the purpose of this study is to investigate and provide an in-depth understanding of the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience in a service setting. This study adopts a qualitative single case study research design to provide an in-depth investigation and understanding of the phenomena under study in a major telecommunications organisation in Egypt.

Findings from this study show that there is a relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience in a service setting. The study identifies five main themes of climate for innovation that enhance organisation innovativeness. Finally, a key finding of this research is identifying that there are certain dimensions of climate for innovation that are highly related to customer experience than other dimensions: customer centricity, idea support, senior management support, risk-taking, open innovation, idea time, teamwork and cohesion, employee empowerment, structure of functional units, rewards and recognition, challenging jobs, and employee involvement.

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DECLARATION

I confirm that this is my own work and the use of all material from other sources has been properly and fully acknowledged.

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CHAPTER 1: INTRODUCTION

The purpose of this chapter is to introduce the study and present the overall aim of the research. The chapter is presented in three sections. Section 1.1 describes the overall aim of the research. Section 1.2 describes the main aspects of the research design and methods. This section also outlines the main research findings. The chapter concludes with a summary of the structure of the thesis.

1.1 Research Aim

The aim of this research is to investigate the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience in a major telecommunications organisation in Egypt.

1.1.1 Origins of Interest

The stimulus for this study evolved from an interest in customer experience and, particularly, the internal forces inside an organisation that drive the customer experience. There is also an increasing interest in innovation management among researchers and practitioners (Isaksen and Akkermans, 2011; Anderson, Potočnik and Zhou, 2014). Innovation is considered as a competitive tool for organisations to ensure long-term success and adapt to customer needs. Most of the published work on customer experience has focused on establishing its measurements, its dimensions and the consequences of customer experience. Although the innovation literature has placed great emphasis on the relationship between innovation and organisational performance, it has ignored the relationship with customer experience. Further, to the best of the author's knowledge, there is no previous research on the determinants of customer experience, particularly from a climate for innovation perspective.

Following this initial stimulus, an opportunity arose to work with a major telecommunications organisation in Egypt to investigate the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience, from the employees' perspective. This was intellectually appealing and motivating as there were no previous studies examining the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience.

An additional challenge was that previous research has mostly adopted quantitative research methods to empirically measure climate for innovation, as well as the relationship between organisation innovativeness and organisational performance. However, the telecommunications organisation was contended to support a study that adopted a qualitative case study research design, as the senior

management was interested to fully explore and understand employees' perceptions of climate for innovation and the relationship between that and organisation innovativeness and customer experience. The aim of this research is, therefore, to investigate the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience.

1.2 Research Overview

1.2.1 Overview of Research Design and Methods

This study adopted a single case study research design to provide an in-depth understanding of the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience. This research pursued a *non-probability* sampling strategy using a *purposive technique* to enable the researcher to select participants that would serve the purpose of the study and gain answers to the research questions. Additionally, snowball sampling was also used to identify participants who would be able to generate more data and information relevant to the study.

The main data collection techniques included in-depth interviews, company documents, archival records, and direct observation. Thirty-five interviews were conducted with junior employees, managers, team leaders and heads of various departments, such as the consumer and enterprise marketing department, enterprise business department, customer experience department, strategy and innovation department, technology department, human resources department, internal communications department, and international services department. This study adopted Miles and Huberman's (1994) approach to data analysis. This begins with data collection and moves to data reduction, data display and finally drawing and verification of the conclusions. NVivo software was used for data analysis in this study.

The ontological approach adopted for this study is subjective constructivism. This is to enable the researcher to engage more with the social world of the organisation and to understand and construct reality from the perspective of employees who experience the phenomena under study. This study also followed the interpretivism paradigm. Adopting this paradigm allows the researcher to get a deeper insight and thorough investigation of the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience.

1.2.2 Summary of Implications for Managers

The findings of this study provide several marketing and management implications that will be of interest to practitioners. First, it provides a comprehensive framework to practitioners of how employees perceive a supportive climate for innovation. It presents a great understanding of what are the appropriate practices, policies, and procedures needed to stimulate idea generation and implement new ideas. Second, this study helps managers to understand the crucial role of employees in the innovation process. Third, it provides managers with an understanding of how organisation innovativeness can enhance the customer experience. The findings of this study enable managers to understand the success of innovations in terms of customer experience in a service setting. Finally, it can help managers understand the relationship between employees' perceptions of climate for innovation and customer experience, to provide them with a better understanding of what the appropriate practices, policies and procedures are, and how employees perceive climate for innovation in relation to customer experience. Overall, managers should be able to utilise information gained from this research to improve climate for innovation and develop effective strategies to improve customer experience.

1.2.3 Structure of the Thesis

This thesis consists of seven chapters, as follows:

Chapter 1, the introduction, includes the research aim and origins of interest. It also covers the research overview, the design, and methodology. A summary of the findings, contributions to the literature, and managerial implications are also addressed.

Chapter 2 reviews the literature. The literature review chapter defines creativity and innovation, describes factors affecting employees' innovativeness, and the employee role in the innovation process. It also presents the main dimensions and measurements of climate for innovation identified in the literature. This chapter also reviews organisation innovativeness and its impact on organisational performance. Customer experience definitions, antecedents, consequences, and measurements are reviewed. The chapter also demonstrates the relationship between organisation climate, organisation innovativeness, and customer experience. Additionally, the theoretical perspective of this study is addressed. Finally, the research aims, limitations of previous studies, and research questions are presented.

Chapter 3 describes the methodology and design. The chapter builds on the research aims and questions presented in the literature review chapter. It reviews the methodological approach which guides and justifies the research design and methods employed in this research. It provides a detailed

explanation of the research design for the study and outlines the data collection methods that were adopted in this research as well as the data analysis. The chapter concludes with the trustworthiness of qualitative data and ethical considerations.

Chapter 4 is the first of the two analysis chapters that presents the results of the qualitative analysis of the organisation case study. Chapter 4 reviews the identified themes and dimensions of climate for innovation from an employee perspective and the role of the employees in the innovation process.

Chapter 5 presents the organisation's consumer and enterprise innovations. This chapter reviews the analysis of the top ten innovations of the organisation including a detailed description of each innovation and its customer experience. The chapter also addresses the results of the qualitative analysis of the relationship between employees' perceptions of climate for innovation and customer experience. Additionally, it presents the dimensions of climate for innovation that are identified to be highly related to the customer experience.

Chapter 6 presents the discussion of the findings of the previous two chapters, provides a critical analysis of the research findings, and highlights this study's contribution to knowledge.

Chapter 7 is the conclusion of the thesis. This chapter summarises the contribution to knowledge, considers implications for marketing and management practitioners, and discusses the limitations of the study. Finally, future opportunities for research are identified and a final word is presented.

CHAPTER 2: LITERATURE REVIEW

The purpose of this chapter is to review the literature relating to climate for innovation, organisation innovativeness, and customer experience. Section 2.1 defines creativity and innovation, highlights the difference between both terms, and presents the scope of the current study. Section 2.2 describes factors affecting employees' innovativeness. Section 2.3 defines organisational climate and distinguishes between global climates and facet-specific climates. Section 2.4 presents the main dimensions and measurements of climate for innovation identified in the literature. Section 2.5 illustrates the employee role in the innovation process. Section 2.6 defines and discusses organisation innovativeness. Section 2.7 reviews the relationship between innovation and organisational performance. Section 2.8 reviews definitions, antecedents, consequences and measurements of customer experience. This section also reviews characterisation of customer experience and what makes a perfect customer experience. Section 2.9 demonstrates the theoretical perspective of the current study. Section 2.10 reviews the relationship between organisation climate, innovation and customer experience. Section 2.11 explains the aim of the research in greater detail, addresses the gap in the literature, and poses four research questions. Section 2.12 summarises the chapter.

2.1 Creativity and Innovation Defined

2.1.1 Definition of Creativity

Most research defines creativity as an outcome focusing on the generation of new and useful ideas of products, services, processes and procedures (Amabile et al., 1996; Oldham and Cummings, 1996; Shalley, Zhou and Oldham, 2004,). Creative outcomes can range from minor changes in work processes or products to major breakthroughs of new products or processes (Mumford and Gustafson, 1998). More than half a century ago, Stein (1953) defined creativity as the process which results in a novel outcome that is acceptable to or useful for a group. Csikszentmihalyi (1996) defines creativity as "any act, idea, or product that changes an existing domain into a new one" (Csikszentmihalyi, 1996, p. 108). Amabile et al. (1996, p. 1155) defines creativity as "the production of novel and useful ideas in any domain". This definition is prevailing among researchers in organisational creativity (Scott and Bruce, 1994; Mumford and Gustafson, 1998; Shalley, Zhou and Oldham, 2004). Creativity is defined as the creation of a valuable, useful new product, service, idea, procedure, or process by employees working in an organisation (Woodman, Sawyer and Griffin, 1993). More recently, Joo, McLean and Yang (2013, p. 393) define creativity as the "development of ideas about products, services, practices, and procedures that are judged to be a) original and novel, and b) appropriate and potentially useful."

The above definitions clearly highlight creativity as a process, product, outcome or ability. Whilst usefulness, appropriateness or value form an important part of most of the definitions of creativity, it is the novelty that dominates creativity research. Thus, creativity can be defined as useful novelty. Both novelty and usefulness are vital prerequisites for an idea to be judged as creative (Joo, McLean and Yang, 2013).

2.1.2 Definition of Innovation

Innovation is of interest to practitioners and researchers across a range of business and management disciplines (Baregheh, Rowley and Sambrook, 2009). It has been discussed in the literature of human resource management, operations management, entrepreneurship, research and development, information technology, engineering and product design, and marketing and strategy. Each of these different areas defines innovation in a different way (Baregheh, Rowley and Sambrook, 2009).

To demonstrate this diversity of definitions, this section offers examples of the various definitions of innovation within different disciplines. Thompson (1965) proposes the first and most straightforward definition of innovation as the generation, acceptance and implementation of new ideas, processes, products or services. A similar definition is proposed by West and Anderson (1996), defining innovation as the effective application of processes and products new to the organisation and designed to benefit its stakeholders. On the other hand, Kimberly and Evanisko (1981) define innovation from a different lens which encompasses different types of innovation. They propose that innovation consists of three stages: innovation as a process, innovation as an item, such as products, services or programs, and innovation as an attribute of organisations. Some researchers place emphasis on the degree of newness. For example, Damanpour (1996, p. 694) provides a detailed definition of innovation which is widely cited in the literature: "Innovation is conceived as a means of changing an organisation, either as response to changes in the external environment, or as a pre-emptive action to influence the environment." Hence, innovation includes a new product or service, a new technology process, new organisation structure or administrative systems, or new plans or programmes in an organisation (Damanpour, 1996). Plessis (2007) defines innovation as the creation of new knowledge and ideas to enhance organisational performance by introducing market driven products and services. Innovation encompasses both radical and incremental innovations (Plessis, 2007). In technologically related definitions, the main focus is on innovation being a product related to new technology (Baregheh, Rowley and Sambrook, 2009). Reviewing the definitions in the literature, innovation is a broad concept with various features, including new and creative ideas, changes, opportunities, and value creation (Dadfar et al., 2013).

2.1.3 Difference between Creativity and Innovation

Creativity and innovation are closely related and have overlapping concepts, but they are not interchangeable (Joo, McLean and Yang, 2013). Management literature considered creativity to be the first step of innovation (Scott and Bruce, 1994; Shalley and Gilson, 2004). Innovation researchers define innovation as the intentional introduction and implementation of ideas, processes, products or procedures, new to the relevant to the organisation, that benefit the organisation or the society (West and Farr, 1989). While creativity refers to the production of novel and useful ideas, innovation is defined as the process of development and implementation of new and creative ideas within an organization (Amabile et al., 1996). Creativity is associated with the terms idea, invention and breakthroughs (McLean, 2005). Creativity is important and can be conceptualised as a necessary pre-condition required for innovation (Joo, McLean and Yang 2013). Within the organisational context, creativity without innovation is of diminished value (McLean, 2005). Without creative ideas to fill the innovation pipeline, innovation is an engine without fuel (McLean, 2005). Anderson, Potočník and Zhou (2014) recently suggested an integrated definition of creativity and innovation by viewing creativity and innovation as two continuous stages of the innovation process. In other words, creativity is the seed for innovation.

To conclude, creativity and innovation are closely related constructs that share a considerable overlap of characteristics (McLean, 2005). In order for an organisation to remain competitive, it must pay attention to both generation of creative ideas and implementation of innovations to realise the outcomes of those ideas (McLean, 2005).

2.1.4 Innovation - The Scope of this Study

Evaluating creativity and innovation can be considered at the level of a person, organisation or industry (Terblanche, 2003). As mentioned earlier, prior research focused on antecedents of creativity and innovation including personal and contextual factors. However, an in-depth understanding of the factors that foster creativity and innovation in organisations is needed (Černe et al., 2014; Hon and Lui, 2016). Therefore, the focus of this study is on the context of innovation at the level of the organisation. For the purpose of this study, creativity is defined as the generation of new and useful ideas for products and services by employees in a specific organisational context; and innovation is defined as the implementation of new products and services' ideas that are new to the organisation and do change the service and product offered on the market embellishing the customer experience (Oke, 2007). This thesis focuses on the introduction of products and services that are new to the organisation and new to the market.

2.2 Factors Affecting Employee Innovativeness

The literature identifies four factors that foster employee innovative behaviour at the workplace: individual, job, team, and organisation levels.

2.2.1 Individual Level

A large amount of research focuses on the examination of personality or person-specific factors that contribute to innovativeness. The main aim of this research stream is to identify how innovativeness is affected by differences in individual characteristics, such as demographic or biographic factors (Anderson, De Dreu and Nijstad, 2004; Shalley, Zhou and Oldham, 2004). An individual's engagement in innovative work behaviour requires the employee to be both able and willing to be innovative. Being able means that the employee has certain cognitive capabilities, expertise, relevant task knowledge, and personality characteristics to be innovative. On the other hand, willingness refers to the employee's motivation and satisfaction to be innovative (Amabile, 1988; Woodman, Sawyer and Griffin, 1993; Ford and Gioia, 2000). The skills, abilities and personality traits that are required from employees in organisations include those related to networking, new technology, languages, cultural sensitivity, learning skills, flexibility, entrepreneurship, problem-solving, and reliability (Parzefall, Hannele and Anneli, 2008).

2.2.2 Job Level

Specific job factors and tasks play a major role in influencing employees' innovativeness (Parzefall, Hannele and Anneli, 2008). The way jobs are designed contribute to an employees' motivation and, thus, to their innovativeness (Parzefall, Hannele and Anneli, 2008). Autonomy, lack of routine, clear goals, challenge, time, and sufficient resources have positive associations with employee innovativeness (Shalley, Zhou and Oldham, 2004; Parzefall, Hannele and Anneli, 2008).

2.2.3 Team Level

Team and project-based work is one of the central organisational mechanisms to foster and enhance employee innovativeness (Parzefall, Hannele and Anneli, 2008). Team diversity in skills and knowledge is important because it enables the team to generate different knowledge and ideas and integrate different viewpoints (Paulus, 2000; Keller, 2001). Teams composed of employees from different backgrounds and functions are more likely to produce innovative solutions and ideas than teams that are very homogeneous (Parzefall, Hannele and Anneli, 2008).

2.2.4 Organisational Level

Organisational level factors play a crucial role in employee innovative behaviour and they can range from the CEO characteristics to organisational culture, the size of the firm and its market share (Damanpour, 1996; Anderson, De Dreu and Nijstad, 2004; Parzefall, Hannele and Anneli, 2008). Organisational factors play a major role in influencing employees' innovative behaviour during the implementation and success of innovations (Axtell et al., 2000; Clegg et al., 2002). Organisational factors contributing to employees' innovative behaviour are complex and sometimes influenced by external uncontrollable pressures (Parzefall, Hannele and Anneli, 2008). A clear strategy emphasising innovation, a structure that matches the strategy, size and context of the organisation, leadership, and culture and climate, are crucial organisational factors that influence employees' innovative behaviours (Parzefall, Hannele and Anneli, 2008). This study focuses on the relationship between employees' perceptions of climate for innovation and employee role in the innovation process and organisation innovativeness, which ultimately leverage the customer experience.

2.3 Organisation Climate

Climate research examines the subjective perceptions of individuals regarding their work environment and how these perceptions drive their behaviours and attitudes (Schneider, Ehrhart and Macey, 2013). Organisational climate is defined as the shared employees' perceptions of policies, practices, procedures and rewards in an organisation (Schneider, Ehrhart and Macey, 2011). Research on organisational climate is important because it has implications for both individual and organisational outcomes. Individual outcomes include job attitudes (Colquitt, Noe and Jackson, 2002), organisational citizenship behaviours (Ehrhart, 2004), ethics (Martin and Cullen, 2006), safety (Clarke, 2006), innovation (Anderson and West, 1998), and individual performance (McKay, Avery and Morris, 2008). Organisational broader outcomes include customer retention (Clark, 2002), customer attitudes (Dietz, Pugh and Wiley, 2004), and team performance (Colquitt, Noe and Jackson, 2002). Therefore, organisational climate touches nearly every aspect of organisational life, such as employee and organisational outcomes.

2.3.1 The Global Climate

Initially, climate researchers were interested in a broad global conceptualisation of work climate and its influence on employees (Kuenzi and Schminke, 2009). In this early work, organisational climate was viewed as a global construct that enabled researchers to examine broader determinants of employee behaviours. This literature aims to understand the situational factors in organisations and their impact on employees' work behaviours. It also emerged as a way to understanding organisational

performance outcomes and became a foundation for understanding organisational effectiveness (Kozlowski and Klein, 2000).

Reviewing the literature on organisational climate and specifically climate for innovation, it is found that previous studies investigated the climate for innovation as 'homogenous' climate. There are only studies that investigated team climate for innovation. Research focused only on global climates and facet-specific climates such as climate for innovation, ethics, entrepreneurship, service, etc., which is discussed in the following section. Literature focusing on organisational culture examined sub-cultures. However, sub-cultures are not addressed in this thesis as they represent a different stream of research. The focus of this study is on **Climate** (practices, policies, etc.) rather than culture (values, norms, etc.).

2.3.2 Facet-Specific Climates

A second major accomplishment of research on organisational climate is the development of research on focused climates. Kuenzi and Schminke (2009) indicate that early research had little focus on specific climates. Recent theoretical and methodological developments renew researchers' interest in the impact of organisational context on employees in the workplace (Kuenzi and Schminke, 2009). Many articles on organisational climate have appeared in specialised journals such as those related to ethics, leadership, entrepreneurship, and services management. The focus of climate research has altered as researchers have changed their focus from global to facet-specific climates (Kuenzi and Schminke, 2009). Facet-specific climates focus on particular aspects of the organisational context, such as climates for justice (Naumann and Bennett, 2000; 2002; Mayer et al., 2007), safety (Zohar and Luria, 2005; Hofmann and Mark, 2006), innovation (Amabile et al., 1996; Baer and Frese, 2003), ethics (Cullen, Parboteeah and Victor, 2003; Ambrose, Arnaud and Schminke, 2008), service (Schneider, White and Paul, 1998; Dietz, Pugh and Wiley, 2004; Hui et al., 2007), and diversity (Hicks-Clarke and Iles, 2000; McKay, Avery and Morris, 2008). To sum up, research focus on facet-specific climates increases our understanding of organisational climates and their influence on employee and organisational outcomes (Kuenzi and Schminke, 2009). Thus, this research focuses on climate for innovation. Specifically, it investigates the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience.

2.4 Climate for Innovation

The interest in leading and managing for innovation is growing among practitioners and academics (Isaksen and Akkermans, 2011). Organisational success in the 21st century will be determined by an organisation's ability to remain in a state of continuous improvement driven by innovation (Agbor, 2008). Innovation is considered as a competitive tool for organisation's long term performance and an important means for adapting to the needs of a changing and evolving business environment (Uzkurt et al., 2013). Therefore, it is vital for organisations to develop and nurture practices, policies and procedures that promote innovation. Research on innovation points out that the innovation process must commence with strategic intent to provide a sense of direction for employees (Martins and Terblanche, 2003; Bate, 2010). Employees represent the best resource for any organisation striving to maintain a competitive advantage (Agbor, 2008). By fostering a climate for innovation, employees are inspired to be innovative, leading to the production of innovative outcomes (Mathisen, Einarsen and Mykletun, 2012). The extent to which an employee generates and implements new ideas depends on the climate for innovation in the organisation (Foss, Woll and Moilanen, 2013). Mumford and Gustafson (1998) argue that even when employees have the capability to innovate, their willingness to do so depends on the organisational climate for innovation. King et al. (2007) argue that maintenance of a climate which supports the production and implementation of innovative ideas or processes is related to the performance of organisations. Ashraf and Khan (2013) claim that innovation dimensions broadly fall under three conditions: a) an environment that endorses innovation, b) leadership that encourages innovation, and c) personal orientation of employees for innovation. Therefore, an organisation's effectiveness is determined by its success in creating an environment which encourages employee creativity and innovative work behaviours (Agbor, 2008; Sarros, Cooper and Santora, 2008; Isaksen and Akkermans, 2011).

Earlier studies focused on the generation of ideas more than their implementation (Damanpour, 1991; Axtell et al., 2000; Alpan et al., 2010). There is scant research on the relationship between climate for innovation and implementation of new ideas (Foss, Woll and Moilanen, 2013). It is important to identify the practices, policies and procedures that enable organisations to implement new ideas (Caniëls, De Stobbeleir and De Clippeleer, 2014). Therefore, this study investigates the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience.

2.4.1 Definition of Climate for Innovation

West and Anderson (1996) define climate for innovation as the extent to which the values and norms of an organisation emphasise innovation. Coelho et al. (2010) suggest that climate for innovation is concerned with an employee's perceptions of the extent to which his/her organisation is open to and accepts new ideas, promotes new ideas that challenge current practices, and stimulates risk-taking. A climate for innovation enables employees to develop new mechanisms or improve work-related processes (King et al., 2007). Übius, Alas and Elenurm (2013) define climate for innovation as the degree to which an organisation provides its employees with support and encouragement to undertake initiatives and explore approaches that influence the organisational performance. Organisations that provide and support initiatives and encourage the development and implementation of new ideas enable their employees to cope with the stressful demands of their jobs. An innovative climate is an environment that encourages collaboration and experimentation (Elenkov and Manev, 2009). Patterson et al. (2005) and Sundgren et al. (2005) define climate for innovation as the practices and policies exhibited in daily life in the organisation that are experienced, understood and interpreted by the employees. In other words, it is the subjective perception experienced by employees as to whether the workplace is innovation-supportive or not (Amabile et al., 1996; Carmeli and Schaubroeck, 2007).

To sum up, climate for innovation can be described as the extent to which innovation-driven organisations encourage employees to be innovative through the use of appropriate methods, tools and adequate resources (Shalley and Gilson, 2004). Innovation greatly depends upon engaged employees that take initiatives and are creative in their work (Bate, 2010). Employees can help to improve organisational performance through their ability to generate ideas for new and better products, services and work processes. Therefore, organisations must create climates that stimulate and encourage employees to engage in activities that result in innovation. Future research should investigate under which conditions employees are best engaged creatively to achieve higher levels of performance (Sarros, Cooper and Santora, 2008). This research investigates the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience. It explores the dimensions of climate for innovation that enhance the employee role in the innovation process and leverage organisation innovativeness. Further, this study identifies the dimensions of climate for innovation that are most highly related to customer experience from the employees' perspective.

2.4.2 Dimensions of Climate for Innovation

Although numerous studies have investigated the topic of organisational innovation, the studies focusing on the dimensions of climate for innovation are still limited (Satsomboon and Pruetipibultham, 2014). It is important to highlight the factors characterising an organisational climate that stimulates creativity, enhances innovative behaviours and facilitates the innovation process. Reviewing the existing literature, researchers propose dimensions that influence the climate for innovation. These dimensions are reviewed below.

Dimension 1: Organisational Structure

Burns and Stalker (1961) consider two types of organisation's structure: organic and mechanistic. Characteristics of organic structure include decentralisation, lack of formalisation, flexibility and functional specialisation. Previous research suggests that organisation structure is a significant determinant of innovation and it can facilitate or hinder innovation (Burns and Stalker, 1961; Dalton et al., 1980; Damanpour, 1991; Cosh, Fu and Hughes, 2012). Kanter (1985) characterised an innovative organisation as one with lower hierarchical levels and greater decentralisation. Mintzberg (1989) argues that a hierarchical organisation is dysfunctional for innovation. Ahmed (1998) argues that organisational organic structure can enhance an innovative climate in the organisation. More recently, Cosh, Fu and Hughes (2012) posit that decentralised decision-making, functional specialisation and informality increases an organisation's propensity to innovate. Goepel, Hölzle and zu Knyphausen-Aufseß's (2012) study suggests that organic structure has a positive impact on an organisation's innovativeness. They found that centralisation, i.e., the concentration of decision-making authority at senior levels, and formalisation, i.e., the degree of emphasis on following rules and procedures, are the main factors that hinder employees' innovation. Within the same vein, Daugherty, Chen and Ferrin's (2011) findings suggest a positive relationship between decentralisation and a firm's service innovation. Their study reveals that decentralised decisions in day-to-day operations are highly related to idea generation and innovation. Daugherty, Chen and Ferrin (2011) argue that formalisation of required procedures or rules is necessary and does not necessarily inhibit new idea generation; however, formality in general can hinder innovative initiatives. Further, the Google case study strongly emphasises the importance of an organic organisation structure for continuous innovation (Steiber and Alänge, 2013). The study reveals that a semi-structured, non-bureaucratic, and flat organisation can continuously innovate, in which innovative ideas come out from anyone and everywhere in the organisation through a bottom-up process (Steiber and Alänge, 2013). However, Crossan and Apaydin's (2010) study shows less significance of organisation structure as a determinant of

innovation. Reviewing the extant literature, it can be concluded that organisational structure plays a vital role in influencing climate for innovation.

The literature also addresses a new approach or system of organisation structure, namely, holacracy. Holacracy is a governance framework for organisations which radically replaces the traditional organisation structure with an adaptable and highly effective one (Van De Kamp, 2014). In other words, it is a governance structure characterised by a distribution of power among self-organising groups, rather than the top-down structure in the traditional organisation structure model (Bernstein, Bunch, Canner, & Lee, 2016). Holacracy provides a flat management structure that distributes authority. The main aim of holacracy is to ensure that those responsible of conducting a job have the authority to decide how the work should be executed (Robertson, 2007). The holacratic organisation structure consists of self-managed teams which are called circles or holons (Bernstein et al., 2016). One of the main differences between holacracy and traditional organisation structures can be seen in the system of allocating titles in an organisation (Robertson, 2007). Titles are replaced with the roles of employees which are defined according to the jobs they perform and the way they can contribute to the organisation (Robertson, 2007). Roles are defined with a clear purpose only at a point where they contribute to the organisation and the aim of the circle (Van De Kamp, 2014). Hence, there are no management titles either (Van De Kamp, 2014). Thus, by providing employees with authorities and responsibilities, decision-making is distributed throughout the organisation (Robertson, 2007). Further, by distributing leadership throughout the organisation, holacracy aims to be more of an open system where employees are more in touch with the external changing environment. This distribution of leadership allows for constant learning and innovation (Cardoso and Ferrer, 2013). Its benefits include agility, transparency, employee engagement and innovation (Robertson, 2015). Overall, holacracy is seen to have all the characteristics of an organisation's organic structure. Robertson (2015) indicate that a self-managing philosophy allows organisations to be more resilient, innovative, and better attuned to customer needs. However, studies on holacracy are scarce and there is a need for further studies on the impact of holacracy on innovation.

Dimension 2: Leadership and Line Managers

According to Ekvall and Ryhammar (1999), leadership is a crucial source of influence on organisational culture as well as climate for creativity and innovation. Leadership is conceptualised in this study as the process of influencing others to achieve a desired outcome (de Jong and Hartog, 2007).

Several studies show that direct-supervisors, managers, and executive and senior managers influence innovative behaviour by encouraging and supporting employees to generate and implement new ideas (Amabile et al., 1996; 2004; Amabile, Hadley and Kramer, 2002; Damanpour and Schneider,

2006). When managers are supportive, they encourage employees' feelings of self-determination and personal initiative at work, which can boost the level of creativity and innovation in the organisation (Oldham and Cummings, 1996). Senior management's support encourages employees to contribute to the organisation innovation by generating and implementing creative and innovative ideas (Choi et al., 2016).

Research on the relationship between leader's behaviour and individual's innovation examined transformational leadership, participative leadership, and leader-member exchange (LMX) theory. Transformational leaders support creativity and encourage employees to view and solve problems in different ways (Kahai, Sosik and Avolio, 2003). They intellectually stimulate employees to be innovative and help them to develop their full potential (de Jong and Hartog, 2007; Choi et al., 2016). Participative leadership involves employee consultation, joint decision-making and delegation, which influences employee innovative behaviour (de Jong and Hartog, 2007). Axtell et al. (2000) find a positive relationship between participation and innovative behaviour. Research has shown that transformational leadership promotes employees' creativity and innovation more than any other leadership style (Choi et al., 2016; Khalili, 2016).

Several studies investigated transformational leadership with an emphasis on charismatic influence, inspirational motivation, intellectual stimulation and individual consideration (Nemanich and Keller, 2007; Cheung and Wong, 2011; Choi et al., 2016). Using charismatic influence, the leader engenders pride, faith, and respect and reflects a sense of mission (Hater and Bass, 1988). Thus, transformational leaders can influence employees' innovative behaviours by challenging and energising them to seek novel ways of doing things (Cheung and Wong, 2011). According to Hater and Bass (1988), a transformational leader pays attention to the developmental needs of employees through individualised consideration. When employees are given discretion and enriched opportunities to develop their capabilities and skills, they are likely to be more creative and innovative (Cheung and Wong, 2011). Through inspirational motivation, a leader can increase employees' intrinsic motivation (Choi et al., 2016). When the leader provides support and encouragement during the idea generation phase, employees are prone to generate and implement novel ideas (Li, Zhao and Begley, 2015). The fourth dimension of transformational leadership is intellectual stimulation, in which the leader encourages employees to think in an innovative way (Hater and Bass, 1988). Employees are encouraged to challenge the status quo, question old assumptions, reevaluate problems and think creatively (Cheung and Wong, 2011). Such leadership style is likely to result in enhanced employee creativity and innovative behaviours (de Jong and Hartog, 2007).

LMX theory also focuses on social exchange relationships between leaders and employees (Yukl, 2002). It suggests that the quality of the relationship between a leader and an employee influences outcomes, such as employee satisfaction, supervisor satisfaction, performance, commitment, role conflict, role clarity and turnover intentions (Yukl, 2002). Tierney, Farmer and Graen's (1999) study of R&D leaders and employees suggests a positive relationship between high-quality leader-subordinate relationships and creativity. Janssen and Van Yperen (2004) also find that high-quality relationships have a positive impact on the employee innovative behaviour. Similarly, Amabile et al. (2004) suggest that perceived leader support is positively related to creativity. They also show that the non-supportive leader, whose team is unable to be creative, is engaged in micromanaging behaviours. The ineffective leader frequently checked up on his/her team, consuming time from their work, and hindering their creative desires. On the other hand, the study finds that the effective leader supervised his/her team at the level of the project, rather than checking in on each employee team member. Similarly, Shin and Zhou (2003) find that employees are able to exhibit more creative and innovative behaviours when they are not micromanaged by their leaders.

An interesting case study research by Steiber and Alänge (2013) on Google's continuous innovativeness shows that good leaders at Google act as cultural ambassadors and as connectors, meaning that they quickly absorb and diffuse information from other parts of the organisation to their teams, and serve as facilitators of the innovation process. Interviewees suggest that leaders should empower their employees, trust and support them in new projects, minimise obstacles to innovation, set the vision and direction for their teams, help their employees with career development, and make the teams' roles clear in the organisation. Similarly, Prieto and Pérez-Santana (2014) study shows a positive role for leadership support in influencing employee innovative behaviours. They propose that when managers encourage employees to voice their concerns, provide supportive feedback, and develop employee skills, they are showing themselves as supportive, thus enhancing employees' creative and innovative behaviour at work. Conversely, leaders that are perceived as controlling reduce employees' innovative behaviour. Slåtten (2014) study also reveals that transformational leadership that inspires and encourages employees to think before acting positively influences employees' innovative behaviours. Regarding the leader's role during the innovation process, the leader should play a facilitating role during the idea generation and idea promotion stages instead of a formal hierarchical one (Caniëls, De Stobbeleir and De Clippeleer, 2014). On the other hand, the ideal role of a leader during the implementation stage should be a formal and hierarchical role that co-ordinates and maintains a strict process in which deadlines are respected and quality requirements are met (Caniëls, De Stobbeleir and De Clippeleer, 2014).

Previous research highlighted the crucial role of line managers or supervisors in fostering creativity and innovation in the organisation (Amabile et al., 1996; Mumford et al., 2002; Du, Zhang and Chen, 2016). As the innovation process is risky and time consuming, line managers' support can minimise the potential risk, thus enhancing employees' innovative behaviours (Dewett, 2006). Amabile (1997) proposes that supervisors' support is important in setting up goals, supporting the teamwork in the organisation, providing effective feedback, and cultivating an environment that is open to novel initiatives. Amabile et al. (2004) argue that supervisors' support behaviours include task-oriented and relationship-oriented actions. Task-oriented behaviours include effective organisation of tasks and resources, providing job clarity, setting job performance standards, and disseminating information and knowledge. On the other hand, supervisors' relationship support includes maintaining interpersonal relationships that build trust and loyalty. Cheung and Wong (2011) propose that each type of supervisors' support is highly related to employees' creativity and innovative behaviours.

Numerous research studies highlight the crucial role of leadership as an antecedent of fostering climate for innovation (Amabile et al., 1996; 2004; Sarros, Cooper and Santora, 2008; Hsu and Fan, 2010; Isaksen and Akkermans, 2011). The creation of an appropriate organisational climate is the main responsibility of leadership within any organisation (Amabile et al., 2004). Similarly, Isaksen (2007) proposes that leaders and their behaviours influence employees' perceptions of climate for innovation and encouragement of change and creativity. Thus, it can be concluded that climate for innovation is a direct result of transformational leadership in the organisation.

Dimension 3: Colleagues' Support and Collaboration

This dimension has not received much attention in the creativity and innovation literature, except in the team and workgroup perspective (Foss, Woll and Moilanen, 2013). Studies of support at the workgroup level show that group innovation increases when employees feel that new ideas are encouraged and they are safe in participating in the decision-making processes (Amabile et al., 1996; Ekvall, 1996). Also, other studies show that support and encouragement from work colleagues is important for employees' intrinsic motivation (Foss, Woll and Moilanen, 2013). Co-workers' support enables collaborative work and, thus, relevant knowledge exchange, integration and creation (Hsu et al., 2007). Employees working in organisations with strong collaboration and support among employees are more likely than those who are not in such organisations to be innovative at the workplace (Prieto and Perez-Santana, 2014). Employees are more creative when they experience support from their colleagues on ideas and when they feel mutual openness and commitment (Amabile et al., 1996). Co-workers' mutual consideration and encouragement of ideas and support for innovation is demonstrated to positively influence employee innovative behaviour (Foss, Woll and Moilanen, 2013).

Foss, Woll and Moilanen's (2013) study reveals that support from colleagues has a positive influence on both idea generation and idea implementation stages. They argue that co-workers are more important when managers are not available in employees' daily work. Further, they propose that colleagues are more helpful when they are implementing ideas. Similarly, Prieto and Perez-Santana's (2014) study shows the positive role of colleagues' support in influencing employee innovative behaviours.

Gundry et al. (2016) propose that employees' collaboration leads to greater degree of successful innovation outcomes. Keller (2001) argues that collaboration, exchange of knowledge and sharing of information between employees across the organisation is an important source for innovation as new and novel ideas emerge when employees share experiences and insights, provide feedback and help. The more employees collaborate and exchange knowledge with other employees outside their unit, the more likely they are to be exposed to new ideas and approaches (Perry-Smith and Shalley, 2003, Hülshager, Anderson and Salgado, 2009; Gundry et al., 2016). This collaboration stimulates innovative thinking and behaviours that lead to innovation (Hülshager, Anderson and Salgado, 2009; Gundry et al., 2016). Innovating new products requires involvement and collaboration of functional units (Olson et al., 2001; Rodríguez, Pérez and Gutiérrez, 2008). The literature suggests that there is significant positive influence of cooperation between functional units on product innovation (McDonough III, 2000; Rodríguez, Pérez and Gutiérrez, 2008). Rodríguez, Pérez and Gutiérrez (2008) posit that cooperation among different functional teams is key for new product development and the whole innovation process. Previous literature shows that employees are more innovative when they work together as a team rather than individually (Hon and Chan, 2013; Anderson, Potočnik and Zhou, 2014; Hon and Lui, 2016). Conversely, there has been little attention paid to co-workers' support and teamwork roles in the innovation process in previous research and there is a need for future research (Foss, Woll and Moilanen, 2013; Hon and Lui, 2016).

Dimension 4: Autonomy and Empowerment

Autonomy and empowerment are conceptualised as allowing employees the freedom to determine how to conduct their job tasks (Amabile, et al., 1996; Amabile, et al., 2004; Shalley, Zhou and Oldham, 2004). A work climate characterised by autonomy and empowerment is more likely to enhance employees' intrinsic motivation, which can boost innovative behaviours within an organisation (McLean, 2005). Employees that are allowed freedom in shaping their work will be more likely to feel ownership of it (Shalley and Gilson, 2004). Job autonomy provides employees with empowerment to be innovative (Hennessey and Amabile, 2010). Abstein and Spieth's (2014) study shows that when an organisation grants its employees the greatest possible freedom with a sense of responsibility, it is

able to utilise its employees' innovative potential in the best way possible. Hammond et al.'s (2011) study also identifies autonomy as one of the main antecedents of employee innovative behaviour. It enables employees to experiment and try several approaches to conduct their work and to find ideas and develop them (De Spiegelaere et al., 2014). When employees are empowered, they feel a sense of responsibility and, consequently, they are encouraged to generate novel ideas and get engaged in innovative work behaviours (Luoh, Tsaur and Tang, 2014). Bowen and Lawler (1992) posit that employee empowerment triggers a quick response to customers' needs and wants and the generation of new ideas to meet them. Thus, employee empowerment enhances and fosters employee innovative behaviours (Luoh, Tsaur and Tang, 2014). Previous research indicates that when employees are empowered, they are confident in implementation and have self-determination to complete their tasks and, thus, are likely to exert more effort and solve problems in innovative ways (Spreitzer, 1995; Gagné and Deci, 2005). They are willing to take more risks and generate novel ideas (Amabile et al., 1996). Luoh, Tsaur and Tang (2014) posit that empowered employees are more likely to devote more time and effort to improve service quality and provide customers with unique innovative solutions.

Empowerment is critical to service organisation's innovativeness because it strengthens the employee's ability to become engaged in service innovation (Gómez and Rosen, 2001; Sok and O'Cass, 2015). Empowerment augments employees' skills and professional growth, allowing them to initiate new initiatives to satisfy customer needs (Rafiq and Ahmed, 1998; Luria, Gal and Yagil, 2009). Consequently, this will enhance employees' customer-oriented work behaviours and engagement in service innovation (Sok and O'Cass, 2015). Sok and O'Cass (2015) indicate that employee empowerment is essential for successful service innovation as it provides employees with greater freedom to initiate solutions, thus enhancing service quality. Therefore, it can be concluded that empowered employees are more confident in their work resulting in creative and innovative behaviours.

Dimension 5: Human Resources Practices

Research suggests that effective human resources practices and systems including rewards and awards, recruitment and selection, induction, appraisal, and training are highly related to organisational innovation (Shipton et al., 2005; 2006; Loewenberger, 2013; 2016). Jørgensen, Laugen and Boer (2007) posit that human resource management (HRM) enhances employees' innovative behaviours and organisation performance. HRM practices increase employees' motivation and job performance and engender more cohesion and communication among employees in the organisation (Cafferkey and Dundon, 2015). Heffernan et al.'s (2016) study indicates that HRM practices have a significant role in creating, developing and fostering climate for innovation. However, reviewing the

literature, the relationship between HRM and innovation and organisation performance needs further exploration (Cooke and Saini, 2010; Boxall, Ang and Bartram, 2011; Heffernan et al., 2016). Heffernan et al. (2016) state that HRM practices have never been fully explored explicitly in terms of climate for innovation. Loewenberger (2013) suggests a paucity of research investigating recruitment and selection practices to find employees with creative skills and capabilities, training and development activities, practices motivating employees to innovate, and championing creative and innovative ideas.

One of the most important HRM practices is rewarding and awarding employees for creativity and innovation. Extant literature reveals that intrinsic motivation is essential to creative performance (Amabile et al., 1996). Unfortunately, many jobs reduce employee intrinsic motivation to produce creative performance due to job routine and the nature of work itself (Waples and Friedrich, 2011). Therefore, many organisations focus on extrinsic rewards to encourage innovative behaviour (Waples and Friedrich, 2011). Reviewing the literature on extrinsic rewards, there are different arguments regarding the impact of extrinsic rewards on creative and innovative behaviour at the workplace. Some scholars suggest that creative performance can be enhanced by extrinsic rewards (Eisenberger et al., 2001; Eisenberger and Aselage, 2009). In contrast, other scholars propose that extrinsic rewards can reduce creativity (Amabile et al., 1986). Therefore, rewarding creativity is more difficult than rewarding ordinary performance (Baer, Oldham and Cummings, 2003). Baer, Oldham and Cummings (2003) propose two variables that illustrate the influence of extrinsic rewards on creative performance: job complexity and employee cognitive style. Complex jobs are those that involve autonomy, skill variety, significance and feedback (Oldham and Cummings, 1996). The cognitive style includes adaptors (who follow processes and procedures without questioning) and innovators (who take risks). They propose that extrinsic rewards enhance employees' creativity in simple jobs and reduce their creativity in complex jobs. Further, their study reveals that extrinsic rewards have no influence on employees with innovative cognitive styles. Within the same vein, Prieto and Perez-Santana's (2014) study results indicate that employees respond more innovatively to skill enhancing, job nature, and opportunities for growth than to compensation and incentives. The effectiveness of rewards and recognition systems for stimulating employees' creativity and innovative behaviours is still intensely debated in the academic literature (Malik and Butt, 2016). Thus, effective incentive systems for innovation need more research (Prieto and Perez-Santana, 2014).

Organisations should ensure diversity of employees' backgrounds and skills when recruiting and selecting employees (Caniëls, De Stobbeleir and De Clippeleer, 2014). Employee composition and diversity has been shown to be critical for creativity and innovation (Woodman, Sawyer and Griffin, 1993). For instance, Dackert, Lööv and Mårtensson (2004) found that employees are likely to be more

creative when teams are composed in a diverse and complementary way, where employees have different educational levels, demographics, personalities, skills, and knowledge. This complementary composition can result in constructive conflict where employees exchange different views and perspectives which, in turn, can enhance creativity and innovation (Caniëls, De Stobbeleir and De Clippeleer, 2014). On the other hand, some scholars argue that employees diversity should not be very high, because too much conflict can hinder innovation (De Dreu and West, 2001). Diversity of employees in terms of knowledge and expertise is essential for idea generation as interactions with people with different knowledge engenders more ideas (Erhardt, 2011). Caniëls, De Stobbeleir and De Clippeleer's (2014) study shows that during idea generation employees seek interaction with colleagues with diverse backgrounds and knowledge. The study signposted that employees are looking to broaden their horizons as diverse experiences increase their challenge and knowledge as well as structures their mind and ideas. Research results indicate that when employees make ideas explicit to others, divergent thoughts become organised into structured concepts (Caniëls, De Stobbeleir and De Clippeleer, 2014). Also, successful idea implementation requires task-related diversity, as complementary implementation skills and knowledge can enhance the successful implementation of an idea (Caniëls, De Stobbeleir and De Clippeleer, 2014).

Training and development is one of the commonly adopted human resources practices to enhance creativity and innovation (Laursen and Foss, 2003; Searle and Ball, 2003; Cooke and Saini, 2010). Cooke and Saini (2010) posit that organisations conduct a number of training sessions per year, sponsor higher education degrees, and establish development training programmes to enhance employees creativity and innovation. Performance management programmes are another important HRM practice adopted by organisations to promote innovation, such as performance appraisals, performance-based promotion and profit sharing (Cooke and Saini, 2010; Muduli, 2015). Overall, previous research indicates a link between human resources practices and innovation, which ultimately contribute to organisational performance (Jørgensen, Laugen and Boer, 2007; Chowhan, 2016; Heffernan et al., 2016).

Dimension 6: Idea Time and Idea Support

Idea time refers to the amount of time available for employees to elaborate new ideas (Isaksen, 2007). In a high idea time environment, there are possibilities to discuss and test new ideas which are not planned or included in the task assignments (Isaksen, 2007). Such a climate allows opportunities to take time to explore and develop new and fresh ideas (Isaksen, Lauer and Ekvall, 1999). It is important to provide employees with sufficient time to work on developing novelties without the burden of a routine workload (Alpkan et al., 2010). Providing employees with insufficient time to do their tasks

and think out-of-the-box can hinder the generation of new and novel ideas (Oldham and Cummings, 1996). On the one hand, Ohly, Sonnentag and Pluntke's (2006) study indicates that it is important for organisations to allocate adequate time for creativity and innovation. On the other hand, when employees' time is booked and pressurised, thinking out-of-the-box is impossible (Isaksen, 2007). Thus, idea time is essential for employees to explore new avenues and alternatives.

Idea support reflects the extent to which new ideas are encouraged and supported in an organisation (Isaksen, 2007). In a supportive climate for innovation, ideas and suggestions are received in an attentive and professional way by leaders, peers and subordinates. In such a climate, people listen to each other and encourage initiatives and possibilities for new ideas to be addressed. Although co-workers do not have the authority to approve innovative ideas, they play a crucial role in discussing and assessing a new idea (Detert et al., 2013). Innovative organisations should support and encourage employees to try and experiment with new things and innovative approaches of doing things to enhance the level of innovation in an organisation (Martins and Terblanche, 2003; Patterson et al., 2005). Baer (2012) points out that gathering support from other colleagues, teams and key allies in the organisation is necessary for successful idea implementation. In contrast, when idea support is low, new ideas are rejected and destructive counter-arguments emerge (Isaksen, 2007). Thus, innovative organisations need to provide employees with a constructive atmosphere where ideas and initiatives are encouraged.

Dimension 7: Risk-Taking

Risk-taking refers to possible gains and losses resulting from a certain action (Morgan and String, 2003). This dimension addresses the tolerance of uncertainty and ambiguity present in the workplace. Previous research indicates that innovation requires risk-taking at all levels of the organisation (Isaksen, 2007; King et al., 2007; Garcia-Granero et al., 2015). Risk-taking involves investing significant resources in new ideas with the potential of failure (Lumpkin and Dess, 1996). New product development requires risky processes and strategies with high potential of failure (Rodríguez, Pérez and Gutiérrez, 2008). In high-risk situations, new ideas and initiatives can be considered, even when the outcomes are unknown (Isaksen, Lauer and Ekvall, 1999). Risk-taking affects decision-making processes in resource allocation, the development of competitive strategies, and the choices of new products and services and in which markets to operate (Morgan and String, 2003). Developing or adopting new innovations is inherently risky as worthwhile outcomes are not ensured (Ruvio et al., 2014). Novelty is related highly to risk-taking, such as investing in unexplored technology or introducing new products (Rauch et al., 2009). As innovation requires development of new products

and processes, risk-taking is characteristic of highly innovative organisations (Ruvio et al., 2014). Ling et al. (2008) and Wu (2008) argue that thinking out-of-the-box requires a huge amount of uncertainty and bold decisions and actions that are vital for innovation. García-Granero et al. (2015) posit that risk-taking is an essential dimension of climate for innovation to enhance the organisation innovativeness. When an organisation tolerates uncertainty and failure, employees are more likely to put forward novel ideas and come up with innovative products and services. Therefore, organisations should encourage employees to be risk-takers to enhance their innovative behaviours. Organisations should show tolerance of failed projects so employees do not fear taking innovative initiatives (Alpkan et al., 2010). Conservative and risk-averse attitudes of the managers will lead to employees' lack of confidence and lower their innovative initiatives and behaviours (Gupta, MacMillan and Surie, 2004). It can be concluded that the greater the organisation's tolerance for risk-taking, the higher the employees' innovative behaviour. However, the extant literature on risk-taking in innovative organisations examined risk-taking at an individual level and organisational level only and managers' willingness to take risks. The literature focused on risk-taking as a characteristic of innovative organisations and ignored the investigation of risk-taking levels among different functional departments. Further, previous literature investigated individual characteristics that affect an employees' risk-taking behaviours (e.g. Shalley, Zhou, and Oldham, 2004).

Dimension 8: Physical Environment

Many scholars who are concerned with the climate for innovation dimensions do not consider physical environment in their frameworks (Dul and Ceylan, 2014). Elements in the physical environment that stimulate creativity include the presence of plants, non-crowded space, and window view (Dul and Ceylan, 2014). Other physical environment elements, such as colour, sound and odour are considered as elements that can stimulate creativity (Dul, Ceylan and Jaspers, 2011). Physical environment is considered as a significant factor for enabling employees to generate new ideas (Oksanen and Ståhle, 2013). Oksanen and Ståhle (2013) argue that organisations should create innovation spaces or a physical environment that is conducive to creativity and innovation. Reviewing the literature, there is a need to develop a framework for climate for creativity and innovation that encompasses both social aspects and physical environment.

Dimension 9: Open Innovation

Service firms are currently facing the challenges of rapidly developing technologies, customer needs, and intense competition (Kang and Kang, 2014). Thus, the importance of service innovation has increased for organisations. However, in today's competitive business environments, service organisations cannot generate innovations only with their internal knowledge and experience.

Externally acquired knowledge allows them to produce more innovations with value-added services. Therefore, open innovation plays an important role in the service innovation. However, previous studies on open innovation focused mainly on the product or technological innovation in the manufacturing sector (Kang and Kang, 2009), and its impact on service innovation is rarely highlighted (Kang and Kang, 2014).

Organisations increasingly adopt open innovation to collaborate and exchange knowledge with external stakeholders to leverage innovation capability (Randhawa, Wilden and Hohberger, 2016). Despite that researchers have been focusing attention to the study of open innovation, there is a lack of common knowledge of what constitutes open innovation and its theoretical underpinnings (Randhawa, Wilden and Hohberger, 2016). Open innovation was initially conceptualised as a way for organisations to open up their boundaries to enhance inflows and outflows of knowledge, so as to internally boost and externally exploit innovation (Chesbrough, 2003). Open innovation business models enable organisations to exploit valuable opportunities and maximise profits from innovation (Chesbrough and Crowther, 2006; Laursen and Salter, 2006). Organisations are able to capture valuable ideas by making better use of both internal and external sources (Chesbrough, 2003). Previous research has tended to adopt a firm-driven approach to investigate how a firm adopts open innovation, factors that enables this adoption, and how open innovation impacts organisational performance (Dahlander and Piezunka, 2013). However, there is a lack of focus on investigating open innovation networks and the role of users and communities as external sources of innovation (Randhawa, Wilden and Hohberger, 2016).

An open innovation approach involves different strategies. Chesbrough and Crowther (2006) proposes two types of open innovation strategies that an organisation may adopt, namely: inbound open innovation and outbound innovation. Inbound innovation is when an organisation monitors its internal environment to generate ideas and develop in-house R&D. In the case of outbound open innovation, instead, it searches for external innovative ideas. The organisation can obtain external knowledge from universities, research centres, other organisations, etc., as well as it may provide its knowledge to external environments. Within the same vein, Gassmann and Enkel (2004) identify three open innovation key processes:

1. Outside-in process (outside to inside) that empowers an organisation to enrich its internal knowledge with external knowledge to leverage the internal innovation process.
2. Inside out process (inside to outside) in which internal ideas are exploited outside the organisation, in different markets.

3. Bi-directional process, that is bi-directional way of exchanging knowledge (information flows) and creates a synergy and partnerships with other organisations.

Previous research highlights the various external knowledge sourcing modes ranging from technology purchasing, joint development, and joint venture to technological acquisition (Kang and Kang, 2014). The external knowledge sourcing strategies are categorised into cooperation and buy (Lin and Wu, 2010). Cooperation for external knowledge sourcing refers to the activities to procure the knowledge of partners, co-create new knowledge, and establish a common objective through cooperation. This includes joint development, joint venture, and technological alliances among others (Kang and Kang, 2014). Buy in the context of external knowledge sourcing refers to the activities that acquire external knowledge by paying the costs of the knowledge. These include technology purchasing and acquisitions of other organisations for knowledge sourcing.

Perkmann and Walsh (2007) provide insight into open innovation approach on the context of university-industry relationships. Their study investigated various types of university-industry relationships, such as collaborative research, university-industry research centres, contract research, and academic consulting. Chesbrough and Appleyard (2007)'s study highlights how open innovation influences organisations to re-evaluate and reform their leadership strategies. They pinpoint that organisations are bound to create new business models to harness innovation based on open innovation approach. Chesbrough (2011) extended the open innovation approach by introducing the concept of open innovation service. He established a framework for the open service innovation concept that consists of four fundamental activities. The four activities include thinking of the business as an open service business, co-creating innovations, using open innovation to leverage and enhance service innovations, and transforming the whole business model based on the open service innovation approach.

Organisational culture plays a crucial role in enabling an organisation to adopt open innovation (West and Bogers, 2014). Cultural changes are essential to successfully adopt innovation from external sources and collaborate with external stakeholders (Dodgson, Gann and Salter, 2006). Such changes can shift the focus from 'not invented here' to an outlook that encourages adoption of innovation from external sources and entrepreneurial risk-taking (Witzeman et al., 2006).

2.4.3 Measurements of Climate for Innovation

Researchers focusing on climate for creativity and innovation utilise quantitative instruments (Amabile et al., 1996; Ekvall and Ryhammar, 1999; Mathisen and Einarsen, 2004). Several instruments that are used in the literature to assess climate for creativity and innovation are reviewed in this section. These are known and validated instruments that have support in the literature. There are a few differences between those instruments measuring climate for innovation and those measuring climate for creativity in terms of climate dimensions and unit of analysis. The level or unit of the organisation (the individual, team or organisation) that each instrument intends to measure varies. The sections below describe the various instruments of climate for innovation in the literature.

Creative Climate Questionnaire (CCQ)

The CCQ (Ekvall, Arvonen and Waldenstrom-Lindblad, 1983) is designed to measure organisational conditions that may facilitate or inhibit creativity. It is a questionnaire measuring the climate for creativity. Climate influences organisational processes, such as problem solving, decision making, communications, co-ordination, controlling and psychological processes of learning, creating, motivating and commitment (Ekvall, 1996). The items on which the questionnaire construction is based came from the interplay between theory, field research and experiences of consultancy in organisational psychology. The instrument is an organisational measure, not an individual one. The ten dimensions measured in the questionnaire are:

1. Challenge – the members of the organisation feel challenge with the goals, operations and tasks.
2. Freedom – the independence in behaviour exerted by the people in the organisation.
3. Idea Support – the way new ideas are treated.
4. Trust/Openness – the emotional safety in relationships.
5. Dynamism/Liveliness – the eventfulness of life in the organisation.
6. Playfulness/Humour – the spontaneity and ease that is displayed.
7. Debates – the occurrence of encounters and clashes between viewpoints, ideas, and differing experiences and knowledge.
8. Conflicts – the presence of personal and emotional tensions, in contrast to conflicts between ideas.
9. Risk-Taking – the tolerance of uncertainty.
10. Idea Time – the amount of time people can use and do use for elaborating new ideas.

The CCQ is an interesting questionnaire, especially for practitioners, because it consists of well-structured 10-climate factors, each consisting of five items (Mathisen and Einarsen, 2004). This structure enhances the understanding of the questionnaire contents and makes it a useful survey tool. Further, the ten dimensions listed above are addressed in the literature as relevant to creativity. The CCQ measures the individual perceptions of the organisation's climate for creativity.

Siegel Scale of Support of Innovation (SSSI)

This instrument assesses perceptions of leadership, ownership, norms for diversity, continuous development and consistency. The SSSI is developed to assess organisational climate factors assumed to be present in innovative organisations (Siegel and Kaemmerer, 1978). Employees' perceptions of the organisation's climate for innovation are used as a basis for measurement. The theoretical dimensions used in the SSSI are:

1. *Leadership* – leadership for innovative organisations is postulated to be that which supports the initiation and the development of new ideas throughout the system and ensures the diffusion of power throughout the system. It supports the personal development of individual members, and respects members' capacity to function creatively.
2. *Ownership* – when group members feel they originate and/or develop the ideas, processes and procedures with which they work. It is posited that when ownerships exist, group members do not limit themselves to the application of previously determined solutions or solutions of others, but are committed to their own work.
3. *Norms for Diversity* – when members of the system have a positive attitude toward diversity, the system responds positively toward creativity, and behaviours are judged as being deviant.
4. *Continuous Development* – in an innovative organisation, change is continuous. An innovative organisation continuously experiments with alternative conceptions of its approaches, problems and/or tasks.
5. *Consistency* – between the innovative organisation's processes and desired products.

The SSSI is a useful tool for measuring the climate for innovation (Mathisen and Einarsen, 2004). The SSSI was conducted at schools and the sample mainly consisted of students and a few teachers. This might not be an appropriate measurement instrument to apply or to use in work organisations because students might have different perceptions or concerns of the work environment than those of employees in organisations.

KEYS: Assessing the Work Environment for Creativity

KEYS aims to measure the climate for creativity, but it is also used for assessing climate for innovation because it is argued that creativity is the seed for innovation (Mathisen and Einarsen, 2004). Three broad organisational factors are proposed and assessed over a five-point response scale in a model of creativity and innovation in organisations (Amabile et al., 1996). The authors assume that the social environment can influence both the level and the frequency of creative behaviour. It is argued that people will be very creative when they are intrinsically motivated by the interest, enjoyment, satisfaction, and challenge of the work itself. The instrument is based on a study in which R&D scientists and technicians described high-creativity and low-creativity situations based on their perceptions of work environment. For commercial use, the KEYS questionnaire is managed by the Centre for Creative Leadership.

The KEYS instrument comprises 78 questions taken by an employee at any level of the organisation and is used to quantitatively measure the level of support for creativity in work place conditions (Amabile, 1998). The key dimensions assessed are:

1. *Challenging Work* – A sense of having to work hard on challenging tasks and important projects. Managers match people with the jobs that play to their expertise and skills in creative thinking, to ignite intrinsic motivation.
2. *Freedom* – Giving autonomy to people concerning the means (process) but not necessarily the ends. Clearly specified strategic goals often enhance people's creativity. Freedom is mismanaged when goals change frequently or are not defined clearly, or by granting autonomy in name only.
3. *Resources* – The two main resources that affect creativity are time and money.
4. *Work Group Support* – Team members share excitement over the team's goal. Team members must be willing to help their team-mates through difficult periods and setbacks. Every member must recognise the unique knowledge and perspective that other members bring to the table. One common way managers kill creativity is by having homogeneous teams.
5. *Supervisory Encouragement* – Taking time to encourage the work of the team and its members. To sustain passion, people need to feel that their work matters to the organisation, or to some group of people. Being critical of new ideas or looking for flaws kills creativity. The supervisor encourages experimentation, sets goals appropriately, supports intrinsic motivation and shows confidence in the work group.
6. *Organisational Support* – Creativity is truly enhanced when the whole organisation supports it. Information sharing across the organisation supports creativity. The organisational culture encourages creativity through fair constructive judgment of ideas, reward for creative work,

mechanisms for developing new ideas and a shared vision of what the organisation is trying to do.

KEYS also assesses two management practices that inhibit creativity.

- a. *Organisational Impediments* – An organisational culture that impedes creativity through internal political problems, harsh criticism of new ideas, destructive internal competition, an avoidance of risk and an overemphasis on the status quo.
- b. *Workload Pressure* – Extreme time pressures, unrealistic expectations for productivity and distractions from creative work.

KEYS consists of a large number of dimensions of climate for creativity and innovation stated in the literature as encouraging or hindering creativity and innovation at several levels of the organisation (Mathisen and Einarsen, 2004). The KEYS instrument measures employees' perceptions of climate for creativity and innovation on several levels within the organisation, including organisational, group, and supervisory levels. KEYS provides a thorough measurement of employees' perceptions of the climate for creativity and innovation, as well as highlights the relationship between those perceptions of climate for creativity and actual productivity (Mathisen and Einarsen, 2004). However, Mathisen and Einarsen (2004) suggest that a revision of KEYS is needed to improve the factor structure and additional studies to be conducted to assess the validity of KEYS.

Situational Outlook Questionnaire (SOQ)

The most widely cited climate for innovation is the Situational Outlook Questionnaire (SOQ) developed by Goran Ekvall (Isaksen, Lauer and Ekvall, 1999). The SOQ is a measure of the climate that supports change, innovation and creativity and provides the basis for assisting practitioners and consultants to assess creativity and innovation in organisations (Isaksen, 2007).

The SOQ includes the dimensions as shown below:

1. **Challenge/Involvement:** This dimension focuses on the extent to which employees are involved in daily operations, long- term goals and visions. High challenge and involvement means that employees are intrinsically motivated and committed to making contributions to the success of the organisation. It reflects that employees find joy and meaningfulness in their work, and therefore they invest much energy.
2. **Freedom:** It refers to the independence in behaviour exerted by the employees. In a climate that promotes freedom, employees are given autonomy to perform much of their work. Employees are able to exercise discretion in their daily job tasks. In such climates, employees perceive that they can make plans and decisions about their work.

3. Trust/Openness: The trust and openness dimension addresses emotional safety in relationships. When high trust exists, employees can be genuinely open and frank with one another. Employees experience a sincere respect for one another and can count on each other for personal support.
4. Idea-Time: It refers to the amount of time available for employees to elaborate new ideas. In a high idea time environment, there are possibilities to discuss and test impulses and new ideas which are not planned or included in the task assignment. Such a climate allows for opportunities to take time to explore and develop new ideas.
5. Playfulness/Humour: It addresses the spontaneity and ease displayed within the workplace. This dimension involves a relaxed atmosphere characterised by jokes and laughter and where employees can have room for fun at work.
6. Conflict: It refers to the presence of personal and emotional tensions in the organisation. When the level of conflict is high, groups and individuals dislike and may even hate each other. Such a climate can be described as 'interpersonal warfare'. Isaksen and Ekvall (2010) find that conflict has a negative influence on climate for innovation. Low level of conflict among employees has a positive impact on the level of innovation.
7. Idea Support: It reflects the way new ideas are treated. In a supportive climate for innovation, ideas and suggestions are received in an attentive and professional way by leaders, peers and subordinates. In such a climate, people listen to each other and encourage initiatives and possibilities for new ideas to be addressed. Thus, the overall atmosphere of the organisation is constructive and positive when considering new ideas.
8. Debate: It assesses the occurrence of encounters and disagreements between viewpoints, ideas and differing experiences and knowledge. In organisations with high debating levels, voices are raised and employees are keen on putting forward their ideas for consideration and review. Employees are allowed to discuss opposing opinions and share diversity of views. Conversely, when debate is missing, employees follow authoritarian patterns without questioning.
9. Risk-taking: This dimension addresses the tolerance of uncertainty and ambiguity present in the workplace. In the high risk-taking situations, new ideas and initiatives can be considered, even when the outcomes are unknown.

Though the Situational Outlook Questionnaire is widely cited and adopted by many organisations and consultancy firms, further research and development is required to strengthen the content validity and include other dimensions (Isaksen, 2007).

Team Climate for Innovation (TCI)

The TCI is a four factor, 38 items questionnaire using a ten-point response scale (Anderson and West, 1998). The questionnaire was designed for measuring group climate for innovation. The main aim of the TCI instrument was to create a measurement tool to assess and develop group innovation. The development of the TCI was based on West's (1990) four dimensions model of work group innovation (Mathisen and Einarsen, 2004). The questionnaire investigated the relationship between group climate for innovation and research quality of academic staff in British universities. The four dimensions used are:

1. *Vision* - To what extent are the team's objectives and visions clearly defined, shared, valued and attainable? The dimension is divided into the subscales: clarity, visionary nature, attainability, and sharedness.
2. *Participative Safety* - How participative is the team in decision making procedures and to what extent is the environment perceived as interpersonally non-threatening so that it is safe to present new ideas and improved ways of doing things? This dimension is divided into the subscales: information sharing, safety, influence and interaction frequency.
3. *Task Orientation* - To what extent does the team have a shared concern with excellence of quality of task performance in relation to shared vision or outcomes characterised by evaluations, modifications, control systems, and critical appraisals? This dimension is divided into the subscales: excellence, appraisal, and ideation.
4. *Support for Innovation* - To what degree is there expectation, approval and practical support for attempts to introduce new and improved ways of doing things in the work environment?

Mathisen and Einarsen (2004) suggest that TCI is well-suited for practical use. It is the only instrument that explicitly measures climate for innovation within teams.

To sum up, all five instruments reviewed place stronger emphasis on employees' perceptions of climate dimensions that encourage creativity and innovation more than impeding dimensions. Only two of the instruments address separate impeding dimensions: CCQ addresses conflicts and KEYS addresses organisational impediments and workload pressure. The current measurements of climate for creativity and innovation need the inclusion of further dimensions that influence creativity and innovation. The inclusion of further dimensions can help organisations to specify which dimensions influence innovation and which ones require improvement (Mathisen and Einarsen, 2004).

Summary of Literature Codes

Reviewing the literature on climate for innovation, a provisional list of codes is established prior the fieldwork. The list is presented in the below table:

Table 2.1: Summary Themes and Codes- Literature

Summary Themes	Labels in Literature
Organisation Structure	Hierarchy Bureaucracy Flexibility Informality Playfulness and dynamism Teamwork and collaboration
Leadership for Innovation	Senior Management Line Managers Empowerment Vision and strategy Challenging jobs Employee involvement Trust and openness
Human Resources Practices	Rewards and awards Taring and development Recruitment Performance appraisal
Organisation Support for Innovation	Idea time Idea support Open innovation Conflict and debate Risk-taking Innovation unit
Impediments to Innovation	Resources Work pressure

2.5 Employee Role in Innovation

To cope with global competition and environmental uncertainty, organisations need employees not to fulfil only formal job requirements, but go the extra-mile and engage in innovative behaviours (Agarwal et al., 2012). Employees consider innovative work behaviour as an extraordinary effort (Lee, 2008). An important challenge for managers nowadays is to ensure the availability of appropriate and effective channels within the organisation that support the implementation of innovative ideas (Carmeli, Meitar and Weisberg, 2006). In order to implement ideas successfully, there needs to be a supportive organisational environment (Axtell et al., 2000). In this respect, many scholars suggest that climate can direct both attention and activities towards innovation (Amabile, 1997; Carmeli, Meitar and Weisberg, 2006). Organisations must manage and foster an inner environment that stimulates and supports innovative behaviour among employees (Bysted, 2013). Studies into innovative behaviour are in early stages and limited attention is given to its antecedents (Agarwal et al., 2012). Based on this discussion of the literature, this study aims to investigate the climate for innovation that

fosters, stimulates and enhances employees' role in the innovation process and, thus, organisational innovativeness and customer experience.

One way for organisations to become more innovative is to invest in their employees' ability to innovate (de Jong and Hartog, 2007). Employees can help to enhance the business performance through their ability to generate ideas and use them for producing new products, services and work processes (de Jong and Hartog, 2007). Innovative initiatives depend largely on employees' behaviours at work as key inputs in the value creation process (Chen, Tsou and Huang, 2009). In order to sustain a flow of innovations, employees should be willing and able to innovate (de Jong and Hartog, 2007). Innovation is not derived from a certain number of employees who perform specific tasks, but it should be embedded throughout the organisation so that all the employees should be involved in contributing to adoption, and diffusion, of the innovation (Jain, 2014). Organisations place more emphasis on the mechanics of innovation and not enough on the role of employees in driving innovation (Robert, 2008).

To produce innovations, employees can generate ideas by engaging in behaviours to explore opportunities, identify performance gaps or produce solutions for problems (de Jong and Hartog, 2007). Employees can be innovative at work by generating new ways to perform their jobs, by coming up with new procedures and innovative ideas, and reconfiguring existing practices (Prieto and Perez-Santana, 2014). Employees' innovative behaviours focus on self-initiated and future oriented actions that aim to change or improve a situation (Williams et al., 2006). Employees' innovative work behaviours are critical for companies' success; companies can not innovate without their employees (Abstein and Spieth, 2014). An employee innovative work behaviour is defined as the intentional creation, introduction, and application of new ideas, processes, products and services within a work role, group, or organisation for the benefit of the employee, group, or organisation (West and Farr, 1989; Yuan and Woodman, 2010). Scott and Bruce (1994) refer to innovative work behaviour as a complex behaviour including the generation, introduction, or application of novel ideas, processes and solutions. Frese et al's. (1996) concept of personal initiative has a similar definition, being defined as behaviour that is self-starting, proactive and persistent (Frese et al., 1996). Consequently, employees' innovative work behaviour is a key asset for an organisation's success in fast changing markets (Abstein and Speith, 2014).

Employee creativity and innovative behaviour are closely related (de Jong and Hartog, 2007). Creativity can be seen as part of the innovative behaviour that is most evident at the first stage of the innovation process (West, 2002; de Jong and Den Hartog, 2010). It can be considered as one type of innovative behaviour as innovative behaviour does not only include the generation of ideas but also

implementing them (Woodman, Sawyer and Griffin, 1993; Prieto and Pérez-Santana, 2014). Creative employees may influence all stages of the innovation process (Messmann and Mulder, 2012). Creativity is required at all stages of the innovation process, from the generation of new product ideas to their commercialisation or implementation (Dul and Ceylan, 2014). All organisation employees can contribute directly (part of the new product development team) or indirectly (not part of that team) to produce innovation (Dul and Ceylan, 2014).

Employees are at the heart of the innovation process (Awais and Tipu, 2014). The resource-based view of the firm reflects the importance of human resources and underpins the pivotal role employees play in building the core competence of an organisation (Awais and Tipu, 2014). Employee innovative behaviour is perceived as complex behaviour consisting of a three stage process (Scott and Bruce, 1994). In the first stage of innovative behaviour, an employee recognises a certain problem and comes up with a solution or idea, either novel or adopted (de Jong and Den Hartog, 2010). At this stage, employees can generate new ideas that do not fit expected patterns, for example, to fulfil unfulfilled customer needs, or identify changing trends in the market (de Jong and Hartog, 2007). The second stage is when an employee seeks ways to promote the value of his/her idea (Scott and Bruce, 1994; de Jong and Hartog, 2010). In the implementation stage, an employee produces a prototype of the innovation (Scott and Bruce, 1994). During this stage, employees can play a major role by exhibiting application-oriented behaviours (de Jong and Hartog, 2010). For example, an employee with a strong belief in and commitment to a certain idea might be able to persuade others of its potential and value (de Jong and Hartog, 2007). Further, they can exert considerable effort in developing, testing and commercialising an idea (de Jong and Hartog, 2007).

The innovation literature emphasises the role of employees in the innovation process. However, it does not explicitly demonstrate how organisations involve employees during specific stages of the innovation process (Mudrak, Wagenberg and Wubben, 2005; Panesar and Markeset, 2008; Desouza et al., 2009). For instance, Mudrak, Wagenberg and Wubben (2005) suggest that staff motivation is important for innovation, but employee participation in specific stages of the innovation process remains unclear. Similarly, Panesar and Markeset's (2008) study proposes a framework for innovation within the industrial services context. The framework assumes that the crucial role of employees but does not explicitly state the employees' role in the innovation process. It is still unclear in the literature how employees participate in idea generation, idea screening and implementation (Caniëls, De Stobbeleir and De Clippeleer, 2014).

It is important to identify the practices that both employees and organisations can adopt to bridge the gap between idea generation and idea implementation (Caniëls, De Stobbeleir and De Clippeleer.

2014). However, very little is known about the way in which employees start, develop, and implement creative ideas and innovations (Shalley, Zhou and Oldham, 2004) and the process by which employees' creative ideas are translated into innovations (Caniëls, De Stobbeleir and De Clippeleer, 2014). Also, practitioners and researchers are interested in understanding what factors influence employees' innovative behaviours (Prieto and Pérez-Santana, 2014). This study aims to close this gap by providing an understanding of the climate for innovation that enhances the role of employees in the innovation process.

For the purpose of this study and based on the above literature, employees innovative behaviour is defined as the extraordinary efforts to initiate and implement new or adopted and useful ideas of products, services and processes (de Jong and Hartog, 2007). Thus, employees' innovative work behaviour is conceptualised as a multi-stage process encompassing different behaviours at distinct stages of the innovation process. In the current study, the focus is on innovative behaviours during three main stages of the the innovation process: idea generation, idea sharing and promotion, and idea implementation.

2.6 Organisation Innovativeness

Gopalakrishnan and Damanpour (1997) identified three main categories of innovation: administrative versus technical, product versus process, and radical versus incremental. Administrative innovations are indirectly related to its managerial aspects, such as new procedures, policies, administrative processes, human resources and organisational structures (Crossan and Apaydin, 2010). They are defined as management processes and work structures and activities, while technical innovations are related to product, services and production process technology (Damanpour, 1991; Uzokurt et al., 2013). Product innovations include new products or services introduced to meet customers' needs, while process innovations are related to new elements introduced into an organisation's operations (Damanpour, 1991). Product or service innovation is the novelty and meaningfulness of new products or services introduced to the market (Wang and Ahmed, 2004). Novelty can vary depending on the referent dimension where a product or service can be new to the company, the customer, or to the market (Wang and Ahmed, 2004). Process innovation is the introduction of new production methods, new management processes and approaches, and new technology that can be used to improve production and management processes (Wang and Ahmed, 2004). Crossan and Apaydin's (2010) study spoke about the business model innovation, which is how a company creates, sells, and delivers value to its customers, and which is new to the company, customer and industry. Following Gopalakrishnan and Damanpour (1997), innovations can be broadly classified as *radical* when they produce

fundamental changes in the activities of the organisation and represent a significant change from existing practices; or as *incremental*, when they represent a lesser degree of change.

Organisational innovation is defined as “the adoption of an idea or behaviour that is new to the organisation” (Dadfar et al., 2013), where the innovation can be “a new product, a new service, a new technology, or a new administrative practice” (Hage, 1999). Further, there are two levels of analysis of innovation that should be considered: the macro-and the micro-levels. The macro-level is concerned with the extent to which the product innovation is new to the world, to the market, or an industry (Lee and Na, 1994), and the micro-level deals with product innovativeness being new to the firm or to the customer (Garcia and Calantone, 2002).

Organisation innovativeness is a central concept in academic research and managerial practice (Ruvio et al., 2014). Previous studies viewed innovativeness in three different contexts: industry innovativeness, organisation innovativeness, and an individual’s innovativeness. This study attempts to focus on innovation at an organisation level. Thompson (1965) defines organisation innovativeness as “the generation, acceptance, and implementation of new ideas of products, services and processes.” According to Thompson (1965), organisations should generate as well as implement new ideas if they are considered to be innovative. Organisational innovativeness is defined as the number of innovations that organisations produce (Avlonitis, Kouremenos and Tzokas, 1994; Garcia and Calantone, 2002). The more innovations an organisation adopts, the more innovative it is (Ruvio et al., 2014). Hurley, Hult and Knight (2005) posit that organisations with higher levels of organisational innovativeness are more prone to implement more innovations. Wang and Ahmed (2004) define organisational innovativeness as an organisation’s capability of introducing new products to the market or opening up new markets through innovative processes. They identify five main dimensions of organisational innovativeness: product, market, process, behavioural, and strategic innovativeness (Wang and Ahmed, 2004). They are briefly summarised in Table 2.1. In the light of the literature, organisational innovativeness is defined in this study as the number of innovations implemented by an organisation over time. This research focuses on product/service innovativeness of the organisation.

Table 2.2: Organisational Innovativeness Dimensions

Dimension	Definition
Product innovativeness	“The novelty and meaningfulness of new products introduced at the market at a timely fashion”

Market innovativeness	“The newness of approaches that companies adopt to enter and exploit the targeted market”
Process innovativeness	“The introduction of new production methods, new management approaches and new technology that can be used to improve production and management processes”
Behavioural innovativeness	“Behavioural innovativeness demonstrated through individuals, teams and management enables the formation of an innovative culture, the overall internal receptivity to new ideas and innovation”
Strategic innovativeness	“An organisation’s ability to manage ambitious organisational objectives, and identify a mismatch of these ambitions and existing resources in order to stretch or leverage limited resources creatively”

Source: Wang and Ahmed (2004)

Nedelko and Potocan (2013) outline some characteristics of innovative organisations, as follows:

- Organisation is continuously innovating;
- Quickly adopts and utilises own and external innovations;
- Inventiveness and innovativeness are highly valued;
- Complements its own knowledge with other’s knowledge to improve performance and work behaviours;
- Creative and innovative employees are admired and encouraged;
- Organisation creates work environment that fosters innovation; and
- High level of employees’ innovative work behaviours across the whole organisation.

2.7 Innovation and Organisational Performance

The link between innovation and organisational performance has been studied by some researchers. Innovation has been found to play a critical role in achieving superior organisational performance and in the success of the organisation (Hult, Hurley and Knight, 2004; Uz Kurt et al., 2013). Most of the empirical research on the relationship between innovation and organisational performance reports a positive relationship. Hua and Wemmerlov’s (2006) study reveals a positive relationship between rate of new product introduction and firm performance. Rosenbusch, Brinckmann and Bausch (2011) show that innovation has a positive effect on the performance of small-medium enterprises. Other researchers also suggest that innovative firms have higher profitability and growth (Li and Atuahene-Gene, 2001). Chen, Tsou and Huang (2009) suggest that innovation orientation plays a crucial role in facilitating superior firm performance. Innovative organisations adapt better to market changes and have a higher performance than non-innovative organisations (Ar and Baki, 2011). Reviewing the

literature, there are a few studies investigating the relationship between climate for innovation, organisation innovation and performance (Baer and Frese, 2003; Panuwatwanich, Stewart and Mohamed, 2008; Charbonnier-Voirin, Akremi and Vandenberghe, 2010; Sethibe and Steyn, 2016).

Research on the relationship between innovation and organisational performance has traditionally focused primarily on innovations related to the product, while the effects of innovations related to services have received little attention (Oke, 2007; Lin, 2013). The terms 'service product innovation' and 'product innovation' are used interchangeably in the literature to describe a particular set of innovations in service companies (Oke, 2007). Service product innovations are related to new developments in the core offering of service companies that tend to create new revenues for the organisation (Oke, 2007). Therefore, service innovations can be described as new improvements in activities undertaken to produce core service products, in order to make those core service products more appealing to customers (Oke, 2007). Product innovation in service industries can be changes in the service notion, process, and in the service delivery systems (Lin, 2013). Lin's (2013) study proposes that innovations introduced by organisations, including a wide range of products and services, adoption of new technology to enhance customer-organisation interaction, and enhancement of internal services processes contribute to high service quality and, thus, higher customer satisfaction. Service innovation, including the introduction of a new service concept or improvement of service delivery, can result in customer satisfaction and loyalty (Lin, 2013). Therefore, service innovation can be defined as the successful introduction of product, process, and organisational innovations that enable organisations to overcome the previous market and industry conditions, and to expand and gain market shares at the expense of non-innovating organisations (Lin, 2013). Oke (2007) defines service innovations as the related variations in product delivery or add-on services enhancing the service experience for the customer.

The existing literature in the service industry suggests that service innovation would affect organisational performance through reducing operational costs (Panesar and Markeset, 2008), increasing sales revenue (Mansury and Love, 2008), or increasing the profitability of the organisation (Matear, Gray and Garrett, 2004). The positive relationship between innovation in the service sector and organisational performance has been shown in many empirical studies (Oke, 2007; Rosenbusch, Rosenbusch, Brinckmann and Bausch, 2011; Lin, 2013). Those studies find that innovation is positively related to organisational performance on a wide range of performance measures, such as profitability, market share gain, ROI, and growth rate. Prajogo's (2006) study explores the relationship between innovation performance (in terms of products and processes) and business performance (in terms of sales growth, market share and profitability) in both manufacturing and service firms. His study found that a stronger correlation existed for manufacturing firms than for service firms between innovation

and organisation performance. Chen, Tsou and Huang's (2009) study examines the innovation in service delivery and its antecedents and consequences, finding that service delivery innovation had a positive and significant influence on both financial and non-financial performance. Further, Grawe, Chen and Daugherty (2009) investigate the relationship between service orientation and organisational performance. Their study shows a positive relationship between service innovation and organisational performance.

Contrastingly, Mansury and Love's (2008) study reveals that service innovation has a positive impact on the organisation's growth but not on productivity. Damanpour, Walker and Avellaneda's (2009) findings suggest that adopting the same innovation type every year in public service organisations in the UK is unfavourable and producing the same type of innovation over time has no effect on the organisational performance, and divergence from the norm in the industry has a positive effect on performance. These results indicate that the relationship between innovation and the organisational performance needs further research (Jiménez-Jiménez and Sanz-Valle, 2011). To sum up, service innovation is a crucial source for competitive advantage of service organisations. Service providers can enhance the service experience through service innovations (Hsieh et al., 2013).

2.8 Customer Experience

2.8.1 Introduction

Pine and Gilmore (1998) were among the first researchers to address the notion of customer experience. In their introduction of the "Experience Economy", they address experience as a new economy offering, where consumers go beyond simply buying products and services to sense, feel, think, act and relate to a company. The underlying idea is that modern customers no longer simply purchase products and services, but rather the experience around what is being sold. This is followed by many articles conceptualising customer experience as a holistic experience which involves a customer's interaction with the company at various touch points (Frow and Payne, 2007; Verhoef et al., 2009; Lemke, Clark and Wilson, 2011; Klaus and Maklan, 2012).

The notion of customer experience is increasingly becoming a differentiating factor for companies and their brands (Chakravorti, 2011). A considerable amount of research on customer experience can be tracked back to the mid-1980s. It has become a key focus of both contemporary service research and management practice (McColl-Kennedy et al., 2015). Interest in the customer experience concept has grown tremendously over the past decades among service researchers and practitioners (Lipkin, 2016). Customer experience is considered to be a key priority research in the contemporary service and marketing literature (Jaakkola, Helkkula and Aarikka-Stenroos, 2015). The Marketing Science

Institute considered customer experience to be a Tier 1 research priority in 2014-2016 and Tier 2 research priority 2016-2018. Likewise, organisations realise the need to leverage the customer experience across all the touch points with customers, such as products and services and distribution channels, to remain competitive (Ostrom et al., 2015). Managers have realised the importance of superior customer experience on customer loyalty and building competitive advantage and, thus, making efforts towards managing those experiences

Positive customer experience provides an opportunity for sustaining long-term competitive advantage for companies; and research shows that it can lead to satisfied and loyal customers with positive word-of-mouth, improved retention and reduced complaints (Verhoef et al., 2009; Bolton et al., 2014; Garg, Rahman and Qureshi, 2014). Nowadays, customer experience has become the next battleground for organisations (Garg, Rahman and Qureshi, 2014). The key influences are derived from work in psychology, consumer behaviour, product and services marketing; and from economic and marketing literature. The importance of experience has been heightened by service-dominant (S-D) logic, by emphasising the experiential nature of value (Vargo and Lusch, 2008; Jaakkola, Helkkula and Aarikka-Stenroos, 2015). Publications on customer experience are also found in practitioner-oriented publications (Berry, Carbone and Haeckel, 2002; Shaw and Ivens, 2002; Meyer and Schwager, 2007). Both academic and practitioner research tends to focus on managerial actions and outcomes, rather than the theories underlying the antecedents and consequences of customer experience (Brakus, Schmitt and Zarantonello, 2009; Verhoef et al., 2009; McColl-Kennedy et al., 2015). Thus, it is evident that there is a need for scholarly research on the antecedents of customer experience.

2.8.2 Definitions of Customer Experience

The literature in marketing, retailing and service management historically has not considered customer experience as a separate construct. Instead, academic literature has focused on measuring service quality and customer satisfaction (Parasuraman, Zeithaml and Berry, 1985). Several researchers have attempted to define customer experience to provide a better understanding of the concept. Within the marketing literature, customer experience has been defined in various ways. Customer experience can be defined as a set of interactions between a customer and a product, a company, or part of its organisations, which provoke a reaction (Gentile, Spiller and Noci, 2007). This experience is personal and implies the customer's involvement at different levels. Another definition by Meyer and Schwager (2007) is that customer experience is the internal and subjective response customers have to any direct or indirect contact with a company. Direct contact occurs in the course of purchase, use and service and is usually initiated by the customer. Indirect contact most often involves unplanned encounters with representatives of a company's products, services, or brands and

takes the form of word-of-mouth. Similarly, Verhoef et al. (2009) conceptualise customer experience as holistic in nature and involves the customer’s cognitive, affective, emotional, social and physical responses to the company. They argue that customer experience represents the total experience, including the search, purchase, communication and after-sale stages of the experience, which involves multiple contacts with the organisation. This definition is highly consistent with conceptualisations offered by other researchers (Voss, Roth and Chase, 2008; Grewal, Levy and Kumar, 2009; Lemke, Clark and Wilson, 2011; Klaus and Maklan, 2012). They all propose that customers evaluate their journey with the firm holistically. The definitions of customer experience are summarised in Table 2.2 below.

Table 2.3: Definitions of Customer Experience

References	Definitions of Customer Experience
Holbrook and Hirschman (1982)	“Consumption experience has been seen as “a steady flow of fantasies, feelings, and fun”
Carbone and Haeckel (1994)	“The experiences are a take-away impression formed by people’s encounters with products, services, and businesses – a perception produced when humans consolidate sensory information”
Otto and Ritchie (1996)	“During a service encounter, experience can be defined as “the subjective mental state felt by participants”
Pine and Gilmore (1998)	“Experiences are a distinct economic offering, as different from services as services are from goods. An experience occurs when a company intentionally uses services as the stage, and goods as props, to engage individual customers in a way that creates a memorable event”
Schmitt (1999)	“Experiences are the “result of encountering, undergoing, or living through situations. They are triggered stimulations to the senses, the heart, and the mind. Experiences also connect the company and the brand to the customer’s lifestyle and place individual customer actions and the purchase occasion in a broader social context. In sum, experiences provide sensory, emotional, cognitive, behavioural, and relational values that replace functional values”
Gupta and Vajic (2000)	“Experience is an emergent phenomenon. It is the outcome of participation in a set of activities within a social context”
Haeckel, Carbone and Berry (2003)	“By total experience we mean the feelings customers take away from their interaction with a firm’s goods, services, and ‘atmospheric’ stimuli”
Harris, Harris and Baron (2003)	“Total customer experience emphasises the importance of all contacts that a consumer has with an organization and the consumer’s holistic experience”

Poulsson and Kale (2004)	“Customer experience acts as “an engaging act of co-creation between a provider and a consumer wherein the consumer perceives value in the encounter and in the subsequent memory of that encounter”
Hogan, Almquist and Glynn (2005)	“A brand is the sum of the customer’s experiences with the product of a company [...] An effective customer experience programme analyses rich customer feedback to determine not just what customers say, but also what they do”
Shaw and Ivens (2005)	“A customer experience is an interaction between an organization and a customer. It is a blend of an organization’s physical performance, the senses stimulated and emotions evoked, each intuitively measured against customer expectations across all moments of contact”
Mascarenhas, Kesavan and Bernacchi (2006)	“Total customer experience “is a totally positive, engaging, enduring, and socially fulfilling physical and emotional customer experience across all major levels of one’s consumption chain and one that is brought about by a distinct market offering that calls for active interaction between consumers and providers”
Ghose (2009)	“Customer experience acts “as the user’s interpretation of his or her total interaction with the brand”
Meyer and Schwager (2007)	“Customer experience is the internal and subjective response customers have to any direct or indirect contact with a company. Direct contact generally occurs in the course of purchase, use, and service and is usually initiated by the customer. Indirect contact most often involves unplanned encounters with representations of a company’s products, services, or brands and takes the form of word-of-mouth recommendations or criticisms, advertising, news reports, reviews, and so forth”
Gentile, Spiller and Noci (2007)	“The customer experience originates from a set of interactions between a customer and a product, a company, or part of its organization, which provoke a reaction. This experience is strictly personal and implies the customer’s involvement at different levels (rational, emotional, sensorial, physical, and spiritual). Its evaluation depends on the comparison between a customer’s expectations and the stimuli coming from the interaction with the company and its offering in correspondence of the different moments of contact or touch-points”
Frow and Payne (2007)	“The perfect customer experience addresses that advocacy typically implies achieving a very high score on customer satisfaction”
Sundbo and Darmer (2008)	“The customer experience is “a mental journey that leaves the customer with memories of having performed something special, having learned something or just having fun”
Verhoef et al. (2009)	“Customer experience is holistic in nature and involves the customer’s cognitive, affective, emotional, social and physical responses to the retailer. This experience

	is created not only by those factors that the retailer can control (e.g. service interface, retail atmosphere, assortment, price), but also by factors outside of the retailer's control (e.g. influence of others, purpose of shopping)"
Walter, Edvardsson and Öström (2010)	"A customer experience is defined as "the customer's direct and indirect experience of the service process, the organization, the facilities and how the customer interacts with the service firm's representatives and other customers. These in turn create the customer's cognitive, emotional and behavioural responses and leave the customer with memories about the experience"
Lemke, Clark and Wilson (2011)	"The customer's subjective response to the holistic direct and indirect encounter with the firm, including but not necessarily limited to the communication encounter, the service encounter, and the consumption encounter"
Voss, Roth and Chase (2008)	"Experience-centric services-are those services for which customer experience is at the core of service offering"

Customer experience is conceptually different from service quality and, thus, has a different conceptualisation and measurement (Klaus and Maklan, 2007). Service quality research has received some criticism for focusing largely on transaction specific assessment (Voss, Roth and Chase, 2008). SERVQUAL dimensions are too limited to capture customer experience fully, and marketing researchers encourage a broader and more holistic conceptualisation and measurement of the experience (Verhoef et al., 2009). Lemke, Clark and Wilson (2011) propose a conceptual framework for customer experience quality from across-industry study using a repertory grid analysis. They found that experience is generated from three types of encounter: communication, service delivery, and usage. Thus, experience is likely to arise across multiple channels resulting in a cumulative effect of numerous encounters.

Prahalad and Ramaswamy (2004) put across customer experience as a process of co-creation of unique experiences by customers with the company. This view is extended by Carù and Cova (2007) to propose a continuum of customer experiences which are mainly created by the company. Palmer (2010) takes a critical view of the concept of customer experience management and concludes that customer experiences are "hedonistic and transitory" in nature, lacking in any predictability from one experience to the next. This conceptual framework integrates the three main stimuli of quality, relationship and brand in a customer experience, which then leads to the creation of a positive and sustainable attitude about the experience.

Reviewing thoroughly the extant literature on customer experience, it is clear that an evolving theme across all studies indicates that customer experience management is all about enabling the customer

to live all the moments of the interaction with the company. It is about a holistic concept that encompasses every aspect of a company's offering (Verhoef et al., 2009). It includes every point of touch at which a customer interacts with the organisation, product or service. Therefore, driving superior customer experience remains a critical area for academic research. There is a necessity to extend its framework by investigating the impact of forces inside the company affecting customer experience and its management (Chakravorti, 2011). In the current study, customer experience is conceptualised as

“the holistic experience of the customer with the organisation’s customer-centric product and service innovations that provides them with differentiated and value-added benefits.”

2.8.3 Characterisation of Customer Experience

In contemporary research, the terms customer experience and service experience are increasingly used as synonyms (Klaus and Maklan, 2012; Jaakkola, Helkkula and Aarikka-Stenroos, 2015). The customer experience concept has been studied from various perspectives. The most common three characterisations in the literature are: customer experience as a process, an outcome, and a phenomenon. Researches characterising customer experience as a process focus on the creation and design of the experience, such as phases and stages (Edvardsson, Enquist and Johnston, 2005; Edvardsson, Tronvoll and Gruber, 2011; Helkkula, 2011). This approach is found in studies focusing on service innovation and design, where an understanding of the customer experience throughout the holistic journey is essential for successful creation of services offerings (Prahalad and Ramaswamy, 2004; Edvardsson, Enquist and Johnston, 2005; Jaakkola, Helkkula and Aarikka-Stenroos, 2015). According to Helkkula (2011), the outcome characterisation of customer experience focuses on the role of customer experience as an antecedent or consequence of other constructs. This perspective is found in research focusing on service marketing and management (Jaakkola, Helkkula and Aarikka-Stenroos, 2015; McColl-Kennedy et al., 2015). These studies investigate how organisations design and manage superior customer experience (Puccinelli et al., 2009; Verhoef et al., 2009); and the impact of customer experience on customer loyalty, satisfaction, and positive word-of-mouth (Klaus and Maklan, 2012). The third characterisation of customer experience is the phenomenological view, which considers customer experience as individual and subjective (Helkkula, 2011). This perspective focuses on interpersonal interaction as an important driver or trigger, and considers experience to be subjective to the individual (Jaakkola, Helkkula and Aarikka-Stenroos, 2015). Studies adopting this view focus on the individual, hedonic aspects that make an extraordinary and superior customer experience. This view of subjective and context-specific experience is adopted by S-D logic (Vargo and Lusch, 2008), service logic (Grönroos, 2008; Grönroos and Voima, 2013), and consumer culture theory

(Arnould and Thompson, 2005). Studies based on consumer culture theory consider experience to be collectively created (Arnould and Thompson, 2005).

2.8.4 What Makes a Perfect Customer Experience?

Despite the numerous definitions of customer experience in the literature, no consensus has emerged regarding what creates a good customer experience (Hwang & Seo, 2016). Skard et al. (2011) argue that there are good and bad customer experiences, and thus the stronger the customer feels, the better the experience is. Berry et al. (2002) claim that customer experiences can be good, bad, or indifferent, which is in accordance with more general consumer attitude theory. Customer experience is difficult to maintain without dissatisfaction (Svari, Slåtten, Svensson, & Edvardsson, 2011). Service research shows that negative emotions resulting from negative customer experiences have a crucial impact on customer loyalty, word-of-mouth, repurchase intentions, and customer attitudes towards the organisation (Baron et al., 2009; Wong, 2004). In fact, negative or bad customer experiences can result in considerable damage to organisation's in terms of reputation and relationship to their customers (Svari et al., 2011). Verhoef et al. (2009) argue that the customer experience maybe good or bad (pleasurable) or bad (un-pleasurable) leading to positive or negative responses by the customers with regard to satisfaction, value, quality, image, purchase intentions, loyalty and recommendations. However, there is a need for more extensive research examining negative customer experiences.

The multidimensional conceptualisation of customer experience suggests that customers may have different kinds of experiences. According to Pine and Gilmore (1998, p. 12), a successful experience is one that "a customer finds unique, memorable and sustainable overtime". An experience should be functional, purposeful, engaging, compelling and memorable (McLellan, 2000). Frow and Payne (2007) addresses the idea of the '*perfect customer experience*' as one that results in customers becoming advocates for the company, positive word-of-mouth, and increases customer retention and organisation profitability. The concept of perfect customer experience includes the complete interaction over the lifetime of the customer relationship (Frow and Payne, 2007). Also, the contexts of the company's channel environment (multi or single) and the context of the customer experience, characterised by high or low expectations surrounding product, price and service, need to be considered in the perfect customer experience notion (Chakravorti, 2011). Schouten, McAlexander and Koenig (2007) propose two categories of extraordinary experience: flow and peak. A flow experience is defined as a "total absorption in an activity and performance and experience wrapped up together in a positive, playful and highly fulfilling package" (Schouten, McAlexander and Koenig, 2007, p. 357). A peak experience is characterised as "an ephemeral, yet powerful, personally

meaningful, and potentially transformational experience” (Schouten, McAlexander and Koenig, 2007, p. 358). Meyer and Schwager (2007, p. 117) suggest that “a good experience is not a thrilling one but one that is trouble-free”. Also, Helm and Jones (2010) argue that a good experience is one that satisfies customer’s expectations. Ojiako and Maguire (2009) define the perfect customer experience as the one that involves exceeding expectations.

To sum up, the dominating view seems to be that a perfect customer experience results from a synergistic effect of all factors mentioned above. However, Mayer and Schwager’s (2007) and Helm and Jones’ (2010) views suggest that experiences do not require either high emotional intensity or cognitively meaningfulness, as long as it causes no problems for the customer and it is meeting expected levels. It is worthwhile mentioning that the ideal or perfect experience is from the customer’s viewpoint and, thus, will be unique for each customer and may change overtime (Vargo and Lusch, 2008; Palmer, 2010).

2.8.5 Customer Experience and Other Related Constructs

An important issue is how customer experience relates to other customer specific constructs. It is helpful to understand how customer experience is related to other constructs such as customer satisfaction, service quality, customer engagement, and relationship marketing (Hwang & Seo, 2016; Lemon & Verhoef, 2016). Customer satisfaction has been reported to be an outcome of customer experience (Brakus, Schmitt, & Zarantonello, 2009; Klaus & Maklan, 2012). Customer satisfaction is considered to be one of customer experience’s components, focusing on the customer’s cognitive evaluation of the experience (Lemon & Verhoef, 2016). One key element of understanding and managing customer experience is the ability to measure customers’ responses to organisation’s offerings, such as customer satisfaction (Lemon & Verhoef, 2016). Earlier research shows that service quality can be considered as an antecedent of customer experience (Grönroos, 2001). The service quality literature brings to customer experience the focus on the context in which experiences arise and the journey measurement aspects of customer experience (Lemon & Verhoef, 2016). However, service quality measurement techniques have suffered from a static analysis of the dimensions of the total quality because they lack of capturing dynamic interaction overtime (Palmer, 2010). Further, constructs in relationship marketing, such as trust and customer commitment, are also related to customer experience and may have impact on customer’s follow-on experiences (Lemon & Verhoef, 2016). Commitment is considered to be a consequence of customer experience (Ismail et al., 2011). Trust does not directly influence customer experience in a customer journey, however, a good customer experience might build trust (Lemon & Verhoef, 2016). Customer experience is also related to the emerging construct of customer engagement. Customer engagement focuses on the extent to

which the customer reaches out and initiates contact with the organisation, whether attitudinally or behaviourally (Brodie et al., 2011). This approach indicates that engagement is a motivational state that encourages customers to interact with the organisation (Lemon & Verhoef, 2016). Customer engagement increases the value of co-created experience because increased engagement or involvement in the co-creation process can lead to positive customer experience (Hwang & Seo, 2016). Thus, customer engagement is considered to be a part of the overall customer experience (Lemon & Verhoef, 2016).

2.8.6 Antecedents of Customer Experience

This section presents both conceptual and empirical insights from the literature into antecedents of customer experience.

Considering what drives customer experience, Berry, Carbone and Haeckel (2002) distinguish between functional and emotional cues. Functional cues represent the actual functioning of the good or service, whereas emotional cues involves the sensorial aspects of the goods or service and the context of the offering. Similarly, Tosti (2009) provides a conceptual model differentiating between functional and behavioural quality as the main factors driving customer experience. He claims that these drivers exist through two sources: the product or service itself or the people who provide the product or service. Wall and Enwick (2008) further identify functional cues as experience drivers, and they distinguish between mechanic cues (i.e. tangibles associated with the service) and humanic cues (i.e. behaviour and appearance of service providers). Grewal, Levy and Kumar's (2009) study focuses on distinguishing between the role of macro-factors in a retail setting (economic and political) and how they can shape customer experiences and behaviours, and retail drivers, such as promotion, pricing, location, supply chain management and merchandise.

In a comprehensive conceptual article, Verhoef et al. (2009) suggest eight primary antecedents of customer holistic perceptions of customer experience in a retail setting. These antecedents include social environment, service interface, store environment/atmosphere, assortment, price, customer experience in an alternative channel, and past customer experience. Their study places particular emphasis on the impact of social environment, the service interface, consumers' brand perceptions, and past experiences with the brand. Other drivers of customer experience recognised in conceptual articles include touch point quality (meeting customer needs) and consistency (in delivery and image), and perceptions of service technology (Paula and Iliuta, 2008). Lemke, Clark and Wilson (2011) propose a conceptual model for customer experience quality in both B2B and B2C contexts. Their study identifies customer experience quality dimensions including communication encounter, service encounter, and usage encounter.

Hart et al. (2002) examine a theoretical model that links organisational commitment, job satisfaction, and contextual performance behaviours to customer experience. They argue that positive organisational climate influences job satisfaction which, in turn, contributes to contextual performance behaviours and consequently customer experience. In a similar vein, Chakravorti (2011) examines the dual effect of knowledge management and organisational culture on customer experience and how customer experience can be managed through managing change in knowledge and culture. He proposes that to enhance customer experience, organisations need to recruit, train and reward employees to enrich work and facilitate empowerment and collaboration across the organisation, and to create a culture that is customer-oriented.

It is concluded that customer experiences can be influenced by customers' evaluations of both functional product-related and affective clues. Moreover, customer experiences are particularly concerned with relational or social dimensions of experience. There is a consensus that the behaviour of the service provider is imperative for a positive customer experience. On the other hand, there is limited research about the impact of internal forces in the organisation, such as organisational climate on driving customer experience (Chakravorti, 2011). Therefore, additional research to extend the current frameworks through exploring the impact of other forces inside the organisation that drive or enhance customer experience is required (Verhoef et al., 2009; Chakravorti, 2011; Bowen and Schneider, 2014). Therefore, this study aims to investigate the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience.

2.8.7 Consequences of Customer Experience

Several authors have made the point that customer experience may provide a new means of competition (Pine and Gilmore, 1999; Shaw and Ivens, 2002; Prahalad and Ramaswamy, 2004; Voss, Roth and Chase, 2008; Jaakkola, Helkkula and Aarikka-Stenroos, 2015; McColl-Kennedy et al., 2015). Providing a good customer experience is also crucial because it affects customer satisfaction (Grace and O'Cass, 2004; Ha and Perks, 2005; Brakus, Schmitt and Zarantonello, 2009), delivers customer loyalty (Brakus, Schmitt and Zarantonello, 2009; Iglesias et al., 2011; Klaus and Maklan, 2012; Kim and Choi, 2013), supports the brand (Grace and O'Cass, 2004; Berry and Carbone, 2007) and, also, creates emotional bonds with customers (Pullman and Gross, 2004). Additionally, Biedenbach and Marell's (2010) study claims positive effects of customer experience on the dimensions of brand equity (brand awareness, brand associations, perceived quality and brand loyalty). Grewal, Levy and Kumar (2009) focus purely on customer experience behavioural outcomes, such as customer retention, cross-buying and word-of-mouth. Klaus and Maklan's (2012) conceptual model of customer experience confirm the positive and significant impact of customer experience dimensions on marketing outcomes, namely,

positive word-of-mouth, customer loyalty and retention. To sum up, customer experience is increasingly becoming a differentiating factor for companies and their brands. Companies have recognised recently the importance of creating superior customer experience on several marketing outcomes and profitability.

2.8.8 Measurements of Customer Experience

There are a number of different measurements used by researchers and practitioners for customer experience. Research with practitioners indicates that most organisations use customer satisfaction or the Net Promoter Score to measure customer advocacy. Academic research has traditionally focused on measuring service quality using the SERVQUAL tool (Parasuraman, Zeithaml and Berry, 1988). Customer experience, unlike customer satisfaction and advocacy, measures a holistic consumer construct by considering the sum of all direct and indirect interactions with a company, providing better explanatory power of crucial areas for managerial attention. Thus, SERVQUAL dimensions are too limited to capture customer experience fully. Marketing scholars suggest a broader and more holistic measure of customer experience (Verhoef et al., 2009).

Scholars developed various specific-sector and generalised scales for measuring customer experience. Otto and Ritchie (1996) established a six-dimensional scale for measuring customer experience in the tourism industry including hedonic, interactive, novelty, comfort, safety and stimulation dimensions. Novak, Hoffman and Yung (2000) developed a scale to measure customer experience in online environments that includes web usage, arousal, challenge, control, exploratory behaviour, flow, focused attention, interactivity, involvement, playfulness, positive effect, skill, telepresence and time distortion. In the banking industry, Grace and O'Cass (2004) developed a scale to measure post-consumption experiences identifying the effect of core service, employee service, and service-scape on customers' feelings, satisfaction, and brand attitude. Knutson et al. (2007) developed a scale to measure customer experience in the hospitality industry that consists of seven dimensions including environment, benefits, accessibility, convenience, utility, incentive, and trust. Similarly, Kim et al. (2011) constructed and validated a general scale based on the same dimensions of Knutson et al. (2007) and created a customer experience index (CEI). Knutson et al. (2009) created a scale for measuring customer experience in the hotel industry consisting of 18 items: the hotel experience index (HEI).

Palmer (2010) discusses several problems in relation to developing a measurement scale for customer experience. The first issue pertains to the complexity of context specific variables that might influence customer experiences. Palmer (2010) claims that experiences will be affected by both individual and situation specific factors. Support of this view is found in the conceptual model developed by Verhoef

et al. (2009), where effects on customer experience are moderated by a set of individual and situational moderators. Situational moderators include store, location, culture, economic climate and other factors. Customer moderators involve type of goals, socio-demographic factors, and consumer attitudes. The second challenge is the non-linear nature of customer experience. Capturing such non-linear phenomenon is clearly a practical obstacle. The conceptualisation of customer experience as holistic and process-oriented places practical measurement obstacles, since capturing every single experience at each point to get an accurate measure of customer experience is a challenging task.

In order to allow researchers and managers to systematically assess customer experience, a number of tools have been proposed and developed. Maklan and Klaus (2011) developed the “Customer Experience Quality” (EXQ), a scale measure of customer experience that explains important outcomes. It integrates key attributes of customer experience that are not captured in current market research tools of service quality and customer satisfaction. EXQ allows tracking both of customer experience and its key attributes overtime, and acts as an important marketing metric (Klaus and Maklan, 2012). It has been applied in mortgages, fuel and service stations, retail banking, and sports fashion in the UK. The EXQ dimensions include: product experience, outcome focus, moments-of-truth and peace of mind. Product experience refers to the importance of customers’ perceptions of having choices and ability to compare offerings. Outcome focus is associated with reducing customers’ cost, such as seeking out and qualifying out other competitors. Moments-of-truth places emphasis on service recovery and flexibility in dealing with customers’ complaints. Finally, peace of mind reflects the customers’ evaluation of all the interactions with the company before, during and after the purchase. It can be concluded that EXQ provides significant insights in terms of determination of customer behaviour, how the company’s efforts lead to marketing outcomes, and how consequent actions will improve the effectiveness of the firm’s marketing efforts.

Based on the problems addressed above related to developing and implementing a robust measurement scale for customer experience, it is argued that a qualitative research approach is suitable for understanding experiences from a consumer perspective (Verhoef et al., 2009; Palmer, 2010). One of the applied qualitative techniques is the ‘Walk-Through-Audit’, which is a tool that allows the researcher to systematically assess the experiences of the customer from beginning to end (Garg, Rahman and Kumar, 2010). The fundamental idea underlying the audit approach is to get closer to the customers’ emotional states (Berry, Carbone and Haeckel, 2002). Berry, Carbone and Haeckel (2002) suggest that the audit approach should be followed up with in-depth interviews with customers and employees to detect aspects of experiences from both sides.

Lemke, Clark and Wilson (2011) argue that the affective and sensory nature of customer experience requires a methodology that is able to elicit internal perceptions and feelings. They suggest that a qualitative repertory grid technique is a suitable methodological approach for this purpose. A repertory grid is a structured interviewing technique that allows individuals to attribute their own personal constructs. Lemke, Clark and Wilson (2011) conducted forty interviews proposing customer experience quality categories including accessibility, application of knowledge, atmosphere, caring attitude, caring procedures and processes, communication, experience context, outcomes, personalisation, relationship with the company, value for time, value for money, social impact, reliability and variety of choices.

Another customer experience assessment tool is the 'Experience Audit' (EA). According to Haeckel, Carbone and Berry (2003), EA is a tool that is used to systematically investigate the customer present experiences and to elucidate the emotional responses of customers toward any particular clue. It considers what is right and wrong about the customer experience in rational, emotional and functional terms (Garg, Rahman and Kumar, 2010).

Johnston (1999) proposes the Service Transaction Analysis (STA) technique that allows managers to analyse the service processes at a detailed level from the customer's perspective. He structured the process into four elements: 1) the service concept (i.e. the way in which the organisation would like its services to be perceived by its customers, employees and shareholders); 2) the assessment of transaction quality (i.e. the assessment of each transaction with the customer that cumulates the level of satisfaction with the company); 3) the service process (i.e. the process through which the services are delivered during the direct contact with the customers or the customers indirectly interact with providers); and 4) messages (i.e. messages should be consistent with the service concept).

Recently Kim et al. (2011) developed a 26-item scale that measures seven dimensions of customer experience: environment, benefits, convenience, accessibility, utility, incentive, and trust. Their research reveals that the scales are reliable and valid.

For the purpose of this study, Lemke, Clark and Wilson's (2011) scale was adopted as the guide for the customer experience in the coding process. The below table summarises the list of customer experience codes adopted from the literature. See Appendix B for the detailed initial coding scheme of customer experience.

Table 2.4: Summary Codes of Customer Experience

Summary Codes	Labels as found in the literature
Accessibility	<ul style="list-style-type: none"> – Accessibility of information – Accessibility of person/facility – Convenient hours of person/facility – Navigation
Caring- Attitude	<ul style="list-style-type: none"> – Concern to elicit customers’ objectives – Customer care – Friendliness – Helpfulness
Caring- Procedures and Processes	<ul style="list-style-type: none"> – Aftercare – Service recovery/complaint handling
Communication	<ul style="list-style-type: none"> – Advertisement – Enquiry responsiveness – Provision of information to inform choice
Experience Context	<ul style="list-style-type: none"> – Emotive context – Hedonic product/service type – Importance of timeliness – Market competitiveness – Product/service type with high customer involvement in service process
Outcomes	<ul style="list-style-type: none"> – Feel good factor – Impression impact
Personalisation	<ul style="list-style-type: none"> – Customer need focus – Customisation – Flexibility – Personalisation – Proactivity in addressing customer’s needs
Relationship with Other Customers	<ul style="list-style-type: none"> – Impact of other customers – Providing space for C2C relationship development
Reliability	<ul style="list-style-type: none"> –Consistency of experience overtime –Delivery timeliness –Impression of reliability
Social Impact	<ul style="list-style-type: none"> – Fashionable products/services – Impact on status – Premium brand
Value for Money	<ul style="list-style-type: none"> – Exceeding expectations without charge – Value for money
Value for Time	<ul style="list-style-type: none"> – Efficient use of customer’s time –Value for time
Variety/Choice	<ul style="list-style-type: none"> – Appropriate degree of variety – Breadth of product range – Provision of choice

2.9 Theoretical Perspective

In order to develop a framework to describe the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience, the current study employs the resource-based view (RBV) theory as a guiding theory. The resource-based view posits that sustainable competitive advantage is derived from an organisation's specific combination of resources that are valuable, rare and difficult to imitate (Barney, 1991). The main assumption underlying the RBV is that organisations with certain resources and capabilities with special characteristics will achieve competitive advantage and, thus, superior performance (Barney, 1991). In this vein, each organisation can be conceptualised as a unique bundle of tangible and intangible resources and capabilities (Wernerfelt, 1984). Resources are organisations' assets including financial, physical, human, commercial, technological, and other assets, that are used to develop and deliver products and services to its customers (Barney, 1991). Resources can be classified as tangible (financial and physical) and intangible (employees' knowledge, experiences and skills, the organisation's reputation, brand name, and organisational procedures). Capabilities, in contrast, refer to an organisation's capacity to deploy and coordinate different resources using organisational processes to affect a desired end (Grant, 1996). They are information-based, intangible processes that are organisation-specific and are developed over time (Conner and Prahalad, 1996).

The RBV theory indicates that an organisation's cultural resources, such as organisational climate, can be an important source of competitive advantage (Barney, 1991). Supportive organisational climate is an important antecedent that can drive organisation's performance in the context of product or service innovations (Workman, 1993; Wei and Morgan, 2004). The theoretical framework of RBV provides clear analysis of innovation and its relationship with organisational performance (Damanpour, Walker and Avellaneda, 2009; Mol and Birkinshaw, 2009; Camisón and Villar-López, 2014). Innovation is identified as one of the most important sources of competitive advantage (Coombs and Bierly, 2006). The current study suggests that climate for innovation and organisation innovativeness are innovation-related resources that are unique and inimitable that can enable the organisation to achieve a competitive advantage and, thus, superior customer experience.

Further, the current study is built on Amabile's (1997) componential theory of organisational creativity and innovation. This theory was established by Teresa Amabile in 1983. The componential theory of organisational creativity and innovation was designed to describe the creative process and the various influences on the process and its outcomes (Amabile, 2012). The componential theory of organisational creativity and innovation (Amabile, 1997) suggests that contextual factors either inhibit

or facilitate creativity in organisations (Amabile, 1997). The model is rooted in an individual-cognition based creativity model (Amabile et al., 1996). It presents how individual-level creativity is integrated with the work environment for innovation (Amabile, 1997). The model establishes the relationship between creativity and organisation innovation. The model consists of four components: *domain-relevant skills* (expertise in the relevant domain), *creativity-relevant processes* (cognitive and personality characteristics conducive to innovative thinking), *task motivation* (the intrinsic motivation to get engaged in creative activities out of interest and enjoyment), and the work environment (the management practices and resources). Unlike other theories of creativity, the componential theory of organisational creativity and innovation was expanded to describe the process of organisational innovation (Amabile, 2012). This extension was built on the definition of innovation as the successful implementation of novel ideas within an organisation (Amabile, 1997). Hence, the theory is considered to be multi-level, encompassing creativity and innovation of individuals, teams and entire organisations. A shortcoming of this theory is that it focuses on factors within the organisation and fails to include external influences, such as customer preferences (Amabile, 2012). Furthermore, the theory includes a limited number of work environment factors that influence individual innovation and organisation innovativeness. Thus, this research study extends the componential theory of organisational creativity and innovation and includes more dimensions of climate for innovation. It focuses on the work environment component of the componential theory of organisational creativity and innovation.

2.10 Organisation Climate, Innovation and Organisation Performance

Schmitt (2003) claims that experiences are not only limited to external customers, but also affect the employees of the company. Therefore, customer experience management consists of a new human resources approach. Schmitt (2010) states when employees have a positive experience in their organisations, they are capable of offering good customer experiences. If companies do not provide employees a good experience, they will not be motivated and engaged enough to offer experiences (Schmitt, 2010). Similarly, Shaw and Ivens (2005) also emphasises the importance of the role of employees in delivering customer experience. They claim that if the organisation takes care of its employees, they will provide customers with positive experience. Hart et al. (2002) argue that organisational climate influences employee contextual performance behaviours as those activities that support the overall success of the organisation, including volunteering to carry out tasks, cooperating with workers, exerting effort and promoting the organisation to others. The results of Hart et al. (2002) demonstrate that employee work behaviours are important in determining customer experiences. Interestingly, their study claims that it is the employees' focus on helping each other,

rather than focus on helping customers, that influences customers' perceptions about the quality of the organisation's products and services.

In a more recent study, Chakravorti (2011) examines the dual effect of knowledge management and organisational culture on customer experience. The study proposes that in order to enhance customer experience, organisations need to enrich the work environment and facilitate empowerment and collaboration. Further, Berry, Wall and Carbone (2006) suggest that employees are an essential part of innovation in customer experience management.

Anchored in the service marketing literature, the service climate framework of Schneider, White and Paul (1998) states that employee's perceptions of management support and the overall organisational climate positively affect customer experience. Similarly, the service-profit-chain (SPC) (Heskett, Sasser and Schlesinger, 1997) explains that customers perceive high service quality when employees are satisfied with their working environment. Previous research shows significant relationships between organisational climate, particularly the service climate, and customer outcomes (Bowen and Schneider, 2014). Research has focused on the service climate relationship with customer reports of service quality (Schneider and Bowen, 1985), customer satisfaction (Johnson, 1996), customer loyalty (Salanova, Agut and Peiró, 2005) and all three dimensions simultaneously (Liao and Chuang, 2004).

Clark (2002) examines the relationship between employees' perceptions of organisational climate and customer retention in a UK retail bank. She finds that certain dimensions of organisational climate are critical to customer retention. Clark (2002) shows that employees' innovative initiatives facilitated by supportive organisational climate are identified as important customer care dimension. The study reveals that high customer retaining branches had a more cohesive and supportive climate, autonomy, flexible practices and procedures and support for customer care. Consistent with Clark's (2002) findings, other scholars address the value of employees' willingness and ability to improve their work environment and performance through innovative work behaviours. In other words, employees' innovativeness as a main source of organisational effectiveness evokes considerable attention among organisational climate scholars (Oldham and Cummings, 1996; Anderson, De Dreu and Nijstad, 2004; Janssen, Vliert and West, 2004; Kheng and Mahmood, 2013). Building on these studies, it can be argued that employee's innovative work behaviour acts as a mediator between organisational climate and customer experience. Innovative work behaviour is defined as an employee's actions directed at the generation, application and implementation of novel ideas, products and processes and methods to his/her job, department or organisation (Kheng and Mahmood, 2013). Examples of such behaviours include seeking out new technologies, recommending new strategies to achieve goals, and applying new work methods and procuring resources to implement novel ideas. Existing academic literature

proposes that climate for innovation encourages innovative behaviour because it will have high tolerance towards trial and error, promotes risk-taking, allows autonomy, provides comprehensive rewards, flexibility, and inspires democratic communication; thus, contributing to organisational performance (Baer and Frese, 2003; Kheng and Mahmood, 2013).

The extant literature shows that innovative organisations are able to meet customer needs and provide customers with superior value. Ngo and O'Cass (2013) posit organisations that place emphasis on innovation are able to offer innovative products that meet customer needs and enhance service quality. Deshpandé, Farley and Webster (1993) argue that organisations should constantly respond to customer needs and provide customer value by being innovative. Theoharakis and Hooley (2008) suggest that while courteous customer service can retain customers in the short-run, organisations can retain customers in the long-run by constantly producing innovative new products and services. Innovations are considered as long-term investments in the creation of customer value (Han, Kim and Srivastava, 1998). When an organisation offers innovative products and services that meet customer needs, customers are likely to repeat purchasing from the organisation, thus increasing customer retention (Anderson, Fornell and Lehmann, 1994). Su (2011) explores the role of service innovation and customer experience in ethnic restaurants, and the relationship with customers' behavioural intention. Findings reveal a significant influence of service innovation on customer experience.

Figure 2.1 presents a map of the literature illustrating previous research on climate for innovation, organisation innovative, and customer experience.

climate for innovation and their role in the innovation process, organisation innovativeness, and customer experience.

The overall aim of this research is:

To investigate the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience in a major telecommunications organisation in Egypt.

Climate for innovation plays a crucial role in the innovation of an organisation. Yet, very few studies have investigated the relationship between climate for innovation, organisation innovativeness, and organisation performance (Sethibe and Steyn, 2016). Despite the importance of this relationship, the majority of the studies that examine the three constructs are fragmented (Sethibe and Steyn, 2016). Some researchers have investigated the relationship between climate for innovation and organisation innovativeness (Lin and Liu, 2012). Other researchers have investigated the relationship between innovation and organisational performance (Hult, Hurley and Knight, 2004; Lin, 2013; Uzkurt et al., 2013). Only a few studies have examined the relationship between organisational climate, innovation, and organisational performance (Baer and Frese, 2003; Panuwatwanich, Stewart and Mohamed, 2008; Nybakk and Jenssen, 2012). Further, there have been no studies to date investigating the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience. To the best knowledge of the researcher of this study, there is no knowledge to date about which dimensions of climate for innovation are highly related to customer experience. Therefore, this research aims to close this gap and investigate the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience.

2.11.2 Limitations of Previous Studies

Reviewing the customer experience and innovation management literature, a few gaps in the current body of knowledge exist.

Climate for Innovation and Innovation Management Research

Reviewing the academic literature on climate for innovation, a few gaps in the current body of knowledge are evident and imply opportunities for further research. Most studies conceptualise climate for innovation in terms of certain variables or determinants. There is a need to develop a framework that includes more dimensions of climate for innovation to investigate the relationship between climate for innovation and product/service innovation at a firm level (Lowenberger, 2013; Dul and Ceylan, 2014). Anderson, Potočnik and Zhou (2014) argue that much can be done to explain

how climate can act as a facilitator of innovation within organisations. An in-depth understanding of the factors that foster creativity and innovation in organisations is needed (Černe et al., 2014; Hon and Lui, 2016). Dul and Ceylan (2014) argue that there are a few studies that address the effect of climate on product innovation performance. There is a scant research on the relationship between climate for innovation and implementation of new ideas, i.e. organisational innovativeness (Foss, Woll and Moilanen, 2013). Much remains unknown about how to facilitate the innovation process and there is limited insight into organisational innovation in practice; to understand how to facilitate innovation (Hunter and Cushenbery, 2011). How can creative idea generation be stimulated? What does it mean in practice to be creative and innovative, and how can a supportive climate for innovation be developed? How can a service organisation create a climate for innovation? What are the best practices for getting innovations implemented? (Lowenberger, 2013). Thus, this study aims to explore and identify more significant determinants of climate for innovation in organisations that foster innovations in a real-life setting.

Investigating more consequences or organisational-related outcomes of innovation is needed to move the area of research forward (Anderson, Potočnik and Zhou, 2014). Thus, more research is required to understand the relationship between employees' perceptions of climate for innovation and organisational-related outcomes (Satsomboon and Pruetipibultham, 2014). This research aims to close this gap by understanding the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience.

Customer Experience Research

Following the review of the customer experience literature, a few gaps in the current body of knowledge are evident and suggest opportunities for further research. The relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience has not been investigated in the literature. Neither innovation research nor marketing research provide a full understanding of the role of innovation and its performance consequences in service organisations (Lin, 2013). Though customer experience is regarded as an important variable in the marketing literature, its relationship with innovation has not been thoroughly investigated. Further, there is limited research about the impact of internal forces in an organisation (Chakravorti, 2011), such as organisational climate in driving customer experience. The current academic marketing literature focuses on establishing customer experience measures and its dimensions. Thus, additional research is necessary to investigate other antecedents that drive customer experience, thereby making it more academically robust (Verhoef et al., 2009; Chakravorti, 2011). On the other hand, although innovation literature has placed emphasis on the relationship between innovation and

organisational performance, it has ignored the relationship with customer experience. Snyder et al. (2016) argue that there is scant attention paid to customer experience in the service innovation literature, and there is a need for more focus on service innovation success in terms of customer experience. Therefore, an investigation of the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience provides important managerial insights into driving customer experience. This study provides an in-depth look into the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience.

Methodological Limitations

Methodologically, researchers placed emphasis on determining and measuring the climate for innovation dimensions through quantitative approaches (Amabile et al, 1996; Ekvall and Rhyammar, 1999; Mathisen and Einarsen, 2006). It is evident that additional qualitative research needs to be conducted to identify more practices and procedures of climate for innovation (Isaksen and Ekvall, 2010; Prieto and Pérez-Santana, 2014). Further, there is a need for more studies of climate for innovation and the innovation process using case study, observational and ethnographic approaches within organisational settings (Anderson, Potočnik and Zhou, 2014). This is to illustrate the climate for innovation as it is in a real-life setting rather than over-reliance upon large-scale questionnaires that are predominant in the literature (Anderson, Potočnik and Zhou, 2014). As mentioned earlier, few studies have examined the relationship between organisational climate, innovation, and organisational performance (Baer and Frese, 2003; Nybakk and Jensen, 2012). All of them have adopted a quantitative approach to examine the relationship between organisational climate, organisational innovativeness and organisational performance. To close these gaps, this study provides an in-depth understanding, through a case-study approach, of the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience. Conducting a qualitative research allows the researcher to explore further aspects that have not yet been identified through the quantitative studies.

In order to achieve the aim of this research and address some of the limitations of previous research, four research questions are adopted for this study:

1. What is the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience?
2. What is the relationship between employees' perceptions of climate for innovation and employee role in the innovation process?
3. What is the relationship between organisation innovativeness and customer experience?

4. What are the dimensions of climate for innovation that are highly related to customer experience?

2.12 Chapter Summary

This chapter has completed the review of the literature relating to creativity and innovation, climate for innovation, employee role in the innovation process, organisation innovativeness, and customer experience. It has sought to capture the essence of what is known about climate for innovation and distil it into a set of climate dimensions. It also presented the relationship between organisational innovativeness and organisational performance. The review of the literature, and subsequent identification of limitations of previous studies, led to the formulation of a research aim and research questions. The next chapter will now build on the research aims and research questions and describe the methodological approach adopted for this thesis.

CHAPTER 3: METHODOLOGY

All research is based on some underlying philosophical assumptions about what constitutes valid research and which research method(s) is/are appropriate for the development of knowledge in a given study. In order to conduct and evaluate any research, it is important to know what these assumptions are. This chapter discusses the philosophical assumptions and the design strategies underpinning this study. Section 3.1 discusses and presents the common philosophical assumptions and the interpretive paradigm is identified for the framework of the study. Section 3.2 describes the research methodology and the arguments underlying the adoption of a qualitative case study method. Section 3.3 reviews the research strategy and the rationale for adopting a case study research. Section 3.4 explains the research design and data collection methods. Section 3.5 reviews the data analysis techniques adopted in this study. To ensure the trustworthiness of the research, Section 3.6 describes and reviews the appropriate criteria for qualitative research evaluation. Section 3.7 addresses ethical issues in qualitative research and, finally, Section 3.8 summarises the chapter.

3.1 Research Philosophy

3.1.1 Research Paradigm

According to Babbie (2012), a paradigm is a framework for observation and understanding which shapes both what one sees and how one understands. In other words, paradigms are perspectives or ways of looking at reality, and they are the 'frames of reference we use to organise our observations and reasoning' (Babbie, 2012, p. 33). Denzin and Lincoln (2008) define a paradigm as a 'net that contains the researcher's ontological, epistemological, and methodological premises' (Denzin and Lincoln, 2008, p. 107). Ontology refers to what one thinks reality looks like and how one views the world (Hennink et al., 2011). The fundamental questions in the field of ontology are 'what kind of being the human being is?', 'what can be said to exist?' and 'what is existence?' (Denzin and Lincoln, 2008, p. 108). Epistemology explores issues such as 'what is the relationship between the inquirer and the known?' (Denzin and Lincoln, 2008, p. 31), and 'what might represent knowledge or evidence of the social reality that is investigated?' (Hennink, Hutter and Bailey, 2011, p. 11). In other words, epistemology is the philosophical study of knowledge and determines what counts for valid knowledge (Daymon and Holloway, 2011). Finally, methodology refers to the ways in which knowledge is acquired and how research data is collected (Hennink, Hutter and Bailey, 2011). The key question here is 'how do we know?' (Hennink, Hutter and Bailey, 2011). Methodology is usually confused with method. While methods are the step-by-step techniques for doing research, methodology refers to the principles, concepts and theories that underpin these methods. The methodology that is applied is embedded in the ontological and epistemological assumptions that

underlie a research (Bryman and Bell, 2011). Paradigms that are relevant to qualitative research include interpretivism, critical theory, feminism, post-modernism and phenomenology (Bickman and Rog, 2009).

3.1.2 The Ontological Considerations

The ontological considerations are related to nature of reality and its characteristics (Creswell, 2013). The ontological perspectives are described as subjectivism or objectivism (Saunders, Lewis and Thornhill, 2015). An objective position considers 'social entities exist in reality external to social actors' (Saunders, Lewis, and Thornhill, 2015, p. 10). On the other hand, the subjective position holds that social phenomena or reality is created through the perceptions and actions of the social actors (Saunders, Lewis and Thornhill, 2015). Subjectivists believe that reality is constantly changing and it is experienced differently by individuals depending on their social context (Saunders, Lewis and Thornhill, 2015).

Constructivism is an ontological position which asserts that social phenomena and their meanings are continually being accomplished by social actors (Bryman and Bell, 2011). It implies that social phenomena and categories are not only produced through social interaction but they are in a constant state of revision (Bryman and Bell, 2011). In other words, this position reflects the understanding of a whole phenomenon via the perspective of those who actually live it and make sense of it (construct its meaning and interpret it personally) (Saunders, Lewis and Thornhill, 2012).

Constructivists perceive reality as it is socially constructed (Saunders, Lewis and Thornhill, 2009). Constructions exist in the mind of individuals and the role of the inquirer is to understand and reconstruct, analyse and critique participants' views in a way that leads to the constructing of meaningful findings and outcomes (Lincoln and Guba, 1985). Charmaz (2006) argues that constructivism assumes that the meaning of experiences and events is constructed by individuals and, therefore, people construct the realities in which they participate.

The qualitative case study approach described by Stake (2006) falls within the constructivism paradigm. Stake's case study approach explicitly seeks out the multiple perspectives of those involved in the case, aiming to gather collectively agreed upon and diverse notions of what has occurred. In this stance, the ontological belief is that reality is local and specifically constructed (Stake, 2013). One of the advantages of this approach is the close collaboration between the researcher and the participant, while enabling the participant to tell their stories (Baxter and Jack, 2008).

Following the above discussion, this research is placed within the constructivism paradigm. The ontological position selected for this research is the subjectivism where the social phenomena are

created from the perceptions of the actors (Saunders, Lewis, and Thornhill, 2015). This stance is taken to allow the researcher to engage more with the social world of the organisation under study, and to understand and construct reality from the perspective of different stakeholders who experience the phenomena under study. The research endeavours to understand and investigate the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience from the perspective of the interviewed employees (Cassell and Symon, 2004). This study identifies climate themes and dimensions from what the employees believe constitute a supportive climate for innovation. The study also investigates and identifies the dimensions of climate for innovation that are highly related to customer experience from the employees' perspective. Therefore, the subjective constructivism viewpoint is held as the ontological consideration in this study.

3.1.3 Epistemological Considerations

3.1.3.1 Positivism

Positivism is an epistemological position that advocates the application of the methods of the natural sciences to the study of social reality and beyond (Bryman and Bell, 2011). It is an approach to science which is rooted in the ontological belief that an objective reality exists. Social reality is believed to exist independently of the perceptions of the individual (Daymon and Holloway, 2011). In other words, the world is external to the researcher and there is something out there waiting to be discovered. The aim of the research that is grounded in a positivist epistemology is to uncover universal laws and give an objective picture of the world (Daymon and Holloway, 2011). Positivists take the laws, rules and theories and apply them to a number of phenomena, people and settings. They stipulate that the findings of the research should be generalisable to other settings and situations (Saunders, Lewis and Thornhill, 2009). Positivists assume that the reality is objectively given and is quantifiable (Hennink, Hutter and Bailey, 2011). Positivism separates the researcher from the researched phenomena and fails to acknowledge the interactive and co-constructive nature of data collection with human beings (Hennink, Hutter and Bailey, 2011). This minimisation of subjective perceptions has produced research with human respondents that ignores their humanness (Lincoln, Lynham and Guba, 2011).

3.1.3.2 Interpretivism

Interpretivism emerged as a radically different paradigm which aimed to establish a distinct approach to the world and to knowledge by differentiating the social sciences from the natural sciences (Daymon and Holloway, 2011). The interpretive paradigm emerged in response to the above-mentioned drawbacks of positivism (Hennink, Hutter and Bailey, 2011). The interpretivism paradigm

has several distinguishing features. The interpretive aspect means the approach seeks to understand people's life experience from the perspective of the people themselves, which is often referred to as the 'emic' perspective or the 'inside' perspective (Hennink, Hutter and Bailey, 2011, p. 14). This involves studying the subjective meanings that people attach to their experiences; so rather than focusing on facts (as in the positivist paradigm), qualitative researchers seek to understand subjective meaningful experiences within the context in which people live (Snape and Spencer, 2003). The interpretivism paradigm, therefore, emphasises the importance of interpretation and observation to understand the social world, which is an integral component of qualitative research (Snape and Spencer, 2003). Furthermore, the interpretive paradigm recognises that reality is socially constructed as people's experiences occur within social, cultural, historical and personal contexts (Hennink, Hutter and Bailey, 2011). As the interpretive paradigm acknowledges that people's perceptions and experiences of reality are subjective, there can be multiple perspectives of reality, rather than a single truth as proposed in positivism (Hennink, Hutter and Bailey, 2011). The interpretivism paradigm is underpinned by observation and interpretation, thus to observe is to collect information about events, while to interpret is to make meaning of that information by drawing inferences or by judging the match between the information. It attempts to understand phenomena through the meanings that people assign to them (Deetz, 1996).

Following the discussion of the positivism and interpretivism paradigms, this study follows the interpretivism paradigm. This is because the interpretive research focuses on the full complexity of human sense-making as the situation emerges (Daymon and Holloway, 2011). It aims to explain the subjective reasons and meanings that lie behind social action (Saunders, Lewis and Thornhill, 2015). This study aims to understand the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience. Adopting the approach allows the researcher to get a deeper insight and thoroughly investigate the employees' perceptions of climate for innovation and the role of employees in the innovation process. From an employee's perspective, the study investigates the organisation's innovativeness through examining the customer experience of several successful innovations. Further, it aims to explore the nature of the relationship between employee perceptions of climate for innovation and customer experience in more depth. The study also investigates the dimensions of climate for innovation that are highly related to customer experience from an employee perspective.

Further, in the interpretive approach, the researcher does not stand outside but is a participant observer who engages in the activities and discerns the meanings of actions as they are expressed within specific social contexts (Hennink, Hutter and Bailey, 2011). Therefore, the interpretivism

paradigm is appropriate for this study to allow the researcher to interact with the constructs under study to contribute to the emerging concepts and themes.

The researcher of this study is an Egyptian academic specialised in marketing and innovation area, but with no background of telecommunications industry. The researcher's background did not have any impact on the findings of the research. To ensure the objectivity of findings, the researcher played the role of an outsider observer preserving distance from the interviewees. The outsider observer role enabled the researcher to not to have a direct influence or stake on interpretations and findings and outcomes. This allowed the research's participants (employees) to express their views frankly and thus a rapport of trust was established. The researcher of this study avoided over-direction of the participants and too much passivity. Rigid control of the questions was avoided and participants were allowed to express their views openly. Further, the researcher prompted some questions that led to new directions provided by the interviewees. Regarding findings' reporting, the researcher provided detailed description of how the results emerged in order to establish credibility. Thus, it can be argued that findings of this study would be the same if another researcher with a different background and set of values conducted the study. This is because participants were allowed to talk freely about their views and perceptions with no direction from the researcher.

3.2 Research Methodology

3.2.1 Introduction

The research method is a strategy of inquiry which moves from the underlying assumptions to research design and data collection (Bryman and Bell, 2011). The main two classifications of research methods are quantitative and qualitative. At one level, qualitative and quantitative refer to the distinctions about the nature of knowledge; how one understands the world and the ultimate purpose of the research (Bryman and Bell, 2011). On another level, the terms refer to research methods, that is, the way in which data are collected and analysed, and the types of generalisations and representations derived from the data (Bryman and Bell, 2011).

Quantitative research methods were originally developed in the natural sciences to study natural phenomena (Ritchie and Lewis, 2003; Hennink, Hutter and Bailey, 2011). Qualitative research methods were developed to enable researchers to study social and cultural phenomena. Neither of these methods is intrinsically better than the other, and the suitability of which method to adopt is decided by the context, purpose and nature of the research study in question (Hennink, Hutter and Bailey, 2011).

Stake (1995) describes three major differences in qualitative and quantitative methods, namely in terms of explaining and understanding as the purpose of the inquiry, the personal and impersonal role of the researcher, and knowledge constructed (Stake, 1995). Another major difference between the two is that qualitative research is inductive and quantitative research is deductive. In qualitative research, a hypothesis is not needed to begin the research. It employs inductive data analysis to provide a better understanding of the interaction of mutually shaping influences and to explicate the interacting realities and experiences of the researcher and participants (Lincoln and Guba, 1985). On the other hand, all quantitative research requires a hypothesis before research begins.

Table 3.1 below shows a summary of the major differences between quantitative and qualitative approaches.

Table 3.1: Differences between Qualitative and Quantitative Research

Criteria	Qualitative Research	Quantitative Research
Purpose	To understand and interpret social interactions	To test hypotheses, look at cause and effect, & make predictions
Group Studied	Smaller & not randomly selected	Larger & randomly selected
Type of Data Collected	Words, images, or objects	Numbers and statistics
Form of Data Collected	Qualitative data, such as open-ended responses, interviews, participant observations, field notes, & reflections	Quantitative data based on precise measurements using structured & validated data-collection instruments
Type of Data Analysis	Identify patterns, features, themes	Identify statistical relationships
Objectivity and Subjectivity	Subjectivity is expected	Objectivity is critical
Role of Researcher	The researcher participates and becomes immersed in the research/social setting	The researcher is ideally an objective observer who neither participates in nor influences what is being studied
Results	Detailed context-based generalisations	Universal context-free generalisations
Scientific Method	A hypothesis is not needed to begin the research Inductive in nature	A hypothesis is formulated before research begins Deductive in nature
View of Human Behaviour	Dynamic, situational, social, and personal	Predictable

Focus	Wide-angle lens; examines the breadth & depth of phenomena	Narrow-angle lens or tests a specific hypothesis
Nature of Observation	Study behaviour in a natural environment	Study behaviour under controlled conditions; isolate causal effects
Nature of Reality	Multiple realities; subjective	Single reality; objective
Final Report	Narrative report with contextual description and direct quotations from research participants	Statistical report with correlations, comparisons of means, & statistical significance of findings

Sources: Lichtman (2006); Johnson and Christensen (2008)

3.2.2 Rationale for Adopting Qualitative Methodology

This study adopts qualitative research methods using a single case study approach. Creswell (2013, p. 44) defined qualitative research as follows:

“Qualitative research begins with assumptions and the use of interpretive/theoretical frameworks that inform the study of research problems addressing the meaning individuals or groups ascribe to a social or human problem. To study this problem, qualitative researchers use an emerging qualitative approach to inquiry, the collection of data in a natural setting sensitive to the people and places under study, and data analysis that is both inductive and deductive and establishes patterns or themes. The final written report or presentation includes the voices of participants, the reflexivity of the researcher, a complex description and interpretation of the problem and its contribution to the literature or a call for change.”

A qualitative approach was adopted for this study for several compelling reasons. In general, qualitative research is used to help the researcher understand how people feel and why they feel as they do. It is an approach that allows the researcher to examine people’s experiences in detail, by using a specific set of research methods, such as in-depth interviews, focus group discussions, observation, content analysis, visual methods, and life stories or biographies (Hennink, Hutter and Bailey, 2011). The purpose of this study is to investigate the relationship between employees’ perceptions of climate for innovation, organisation innovativeness, and customer experience. The study investigates the role of employees in the innovation process. Further, it aims to explore the dimensions of climate for innovation that are highly related to customer experience. The reasons provided below justify the researcher’s adoption of the qualitative approach.

A main feature of qualitative research is that the approach allows the researcher to identify issues from the perspective of the study's *participants*, and understand the meanings and interpretations that they give to behaviours, events or objects. This is referred to as the interpretive approach (Bryman and Bell, 2011). Throughout the entire research process, the researcher keeps a focus on learning the meaning that the participants' hold about issues or problems under study, not the meaning that the researcher brings from the literature (Creswell, 2013, p. 47). Qualitative research unpacks issues to discover what they are about or what lies inside and gives the researcher the opportunity to explore how issues are understood by participants (Ritchie et al., 2014). To derive this information, a qualitative researcher needs to be open-minded, curious, flexible and willing to listen to people telling their own stories (Hennink, Hutter and Bailey, 2011). The current study investigates the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience. The participant meanings will provide multiple perspectives of the topics under study.

Qualitative research allows the inquirer to study people in their *natural settings* and to identify how their experiences and behaviours are shaped by the context of their lives (Creswell, 2013). Hence, qualitative researchers attempt to make sense of, or interpret, phenomena in terms of the meanings people bring to these. Qualitative research methods are the best approach when studying phenomena in their natural settings and when striving to understand social processes in context (Denzin and Lincoln, 2008). Qualitative researchers often collect data in the field at the site where participants experience the phenomena under study (Creswell, 2013). For this study, the researcher aims to gather data by talking directly to participants (employees) of the case organisation and observe them behave and act within their context. This natural setting provides the researcher with face-to-face interaction throughout the data collection process.

Qualitative research methods are used for providing in-depth insight and understanding of the research issues (Creswell, 2013). It is useful for exploring new topics or understanding complex issues and for explaining people's beliefs and behaviour (Silverman, 2011). Therefore, qualitative research is most suitable for addressing 'why' and 'what' questions to explain and understand issues, and 'how' questions that describe the processes or behaviours (Hennink, Hutter and Bailey, 2011). It is concerned with why phenomena occur and the forces and influences that drive their occurrence (Ritchie et al., 2014). The most common method for studying climate for innovation (Amabile et al., 1996; Ekvall and Ryhammar, 1999) and customer experience (Klaus and Maklan, 2013) has been quantitative questionnaires. Researchers studying climate for innovation have placed emphasis on determining and measuring its dimensions and impact on employee innovative work behaviours through quantitative approaches (Isaksen, 2007).

Through qualitative research methods, this study aims to describe and investigate in depth the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience in a real-life setting. It also describes the employee role in the innovation process. The study identifies the themes and dimensions that constitute a supportive climate for innovation that enhances organisation innovativeness. It also identifies the dimensions of climate for innovation that are highly related to customer experience.

Bickman and Rog (2009) stated that qualitative research is useful to conduct when the researcher aims to understand the process by which events and actions take place. To conduct an *evaluation*, data are needed about both processes and outcomes and qualitative research contributes to both (Ritchie et al., 2014). A major strength of qualitative studies is their ability to get insight into the processes that lead to outcomes; processes that experimental survey research are often poor at identifying (Maxwell, 2004). Further, the traditional view that qualitative research cannot identify causal relationships is based on a restrictive and philosophically outdated concept of causality (Maxwell, 2004). Such an approach requires thinking of causality in terms of processes and mechanisms, rather than simply demonstrating regularities in the relationships between variables (Maxwell, 2004). Following this logic, this study aims to understand the processes and mechanisms within an organisation that relate climate for innovation to the organisation innovativeness and, thus, customer experience. Qualitative methods are particularly adept at looking at the dynamics of how things operate (Ritchie et al., 2014). In the current study, methods such as in-depth interviews, document analysis, and archival records would provide a thorough investigation of the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience.

Qualitative research is the study of information that cannot be quantified (Bryman, 2012; Constantinou, Georgiou and Perdikogianni, 2017). Qualitative research is concerned with *generating* and *producing* new ideas as a contribution either to the development of social theory or to the refinement of policy solutions (Constantinou, Georgiou and Perdikogianni, 2017). Because it seeks to identify emergent concepts, the potential for original and creative suggestions and ideas to emerge is high (Ritchie et al., 2014). Qualitative researchers develop a holistic picture of the problem under study, which involves reflecting multiple perspectives and identifying the many factors involved in a situation (Creswell, 2013). This means that researchers are not bound by tight cause-and-effect relationships among factors, but rather by identifying the complex interactions among factors in a situation. For the current study, the researcher aims to explore and identify the relationship between employees' perceptions of climate for innovation, organisation innovativeness and customer experience. Following the review of the customer experience literature, gaps in the current body of knowledge are evident and provide opportunities for further research. There is limited research about

the impact of internal forces in an organisation (Chakravorti, 2011), such as climate for innovation in enhancing customer experience. It is necessary, therefore, to investigate the mechanism through which climate for innovation actually influences customers' experiences. The current academic marketing literature focused on establishing customer experience measurements and dimensions. Thus, additional research is necessary to investigate other antecedents that enhance the customer experience, thereby making it more academically robust (Verhoef et al., 2009; Chakravorti, 2011; McColl-Kennedy et al., 2015). This study aims to provide an in-depth investigation of the relationship of employees' perceptions of climate for innovation, organisation's innovativeness and customer experience.

Since inductive reasoning is more open-ended and exploratory, the researcher of this study found that this would be the appropriate way to conduct the research. The inductive approach refers to a bottom-up process through which a researcher analyses the data to develop a theory or model (Thomas, 2006; Constantinou, Georgiou and Perdikogianni, 2017). The inductive open-ended strategy gives qualitative research an advantage in addressing several goals (Maxwell, 2005). First, qualitative research enables the researcher to understand the process by which things happen in a particular situation rather than to measure outcomes rigorously and, thus, it helps to improve existing practice (Bickman and Rog, 2009). Second, qualitative research focuses on specific contexts and their meanings for the participants and on the process taking place, making it more suitable for collaboration with practitioners or members of the community being studied (Bickman and Rog, 2009). Researchers need to be seen to be making a difference in organisational contexts; the ongoing challenge is to continue to merge good science and good practice (Bickman and Rog, 2009).

Therefore, through qualitative research, this study provides a detailed and in-depth understanding of the processes and mechanisms underlying the relationship between employees' perceptions of climate for innovation, organisation innovativeness and customer experience when quantitative questionnaires cannot meet this objective. The quantitative research cannot provide in-depth insights and understanding that the researcher needs to address the process and relationship between the constructs under study.

3.3 Research Strategy

3.3.1 Introduction

The choice of the research strategy is influenced by the researcher's theoretical perspective and his/her attitude towards the ways in which data will be used (deductive or inductive approach) (Bryman, 2012). The present study has undertaken a single case study approach as a research strategy

to reach the overall aim of the research. The justification for this approach is addressed later in this chapter.

3.3.2 Alternative Methods Examined

In the selection of the most appropriate method to investigate the research questions; the approaches below have been examined.

Grounded theory is most often used in studies where little is known about the phenomenon to be studied (Strauss and Corbin, 1998). It is a discovery-oriented approach and examines under-theorised topics (Creswell, 2013). In grounded theory, the researcher attempts to derive a general abstract theory of a process, action or interaction grounded in the views of participants in a study (Charmaz, 2006). This process involves many stages of data collection and the refinement of categories of information and interrelationship of categories of information (Creswell, 2013). It is about developing theory that is grounded in the data gathered and analysed systematically. Therefore, it was not considered as an appropriate technique as there are previous studies about climate for innovation, organisation innovativeness, and customer experience.

Experiment is a classical form of research that is more relevant to the natural sciences' area but is still used in social sciences, especially psychology. It involves a hypothesis and selection of samples (Saunders, Lewis and Thornhill, 2009). These samples are to be tested and results may change variables, leading to more tests being conducted (Saunders, Lewis and Thornhill, 2009). The researcher eliminated this option since it does not fit the research questions and the exploratory nature of the study.

Survey is the method of gathering data from a sample of respondents of a population, using an instrument composed of closed or open-ended questions (Bryman, 2012). The survey strategy is usually associated with the deductive approach (Bryman, 2012). It is widely used in management and business research (Saunders, Lewis and Thornhill, 2015). Critics of the survey research methodology claim that it forces the respondent to answer within a structured framework (Saunders, Lewis and Thornhill, 2009). Another issue is that the survey is limited to a number of questions to be asked so that the respondent does not become disinterested with a lengthy survey (Saunders, Lewis and Thornhill, 2009). Further, dependence on quantitative methods may neglect the social and cultural construction of the variables. Survey data exclude the observation of behaviour in everyday situations (Silverman, 2011, p. 16). Due to the limitation in the form and number of questions in this method, this option is not considered as the researcher aims to explore and use probing questions to provide

the research participants/interviewees with the opportunity to add and give rich, in-depth information.

Ethnography comes from the discipline of social and cultural anthropology where an ethnographer is required to spend a significant time in the field (Creswell, 2013). It focuses on an entire culture-shaping group (Creswell, 2013). The researcher describes and interprets the shared and learned patterns, values, behaviours and beliefs of a cultural sharing group (Creswell, 2013). As a process, ethnography involves observations of the participants under study, in which the researcher is immersed in the day-to-day lives of the people. Therefore, the researcher excludes this methodology as it does not fit the nature of this study and the research questions. Also, it is very time consuming and, due to this limitation, the researcher could not consider this option.

Multiple-case study designs are used when the researcher aims to contrast cases or when each case aims to examine a complementary facet of the main research question (Yin, 2009). Further, studying multiple case studies may not lead to the in-depth findings associated with a single case study approach. The main aim of this study is to understand and investigate in depth the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience. Therefore, a single case study design is adopted for an extensive understanding analysis of the phenomenon under study.

3.3.3 The Case Study Research

As a research strategy, the case study is adopted in many situations to contribute to the knowledge of an individual, group, organisational, social and related phenomena (Yin, 2009). Yin (2014) defines case study as an 'empirical inquiry that investigates a contemporary phenomenon in-depth and within its real-life context especially when the boundaries between phenomena and context are not clearly evident' (Yin, 2014, p. 17). Stake (1995) describes a case study methodology as a strategy of inquiry in which the researcher explores a program, activity, process or one or more individuals in depth. Case study research is a qualitative approach in which the investigator explores a real-life, contemporary bounded system (a case) or multiple bounded systems (cases) over time, through comprehensive data collection involving multiple sources of information, and reports through a case description and case themes (Creswell, 2013).

The case study approach is familiar to social scientists because of its popularity in psychology, medicine, law, and political science (Creswell, 2013). Within the organisation and management literature, the case study has also occupied a distinguished position. Many of the most highly regarded studies in the organisation literature have employed a case study approach (Fiss, 2009). Case studies

are attractive to both academics and practitioners due to their closeness to the experience of life in organisations and their appreciation for the complexities of organisational phenomena (Fiss, 2009).

There are many well-known case study researchers, and the most prominent researchers include Robert K. Yin, Robert E. Stake, and Sharon B. Merriam, all of whom have written extensively about case study research, and have proposed techniques for organising and conducting such research successfully. For the purpose of the current study, the researcher relied primarily on definitions offered by modern case study methodologists, namely, Stake (1995) and Yin (2014).

The qualitative case study is an approach to research that facilitates exploration of phenomenon within its context using a variety of data sources (Baxter and Jack, 2008). This ensures that the issue is not explored through one lens, but rather a variety of lenses which allows for multiple facets of the phenomenon to be revealed and understood. A very important advantage of case study strategy lies in the richness of its detailed examination and understanding of reality (Amaratunga and Baldry, 2001). Yin (2009) states the strategy for case study comprises an all-encompassing method, including the logic of design, data collection tools, and approach to data analysis. Daymon and Holloway (2011) argue that case study research is more interested in examining an issue, event, process or problem within a particular context.

Case study approach has distinguished characteristics and nature including: 1) deep, narrow exploration; 2) focus on real events, bounded in place and time; either a snapshot or longitudinal study of events; 3) multiple sources of evidence and multiple viewpoints; 4) detailed and descriptive; 5) provides holistic view; 6) explores relationships and connections; and 7) useful for theory-building or testing (Daymon and Holloway, 2011).

Thus, the case study approach was selected to be the most appropriate method for the current study. The rationale for adopting a case study approach is explained in a later section.

3.3.4 Types of Case Studies

Types of case studies can be distinguished in terms of the intent of the case analysis. Three types exist in terms of intent:

- Single instrumental case study: the researcher focuses on an issue or concern, and selects one bounded case to illustrate this issue. A particular case is examined to provide information or insight on issues or refinement of theory (Stake, 1995, p. 237).
- Intrinsic case study: the researcher explores a particular case to gain a better understanding of it (Stake, 1995, p. 237).

- Collective/multiple case study: a number of cases are studied jointly to inquire and illustrate the phenomena under study (Stake, 1995, p. 237). The researcher often selects multiple cases to show different perspectives on the issue (Creswell, 2013).

The study being conducted serves both intrinsic and instrumental purposes.

3.3.5 When to Use Case Study Research?

Yin (2009) identifies three conditions or situations for different research strategies: a) the type of research question, b) the extent of control that an investigator has over actual behavioural events, and c) the degree of focus on contemporary as opposed to historical events. (Yin, 2003) categorises case studies as explanatory, descriptive and exploratory. *Explanatory* is the type of case study that would be used if the researcher is seeking to explain the presumed relationships in real life interventions that are too complex for the survey or experimental strategies - 'how or why did something happen?'. *Exploratory* case study is used to explore those situations in which the intervention being evaluated has no clear single set of outcomes. *Descriptive* case study is used to describe an intervention or phenomena and the real life context in which it occurred-'what is happening or has happened?'. Accordingly, case studies are pertinent when the research requires rich descriptions or insightful explanations to answer the research question being addressed (Yin, 2012). The case study approach is adopted when the aim of the research is to increase knowledge about contemporary events and processes in their context (Yin, 2012). Questions about 'how' and 'why' things occur in a particular situation or 'what is going on here?' are the primary concern when the researcher opts for this type of research (Yin, 2014). The research strategy for this study is descriptive and explanatory.

From the above description, it is apparent that case study research design distinguishes itself from other research design methods in two major ways:

- The case study focuses on in-depth investigations and distinguishes itself from other methods of research, such as surveys (Yin, 2014). For example, rather than adopting surveys that take the 'how many' or 'how much' line of inquiry, which does not provide detailed insights into the subject of interest, case studies adopt the 'how' and 'why' line of inquiry to obtain rich insights into the phenomenon (Yin, 2012). It provides more in-depth details about the phenomenon.
- The case study's focus on contemporary issues of a subject under study in its natural setting distinguishes it from other methods of research, such as historical analysis that does not focus on contemporary events and experimental designs that involve controlling a phenomenon

from its context (Yin, 2014). It does not involve any treatments, experiments or manipulated social settings (Yin, 2012). Consequently, the data will be considered as natural phenomena and a reflection of people's real lives (Yin, 2014).

3.4 Rationale for Adopting a Case Study Research

Given the interpretive position adopted in this study and the nature of the research questions, the case study methodology is considered the most appropriate approach to employ because it provides a systematic way to collect data, analyse information, and report the results. Thus, it enables the researcher to understand a specific problem or situation in great depth. More specifically, it:

- aims to explore, describe and explain the relationship between employees' perceptions of climate for innovation, organisation innovativeness and customer experience; i.e. 'what is going on in the organisation under study?' and 'how does climate for innovation relates to organisation innovativeness and customer experience from an employee perspective?'. It aims to explain the relationship between the phenomena under study and describe them in a real-life setting.
- aims to describe the relationship between the employees' perceptions of climate for innovation and employees' role in the innovation process.
- aims to explain the relationship between organisation innovativeness and customer experience.
- identifies which dimensions of climate for innovation relate more to customer experience.

Further, unlike many other forms of research, the case study approach does not utilise a particular method of data collection. It allows the researcher to use multiple sources of data and a variety of research methods to explore the research question which, in turn, fosters the validation of the data through triangulation (Yin, 2014). Therefore, a combination of data collection techniques is selected in this study to provide a rich, detailed and complete picture. Multiple methods utilised in this study include in-depth interviews, document reviews, archival records and observation. Thus, the findings and conclusions are likely to be more compelling and accurate (Yin, 2003).

Among qualitative methods, case studies represent one of the most adopted qualitative methods in organisational studies (Eisenhardt, 1989; Eisenhardt and Graebner, 2007). They are acknowledged as an approach to generating and testing theory that has provided the management field with significant insights (De Massis and Kotlar, 2014). Further, case studies are considered as a method that is ideally suited to generating managerially relevant knowledge (Leonard-Barton, 1990; Amabile et al., 2001). However, there has been a considerable debate over the scientific nature of case studies and the way

in which they are to be conducted (Fiss, 2009). One of the main criticisms of this approach is related to the difficulty of generalising the findings to a larger population (Yin, 2003). Despite this criticism of statistical generalisation, Denzin and Lincoln (2005) argue that case studies are used for analytical generalisations, where the researcher's aim is to generalise a particular set of results to some broader theoretical propositions. Yin (2009) argues that case studies, like experiments, are generalisable to theoretical propositions and to populations. In this sense, the researcher's goal will be to expand and generalise theories (analytical generalisation) and not to enumerate frequencies (statistical generalisation). These for and against views indicate that no research methodology is perfect and, therefore, researchers have to use data obtained with multiple methodologies.

Based on the above discussion, the case study research is the most appropriate research method for this study to gain an in-depth understanding of the relationship between employees' perceptions of climate for innovation, organisation innovativeness and customer experience. The case-study research provides advantages in revealing in detail the different perceptions and concerns of participants and relationships between the phenomena in a real-world situation which would have been lost in quantitative strategies. Yin (2009) claims that case study research is more useful for explaining the relationship among variables that are too complex for survey designs.

3.5 Research Design

3.5.1 The Single Case Study

A single case study design offers the researcher the opportunity to undertake a deep exploration of particular phenomena. Despite the limitations of single case studies, it has been noted that single case studies can provide a new, deep and nuanced understanding of unexplored phenomena and present reliable indications for future research directions (Boddy, 2016). Case studies do not claim to be representative, but the emphasis is on what can be learned from a single case study (Daymon and Holloway, 2011). The underlying philosophy of a single case study is not to prove but to improve understanding (Daymon and Holloway, 2011). A single case study design is justifiable where the case represents a critical test of existing theory, the case is a unique event, or the case serves a revelatory purpose (de Weerd-Nederhof, 2001; Eisenhardt and Graebner, 2007; Siggelkow, 2007). The basis for a revelatory case exists when the researcher has the opportunity to observe and analyse a phenomenon previously inaccessible to scientific investigation (Bryman and Bell, 2011). In other words, the idea of revelatory case is interesting to situations in which something has not previously been studied. Further, a single case study can provide rich description of a phenomena (Siggelkow, 2007). According to Stake (1995) and Siggelkow (2007), single case studies provide extremely convincing data to test theories as long as the single organisation possesses unique features or

attributes required to meet the study's objectives. Easterby-Smith et al. (2008) also recommend the adoption of a single unique organisation, for example a high or low performing organisation, for a particular in-depth investigation. Therefore, this research aims to understand and investigate the relationship between employees' perceptions of climate for innovation, organisation innovativeness and customer experience which was not investigated before. The study adopts a single case study design for a deep and rich explanation of the relationship between these phenomena under study. The next section describes the reason underlying the selection of the organisation under study.

3.5.2 The Case Study - Major Telecom Operator in Egypt

Because the logic of the case study approach is not built around average tendencies in large samples, the selection of the case takes a critical role (Fiss, 2009). Pettigrew (1990) argues that the selection of sites for organisational case studies should focus on sites with relatively high experience levels of the phenomena under study. Further, the literature highlights characteristics of typical innovative organisations (Nedelko and Potocan, 2013), as outlined below:

- Organisation is continuously innovating;
- Quickly adopts and uses innovations;
- Innovativeness is highly valued and developed;
- Creative organisational employees are valued;
- Organisation designs entrepreneurial conditions for work;
- High-level of innovative capacity of all organisational employees, especially that of management;
- Holistic, system thinking and collaboration among all organisational employees.

Based on Pettigrew (1990), rationale, and the above characteristics of innovative organisations, a major global telecommunications operator in Egypt is selected for this study.

The selected company is the largest telecom operator in Egypt and the Middle East in terms of active subscribers and one of the largest telecom organisations worldwide (Business Monitor International, 2016). The organisation became the market leader in terms of market share with the largest customer base (Business Monitor International, 2016). According to organisation's profile on its website, the company attracts the best talent providing them with competitive remuneration and benefits, outstanding recognition programmes, flexible hours and best in class facilities. The company constantly supports its employees to achieve their career ambitions. The below provides an overview of the organisation's profile acquired from the organisation's website.

The organisation's profile states that the organisation's culture emphasises how employees work together as a team to better serve customers and be seen as customer-obsessed, innovation hungry, ambitious and competitive. To achieve this, the company operates with speed, simplicity and trust, striving to be an innovative and admired company in the eyes of its customers, shareholders, and employees. It provides its employees with continuous opportunities for learning and development through training, coaching, mentoring, feedback and international assignments. Because the company aspires to be innovative, it provides its employees with a wealth of personal development seminars by renowned experts from around the world. It also focuses on identifying top talents and high potentials and provides them with fast-track development programmes. Further, the company respects and values diversity and makes the most of individual differences. In addition, the company believes that its employees are the most valuable asset, the main source of innovation and the main driver to success. Therefore, rewards and recognitions for jobs well done and innovative work behaviours are an integral part of the company's human resource strategy. Further, the organisation selected introduces plenty of innovations annually to the Egyptian market. Chapter 5 will introduce some of the top innovations of the organisation launched between 2011 and 2015. Among a large sample of companies in Egypt, Nielsen Research agency recognised the organisation as the Best Employer six years in a row. Accordingly, this organisation is selected to be the case study for the present research.

For the purpose of this study, product and service innovations of the organisation are investigated. Further, the researcher investigates both incremental and radical innovations of products and services offered by the organisation. Below are the criteria of innovations selected for this study:

- Products and services that offer greater added value to customers than any other product and service provided by competitors.
- Products and services that better meet the needs of customers than any other product or service currently available in the market.
- Products and services that requires customers to substantially alter their behaviours.
- Products and services that are the first of their kind in the world.
- New products and services added to the organisation's range
- New ranges of products and services that were not introduced before by the organisation under study (Uzkurt et al., 2013)

3.5.3 Unit of Analysis

A major step in designing and conducting a single case study is defining the unit of analysis (Yin, 2014). This study adopts the single case study design. As the main research question seeks to understand

how climate for innovation relates to organisation innovativeness and customer experience, the holistic unit of analysis is the organisation.

3.5.3.1 Sampling

The process of sampling for case study research occurs at two levels: the case itself and the informants or participants (Daymon and Holloway, 2011). Based on Stake (2006), the logic of selection is because the case is intrinsically interesting or because it is instrumentally useful in being able to illustrate practical or theoretical features of value to the study. The selection of this research case study is guided by both intrinsic and instrumental logic.

This research adopts a *non-probability* sampling strategy using a *purposive technique* to enable the researcher to select participants that would serve the purpose of the study and research question. A purposive sampling is well suited to in-depth qualitative studies (Miles, Huberman and Saldaña, 2014). Purposeful sampling takes place when the researcher selects a sample from which the most can be learned (Daymon and Holloway, 2011). The sampling units are chosen because they have particular features or characteristics which will enable detailed exploration and understanding of the constructs under the study and research questions. Members of the sample are chosen with a 'purpose' to represent their relationship to the research key constructs, such as employees from different levels from the Consumer Marketing department, Enterprise marketing department, Human Resources department, Internal Communications department, Strategy and Innovation department, Customer Experience departments, Enterprise Business department, Technology department and International Services department.

Additionally, within the context of this study, *snowballing sampling* is also used. This involves asking interviewees to identify other people they know who fit the selection criteria (Ritchie et al., 2014). For the purpose of this study, snowballing sampling is used to identify participants who would be able to generate more data and information relevant to the study.

Qualitative researchers suggest that a sample size of 20-30 interviews is adequate to establish data saturation (Creswell, 1998). Marshall et al. (2013) recommend a range of 20-30 interviews for a grounded theory research and 15-30 interviews for case studies. Thus, thirty-five in-depth interviews were conducted to understand the phenomena under study. A profile of the interviewees is attached in Appendix E.

3.5.4 Data Collection

Case study research is not limited to a single source of data. In fact, good case studies benefit from having multiple sources of evidence. The main data collection techniques used in this study include

in-depth interviews, company documents, archival records, and direct observation. The primary data sources include the junior employees, managers, team leaders, heads and directors of various departments, such as Consumer Marketing department, Enterprise marketing department, Human Resources department, Internal Communications department, Strategy and Innovation department, Customer Experience departments, Enterprise Business department, Technology department and International Services department.

3.5.4.1 In-depth Interviews

In-depth interviews are often the main data source in case study method (Eisenhardt and Graebner, 2007). An in-depth interview is a one-to-one method of data collection that involves an interviewer and interviewee discussing specific topics in detail (Rubin and Rubin, 2012). The in-depth aspect of the method is crucial as it reinforces the purpose of gaining a detailed insight into the research issues from the perspective of the study participants (Daymon and Holloway, 2011).

In-depth interviews are conducted when the researcher is seeking information on individual, personal experiences from participants about specific issues. For example, they are used to identify:

- How people make decisions;
- People's own beliefs and perceptions;
- The motivation of certain behaviour;
- The meaning people attach to experiences; and
- In-depth information on certain issues.

In addition to depth and details, the researcher of this study designed questions to evoke vivid descriptions. Vividness means obtaining a realistic picture that comes alive and is easy to imagine (Rubin and Rubin, 2012). This is very crucial in qualitative interviewing as it enables the researcher of the current study to make the findings feel real to those who have not heard the conversation (Rubin and Rubin, 2012).

Further, the researcher obtained nuanced answers by asking for more precise descriptions. Nuance means that there are positions between the extremes, as well as shades of meanings (Rubin and Rubin, 2012). Therefore, the researcher encouraged interviewees to provide nuanced answers by wording questions carefully to avoid yes-or-no answers. For example, rather than asking 'Does your organisation support its employees to undertake initiatives and develop new ideas and implement them?', which triggers a yes-or-no answer, the question would be 'To what extent does your organisation support its employees to undertake initiatives and develop new ideas and implement them?', which invites a more complex and detailed response.

Face-to-face in-depth interviews are selected for data collection of the current study because they are a powerful method for generating description and interpretation of people's social world (Ritchie et al., 2014). Further, face-to face interviewing provides a stronger basis for the establishment of a good rapport between the researcher and the participant (Creswell, 2013). It enables the researcher to create an environment where the interviewee can respond freely and the researcher can take non-verbal communication into account (Rubin and Rubin, 2012). The researcher of this study made sure to be an active listener and avoided non-judgmental behaviour.

The researcher is an active player in the development of data and of meaning (Ritchie and Lewis, 2003). Kvale (1995) sees the researcher as a traveller who journeys with the interviewee. In other words, the researcher is not simply a pipeline through which knowledge is transmitted. Holstein and Gubrium (2011) see knowledge as constructed in the interview through the collaboration between interviewee and researcher. In this sense, knowledge is not given but is created.

As this study is positioned in the constructivism/interpretivism paradigm, thirty-five in-depth interviews were conducted to gain a detailed understanding of the phenomena under study. Interviews were conducted with the following participants:

- Strategy & Innovation Department - interview with the Director, Head and key employees.
- Customer Experience Unit - this includes the customer care, customer experience, customer online and social media, and retail customer care departments. In-depth interviews were conducted with the Director of the Commercial Operations Officer. Other interviews were conducted with the Heads and Team Leaders of this department.
- Commercial Department - includes consumer marketing and enterprise marketing junior staff, Team Leaders, Heads and Directors of Commercial Units.
- Technology Department.
- Human Resources Department - includes HR Director and Managers of organisational development unit, facilities unit, property management and career paths unit.
- Internal Communications Unit Seniors.
- International Services Unit - Director, Head and junior employees.

A semi-structured interview approach was adopted and a set of open-ended questions were asked. The interview process was flexible and less rigid than structured interviews (Bryman and Bell, 2011). The emphasis was placed on how the interviewee frames and understands the issues under study, i.e. what the interviewee views as important in explaining and understanding events, patterns and relationships. Therefore, this study used the semi-structured approach to be able to discover new themes that emerge during the interview. An initial interview guide was developed with open-ended

questions and follow-up probes. See Appendix F for a sample interview guide/protocol. Examples of interview questions include the following:

1. How can you describe practices, policies and procedures conducive to innovation at your organisation?
 - Hints:
 - a) Challenge/involvement
 - b) Freedom/autonomy
 - c) Trust/openness
 - d) Idea-time
 - e) Playfulness/humour
 - f) Conflict
 - g) Idea support
 - h) Debate
 - i) Risk-taking
 - j) Leadership
 - k) Awards and Rewards
 - l) Participative decision-making
2. How important is creativity and innovation? Are these processes at the heart of the organisation's mission and strategy?
3. Does your organisation encourage its employees to develop new mechanisms or improved work-related processes? How?
4. To what extent does your organisation support its employees to undertake initiatives and develop new ideas and implement them?
5. How can you describe employees' innovative work behaviours and their role in the innovation process?
6. What are the organisation's top innovations that came out of the organisational climate for innovation?
7. How do you define customer experience at your organisation?
8. How do you measure customer experience? What are the organisation's touch-points with customers?
9. How can you describe the relationship between climate for innovation and customer experience?
10. How did customers experience the organisation's top innovations? To what extent were those innovations successful? Explain each innovation under study.

11. From your point of view, which practices and policies of climate for innovation are highly related to customer experience?

Probing and follow-up questions were used when necessary to encourage participants to elaborate on or clarify a response (Rubin and Rubin, 2012). The researcher used some questions, comments or gestures to manage the conversation and to keep the interviewee talking on the matter to fill the missing gaps and provide more clarification. Also, follow-up questions were used to explore the interviewee's answers to obtain further depth and detail, to elicit clarifying examples and to clarify more concepts and themes under study (Rubin and Rubin, 2012).

With participant approval, the interviews were audio recorded using a digital recorder to ensure accurate transcription. Also, hand-written notes were taken during interviews to enable the researcher to track key points in order to return to later in the interview or to highlight ideas of particular interest or importance. At the first stage of the interview, the researcher introduced herself and her background to establish a rapport with the interviewee and gain their trust. Also, the researcher reminded participants of the purpose of the study, research procedures, expected benefits, their right to withdraw from the study at any time, and protection of confidentiality.

The transcription process started after the first interview in March 2015 and was completed by June 2015. To ensure transcription accuracy, the researcher used digital recording and reviewed transcripts while listening to the recordings again. Majority of the interviews were conducted in English language. However, some of the interviewees were more comfortable to speak in Arabic as they are not native English speakers. The researcher translated some of the interviews from Arabic to English.

These interviews aim to provide in-depth understanding and explanation of the relationship between employees' perceptions of climate for innovation, organisation innovativeness and customer experience. More specifically, the researcher used probes to obtain a deeper and fuller understanding of employees' perceptions of climate for innovation in relation to organisation innovativeness and customer experience. Further, the researcher adopted probes to identify dimensions of climate for innovation that are highly related to positive customer experience. It is important to mention that customer experience in this study is measured from an employee perspective through interviews and company documents, as well as customer reviews on social media, such as Facebook, YouTube, Google Play Store and Instagram. The researcher conducted a thorough analysis of customer reviews on each innovation under study through checking customer polls and comments regarding their experience with the organisation's innovations. This was done to ensure the objectivity of the interview results. The in-depth interviews are used to fully describe and explain the processes that underpin the relationship between employees' perceptions of climate for innovation, the organisation

innovativeness and customer experience. This is to generate new knowledge about the linkage and relationship between the phenomena. In-depth interviews can offer richer and more extensive material than data from surveys (Yin, 2012).

3.5.4.2 Company Documents

A document is any substance that gives information about the investigated phenomenon and exists independently of the researcher's actions (Saunders, Lewis and Thornhill, 2009). Bryman and Bell (2011) suggest that formal documents give insight into an organisation's cultural and technical operations. They have the advantage of being written without prior knowledge that they might be used for research and are able to set the organisational historical context (Bryman and Bell, 2011). These documents are normally produced for specific purposes other than those of research (Yin, 2012). Yin (2003) asserts that for case studies, the most important use of documents is to corroborate and augment evidence from other sources. Daymon and Holloway (2011) identify a number of advantages of documents over other research methods:

- It is a non-reactive technique where the information provided in a document is not subject to a possible distortion as a result of interaction between the researcher and the participant.
- It helps the researcher to study the past.
- It is a cost-effective method as the information has already been produced.

This study uses company documents, such as annual reports, mission statements, company culture values, press releases, newspaper clippings, and the company web site. The researcher analysed the organisation's press releases published on its web site including interviews with senior managers in the media, innovations' launches and success in the market, and organisation's news. Also, company presentations and reports about organisation's performance in the Egyptian market were collected. Further, the researcher obtained a document about the innovation week event held by the organisation including details of the event's aims, workshops, activities, and exhibitors. Such documents are of great value to augment and strengthen the evidence collected from other sources and to enrich the researcher's knowledge about the constructs under study within the context of the organisation. These documents were collected to corroborate the findings from the interviews. A significant limitation of the company documents was the availability of data on customer experience of each innovation under study. The organisation considered customer experience data, such as net promoter score and customer surveys, to be highly confidential and thus refused to share them.

3.5.4.3 Archival Records

Another common case study source is archival records (Yin, 2012). For many case studies, archival records take the form of computer files and records. They can be used in conjunction with other sources of information in producing a case study (Yin, 2009). Examples of archival records are service records, electronic records, newspapers, mass media and records maintained by public agencies. Archival records that are useful to this study include:

- Service records, such as those showing the number of clients served over a given period of time, e.g. Business Monitor International Ltd.
- Survey data collected on the organisation under study by other organisations, such as the Egyptian National Telecommunication Regulation Authority and Market Research Agencies.
- Records in Egyptian newspapers and mass media about the selected company, such as Facebook, YouTube, Twitter, and Google Play.

Archival records used in this study provided valuable information on the organisation's success in the Egyptian market in terms of large market share and positive customer experience. Reports from the Egyptian National Telecommunication Regulatory Authority (NTRA) provided insights on the organisation's customer service and customer experience scores over the period between 2014-2015. The reports also showed the performance of the organisation in terms of customer experience and market share as compared to its competitors in the market. The NTRA is responsible for creating an enabling environment for competition among operators in the industry in the Egyptian market. The organisation publishes regular reports about the performance of the telecommunications operators in the Egyptian market. Further, market reports from major international research and consultancy agencies, such as Business Monitor Ltd, Market Line, J. Walter Thompson, Booz & Company and Nielsen Agency, were also analysed to draw upon various sources of evidence. Further, press releases published by Egyptian, regional and international media were also collected. As indicated earlier, customer reviews on social media were carefully and thoroughly collected and analysed. This is to ensure convergence and corroboration through the use of different data sources and evidence. By triangulating data from various sources, the researcher was able to provide a convergence of evidence to increase reliability and credibility of the research's findings. The researcher collected and analysed data from various sources to corroborate findings across data sets and thus reduce the impact of potential biases that can exist in employees' interviews.

3.5.4.4 Direct Observation

One of the most common methods in case study research is making direct observation in a field setting, i.e. a field visit (Yin, 2003). Such observations can focus on human beings, physical environment, or real-world events. This opportunity is one of the most distinctive features in doing case studies (Yin, 2012). It is one of the key tools for collecting data in qualitative research (Creswell, 2013). The observations are based on the research purpose and questions. There are three types of observations:

- Complete participant: the researcher is fully engaged with the participants he or she is observing.
- Participant as observer: the researcher is participating in the activity at the site. This may help the researcher gain insider views and subjective data.
- Non-participant/observer as participant: the researcher is an outsider of the group under study, watching and taking field notes from a distance. The researcher can record data without direct involvement with activity (Creswell, 2013).

For the purpose of this study, the researcher is a non-participant observer who conducted several field visits to the site of the organisation under study. This was to allow the researcher to evaluate the working environment and employees' interactions and engagement. Observational data were collected by taking field notes of what had been observed. In other words, it represented the researcher's own deliberate interpretation of what has been seen. During observations, the researcher used an observational protocol to record information. The protocol included a description notes section to record a description of activities, and a reflective notes section for notes about the process, reflections on activities and summary conclusions. A sample observational protocol is available in Appendix F.

3.6 Data Analysis

Data analysis in qualitative research consists of preparing and organising the data for analysis, then reducing the data into themes through a process of coding and condensing the codes, and finally representing the data in figures, tables or discussion (Creswell, 2013). Interpretive researchers attempt to derive their data through direct interaction with the phenomenon being studied (Creswell, 2013). An important aspect of data analysis of case study research is the search for meaning through direct interpretation of what is observed as well as what is experienced and reported by the researcher (Yin, 2012). Bogdan and Biklen (2003) define qualitative data analysis as working with data, organising them, breaking them into units, coding and synthesising them, and searching for themes. The aim of

analysis of qualitative data is to discover patterns, concepts, themes and meanings. In case study research, Yin (2003) discusses the need for searching the data for patterns which may explain or identify causal links in the database. In the process, the researcher concentrates on the whole data first, then attempts to take it apart and re-constructs it again to be more meaningful. Categorisation is used to reflect on patterns and complex threads of the data and make sense of it (Miles, Huberman and Saldaña, 2014). In qualitative research, it is important to ensure that the data collection and analysis are closely interwoven throughout the research stages, that is, collection and data should occur iteratively (Miles, Huberman and Saldaña, 2014).

The researcher of this study adopts Miles and Huberman (1994) approach of data analysis. Miles and Huberman (1994) adopt a systematic approach to analysis that has a long history of use in qualitative research (Creswell, 2013). Below are the three steps of data analysis:

3.6.1 Data Condensation/Reduction

It refers to the process of selecting, focusing, simplifying, abstracting, and transforming the data that appear in the written-up field-notes, interview transcripts, focus group discussions notes, observation notes and documents (Miles and Huberman, 1994). As the data collection proceeds, further data reduction occurs, such as writing summaries, coding, developing themes, generating categories and writing analytic memos. The data condensing process continues after the data collection (fieldwork) is over until a final report is produced (Miles, Huberman and Saldaña, 2014). Data reduction is a way of analysis that sharpens, sorts, focuses and organises data in such a way that final conclusions can be drawn or verified (Miles, Huberman and Saldaña, 2014).

Coding, Codes and Memoing

The process used for establishing codes, coding the transcripts and analysis was that suggested by Miles, Huberman and Saldaña (2014).

- Provisional start lists of codes were created prior to the fieldwork phase. A list of climate for innovation codes was developed from the research themes discussed in section 2.4. Another list of customer experience codes was created based on themes addressed in section 2.8.
- Each category from the provisional start lists of codes was given an operational definition to ensure consistency of meaning throughout the research process. Appendix A shows a descriptive label and operational definition for the dimensions of climate for innovation generated from the literature. Appendix B presents the initial coding scheme for customer experience, in which Lemke, Clark and Wilson's (2011) scale was adopted as a guide for coding.

- Interview transcripts were then reviewed and coded based on the provisional start lists of categories and codes. The coding and categorisation schemes were established and modified several times until final themes and categories were identified. An initial coding (first cycle coding) was undertaken, in which descriptive coding, simultaneous coding, and In Vivo coding were used (Saldana, 2012). Descriptive coding summarises in a word or short phrase the main topic of a passage of data (Saldana, 2012). It was used to identify data sets about the climate for innovation, the organisation's innovations and the customer experience. Simultaneous coding was used to assign two or more different codes to a single data set. In Vivo coding was also adopted to code words from the interviewee's own language in the transcripts. This initial coding process was followed by an axial coding to reassemble and refine the data and to explore connections between themes and categories (Saldana, 2012). Boeije (2010) states that the purpose of axial coding is to determine which codes in the research are the dominant ones and which are less important ones and reorganise the data in which synonyms are crossed out, redundant codes are deleted and the best representative codes are selected. A final list of current codes and categories of climate for innovation was developed, with an operational definition of each code and an example of a quote in Chapter 4.
- Memos were entered into NVivo software as they occurred during the process of categorising and coding the data. Miles, Huberman and Saldaña (2014) suggest that memos are the most useful and powerful sense-making tools at hand. They were used to understand the relationships between different pieces of information and support relationships.

3.6.2 Data Display

Data display is an organised, compressed representation of information that allows conclusion drawing and action (Miles, Huberman and Saldaña, 2014). Data display includes many kinds of matrices, graphs, charts, and networks. All of them are designed to assemble organised information/data into an accessible, compact form that enables the researcher to draw conclusions (Miles, Huberman and Saldaña, 2014).

3.6.3 Conclusion-Drawing and Verification

During the conclusion-drawing and verification stage, the researcher starts to decide what everything means, that is, noting regularities, patterns, explanations, causal flows and propositions (Miles, Huberman and Saldaña, 2014). Final conclusions may not appear until the data collection process is finished (Miles, Huberman and Saldaña, 2014).

The recognition of how quickly the researcher is overwhelmed by the amounts of data and how difficult it is to identify patterns and draw inferences, has led to an increased usage of qualitative data analysis software packages that aim to assist the researcher in sorting, coding, and analysing the data (Fiss, 2009). *NVivo software* was used for data analysis in this study. Lyn Richards, one of NVivo developers, states that NVivo is designed for researchers who wish to display and develop rich data in dynamic documents (Richards, 1999). Using NVivo software can enhance the validity of qualitative research and can strengthen the rigour of the study (Siccama and Penna, 2008). Bazeley and Jackson (2013) state using NVivo during analysis helps to:

- handle virtually any data, including Word documents, PDFs, pictures, database tables, spreadsheets, audio files, videos (imported video files and YouTube content), social media data and web pages.
- highlight key points as the researcher works through the data, allowing for quick recall or analysis later. NVivo 'nodes' - allow the researcher to see all the information on a theme, summarised together.
- interchange information between NVivo and other applications, like Microsoft Word and Excel, IBM SPSS Statistics, Survey Monkey, EndNote and Evernote.
- enable the researcher to work with information in any combination of languages.
- store the research database and materials as a single file, making the research completely portable or store large media files separately and link them to the project.
- manage the data - organise and keep track of many data collected including files from all sources
- search for relationships - facilitates looking at the data and emphasises the relationships within it. It is easy to cross-case analyse, to re-order the codes and add names about potential relationships to files, and to play with the data (Ozkan, 2004). It shows the content of cases, ideas, concepts, sampling strategies, etc., at various stages of the interpretive process and visually represents the relationships among items (Bazeley and Jackson, 2013).
- manage ideas - to organise and provide rapid access to conceptual and theoretical knowledge generated in the research.
- save time - NVivo helps to speed up data management and analysis. It provides tools to organise data, helps shape the data in ways the researcher can reflect upon and gives an opportunity to see data from different angles; and all this can happen in a few seconds (Bazeley and Jackson, 2013).

The steps for using NVivo software in the current study are as follows:

1. Exporting transcribed interview transcripts and documents into NVivo
2. Editing: correcting, extending, or revising field notes
3. Coding: attaching key words to segments of text
4. Storage: keeping interviews and documents in organised folders
5. Search and retrieval: locating relevant segments of text and making them available for inspection
6. Data linking: connecting relevant data segments with each other, forming categories, or clusters of information
7. Analytic memoing: writing reflective notes/comments on data
8. Content analysis: counting frequencies, sequence, or locations of words and sentences
9. Data display: placing data in an organised format
10. Conclusion drawing and verification: aiding the researcher to interpret displayed data and to confirm findings
11. Preparing final report (Miles, Huberman and Saldaña, 2014, p. 46).

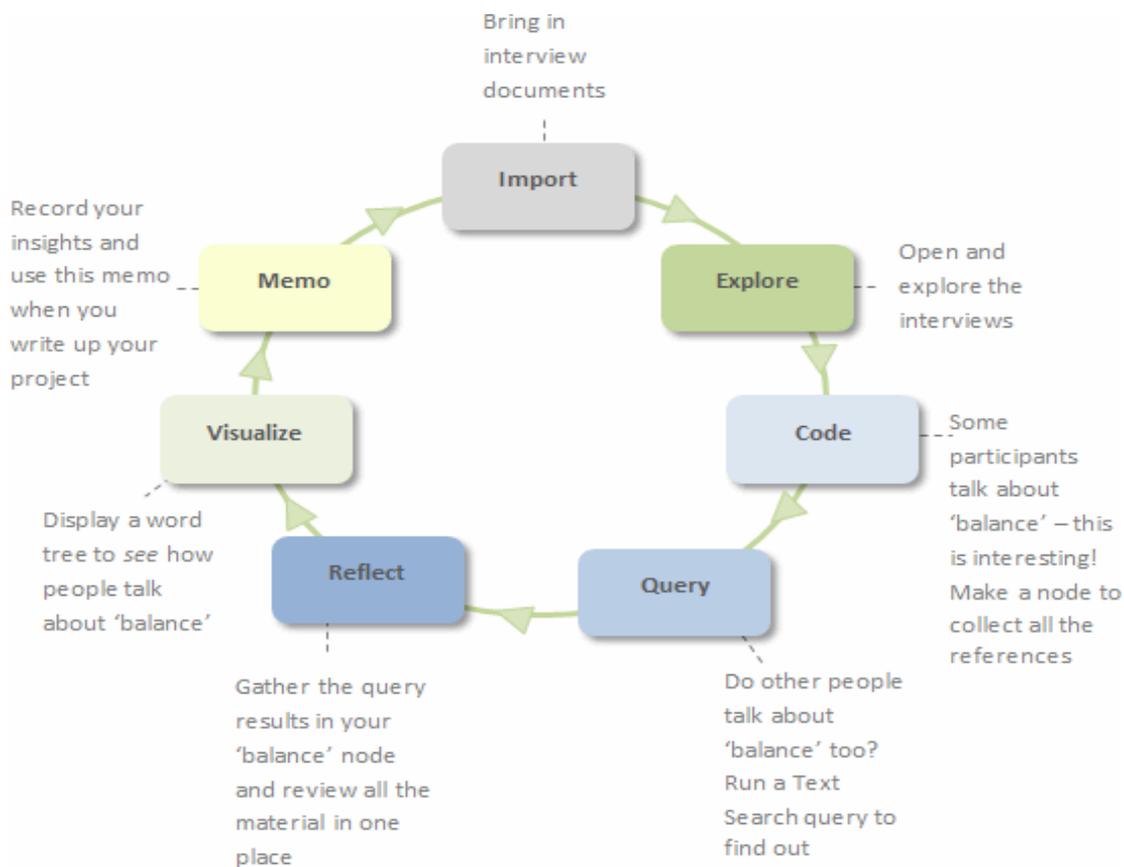


Figure 3.1: NVivo Software Steps

3.7 Trustworthiness of the Study

There are several possible strategies and criteria that can be used to enhance the trustworthiness of qualitative research findings. Trustworthiness is the corresponding term used in qualitative research as a measure of the quality of the research (validity and reliability) (Ritchie and Lewis, 2003). Creswell (1998) suggests that the trustworthiness of qualitative research can be established by using four strategies: credibility, transferability, dependability, and confirmability, and are constructed in parallel to the analogous quantitative criteria of internal and external validity and reliability.

3.7.1 Credibility

Credibility in qualitative research is defined as the extent to which the data collection and analysis are believable and trustworthy (Ritchie and Lewis, 2003). It is analogous to internal validity (Shenton, 2004, Constantinou, Georgiou and Perdikogianni, 2017). It refers to the believability of the findings and is enhanced by evidence, such as confirming the evaluation of conclusions by research participants, convergence of multiple sources of evidence, and theoretical fit (Creswell, 2013). It refers to the extent to which a study investigates what it claims to investigate, that is the extent to which a procedure leads to an accurate observation of reality (Denzin and Lincoln, 1994).

In this study, *triangulation* is used to enhance the credibility of the study. This refers to the multiple sources of data and collection strategies, such as interviews, company documents and archival records (Yin, 2014). For example, the researcher of this study contrasts data taken from conducted interviews with data from already existing interviews published in magazines or newspapers. These archival data were used to triangulate and corroborate interview data. Additionally, observation was used for triangulation. Another strategy is to have transcripts reviewed by peers (i.e. academics other than the researcher of the current study) to enhance credibility.

3.7.2 Transferability

Transferability refers to evidence supporting the generalisation of findings to other contexts outside the actual study context (Yin, 2014). This is akin to the notion of external validity, that is, the extent to which findings can be generalised. A qualitative researcher can enhance transferability by detailing the research methods, contexts and assumptions underlying the study (Ritchie and Lewis, 2003). This means that the qualitative researcher have to describe in detail the phenomenon under study and the context where the phenomenon occurs so other researchers can apply results on other contexts (Constantinou, Georgiou and Perdikogianni, 2017).

Since this study adopts a single case study approach, the process of generalisation that matches it is 'inferential generalisation', which is best explained as generalising from the context of the research

study itself to other contexts or settings (Ritchie and Lewis, 2003). Therefore, the researcher of this study documented and justified the methodological approach, and described in detail the processes and procedures that helped to construct and connect meanings and findings of the phenomena under study.

3.7.3 Dependability

Dependability is akin to the concept of reliability, that is, the consistency of observing the same findings under similar circumstances (Ritchie et al., 2014). It refers to the extent to which research findings can be replicated with similar context. Reliability is problematic and is practically impossible as human behaviour is not static (Ritchie et al., 2014). To meet this criterion, the researcher should describe the design, data coding, and analysis so that the study can be replicated by other researchers (Constantinou, Georgiou and Perdikogianni, 2017). Seale (1999) argues that absolute replication of qualitative studies is very difficult to achieve as they reflect realities at the time they were collected and in a situation which is likely to change.

In this study, the researcher aims to enhance dependability of the research as follows:

- Triangulation - using multiple sources of data or techniques to confirm emerging findings including interviews, archival records, observation, and documents.
- Case study database - to allow the readers to judge independently the researcher's interpretation of the data. The researcher created a database including all face-to-face interviews, carefully transcribed all interviews and coded them.

Further, intercoder reliability checks were conducted. This was done to enhance the quality of the findings and the rigour of the analysis process. According to Campbell et al. (2013), there is a difference between intercoder reliability and intercoder agreement. Intercoder reliability requires that two or more coders operate independently select the same code for the same data chunk (Campbell et al., 2013). Intercoder agreement requires that two or more coders are able to agree through discussion whatever coding discrepancies they have for the same data chunk (Kurasaki, 2000; Campbell et al., 2013). As mentioned earlier, a coding scheme was developed in a way to be as consistent as possible with the literature (Campbell et al., 2013). The coding scheme included the identified codes with operational definitions and grouped into categories.

For this study, two stages of independent coding were undertaken by two academics. The first coder was an academic specialised in human resources who had an adequate knowledge of the climate for innovation research. The main objective was to check the coding of the data subset as well as the code labels themselves. The intercoder check was based on free coding, in which the coder developed her

own codes. The initial inter-coding reliability score was 53 % match. Afterwards, there were five iterative discussions between the researcher of this study with the first coder to match her set of codes to those identified in the initial coding scheme, and to discuss which data chunks were allocated to those codes. The result was the renaming of some of the codes as well as re-allocation of data sets where we disagreed. Intercoder reliability was calculated by dividing the total number of agreements for all codes by the total number of agreements and disagreements for all codes combined (Campbell et al., 2013). The final result of this iterative process was 82% match.

A second round of secondary coding was undertaken by another academic specialised in marketing to provide more rigour. The main aim of this round was to enable the whole data set to be analysed and to provide rigour. At this stage of the coding process, the data sets were coded against the coding scheme rather than free coding. The initial inter-coding reliability score was 60% match. Again five iterative rounds of discussions were undertaken to identify disagreements and different interpretations of the data chunks. After these discussions, the same procedure of calculating the intercoder reliability was undertaken and the final result was an 85% inter-coder match.

Table 3.2: Secondary Coder Summary

Coder Profile	Task	Data Reviewed	Initial Intercoder Reliability Score	Final Intercoder Reliability Score
<ul style="list-style-type: none"> • Academic-Assistant Lecturer • Human Resources Specialisation 	<ul style="list-style-type: none"> • Free coding 	15 Interviews	53%	82%
<ul style="list-style-type: none"> • Academic-Assistant Lecturer • Marketing Specialisation 	<ul style="list-style-type: none"> • Coding against pre-determined coding scheme 	35 Interviews	60%	85%

3.7.4 Confirmability

Confirmability refers to the objectivity (neutrality) and control of research bias (Lincoln and Guba, 2000) and a detailed explanation is once again required (Constantinou, Georgiou and Perdikogianni, 2017). A qualitative researcher has to make sure that the findings reflect the interviewees' experiences and thoughts and not their own ideas and values (Constantinou, Georgiou and Perdikogianni, 2017). Seale (1999) argues that auditing could be used to establish confirmability in which the researcher makes the provision of a methodological self-critical account of how the research was done. Creswell (2013) argues that the external audit allows an external consultant to examine both the research process and the findings. This auditor should have no relation to the study. In assessing the research, the auditor examines whether or not the findings, interpretations, and conclusions are supported by the data. As mentioned earlier, the researcher used two external coders from the academic Faculty of the British University in Egypt to check the coding of the interview data. In order to make auditing possible by other researchers or peer reviewers, the researcher archived all collected data in a well-organised form.

3.8 Ethical Considerations

As this is a qualitative research study, the researcher had to interact deeply with the organisation under study and its participants. Silverman (2011) emphasises that researchers should always remember, while they are doing their research, they are entering the private spaces of their participants. Consequently, this raises several ethical issues that should be addressed. Miles, Huberman and Saldaña (2014) list several issues that researchers should consider when analysing the data, such as informed consent, harm and risk, honesty and trust, etc. Therefore, the researcher of this study took appropriate steps to adhere to strict ethical guidelines in order to uphold participants' privacy, confidentiality, dignity, rights and anonymity, as follows:

- Informed Consent - the researcher informed the participants, the organisation and its employees, of the purpose, nature, data collection methods, and extent of the research prior to commencement. An informed consent was obtained in writing. See Appendix C
- Harm and Risk - the researcher guaranteed that no participants will be put in a situation where they might be harmed as a result of their participation.
- Honesty and Trust - adhering strictly to all the ethical guidelines that serve as a standard about honesty and trustworthiness of the data collected and analysed.
- Privacy, Confidentiality and Anonymity - the researcher ensured that the confidentiality and anonymity of the participants will be maintained through the removal of any identifying characteristics before widespread dissemination of information.

- Voluntary Participation - the researcher made it clear to the participants that the research is only for academic purposes and their participation is absolutely voluntary.

3.9 Chapter Summary

This chapter concludes the research methodology and design of the thesis and justifies why a single case study method is adopted. The next two chapters will review the qualitative analysis of the major telecommunications organisation in Egypt that was selected for the current study.

CHAPTER 4: ANALYSIS OF CLIMATE FOR INNOVATION

This chapter reports the results of the thirty-five semi-structured interviews conducted at one of the major telecommunication organisations in Egypt. Section 4.1 presents the analysis of employees' perceptions of climate for innovation and highlights the main themes and dimensions identified in this study in a real-life setting. Section 4.2 describes the leadership for innovation theme. Section 4.3 addresses the organisation support for innovation theme. Section 4.4 demonstrates the organisation structure theme. Section 4.5 presents the human resources practices theme. Section 4.6 describes the impediments to innovation theme. Section 4.7 explains the employee role in the innovation process. Section 4.8 reviews the relationship between climate for innovation and employee innovative work behaviours. Finally, section 4.9 summarises the chapter.

4.1 Climate for Innovation

The results of the semi-structured interviews reported that the thirty-five employees believe that it is crucial for an organisation to have a supportive climate for innovation. Directors and senior managers' interview results showed that it is necessary for organisations to provide their employees with a climate for innovation that encourages them to go the extra-mile and be more creative and innovative. Similarly, interviewed employees argued that even if they have the capability to be innovative, their willingness depends on the organisation's climate for innovation. They reported that to implement ideas successfully, there needs to be supportive policies, practices, and procedures.

Participants in the current study argued that their organisation provides an innovation-driven workplace. The analysis of the interview transcripts indicated that the organisation under study is open to new ideas, supports new initiatives that challenge the current status quo, encourages employees to think out-of-the-box, and supports new approaches to enhance the organisation's performance. Employees reported that they perceive the climate for innovation positively. They believed that the climate for innovation is behind the success of the organisation's innovations in the market. The following quotes demonstrate employees' perceptions of the organisation's support for innovation:

'I believe that we have a good climate for innovation, not perfect, but we always strive to be better. But we have this [climate], especially in the commercial unit of the business and in other units ... I think we have a very good climate that encourages people to propose and come up with ideas. We consider all ideas, enhance and allow enough time to work and invest on those ideas.' (Director, Commercial Operations Unit)

'I can say that the organisation's environment is very encouraging to innovation and supports new ideas.' (Head, Customer Experience)

Employees in the commercial teams, such as consumer marketing and enterprise marketing, reported a perception of a high level of climate for innovation, in which they are able to voice their ideas. Their interview transcripts' results posited that climate for innovation has the potential to positively influence employees' creativity and innovation, as demonstrated in the following quote:

'Climate for innovation is the reason for all the innovations we are coming up with. The company is giving employees the power to come up with ideas freely. In many companies, the young or the junior employees don't have a voice. Our organisation is unlike that; we have a climate that encourages us to express our ideas and opinions freely. We are an innovative company with a supportive climate for innovation that definitely and strongly relates to customer experience.' (Junior, Consumer Marketing)

However, differences in climate for innovation perceptions among employees in various functional units are reported. Employees in non-commercial teams had lower perception levels of climate for innovation than employees in the commercial teams. They believed that the organisation supports ideas coming out from the commercial teams because they generate more revenue, and not all employees are given the opportunity to come up with ideas and innovate. The following example demonstrate the non-commercial team employees' view:

'...not all ideas are supported because the company cares about the targets and is keen to achieve them. It depends on the department or function you belong to. For instance, if you are working in the IT unit and you come up with an idea, you might not be able to implement it because you don't belong to the commercial team ... so, there are people who are allowed to think and innovate while others have to do the jobs.' (Product Manager, Enterprise Business Unit)

The identified themes and codes emerged from both the literature and the data analysis. Interview transcripts were reviewed and coded based on the provisional start list discussed in Chapter 2. Additionally, themes and codes emerged from the interviews. In Vivo coding method was adopted to code words from the interviewees' own language in the transcripts. For instance, the leadership theme and codes emerged from both the literature and interviews. On the other hand, customer centricity code emerged from the interviews. Despite that customer centricity concept is discussed in the literature, the concept of customer centric practices in the organisation that promote a climate for innovation was not addressed in previous literature. To ensure trustworthiness, themes and codes were reviewed by research supervisors and intercoder reliability checks were conducted as previously discussed in Chapter 3.

Table 4.1 reviews each of the climate themes that emerged from the interview analysis. The major themes identified include leadership for innovation, organisation support for innovation, organisation structure, human resources practices and impediments to innovation. The table sums up the main themes and dimensions of climate for innovation identified in the current research. It provides operational definitions and an example quote for each identified climate for innovation dimension.

Table 4.1: Dimensions of Climate for Innovation

Themes	Dimensions	Definitions	Quotes	Number of Employees
Leadership for Innovation	Senior Management	The extent to which the CEO and senior executives influence innovation by encouraging and supporting generation and implementation of new ideas, inspiring employees and acting as innovative role model.	<p>‘...the senior management mindset or the way they encourage and support innovation is the most important thing. In the last 6 years, we have witnessed three CEOs. Each CEO had his own way of managing innovation. Some encouraged innovation while others did not. Some have seriously and clearly showed support for innovation that much, in which they supported strongly potential good ideas by assigning budgets for innovations even if revenues are not guaranteed. Also, they encouraged attending innovation events. On the other hand, we have experienced a management era that did not support innovation. When the CEO does not support innovation, this cascades down to all employees. Our previous CEO was the one who supported the creation of the innovation entities in the company. He was the one that emphasised innovation as one of our main pillars. The leadership style is important for fostering innovation. The CEO should emphasise the importance of innovation to the company. He should always encourage the employees to be innovative and creative and to come up with new ideas of products and services to compete in the market and to be ahead of competitors.’</p> <p>‘...the digital bookstore innovation was one of the innovations that came up from the catalyst tool that we have that allows people to provide their ideas. But I guess that the sponsorship from the CEO at that point, made it happen because he was extremely</p>	32
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		passionate about it. He was passionate about the idea and the organisation playing part in such a domain of education and cultural value, not just the commercial value.'	
Line Managers	The extent to which direct line managers have a good quality relationship with their subordinates, by stimulating their employees' efforts to be creative and innovative, challenging, directing and mentoring, and correcting employees.	'...the hierarchy in the organisation is bottom-up while in other companies it is not the same. For example, you can be a 3-4 days' new employee in a team and if you have a good potential idea, it will be implemented. Our senior management is very friendly and non-hierarchical. The environment is more like family-oriented. There is respect for senior managers but they deal with us in a very friendly way. We have a great open-door policy.'	22
Innovation Strategy	The extent to which the organisation has a strategy that promotes the development and implementation of products and service innovations.	'... I have to stress that innovation is one of the organisation's key pillars and main part of our broad strategy. This encourages us to do something different and to think out-of-the-box. So, innovation being one of the company's main pillars, this affects the employees' mindset and work behaviour. Innovation is embedded in everything we do. We can't do our work and tasks without innovation. It is there in our main strategy. Whenever we change our main strategy or aims, innovation is one of our main pillars and objectives.'	14
Innovation Vision	The availability of a clear vision that is supportive of the need for creativity and innovation that reflects the	'... the company's vision explicitly emphasises the importance of innovation ... the vision determines whether to be conservative in terms of innovation or encourage it, and whether to focus on short-term revenues or explore further areas and opportunities for growth.'	18

	value of innovation to achieve organisational goals.		
Value-based Organisation	The availability of shared core values among all employees in the organisation to establish a foundation and guiding principles for employees.	‘... our organisation value-based pillars transformed the company and provides the roots of the climate for innovation. Our culture allows people to be the best... Innovation is one of our key values; we know that we should be innovation hungry.’	12
Customer Centricity	The extent to which the organisation places the customer at the heart of its strategy to deliver superior customer experience. The organisation becomes customer-obsessed, seeks to understand the customer, and innovates products and services to add value to the customer.	‘... our strategy is simple ... it is to win the market through a few things based on customer centricity. Everything that we do should be customer centric. If the idea is not customer centric, we don’t do it.’	31
Trust & Openness	The extent to which employees are open in exchanging ideas, have feelings of trust, ability to	‘...we share all best practices and ideas for the success of our innovations. All employees are always keen to participate and get involved in the success of the company’s innovations. This is where trust is important. Our leaders and working climate provide	9

	express views fully, feeling at ease with each other and participate safely in decision-making.	a huge trusting environment. We are open and we discuss together new initiatives and ideas together.'	
Challenging Jobs	The extent to which an employee finds the job complex and challenging, requires creative and innovative thinking and triggers healthy competition between employees.	'... our jobs are challenging...we always have to think of something new. Here in the organisation, we have challenges in everything. We don't think of coming up with innovative products and services only, but we also have to think of the customer experience and revenue streams. Challenge, yes, contributes to innovation. Challenge allows us to find good solutions for problems. Challenge is always good for innovation.'	10
Employee Involvement	The extent to which employees are involved in daily operations, long-term goals, decision-making and the innovation process.	'... so, when they come up with ideas, they are very involved in what they are doing and they see it happening in reality. By involving them more in projects and innovations, I am giving them more responsibility. Young employees really like to be involved.'	13
Employee Empowerment	The extent to which manager's delegate responsibilities to employees, allow them to have control over their own work tasks and	'... we are also considerably successful in empowerment in which the company focuses on people. The company encourages employees to take initiatives and do jobs in their own way with some guidance. When employees feel that they are in control of their jobs, they can be creative and innovative. We give our employees the freedom, autonomy, trust and encouragement to carry-out their jobs. We allow them to take	19

have autonomy and freedom on the job to innovate. their own decisions and see the success that follows. This ability to empower yields in innovations.'

Ownership The extent to which employees feel they originate and develop ideas, willing to try out new things, and are prepared to take responsibility for implementing new ideas. '...also, the idea of ownership is conducive to innovation and fosters employees' creativity and innovative work behaviours. The idea of being the owner of a new product or service and being responsible for it from A-Z is encouraging and improves one's ability to be creative and innovative. The owner of the new proposition is the one who is responsible for gathering all stakeholders and promoting it. You take directions or insights from your manager, but at the end you are the one who is responsible of your new proposition.'

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Organisation Support for Innovation **33**

Innovation Unit The establishment of a dedicated department for innovation that fosters and triggers innovation across the organisation. '... we have this department for innovation, which is the department I am heading. My team helps the company to create a culture and climate conducive to innovation. We are an entity responsible at looking at business opportunities... we are responsible for coming up with customer-related innovations and producing innovative products ... we have so much space and time to work on products and services that are further from our core. Our job is to go beyond communications categories into adjacent categories to diversify what we provide to our customers.'

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Open Innovation The extent to which the organisation collaborates with in-house, I go to a company and acquire it or buy some of its shares and sponsor

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	external stakeholders, such as universities, partners and customers, through an iterative exchange of knowledge	whatever they are innovating ... we sponsor their innovations and help them to build their innovations up and make them grow.'	
Idea Support	The extent to which the organisation encourages the generation of new ideas, supports employee creativity, encourages new initiatives and doing things differently.	'...the company really supports new ideas and encourage employees to come up and participate in generating new ideas. We have the catalyst tool which is available for employees to propose and submit new ideas and, based on the number of comments, the ideas are taken forward for more evaluation. People are overly excited to submit ideas. We have an unbelievable number of ideas submitted daily.'	31
Idea Time	The amount of time available for employees to think and elaborate on new ideas.	'...we have idea time where we gather together and start thinking of new things and market challenges. It is a good opportunity where we mingle and start brainstorming new things. So, we are not just doing our routine tasks but we are allowed and encouraged to have time for thinking out-of-the-box.'	22
Idea Implementation	The extent to which the organisation practically implements new ideas.	'...the company really encourages people to come up with new ideas and supports potential ideas implementation. So, if any employee is willing to implement a certain idea, the company really supports this. Once the company finds a good idea, it captures and supports its development and implementation. It really feels good to see your idea implemented and the customers like it.'	11
Conflict & Debate	Conflict: The level of personal and emotional tension in the	'...when it comes to discussing new ideas or innovations, we have room for conflict. I think constructive conflict or objective conflict, not the personal ones, is pretty	8

organisation in which employees are willing to hear different opinions and placing emphasis to get problems out rather than smoothing them over.

advanced in our company. We discuss different opinions and convince each other when our opinions conflict. We just had one of our exercises that we have every year, which is the talent review, which leads to performance review and potentiality. Every leader is defensive of their people; we finished this very quickly and smoothly, because we are always engaged. There is an element of on-going challenging discussions, so when we come to decision-time, it is easy and just a recap and ensure that everyone is on the same track.'

Debate: The occurrence of encounters and disagreements between viewpoints, ideas, and different experiences and knowledge.

'...employees are allowed to debate; we have a unique climate when it comes to debate. We have many forums where we debate over things, such as business performance and new innovations. We have that forum that consists of 30-40 people reviewing our business performance and new potential ideas to go to market. Also, we create a dialogue on weekly basis on departmental levels where we discuss issues and ideas. These forums are related to reviewing the brand status in the market, innovations, PR strategy and customer experience.'

Risk-taking

The extent to which the organisation tolerates uncertainty, adopts new innovations, encourages trial of new things and invest on innovations with unknown outcomes, and accepts and tolerates mistakes.

'...also when we think of new ideas or competing to be the market leaders, we take risks. We don't go with the traditional way of thinking; we think out-of-the-box, and this is a risk. Thinking out-of-the-box and going to the market with something new and leading the market in a different way is a risk. Most of the time competitors follow us. Basically, the idea of coming up with something new and different needs risk. I can say that every new proposition we are launching has a risk because of the dynamic and competitive nature of the telecom industry.'

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Organisation

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Structure

Bureaucracy	The extent to which the organisation has rigid processes and procedures that hinders creativity and innovation.	'...less bureaucracy ... this is one of the most important practices conducive to innovation. We have long processes and approval cycles to move on with something, but simplicity in the processes facilitates innovation. This is the most important thing here which is simplicity in the process. But again, the time we spend in taking approvals as everybody should agree and there should be alignment ... this consumes time that can be spent on thinking of another thing. The biggest part that might hinder innovation sometimes is bureaucracy and the layer of approvals that you need to get to implement a new idea. I guess we need more simplified processes to enhance and promote more creativity and innovation.'	7
Structure of Functional Teams	The extent to which the organisation structures its functional teams to serve different market segments.	'...we decided to organise the company's structure in term of customer segments. Thus, all departments and units' names were changed and organised by market segments. This was important as it gave a message to the employees that we need to look at the market carefully from a customer perspective, not from a product perspective. So, this continuous restructuring in the company fosters creativity and innovation among employees; and this restructuring is always for the benefit of the customer and how can we communicate to each market segment differently.'	20
Hierarchy	The extent to which the organisation is flat and enjoys an open door policy where all	'...the hierarchy in the organisation is bottom-up while in other companies it is not ...the same. For example, you can be a 3-4 days' new employee in a team and if you have a good potential idea, it will be implemented. Our senior management is very friendly and non-hierarchical. The environment is more like family-oriented. There is respect	9

	employees can raise their voices.	for senior managers but they deal with us in a very friendly way. We have a great open-door policy.'	
Physical Environment	The extent to which the physical environment and facilities in the organisation stimulates and fosters creativity and innovation.	'...sometimes we go sit in the garden or open-air area to come up with potential innovative ideas. The physical environment plays a major role in contributing to this climate for innovation. We don't have traditional offices... we move a lot. We have TV areas, cafes, gardens, and special rooms for brainstorming new ideas. The brainstorming rooms include bean bags, guitars, white boards, things like that. This makes us feel or relaxed and not pressurised and enables us to think freely and come up with new ideas. It is unlike the standardised meeting rooms.'	16
Flexibility	The extent to which the organisation has flexible work schedules and allows remote working to encourage employees' creativity and innovation.	'...also, the flexibility of our working hours is a good thing ... we can come at 10 and leave at 6 or come at 9 and leave at 5. On some days, we stay later especially during budget times and launching of new products. But we are not upset or bothered when we work for longer hours; we do it with pleasure because we are excited about our work. Also, on some days we can leave very early if our job is done. So, this flexibility of working hours' policy makes people feel more relaxed. This is for sure conducive to innovation. If I am psychologically satisfied at my workplace, I can be more creative and productive. Flexibility in general encourages employees to be creative and innovative; we don't have ties and boundaries.'	10
Informality	The extent to which the organisation has an informal and friendly work environment to stimulate	'...we are very informal; formality is very rare in the company. Formality always puts limits to your abilities and to what you can do. It is a very friendly environment and this helps to gain more and more ideas.'	9

	employees' creativity and innovation.		
Playfulness & Dynamism	The level of fun, eventfulness of life and relaxed atmosphere in the organisation.	'... another thing is the fun atmosphere that we have; it might sound a small thing but the events and parties that we have in the company are really amusing. This creates a fun spirit that makes employees happy when they are coming to work; it encourages them to think of new things and be more innovative ... they come daily to work with the spirit of what can I innovate today? What can I enhance or improve today? We have music, games, etc. It is very important to have such events at work because our job is stressful and if the employee is not comfortable 100%, this will impact on the customer. Such a fun and relaxing atmosphere creates an environment for innovation.'	12
Teamwork & Cohesion	The extent to which employees' support each other, cooperate and help to develop and implement innovations, and interact together and socialise to achieve the best possible outcomes.	'...the team climate is great, including the relation between us as team members and with other teams. We have high cohesiveness between the teams. If there is a new product or innovation, employees from all functions work coherently to achieve success. We have a certain synergy that is so special and friendly. We even exceed the working hours and might continue our work at a café to work on new ideas. We have high enthusiasm for our work. When we have an important project or innovation we forget about the regular working hours. We are all keen to work for longer hours to come up with something great and successful. All teams across the company work coherently; we have very high levels of cohesion among functional teams.'	20

Rewards & Recognitions	<p>Recognitions: Non-financial awards which increase intrinsic motivation and they include sense of achievement, satisfaction and enjoyment, such as recognition, celebration, and certificates.</p> <p>Extrinsic: Financial rewards which increase extrinsic motivation including pay, bonuses and commissions, trips, and promotions.</p>	<p>‘... we also have non-cash incentives such as celebrations and printed certificates when an innovation is launched. And from my point of view, this is the best thing for rewarding someone for being initiative and creative, and to see that his idea is implemented and he is being recognised for that idea.’</p> <p>‘... we have other innovation rewards related to processes, products and services. For example, a very famous HR reward called ‘Save-for-Me’. It is when an employee looks at a process or anything outside his normal job and finds a way to save some money for the company while increasing efficiency ... the winner gets a certificate, we do a party, and he takes a percentage of the saving he did; and sometimes it is a big amount of money.’</p>	23
Internal Communication	<p>The extent to which the organisation ensures effective communication among employees and delivering messages, and campaigns to</p>	<p>‘...the internal communication department is basically the central nervous system of the organisation’s communication system. All the information and communication to the employees are coming out of our unit. Why are we doing this? This is to make sure that we are all aligned towards the same goal. In addition to that, we are also responsible for the culture and climate; our job is to make sure that our culture is embedded into the organisation into the day to day work and behaviours. As innovation</p>	9

	foster creativity and innovation.	is one of our main cultural values, we are responsible of fostering innovation throughout the company.'	
Training & Development	The extent to which the organisation runs training sessions and workshops to encourage and stimulate innovation.	'... we have periodical trainings for the employees, especially about innovation and how to think in an innovative way. Innovation is one of our main pillars, therefore the company training programmes focus an innovation a lot.'	8
Performance Appraisal	The extent to which the employee's performance appraisal is based on creativity and innovation.	'... it is also part of the performance appraisal, where we evaluate employees on their new initiatives and willingness to go the extra mile.'	6
Recruitment	The extent to which the organisation's recruitment policies contributes to creativity and innovation by selecting the right people and ensuring diversity.	'...as an HR Director, I can say that recruitment is an important consideration. To enhance the company's innovative capability, we try to get and recruit people from different industries; people that are not necessarily in-the-box of the telecom industry. And this has proven to be very successful in the commercial department where we have got lots of good stories to tell, even in the HR and finance departments. Basically, in recruitment, we don't look particularly for innovation capabilities, but we take it into consideration on one of the factors or criteria for selection. But we try to get people that are out of the telecom box.'	8

**Impediments
to Innovation**

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Resources

The extent to which the organisation provides employees with the technical knowledge to perform tasks, amount of funds and budgets available for developing new ideas and time given to develop new ideas and think of new things.

‘...to enable people to innovate, you need adequate resources. They need the time and space to think to be creative and innovative. They need to have the proper exposure and tools to innovate, such as adequate budgets and funds allocated to innovation.’

8

Work Pressure

The extent to which employees have intensity of work assignments and pressure to meet targets within certain time.

‘...when you have a stable market and less pressure, you start to think out-of-the-box and innovate. When we are under pressure, you have reinforced to get back to your position in the market by focusing on the basic or actual business. I wish that we can have a less tense environment and find more time to think. We are driven by numbers and margins and revenues. We need more time to breathe and stretch and have more meetings for ideas, maybe outside the office, to think and innovate. Simply, we need time to think. I guess it is all about time and giving all employees the opportunity to address their ideas and implement it. Of course, this is a hard equation. It is difficult to do both, to be innovative and deliver your targets.’

4

4.2 Leadership for Innovation

4.2.1 Senior Management

Out of thirty-five interviewed employees, thirty-two have confirmed the crucial influence of leadership on climate for innovation. Twenty-four respondents reported positive perceptions of senior leadership in the organisation. They described leadership in the organisation as very supportive of innovation. Their comments revealed that senior leaders affect innovation through their efforts and behaviours to deliberately foster an organisational climate that supports innovation:

‘... the senior management places huge emphasis on creativity and innovation and always challenges our ideas; the company’s leaders are seeking extraordinary and creative ideas. The company is always ahead of the game and the other players in the market are behind us. I believe that the extreme support and encouragement of the senior management and emphasis on the importance of innovation is very crucial.’ (Team Leader, Enterprise Marketing)

The Commercial Operations Officer affirmed that the deliberate climate for innovation creation is the main responsibility of leadership in the organisation. He mentioned that it is the leader’s role to pull out novel ideas from employees and encourage them to think out-of-the box:

‘...I want to stress on the leadership, even if you have practices and policies supporting innovation, the leadership has a lot to do creating and keeping this innovative environment. I manage 5000 employees and I know how much treasure/ideas we get from frontline employees and junior ones, but it takes a good manager to take that out and to support it and give the people the time to do it. When this happens, miracles happen.’ (Director, Commercial Operations Unit)

Results showed that senior leaders intellectually stimulate employees’ efforts to be innovative by questioning assumptions, reframing problems and encouraging them to approach situations in new ways. Employees stated that leaders are always seeking differentiation when introducing innovative product and service innovation to the market which, in turn, inspires employees to be more innovative:

‘...leadership. I haven’t seen anyone in the top management team who settles for less. They are always looking for better and new innovations and differentiation in the market. This causes the environment for innovation. This is the best thing that encourages employees to innovate. It is a kind of positive pressure that encourages employees to be innovative. Accordingly, all team leaders are keen to encourage their teams to be innovative. We always

question any new proposition “what’s new; what’s different?” (Manager, Consumer Marketing)

Employees spoke positively about joint decision-making where senior leaders encouraged the participation of all employees in the decision-making processes. Results revealed a high level of employees’ participation in decision-making in the innovation processes:

‘...leaders appreciate involving all layers in whatever decision it is ... especially when it comes to new ideas and launching of an innovation. The senior leadership in the organisation is very inspiring and really encouraging to innovate.’ (Junior, Consumer Marketing)

Employees emphasised the crucial role of the Chief Executive Officer in creating a climate for innovation. Results showed support for innovation and creation of appropriate climate for innovation is the main responsibility of the CEO. Employees mentioned that one of the CEOs who vigorously supported innovation established the innovation units in the organisation, allocated adequate budgets for innovation and encouraged employees to attend innovation events. Employees emphasised that the level of creativity and innovation in the organisation was influenced by the change of CEOs. Five employees mentioned that the organisation has witnessed three CEOs over the past six years, where some of them have focused and inspired innovation while others focused more on revenues and profits. Results posited that when the CEO does not support innovation, this influences employees’ innovative behaviours and, thus, reduces the level of creativity and innovation in the company:

‘...In the last 6 years, we have witnessed three CEOs. Each CEO had his own way of managing innovation. Some encouraged innovation while others did not. Some have seriously and clearly showed support for innovation that much, in which they supported strongly potential good ideas by assigning budgets for innovations even if revenues are not guaranteed. Also, they encouraged attending innovation events. On the other hand, we have experienced a management era that did not support innovation. When the CEO does not support innovation, this cascades down to all employees. Our previous CEO was the one who supported the creation of the innovation entities in the company. He was the one that emphasised innovation as one of our main pillars. The CEO should emphasise the importance of innovation to the company. He should always encourage the employees to be innovative and creative and to come up with new ideas of products and services to compete in the market and to be ahead of our competitors.’ (Manager, Technology)

The Head of Strategy and Innovation mentioned that the CEO plays a significant and positive role in influencing the organisation innovativeness. He explained that the organisation successfully launched the first Arabic digital e-Bookstore and this was due to the prodigious support from the CEO at that time:

‘...the digital e-Bookstore innovation is one of our top innovations...I believe that the sponsorship from the CEO at that point, really made it happen because he was really passionate about it. He was passionate about the idea and the role the company can play in the domain of education as well as cultural value, not just the commercial value of the innovation.’

4.2.2 Line Managers

Twenty-two employees also spoke about the vital role of line managers and supervisors in fostering creativity and innovation. They commented on the quality of the social relationship between leaders and subordinates, which is referred to as the Leader-Member Exchange theory (LMX) and its influence on employees’ innovative behaviours. Interview results indicated that the quality and nature of leader-member exchange has positive influence on creativity and innovation. Employees who reported high quality of the leader-subordinate relationship perceived climate for innovation positively. Results suggested that line managers, such as team leaders and supervisors, are responsible for establishing a good quality relationship with their subordinates, continuously stimulating and encouraging creative and innovative efforts, challenging, mentoring and guiding employees throughout the innovation process. It was found that supportive and non-controlling supervision has positive impact on employees’ creativity and innovation. Employees are able to exhibit more creative and innovative behaviours when they are empowered to do their job tasks rather than micromanaged by their line managers. Also, results posited that line managers and supervisors exert efforts to enhance and develop their subordinates’ skills which, in turn, fosters creativity and innovation.

‘...I am working under the supervision of a good supervisor that can spot a talent, correct me, allocate me where I fit best and pushes me forward. He is always encouraging and supporting and keen to get out the best of me ... my manager is always there to encourage, mentor and support ... he is just an observer in which I have the space to conduct my job in my own way. He is always keen to enhance our team’s capabilities and know-how. This encourages creativity and innovation so much ... He makes our team recognised in the company.’ (Team Leader, Enterprise Business Unit)

'...Every group or team of agents has a supervisor who is equipped with all the competencies and skills who provides them with continuous training ... there is also a monthly one-to-one meeting between the agent and the supervisor for mutual feedback. The agent receives feedback about his performance and the supervisor gets feedback as well from the agent about what is going right and what is going wrong ... and this establishes a strong relationship between the supervisor and the agent.' (Head, Customer Experience-Call Centres)

4.2.3 Innovation Strategy

Interview results showed that the organisation clearly communicated the importance of innovation in its strategy. The organisation has a strategy that promotes the development and implementation of novel ideas of products and services. The extent to which the organisation placed emphasis on innovation in its strategy was perceived positively by twelve employees. Employees' comments demonstrated that innovation is at the heart of the organisation's strategy and one of the organisation's main pillars. They mentioned that the organisation's strategy focuses on always being unique in the market by seeking differentiation in product and service innovations, service experience and advertising. Employees' quotes revealed that an innovation strategy provided them with a clear direction in terms of what they should innovate to serve customers. The organisation's innovation strategy encouraged employees to think out-of-the-box and innovate to deliver customers with value-added products and services to enhance the customer experience.

'...I have to stress that innovation is one of the organisation's key pillars and main part of our broad strategy. This encourages us to do something different and to think out-of-the-box. So, having an innovation focused strategy, this affects the employees' mindset and work behaviour. Innovation is embedded in everything we do. We can't do our work and tasks without innovation.' (Junior, Consumer Marketing)

Only two employees suggested that the organisation needs to place more emphasis on innovation in its strategy. They indicated that focusing on the short-term success and revenues kills innovation. One of them mentioned that the organisation's policy has changed and there is more focus on revenues. It was argued that innovation success cannot be measured in the short-term:

'... in terms of innovation strategy, we should be more long-term oriented than short-term. We should not focus on short-term innovation success only. The company needs to consider long-term innovations. Unfortunately, we are more short-term focused than long-run. This kills innovation.' (Head, Joint Ventures)

4.2.4 Innovation Vision

Interview results showed that it is crucial for an organisation to have a clear innovation vision that is supportive of the need for innovation, and reflects the value of innovation to achieve organisational goals. Employees argued that the organisation's vision should clearly define innovation, innovation key performance indicators (KPIs), and whether the focus is on short-term revenues or exploring new growth opportunities. Employees suggested that it is crucial to have a long-term vision and to look at the future to be ahead of the competition. A junior employee from the marketing team stated that the organisation invested a lot in cloud services before anyone in the market. Eighteen employees mentioned that a clear innovation vision encourages them to be more innovative:

'...We have a clear vision communicated to all employees that stresses the importance of innovation ... the company places emphasis on importance of innovation in everything we do.'
(Junior, Consumer Marketing)

4.2.5 Value-based Organisation

One of the identified dimensions of climate for innovation is the value-based organisation. Results indicated that it is important for an organisation to establish shared core values among all employees in the organisation to establish a foundation and guiding principles for employees. Having innovation as one of the main organisation's values, was mentioned by twelve employees. Employee interview results indicate that the organisations' values are the root for climate for creativity and innovation. The organisation established values to enforce and induce creativity and innovation among employees. Those values encouraged employees to be more creative and innovative. Employees' comments indicated positive perceptions of the organisation's values, which encouraged them to be more creative and innovative in everything they do, which ultimately drives customer experience:

'... for the first time, I have seen the great impact of value-based organisation on the employees; they are really positive. We have a lot of ideas coming from different spaces and employees from different departments. We had to instil into the employees' mindset how to think innovatively. It is not about only the technology department; it is about anyone in the company. We have the innovation hungry value as one of our values, which encourages and enforces the innovation climate.' (Senior Manager, Internal Communications)

4.2.6 Customer Centricity

Customer centricity is one of the organisation's main values on which the organisation's leadership has placed great emphasis. Interview results identified customer centricity as a crucial dimension of climate for innovation. Customer centricity was mentioned by thirty-one employees. Customer

centricity is defined in this research as the extent to which the organisation places the customer at the heart of its strategy to deliver superior customer experience, in which the organisation becomes customer-obsessed, seeks to understand the customer, and innovates products and services to add value to the customer. Results revealed that the organisation places customer centricity at the heart of the innovation strategy:

‘Our strategy is simple ... it is to win the market through a few things based on customer centricity. Everything that we do should be customer centric. If the idea is not customer centric, we don’t do it.’ (Head, Consumer Marketing)

Employees mentioned that the understanding of the customer is vital for innovation. Results suggested that the organisation considers carefully the end benefits and value-added benefits of product and service innovations to the customer. In other words, the organisation offers product and service innovations that drive the customer experience. An employee mentioned that customer centricity is the most conducive dimension that stimulates innovation and encourages employees to be innovative:

‘...the best thing that encourages me to be innovative is the customer understanding. When we think of innovating new propositions to our customers, we think first which segment we are targeting. That’s a good thing in our work; we are always in contact with our customers. Also, we conduct intensive research to get customer insights. Therefore, I believe that customer centricity is the most conducive element to innovation. The in-depth understanding of the customers and what they need is really important in giving us insights for coming up with creative and innovative ideas. Because when you understand the customers’ needs well, you start to think, how can I deliver those gaps and deliver superior customer experience.’ (Junior, Consumer Marketing)

Employees’ comments revealed that one of the main organisational pillars is customer obsession. Employees from all functional departments mentioned that having customer obsession as one of the organisation’s key pillars is conducive to innovation. Results posited that being customer-obsessed encourages employees to think from a customer mindset and, hence, innovate value-added products, services and processes that would enhance the customer experience. An employee mentioned that the organisation would cease investing in an innovation that customers do not like, even if it generates revenues:

‘One of the organisation’s pillars is being customer-obsessed. So, we innovate for customers ... we think of what is new that we can offer to our customers. We think of newness in terms

of products and services, communication messages and of value-added to the customer. There should be end benefits to the customers in any innovation; it should be smart and innovative idea that delivers and drives the customer experience ... we place great emphasis on the impact of the innovation on the customer experience ... there were certain innovations that yielded profits but customers were not happy as they felt they paid a lot of money, so we stop it immediately or re-define its price.' (Junior, Consumer Marketing)

The Human Resources Director spoke about the launch of the Customer Experience Excellence Programme which was launched to enable the organisation to enhance the customer experience. The programme required employees to find new ways of doing things to innovate products and services that would enhance customer experience. He mentioned that the customer experience excellence programme focuses on the innovation of products and services that drives the customer experience. The launch of this programme placed customer experience as a top organisational priority and, thus, encouraged employees to think from a customer perspective:

'... the launch of our new Customer Experience Excellence Programme and this puts customer experience at the top of priorities of the top management ... for us to achieve Customer Experience Excellence, this requires new ways of doing things and offering new and different products and services and this is where innovation will kick-in. Innovation in a way is provoked by focusing on customer experience.' (Director, Human Resources)

The organisation divides the commercial teams by market segments, in which each team is dedicated to innovate products and services for a specific market segment. The interview transcripts revealed that creating commercial teams for each customer segment triggered new innovations that were not invented before. Results showed that this division or structure of commercial teams triggered more value-added product and service innovations, such as the Balance Transfer Platform innovation, the Red Bundle service innovation, and the Control Flex Unit tariff innovation, which ultimately enhanced the customer experience. Findings indicated that employees perceived this as a message from the organisation to think from a customer perspective when innovating products and services rather than from a product technical perspective. The organisation divides its market base into four groups: the youth market, the mass market, the high value market, and the aspiring market:

'To be able to reach the customers effectively, we don't just sell products to them. We segment them [customers] to know their needs ... we have a team responsible for each market segment. Each segment has a specific set of products and services offered. All departments and units' names were changed and organised by market segments. This was important as it gave messages to the employees that we need to look at the market carefully from a customer

perspective not from a product perspective. So, focusing on a specific customer segment enables us to innovate products and services that suit each customer segment.’ (Junior, Consumer Marketing)

4.2.7 Trust and Openness

Employees’ comments showed high perceptions of the level of trust and openness in the organisation. Nine employees indicated that trust is one of the organisation’s main key pillars and there is a high level of emotional safety and openness among teams where they can share their ideas with their managers and colleagues. They are frank with one another and share sincere and mutual respect and count on each other’s support. Results indicated that trust and openness among teams in the organisation encourages employees to express their ideas and opinions which is conducive to innovation:

‘... we share all best practices and ideas for the success of our products. Anyone in any function feels that he/she can play a role in the success of an innovation; they feel that they own it. Therefore, everyone is always keen to participate and get involved in the success of the innovation. This is where trust is important. Our leaders and working climate provide a huge trusting environment. All of us, the employees, are open and we discuss together new initiatives and ideas together.’ (Junior, Consumer Marketing)

Employees’ comments indicated that the level of trust and openness is related to the level of innovation in the organisation. High levels of trust and openness encourage employees to be more creative and innovative and go the extra-mile. The Human Resources Director mentioned that trust is one of the organisation’s key values and it encourages employees to think out-of-the-box and conduct jobs in new and different ways to improve the organisation’s best practices and innovative capabilities. Similarly, the Head of the Call Centre emphasised that trust and openness contribute to high levels of creativity and innovation:

‘... the more the employee trusts his supervisors and managers and the company overall, the more he is encouraged to be more creative and innovative and willing to go the extra-mile. Also, if the employee has a certain idea and there is no openness or a channel of communication to address the idea, he would not be keen or encouraged to propose it... Gladly, we have this huge openness where employees are able to share their ideas freely and at any time.’ (Head, Customer Experience-Call Centre)

4.2.8 Challenging Jobs

Interview results revealed that employees perceive their jobs and work tasks as highly challenging and meaningful and they require creative and innovative thinking. Ten employees reported positive perceptions of the level of challenge in their jobs and argued that challenging jobs encourage and stimulate innovative behaviours at work. Results showed that highly challenging job tasks encourage employees to continuously think out-of-the-box to innovate products and services that enhance the customer experience:

‘Our jobs are challenging... we always have to think of something new. Here in the organisation, we have challenges in everything. We don’t think of coming up with innovative products and services only, but we also have to think of the customer experience and revenue streams. Challenge, yes, contributes to innovation. Challenge allows us to find good solutions for problems. Challenge is always good for innovation.’ (Junior, Consumer Marketing)

The Human Resources Director and the Head of Consumer Marketing argued that employees are challenged on their daily job tasks and encouraged to continuously think out-of-the-box and challenge the current status quo. They stated that jobs are designed in a way to push employees out of their comfort zone. Employees conduct various tasks and move from one unit to another to broaden their perspectives and think in a divergent way and, thus, innovate. The Consumer Marketing Head mentioned that he always asks his team to think of new, different and novel ideas that cannot be matched by the competitors:

‘...whenever an employee comes up with an idea, I ask what is different?, what’s new?, how will it be differentiated in the market? I give them a few challenges such as why can’t competition match it the next day, what’s different? If they didn’t convince me, they go back to the kitchen and come up with new ideas.’ (Head, Consumer Marketing)

Healthy competition between employees is suggested to enhance creativity and innovation and challenge employees’ capabilities. Results revealed that the organisation provides employees with a competitive environment to revitalise creativity and innovation in the organisation. A junior employee argued that job challenge leads to healthy competition between teams to come up with novel ideas and innovations:

‘I believe that the best thing that encourages employees to be innovative and creative is the competitive environment. The healthy competition between teams and groups, where everyone has to think and come up with new ideas ... this is the biggest trigger to innovation.’ (Junior, Enterprise Marketing)

4.2.9 Employee Involvement

Employee involvement in decision-making and operations is positively perceived by thirteen employees. Results revealed that the organisation involves all employees from different functional units in innovation processes to encourage them to suggest new ideas for improvement. Junior employees reported that involving employees in operations, strategic decision-making and issues facing the organisation provides them with a sense of responsibility and, thus, stimulates their creative and innovative work behaviours. Employees' comments indicated a high level of involvement in decision-making and room to present new ideas and improved ways of doing things. They demonstrated that decisions are taken collectively in a democratic way, where directors and heads of departments conduct meetings with junior employees and involve them in decision-making processes:

'...the organisation involves all layers in whatever decision it is ... especially when it comes to new ideas and launching an innovation. When an innovation is addressed, the commercial team starts by involving the junior employees, then team leaders, then senior managers and then the CEO. Everyone considers the opinions and the involvement of everyone, which is very good because every employee feels important.' (Junior, Consumer Marketing)

A senior manager in the commercial team emphasised that involving young or junior employees in projects and innovations provides them with more sense of responsibility and encourages them to be more innovative:

'So, when they come up with ideas, they are very involved in what they are doing and they see it happening in reality. By involving them more in projects and innovations, I am giving them more responsibility. Young employees really like to be involved.' (Head, Enterprise Marketing)

Results showed that when employees get involved in the innovation process, they are more likely to get engaged in proactive and discretionary behaviours to implement innovations that contribute to the customer experience. The current study reported that high levels of employees' involvement in the innovation process stages can drive the customer experience:

'Of course every single person contributes to deliver the best customer experience by coming up with plenty of ideas to have a satisfactory output. In order to reach this, you need a set of practices and policies, an overall mechanism that encourages employees' involvement and supports innovation.' (Junior, Consumer Marketing)

4.2.10 Employee Empowerment

Empowerment is one of the highly-cited dimensions of climate for innovation, where nineteen employees mentioned that the extent to which the organisation empowers and allows them to have control over their job tasks and freedom to innovate affects the climate for innovation in the organisation. The nineteen employees perceived that they are given autonomy and freedom to define much of their job tasks and discretion in their daily work responsibilities. Interview results revealed that employees positively perceived the practices and procedures that enable them to make their own plans and decisions about their work:

‘...We are also considerably successful in empowerment... the company focuses on people. The company encourages employees to take initiatives and do jobs in their own way with some guidance. When employees feel that they are in control of their jobs, they are able to be creative and innovative. We give our employees the freedom, autonomy, trust and encouragement to carry-out their jobs. We allow them to take their own decisions and see the success that follows. This ability to empower yields in innovations.’ (Head, Strategy and Innovation)

Employees’ comments emphasised that this high degree of empowerment fosters creativity and innovation:

‘...I believe the laissez-faire way is the best for innovation. When you are empowered to do whatever to do your job in your own way, you are able to be creative and innovative.’ (Manager, Technology)

Heads of commercial teams highlighted the importance of empowering young employees. Their comments revealed that young employees are the main source of new ideas and they need to exercise discretion in their job tasks. They pointed out that managers should not focus on targets but rather encourage and empower young employees to innovate:

‘...people in small jobs or junior levels are the ones that know everything, what the customer wants and are the ones who come up with innovations. The role of the managers is to empower them enough to have the courage to share their ideas; and, most, importantly not to focus only on targets.’ (Head, Consumer Marketing)

However, three employees mentioned that the level of empowerment depends on the line manager. They indicated that some line managers require their teams and subordinates to abide by certain guidelines and perform their duties in a prescribed way with little room to redefine their tasks, while

others give employees freedom in conducting their job assignments. In other words, there are managers and team leaders who fully empower their subordinates while others do not:

‘...we also have room for freedom in the way we do our jobs. But again, I have to stress that this depends on the line manager. Some managers instruct employees to perform or do the job in a prescribed way. i.e. the manager’s way, while others allow you to do the job in our own way as long as you will achieve your KPI ... I have met both management styles; it depends on the manager style. The majority of leaders in the organisation focus on the output and leave us to do the job in our own way; they give us freedom and space.’ (Junior, Consumer Marketing)

Interview results showed that when employees are empowered they have a sense of ownership of the innovation. Employees’ comments posited that when employees feel that they originated or developed new product ideas and services, feelings of ownership exist. Five employees’ comments demonstrated that the organisation makes them feel that they are the owners of the brand which, in turn, encourages them to be more innovative and willing to go the extra-mile. They suggested that when they feel they are the owners of a certain innovation, they are willing to deliver the best experience to the customer. Interview transcripts reported that employees’ feeling of ownership fosters creativity and innovation:

‘...the idea of ownership is conducive to innovation and enhances or fosters employees’ creativity and innovative work behaviours. The idea of being the owner of a new product or service and being responsible for it from A-Z is encouraging and improves one’s ability to be creative and innovative. The owner of the new proposition is the one who is responsible for gathering all stakeholders and promoting it.’ (Junior, Consumer Marketing)

4.3 Organisation Support for Innovation

4.3.1 Innovation Unit

The importance of establishing a dedicated unit for innovation was mentioned by seventeen employees. Employees reported positive perceptions on the creation of a dedicated unit for innovation. Interview transcripts revealed that the creation of an innovation team triggers innovation across the whole organisation by encouraging employees throughout the organisation to come up with fresh ideas, as well as facilitating the innovation process. The Head of Strategy and Innovation stated that the team’s main role is to go beyond telecommunications categories and look into adjacent markets for business opportunities to enable the organisation to produce diversified innovations to enhance the customer experience. Interview comments revealed that the innovation team has the

space to work on product and service innovations that are far from the core telecommunications ones, unlike the commercial teams who are responsible for coming up with product and service innovations that are purely telecommunication:

‘...we have this department for innovation, which is the department I am heading. My team helps the company to create a culture and climate conducive to innovation. We are an entity responsible at looking at business opportunities ... we are responsible for coming up with customer-related innovations and producing innovative products ... we have so much space and time to work on products and services that are further from our core. Our job is to go beyond communications categories into adjacent categories to diversify what we provide to our customers.’ (Head, Strategy and Innovation)

Interviewed employees spoke positively about the effectiveness of the innovation team in generating new ideas from the whole organisation, as well as facilitating the innovation process. Employees stated that it is important to have a dedicated team for innovation to study and examine best potential ideas. They stated that there is an innovation committee steered by the CEO to examine and help new ideas to grow:

‘...we have a strategy and innovation department and an innovation committee. So, if anyone has any idea that does not fall within any of the established teams, he can go ahead to the innovation team and propose the idea and they will help on developing it. I believe that it is very important to have a team that focuses on studying and qualifying innovative ideas, because if you leave the ideas with other teams who are busy with other tasks and not focusing on assessing new innovations, they might not happen and will take a longer time to be evaluated and taken seriously as they will not be a priority. Most of the successful innovative companies operate using this model. There should be some people who have the luxury of time to assess new innovations.’ (Product Manager, Enterprise Marketing)

4.3.2 Open Innovation

The interview results reported the organisation does not depend only on employees as a source of creative and innovative ideas, which is referred to as open innovation. Twelve employees mentioned that the organisation uses external sources to increase the efficiency and effectiveness of the innovation process, to get new technologies and gain access to new and creative ideas from outside the organisation. Employees perceived open innovation practices positively and it was mentioned by twelve employees as an important dimension of climate for innovation. The organisation launched a ventures incubator, which aims to develop small technology companies to expand the scope of their business, support youth entrepreneurship, and encourage innovation and creativity. Employees

indicated that the incubator aims to stimulate and support innovation and develop new services and technologies that deliver value-added benefits to the customers:

“...I am responsible for Ventures, which is outsourcing innovation rather than inventing in-house. I go to a company and acquire it or buy some of its shares and sponsor whatever they are innovating ... we sponsor their innovations and help them to build their innovations up and make them grow.” (Head, Joint Ventures)

Interviews also reported that the organisation uses external sources for ideas, such as university students, academics, partners, and customers to come up with product and service innovations. The results showed that the organisation established platforms for joint knowledge creation with partners including suppliers and vendors, university academics and researchers, university students' projects, the organisation's international markets and customers. An employee in the marketing unit mentioned that the organisation built an online portal to allow the developers of USSD and SMS services to develop new service innovations. It is a platform where each developer logs on and creates his own account, and creates a new service to the customers, such as an application, that can guide the customer about the location of the nearest retail store. The organisation provides the developers with access to its network infrastructure to create service innovations and handle its processes to ensure a smooth customer experience. Interviews revealed that open innovation practices have a positive effect on employees' perceptions of climate for innovation:

“...the team works to produce innovative products and services, and when we don't get ideas from employees only, we go and search external sources such as universities ... we get new ideas from internal and external sources and all this supports customer experience in an indirect way.” (Head, Innovation and Strategy)

4.3.3 Idea Support

Thirty-one employees mentioned that the extent to which the organisation encourages and supports the generation of new ideas and initiatives is of paramount importance. Twenty-eight employees spoke highly of the organisation's support of novel ideas. Only three employees perceive that the level of idea support is not enough and there is room for more support. Employees perceive positively the way their managers, peers and subordinates support new ideas and initiatives. Employees' comments indicated that idea support triggers innovative work behaviours. The following presents the various comments of interviewed employees:

‘...the company really supports new ideas and encourages employees to come up and participate in generating new ideas. We have the catalyst tool, which is available for

employees to propose and submit new ideas on and, based on the number, of comments the ideas are taken forward for more evaluation. People are overly excited to submit ideas. We have an unbelievable number of ideas submitted daily.’ (Head, Internal Communications)

‘The environment that really encourages and supports initiatives and new ideas is very important. If employees perceive that there is not much idea support, they will not be keen or encouraged to exhibit innovative work behaviours.’ (Director, Customer Experience- Retail)

Employees reported that the organisation supports them to come up with creative and innovative ideas in everything they do, including new products and services, new ways of executing their daily tasks, networking skills, communication skills, advertising campaigns, etc., as demonstrated below:

‘...innovation in our company is not just innovation of products and services only, but the company requires every employee to be innovative in all aspects including interpersonal skills, such as communication skills, you have to be different ... we are not assessed only in terms of our output but on our networking skills, communication skills, the management ability ... we are assessed on the value we add to the company and our performance in terms of creativity and innovation.’ (Junior, Consumer Marketing)

Interviews results indicated that the organisation supports new ideas through various practices including forums for idea generation, programmes and competitions, showrooms and think boxes. The Commercial Operations Officer mentioned that the organisation established an innovation showroom where employees across the whole organisation are encouraged to propose and present novel ideas. All departments are invited to come up with innovations and participate in the competition between teams. Further, he stated that the organisation launched a new theme called ‘Firsts’, which encourages employees to initiate and do things for the first time in the market. The theme also sponsors and supports people from outside the organisation to do things for the first time, such as diving to the maximum depth ever. The organisation adopts those tools to inspire employees to be creative and innovative. Results indicated that employees perceived the organisation’s tools and practices to support ideas positively:

‘...we have an internal programme called ‘Our Ideas’, where we ask employees to address or propose any new ideas to be studied, and whoever comes up with a certain idea is granted one day off from his/her regular work tasks to spend more time on developing their ideas. We generate around 4-5 good ideas annually ... we also have another one called the ‘Catalyst’ for generating new ideas from all employees across the company. These are effective campaigns that encourage employees to come up with new ideas.’ (Manager, Technology)

‘We are encouraged to try our ideas and present them to the management. And we have weekly forums for this where we talk on whatever ideas we have and present our concepts to the management ... and this is something very good.’ (Junior, Consumer Marketing)

An example of a very successful innovation that came up from those idea generation tools is the first Arabic digital e-Bookstore in the Middle East:

‘... when there is a good potential idea, they put it in the think-tank and proceed with the right and formal process. An example was the digital e-bookstore that came up from the ‘think-tank’. (Director, Customer Experience-Retail)

On the other hand, three employees reported that the organisation does not support ideas that will not generate revenues in the short run. They indicated that the organisation is revenue driven and, thus, invests and supports more commercial ideas that are likely to generate revenues in the short run.

‘...the company’s ultimate goals are to be innovative as well as generate revenue. But at the end, the main weight is related to revenue. Ideas are appreciated but they should be potential ideas that will generate revenue. We are not Google at the end. We work on ideas and innovations that get revenues. I can say that we are more revenue-driven. So, we have this kind of balance between innovation and generating revenues.’ (Team Leader, Enterprise Business Unit)

Two employees pointed out that the extent to which an idea is supported depends highly on the employee’s relationship with the line manager, as well as the department he/she belongs to. Their comments revealed that line manager’s support is crucial for an idea to be developed. Also, they emphasised that the ideas coming up from the commercial teams, such as marketing teams, are likely to be supported more than the other functional units. The comments revealed that the organisation’s senior management is more attentive to ideas generated from the marketing teams as they are the main revenue-generating units in the organisation:

‘... yes, there is idea support. But sometimes it depends on your relation with your manager or any of the top management people. There should be someone who would sponsor your idea ... the manager should be willing to look into new ideas and give support to his employees to shine.’ (Product Manager, Enterprise Business Unit)

‘... when I was in the commercial team, heaven’s doors were open. The management listens to the marketing people more. If you are outside the marketing unit, people may take a month

to respond to your ideas. The company gives priority to the marketing teams as they are the ones who generate revenues.’ (Head, Joint Ventures)

4.3.4 Idea Time

Twenty-two employees stated that the amount of time available for them to think and elaborate on new ideas is an important dimension of climate for innovation. However, the interview results on idea time were mixed, where sixteen employees reported that they have the time to explore and develop new ideas, while six employees reported that they do not have the time to think out-of-the-box due to work pressures and task assignments. Employees from the Marketing, Customer Experience, Strategy and Innovation, and Technology units are very positive regarding the time they use for exploring and elaborating new ideas:

‘...we have idea time where we gather together and start thinking of new things and market challenges. It is a good opportunity where we mingle and start brainstorming new things. So, we are not just doing our routine tasks but we are allowed and encouraged to have time for thinking out-of-the-box.’ (Head, Enterprise Marketing)

Results revealed that there is a significant difference in the way commercial and non-commercial teams perceive the amount of time they have for elaborating new ideas. Employees from the Human Resources, Internal Communications, and Enterprise Business units indicated low levels of idea time. Their comments indicated that they do not have enough time to think out-of-the-box to explore and work on new ideas due to task assignments and targets to be achieved:

‘...the dark side of the sales job is that we don’t have enough time dedicated for brainstorming ideas. We are drained in our jobs and sales targets. When I was in the marketing team, we had more time for coming up with new ideas. I wish that we could have a less tense environment and find more time to think. We are driven by numbers and margins and revenues. We need more time to breathe and stretch and have more meetings for ideas, maybe outside the office, to think and innovate. Simply, we need time to think. I guess it is all about time and giving all employees the opportunity to address their ideas and implement them. Of course, this is a hard equation. It is difficult to do both, to be innovative and deliver your targets.’ (Product Manager, Enterprise Business Unit)

Employees’ comments showed that they have periodical strategy meetings dedicated to brainstorming and discussing fresh ideas and suggestions, as well as internal platforms and showrooms dedicated to employees where they can share new ideas and spend time on developing them. Conversely, six employees mentioned that there is no specific time dedicated to ideas but it is

rather an ongoing process, where they should think of fresh ideas continuously. They argued that there is a need for more time to explore and test new ideas other than at regular business meetings:

‘...we don’t have a specific time dedicated to idea generation; it is not something that we do weekly or monthly. We just have to state that we need some time to think of something new. I guess if we have a regular dedicated time for generating new ideas, let’s say weekly, this would be great and will be very useful to come up with more and more innovations.’ (Junior, Consumer Marketing)

4.3.5 Idea Implementation

Idea implementation is conceptualised in the current study as the extent to which the organisation practically implements new ideas. Out of the thirty-five interviews, eleven employees reported that the practical implementation of new ideas encourages them to be more creative and innovative. Nine employees perceived the organisation’s practical implementation of potential ideas positively:

‘...the company really encourages people to come up with new ideas and supports potential ideas’ implementation. So, if any employee is willing to implement a certain idea, the company extremely supports this. Once the company finds a good idea, it captures and supports its development and implementation. It really feels good to see your idea implemented and the customers like it.’ (Manager, Technology)

However, one employee from the Business Enterprise unit reported a low perception of idea implementation. He stated that the organisation practically implements ideas arising from the commercial teams as they are the revenue generating teams, as mentioned earlier. He explained that the commercial teams know the right processes for getting the approval of the senior management to implement a new idea for a product or service in the market. His comment revealed that any employee who would like to implement a new idea should have the support of the commercial teams first before proceeding with the implementation. Further, the Head of Strategy and Innovation unit mentioned that the huge size of the organisation affects the rate of implemented ideas, where implementation processes can be slow and complicated:

‘...I think we need to improve the idea implementation processes ... because of the huge size of the company, we can be slow or tend to complicate things and this could create frustration. For an innovator to be excited, he needs to see that his idea is implemented.’ (Head, Strategy and Innovation)

4.3.6 Conflict and Debate

On the debate and conflict dimension, results confirmed that the organisation has high levels of debates and constructive conflicts. Interview results showed that there is no personal or emotional tension or conflict in the organisation, and employees are willing to hear different opinions and place emphasis on solving problems rather than smoothing them over. Eight employees reported occurrences of encounters and disagreements but in a constructive manner that allowed many voices to be raised. Discussion of different and opposing opinions and diversity of perspectives is encouraged and supported. Employees' comments concluded that when they are encouraged to discuss their ideas and constructive conflict is allowed; there is a corresponding positive effect on creative and innovative behaviours and better ways of doing things:

'...when it comes to discussing new ideas or innovations, we have room for conflict. I think constructive conflict or objective conflict, not the personal ones, is pretty advanced in our company. We discuss different opinions and convince each other when our opinions conflict.'
(Director, International Services)

Results revealed that the organisation encourages on-going debate through forums and weekly meetings to review prospective ideas, innovations and business performance and to discuss issues and the organisation's strategies. Eight employees reported positive perceptions of debate practices in the organisation:

'...we have a unique climate when it comes to debate. We have many forums where we debate over things, such as business performance and new innovations. We have that forum that consists of 30-40 people reviewing our business performance and new potential ideas to go to market. Also, we create a dialogue on a weekly basis at departmental levels where we discuss issues and ideas. These forums are related to reviewing the brand status in the market, innovations, PR strategy and customer experience.'
(Head, Strategy and Innovation)

Interview results indicated that high levels of constructive debate are conducive to innovation. Employees who perceived debate positively reported high levels of innovation. They suggested that debate and idea discussion is one of the most influential dimensions that encourage innovation:

'We have lots of discussions and debates where people are allowed to place their arguments. ... so debate is always going on. This contributes to innovation ... without having debate, you can't build a real work environment conducive to innovation.'
(Team Leader, Enterprise Business Unit)

4.3.7 Risk-Taking

The results of the risk-taking dimension were mixed as employees' perceptions of the level of risk-taking are varied. Twenty-one employees argued that risk-taking is a significant dimension of climate for innovation. Nine employees from the Commercial and Technology teams reported that the organisation is a high risk-taker, while ten employees from the Strategy and Innovation, Enterprise Business Unit, International Services, Customer Experience and Human Resources units reported that the organisation is a moderate risk-taker. On the other hand, two employees from the innovation team reported that the organisation is risk-averse. A possible explanation for this is the high support of the organisation to the commercial teams, as discussed earlier. The organisation supports risky ideas coming from the Commercial teams. Although the majority of respondents perceived the organisation to be a moderate risk-taker, they believed that the organisation encourages new initiatives with no punishment in the case of failure. Employees' comments revealed that the organisation takes risk in the case of potential ideas. The Head of the Strategy and Innovation unit suggested that the organisation needs to take more risks to encourage young employees to come up with more potential ideas:

'...employees are able to voice their opinions and they are allowed to try and fail. No punishment in case of failure. It's great that they try and initiate. People are given chances to fail. As an organisation, we are not extreme risk-takers; we are keen to deliver a safe product. We are not a high risk taker business; we are moderate, but we take risks in terms of good potential ideas. If a company needs more growth, then we need to take more risk. Our climate allows for potential risk; risk-taking is inherited in our climate. We have a huge base of young employees who are eager to take risks to implement their creative ideas. The more you are allowed to take risks, the more you can be innovative.'

Employees suggested that adopting innovation is inherently risky as you don't know the outcomes. They mentioned that novelty is related to high risk-taking such as investing in unexplored technology or introducing new products and services. Employees' comments showed that thinking out-of-the-box and trying new things that were not introduced to the market earlier is risky. Results revealed that the organisation is a market leader because it is always introducing innovative services and products before competitors:

'...also, when we think of new ideas or are competing to be the market leaders, we take a risk. We don't go with the traditional way of thinking; we think out-of-the-box, and this is a risk. Thinking out-of-the-box and going to the market with something new and leading the market in a different way is a risk. Most of the time competitors follow us. Basically, the idea of coming

up with something new and different needs risk. I can say that every new proposition we are launching has a risk.’ (Junior, Consumer Marketing)

Employees discussed some examples with consumer service innovations that involved high risk and resulted in huge success and ensured revenue streams. One of the significant successful innovations was the Balance Transfer Portfolio services, which will be discussed in the innovations section:

‘...the Balance Transfer portfolio is a major innovation ... it is one of the most highly risk-taking projects. You are giving customers a value and you are not sure whether you will have the return or not. It was the first time in the market to do something like this... I see that this platform innovation story is a huge success by all means ... it became a major source of revenue stream and drove the company’s growth.’ (Junior, Consumer Marketing)

On the other hand, two employees negatively perceived the level of risk-taking in the organisation. They argued that the organisation invests heavily in commercial innovations that generate quick financial returns more than technological innovations. Also, the fear of failure can lead to slow decision-making to go to market with certain innovations and, consequently, loss of opportunities. Employees believed that the organisation needs to take more risk and speedy decisions to seize potential market opportunities:

‘...when we innovate, we are asked to make it perfect. So, by the time we launch an innovation and make sure that it is perfect, which takes years, it is not that new or a breakthrough to customers ... we should allow failure ... we should encourage more trial and not fear failure. We are very risk-averse ... our problem is that once we go through a couple of failures, we stop investing ... we start to play slowly.’ (Head, Joint Ventures)

4.4 Organisation Structure

Organisation structure is positively perceived by employees as twenty-eight of the respondents described the organisation as non-hierarchical, informal, has little red tape, enjoys flexibility and is playful and dynamic. This is what is referred to as organic structure, which enhances the organisation’s climate for innovation (Ahmed, 1998). Results revealed that organisational structure contributes and enhances the climate for innovation:

‘...we are more of a flat organisation; we don’t have too much hierarchy like other big corporations. We have an open-door policy; the CEO is very approachable. So, people don’t feel that there are barriers; it is a very down to earth organisation, no formalities in dealing with each other, you don’t feel like that the EXCOs [senior executives] are from another

planet. So, someone from the team can go and talk to one of the EXCOs. This is definitely very conducive to innovation.’ (Head, Enterprise Marketing)

4.4.1 Bureaucracy

In this research, bureaucracy is defined as the extent to which the organisation has rigid processes and procedures that hinder creativity and innovation. Seven employees spoke about the impact of bureaucracy on innovation. Employees’ views about bureaucracy varied in which three employees perceived the organisation to be a bit bureaucratic and in need of more simplified processes. Another three employees had positive perceptions of low levels of bureaucracy. One employee stated that the organisation had an average level of bureaucracy that is needed for an organisation to function. The seven employees argued that lower levels of bureaucracy lead to a positive climate for innovation. They argued that bureaucracy hinders innovation:

‘...less bureaucracy ... this is one of the most important practices conducive to innovation. We have long processes and approval cycles to move on with something, but simplicity in the processes facilitates innovation ... the time we spend in taking approvals as everybody should agree and there should be alignment ... this consumes time that can be spent on thinking of another thing. The biggest part that might hinder innovation sometimes is bureaucracy and the layer of approvals that you need to get to implement a new idea. I guess we need more simplified processes to enhance and promote more creativity and innovation. Also, the spirit of leadership and the way they are dealing with everyone makes a lot of difference.’ (Junior, Consumer Marketing)

4.4.2 Hierarchy

One of the most cited dimensions of organisational structure that employees spoke about is the organisation’s hierarchy. Nine employees perceived the organisation as flat and non-hierarchical. They reported that innovative ideas came from anyone in the organisation through a bottom-up process. The organisation has an open-door policy where employees can share their concerns, ideas and views freely with managers and senior executives. Employees reported low power distance levels in the organisation in which senior executives and the CEO were easily approachable. Overall, results revealed that the flat organisational and non-hierarchical structure creates a positive climate for creativity and innovation:

‘...any employee who can think of something innovative or needs change, he can talk directly to the supervisor or head of department. We don’t have hierarchy; it is not a hierarchy-driven organisation. This is why I think that we have a high level of climate for innovation in the

organisation. We are not a hierarchy driven organisation; we don't have managers sitting in closed rooms and inaccessible. We have an open-door policy and it is easy to reach managers and directors. So, it is very easy for employees to communicate what bothers them or propose new ideas or share their concerns if there is something wrong with the work processes.' (Head, Customer Experience-Call Centres)

'...the hierarchy in the organisation is bottom-up... for instance, you can be a 3-4 days' new employee in a team and if you have a good potential idea, it will be implemented.' (Product Manager, Consumer Marketing)

4.4.3 Structure of Functional Units

The structure of the functional units in the organisation was positively perceived by twenty employees. The functional units are organised by customer market segments where each team is responsible for innovating for a certain market segment. The organisation divides the commercial teams into mass market segment, aspiring customer segment, high-end customer segment, and the youth segment. Employees' comments posited that this structure of functional teams enables employees to focus more on each customer's segment needs and wants and, hence, innovate products and services that better serve those needs and wants. This type of structuring was positively perceived by employees. The results revealed that the continuous restructuring of the functional units fosters creativity and innovation:

'...every year we re-think our organisation's structure and how it can foster creativity and innovation. In the earlier days, the company structure was different than now where we were working by product, such as pre-paid and post-paid. We decided to organise the company's structure in term of customer segments. Thus, all departments and units' names were changed and organised by market segments. This was important as it gave a message to the employees that we need to look at the market carefully from a customer perspective, not from a product perspective. So, this continuous restructuring in the company fosters creativity and innovation among employees. And this restructuring is always for the benefit of the customer and how can we continuously innovate to each market segment differently.' (Junior, Consumer Marketing)

4.4.4 Physical Environment

The physical environment dimension is suggested by sixteen employees out of thirty-five as a significant dimension of climate for innovation. Results revealed that the physical environment is a significant factor for enabling employees to generate ideas. The results of the employees' comments were positive as they indicated that the organisation created innovation spaces or a physical environment that are conducive to innovation. Employees spoke positively about the building named facilities, where they enjoy many cafes, restaurants, booths, and other recreations, as well as the office settings, layout, colours and lights, as demonstrated in the comment below:

'...sometimes we go sit in the garden or open-air area to come up with potential innovative ideas. The physical environment plays a major role in contributing to this climate for innovation. Our environment is extremely flexible. We don't sit at our desks like the regular settings in other companies; we move a lot. We have TV areas, cafes, gardens, and special rooms for brainstorming new ideas. The brainstorming rooms include bean bags, guitars, white boards, things like that. This makes us feel relaxed and not pressurised and enables us to think freely and come up with new ideas. It is unlike the standardised meeting rooms.'

(Manager, Consumer Marketing)

The Call Centres Head emphasised the importance of comfortable office settings including comfortable seats, desks, bright lighting system, and colourful plants to reduce employees' stress at work. He mentioned that if the office setting is depressing, employees will not be creative and innovative. His comment below reveals the importance of the employees' psychological comfort while working in order to be creative and innovative:

'... we have designed big desks for employees; we are making use of every available area in the company to create good desk space for employees. This creates psychological comfort and makes the employee subconsciously relieved while working and this impacts innovation, of course ... we have a very good lighting system at our offices that keeps us focused and relaxed. I believe that this has a great impact on an employee's creativity and ability to innovate. Another thing is the offices' colours ... here at the company you would see bright colours all around, stickers with the company values on all walls, boards with funny comics, employees' pictures, best performers, etc. ... Lately, we are changing our chairs and getting the most comfortable designs. If you are not comfortable while seated, your brain will not function well, you will not be comfortable and relaxed. Therefore, if an employee is not feeling comfortable, you can't expect him to innovate. But if you provide employees with comfortable

seats, this makes them more innovative and able to think of new ideas and things.’ (Head, Customer Experience-Call Centres)

The researcher of this study conducted several field visits to the site of the organisation to evaluate the physical environment. Observational data were collected by taking field notes of what has been observed. It was observed that employees are comfortable with the office layouts and designs, TV areas for meetings, and colourful plants and walls. The overall physical environment was relaxing and cheerful and employees seemed to be enjoying their working environment. Further, the researcher visited a building that provided employees with several services; the building is named the facility building. The facility building had a variety of restaurants and cafes, ping pong area, pharmacy, travel agency, theatre, gym, and booths selling fashionable accessories and clothes.

4.4.5 Flexibility

Flexible working conditions were mentioned by ten employees from different functional units. Interviewees’ comments showed a high and positive perception of flexible working conditions. Nine employees mentioned that flexibility is one of the best practices in the organisation because they have flexible working schedules, remote working, and a relaxed, informal environment. The Human Resources Director emphasised that the organisation adopts flexible working policies and procedures because of the large number of young employees in the organisation. He pointed out that the majority of employees in the organisation are between 21-33 years old and they tend to dislike inflexible and rigid working schedules. Employees’ results revealed that flexible policies and practices stimulate innovation and enhance employees’ ability to generate innovative ideas. The following quote is an example of a young employee’s perceptions of flexible working conditions:

‘...also, the flexibility of our working hours is a good thing ... we can come at 10 and leave at 6 or come at 9 and leave at 5. On some days, we stay later, especially during budget times and launching of new products. But we are not upset or bothered when we work for longer hours; we do it with pleasure because we are excited about our work. Also, on some days we can leave very early if our job is done. So, this flexibility of working hours’ policy makes people feel more relaxed. This is for sure conducive to innovation. If I am psychologically satisfied at my workplace, I can be more creative and productive. Flexibility in general encourages employees to be creative and innovative; we don’t have ties and boundaries.’ (Junior, Consumer Marketing)

4.4.6 Informality

Interview transcripts showed a high perception of informal and friendly working environment. Nine employees described the working environment as informal, relaxed and not restrictive. Employees' comments demonstrated that the organisation's working environment is not a typical formal one. In this environment, they have an informal dress code, relaxing offices, remote working, open and friendly communication with each other as well as with senior executives. The researcher of this study observed an informal and relaxed working environment where employees were casually dressed and enjoyed an informal work setting. Employees' comments posited that the informal environment is conducive to innovation:

'...we are very informal; formality is very rare in the company. Formality always puts limits to your abilities and to what you can do. It is a very friendly environment and this helps to gain more and more ideas.' (Product Manager, Consumer Marketing)

4.4.7 Playfulness and Dynamism

A third of the interviewed employees spoke positively about the level of playfulness and dynamism in the organisation. They described the work environment to be the best in terms of fun, humour and dynamism; "a non-stop fun spirit", as quoted by a junior employee in the consumer marketing team. Results showed that the organisation continuously holds activities, games, trips, concerts, exhibitions and fairs. Employees mentioned that playfulness and dynamism encourages the generation of novel ideas and new initiatives. A junior employee commented that he enjoys coming to work because of the fun atmosphere and this makes him always eager to think out-of-the-box and come up with new ideas. Also, the Head of the Call Centre mentioned that the 'fun spirit' is very crucial because of the stressful nature of the call centre job. He emphasised that the organisation is providing employees with an enjoyable work environment to release the job stress and encourage them to come up with bright ideas.

'...another thing is the funny atmosphere that we have; it might sound a small thing but the events and parties that we have in the company are really amusing. This creates a fun spirit that makes employees happy when they are coming to work; it encourages them to think of new things and be more innovative ... they come daily to work with the spirit of what can I innovate today? What can I enhance or improve today? I can take you around to show you a karaoke show taking place today; we are having music, food and drinks delivered, games, etc. It is very important to have such events at work because our job is stressful and if the employee is not comfortable 100%, this will impact on the customer. Such a fun and relaxing

atmosphere creates an environment for innovation.’ (Head, Customer Experience-Call Centres)

During the field visits, the researcher went around the organisation and witnessed several parties and games taking place in the organisation site. The researcher observed many employees playing ping pong and play station during the working hours and shopping in the facility building. The overall observed atmosphere in the organisation indicated a high level of playfulness, fun and dynamism.

4.4.8 Teamwork and Cohesion

Employees’ interviews revealed positive perceptions of teamwork and cohesion among employees in the organisation. Their comments showed high levels of communication, collaboration and mutual assistance to promote the innovation process. Twenty employees indicated high perceptions of cross-functional teamwork and cohesion which, in turn, enables them to be more innovative:

‘...the team climate is great, including the relation between us as team members and with other teams in the company, as well as the team setup is not formal ... if there is a new product or innovation, employees from all functions work coherently to achieve success. We have a certain synergy that is so special and friendly and enables us to be more innovative. We even exceed the working hours and might continue our work at a café to work on new ideas ... all teams across the company work coherently; we have very high levels of cohesion among functional teams.’ (Junior, Consumer Marketing)

The interview results revealed that cross-functional teamwork and collaboration has a positive influence on both idea generation and idea implementation stages:

‘...we are always welcoming ideas and suggestions from others and build on them. We have high teamwork and cohesion and that’s very important for innovation. You can’t come up with and implement ideas unless everyone is involved and shares their ideas and suggestions.’ (Product Manager, Consumer Marketing)

The Human Resources Director mentioned that the organisation invests a lot on team building to enhance team cohesion among functions which, in turn, increases an employee’s ability to think of new ideas and innovate. He stated that employees’ collaboration encourages the flow of new ideas, and their development:

‘...people spend a lot of long hours together which increases the bond between them. On top of that the company spends a deliberate budget on team building activities. So, we deliberately invest on increasing the bond among different teams ... the company encourages

employees to get together outside the regular working hours to understand each other and learn how they can work together. That's also a very positive element of the culture and work environment and atmosphere in the company. I would say that this related to the innovative capacity of the organisation as a total, i.e. when people have great bonds together and they understand each other, ideas tend to come up and arise rather than being suppressed. They can collaborate more on ideas and the development of those ideas. It helps the total innovative capacity of the organisation rather than the individual capacity. Maybe it helps also the individual capacity because it gives the room and the positive atmosphere that encourages the flow of ideas. But I see it as definitely helping to come up with the bigger ideas than the ideas of each person on his own.' (Director, Human Resources)

Employees mentioned that collaboration and teamwork among cross-functional units in the innovation process enhance the customer experience. This collaboration enables employees to suggest ideas and improvements to add value to an innovation to drive the customer experience. Interview results showed that all functional departments collaborate and contribute in the innovation process to improve the customer experience:

'...we are one team; we are all working towards one goal. Any innovation or project launch depends on many stakeholders, starting from the commercial team, and then you deal with the pricing, MARCOM, customer care and other support functions until the new proposition reaches the new customer. Every function adds value and proposes suggestions that enhance the customer experience of the innovation. We start with an idea, and then everyone gets aligned to come up with a real value-added innovation.' (Junior, Consumer Marketing)

4.5 Human Resources Practices

More than two-thirds of the employees mentioned the effectiveness of the human resource practices within the organisation and its role in facilitating an appropriate climate for innovation. Employees' views demonstrated that the human resources system is an important dimension of climate for innovation. Interview results suggested that effective human resource practices incorporating approaches to rewards and recognitions, performance appraisal, internal communications, training and recruitment predict a positive climate for innovation.

4.5.1 Rewards and Recognition

The interviewees' comments regarding rewards and recognition indicated that the organisation has various types for rewarding innovation, as well as for going the extra-mile and going beyond the required job tasks. The results revealed that employees perceived the organisation's system for rewards and recognitions positively. Employees' comments showed that they get rewarded and recognised when they think out-of-the-box and come up with new ideas for products and services, improve performance and efficiency, and go the extra-mile to satisfy the customers. Out of thirty-five interviews, rewards and recognitions are mentioned by twenty-three employees. The organisation provides specific rewards and recognition awards dedicated to employees' creativity and innovation, as demonstrated by the examples below:

'We have a specific reward policy for innovation where we have a prize called 'I'm innovative' for employees who think out-of-the-box and come up with new, creative and innovative ideas.' (Head, Strategy and Innovation)

'...we do have rewards for innovation and all of the creative initiatives, both financial and non-financial.' (Head, Enterprise Marketing)

'Also, there is the 'Hero' award, where employees are encouraged to go the extra-mile and they get recognised from Group Headquarters. I believe that this is very motivating to employees and encourages them to always be creative and innovative.' (Product Manager, Customer Experience)

Interview results revealed that rewarding and recognising employees' creative and innovative performance is crucial. The following example reveals that employees feel proud and more encouraged to be creative and innovative and tend to go the extra-mile when they get recognised and rewarded:

'All employees are keen to come up with new ideas that improve business and work processes, to be recognised and rewarded. They are proud when they innovate something; they like to be recognised for improving processes, innovating a new service, solving customer complaints in a creative way, etc.' (Head, Customer Experience-Call Centre)

The organisation rewards and recognises employees not just for coming up with product and service innovations but for going the extra-mile and taking initiatives to improve the organisation's processes, efficiency and performance. Employees' results showed that the organisation rewards and recognises employees who go beyond the regular or normal job tasks and look for new ways to enhance the organisation's effectiveness and enhance customer experience. The staff believed that the

organisation recognises and rewards employees for experimenting and generating ideas which encourages them to exhibit innovative behaviours. This is demonstrated in the examples below:

‘...recognising employees for improving performance and efficiency is important. This is one of the practices in the company, in which if you came up with an idea to be more efficient to reduce a process for the customer or save costs for the company, you get recognised. This encourages as well process innovation and this award is granted by the CEO.’ (Director, Customer Experience-Retail)

‘Sometimes the reward is not 100% related to innovation but to the extra-mile as well. We have stories in innovating how we serve customers, such as employees going to help blind or disabled customers at their homes. We reward going beyond the normal job requirements. We have other innovation rewards related to processes, products and services, not just customer experience related.’ (Director, Commercial Operations Unit)

Innovating to exceed the customer expectations and, thus, driving the customer experience is one of the main reasons for rewarding and recognising employees. The organisation has a specific reward programme for employees who exhibit customer obsession behaviours. The Human Resources Director explained how, every quarter, employees who have demonstrated behaviours of going the extra-mile to serve and support the customers, are selected and rewarded and recognised by the senior management at the Global Headquarters. Interviewed participants’ results demonstrated that employees who are customer-obsessed and innovate to exceed customer expectations are highly recognised and rewarded:

‘We recognise people who come up with better ways of doing things which would be reflected financially in our revenues, and employees who exceed customer expectations and we call them customer-obsessed. Those customer-obsessed employees act like the in-company customer advocates. So, recognition is an important dimension of the climate for innovation.’ (Director-Human Resources)

Rewards and recognitions dedicated to innovation can be either at a departmental level rewarded by line managers, or at an organisational level rewarded by the senior management and human resources department, or at a global level by the Group Headquarters, as explained below:

‘We also have awards such as ‘I am innovative’ award and ‘Made in the Organisation’ award for people who introduce ideas that are totally new; and this is on a company level. These rewards are dedicated to innovation. We also have awards at a departmental level where the manager or team leader can award or recognise innovative team members. Also, we have

another reward called 'The Heroes' award at a global level, and this is for the people who live the organisation's values and way, as innovation hungry is one of our pillars so, this is another award that we have for innovation.' (Head, Internal Communications)

The organisation provides employees with a range of extrinsic rewards as well as recognition awards. Recognition awards are non-financial awards that increase intrinsic motivation, sense of achievement, satisfaction and enjoyment, such as recognition through celebrations, internal announcements and printed certificates. Extrinsic rewards are financial rewards that increase extrinsic motivation including pay, bonuses, commissions and promotion. The interview results indicated that employees are innovative when they are intrinsically motivated more than receiving extrinsic rewards. Out of twenty-three employees, sixteen employees stated that recognition awards encouraged them to be creative and innovative more than extrinsic rewards. Their comments revealed that they value recognition and appreciation more than financial rewards. Employees' comments showed that both intrinsic motivation and extrinsic rewards are essential to creative and innovative performance, but they are more innovative when they get recognised for their efforts than receiving financial rewards. The organisation runs recognition forums to recognise and celebrate employees' initiatives to show that new ideas are valued. The following examples reveal that recognition awards inspire employees to be more creative and innovative:

'Another thing that definitely encourages innovation is recognition. People should be recognised for their creativity and effort to go the extra-mile; this really encourages people to be innovative and to think of another new thing. It is mainly the recognition which is important; employees want to be recognised for the value they add to the company.' (Junior, Enterprise Marketing)

'...we also have non-cash incentives such as celebrations and printed certificates when an innovation is launched. From my point of view, this is the best thing for rewarding an employee for being initiative and creative ... and to see that his/her idea is implemented and getting recognised for that idea.' (Head, Enterprise Marketing)

Interviewed participants highlighted that the type of reward and recognition varies depending on the level of innovation, such as the extent to which an idea is not traditional, out-of-the-box, and has significant impact, as demonstrated below:

'We have different rewards and recognition awards for innovation depending on the level of innovation. For instance, one employee can come up with an idea that increases the number of calls to the call centre, while another can come up with an idea of a new service or product

that is not commercially viable. The reward and recognition would be different in such cases. So, basically, it depends on the size of the innovation and the extent of its feasibility.’ (Head, Customer Experience-Call Centres)

4.5.2 Performance Appraisal

Performance evaluation and appraisal based on innovative behaviours was indicated by six employees as a significant practice that stimulates innovation. It also enables the organisation to identify employees with lower innovative behaviours and, thus, conduct training programmes to strengthen their performance. Results suggested that evaluating employees’ performance based on innovative behaviours and going the extra mile positively influences climate for innovation and, thus, enhances employees’ innovation:

‘...and, of course, employees’ progression, evaluation and appraisal is based on what they came up with and to what extent those ideas are not traditional, out-of-the-box, and something that has significant impact rather than just normal ideas.’ (Head, Enterprise Marketing)

4.5.3 Internal Communication

Employees emphasised the critical role of the internal communication dimension in creating an appropriate climate for innovation. Internal communication was mentioned by nine employees, in which they reported positive perceptions of the internal communication practices in the organisation. It was described as the nervous system of the organisation because it deepens employee engagement with the company, ensures that employees are aligned with the organisation’s goals and values, creates awareness of up-to-date information and events, and fosters and encourages creative and innovative ideas among employees. Employees spoke about various internal communication practices that the organisation adopts to create an appropriate climate for innovation, such as devising programmes that encourage innovation, foster the use of online networks in work teams, disseminate best practices, fostering the exchange of knowledge through newsletters and hosting events dedicated to innovation and encouraging collaboration between functional departments. The Head of the Internal Communications unit mentioned that her department holds an annual innovation event for a week, where various telecommunications companies are invited to demonstrate and showcase their best practices and innovations. The focus of this week is creativity and innovation where employees can learn how to become creative and innovative and learn about the best practices of other innovative organisations. Further, the internal communication team conducts several workshops to leverage the innovation hungry theme in the organisation, as well as providing

employees with a weekly newsletter about innovation updates and news. A senior manager in the internal communication unit proudly stated that they are the first among the Group's markets to introduce snap coms to communicate with employees. Rather than relying on traditional means of communication, like emails, the organisation introduced the use of snap coms which are news and announcements that pop-up on the PC screens. Interviews revealed that the internal communication unit is utilising innovative communication practices and tools to engender and foster innovation in the organisation:

'...the role of the internal communication department is basically the central nervous system of the organisation's communication system ... we remind our employees on a daily basis about the importance of innovation. We have a weekly newsletter that comes out every Tuesday that shows all the success stories from our organisation and other companies. It includes best practices from all over the world related to our industry as well as recognition of our organisation's success stories, such as the digital bookstore which was a huge success ... we also make sure that we are sharing best practices with cases to foster the innovative thinking in our organisation.' (Head, Internal Communications)

4.5.4 Training and Development

Interviewees reported that the Human Resources department runs a variety of training programmes and workshops for employees from all departments across the organisation to enhance their creative abilities and enable them to present their ideas and initiatives to increase their level of engagement. Employees mentioned that the Human Resources department conducts periodical training programmes about innovation and how to think in an innovative way, to encourage employees to think differently and be more efficient and effective. Also, the Human Resources department provides employees with e-learning modules about various creativity and innovation topics. Seven employees reported positive perceptions of the regular training and workshops, while one employee from the Technology department mentioned that the organisation is not providing enough training to stimulate and encourage innovation. Employees perceived those sessions as stimulating and conducive to innovation:

'...we have periodical training for the employees, especially about innovation, and how to think in an innovative way. Innovation is one of our main pillars, therefore the company training programmes focus on innovation a lot ... this is very stimulating and conducive to innovation ... it helps us to perform our jobs in an innovative way.' (Junior, Consumer Marketing)

Only one employee reported that the organisation does not provide adequate training to foster innovation:

“...I don’t see that the organisation is providing enough training to encourage innovation.”
(Manager, Technology)

4.5.5 Recruitment

Eight employees indicated that recruitment and selection policies are an important part of promoting climate for innovation. Results suggested that even if the leaders are supporting innovation, the organisation cannot be innovative unless it recruits the right people. The organisation conducts programmes to discover the talents of universities’ fresh graduates and chooses the top talents to be recruited. Employees’ comments provided evidence that the organisation focuses on recruiting young talented people and invests in and gives them the space to prove themselves which ultimately fosters creativity and innovation in the organisation. Heads and Directors of the Marketing, Strategy and Innovation, and Human Resources units reported that the organisation adopts a very selective recruitment policy. They posited that the organisation’s recruitment policy contributes to innovation by selecting the appropriate candidates. The Head of the Consumer Marketing unit stated that he provided candidates with a case to solve in an innovative way prior to recruiting them. He conducted this to ensure that he is hiring employees with innovative abilities and personalities:

‘...the availability of right people. For example, if leaders are encouraging innovation and you don’t have the right people, then you will produce crap. So, hiring is a key factor ... Therefore, the selection of people is very important; to nurture innovation into them and empower them to innovate.’ (Head, Consumer Marketing)

Apart from personality traits such, as intelligence, knowledge, and risk-taking, diversity was reported as of utmost importance in the selection and recruitment of creative and innovative people. Employees’ interview results indicated that recruiting people of diverse backgrounds leads to the generation of fresh creative ideas that should enhance and stimulate the levels of creativity and innovation in the organisation:

‘...one of the most important factors of the climate for innovation is the diversity. I don’t mean diversity in terms of females and males and such things. No, I mean diversity in mindsets; you have people coming from a very strong telecom background, FMCG background, some people are introverts while others are extraverts ... you need to have the normal distribution within the team. If your team is coming from the same background, ideas or innovations will be the

same. That's an important role of the managers, to ensure this diversity in their teams.' (Head, Consumer Marketing)

4.6 Impediments to Innovation

4.6.1 Resources

Eight employees spoke about the importance of adequate resource availability to maintain a climate for creativity and innovation. Interview results regarding resources were mixed primarily because of the financial constraints. On the one hand, three employees mentioned that the organisation provided all the adequate resources to support innovation including financial budgets, time to work on novel ideas, collaboration with external agencies, and the availability of a strong research and development department. On the other hand, five employees mentioned that innovative ideas are hindered, sometimes because of limited budgets. They suggested that the organisation needs to increase the amount of the budget allocated to innovation:

'...some ideas might be de-prioritised because of limited resources or if there are more potential ideas that the management thinks are more important than others. So, we don't do everything we want.' (Junior, Consumer Marketing)

4.6.2 Work Pressure

Interview results revealed that workload pressure undermines innovation. Four employees from the Customer Care and Enterprise Business units reported high workload pressure in the organisation. There is no report of high work pressure from the commercial and innovation teams. Employees indicated that high work pressure due to deadlines and targets have a strong negative influence on idea generation. They posited that it is difficult to achieve targets and deadlines while being able to innovate. Employees believed that if the work pressure is lessened, the organisation would be able to come up with more innovations. Also, they mention that it is the industry's nature, dynamism and competition that create a tense work environment. The example below demonstrates some of the employees' perceptions of work pressure:

'...if the work load and pressure is too much, employees will not be able to innovate. They will come up with ideas but not pure innovation. You need to create an appropriate environment so they can come up with breakthroughs or pure innovations. Thinking out-of-the-box can be done in a less pressured environment. Too much pressure and targets cannot foster innovation. We have a pressurised work environment; that is why we have less number of innovations annually. I guess if we have a less tense environment, we would have been able to come up with more innovations.' (Head, Customer Experience-Internet)

4.7 Employee Role in Innovation Process

Interviews results revealed that employees are at the heart of the innovation process. Employees can drive and improve the organisation's ability to innovate through their ability to generate ideas and use them to produce new products, services and work processes to ultimately enhance customer experience. All of the thirty-five interviewed employees indicated that innovation in the organisation depends largely on employees' behaviours at work as key inputs in the innovation process:

'...employees are the core of innovation. They are at the heart of the innovation process. They are the main source of ideas.' (Manager, Technology)

'...we can say that 90% of the work is done by the employees. The actual work, including the coming up with the concept, market analysis, surveys, etc., is done by the employees. They are responsible of all the stages in the innovation process.' (Product Manager, Strategy and Innovation)

Results indicated that employees' innovative behaviours can be divided into three stages: generation of new ideas, sharing ideas with colleagues and promoting innovation throughout the organisation, and implementing those ideas or helping others to implement and commercialise their ideas.

4.7.1 Idea Generation

Twenty employees posited that the employees are the main source of new ideas of products, services and processes. The employees generate new ideas to provide customers with innovative products and services that offer unique benefits to customers, solve customers' problems in an innovative way, seek out novel ways to tackle problems, and innovate new technology. Further, Directors and Heads of the Commercial Unit and Innovation Unit pointed out that the majority of new ideas are generated by young employees between 20 to 30 years old. The example below demonstrates a successful innovation that came from an employee:

'...we have the micro-recharge card innovation. This was a simple idea from a young employee nearly four years ago, and the management believed in the idea. This card solved a problem from many customers when they run out of credit. So, when they run out of credit, they use the micro-recharge card at a very low price. This opened a segment that was not using our cards frequently, which increased our market share. It was an idea that completely came from a young junior employee who addressed it to the management and they supported it and we started the formalisation process. It was an employee from the consumer marketing unit. This product innovation represents a significant part of the company's revenues. I have to say that most of the ideas come from the young people.' (Director, Customer Experience-Retail)

4.7.2 Idea Sharing and Promotion

Interview results showed that when employees are engaged in innovative behaviours, they seek ways to promote the value of their new ideas. Twelve employees pointed out that they tend to share their ideas with their colleagues and managers and spread the idea throughout the organisation. Directors and Heads of the Commercial and Innovation units confirmed that employees share and promote their novel ideas across the organisation. Employees' comments revealed that idea champions tended to push their innovative ideas beyond roadblocks in the organisation. Idea promotion involved finding support from managers and seniors, expressing enthusiasm and confidence about the success of the new idea, and being persistent in implementing the new idea:

'...employees are the owners of the ideas. When an employee comes up with an idea, he/she is responsible of it and manages all the stakeholders. It is very important to feel that he/she is the owner of the idea. The employee can convince all the stakeholders with the idea to make it happen. The employee sells the idea first to the rest of the company and is responsible from concept to inception.' (Head, Consumer Marketing)

'...I love the fact that when employees like a certain innovation, they promote it and make it happen because they love the customer. They don't like to deceive the customer, so they won't promote something if they don't believe that it is to the benefit of the customer.' (Director, Commercial Operations Unit)

'... also, employees when they like an innovation, they push for it and they get engaged in a positive word-of-mouth and promoting it.' (Director, Commercial Operations Unit)

4.7.3 Idea Implementation

Interviews results posited that employees exert considerable effort to make new ideas happen. When they believe that a certain innovation will provide customers with value-added benefits, they attempt to transform this innovative idea into a useful application. Employees from the commercial units posited that they are keen to put effort into the development of new ideas and contribute to the implementation and commercialisation of new ideas. They mentioned that they persuade their colleagues and managers of a new innovation's value, invest considerable effort in development and testing, giving positive word-of-mouth to their friends and families, and post on social media. Twenty-one comments showed that employees are responsible for the implementation of new ideas:

'...you will find many young employees are driving the business and responsible of implementing and commercialising innovations of millions of pounds.' (Director, Consumer Marketing)

'...they [employees] do have a big role in implementing a new service innovation and raising awareness of it. Most employees will share the launch of new services and products on social media posts.' (Manager, Consumer Marketing)

4.8 Climate for Innovation and Employee Innovative Behaviours

The results revealed that when employees have positive perceptions of climate for innovation, they are willing to go the extra-mile and become engaged in innovative work behaviours to provide customers with innovative products and services. Employees are creative and innovative to the extent they perceive the organisation is receptive to and supportive of new ideas. Below are examples that demonstrate that a climate for innovation enables employees to develop and implement novel ideas of products, services and processes, and seek ways to solve customers' problems in innovative ways:

'...the environment contributes a lot and is the reason behind the launch of the company's innovations. Those ideas came up from employees in the company. The environment is behind all of employees' creativity and innovation.' (Junior, Consumer Marketing)

'...let me tell you an example. You know that our call centre serves the UK market as well. One of the employees of this call centre received a big award for solving a problem for a customer. The customer called to report that she lost her phone and she asked to de-activate the line. That employee had some technology knowledge and accordingly he asked about her phone device model and said he could take some steps by identifying the location of the mobile and even when anyone uses this phone, he will reply himself [the customer care employee]. Do you see the idea? He is just a call centre agent who receives requests and complaints, but he went an extra-mile to help the customer in an innovative way to find her phone device. He went above and beyond the script and used his own technical know-how. This is due to the climate for innovation in the organisation.' (Director, Strategy and Innovation)

'...you will find many young employees driving the business and are responsible for implementing and commercialising innovations that generates millions of pounds. This is because the company makes sure to identify high talents, supports them, and the governance or the company makes it easy for them to be innovative. It is the work environment that triggers employees' creativity and innovation.' (Director, Consumer Marketing)

4.9 Chapter Summary

To sum up, the results indicated that employees are responsible for the innovation process. The organisation under study provides its employees with a climate for innovation that fosters and triggers innovative work behaviours and enhance employee role in the innovation process. Employees exhibit innovative work behaviours in several ways throughout the innovation process, such as generating new ideas of products, services and work processes, attempting to solve customers' problems in innovative ways, adopting and introducing new technology, and implementing and promoting new innovations. Thus, the study results showed that a climate for innovation underpins employees' role in the innovation process.

CHAPTER 5: ANALYSIS OF CLIMATE FOR INNOVATION, ORGANISATION INNOVATIVENESS, AND CUSTOMER EXPERIENCE

This chapter presents the top ten innovations of the organisation under study that resulted from the climate for innovation in the organisation. It includes a description of each innovation as well as the customer experience of each innovation. Section 5.1 describes the consumer innovations and the customer experience of each innovation. Section 5.2 reviews the organisation's innovations for the enterprise market. Section 5.3 addresses the relationship between climate for innovation and customer experience from employees' perspective. Section 5.4 summarises the chapter.

5.1 Consumer Innovations and Customer Experience

This section reviews the most successful organisation's innovations in terms of customer experience introduced to the consumer market. Successful innovations in this study are defined as innovations that achieved high net promoter scores, generated revenue streams, new to the market, and adopted by customers, thus ultimately leveraging the customer experience. Interview transcripts and archival records/documents, including social media and press releases, were reviewed and analysed. Company documents were not used in this analysis due to the confidentiality issues later discussed in the limitations of the study section in Chapter 7.

5.1.1 Balance Transfer Portfolio

Description

One of the most successful innovations of the organisation under study is the Balance Transfer services offered to the mass market. This Balance Transfer services portfolio was created to serve customers who run out of credit. It offers ten various services to keep the customers connected and able to use their mobile services, even when they run out of credit. This portfolio allows the customer to borrow credit from the organisation, pursue a call even when the credit runs out, send template messages to others to call back when the credit runs out, ring others, or transfer the balance to other customers.

One of the most successful service innovations in this platform that penetrated the market is called the 'Lend-me' service. This is when the customer runs out of credit and the company lends the customer some credit to recharge. This service can be used more than once per day and the more calls and internet data the customer uses, the more the amount he/she can borrow increases. The company deducts the money lent when the customer recharges his balance again. Further, when the customer is in the middle of a phone call and runs out of credit, he or she immediately receives an instant message advising them whether to continue the call or not. If the customer chooses to

complete the call, the company allows the customer to continue the call and deducts the extra minutes from the next recharge. Another service within this platform allows the customer to make a call even when their credit runs out. For this service, the customer calls the number they want to reach and hears an automated message confirming that they can continue the call for up to three minutes and the fees are deducted upon recharge. The 'Call-Me' service is another service innovation within this balance services portfolio. This service allows the customer to send a template message to another person to call when the credit runs out. The company launched this service because of the huge number of missed calls on the network that costs the company a lot of money. When a customer rings a missed call to another number, this is usage or consumption of the organisation's resources with no revenue in return. Also, this portfolio allows the customer to call others at their expense, in which a customer calls a number and the receiver of the call will get an automated message to confirm or decline paying for the call. Another service allows the customer to give missed calls to any number without credit and the service is charged after the customer's first recharge. Finally, this services platform allows the customer to transfer credit to others.

Overall, this Balance Transfer portfolio was created to serve the mass market to allow customers to use the company's services, even when they run out of credit. The company was the first operator in the Egyptian market to launch this services portfolio. Ten employees posited that this platform is one of the organisation's top innovations that was successful in the market. The launch of this services platform was referred to as one of the highest risk-taking innovations by the company, as the company is providing the customer with value even though there is no guarantee of the return:

'...one of our most successful innovations is the balance transfer services portfolio. I think this was one of the most innovative ideas the company did. It started with a very small idea ... it started with giving some balance to customers who consumed their balance or credit and they are in desperate need to make a call or text ... basically for emergencies ... It was a very successful and revenue generating service ... Overall, this platform is one of the most innovative services we did.' (Product Manager, Customer Experience)

'...when it [balance transfer services portfolio] was launched, it was a huge innovation. This platform encompasses service innovations that caused a boom in the market, it was a great upside and spill over for the whole company. Later, we had a special department dedicated to manage this platform. These services are emergency services that save the customer when he/she runs out of balance.' (Junior, Consumer Marketing)

'...it [balance transfer services portfolio] is one of a kind, prime service. We were the first operator to launch this service innovation. It is one of those innovations that we had to take

a risk with as we are lending customers balance in advance and we had to look around how it will be implemented and its impact on customers.’ (Product Manager, Consumer Marketing)

Results showed that the idea of this balance transfer services innovation came from the employees:

‘...the idea was proposed by both the marketing and technology departments. It came from the employees.’ (Director, Customer Experience-Retail)

Customer Experience

Regarding customer experience, nine employees’ comments indicated significant success of this services innovation’s portfolio and positive customer experience. This service innovation targeted the pre-paid customers who represent the mass market and majority of the organisation’s customer database. The Retail Director mentioned that the balance transfer services innovation witnessed three million transactions per day. Employees’ comments showed that this significant success and massive usage of the platform by customers was unexpected. The Balance Transfer services portfolio innovation reduced the organisation’s costs from missed calls on the network and generated an enormous stream of revenues:

‘...the customers really liked it [balance transfer services portfolio] and they started using it. This portfolio was extremely successful and customers started to use it heavily ... this service reduced costs for us and generated revenue for the company and was of great value to customers. This balance services portfolio was one of the significant innovations that made a remarkable difference to customer experience of the company’s innovations and revenues.’
(Director, Customer Experience-Retail)

The underlying rationale behind this success is that this service innovation addressed an existing customer need when they run out of balance, thus adding value to customers. It allows the customers to continue using the organisation’s services when credit runs out. Further, the mechanism of consuming these services is very convenient, whereby customers dial a certain number for each service in the platform and they are able to use it on the spot. The Head of Call Centres indicated heavy customers’ usage of the innovation with no complaints. Nine employees mentioned that this innovation provides customers with value-added benefits, offers a variety and choices of services, generated enormous revenue streams for the organisation, gained positive feedback and, ultimately, increased the net promoter score. The quotes below demonstrate the significant customer experiences of the Balance Transfer services’ innovation platform:

‘...a large number of customers use these services and we get plenty of positive feedback from the customer care department and, thus, scored a high net promoter score.’ (Junior, Consumer Marketing)

‘...definitely, it made huge customer satisfaction and positive customer experience ... it is of a very relative need to the customer and leads to great customer experience. Customers were really happy with this innovation. The whole portfolio is great and made huge revenues, which proves its success in terms of customer experience. Customers were really satisfied from the benefits of these platform’s services ... as well as the usage convenience.’ (Product Manager, Customer Experience)

Reviewing 172 customer reviews on the organisation’s Facebook page and YouTube, 89% of customers’ comments were positive and reported great customer experiences with the Balance Transfer services portfolio innovation, while 11% of customers reported a negative experience. Nearly 70% of customers’ comments indicated a positive experience in the variety of services offered in this portfolio and user-friendliness. Reviews revealed high usage of most of the services provided in the Balance Transfer services portfolio, which reflects the desperate need of such a service innovation in the market. However, customers who reported a negative experience mainly complained about errors in balance deductions and bills.

To sum up, the Balance Transfer services portfolio is a radical innovation introduced for the first time in the Egyptian telecommunications market. The innovation fulfilled an existing market gap and enhanced the customer experience by providing value-added benefits, variety of choices, and differentiated services. The innovation achieved high net promoter scores and generated massive revenue streams for the organisation.

5.1.2 Control Flex Unit Tariff

Description

The telecommunications organisation introduced a new tariff concept that was never introduced before in the market. The tariff innovation is called Control Flex where the customer pays for a certain amount of money to get a pool of units. These units can be used with total freedom and flexibility in voice minutes, SMS and mobile internet. Flex is a new telecommunication unit created by the organisation; a new tariff method. This tariff innovation was created to serve the aspiring segment in the Egyptian market. The aspiring segment represents the middle-class customer segment, where customers are neither post-paid nor pre-paid. The main characteristic of this customer segment is that they are seeking for or aspiring to better lifestyles and they have fixed incomes. The Control Flex Unit

tariff innovation was created for the aspiring segment; those who are aspiring to take post-paid lines, however, they are in need of a controlled line because they cannot afford an open line. This tariff innovation is between pre-paid and post-paid tariff mechanisms. The Control Flex Unit tariff innovation is considered a radical innovation as it is a creation of a new currency in the telecommunications industry:

‘...therefore, we provided customers this Control-Flex service that offers them flexibility in using minutes, mobile data, services, etc. This was a creation of a new currency in the industry, which is the units’ payment.’ (Head, Consumer Marketing)

Customer Experience

Seven employees mentioned that the Control Flex Unit tariff innovation boosted customer experience where the organisation achieved the highest net promoter score among competitors in the market. The organisation expanded its customer database by attracting more customers through this service innovation. The Head of Consumer Marketing stated that this tariff innovation offered customers various benefits including simplicity, flexibility, value-for-money and transparency in bill calculation. The Consumer Marketing Director indicated that this innovation massively increased the organisation’s revenues, enhanced the customer experience and provided the organisation with a competitive edge in the market:

‘...we launched it and customers are really happy with it; it doubled or tripled the expected revenues... and it is giving us competitive edge versus the competition. It has been now in the market for 6 months and our competitors have been unable to compete with it or match it ... it boosted the customer experience.’ (Director, Consumer Marketing)

‘...and this was a big innovation that boosted customer experience and satisfaction. As compared to our competitors, we had the top NPS score, which is the measurement of customer experience.’ (Head, Consumer Marketing)

Four employees from the Consumer Marketing and Customer Experience units indicated that the Control Flex Unit tariff offers customers added value. Interview results indicated that the idea underlying the Control Flex Unit tariff innovation is built on customers’ perceptions that they are paying high amounts for bundle packages, thus not making full usage of the bundle. They feel that they pay more than what they actually consume. Accordingly, the organisation introduced the Control Flex Unit tariff to enable customers to consume their bundle efficiently. It provides customers with flexibility in terms of using the bundle freely, in which it allows customers to customise the usage of the bundle on various services as they wish. This enables the customers to use all the services

efficiently without having the feeling that they are paying for services they are not utilising. Thus, this service innovation provided customers with value-for-money as they are able to consume every unit they have paid for and use various services rather than paying a high cost for each service. Customers are not committed anymore to high monthly bills. Further, the Control Flex Unit tariff offers customers maximum transparency and control over their mobile usage through continuous consumption notifications which lead to positive customer experience. This service innovation was considered one of the most successful organisation innovations and a key differentiator in the market:

‘...so, we thought of something that would make the customer more efficient, where the customer feels that he is using every pound he pays and not paying for services that he does not utilise or benefit from ... it allows the customer to utilise the amount he paid efficiently on various services, for example, you can split the flex units among calls, mobile data, SMS, etc. ... as you wish. This allows the customer to use all services efficiently without having the feeling of paying for services he does not utilise fully. This was the key differentiator. If you want to maximise your usage and have good value for money, it is Flex. It is a fully optimised value tariff.’ (Product Manager, Consumer Marketing)

‘...so, giving the customer the ability to consume the bundle efficiently is the peak of customer experience. As a concept, it is a very great customer experience. We enable customers to balance their usage and consume every unit and receive value for every pound they have paid.’ (Product Manager, Customer Experience)

The Product Manager of Control Flex Unit tariff innovation indicated that this innovation had arisen from a market gap in the aspiring market segment. This innovation enabled the organisation to close the market gap in a few months:

‘...after 6-7 months, we closed the market share gap and we became number one in the market.’

Further, the organisation aimed to simplify and improve the current offered bundles that were complicated and difficult for the customer to understand. Employees’ comments indicate that this unit concept is extremely simple for the customer to understand and adopt, thus providing user-friendliness and convenience. The Head of Consumer Marketing indicated that this innovation offers a tracking service that enables customers to be aware of their consumption of units so they can upgrade their bundle, which results in a good experience for the customers:

‘...it is just one number that the customer has to memorise, for example, if he buys 1600 Flex units, then he can do 1600 minutes of calls, or 1600 SMS, or 1600 MG for mobile data. It is

very easy for the customer to memorise and call. This was the main idea behind it. Since its launch, we are trying to improve the offer to increase the customer experience.’ (Head, Consumer Marketing)

The Product Manager mentioned that the Control Flex Unit tariff offers customers a variety of choices of bundles that meet their needs and purchasing abilities. It includes five bundles with different price ranges and different payment mechanisms, such as post-paid and pre-paid. Reviewing the bundles offered on the organisation’s website, the customer is able to decide whether to purchase daily, weekly or monthly bundles:

‘...Control Flex as a tariff is available at all mechanisms, i.e. you can have post-paid Flex, or pre-paid Flex. It is a very flexible in terms of payment mechanism.’ (Product Manager, Consumer Marketing)

‘...Control Flex tariffs have different categories of spend on bundles, whether 25, 50 or 100 pounds per month.’ (Director, Consumer Marketing)

The Customer Experience Manager of Control Flex Unit tariffs mentioned that customers reported positive feedback and few complaints about the mobile data structure and tariff prices categories. He emphasised that this innovation has a positive customer experience in which the organisation expanded the tariff ranges and developed a whole platform with a variety of services:

‘...overall, Control Flex was a success in the market with huge positive customer experience. But, of course, there are a few drawbacks highlighted by the customers, such as the value or price of each unit; some customers perceived it as costly and should be reduced. Others had some comments about the mobile data structure ... so, basically, all the comments were just about the structure of the Flex units or its value, which could be adjusted to serve customer needs. But as a concept, customers were extremely happy with it and we built a whole platform on it such, as post-paid platform, pre-paid platforms, etc. and we started adding many services and benefits to it.’

Four employees reported high numbers of customers adopting or using the Control Flex tariffs as well as high customer experience scores:

‘...a lot of customers adopted the Control Flex product and we gained more customers, more than we have expected. Results were very positive and it achieved high customer experience scores.’ (Team Leader, Consumer Marketing)

Also, the Head of the Consumer Marketing mentioned that the advertising campaign of the Control Flex Unit tariff innovation was very inventive. He emphasised that the organisation aimed to educate

customers about the Control Flex tariff innovation as it was the first of its kind in the market. The marketing and the advertising teams chose the circus to be the main theme of the campaign, to reflect the high flexibility with the Control Flex tariff bundles. Reviewing customers' comments on the advertising campaign on YouTube and Facebook, around 88% of customers reported positive perceptions of the campaign.

'...the launch was very innovative; we built a communication platform and the theme was a circus ... and why was it a circus? Because in the circus, there is everything we want to do. Our message to the customer: that the Control Flex service will take you to another world. The advertisement gave messages of flexibility (jugglers in the ad) and this was to make the customers understand the message in a creative way. We had a lot of characters in the advertisement representing the benefits of the service. We took this on the ground where we built the circus in many governorates across Egypt to make the people understand the product. This was very innovative as we never did a campaign in this way. Overall, we aimed to give the customer a good education at the launch.' (Head, Consumer Marketing)

Customer reviews on the organisation's Facebook page and YouTube were very positive. Out of 497 customer reviews, 448 reported a positive customer experience with the Control Flex Unit tariff innovation, while 49 customers reported negative experiences. Customers reported a positive experience of the advertising campaign, variety of bundles offered with different price ranges, and user-friendliness. Negative comments were mainly about running out of credit quickly and the price of bundles.

To sum up, the Control Flex Unit tariff is a radical innovation that triggered positive customer experience by offering customers added value, a variety of bundle choices, fulfilling customer needs and being user-friendly and convenient.

5.1.3 Customer Care Innovations

Interview results, social media sites, company documents and press releases indicated that the organisation is continuously providing its customers with customer care innovations to enhance customer experience. Five employees from the Customer Experience department spoke about the various customer care innovations including social media care, call centre services innovations, retail outlets innovations, and digital applications. The organisation is always seeking differentiation in their customer care services through innovation to enhance the customer experience, as demonstrated in the example below:

'...in the customer experience department, we always try to be differentiated in everything we do and offer. This differentiation focus is always related to innovation. We focus on doing things that were never done before. Innovations in customer experience might not sound to you as something technologically innovative but it is something that differentiates us from our competitors; we do things differently and differentiated and we are always the first in the market.' (Product Manager, Customer Experience)

In one of the globally recognised competitions in customer care and service, the organisation under study received the first award at the Alcatel-Lucent Service Heroes Awards in Prague in 2011 (Egypt Business Directory, 2011). The event comprised various international organisations from Europe, the Middle East, and Africa. The organisation was awarded for its outstanding and superior customer care and service to customers. The recognition was part of the annual Customer Service Heroes Awards, in which hundreds of representatives from around the world compete and only those organisations who go the extra mile to provide superior and outstanding customer service and experience are recognised (Egypt Business Directory, 2011).

Social Media Care Customer Experience

One of the most significant customer service innovations is social media care, which the organisation under study was the first to launch in Egypt. The organisation has a page on Facebook which the customer can use as a self-care page. The Commercial Operations Unit Director mentioned that it is basically a replication of the online store where the customer can find everything about promotions, products and services, as well as placing inquiries and complaints and communicating with the organisation's customer service staff. The Head of Social Media stated that the organisation increased the number of its employees specialising in social media sites by 150% to ensure superior online customer experience (Amwal El Ghad Magazine, 2012). The social media team creates contents and interacts with customers both in Arabic and English. He pointed out that the percentage of calls receiving customer enquiries and complaints via social media websites has reached nearly 90 enquiries per minute, noting that the social media customer care team responds to 90% of the enquiries posted within an hour. This prompt and interactive customer service provides customers with value for time in which the organisation values and makes efficient use of customer's time. Also, the social media care innovation provides customers with ease of finding and accessing customer care staff and information whenever needed. The Commercial Operations Director mentioned that the social media care team works daily from 9 am to 12 midnight to serve and engage with the customers via different social media channels, mainly focusing on Facebook and Twitter.

Five employees asserted that the reason for launching this service innovation is that Facebook and Twitter are the most popular sites in Egypt and the Middle East. Egyptian customers love to interact with brands, especially when they are on Facebook. The organisation took the initiative to harness digital media platforms to communicate with customers and, since day one, it was able to attract a massive number of fans and followers and build a solid fan base on all social media networks to be one of the most engaging telecom digital communities in the Middle East and North Africa region (Think Marketing Magazine, 2016). By the end of 2012, the number of Facebook followers reached 1.8 million and 724,000 on Twitter, while in October 2016, the number of followers had increased on both Facebook and Twitter to reach 10 million and 1.61 million, respectively. The organisation attracted millions of fans making it Egypt's number one fan page surpassing its competitors. The Commercial Operations Unit Director pointed out the importance of using social media as a means for communicating with customers, as well as getting the customers' feedback on services and products to leverage the customer experience. The organisation scored higher rankings among global social media self-care, sites as demonstrated below:

'...it is an innovation because we are the 5th telecom brand in the world, the 2nd in the world on Google plus the 9th on Twitter. So, our organisation is the top among the Group's international markets in the world. What is very good about it as well, is that it has high customer engagement; it is not just customer care and services but we also offer games and prizes to our customers to increase their engagement with the company. Again, we are proud of this and our global ranking on customer care on social media. Europe and India are running after us.' (Director, Commercial Operations Unit)

In 2014, the organisation was awarded the best online customer experience in the Telecoms Middle East Summit in Dubai. Reviewing Egyptian and international press releases, the organisation was recognised for being very active and successful in using social media for real time customer service that, ultimately, enhanced the customer experience. The analysis of the organisation's sites on Facebook and Twitter revealed extensive customer interaction with the organisation. The researcher found very quick and prompt replies to customers' enquiries in a few minutes. The Facebook page provides customers with various promotional posts, new services and offers, product and services' prices, e-care, e-shop, polls, commercial videos, and entertainment activities. Customer reviews of the Facebook page indicated high levels of positive customer experience, in which more than 70% of customers' comments were positive.

Educational Interactive Voice Response (IVR) Customer Experience

Three employees from the call centre department spoke about the educational interactive voices innovation. Their comments revealed that the organisation has created educational and promotional interactive voice responses (IVRs) and videos for illiterate customers. The rationale for launching this service innovation is the high illiteracy rate in Egypt and the organisation has more than 40 million customers. Educational IVRs enable customers who are illiterate and unable to read the organisation's messages or browse the web site to know more about the organisation's services, products and promotions:

'...we also created educational IVRs and videos. This is because we have high illiteracy in Egypt and VF has 40 million customers where a high percentage of our customers are illiterate. Educational IVRs, where you can help people that need to know things by dialling a number and it helps them to activate services. This is to help customers who are illiterate and can't read so they can't read the SMS we send. In other markets, this way of customer service is known but not adopted. In our case, it is important and it is free for customers. It is an IVR where you have only educational messages, where you educate customers on the services and products. It is not like regular IVR when you call our call centres or a bank.' (Director, Commercial Operations Unit)

A company document obtained from the Customer Experience unit revealed that in 2015, 80% of customers had a positive experience of the interactive voice responses. The report showed that the organisation scored higher rate than its other competitors in the market. According to the Egyptian National Telecommunications Regulatory Authority (2015) report, the organisation scored high levels of customer experience at the organisation's call centres. According to the study, 57% of customers reported excellent customer experience, 28% reported a very good experience, 11% good or average experience, and only 4% did not report a positive experience. Overall, the organisation reported the highest customer experience score in call centre services among its competitors in the Egyptian market. The report also showed the performance of the organisation in terms of customer experience and market share as compared to its competitors in the market. The NTRA is responsible for creating an enabling environment for competition among operators in the industry in the Egyptian market. The organisation publishes regular reports about the performance of the telecommunications operators in the Egyptian market.

Retail Outlets Customer Experience

Interview results revealed that the organisation provides customers with significant retail service innovations to enhance the customer experience. The Retail Director asserted that in four years, the organisation had expanded its store numbers from 35 to 300 retail outlets, aiming to establish a store every two kilometres to serve customers. Three employees indicated that this expansion enabled the organisation to provide customers with a better experience by being accessible everywhere. Results indicated that the organisation provided customers with ease of finding and accessing staff, premises, transactions, and/or information whenever needed:

‘...we decided to expand our stores’ network and be close to the customer, 2 km maximum away from each customer home to provide them with all the services they can think of. Anything that the customer needs would be available and solved at the store rather than asking them to contact the call centre. We managed in four years to expand from 34 stores to 300 stores. This made a huge difference in customer experience and NPS scores.’ (Director, Customer Experience-Retail)

The Retail Director spoke about the retail outdoor service in which the organisation created a team going to customers wherever they are to provide them with the same service they would get when they visit a store. This is to increase the ease of accessing staff and organisation’s outlets in a convenient and flexible manner. This service innovation of remote retail aimed to provide customers with value for time and convenience to boost the customer experience:

‘...we have launched the outdoor retail services. It was meant to help the business and now it is loved by the customers. Our retail stores do 70% customer care and 30% sales, such as devices, tablets, hand-sets, products and services. We are having the biggest penetration now in Egypt with 300 stores. We have this outdoor team, with red-wranglers, that goes everywhere, for instance, to enterprise customers and people on beaches, to serve them with the bill payments or anything else. So, the customers don’t have to go to the retail store. So, those wranglers and vans are remote retail stores. We use this as a way when we are doing renovation to any of our stores and the van parks there at the same location of the store. This is to avoid interruption to the customers and asking them to look for another store during renovation. This is to improve the customer experience.’ (Director, Customer Experience-Retail)

Further, the organisation attempted to innovate in terms of technology support services in the retail outlets. In each store, there were knowledgeable technicians to fix mobile devices, tablets, iPads, etc.,

and assist customers with technical issues and problems without being charged. This was considered a great service innovation that boosted the customer experience tremendously as it was not provided by any competitor and is free of charge. The following example demonstrates that the organisation's staff possesses and proactively applies the knowledge and expertise necessary to create value for the customer and, thus, enhance the customer experience:

'...we have got very knowledgeable technicians with heavy and thorough knowledge of mobiles, tablets, iPad, etc., who are hired at stores for fixing our customers' devices. This is a service which is not provided by any of our competitors. This has also made significant difference in the customer experience and differentiation to the extent that we have our competitors' customers visiting our stores and asking how they can get this service. This was an innovation in the retail touch point, specifically. Consequently, the customer considers now the store as a destination. We made everything related to our brand services, products, technology, whatsoever available at the place.' (Director, Customer Experience-Retail)

Customer reviews on social media websites indicated positive customer experience of the technology support services in the organisation's retail stores. Nearly 90% of customer reviews rated this service between 4 and 5 out of 5 and recommended it to other customers. Customers spoke about the caring attitude of the technical staff in stores and their expertise in fixing their damaged devices. The comment below demonstrates one customer's experience:

'My new iPhone screen was damaged ... I visited the nearest store and the technician was extremely helpful, courteous and knowledgeable. My phone was fixed in 24 hours ... it is a great service that I recommend to every customer. Can you believe it? I paid nothing and got my phone the next day.'

Digital Applications Customer Experience

In terms of digital application, the organisation created a digital application that empowers customers to manage their accounts from mobile devices and provides them with an optimised mobile customer experience. The application allows customers to easily view their current usage, have full mobile internet and minutes management, pay bills, locate the nearest store, get guidelines and tips on how to use their mobile devices, have full control on services, check the latest offers and promotions, top-up pre-paid balances, and many other services. The application is designed to function virtually on any mobile device type. Overall the application is designed to provide customers with a personalised mobile customer experience:

‘...we aspire to deliver mobile self-care to customers to provide an outstanding customer experience that meets the growing need for mobility. We leapfrogged everything our competitors had attempted.’ (Product Manager, Customer Experience)

The application was downloaded and used by a large number of customers when it was launched and generated a positive customer experience. Among 22,000 customer reviews on Play Google reviews, 13,000 rated the application with 5 out of 5 and the overall rating of the application was four out of five stars where customers expressed their positive user experience. The Commercial Operations Unit Director mentioned that the application has attracted many customers and it has growth potential:

‘...we have 130,000 customers on it now; it is still new but again we have to consider that not all people in Egypt are using smartphones. But we are optimistic about next year. So, we need to do a great penetration in the smartphone users’ segment.’

To sum up, the data collected revealed that the organisation’s customer care strategy to deliver the best customer experience focuses on innovation and customer-centricity. The organisation innovates at all customer service touchpoints, such as retail outlets, call centres, digital applications and social media to deliver superior customer experience. According to the Commercial Operations Unit Director, the organisation spends millions of dollars annually to support the continuous development and innovation.

5.1.4 The Digital e-Bookstore

Description

Eight employees considered the digital Arabic e-Bookstore to be one of the organisation’s radical innovations. Interview results and documents revealed that the organisation launched, in 2014, the first digital Arabic e-bookstore application in Egypt and the Middle East. The e-Bookstore and application aim to make Arabic language e-books more accessible. It was a significant step forward in providing electronic books for the Arab market and providing customers across the world with the opportunity to access e-books and periodicals in Arabic on tablets and smartphones seamlessly. This was considered a radical service innovation as it was the first digital Arabic e-book platform and application. Therefore, this service innovation arose from a market gap and customer needs. Also, the distribution of print books in Egypt and the Arab market has been always problematic due to high printing and distribution costs and fear of piracy. Further, Egyptian consumers are not big credit cards users and have been averse to entering their credit card details on local sites. The organisation under study managed to overcome these obstacles in the Arabic readership market and created this platform and application. This innovation consists of an online bookshop where customers can browse the

library and purchase, and an application where customers can browse, purchase and download. The e-Bookstore is a collaborative partnership among many stakeholders concerned with the promotion of Arabic reading including distinguished Arabic writers, publishers and NGOs in Egypt and the Arab World. The application changed customers' behaviours and encouraged them to read more and purchase more online books:

'...the ROI is not expected to be within the coming 3 years, it should be at least after 7 years. Because we are really changing the customer's behaviour towards reading to a totally new experience.' (Head, Strategy and Innovation)

Customer Experience

In 2016, the application received the award of the best application in the Middle East and Arab World by the Arab League Educational, Cultural and Scientific Organisation. Interview results and customer reviews indicated that the customer experience of the e-Bookstore and application was positive on several dimensions including variety and choices of books, magazines, and newspaper availability, and easy access without spending time on searching, thus, providing customers with value-for time. Further, the application offered reduced prices of publications to provide customers with value-for-money, convenient purchases and payment processes, reliability of the technical aspect of the application, and providing customers with a social engagement platform:

'...so, if you ask me today where are we from a customer experience perspective, I would say we are at a very mature stage. The product is able to deliver a very good customer experience. It is really a great product.' (Head, Strategy and Innovation)

'...it is very user-friendly and we don't receive many calls at the call centre about any troubles or issues. This shows that customers are not seeking help.' (Head, Customer Experience-Call Centres)

The Head of Strategy and Innovation asserted that the number of customers using this service innovation has expanded in two years from 10,000 to 450,000. This huge customer usage is due to the value-added benefits that the e-Bookstore provides. This innovation resulted from a massive market need in Egypt. As mentioned earlier, the publishing and distribution costs in Egypt and the Arab world are among the main obstacles to book production, while the scarcity of bookshops represents a main problem for readers to access books. The e-Bookstore Product Manager stated that the organisation created this innovation to introduce a viable solution to these problems through digital publishing and distributing. Another positive aspect of this service innovation is that publications are sold at 30% less

than the recommended retail price, thus providing customers with value-for-money and encouraging them to use the application more:

‘...today we have more than 450,000 customers, which is quite a good figure considering the time since we launched and considering online issues. (Head, Strategy and Innovation)

The e-Bookstore innovation provides customers with a huge variety of Arabic readings to enhance the customer experience. The Head of Strategy and Innovation asserted that the organisation has agreed with many various publishing houses to sell their books on this e-Bookstore and app, thus making a wide variety of Arabic novels, magazines, newspapers and books available to customers:

‘...and we have more than 120 publishers; we have all the big names in the Arab World ... this variety of readings enhanced the customer experience.’ (Head, Strategy and Innovation)

The application and online website provide customers with convenience and user-friendliness. As previously mentioned, Egyptian customers are not big credit card users, and have been reluctant to enter their credit card information on local web sites. Hence, the organisation developed a mechanism for purchases and payment to circumnavigate this problem by allowing mobile payments. The organisation’s customers can use their line points or bundles to purchase books via the application. Readers who are not customers of the organisation purchase through credit cards. Also, the organisation has uploaded videos on its social media pages to educate customers on how to use the application effectively. Out of 35 customer reviews on Facebook, 34 customers reported a positive experience. Customers reported that the application is user-friendly and they can browse, download and purchase easily. The Customer Experience Product Manager asserted that the application was designed in a technical way to provide customers with ease, user-friendliness and convenience:

‘...the books are available to customers at ease without spending time on searching. It has great options and is user-friendly to the customer. A customer can resize a page, flip it, highlight, and buy the book.’ (Product Manager, Customer Experience)

The e-Bookstore innovation is accessible to both the organisation’s customers as well as other customers in Egypt and worldwide. It serves many customers living abroad in Western countries who are unable to access Arabic books. The e-Bookstore Product Manager stated that the innovation creates differentiation and convenience to the organisation’s customers. The organisation’s customers have an advantage of being able to pay through their pre-paid balance or bills rather than using credit cards:

‘...customers living abroad or non-organisation customers pay through their credit cards. The advantage to our customers is being able to pay through their pre-paid balance or bill and

that's where I can tell you our innovation strategy is to create differentiation for customers. So, we create convenience for our customers.' (Product Manager, Strategy and Innovation)

In terms of the technical aspect, the organisation used its know-how and technological expertise to offer a reliable service innovation and to create value for customers, where they created a platform to ensure books' intellectual property rights and overcome piracy fears of the publishers, as well as provide customers with an easy and flexible platform and application to use, thus enhancing the reliability of the service innovation.

'... we are well positioned to build an online platform shop where we can create this mechanism for publishers to publish and for consumers to purchase and read ... While doing that we investigate and research how can we apply digital rights management so we can reduce the publishers' fears and worries of piracy ... obviously, there is something called DRM in the world and we just had to research that and see how can we play a part in it. And I think it was straightforward; DRM is a licence and once you have the platform that makes use of the DRM, the books are protected.' (Head, Strategy and Innovation)

Also, interview results showed that the organisation has created a social media page on Facebook to increase customer engagement and provide online customer service. It is a social engagement tool to promote the e-Bookstore and application and create a forum where customers interact and share their interests, thus providing a space for customer-to-customer relationship development. In 2015, the number of followers of the Facebook page was 10,000 while, by the end of 2016, the number of followers has reached 385,000. The page creates high levels of customer engagement with the e-Bookstore team as well as with other customers. There are daily posts of new releases added to the e-Bookstore, which receives thousands of customers' comments and responses:

'...it is a social engagement tool where we are able to direct people to our bookstore and, at the same time, create a forum for people who are interested in reading to interact and discuss books they have read. We have around 100,000 followers on Facebook and we have an administrator who is actually very interested in reading and able to get insights, upload some quotes and generate discussions on the page with our customers. We get good contributions on our Facebook page.' (Product Manager, Customer Experience)

Three employees posited that the e-Bookstore and application idea came from the employees through idea generation platforms in the organisation. The organisation encouraged employees to generate new ideas to penetrate the education sector, and provided them with a platform to address their ideas

and opinions. Further, the Chief Executive Officer's support and encouragement was the reason for the implementation and success of the idea:

'...the e-Bookstore and application was one of the innovations that came over and over again from the catalyst tool that we have that allows people to provide their ideas. But I guess that the sponsorship from the CEO at that point made it happen because he was extremely passionate about it. He was passionate about the idea and the role the organisation is playing in such a domain of education and cultural value, not just the commercial value.' (Head, Strategy and Innovation)

The e-Bookstore application was downloaded on the Google Play store by 6,310 customers reporting a superior customer experience. Out of the 6,310 customers, 3,586 rated the application 5 out of 5, 820 as 4 out of 5, 533 as 3 out of 5, 303 as 2 out of 5, and 1,068 as 1 out of 5. This indicated that 70% of customers who used the e-Bookstore application had a positive customer experience. Customers' reviews indicated that they had positive experience with book loading time, interface, and the variety of readings available. There were a few complaints regarding some technical issues such as brightness, download errors and the organisation of the books by area. The researcher has noticed the prompt reply of the service team to customers' comments and complaints. The quotes below demonstrate some comments regarding the customer experience:

'...great effort, thanks ... the book loading time is faster, the interface is great, and the reading area is wider ... Thank you.'

'...brilliant application ... I have downloaded plenty of novels easily without any errors. I am glad that we finally have an app that has this enormous variety of Arabic readings.'

In summary, the e-Bookstore application is a radical innovation in the Egyptian market fulfilling a market gap and customer need. It offers customers with value-added benefits, user-friendliness and convenience, accessibility, customer engagement, variety of choices, value-for-time, and reliability and, thus, a superior customer experience.

5.1.5 Micro-Recharge Cards

Description

Interview results and documents revealed another radical product innovation, the Micro-Recharge cards. In 2012, the organisation introduced for the first time in the Egyptian market and the world an idea of micro-recharge cards. This product innovation for the pre-paid customers came in the shape of Micro-Recharge cards of small cash value. The idea was based on the insight that is common

practice in Egypt, that at small shops, kiosks, pharmacies, or stores, the shop owners offer customers products of little value to them instead of the remaining change. There is always a problem where shops are unable to return small change. The organisation under study decided to convert this problem into an opportunity to increase the number of distribution points for selling recharge cards to its pre-paid customers, as well as increasing its revenues. The Micro-Recharge cards gave customers an alternative they can benefit from instead of wasting remaining change on items that are of little use or relevance to their needs.

Customer Experience

Six employees spoke about the enormous success of the Micro-Recharge cards innovation. Interview results and documents showed that the Micro-Recharge cards innovation enhanced the customer experience by providing customers with value-added benefits, fulfilling an existing customer need, and variety of card choices. By creating Micro-Recharge cards, which can be substituted for small value change, the organisation addressed a pressing market need. The organisation has explicitly understood and addressed the market need by positioning the cards as a currency replacement. According to J. Walter Thompson Communications Company (2012), this innovative product offered a new and exciting way of creating value to customers. The Micro-Recharge card innovation came in four denominations. The first three launched were a 50 piasters card which gives 5 extra minutes; the EGP 1 card gives 30 minutes, and the EGP 1.5 card gives two hour calls. Due to the enormous success of the product, a fourth EGP 3 denomination was launched a few months later, which gives the customer an extra 12 hours. This provided customers with a variety of choices and selection among recharge cards. Further, the organisation designed the cards to fit into the compartment of the cash register to avoid resistance from small shopkeepers and to offer customers convenience and user-friendliness use when using the cards. In terms of availability, the cards were available across all shops in the country, providing the organisation with the largest distribution channel possible. When customers run out of credit, they can consume the Micro-Recharge cards until they recharge their whole bundle once again. Thus, the organisation allowed the customers to be connected all the time.

This product innovation was a win-win situation for all stakeholders including the organisation, customers and shopkeepers. It solved the issue of the availability of small value change at stores and enabled shopkeepers to offer customers with a valuable product with the remaining change. The cards provided customers with value in a simple way. Finally, the organisation was able to offer an innovative and new exciting product innovation to the mass market that increased its distribution points and revenues. According to the Commercial Operations Unit Officer, the Micro-Recharge cards exceeded the original target by 50%. It has increased the average revenue per user (ARPU) by 7% and

there has been a steady 10% increase in the distribution of cards across the country and it is still rising. Further interview results indicated that the micro-recharge card received a patent, generated revenues, and boosted the customer experience:

‘... the micro-recharge card is an excellent innovation for both the company and the customer. I believe that it is really a brilliant idea ... it increased the number of minutes used and our revenues extremely. It encouraged customers to buy charge cards more ... rather than buying cards with 20, 50 or 100 pounds ... they can buy with small amounts such as 2 or 3 or 5 pounds. To that segment, it is an extremely well positioned innovation with very good customer perceptions. There were no complaints about it. All the reviews and feedback we received from our frontline employees and distributors were extremely positive. The cards are available everywhere, the customers can buy it from our stores, distributor outlets, supermarkets, etc. It is an innovation where we are giving our customer the same service with a lower price and this is value-added to the pre-paid market segment.’ (Head, Customer Experience-Call Centres)

‘... the micro-recharge card received a patent and it is the first in the world. This is very much used by our customers and you will find it everywhere.’ (Director, Commercial Operations Unit)

In addition to the patent received, the Micro-Recharge card innovation has won 13 international awards including a Gold Plus Special Jury Prize for best channel planning strategy at the APG Digital in London, a Gold and Silver Lion at the Cannes Lions Festival of Creativity, a Contagious Retail Award New York in New York, an Audience Award for most contagious idea in London, and a Grand Prix at the Dubai Lynx (J. Walter Thompson Company, 2013).

The organisation’s pages on YouTube and Facebook were thoroughly analysed. The researcher reviewed the statistics of the customer polls as well as customer comments on social media pages on the Micro-Recharge cards. Out of 502 customer reviews on YouTube, 482 customers indicated positive customer experience of the Micro-Recharge cards product innovation. Also, the organisation’s page on Facebook has around 3,900 positive customer reviews of the micro-recharge cards. Customers indicated that this innovation offered them value-for-money and solved the problem of availability of small value change in Egyptian stores. It is worth mentioning that this innovation is not provided by any other telecommunications operator in the market. Customers’ comments indicated that this is a brilliant innovation, as shown in the example below:

‘... these are brilliant cards... I don’t have to take any little value product that I don’t need in return for my change ... with these cards, I can make get extra minutes to recharge my line credit ... I love that it is available in various amounts and everywhere... it is a lifesaver.’

The Retail Director indicated that this product innovation idea came from one of the employees, who was supported tremendously by the organisation’s senior management:

‘...one of our top innovations is the micro recharge cards. This was a simple idea from a young employee nearly four years ago and the management believed in the idea.’

In summary, the Micro-Recharge card product innovation was a huge success for the organisation that turned a problem into an opportunity and addressed a significant customer need, thus driving a positive customer experience.

5.1.6 The Red Services Bundles

Description

In 2015, the organisation launched a new service innovation to the high value customer segment; those who have high incomes and high purchasing power. Eight employees considered the Red Service Bundles one of top incremental innovations offered by the organisation. The Red Service Bundles innovation is comprised of various bundle categories encompassing both telecommunication and non-telecommunication services. The telecommunication services include a large number of voice minutes, SMS, discounts on international calls and roaming, and megabytes of mobile internet, while the non-telecom services include annual gifts from mega stores, vouchers at beauty salons, subscription to international sports channels on mobile, tablet or laptop devices, special travel packages inside and outside Egypt, hotel reservation and discounts, flight reservation and discounts, transportation using limo services, and fixing damaged or broken devices for free. An employee in the consumer marketing team described the Red Service Bundles innovation as follows:

‘...we were the first in the market to launch the concept of ‘Red’ in the high value segment. The Red service targets the high value customers segment; those who have high purchasing power and who have high incomes. So, we started by shifting from offering them services that are just telecom, such as voice, minutes, mobile internet, etc. to services that are designed specifically for them to make them feel differentiated and distinguished. We make the high value segment customers feel that they are different to the mass market. Such customers don’t care if they receive free minutes; some of them don’t know even how many minutes

they consume; but they want to feel that they are distinguished and have different services. Such services include personal assistants to those customers. For instance, when you enter a store, there is a dedicated team for the Red Services Bundles' customers. Also, we assist them in booking flights, reserving seats in airport lounges, sending gifts on behalf [them], and other similar services. So, we started by doing partnerships and deals with other companies who would assist us in offering services that are of non-telecom value to the customer ... So, this was an innovation in terms of differentiation; we offer our high value customers' segment a bundle of differentiated services that no one else receives.' (Junior, Consumer Marketing)

Customer Experience

Interview results posited that the Red Services Bundles innovation enabled the organisation to stand out from the crowd and achieve the highest scores on the net promoter score. Subscription to Red Services Bundles increased the brand's credibility and reliability due to the variety of value-added services offered.

'...currently we are number one on NPS for high value customers, mainly driven by Red customers. We measure customer experience through NPS. We also did post evaluation tests to Red customers including intention to subscribe, reliability and credibility. The results showed that the credibility of the company increased by subscribing to Red Services.' (Product Manager, Consumer Marketing)

Three Consumer Marketing employees indicated that the Red Services Bundles positively affected the net promoter scores of the high value customer segment. This is due to the various innovative services that were not offered before by the organisation or any other mobile operator in the Egyptian market:

'...the launch of Red Services Bundles had a huge impact on the net promoter score, especially when it comes to service quality, the differentiation in the offer, the quality of the call centre, and at all other NPS scores. We have NPS scores for every market segment, but the one for the high value customer segment was extremely affected. When we ask customers how they perceive our company, they really admire it as a brand, not just a mobile provider who offers them some telecom services, but as a brand which is able to offer various innovative services.' (Junior, Consumer Marketing)

The organisation under study is the first operator to take the initiative of providing non-telecommunication services. The Head of Consumer Marketing pointed out that the high value customers want to feel differentiated and they focus more on lifestyle. This customer segment is seeking more than telecommunication services, which are more value-added services that make them

feel differentiated. In showing commitment to bring the latest innovations to the market and greatest value to its customers, the Red Services Bundles was introduced to the market to serve high value customers in an innovative and new exciting way. The organisation shifted from offering the basic telecommunication services to more non-telecommunication value-added services to make its customers feel more differentiated and distinguished, thus increasing the social impact on customers when they consume Red Services Bundles:

‘...we have another segment which is the high-value segment. This is a very different segment. These are the financially well off; their needs are not telecom. Most of them don’t know what their bundle is. They want to feel differentiated. Their main needs are focused on applications, differentiation and lifestyle. So, when we thought of innovation for this segment, we thought of things that were not offered in the market industry.’ (Head, Consumer Marketing)

Employees’ comments revealed that the Red Services Bundles innovation is designed to offer customers with a variety of new services to meet the needs of different customers in the high value segment to enhance the customer experience. The Red Services Bundles offer customers a variety of different packages and bundle choices including services dedicated to males and females, travellers, and other services. Subscribers of the Red Services Bundles do not need to pay any extra charges to subscribe to any other extra services, thus providing customers with value-for money. One of the exclusive services that the Red Services Bundles offer is fixing mobile and tablet devices for free. The organisation realised that a major concern for this customer segment was the device being damaged as a majority of them owned expensive devices. Within the Red Services Bundles, customers can fix their mobiles for free, even if devices are completely damaged. Also, the Red Services Bundles’ customers enjoy a billing service called the ‘bill shock’, which allows the customers to manage their usage and receive regular notifications of their usage. This feature was created to reduce the customers’ bill shock when they get charged high bill amounts. Customers receive notifications when they have exceeded the bundles’ limits without cutting off the service. Interview results showed that 90% of the Red Services’ customers use this feature. The Red Service Bundles Product Manager asserted that customers are happy with the various services offered within the Red Services Bundles which, in turn, have leveraged the customer experience:

‘...we are number one on NPS for high value customers, mainly driven by the Red Services customers. We measure customer experience through NPS. We also did post evaluation tests to the Red Services’ customers including intention to subscribe, reliability and credibility. The results showed that credibility of the organisation increased by subscribing to the Red Services. Customers are happy because they can control and amend their usage in order to

avoid high bills. Also, customers liked the idea of taking great discounts and offers of other brands and services because they are Red Services' customers.' (Product Manager, Consumer Marketing)

Customers' reviews and testimonials on social media indicated positive customer experience of the Red Services innovation. Out of 622 customer reviews on YouTube, 531 customers indicated a positive customer experience of the Red Services Bundles innovation. More than 300 customers on Instagram indicated a positive customer experience with the variety of Red Services Bundles and value-added services. The Red Services Bundles innovation has a dedicated page on Facebook with around 340,000 followers. The analysis of the Facebook page revealed high levels of customer experience of the various Red Services Bundles offered. Nearly two-thirds of the customers' comments posted on the page were positive:

'...Red Services ... excellent tariff, excellent customer service, plenty of surprises and great services ... great customer experience ... Well done!'

In terms of customer service touch points, the organisation has created a dedicated call centre for serving the Red Services Bundles customers as well as a dedicated team at all retail outlets. As the main objective of the Red Services Bundles innovation is to make customers feel differentiated and distinguished, the Head of Call Centres asserted that the organisation established a dedicated call centre with specialised agents and staff in the Red Services to serve customers. The Red Services Product Manager pointed out that there is a dedicated team of personal assistants at retail outlets available to Red customers upon entering the store. Employees' comments revealed that the organisation succeeded in making the Red customers feel special and differentiated at every touch point.

In addition to the above services, the organisation designed a 'Red points' loyalty programme to reward its customers with a whole new level of new luxury experience. The organisation has established partnerships with a list of partners to provide customers with Red points in exchange for thousands of products and services. The Red points loyalty programme gives loyal customers a 5% cash-back on their bill and their purchases from the organisation's partner stores. Further, selected loyal customers are granted trips abroad at the expense of the organisation. Customers' testimonials on YouTube and television showed that the organisation has offered its Red service loyal customers two trips to Italy and Lebanon. Customers' comments in the videos as well as online reviews indicated a very positive customer experience. Below are some examples of customer comments on Red service points' experience.

'...my second shopping destination with Red service is Virgin Mega store ... my personal Disneyland.'

'...Okay ... am ready now with my lock and my ticket. Just guess where I am going with my Red points.'

'...there are moments in our life that we should capture and save them, so one day the next generations will find a glimpse of what they have missed. Taken while shooting a video with my new iPhone 6s using my Red points.'

'...just made my traveling buddy's dream come true by using my Red points to buy myself a ticket to one of my bucket list destinations. Can you guess where? I love you [name of company].'

Results also revealed that other customer segments, such as the aspiring segment, have expanded their usage and spending limits to benefit from the Red Services Bundles. Customers started to switch to Red Services Bundles and increase their consumption to experience its luxurious features. Consequently, this has increased the organisation's high value customer segment base, as well as the customer retention rate:

'...the positive thing is that some segments started to stretch themselves in terms of usage and spending, so we started to enlarge our high value segment base. This helped us in driving the customer experience since we started to provide non-telecom services and benefits in addition to our basic telecom services. This increased customer retention as well because in our hierarchical chain, when the customer reaches the high value segment, the percentage of him/her switching to another operator is low. So, if you managed to move the customer from the mass segment or the aspiring segment to the high value segment, the probability that the customer switches to another operator is very low ... it costs us high investment but it increases customer retention rates. The Red Bundles encouraged many customers to switch and move to the high value category; they paid more than what they used to, experience new interesting services.' (Junior, Consumer Marketing)

To sum up, the Red Services Bundles innovation was a huge success in term of customer experience as it offered customers extra value-added services, a variety of choices, features fulfilling customer needs and requirements, value-for-money and time, caring staff at call centres and retail outlets, reliability, and social impact.

5.1.7 Money Transfer Application

Description

Interview results and document reviews indicated that the Money Transfer application is another radical service innovation provided by the organisation under study. Thirteen employees stated that this is one of the organisation's top innovations that aims to change Egyptian customers' behaviours. The Money Transfer application Product Manager stated that the application is a radical innovation, as the organisation is the first to introduce this idea of e-money to the market. He asserted that the application facilitates customers' lives as people do not like to carry a lot of cash. It enables customers to make payments in stores. It allows customers to make online purchases, pay utilities, pay university fees through their mobile phones. The Product Manager asserted that this is new to Egypt and the organisation is trying to change customer behaviour and make it a habit to pay through mobile applications.

'...our company was the first to launch this service in the Egyptian market; our competitors launched it later. It is one of the products that we view as very promising because this idea of transferring money through mobiles can be extended to making payments.' (Director, Customer Experience-Retail)

'...this is new to Egypt and we are trying to change customers' behaviours and make it a habit to pay through mobile applications.' (Product Manager, Consumer Marketing)

'...the Money Transfer app revolutionised the way customers are dealing with each other and the telecom market in Egypt.' (Junior, Consumer Marketing)

The application is basically an online wallet that allows the customer to pay at any store through their mobiles rather than using credit cards or cash, as well as transfer and receive money from anywhere in Egypt. Several banks in Egypt have affiliated or partnered with the organisation to enable customers to use the application when making purchases and transferring money. So, this application served a market need that was not fulfilled earlier and made a rich opportunity for the mobile industry.

The idea emerged from the Group's international markets and research insights in the Egyptian market. The organisation tailored the idea to suit the Egyptian market regulations as well as meet the customers' needs and requirements:

'...we have the biggest customer base in the market. Egyptian customers use it a lot. The company has customised the uses of the money transfer service application to the Egyptian customer needs and habits.' (Director, Strategy and Innovation)

Customer Experience

The Head of Strategy and Innovation stated that this innovation was launched to leverage the positioning of the organisation, not just as a telecommunications operator but as an innovative organisation that seeks to enhance the customer experience. Ten employees stated that the application is the fastest, safest and most convenient means of sending and receiving money at any time and from anywhere in Egypt. The application offered customers convenience, accessibility and differentiation in several dimensions. First, Egyptian customers usually make their money transfers through banks who operate for only a few hours a day and are not available in all cities, especially rural areas. In contrast, the application provided by the organisation enables customers to transfer at any time of day through simply pressing a button. Also, customers can make the transfers through the organisation's retail outlets that are available across the whole country and open most of the day from early in the morning until midnight. Also, there are 10 million bank accounts in Egypt versus 100 million mobile users, 41 million of which are customers of the organisation under study. Further, banks in Egypt require a minimum amount to have a bank account, while there is no minimum amount to be deposited to open an account to use the organisation's money transfer application. Therefore, the Money Transfer application has facilitated money transfers for Egyptian customers. The number of customers who adopted this service has exceeded one million in one year. This service innovation emerged from a gap in the banking industry in Egypt, thus enabling the organisation under study to differentiate its offerings in the market and enhance the customer experience. The organisation succeeded in converting problems in the Egyptian market and turning them into an exploited opportunity.

'...the customer experience of the Money Transfer application is really good. Actually, it is the customer experience that makes the Money Transfer application a winning product as opposed to a banking experience where the customer has to go to a bank during the working hours ... Also, in order to have a bank account, you need to deposit a certain amount of money and not many people have access to that. Also, the number of the bank branches available at rural Egypt is little ... so, the Money Transfer application is a large pop-up non-bank product. So, when we think of a substitute to bank transfer services, I think that the Money Transfer application is something that emerged from a gap in the banking customer experience and we are filling that gap.' (Head, Strategy and Innovation)

The Product Manager of the Money Transfer application asserted that the application is very easy to use. He stated that customers reported a positive customer experience because of the simplicity of the application's design:

'...this innovation has received high positive customer experience because of the simplicity of the innovation. Customers reported positive experiences with the application ... we had high NPS, not just in Egypt but even worldwide in mobile payment applications. When we were thinking of the money transfer application, we thought of the customer experience first. We designed a very simple set up of the application to simplify the customer's usage of the application ... customers like this application a lot. The application performs effectively and easily.' (Product Manager, Consumer Marketing)

The Head of Strategy and Innovation stated that the number of customers in two years (2013-2015) reached more than one million because of the positive customer experience. The organisation's Chief Executive Officer mentioned that the number of customers has increased to two million in June 2016 (Daily News Egypt, 2016).

'...so, it is a much more flexible and accessible customer experience. This is where we have differentiation. We have reached more than two million customers until now and we are targeting more points of sale to expand the distribution network. I believe it is a great opportunity for the company.' (Head, Strategy and Innovation)

In terms of processes, five employees explained that the process of establishing an account to use this service was complicated for customers due to contracts and paperwork required as well as complaints about usability, which was a turn-off for customers. The organisation considered customer feedback and processes were simplified. Customers are required to sign a contract at any store or authorised dealer with their national identification; they then receive a message to create their own password and can start using the service straightaway. The Head of Call Centres mentioned that the simplification of processes enhanced the customer experience of the service, as outlined below:

'...So, what happened is that we simplified the process dramatically which boosted the customer experience of the Money Transfer service. It became very simple where the customer only signs a contract and starts using the service and transfers money. It is a simple one step. From a customer experience perspective, I would say it is one of the best products that we launched. It is not only the product that is considered an innovation, the processes and solutions that we created to simplify the product's usability can be considered innovations as well. We are expecting many customers to use this product. Customers who started using it are very happy and we receive very positive feedback.' (Head, Customer Experience-Call Centres)

The Customer Experience Manager of the Money Transfer application mentioned that the processes of using the application are simplified as well, in which the customer can make a payment or a transfer through sending a message or using the IVR system (call centres). The organisation has created a dedicated call centre and specialised team at retail outlets for the Money Transfer service to handle efficiently all related issues to enhance the customer experience during the service encounter touch points. The organisation has more than 300 outlets across the country, as well as several distributors who provide the Money Transfer service to the customers. This enables the organisation to provide a superior customer experience as the store environment is more relaxing and fun than post offices and banks, as well as the large number of retail outlets available across the country:

‘...it was a great innovation for our customers. As you know in Egypt, there is no adequate bank coverage, especially in the southern part. Many people tend to send money over to some governorates through the post office which is very primitive and does not provide a great service or experience to the customers. On the other hand, we have many branches and outlets all over Egypt. We seized this opportunity and helped our customers to transfer money to their relatives or friends in governorates through the Money Transfer service application. Customers are able to transfer money through sending a message or using our IVR system. It is a brilliant experience for anyone who wants to exchange and transfer money, and of great proximity, as the customer can send from their own mobiles rather than going to a bank or post office. It is very convenient for customers. Customers are only required to deposit money in their mobile accounts and start transferring money at any time. Even our outlets and stores are much more fun and relaxing for customers than going to the post office. We offer customers high quality service and care at our retail stores.’ (Product Manager, Customer Experience)

Customer reviews on social media indicated a positive experience of the Money Transfer application. Out of 72 customer reviews on YouTube, 56 customers reported a positive experience with the application service. Reviewing customer reviews on the company’s Facebook page, 85% indicated a positive customer experience with easy processes and procedures, convenience of store locations, user-friendly application, and a variety of services provided by the application:

‘...brilliant app ... I’ m happy that we finally have such an app in Egypt. I love the idea that I can use my mobile for payments as well as transferring money to friends and family without going to a bank branch ... it is very convenient and a time saver ... best app!’

On the other hand, interview results and customer reviews revealed one drawback of this service, which is the limitation of the amount of money which can be transferred. Employees’ comments

indicated that this limitation was imposed by the Central Bank of Egypt and, unfortunately, the organisation was not able to overcome this drawback. However, even with this limitation, customers are still adopting and using this service innovation:

‘...but there are some limitations to this product coming from the central bank, for instance, you can’t transfer more than 3,000 pounds at once and not more than 10,000 a month. It is quite limiting and, consequently, we received some negative feedback regarding this issue from customers because they think it is the company who is enforcing that kind of limit. However, with all of these limitations, customers who are transferring small amounts of money are extremely happy and finding it convenient.’ (Product Manager, Consumer Marketing)

Overall, thirteen employees’ comments revealed a positive customer experience of this service innovation as it provides customers with convenience, value-for-money and time, accessibility, a high service quality at call centres and retail outlets, and caring processes and procedures. The number of customers using this service has increased by 30% in six months:

‘... the customers are very happy with the service. People who opened accounts are using it heavily and continue using it. Our competitors followed us on launching this service, but we have a higher number of customers and outperform our competitors. Customers are spreading positive word-of-mouth. We are trying to offer our customers everything to facilitate their use of the Money Transfer app. The only drawback is the restrictions of the Central Bank’s regulations. The number of customers using the Money Transfer application is expanding quickly. Only in six months, the number of customers creating accounts increased by 30%. We still have future opportunities. This will encourage many subscribers to switch to our company.’ (Product Manager, Customer Experience)

Table 5.1: Consumer and Enterprise Innovations and Customer Experience

Innovation/Customer Experience	Type	Value-added benefits (Money & Time)	Customer Usage	Feedback/Customer Reviews	Differentiation	Complaints	Friendly Use/Convenience	Variety & Choices	Personalisation	Awards	Change Customer Behaviour	Net Promoter Score	Revenues	Total Customer Experience
Balance Transfer Services Innovation	Radical	High	High	Positive	High-new to the market	No Complaints	High	10 services	Mass Market	NA	NA	High	Hundreds of millions	Positive
Control Unit Tariff	Radical	High	High	Positive	High-new to the market	Few	High	5 bundles	Aspiring segment	NA	NA	High	Hundreds of millions (tripled)	Positive
Customer Care Innovations	Incremental	High	High	Positive	High	Few	High	Various	NA	Best Customer Experience Awards	NA	High	NA	Positive
Digital e-Bookstore App	Radical	High	450,000 (2 years)	Positive	New to the market	Few	High	120 publishers	NA	Best App in the Middle East 2016	Yes	High	High	Positive
Micro-Recharge Cards	Radical	High	High	Positive	High-New to the market	No Complaints	High	5 categories	Mass Market	Patent and 13 awards	NA	High	Hundreds of millions	Positive
Red Services Bundles	Incremental	High	High	Positive	High-New to the market	No complaints	High	Various services	High Value segment	NA	NA	High	High	Positive
Money Transfer	Radical	High	1 million (2 years)	Positive	High-New to the market	Few	High	Various	NA	NA	Yes	High	High	Positive

Cloud Services	Radical	High	High	Positive	High-New to the market	Few	High	Various services	Business Enterprise segment	NA	Yes	NA	NA	Positive
Machine-to-machine	Radical	High	High	Positive	High-New to the market	No Complaints	High	Various solutions	Business Enterprise and Mass Market vehicle owners segment	NA	Yes	NA	NA	Positive
Data Analytics	Radical	High	High	Positive	High-New to the market	NA	High	NA	Business Enterprise segment	NA	NA	NA	NA	Positive

5.2 Enterprise Innovations and Customer Experience

In addition to the business-to-customer innovations, the organisation under study provides business enterprises with business solutions innovations. Out of thirty-five employees, twelve employees from the Enterprise Marketing, Strategy and Innovation, International Services and Technology units spoke about the organisation's innovations offered to enterprise customers. Business solutions encompass a range of integrated office and mobile voice and data services. Within the mobile line service, the organisation provides integrated services which bring together the fixed, mobile and desktop communications (Market Line Research Agency, 2015). Mobility solutions for enterprises include mobile email and mobile broadband, mobile security solutions and other services. In addition, the organisation offers machine-to-machine solutions supporting a range of applications from location monitoring of vehicles to provide real-time inventory reports for retailers (Market Line Research Agency, 2015). This section addresses some of the main organisation's innovations for enterprises and small businesses including cloud services, machine-to-machine, and data analytics. The organisation introduced several business or complex new innovative solutions for enterprise customers to enable them to be efficient:

'...innovation is the core of our strategy as the Enterprise Unit. We want to move from a traditional telecom operator to a total telecom portfolio. So, we need to target and sell complex solutions that help or serve the customers beyond connectivity, such as virtual machines or cloud computing solutions, or M2M or fleet-tracking.' (Product Manager, Business Enterprise Unit)

5.2.1 Cloud Services Innovation

Description

Nine employees spoke about Cloud Services incremental innovation provided to enterprise customers. They stated that the Cloud Services offer business customers with a complete and secure IT solution that fits their needs and requirements. The organisation provides Cloud Services that enable enterprise customers to develop their business on the internet. The Cloud Services offer customers more possibilities and choices for total management solutions for their businesses to progress online with great ease while saving investment. The services include hosting and email (domains, website hosting, emails, web builder), building an intranet to share documents, discussion boards, and virtual servers. The organisation provides business customers with a complete IT infrastructure. Overall, the organisation assists enterprise customers in IT training, IT infrastructure and IT management solutions

in addition to mobile lines and connectivity. A Senior Manager in the Enterprise Business Unit explained the cloud services as follows:

‘...it is basically a service that enables the company to get away from all of the IT management hassle. It allows our business enterprise customers to use our IT infrastructure; they don’t have to have a network or capital assets. So, if you have a project for three months, let’s say a summer campaign, you don’t have to buy a network that can exhaust your budget; you can rent a server from our organisation and you pay for it on your mobile bill. So basically, it is moving from a physical to virtual infrastructure. It is similar to Google Drive and Dropbox for customers, where you don’t have to go around with your hard disk and you can upload your documents on Google Drive or Dropbox; this is a cloud service. We provide such a service to enterprises. So, this is our innovative service; the company is looking not just to be a telecom operator. We are an IT solution provider to our business or enterprise customers. So, we help enterprises in their IT training, IT infrastructure and IT management beside their mobile lines and connectivity.’ (Product Manager, Business Enterprise Unit)

Customer Experience

Employees stated that it was difficult in the beginning to convince customers to switch from the traditional ways of doing business to adopt the cloud services. Five employees posited that the organisation possesses the knowledge and expertise to add value to the business customers by always introducing business solution innovations that the customers are unaware of. An employee from the Enterprise Marketing unit mentioned that the organisation introduces new service innovations that enterprise customers are unaware of and this changes their behaviour. Further, interview results showed that the organisation provides enterprise customers with customised solutions innovation that would suit the nature of their businesses. This ultimately allowed the organisation to provide superior customer experience and gain a competitive edge in the market:

‘...customers are aware that the company will always produce something new every few months to enhance their experience. This is how customers perceive the company; a company that always produces something new ... when we come to corporate business solutions, we produce customised ones; for instance, the accounting applications are customised to the need of every business customer. This definitely gives us competitive edge in the market and enhances our business enterprise customer experience. Our competitors do not provide such services.’ (Junior, Enterprise Marketing)

Interview results showed that the organisation responded effectively to customers' needs about the cloud solutions services. This reflects the organisation's flexibility and willingness, and ability to modify the cloud solutions offering in response to the customers' specific needs and changing requirements.

'...customers complained earlier about the cloud solutions and we enhanced them by adding several features.' (Team Leader, Enterprise Marketing)

Nine employees indicated that the customer experience of the Cloud Services was positive. The organisation positioned itself well in the enterprise customer market segment because it showed an implicit and deep understanding of the customers' needs. Employees mentioned that the organisation used its existing knowledge and infrastructure to deliver enterprise customers with various cloud solutions, thus enhancing the overall customer experience. The organisation is not perceived as a regular telecommunications operator, but rather perceived as an innovative business solutions provider that enables business customers to enhance their efficiency:

'...the overall feedback about cloud services was good. They had a positive customer experience. Customers see the company in a different way. They don't see us as a basic mobile provider; they believe that the company is always capable of providing them with new solutions that will enhance and improve their business efficiency. Every solutions product that we innovate is always related to the work of our business customers. The company positioned itself in the market not only as a mobile provider but as a provider of business solutions and innovations to enhance the customers experience. Customers are aware that the company will always produce something new every few months to enhance their experience.' (Product Manager, Enterprise Marketing)

5.2.2 Machine-to-Machine Innovation

Description

Interview findings and the organisation's website showed that the organisation provides machine-to-machine (M2M) services to enterprise customers to allow them to experience new efficiencies across their businesses. The M2M services enable a two-way communication between devices located anywhere in the world without human intervention. The M2M services allow the enterprise customers to get real time information about their assets. Further, it provides business customers with the data they need to transform their business. The M2M is one of the organisation's top radical innovations for the enterprise customer market segment. The organisation has created a huge department for the M2M service innovations. Ten employees considered M2M innovations to be radical innovations that provide solutions to enterprise customers:

'...this M2M is a huge innovation where we have 400 people employed in departments and there is no other operator in the market who has this huge number of employees dedicated to M2M innovations. We started this 4-5 years ago. This number is increasing massively every year and we are focusing on M2M a lot. The M2M has a value chain where you have a SIM card, application, installation, support for technical issues; it is a huge value chain. Earlier, 4-5 years ago, it was just SIM cards. We are changing from a SIM card company to end-to-end solutions company.' (Team Leader, Enterprise Business Unit)

Customer Experience

One of the significant examples of M2M services is fleet management, which is a vehicle tracking device. In 2013 and for the first time in Egypt, the organisation under investigation, in cooperation with the Egyptian Tracking Services and Technology Company, offered a real-time tracking service for customers' and enterprises' vehicles anywhere and anytime. The service is designed to track and manage vehicles or fleets, such as personal cars, vans, trucks, motorbikes, yachts or general mobile assets for companies. Employees' comments revealed that the service is built to address daily vehicle challenges for personal and business entities providing customers with ultimate safety and control that saves money and time. This service emerged from a strong need in the Egyptian market due to the high number of vehicle thefts. According to a press release on the organisation's web site, the organisation's Chief Executive Officer stated that the organisation introduced the fleet innovation to provide solutions to meet the needs and demands of the customers. He highlighted that by launching this service innovation, the organisation is providing a practical solution to vehicle owners and enterprises that own a large number of vehicles:

'... this innovative service has been developed to meet the ongoing changes in the Egyptian market, and help companies in effectively tracking and managing their vehicles.' (Chief Executive Officer)

Results indicated that the organisation used its knowledge and expertise to provide the customers with the fleet management service innovation in response to a customer need. The organisation offered this new service innovation after the increase in car and truck thefts in the country, enabling customers and enterprises to have control and monitor their vehicles. Five employees mentioned that the organisation's ultimate objective is to empower its customers and enable them to face market challenges. Employees from the Enterprise Marketing and Enterprise Business units stated that this deep understanding of the customers' needs, the ability to innovate to fulfil customers' requirements, and being proactive in eliciting customers' objectives were the main reasons for the fleet management innovation success. A team leader in the business enterprise unit indicated a high number of

customers are buying the fleet innovation. Ten employees indicated a positive customer experience and huge success of the fleet management service innovation:

‘...it is extremely successful because of the desperate market need for such a device ... after the revolution and the increase of car and truck thefts in the country, customers really needed this product to protect their assets and were looking for legal ways to get this device. The demand was tremendously high ... we introduced the product to the market. We are the first movers into the market, later, other operators followed. Since we took the initiative, we were the ones who set up the processes and management of this device. The device was a big hit and success in the market. For example, we had an enterprise customer who bought 10 devices and then in few days later purchased another 100 devices! This device is not only for reducing or preventing thefts, but it also allows you to manage your fleet; it is called fleet management solution. For example, it shows you the current location of your car or truck, the driver’s speed, the amount of petrol, fuel consumption, etc. So, it mainly enables the customer to manage his fleet. It allows enterprise customers to control money spending and monitor drivers. It is one of our innovations that achieved high customer experience scores.’ (Team Leader, Enterprise Business Unit)

‘...this product is a success story. We are always working with an objective of how to empower our business customers and make them ready to face any challenges in the market. As I said, customers are really satisfied with this product although some technical issues might arise, but we are able to solve them immediately to ensure a superior customer experience of the fleet device.’ (Head, Enterprise Business Unit)

5.2.3 Data Analytics

Description

Another innovation provided to business customers is Data Analytics, which is the mobile data analysis. The organisation uses its IT infrastructure and network to analyse information from mobile data to provide business customers with valuable market insight reports. The Data Analytics service innovation came from the Strategy and Innovation unit. The Director of the Strategy and Innovation unit asserted that this was a radical innovation in the Egyptian market that was not offered before by any telecom operator. Interview results revealed that the Data Analytics service offers a range of analytic solutions that provide enterprise customers with timely, descriptive and relevant reports customised to their business needs. The Head of Strategy and Innovation unit mentioned that the organisation delivers valuable insights about customers’ behaviours to its business customers to

provide them with insights into how they can improve their business, reduce overheads, and enhance the customer experience. Three employees stated that the Data Analytics service is differentiated from any other insight reports because it provides business customers with real-time observed insights not claimed ones:

‘...mobile data analytics is a product that targets companies not consumers and the point is that we have a well-established database. For example, we can know the number of people who had entered a certain shopping mall at certain hours of the day; I can know even how many people entered that mall every minute. So, that visibility we have, because of the network coverage all over Egypt, allows us to come up with insights about crowd movements that could be very valuable to such companies. So, basically with this mobile data analytics, you take the data from the mobile, generated from the calls, and you analyse it in a certain way that gives you valuable insights to our business customers. So, we are able also to provide insights about the movements inside the mall, we can inform them that this number have entered the mall at a certain hour and also provide segmentation insights like gender, age group, certain socio-economic class, etc. So we are able to give them such information about their customers and not only that, we can compare it to their competitors. We can give them information, such as your share on 4th March is 40% and your competitor’s is 60%.’ (Head, Strategy and Innovation)

Customer Experience

The Data Analytics Product Manager indicated a very positive experience of the Data Analytics service innovation because of the various benefits and value-added services it offers to business customers. The data analytics delivers customer behaviour, usage and segmentation reports, thus enabling business customers to have access to valuable customer data analysis that can help them increase their profits. Three employees stated that the Data Analytics service provides business customers with a variety of services. It offers a holistic approach to customer analytics by giving them a complete, accurate and integrated view of their customers in an easily understandable way to enable enterprises to take quick decisions. Further, business customers receive geographical analytics services, which deliver an efficient means of visually mapping their customers. This enables businesses to target geographic groups of customers more effectively to achieve best returns. The organisation under study provided a valuable service innovation to its business customers that has never been provided by any other mobile operator:

‘...we have sold this product to a large number of customers and it is very useful to them ... it is a revolution in the market! Because, for them, the only way they could do it is conducting

surveys inside the mall as customers walk-in and ask questions. What they receive from this is a reported answer not a measurable answer, and what we provide them is a measurable answer because we have network coverage all over Egypt. So, what we deliver to our business customers as opposed to the alternative (research agencies) is the speed as well. We don't have to go to the mall and interview people. I can find the answers by running a query on my database without asking ushers to go out to the malls and do that. Our data-analytics service eliminates that; it provides speed, accuracy and insights that can't be produced through those manual interviews and surveys.' (Head, Strategy and Innovation)

Both of the Director and Head of Strategy and Innovation unit reported a positive customer experience of the Data Analytics service across various business sectors:

'...so our customers found the Data Analytics service quite fascinating as they can make decisions on that ... we are able to provide our customers with their market share versus their competitors in every area and town in Egypt. They are really inspired with what they have seen from our insights. This has been a year in the market and achieved great customer experience ... our NPS for enterprise services increased.' (Head, Strategy and Innovation)

Employees indicated a high demand for the Data Analytics service from various industry sectors, such as banks, manufacturers, shops, and shopping malls because of the value-added benefits the service offers:

'...so actually, the banks were very excited about it because they did not find such fruitful data before and they don't have any source of such huge data from anyone else in the market. So, the value of the insights report is of a great value to them. We have partnered with many local and multinational banks. We have 10 banks now and others are in the pipeline. We have another 4 potential banks to sign ... we have also customers from the food chains, mobile manufacturers and shopping malls.' (Product Manager, Strategy and Innovation)

The Data Analytics Manager mentioned that the Data Analytics innovation came from the employees of the Strategy and Innovation Unit after analysing the trends in the market. He stated that employees played a major role in the innovation process of the Data Analytics service starting from idea generation, market research, idea prototype testing and implementation. The organisation supported the idea and identified and assigned potential employees to manage this innovation and establish a business case:

'...the idea came up from the employees according to the trends in the market. Our employees analysed the current market trends and came up with this initiative or idea; it was not imposed

or suggested by the management ... After we approved the idea, we crafted a team in our department. The HR department spotted potential leaders in the company and we assigned them to this project to build the business case. Our department mentored them throughout the whole process, starting the concept stage, the business opportunity and project development and then we came up with a business case.' (Manager, Strategy and Innovation)

To summarise, the Data Analytics service innovation was one of the most successful and revolutionary innovations the organisation has provided to the business customers' market segment that enhanced the customer experience. This service offered customers observable insights and figures about their customers that are different from the claimed insights provided by other market research agencies.

Sections 5.1 and 5.2 presented the organisation's B2C and B2B innovations and their success in terms of customer experience. The next section describes the relationship between climate for innovation and customer experience from an employee perspective.

5.3 Climate for Innovation and Customer Experience - Employee Perspective

This section demonstrates the relationship between climate for innovation and customer experience from the employees' perspective. Findings from the research indicated that the organisation nurtures a climate for innovation by instituting mechanisms and practices which foster new ideas to enhance superior customer experience. Employees are encouraged to innovate by a climate for innovation. In addition, employees indicated that innovation enables the organisation to differentiate its products and services in the market and, thus, deliver superior customer experience. Interview results posited that climate for innovation influences the organisation innovativeness which, in turn, enhances the customer experience. The thirty-five interviewees suggested a strong relationship between climate for innovation and customer experience. Further, interview results revealed that some practices and policies of climate for innovation are related to superior customer experience more than others. These practices are discussed in this section.

'...that's a very tough question to describe the relationship between climate for innovation and customer experience, they are directly proportional. To have a very high climate for innovation in your company, this will definitely have a very positive impact on customer experience. And in our company, innovation plays a significant role in driving the customer experience. Because of the innovative climate that we have, employees are always coming up with new ideas; they are excited to submit new ideas and see them implemented and launched in the market; and that's all at the end for the benefit of the customer. The more we come up with innovations in terms of processes, products or services, the more likely the

customers are having a superior customer experience. The more the company is innovative, the more it is differentiated in the market and is able to deliver a distinguished customer experience at all touchpoints. Therefore, the climate for innovation is important; you can't drive customer experience without being innovative and without providing employees with the appropriate work environment that fosters innovation and creativity.' (Head, Internal Communications)

Interview results showed that climate for innovation fosters employees' innovative work behaviours that ultimately enhance the customer experience. Employees pointed out that when they have positive perceptions of climate for innovation, they are willing to go the extra-mile and exert extra effort for the customer. When employees are encouraged to innovate, they tend to focus on customer needs and wants and innovate services and products to serve customers. Employees indicated that they are encouraged to take initiative and innovate when they have positive perceptions of climate for innovation. They stated that the climate for innovation in the organisation encourages them to be more creative and inclined to enhance the customer experience:

'...if the company was not promoting innovation among its employees, we would have been unable to come up with new innovative services and products that enhance the customer experience. Customer experience starts from the climate that employees perceive; it starts from the bottom-up. If employees don't perceive a climate that encourages them to show initiative and be innovative, they will not exhibit innovative and creative behaviours at work and it will be an uncreative company with undifferentiated offers.' (Junior, Consumer Marketing)

Out of the ten product and service innovations demonstrated in the previous sections, seven innovations came from the employees, while the other three came from senior management and open innovation. The Commercial Operations Officer pointed out that employees are the main source of innovative ideas. He asserted that the climate for innovation encourages employees to innovate and, thus, enhances the organisation innovativeness and drives customer experience. His comments confirmed a strong relationship between climate for innovation and customer experience:

'...we have a very good climate that encourages people to propose and come up with ideas. We consider all ideas, allow enough time to work and invest on those ideas. So, based on the innovation examples that I have just told you, climate for innovation and customer experience are highly related. Because every example I told you started as an idea from someone at a junior level and very rarely from the senior management. So overall, I can describe it as a very

positive and strong relationship between climate for innovation and customer experience.’
(Director, Commercial Operations Unit)

Interview results reported the capability and importance of innovation to drive customer experience. Findings confirmed that the organisation’s ability to deliver superior customer experience and establish a strong position in the Egyptian market depended upon the organisation’s ability to offer innovative products and services. The organisation expanded its customer database and market share because of its continuous product and service innovations that meet customer needs. The organisation has achieved 41.1% market share in 2016, which is the highest share among telecommunications operators in Egypt (Business Monitor International, 2016). Reviewed documents revealed that the organisation sustained the highest market share in the previous four years (Business Monitor International, 2016). The thirty-five employees confirmed that innovation is the backbone for superior customer experience:

‘...I still remember the big party and celebration we did when we reached 100,000 customers; now we are 40 million. Because of innovation, we are able to serve this huge number of customers easily and they can reach us anytime. We enabled our customers to do self-care through numerous innovations, such as online customer services, the M-care, etc. Also, channel management is about always creating additional and new touch points with the customers and this highly depends on innovation. We help our customers to be directed to the right channels through communication. Therefore, innovation is the backbone of having customer touch-point experience. One of our KPIs is how many customers get served by one employee and I have to increase this. To achieve this, I have to find an innovative way to increase the number of customers serviced by one employee in a very friendly, easy, efficient and satisfying way. Innovation is an important part of delivering the superior customer experience.’ (Director, Commercial Operations Unit)

The Head of Enterprise Business unit reported that the customers perceive the organisation as trustworthy because of their experience with the company products, services and processes. He pointed out that customers always trust that the organisation will provide them with the best innovations and experience. Customers become loyal to the organisation when they have superior experience of innovative products, services and processes. He argued that climate for innovation is crucial to generate innovative products, services and processes in order to provide customers with superior experience:

'...definitely there is a strong relationship between climate for innovation and customer experience. Customers are always expecting that we continuously innovate new things for them. They are always watching what we come up with. They trust us a lot ... they trust our company to always deliver what is best for them in terms of value-added benefits of new products and services, etc. As long as the company is providing customers with innovative solutions, products and services, the customer will have a great customer experience and be more loyal to the company Therefore, you can't do this without having an internal working environment that supports and encourages innovation at all ends ... whether product innovation, services innovations or even processes. When you have an environment that inspires innovation, employees will be able to come up with new innovative ideas and think more from a customer perspective; thus, the company will be able to deliver innovations that customers will like and enhance customer experience.' (Head, Enterprise Business Unit)

Employees from Commercial Units stated that innovation is crucial to meet changing customer needs. They mentioned that nowadays customers are more demanding than any time ever before and the organisation should always satisfy those needs through innovation. Employees' comments revealed that the climate for innovation in the organisation plays a critical role in achieving superior customer experience. Employees stated that the organisation has a high ranking in terms of customer experience and this is due to the climate for innovation:

'...climate for innovation and customer experience have a crucial relationship. You need innovation to suit the customer needs and deliver customer experience. The more innovative climate you have in the organisation, the more superior customer experience you will achieve. When the climate inside the organisation is conducive to innovation and employees are encouraged to be creative and innovative, the company definitely is able to generate plenty of innovative ideas that will, ultimately, enhance customer experience. Nowadays customer needs are changing rapidly and they are becoming more demanding and we should be able to continuously satisfy our customers. If we don't have this encouraging environment for innovation in the company, I believe we would not have been able to deliver superior customer experience. We are highly ranked in terms of customer experience and that's because of our innovative working environment.' (Junior, Consumer Marketing)

Further, results revealed that innovation is crucial during times of recession and market instability for an organisation to continue providing superior customer experience. The Director of Commercial Operations Unit mentioned that during the market turbulence and recession in Egypt after the revolution, the organisation pursued delivering superior customer experience through innovation:

‘...another example is the recent economic issues and instability in Egypt. We were unable in the past two years to buy more technological assets because of foreign currency issues, as well as other factors that affect our network performance. Here comes, in such conditions, the vital role of innovation, where we have to find a way out to keep serving the customers and delivering the best customer experience. We came up with new ways of optimising the networks so people can still use our services effectively. This optimisation of the network depended 100% on innovative ideas from young engineers. I believe that we would not have been able to achieve this unless we had an appropriate climate for innovation. It is the internal environment that triggers new and innovative ideas that enable the company to excel in delivering superior customer experience, even in difficult times.’ (Director, Commercial Operations Unit)

Customer experience reports published by the Egyptian National Telecommunication Regulatory Authority (NTRA) were reviewed and analysed. As discussed in Chapter 3, NTRA is the official telecommunications authority in Egypt. Reports published by NTRA are considered to be the most reliable and official regarding the telecommunications industry. The NTRA reports’ analysis indicated that this telecommunications company achieved high levels of customer experience at several touchpoints. Tables 5.2 and 5.3 show an increase in customer experience scores between 2014 and 2015:

Table 5.2: Customer Experience of Organisation under Study (2014)

	Excellent	Very Good	Good	Bad
Overall Customer Experience	40%	43%	14%	3%
Overall Customer Service	38%	44%	12%	4%
Call Centres & Outlets Experience	42%	45%	10%	3%
Bills Accuracy/Processes	86%	NA	NA	14%
Recharge Cards	78%	NA	NA	22%
3G Services usage	75%			25%

Table 5.3: Customer Experience of Organisation under Study (2015)

	Excellent	Very Good	Good	Bad
Overall Customer Experience	51%	32%	15%	2%
Overall Customer Service	48%	29%	16%	7%

Call Centres & Outlets Experience	57%	28%	11%	4%
Bills Accuracy/Processes	78%	NA	NA	22%
Recharge Cards	70%	NA	NA	30%
3G Services usage	75%			25%

Interview results showed that not all practices and policies of climate for innovation are highly related to customer experience. The most significant dimensions of climate for innovation that are highly related to enhancing the customer experience include customer centricity, idea support, senior management support, risk-taking, open innovation, idea time, teamwork, employee empowerment, functional units' structure, rewards and recognition, and challenging jobs and employee involvement. Table 5.4 summarises the dimensions of climate for innovation that are related to the organisation's innovativeness and customer experience.

Table 5.4: Dimensions of Climate for Innovation, Innovations and Customer Experience

Innovation/Climate for Innovation Dimensions	Customer Centricity	Idea Support	Senior Management	Risk-taking	Open Innovation	Idea Time	Teamwork	Employee Empowerment	Functional Units	Rewards and Awards	Challenge	Employee Involvement
Balance Transfer Services Innovation	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓
Control Unit Tariff	✓	✓	✓			✓	✓	✓	✓		✓	✓
Customer Care Innovations	✓	✓	✓			✓	✓	✓		✓	✓	✓
Digital e-Bookstore App	✓	✓	✓	✓		✓	✓	✓	✓		✓	✓
Micro-Recharge Cards	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓
Red Services Bundles	✓	✓	✓		✓	✓	✓	✓	✓		✓	✓

Money Transfer Application	✓	✓	✓		✓	✓	✓				✓	✓
Cloud Services	✓	✓	✓	✓	✓	✓	✓		✓		✓	✓
Machine-to-Machine	✓	✓	✓			✓	✓	✓	✓		✓	✓
Data Analytics	✓	✓	✓			✓	✓	✓	✓		✓	✓

Thirty-one employees posited that customer centricity is highly related to superior customer experience. Interview results revealed that the organisation is always trying to find ways to ensure that the customer is delighted and has a positive experience with product and service innovations at every touch point with the organisation. Employees argued that customer centricity is one of the most important dimensions of climate for innovation that encourages employees to innovate for the customers and handle customer needs effectively. Results showed that a customer centric organisation is more likely to produce services and products that meet customer needs, such as the product and service innovations that generate superior customer experience. Employees mentioned that customer centricity is an important driver of innovation. The Director of Consumer Marketing asserted that employees are encouraged to think from a customer's perspective to innovate products and services that enhance the customer experience:

‘...climate for innovation and customer experience are tied together. If you think of the innovation itself, it does not mean that you have done something great until customers like it and they really need it and, in the way, that they need it. What is the point of producing something nice and creative but nobody wants to use it? So, innovation and customer experience are hand in hand and you can't separate them. Therefore, you need a working environment that encourages innovation and supports employees' ideas in order to come up with new products and services that drive customer experience. It is important to have this environment that encourages both innovation and customer obsession. Employees should be encouraged to think from a customer's mind while thinking of a new innovation. Here in the company, we provide our employees with a climate for innovation that supports innovative ideas that generate superior customer experience.’ (Director, Consumer Marketing)

Idea support was among the most cited dimensions of climate for innovation that is related to superior customer experience. Thirty-one employees argued that organisational support of new ideas leads to the generation of plenty of innovations that, ultimately, drive the customer experience. Employees reported that idea support and encouragement to think of new ideas and implement them encourages them to innovate for customers to, ultimately, enhance the customer experience. The Head of Call Centres stated that because of the dynamic and fast-moving nature of the telecom industry, operators must innovate to respond and survive the competition and sustain superior customer experience. Thus, a climate for innovation that strongly supports and encourages the generation of new ideas is crucial to enhance the customer experience:

‘...climate for innovation and customer experience have a long and strong relationship ... to provide superior customer experience, I need my employees to be innovative ... we don't sell

just SIM cards; we sell services. This is a very dynamic and fast-moving industry that we need to adapt to. So, literally innovate or die. Therefore, you need to build a strong climate for innovation ... a climate that encourages employees to think out-of-the-box and innovate ... that encourages and strongly supports the generation of new ideas. Employees need to feel that their ideas will be implemented and supported. Once you have this climate, you can surely innovate and, hence, provide superior customer experiences.’ (Head, Call Centres-Internet)

Interview results indicated that **senior management** is crucial for climate for innovation and customer experience. Twenty-two employees indicated that the extent to which the CEO and senior executives influence innovation by encouraging and supporting generation and implementation of new ideas, inspiring employees and acting as innovative role models can tremendously affect the level of organisation’s innovativeness and, thus, the customer experience. Employees’ comments revealed that the senior management encouraged all new ideas that would, ultimately, enhance the customer experience. The Micro-Recharge cards, the Balance Services portfolio and the digital e-Bookstore application discussed in the previous sections are among the organisation’s top innovations that were supported by senior management that fulfilled a customer need, enhanced customer experience and generated revenues:

‘...the focus of senior management on customer experience and making it the essence of our strategy and being a customer-obsessed company makes all of the company employees aware of the importance of the customer experience of any innovation. So, when we perceive this importance or focus on customer experience, this makes us more creative and innovative when thinking of new products and services to our customers. The leadership in the company supports all of our ideas that enhance the customer experience.’ (Junior, Consumer Marketing)

‘...the micro-recharge cards innovation was an idea that completely came from a young junior employee who addressed it to the senior management and they tremendously supported it, and we started the formalisation process ... and it was a huge success in the market; it boosted the customer experience.’ (Director, Customer Experience-Retail)

Interview results showed that **risk-taking** is very crucial if the organisation aims to deliver superior customer experience and gain differentiation and competitive advantage in the market. Twenty-one employees highlighted that successful innovations that enhanced the customer experience and generated revenue streams necessitated huge risk. Employees from the Consumer Marketing Unit

stated that the Balance Transfer Services portfolio was one of the riskiest innovations that yielded superior customer experience and revenue streams:

‘...the Balance Transfer Services platform is a major innovation that had a very high risk; it is one of the highest risk-taking projects. It was the first time in the market to do something like this ... It is a huge success by all means ... it became a major source of revenue stream and drove the company’s growth and customer experience.’ (Junior, Consumer Marketing)

Open innovation was found to be one of the main dimensions of climate for innovation that contributes to superior customer experience. The Red Services Bundles innovation and the Money Transfer application discussed earlier came from collaboration with the Group’s other markets, such as the UK and Kenya. Twelve employees confirmed that several service innovations that enhanced the customer experience came from open innovation practices, for example, creating an online platform for developers outside the organisation to innovate new services that would enhance the customers’ experience:

‘...so, we build an online portal to let the developers of USSD and SMS services develop new service innovations. Each developer logs on and creates his own account, and creates a new service to the customers, such as an app that can guide the customer about the location of the nearest company store. We use our network infrastructure to create such services. Then the developer gets a percentage from the revenue generated by the service. It saved us time and resources and was very convenient for the customer. So, basically, we give developers access to our network infrastructure, limited access of course for security issues, and they create the services and handle its processes to ensure smooth customer experience.’ (Junior, Consumer Marketing)

Idea time was also cited by nineteen employees as an important dimension of climate for innovation that impacts customer experience. The customer care innovations came up when employees were given time to think of innovative ideas that enhance the customer experience. Employees mentioned that by allowing them some time to think and brainstorm new ideas, they were able to come up with innovative product and service innovations that enhance the customer experience.

‘...we have monthly team meetings to discuss potential ideas and how to improve the customer care processes. I select a representative sample of employees to brainstorm all new ideas to improve customer care services, discuss recent issues and problems in terms of customer care, what do customers want ... this is to drive the customer experience.’ (Head, Customer Experience-Call Centres)

Teamwork and **cohesion** was found to be crucial dimension of climate for innovation for delivering customer experience. Fifteen employees reported that the involvement and collaboration of various employees from several functional units across the organisation in the innovation process have led to successful product and service innovations that enhanced the customer experience. Employees mentioned that they collaborate to come up with value-added innovations that improve the customer experience. Their comments indicated that all functional units and teams work together to leverage the customer experience of the organisation's innovations, such as the digital e-Bookstore application, the Balance Transfer portfolio, the Control Flex Unit tariff, the Red Services Bundles, and many other innovations:

'...we are the marketing team and we are the ones who place the propositions. However, we work with plenty of stakeholders, such as the customer care ... I work with the agents who receive complaints from the customers, with the project management team, with the finance department ... I work with all the touch points ... All of those stakeholders contribute with potential ideas to improve our services, and even come up with new innovations to improve the customer experience.' (Junior, Consumer Marketing)

Employee empowerment is suggested by ten employees as an important dimension of climate for innovation that is highly related to enhancing the customer experience. Interview results revealed that empowered employees are able to come up with new ideas and innovate for the customers:

'...so when you have such a climate where people are empowered to innovate, this will reflect on the customer. Empowered employees are innovative and this, consequently, reflects on customer experience. This is how I see the relationship between climate for innovation and customer experience. Employees are ambassadors for the customers, internally in the company.' (Head, Strategy and Innovation)

Seventeen employees stated that the *organisation structure* in terms of **functional units** is highly related to customer experience. Employees mentioned that the establishment of teams that are specialised and dedicated for each market segment enabled them to come up with innovations that meet each customer segment requirements. Further, employees stated that there is continuous restructuring of teams to foster creativity and innovation and to meet changing market trends and customer needs:

'...every year we re-think our organisation's structure and how it can foster creativity and innovation ... in earlier days, the company structure was different to now, where we were working by product, such as pre-paid and post-paid. We decided to organise the company's

structure in terms of customer segments. Thus, all departments and units' names were changed and organised by market segments. This was important as it gave a message to the employees that we need to look at the market carefully from a customer perspective, not from a product perspective, to enhance the customer experience. So, this continuous restructuring in the company fosters creativity and innovation among employees. And this restructuring is always for the benefit of the customer and how can we communicate to each market segment differently, thus delivering at the end superior customer experience.' (Junior, Consumer Marketing)

Interview results reported **rewards and recognition** was another important dimension of climate for innovation that influences customer experience. Eleven employees stated that they are rewarded for creating innovative ideas for products and services that enhance the customer experience. The Head of Call Centres and Director of Commercial Operations mentioned that the customer care innovations came from employees who went the extra-mile to enhance the customer experience. The Director of Human Resources pointed out that the organisation recognises and awards employees who come up with innovations that exceed the customer expectations and enhance the customer experience:

'...we recognise people who come up with better way of doing things ... employees who exceed customer expectations and innovate to boost the customer experience ... we call them customer-obsessed. Employees really love to be recognised for doing things that increase the company's NPSs. Those customer-obsessed employees act like the in-company customer advocates. So, recognition is an important dimension of the climate for innovation that encourages employees to innovate for the customers.' (Director, Human Resources)

Nine employees mentioned that **challenging jobs** and **employee involvement** encourage employees to be innovative and to come up with innovations that would meet customers' needs and, thus, improve the customer experience. Employees are constantly required to come up with new ideas of product and service innovations that would serve customers in an exciting way. Employees' comments revealed that every employee in the organisation is immersed in the innovation process until the final version of the innovation is out. Three employees from the Consumer Marketing unit stated that the involvement of employees is crucial in order to generate plenty of ideas and suggestions to produce an innovative product or service innovation that enhance the customer experience:

'...our jobs are challenging ... we always have to think of something new. We have challenges in everything. We don't think of coming up with innovative products and services only, but we also have to think of the customer experience and revenue streams.' (Junior, Consumer Marketing)

‘...a lot of people in the company get involved with their suggestions until the final version of the innovation comes up. Everyone here suggests things having the customer in mind. We think heavily of the customer experience.’ (Junior, Consumer Marketing)

In summary, results revealed that climate for innovation is crucial to foster employees’ innovative work behaviours, thus enhancing the customer experience. Innovation has been found to play a crucial role in achieving superior customer experience. Thus, a climate for innovation is essential for an organisation in today’s competitive markets.

5.4 Chapter Summary

In summary, the organisation under study has provided both consumer and business customers with a variety of value-added products and services to enhance the customer experience and achieve competitive edge in the Egyptian market. The organisation has innovated with a range of incremental and radical innovations to boost the customer experience. The organisation’s innovations have offered customers new ranges of products and services to existing ones that meet customer needs and requirements. The organisation’s innovations provided customers with value-for-time and value-for-money services, and greater advantages than the competitors’ offerings; and new ranges of products and services that have not been previously offered by any other operator and are the first of their kind in the Egyptian market. Interview results revealed that all of the innovations came from the employees and the significant role that employees play in the innovation process. Results indicated that innovation is one of the most important means for organisations to remain competitive in the market.

CHAPTER 6: DISCUSSION OF THE FINDINGS

The purpose of this chapter is to address and discuss the findings of this research. Section 6.1 proposes the conceptual framework of this study. Section 6.2 discusses the findings of employees' perceptions of climate for innovation, in particular, the main themes and dimensions of climate for innovation. Section 6.3 presents and discusses the employee's role in the innovation process. Section 6.4 discusses the relationship between organisation innovativeness and customer experience. Section 6.5 addresses the relationship between employees' perceptions of climate for innovation and customer experience. Finally, section 6.6 summarises the chapter.

6.1 Conceptual Framework

The current study proposes a conceptual framework suggesting a relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience. Findings of this study indicate that a supportive climate for innovation is highly related to customer experience. The framework proposes that positive employees' perceptions of climate for innovation enhance the employee role in the innovation process. Employees are encouraged to generate novel ideas, share and promote their ideas and implement those ideas when they positively perceive the climate for innovation in the organisation. Positive employees' perceptions of climate for innovation enhance the organisation's capability to innovate products and services, which ultimately leverages the customer experience. Further, the current study identifies which dimensions of the climate for innovation that are more highly related to customer experience than others. Figure 6.1 proposes the conceptual model for this study.



Figure 6.1: Conceptual Framework

6.2 Climate for Innovation

The findings indicate high positive employee perception levels of climate for innovation in the organisation. The results of the current study suggest that it is imperative for an organisation to provide its employees with a climate that encourages, promotes and stimulates creativity and innovation. Employees are creative and innovative to the extent that they perceive the organisation to be receptive and supportive of new ideas and initiatives. However, the findings show that the positive perception of the climate for innovation varies among employees in various functional units. Employees working in the marketing and commercial teams reported positive perceptions of climate for innovation, while employees in non-commercial teams reported lower positive perceptions of the climate for innovation. Employees indicated that the rationale for this is that the organisation supports more the ideas coming up from revenue-generating teams.

Results also show that climate for innovation is positively related to the organisation's success bolstering previous research in support of the significance of fostering such a climate (Baer and Frese, 2003; King et al., 2007; Ghosh, 2015). Consistent with the literature, results reveal that climate for innovation plays an important role in impacting on the organisation's innovativeness. The study found that innovations are encouraged by an appropriate climate for innovations. The findings suggest that it is of utmost importance for organisations to nurture a climate for innovation by instituting mechanisms and structures which foster new ideas and ways of thinking to improve the customer experience. A thematic analysis of the semi-structured interviews conducted in this study has led to the identification of various dimensions of climate for innovation that promoted the organisation's innovativeness and contributed to superior customer experience. The table below summarises the main themes and dimensions of climate for innovation identified in this study.

Table 6.1: Themes and Dimensions of Climate for Innovation

Themes	Dimensions
Leadership for Innovation	<ul style="list-style-type: none"> • Senior Leadership • Line Managers • Innovation Strategy • Innovation Vision • Value-based Organisation • Customer Centricity • Trust and Openness • Challenging Jobs • Employee Involvement • Employee Empowerment
Organisation Support for Innovation	<ul style="list-style-type: none"> • Innovation Unit • Open Innovation • Idea Support • Idea Time • Idea Implementation • Conflict and Debate • Risk-taking
Organisation Structure	<ul style="list-style-type: none"> • Bureaucracy • Hierarchy • Structure of Functional Units • Physical Environment • Flexibility • Informality • Playfulness and Dynamism • Teamwork and Cohesion
Human Resource Practices	<ul style="list-style-type: none"> • Rewards and Recognition • Performance Appraisal • Internal Communication • Training and Development • Recruitment
Impediments to Innovation	<ul style="list-style-type: none"> • Resources • Work Pressure

6.2.1 Leadership for Innovation

Leadership for innovation is one of the main dimensions identified in the results. It includes senior management and line managers' support, innovation vision, establishing values, customer centricity, trust and openness, challenging jobs, employee involvement, and employee empowerment. Consistent with the literature, the findings reveal that **senior leadership** is a crucial dimension of climate for innovation (Ekvall, 1996; Ekvall and Ryhammar, 1999; Amabile et al., 2004; Isaksen, 2007; Mathisen, Einarsen and Mykletun, 2012; Khalili, 2016). Congruent with the literature, the current study's results show that transformational leadership is essential for innovation (Cheung and Wong, 2011; Li, Zhao and Begley, 2015; Choi et al., 2016). Results indicate that leaders' behaviours, such as intellectual stimulation, reframing problems, encouraging employees to think and solve problems in new and novel ways and participate in decision making, foster and encourage employees' innovative behaviours (de Jong and Hartog, 2007; Cheung and Wong, 2011; Choi et al., 2016). When senior management is placing emphasis on differentiation through innovative products and services, employees are inspired and encouraged to innovate (Li, Zhao and Begley, 2015). Further, findings show that the Chief Executive Officer plays an important role in the creation of climate for innovation. In line with previous research, results indicate that the Chief Executive Officer and senior leaders and their leadership style are important to fostering innovation (García-Morales, Lloréns-Mortens and Verdú-Jover, 2007; Ar and Baki, 2011). This study shows senior leaders' positive views of innovation and behaviours supporting innovation are essential for the development and implementation of innovation within an organisation (de Jong and Vermeulen, 2006; de Jong and Den Hartog, 2007; Ar and Baki, 2011,). The findings of this study are consistent with Lloréns-Montes, Ruiz Moreno and García Morales' (2005) study that posits a positive significant relationship between leadership support for innovation and organisation innovation. Similarly, Lee and Kelley (2008) conclude that senior leaders play an important role in influencing the organisation's innovation. Thus, the findings of this study are congruent with previous research confirming the significance of senior leadership in creating a climate for innovation.

Further, results posit that **line managers** or supervisors influence climate for innovation. It is found that line managers are responsible for establishing a good quality relationship with their subordinates through continuously encouraging innovative initiatives, recognising efforts, challenging, mentoring, guiding employees and developing individual skills. The findings indicate that supportive and non-controlling supervision is conducive to innovation and has a positive impact on employees' innovative behaviours, while micromanaging reduces employees' willingness to innovate (Zhou and Shalley, 2003). Results of this study show that line managers' supervision is of a critical importance to new entrants and junior employees. The findings

suggest that anyone can be innovative but it depends largely on direct supervision of line managers. If the line manager is too much focused on performance and not allowing enough time for employees to talk and be creative, there will be no room for innovation. These findings support previous research of Tierney, Farmer and Graen (1999), Shalley, Zhou and Oldham (2004), Prieto and Pérez-Santana (2014), and Cheung and Wong (2011). They suggest high quality relationships between leaders and subordinates stimulate creativity and innovation and enhance employees' innovative work behaviours. Similarly, Amabile et al. (2004) posit that positive perception of leader support is highly related to creativity. Previous studies confirm that line managers should mentor and guide subordinates, provide effective feedback, show individual consideration, and enhance team members' skills and development, to promote employees' creativity and innovative behaviours (Amabile, 1997; Amabile et al., 2004; Cheung and Wong, 2011; Steiber and Alänge, 2013). Congruent with the literature, the current research posits that positive perception of leadership is highly related to positive climate for innovation and, thus, organisation innovativeness (Amabile et al., 2004; Isaksen, 2007; Sarros, Cooper and Santora, 2008; Isaksen and Akkermans, 2011). Thus, it can be concluded that transformational leadership is essential for the creation of climate for innovation.

Innovation strategy is identified in the climate for the innovation theme of leadership for innovation. The findings reveal that an organisation should clearly emphasise the importance of innovation in its strategy. Consistent with previous research findings, this study shows that an organisation should develop an innovation strategy that focuses on differentiation of products and services innovations, which encourages employees to come up with novel ideas to provide customers with value-added products and services (Akman and Yilmaz, 2008; Nybakk and Jensen, 2012). Results confirm that developing an innovation strategy is an important practice that fosters innovation across the organisation. Congruent with the literature, it was found that a successful innovation strategy should focus on long-term revenues, as focusing on short-term revenues kills innovation (Cooper, Edgett and Kleinschmidt, 2004; Nybakk and Jensen, 2012). The data from this research supports previous research, which shows that an innovation strategy establishes a direction for the organisation and improves the organisation's innovation (Fruhling and Siau, 2007). Based on the current research results, it is plausible to argue that developing an innovation strategy is an important dimension of climate for innovation. However, developing an innovation strategy was not included in previous climate for innovation frameworks (Amabile et al., 1996; Ekvall, Arvonen and Waldenstrom-Lindblad, 1983) and, thus, this study proposes the explicit inclusion of an innovation strategy in climate for innovation frameworks.

Another identified dimension of the climate for innovation theme of leadership for innovation is ***innovation vision***. Results of this research support previous studies that organisations should establish a vision supportive of creativity and innovation (Waples and Friedrich, 2011). The findings show that an innovation vision should clearly define innovation, establish innovation key performance indicators (KPIs) and focus on long-term goals and future opportunities. These findings are consistent with Hunter and Cushenbery's (2011) research, which argues that one of the challenges of defining vision for innovation is providing enough detail to make the goals achievable, while also granting employees the freedom to achieve the goals in the most novel ways possible. The current research provides support for earlier studies' findings confirming that an innovation vision represents an important message to employees, that innovation is not just valued but it is critical to achieve the organisation's objectives (Sun, Zhao and Chen, 2011); and if employees believe that the organisation leadership supports innovation, they are encouraged to get engaged in innovative work behaviours (Amabile et al., 1996; Hunter, Bedell and Mumford, 2007). It is important for organisations' leaders to provide employees with clear and concrete attainable goals to guide their creative efforts (Anderson and West, 1998; de Jong and Den Hartog, 2007). Establishing an innovation vision was identified as a dimension of team climate for innovation framework (TCI) developed by Anderson and West (1998) and Amabile et al. (1996). Therefore, research results confirm that an innovation vision is an important dimension of climate for innovation.

Section 4.1.5 identifies ***value-based organisation*** as another dimension in the leadership for innovation theme that is not suggested in previous measurements of climate for innovation. Results indicate that it is important to establish shared core values among all employees in the organisation to institute a foundation and guiding principles for employees. The current study results show that an organisation should have innovation as one of its main values and pillars to encourage employees to innovate. This is consistent with Hartmann (2006) who argues that an organisation should have innovation as a basic value to foster employees' commitment to innovation. Previous research investigated the role of culture for innovation in fostering employees' innovative work behaviours and enhancing organisation innovation (Mumford et al., 2002; Martins and Terblanche, 2003, Lau and Ngo, 2004; Naranjo Valencia, Sanz Valle and Jiménez Jiménez, 2010). However, establishing a shared core value emphasising the importance of innovation was not explicitly addressed in previous climate for innovation frameworks discussed in Chapter 2. The findings of this research posit that having innovation as one of the organisation's main values is the root for climate for innovation. Thus, it can be concluded that innovation should be one of the organisation's main values to create and foster climate for innovation. The current study proposes that establishing organisational values focusing on innovation should be integrated in climate for innovation frameworks.

In section 4.1.6, it is shown that **customer centricity** is a key dimension in the climate for innovation theme of leadership for innovation. This research findings identify customer centricity practices as a crucial dimension of climate for creativity and innovation, which was not included in previous climate for creativity and innovation scales, such as the creative climate questionnaire and the situational outlook questionnaire (Ekvall, Arvonen and Waldenstrom-Lindblad, 1983; Isaksen, Lauer and Ekvall 1999). Results reveal that the organisation implements practices and policies to ensure high levels of customer centricity to stimulate employees to think from a customer mindset. Such practices included the launch of a customer experience excellence programme, placing customer centricity as one of the organisation's key pillars and establishing commercial teams dedicated to each customer segment. Results show positive perceptions of customer centricity practices that inspired employees to exhibit creative and innovative work behaviours. The customer experience excellence programme focuses on the innovation of products and services that drive the customer experience. The launch of this programme placed customer experience as a top organisation priority and, thus, encouraged employees to think from a customer perspective. Results suggest that the organisation considers carefully the value-added benefits of product and service innovations to the customer. In other words, the organisation offers product and service innovations that have an enormous impact on the customer experience. Further, the creation of commercial teams dedicated to serve each market segment triggered more value-added product and service innovations, such as the Balance Transfer Portfolio innovation, the Red Services Bundles service innovation, and the Control Flex Unit tariff, that ultimately enhanced the customer experience. The findings indicate that employees perceived this creation of commercial teams dedicated to each customer segment as a message from the organisation to think from a customer perspective when innovating products and services rather than from a product technical perspective. Overall, results show positive employee perceptions of customer centricity practices in the organisation encouraged them to innovate successful product and services innovations. Employees' interview results show that customer centricity is the most significant dimension of climate for innovation that triggers and stimulates creativity and innovation, thus ultimately boosting superior customer experience. Though customer centricity is not addressed in previous climate for innovation measurements, its relationship with innovation is addressed in the literature. Deshpandé, Farley and Webster (1993) conclude that customer focus and innovativeness should be the *raison d'être* of successful organisations. Similarly, Matsuo's (2006) study posits that customer focus enforces employees ability to be innovative and to solve problems to satisfy the customers. Customer centricity enables an organisation to invent differentiated products that are more value-adding to the customers (Theoharakis and Hooley, 2008). Customer centric organisations are more likely to provide successful innovative products and services that are

congruent with customer needs and wants (Grisseemann, Plank and Brunner-Sperdin, 2013). Literature also suggests that customer centric organisations have high chances of producing new-to-the-world innovations (Lukas and Ferrell, 2000), and retain their customers (Grisseemann, Plank and Brunner-Sperdin, 2013). In line with the literature, the current research findings posit that customer centrality is crucial for driving innovation in an organisation and enables the organisation to innovate value-added products and services that deliver superior customer experience. Thus, this study proposes customer centrality is an important dimension of climate for innovation.

Trust and openness is identified as another dimension of climate for innovation in the leadership for innovation theme. Trust and openness addresses the extent to which employees are open in exchanging ideas and knowledge, have feelings of trust and express views fully and at ease with each other (Isaksen, 2007). Findings reveal a high level of trust and openness in the organisation, where employees share ideas and knowledge with each other, have mutual and sincere respect and count on each other's support. This study shows that in order to promote innovation in an organisation, employees must be open and frank with each other and willing to share ideas, experiences and views, and that depends on the level of openness and trust (Gundry et al., 2016). This is similar to Bysted (2013) who argues that trust allows employees to freely suggest new ideas, knowing that their peers will respond positively. Consistent with earlier research, findings from the current study show that high levels of trust and openness encourage employees to address and share novel ideas and opinions freely which is conducive to innovation (Foss, Woll and Moilanen, 2013). Foss, Woll and Moilanen's (2013) findings posit that openness and trust among employees has a positive impact on new idea generation. Results of this study confirm that high levels of trust and openness stimulate employees' innovative thinking and enhances the organisation's best practices and innovation capabilities. The data from this study supports previous research, which shows that an organisation should be open and receptive to novel ideas and employees should be encouraged to accept divergent views and non-traditional thinking (Ruvio et al., 2014). Findings from this study are congruent with earlier studies demonstrating that an organisation's innovation increases when employees share new ideas and knowledge and safely participate in decision-making (Ekvall, 1996; Foss, Woll and Moilanen, 2013; Gundry et al., 2016). Amabile (1997) argues that employees are innovative when they feel mutual openness and trust with their colleagues. Researchers argue that trust is an important social capital resource that enhances climate for innovation and leads to the development of new products and services, thus it is crucial to enhance the level of trust in organisations (Dovey, 2009; Michaelis, Stegmaier and Sonntag, 2009). As mentioned in chapter 2, trust and openness in the organisation is identified in previous climate for innovation frameworks (Ekvall, Arvonen and Waldenstrom-Lindblad, 1983; Isaksen, Lauer and Ekvall, 1999).

In line with the literature, this research proposes that openness and trust is an important dimension of climate for innovation that contributes to employees' innovative work behaviour and the organisation's successful outcomes of innovation (Dovey, 2009; Bysted, 2013; Gundry et al., 2016).

Challenging jobs is found to be another dimension of climate for innovation in the leadership for innovation theme. Challenging jobs are considered an important contributor to employees' intrinsic motivation and are expected to encourage and spur higher levels of creative and innovative employee behaviours (Oldham and Cummings, 1996). Consistent with the literature, the current research findings posit that job challenge is conducive to innovation (Isaksen, 2007). Results show that highly challenging job tasks encourage employees to continuously think out-of-the-box to innovate products and services that enhance the customer experience. Jobs that are challenging and complex can enhance employees' excitement and involvement with their job tasks and trigger their interest to complete these tasks, and this fosters innovative work behaviours (Shalley, Zhou and Oldham, 2004). Further, findings suggest that jobs should be designed in a way to push employees out of their comfort zone. Employees should conduct various tasks and move from one unit to another to broaden their perspectives and think in a divergent way to enhance their creative and innovative performance. This study shows that when employees move from one unit to another, they are exposed to new knowledge and skills that improves their innovative work behaviours. These findings are congruent with the previous literature arguments that varied jobs expand the skills and creative and innovative performance of employees (Coelho and Augusto, 2010). An interesting finding is that healthy competition among teams enhances creativity and innovation in the organisation. The organisation provides employees with a competitive environment to revitalise creativity and innovation in the organisation. This is supported by Gong et al. (2012) who argue that innovation involves constructive competence where employees share ideas and interact together in a healthy manner. Earlier studies posit that destructive competition among employees has detrimental consequences on creativity and innovation where employees tend not to share information and ideas (Steinel and De Dreu, 2004; Gong et al., 2012; Hon and Lui, 2016). Congruent with Hon and Lui's (2016) findings, this study posits that constructive competition between employees is necessary for creativity and innovation. Hence, it can be concluded that jobs that are designed to challenge and involve employees and create a competitive environment can contribute to creativity and innovation in the organisation, thus enhancing the customer experience. Consistent with earlier climate for innovation frameworks, this study proposes challenging jobs as a dimension of climate for innovation (Amabile et al., 1996).

Employee involvement is found to be another dimension of climate for innovation in the leadership for innovation theme. The research results convey that involving employees in operations, strategic decision-making and issues facing the organisation provides them with a sense of responsibility and, thus, stimulates their creative and innovative work behaviours. Consistent with the literature, the current research findings posit that employee involvement is conducive to innovation (Isaksen, 2007). It is important to involve the entire organisation and give each function or department room to innovate within their area. To leverage employee involvement, the organisation runs go-to-market forums and trade review forums to engage all employees across the organisation in the innovation process. These forums tend to review new product and service innovations launched into the market. In these forums, the organisation is keen to involve employees who would be keen to initiate actions, suggest ideas for improvement, or participate in the decision-making. This makes employees more involved and innovative. Results show that when employees get involved in the innovation process, they are more likely to get engaged in proactive and discretionary behaviours to implement innovations that contribute to the customer experience. This study reports that high levels of employees' involvement in the innovation process stages can drive the customer experience. High levels of employee involvement convey that employees are intrinsically motivated and pledged to making contributions to the success of the organisation (Isaksen, 2007). Congruent with earlier climate for innovation frameworks, the current study proposes employee involvement as a dimension of climate for innovation (Ekvall, Arvonen and Waldenstrom-Lindblad, 1983; Isaksen, Lauer and Ekvall, 1999).

Employee Empowerment is seen as a key dimension identified in the climate for innovation theme of leadership for innovation. It is one of the highly cited dimensions of climate for innovation in the current research. The findings point out that a high level of empowerment leads to positive perceptions of climate for innovation. Consistent with earlier research, it is found that employees are encouraged to innovate when they feel that they have control over their job tasks and discretion in daily work responsibilities (McLean, 2005; Hennessey and Amabile, 2010). The data from this research support the findings of Abstein and Spieth (2014) and Hammond et al. (2011) showing that employee empowerment is an important dimension of climate for innovation and fosters employee innovative behaviours. In line with extant literature, findings of this study reveal that when employees are empowered, they are more likely to generate novel ideas to respond to customers' needs and are eager to implement innovations successfully (Amabile, 1997; Gagné and Deci, 2005; Coelho and Augusto, 2010; Luoh, Tsaur and Tang, 2014). Results show that employee empowerment enables employees to take initiatives and come up with novel ideas and solutions to enhance the customer experience. This is congruent with a recent study by Sok and O'Cass (2015) indicating that employees take

innovative initiatives to improve service quality when they are empowered. Further, the findings show that it is crucial to empower young employees as they are the main source of new ideas and they need to exercise discretion. In line with previous research, this study proposes that if employees feel that they are the owners of the innovation and the brand when they are empowered, they go the extra-mile to explore new opportunities and implement successful innovations (Shalley and Gilson, 2004; Lee, 2008; Bysted, 2013). Previous studies show that when employees have feelings of ownership, they are more likely to feel concerned and responsible for their tasks, quality of products and services, and the satisfaction of customers (Parker, Wall and Jackson, 1997; Dorenbosch, Engen and Verhagen, 2005). Consistent with Parker, Wall and Jackson's (1997) and Frese et al.'s (1996) findings, this study suggests that employees are likely to get engaged in innovative behaviours when they have high levels of ownership feelings. The ownership dimension is identified as a dimension of climate for innovation the Siegel scale of support for innovation (Siegel and Kaemmerer, 1978). However, the Siegel scale was conducted at schools and the sample consisted of students and teachers. This study identifies ownership as a sub-dimension of employee empowerment dimension of climate for innovation in an organisational context. To sum up, the current study's findings are in line with earlier climate for innovation frameworks and identifies employee empowerment as a climate for innovation dimension (Amabile et al., 1996; Isaksen, Lauer and Ekvall, 1999).

6.2.2 Organisation Support for Innovation

The second theme of climate for innovation identified is the organisation support for innovation that includes creation of an innovation unit, open innovation, idea support, idea time, idea implementation, conflict and debate, and risk-taking. In section 4.2.1, it is shown that the establishment of a dedicated *unit for innovation* is an important dimension of climate for innovation. Findings indicate that the creation of a dedicated team for innovation triggers and fosters innovation across the whole organisation and facilitates the innovation process. This unit is responsible for encouraging innovation across the organisation as well as examining new ideas and exploring new potential opportunities in the market that are not related to the core products and services. This is to produce more diversified innovations that would enhance the customer experience. Results indicate that the innovation team is successful in generating and implementing plenty of new innovative ideas. The creation of a dedicated unit for innovation is supported by O'Connor (2008) who believes in the establishment of a distinct unit for innovation that is separate from the organisation's main activities. In contrast, other researchers argue that innovation should come out from anywhere in the organisation and there is no need for a distinct unit for innovation (Tushman et al., 2010; Garud, Gehman and Kumaraswamy, 2011). Based on research at 3M Corporation, Garud, Gehman and Kumaraswamy (2011) argue that

innovation takes place in regular work throughout employees' interaction. In the same line, Steiber and Alänge's (2013) study reveals that Google does not have a separate department for innovation. The rationale behind this is that it is not possible to assign a formal manager responsible for innovation or to formalise the innovation process as ideas should arise from anyone in the organisation. The current study postulates that a dedicated innovation unit is essential for fostering innovation across the organisation and encouraging the generation of ideas from anyone in the organisation, as well as examining potential opportunities in adjacent markets. This is consistent with Lawson and Samson's (2001) study that argues for the need to incorporate both 'new stream' and 'mainstream' activities together. Therefore, it can be concluded that a dedicated innovation unit that operates across the whole organisation is an important dimension of climate for innovation that fosters employees' innovative behaviours and organisation's innovations. However, establishing a dedicated unit for innovation was not addressed earlier in previous climate for innovation frameworks (Amabile et al., 1996; Isaksen, Lauer and Ekvall, 1999). Thus, the current study proposes that the creation of a dedicated unit for innovation is an important dimension of climate for innovation.

Open innovation is identified as a substantial dimension of climate for innovation theme of organisation support for innovation. Research findings point out that an organisation should use external sources for creative ideas to enhance the organisation's innovation capability and innovativeness. The organisation established a unit called Ventures Incubator to promote small technology companies and start-ups and youth entrepreneurship, to deliver value-added services to customers. The findings show that the organisation used other external sources including university students, academics, partners, and customers to explore and gain access to new ideas. Further, the organisation has an online portal where developers of services logon and develop new services and product innovations, such as applications. The findings report a positive perception of open innovation practices that influence climate for innovation. Open innovation is recognised as a main source of innovation in various industries (Chesbrough, 2003). The current findings support Steiber and Alänge (2013) study, which shows that Google is following an open innovation strategy through acquisitions, cooperating with leading researchers at universities and establishing its own venture business unit. Their study concludes that Google's innovation future will continue to rely on both internally and externally generated ideas. Other researchers emphasise the importance of using open innovation to access external knowledge from suppliers, partners, academics and researchers, and customers to compete effectively in the market and meet changing customer needs (Lawson and Samson, 2001; O'Connor, 2008; Garud, Gehman and Kumaraswamy, 2011; West and Bogers, 2014). Within the telecommunications industry, Bigliardi, Ivo Dormio and Galati (2012) argue that open innovation provides significant advantages to the organisation, ranging from improved service quality,

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service innovation customisation, to cost reduction. Their study indicates that the three telecommunications organisations who adopted open innovation practices reported positive customer satisfaction. Thus, confirming the results of previous research, this study postulates that open innovation is a significant practice that enhances organisation innovativeness. Nonetheless, open innovation was not included in prior climate for innovation frameworks and its relationship with organisation innovativeness was examined separately. Hence, this study identifies open innovation as a main dimension of climate for innovation.

Idea support is identified as one of the crucial dimensions of climate for innovation (Amabile et al., 1996; Isaksen, Lauer and Ekvall, 1999). The findings reveal that high levels of organisation support for the generation of novel ideas and initiatives influences positively on employees' perceptions of climate for innovation. The organisation encourages employees to be innovative in everything they execute in their daily work. To support new idea generation, the organisation adopts various practices, such as establishing forums for idea generation, conducting programmes and competitions, and providing showrooms and think boxes. In line with earlier research of Schuhmacher and Kuester (2012), the findings show that these practices and tools inspire employees to be innovative and encourage them to participate in competitions and come up with novel ideas. In general, researchers argue that idea competition is an effective tool or strategy for supporting idea generation (Ebner, Leimeister and Krcmar, 2009; Bullinger et al., 2010; Hutter et al., 2011). Findings from the current study support previous research showing that idea generation competitions and platforms integrate innovative employees across the organisation to generate new innovative ideas (Ebner, Leimeister and Krcmar, 2009; Blohm et al., 2011). Successful innovations came from those tools such as the digital e-Bookstore discussed earlier in Chapter 5. Results indicate that a high level of idea support is positively related to employees' innovative behaviours and organisation innovativeness. On the other hand, results confirm that an organisation should invest and support innovations that yield revenues in the long term rather than short term. Findings propose that revenue driven organisations tend to focus on short term revenues, thus reducing the organisation innovativeness. Further, results point out that an organisation should support ideas from all functional units across the organisation rather than just commercial or revenue generating units. The current study's results confirm previous research findings showing that innovative organisations support the generation of novel ideas and encourage employees to explore and experiment with new concepts to boost the organisation's innovativeness (McFadzean, 1998; Martins and Terblanche, 2003; Patterson et al., 2005; Isaksen, 2007; Foss, Woll and Moilanen, 2013; Urbach, Fay and Lauche, 2016). Thus, it can be argued that idea support is a crucial dimension of climate for innovation, where organisations should applaud novel ideas and initiatives.

The current research identifies *idea time* as an important dimension of climate for innovation theme of organisation support for innovation. Congruent with previous research, findings from this study confirm that idea time is an essential dimension of climate for innovation to allow employees to explore and elaborate on novel ideas and projects (Martins and Terblanche, 2003; Patterson et al., 2005; Isaksen, 2007). As discussed in section 2.4.3, idea time is identified as a dimension of climate for innovation in the scales developed by Ekvall, Arvonen and Waldenstrom-Lindblad (1983), Amabile et al. (1996), and Isaksen, Lauer and Ekvall (1999). Results support previous research which shows that when an organisation provides employees with an adequate time to think out-of-the-box, they are able to produce new ideas, explore new opportunities and potential avenues, and test and develop new ideas (Isaksen and Lauer, 2002; Ohly, Sonnentag and Pluntke, 2006; Isaksen, 2007). Further, findings demonstrate that work pressure and job tasks and deadlines do not provide employees with adequate time to think out-of-the-box. The dynamic nature of the telecommunications industry puts employees under stress of meeting their targets and deadlines which, in turn, hinders them from generating novel ideas. Results show that commercial teams are allowed to have more time to think of new ideas than other functional teams, such as administrative and sales units, thus reducing the number of ideas generated per year. Previous research indicates that when employees are overloaded and pressurised, innovation is impossible (Oldham and Cummings, 1996; Isaksen, 2007). Therefore, the current study findings confirm that an innovative organisation should provide employees across the entire organisation with sufficient and adequate time to think out-of-the-box to generate, experiment and develop new ideas. Employees should have more time to explore potential and prospective opportunities for innovation.

The current study suggests *idea implementation*, the extent to which an organisation practically implements new ideas, as a dimension of climate for innovation theme of organisation support for innovation. Idea implementation is not identified as a dimension of climate for innovation in previous studies (e.g. Ekvall, Arvonen and Waldenstrom-Lindblad, 1983; Amabile et al., 1996; Isaksen, Lauer and Ekvall, 1999). Findings suggest that practical implementation of ideas encourages and inspires employees to be more creative and innovative. The extent to which employees perceive that the organisation is willing to implement their ideas has a positive influence on employees' perceptions of climate for innovation. However, the findings reveal that the organisation implements ideas coming from revenue generating units such as the commercial teams, which results in negative perceptions of idea implementation among some employees in non-commercial teams. The logic behind this is that commercial teams know the right and political processes and procedures to gain the approval of senior management to implement ideas. Results show that political sponsorship and approval from commercial teams are essential for any employee to implement a new idea. Consistent with earlier research, this

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study's findings show that idea implementation is a social-political process that requires sponsorship and political support to influence the decision making (Yuan and Woodman, 2010; Baer, 2012). The rationale behind this is the likeliness of disagreement on the value and potential of a new idea (Green, Welsh and Dehler, 2003). In line with Obstfeld (2005), the current study findings show that social relationships and establishing social relationships and allies with key employees facilitate the implementation of new ideas. In summary, the current study proposes that idea implementation is a crucial dimension of climate for innovation because it provides employees with a message that the organisation supports innovation. Further, an innovative organisation should practically implement potential ideas coming from any unit within the organisation.

Conflict and debate is another dimension of climate for innovation theme of organisation support for innovation (Ekvall, Arvonen and Waldenstrom-Lindblad, 1983; Isaksen, Lauer and Ekvall, 1999). Results reveal high levels of constructive conflict and debate in the organisation. Isaksen and Ekvall (2010) distinguish between conflict and debate. From a climate perspective, conflict is defined as existence of personal and emotional tensions in the organisation (Isaksen, 2007). Findings show that when the level of conflict is high, employees dislike each other and disagreements arise (Isaksen and Ekvall, 2010). Conversely, debate is defined as the occurrence of encounters and disagreements between different viewpoints, ideas, and knowledge (Isaksen, 2007). Results reveal that in debating organisations, employees are encouraged to put forward ideas, discuss different opinions and share diversity of views. Questionnaires measuring climate for creativity and innovation, such as the Creative Climate Questionnaire (CCQ) and the Situational Outlook Questionnaire (SOQ), identify conflict and debate dimensions as crucial dimensions of climate for innovation (Isaksen, Lauer and Ekvall, 1999; Isaksen, 2007). Consistent with previous studies, the findings show that constructive conflict that allows various voices and opinions to be raised influences employee innovative behaviours and, thus, innovation (Isaksen and Ekvall, 2010). Results show that there is no personal conflict or emotion tension among employees and there is a high level of debate and on-going discussions where employees listen to different opinions regarding prospective ideas, innovations and business performance. In line with Hunter et al.'s (2007) study, the current study posits that debate and discussion should be encouraged in an organisation to stimulate and foster innovation. Further, Isaksen and Lauer's (2002) study investigates the differences between the most and least creative teams in a global service firm. Their study indicates that debate is significantly high in the most creative teams, while least creative teams report low levels of debate and high levels of conflict. Thus, the current study's results are congruent with earlier research confirming that high levels of debate and constructive conflict are essential for innovation.

Risk-taking is identified as a significant dimension of climate for innovation theme of organisation support for innovation (Ekvall, Arvonen and Waldenstrom-Lindblad, 1983; Isaksen, Lauer and Ekvall, 1999). Results reveal mixed perceptions of the level of risk-taking in the organisation, in which ideas emanating from commercial teams are more encouraged and supported than from other functional teams. Consistent with the literature, the current study's results confirm that innovation requires risk-taking (Isaksen, 2007; King et al., 2007; García-Granero et al., 2015). In line with Ruvio et al. (2014) and García-Granero et al. (2015), findings reveal that risk-taking is a characteristic of innovative organisations and a significant dimension of climate for innovation. Results suggest that innovation is inherently risky as the outcomes are unknown and there is always a potential for failure (Ruvio et al., 2014). The current study's results are congruent with earlier research confirming that thinking out-of-the box and adopting new ideas and initiatives requires high risk-taking (Ling et al., 2008; Wu, 2008; Rauch et al., 2009). Findings show that when an organisation is a high risk-taker, employees are encouraged to think out-of-the box and put forward new ideas of product and service innovations (García-Granero et al., 2015). The Balance Transfer Portfolio discussed in section 5.1.1 is one of the organisation's top innovations that was successful in the market and was referred to as one of the highest risk-taking innovations by the organisation, as the company is providing the customer with value even though there is no guarantee of return. The idea of this product innovation was put forward by a junior employee who was encouraged to take a risk and launch this innovation. On the other hand, results reveal that in low risk-taking situations, employees are less keen to exhibit innovative behaviours and, thus, there are low levels of organisation innovativeness (Gupta, MacMillan and Surie, 2004). In line with previous research, the findings show that risk-taking influences decision-making processes in resource allocation, selecting new products and services to be launched in the market and seizing market opportunities (Morgan and String, 2003). Findings confirm that the higher the risk-taking level in the organisation, the speedier the decisions to seize potential market opportunities are taken to launch innovative products and services. Therefore, the current study's results are consistent with earlier research confirming that the higher the organisation's tolerance for risk-taking, the higher the organisation's innovation.

6.2.3 Organisation Structure

The third theme of climate for innovation identified is the organisation structure. Findings show that the organisation under study has an organic structure including less-bureaucracy, non-hierarchy, structure of functional units, flexibility, informality, playfulness and dynamism. The current study identifies the physical environment and teamwork and cohesion as dimensions of climate for innovation theme of organisation support. In line with earlier research, the current study's findings confirm that the organisation structure contributes to climate for innovation and is a significant determinant of innovation, in which it can facilitate or hinder innovation (Dalton et al., 1980; Cosh, Fu and Hughes, 2012; Steiber and Alänge, 2013). The dimensions of the organisation structure theme of climate for innovation are presented below.

The current research findings identify **bureaucracy** as a dimension of climate for innovation theme of organisation structure. Findings reveal that low levels of bureaucracy contribute to a positive climate for innovation. However, results show that an average level of bureaucracy is required for an organisation to function. Consistent with the extant literature, the findings indicate that low levels of bureaucracy enhance creativity and innovation (Ahmed, 1998; Cosh, Fu and Hughes, 2012; Steiber and Alänge, 2013), while too many processes and rules can hinder employees' innovation (Goepel, Hölzle and zu Knyphausen-Aufseß, 2012). In line with Adams, Bessant and Phelps' (2006) findings, results of the current study show that bureaucracy and layers of approval needed to implement a new idea can hinder innovation. This is because the too much time spent on gaining approvals hinders employees from thinking of another new idea. Results of this study suggest that internal processes should be simplified to facilitate innovation. Extending previous researches' findings, the current study argues that bureaucracy hampers innovation in an organisation because long processes and layers of approvals required hinder the implementation of new ideas (Goepel, Hölzle and zu Knyphausen-Aufseß, 2012). However, bureaucracy was not introduced as a dimension of climate for innovation in earlier frameworks (Ekvall, Arvonen and Waldenstrom-Lindblad, 1983; Amabile et al., 1996; Isaksen, Lauer and Ekvall, 1999). Hence, this study suggests that bureaucracy is an important dimension of climate for innovation that needs to be investigated further.

Hierarchy is another identified dimension of climate for innovation of the organisation structure theme. The current research findings indicate that a flat, non-hierarchical structure enhances the climate for innovation and, thus, fosters innovation in the organisation. In line with the Steiber and Alänge's (2013) study on Google, results of the current study show that a flat, non-hierarchical organisation structure contributes positively to innovation, in which innovative ideas can come about from anyone in the organisation through a bottom-up process. Findings show that potential innovative ideas coming from newly hired young employees are encouraged

and implemented. Further, results reveal that the organisation has low power distance levels, in which employees can easily approach the senior management team. Results show that managers are not sitting in closed rooms and isolated from the employees. The organisation has an open-door policy in which managers are easily accessible and employees are able to communicate and discuss their new ideas and suggestions directly with their line managers and senior managers. Consistent with previous research, the current study's findings confirm that a non-hierarchical structure provides opportunities for new ideas' sharing and discussion and, thus, enhances innovation in the organisation (Daugherty, Chen and Ferrin, 2011; Cosh, Fu and Hughes, 2012; Goepel, Hölzle and zu Knyphausen-Aufseß, 2012; Steiber and Alänge, 2013). Thus, it can be concluded that a flat and non-hierarchical structure fosters a positive climate for innovation. Despite the influence of non-hierarchical structure on climate for innovation, earlier frameworks did not address hierarchy as a dimension of climate for innovation (Amabile et al., 1996; Isaksen, Lauer and Ekvall, 1999). The current study identifies non-hierarchical structure as an essential dimension of climate for innovation.

The **structure of functional units** in the organisation is identified as a dimension of climate for innovation theme for organisation structure. Findings show that functional units are organised by customer segments, in which each unit is specialised to innovate for a specific market segment. The organisation established dedicated functional units to serve the youth market, the mass market, the high value market and the aspiring market. In line with Daugherty, Chen and Ferrin's (2011) study, results of the current research suggest that functional specialisation enables employees to focus more on each customer segment's needs and wants and, hence, innovate products and services that better serve those needs and wants. When functional units are structured by customer segment, employees are able to look carefully into each customer segment's needs and think from a customer perspective rather than from a product technical perspective. Extending Cosh, Fu and Hughes' (2012) findings, functional units' specialisation increases an organisation's propensity to innovate. This is because the structuring of functional units according to the different customer segments enables the organisation to reach customers effectively. Though functional units structuring is not mentioned as a dimension of climate for innovation, the current study argues that continuous restructuring of the functional units according to customer segments fosters innovation and enhances the climate for innovation.

The current study's findings reveal that the **physical environment** is a significant dimension of climate for innovation. However, previous research concerned with climate for innovation did not consider physical environment in their frameworks (Amabile et al., 1996; Isaksen, Lauer and Ekvall, 1999). There is limited research on the impact of workplace physical environment on creativity and innovation in organisations (Dul and Ceylan, 2014; Lee, 2016). Findings of the

current study show that physical environment and facilities are conducive to creativity and innovation (Lee, 2016). Congruent with the literature, findings of this research postulate that elements of physical environment, such as non-crowded physical spaces, plants, colours, lights, windows, informal spaces, interaction and meeting spaces, and other facilities, promotes creative and innovative ideas from employees (McCoy, 2005; Moultrie et al., 2007; Dul and Ceylan, 2014). Oksanen and Ståhle (2013) argue that organisation should design physical spaces that foster creativity and innovation. Results of this study indicate that a non-traditional and relaxing office setting enhances employees' creativity and innovation (Dul and Ceylan, 2011; Oksanen and Ståhle, 2013; Dul and Ceylan, 2014). Findings of this study indicate that organisations should design physical environments that stimulate employees cognitively to influence their innovative behaviours (Lee, 2016). Thus, it can be argued that physical environment is an essential dimension of climate for innovation that should be integrated in climate for innovation frameworks.

Findings reveal that **flexibility** in terms of working conditions is an important dimension of climate for innovation. Results show that flexible working schedules and remote working policies and practices stimulate innovation and encourage employees to come up with innovative ideas. The current research suggests that when an organisation adopts flexible working policies and procedures, employees feel more relaxed and, thus, become more innovative. However, the extant literature did not consider flexibility of working conditions in climate for innovation frameworks (Ekvall, Arvonen and Waldenstrom-Lindblad, 1983; Amabile et al., 1996; Isaksen, Lauer and Ekvall, 1999) and, thus, more research is required to investigate flexibility as a dimension of climate for innovation. Another identified dimension of climate for innovation that was not considered in earlier research on climate for innovation is **informality**. Findings of the current study point out that an informal working environment, such as an informal dress code and an open and friendly environment, is conducive to innovation. Results suggest that an informal and friendly work environment enables employees to generate more ideas. This study shows that managers are very friendly with employees and they do not act like typical bosses. Findings reveal that employees feel that they are not in a typical formal work environment; it is more of a friendly environment across the different age ranges. This informality facilitates work processes and interactions and discussions among employees and managers. However, this dimension of climate for innovation was also not addressed in earlier frameworks (Amabile et al., 1996; Isaksen, Lauer and Ekvall, 1999) and, hence, requires further research to study the impact of informal working environment on creativity and innovation.

Playfulness and dynamism in the organisation is identified as a dimension of climate for innovation theme of organisation structure. Findings of the current study posit that playfulness

and dynamism encourage employees to think out-of-the box and generate novel ideas and take initiatives (Holmes, 2007; Lang and Lee, 2010; Slåtten, Svensson and Sværi, 2011). Results show that an enjoyable working environment, which includes games, laughter, parties and fun activities, reduces job stress and encourages employees to produce new bright ideas. Findings show that playfulness and humour encourages employees to engage in creative thinking, which leads to innovations (Ekvall, 1996; Slåtten, Svensson and Sværi, 2011). These findings are in line with earlier findings of McFadzean (1998) and Hall (1996) who argue that a playful and fun work atmosphere enhances creative thinking and innovation in an organisation. They suggest that employees who enjoy themselves are able to generate novel ideas and innovate. This is because playfulness and humour are associated with an employee's positive emotional state, such as joy and an air of freshness. The broaden-and-build theory (Fredrickson, 2001) supports the relationship between an individual's emotional state and creativity and innovation. This study reveals that positive emotional states can enhance employees' modes of thinking and their innovative work behaviours (Fredrickson, 2003). However, there is limited research on the relationship between playfulness and dynamism in the workplace and innovation and more empirical research is needed. This study extends previous research and confirms that playfulness and dynamism is an important dimension of climate for innovation that needs further research attention (Ekvall, 1996; Isaksen, Lauer and Ekvall, 1999).

Teamwork and cohesion is identified as a dimension of climate for innovation theme of organisation structure (Amabile et al., 1996; Isaksen, Lauer and Ekvall, 1999). Findings show that high levels of teamwork and cohesion between functional units increase the level of creativity and innovation in the organisation. In line with the literature, results of the current study suggest that employees working in organisations with a high level of teamwork and cohesion are innovative and tend to assist each other in the innovation process (Amabile et al., 1996; Foss, Woll and Moilanen, 2013; Prieto and Pérez-Santana, 2014). The current research findings are congruent with Foss, Woll and Moilanen's (2013) study arguing that cross-functional teamwork and cohesion are essential for idea generation and implementation. Further, findings confirm that novel and innovative ideas arise when employees collaborate, exchange knowledge, information and ideas, provide feedback and help each other (Keller, 2001). Results show that when employees collaborate and exchange ideas with employees from other functional units, a flow of ideas emerges and the total innovative capacity of the organisation increases. This is congruent with Gundry et al.'s (2016) and Hülshager, Anderson and Salgado's (2009) findings who argue that teamwork and collaboration between employees across the organisation is required for innovating new products and services and innovation success. Shaner, Beeler and Noble's (2016) study suggests that cohesion between employees influences organisation innovativeness and innovation success. Further, the current study postulates that teamwork and

cohesion during the innovation process enhances the customer experience. Collaborative work and exchange of ideas enable employees to suggest new ideas and improvements to enhance the value-added of an innovation and, thus, drive the customer experience (Gundry et al., 2016). Findings show that employees are more innovative when they collaborate and work as a team rather than individually (Hon and Chan, 2013; Anderson, Potočnik and Zhou, 2014; Hon and Lui, 2016). Thus, it can be argued that team work and collaboration is a significant dimension of climate for innovation.

6.2.4 Human Resources Practices

The fourth theme of climate for innovation identified in the current study is human resources practices including rewards and recognition, performance appraisal, internal communication, training and development, and recruitment. The human resources practices have never been fully investigated in terms of climate for innovation (Heffernan et al., 2016). Thus, this study identifies and explores human resources practices in terms of climate for innovation. The dimensions of human resources practices are identified below.

Rewards and recognition of innovative performance is identified as one of the significant dimensions of climate for innovation theme of human resources practices (Ekvall, Arvonen and Waldenstrom-Lindblad, 1983; Amabile et al., 1996; Isaksen, Lauer and Ekvall, 1999). Findings of the current research postulate that organisations should reward and recognise the valuable ideas and initiatives of their employees. The research results show that the organisation provides employees with various types of extrinsic rewards and recognition awards that increase the employees' intrinsic motivation. Drawing on the psychological studies of employee motivation and creativity, a central argument suggests that employees will be more creative and innovative when they are intrinsically motivated rather than extrinsically rewarded (Amabile, 1997). However, the effectiveness of rewards and recognition systems for stimulating employees' creativity and innovative behaviours is still intensely debated in the academic literature (Malik and Butt, 2016). The extant literature reveals different arguments regarding the impact of intrinsic and extrinsic rewards on employees' creative and innovative behaviours. There are two distinct perspectives that tend to explain this relationship: the cognitive and behavioural (Malik and Butt, 2016). The cognitive perspective suggests that extrinsic rewards are detrimental to creative and innovative behaviour (Amabile, Hennessey, and Grossman, 1986; Jung, 2001; Muraven, Rosman and Gagné, 2007). Cognition researchers suggest that extrinsic rewards have positive effects on employees' creativity in simple jobs that do not require divergent thinking and novel ideas and reduce creativity in complex jobs (Amabile, Hennessey, and Grossman, 1986; Baer, Oldham and Cummings, 2003). In contrast, the behavioural perspective suggests that extrinsic rewards can enhance creative and innovative

behaviours (Eisenberger and Cameron, 1996; Eisenberger and Shanock, 2003). Therefore, many organisations focus on extrinsic rewards to encourage innovative behaviours (Waples and Friedrich, 2011). Malik and Butt (2016) address a convergence perspective of rewarding creativity and innovative behaviours, in which the cognitive and behavioural perspectives find a middle ground. Results of the current study are consistent with the convergence perspective where both extrinsic rewards and intrinsic motivation are essential for creative and innovative behaviours. Meanwhile, it is concluded that recognition awards (intrinsic motivation), such as celebrations, announcements and recognitions, encourage employees to be more creative and innovative. Further, research findings conclude that employees become customer obsessed and are encouraged to innovate to enhance the customer experience when they are rewarded and recognised. Therefore, it can be concluded that rewards and recognitions are necessary for stimulating employees' creative and innovative behaviours and, thus, ultimately enhancing the customer experience. Recognition awards that increase intrinsic motivation are more effective to promote innovative behaviours, where employees feel more proud when they get recognised for proposing novel ideas and innovations.

Performance appraisal is identified as a dimension of climate for innovation theme of human resources practices. The current study suggests that performance appraisal and evaluation is a significant practice that enhances and stimulates creativity and innovation. Findings show that it is essential for an organisation to conduct regular performance appraisals to identify employees with lower innovative behaviours in order to strengthen their performance and encourage employees to go the extra-mile. The current study's results are consistent with the findings of Cooke and Saini (2010) and (Muduli, 2015) who argue that performance management programmes, such as performance appraisal and performance-based promotion, are important human resources practices that promote innovation. However, the performance appraisal dimension does not receive attention in the climate for innovation literature and is not considered in the climate for innovation frameworks and measurements (Ekvall, Arvonen and Waldenstrom-Lindblad, 1983; Amabile et al., 1996; Isaksen, Lauer and Ekvall, 1999).

Findings of the current study identify **internal communication** as a significant dimension of climate for innovation. Results indicate that internal communication is the nervous system of the organisation because it strengthens employee engagement, ensures that employees are aware of the organisation's objectives and values, provides the latest knowledge and information, and conducts events and workshops to stimulate and encourage innovation. The findings demonstrate that the organisation adopts various tools of internal communication to foster and encourage innovation among employees. Congruent with the existing literature, the findings of this study postulate that internal communication across functional units has a

positive influence on an organisation's innovation (Kahn, 1996; Fisher, Matz and Jaworski, 1997; Rodríguez, Pérez and Gutiérrez, 2008). Extending Linke and Zerfass' (2011) study findings, the current study confirms that internal communication plays a crucial role in fostering creativity and innovation in an organisation. Linke and Zerfass (2011) argue that internal communication can trigger potential ideas from employees and engage them in innovative behaviours. However, despite the crucial role of internal communication in fostering innovation, internal communication is not cited as a dimension of climate for innovation in earlier research and frameworks (Ekvall, Arvonen and Waldenstrom-Lindblad, 1983; Amabile et al., 1996; Isaksen, Lauer and Ekvall, 1999). Thus, the current study proposes that internal communication is an important dimension of climate for innovation.

Another climate for innovation dimension identified in the human resources practices theme is ***training and development***. In line with previous research, the current study's findings point out that an organisation should run a variety of training and development sessions and programmes to enhance employees' innovative abilities and foster and encourage innovation across the organisation (Atuahene-Gima, 1996; Roffe, 1999; Laursen and Foss, 2003; Cooke and Saini, 2010). Stock, Totzauer and Zacharias, (2014) study pinpoints that innovation-oriented training and development provides employees with necessary competencies, such as skills and knowledge required to get engaged in innovative behaviours. Results reveal that the organisation conducts periodical training programmes about innovation and innovative thinking to encourage employees to think out-of-the box and come up with novel ideas. However, despite the importance of training and development in fostering innovation, the extant literature on climate for innovation did not consider training and development as a dimension (Ekvall, Arvonen and Waldenstrom-Lindblad, 1983; Amabile et al., 1996).

Finally, ***recruitment*** is identified as a dimension of climate for innovation theme of human resources practices. Results of the current study suggest that recruitment and selection policies represent an important dimension of climate for innovation. The organisation adopts an innovation-oriented recruitment policy, which is the extent to which the selection and recruitment of employees is focused on leveraging the organisation innovativeness (Stock, Totzauer and Zacharias, 2014). An organisation cannot be innovative unless it adopts a very selective recruitment policy to recruit the right people. Consistent with previous research, the current study pinpoints that an organisation should ensure diversity of employees' backgrounds when recruiting and selecting employees (Woodman, Sawyer and Griffin, 1993; Caniëls, De Stobbeleir and De Clippeleer, 2014). In line with Erhardt's (2011) and Caniëls, De Stobbeleir and De Clippeleer's (2014) findings, the current research postulates that diversity of employees in terms of intelligence, knowledge, expertise, and educational level is essential for new idea

generation and implementation. Results show that employees are more innovative when team members have diverse and complementary backgrounds, in which this diversity enhances divergent thinking (Dackert, Lööv, and Mårtensson, 2004). Despite that, the climate for innovation frameworks in the literature did not mention recruitment. The current study argues that recruitment is an important dimension of climate for innovation that stimulates and enhances innovation in an organisation.

6.2.5 Impediments to Innovation

The current research identifies two impediments to innovation: resources and work pressure (Amabile et al., 1996). Congruent with the literature, findings from this research postulate that availability of resources is crucial for the success of innovation (Hunter and Cushenbery, 2011). An organisation should allocate adequate financial budgets for innovation, provide employees the time to work on novel ideas, work with external agencies, and develop a strong research and development department. Findings show that adequate levels of resources enable the organisation to implement new ideas (Caniëls, De Stobbeleir and De Clippeleer, 2014). Findings indicate that when adequate resources are not available, innovation is hindered. Work pressure is identified as another impediment that undermines and hinders innovation. Congruent with Foss, Woll and Moilanen's (2013) study, findings of the current research show that high work pressure has a strong negative influence on idea generation and implementation. When employees are burdened with deadlines and targets, they are less likely to think out-of-the box and work on new ideas. However, some scholars posit that a certain level of work pressure is essential for creativity and innovation (Amabile, Hennessey and Grossman, 1996; Madjar and Oldham, 2006). In line with previous research, the current study confirms that workload and time pressure fosters a negative climate for innovation and impedes organisation innovativeness.

6.3 Employee Role in the Innovation Process

To cope with market rivalry and turbulence, organisations need to engage their employees in innovative work behaviours (de Jong and Den Hartog, 2007; Agarwal et al., 2012; Foss, Woll and Moilanen, 2013). Congruent with previous research and the RBV theory, the current study confirms that employees are at the heart of the innovation process (Agarwal et al., 2012; Hormiga, Hancock and Valls-Pasola, 2013; Abstein and Spieth, 2014). The resource-based view of the firm reflects the crucial role of employees in building the core competence of an organisation (Awais and Tipu, 2014). Findings of this research suggest that employees can drive and improve organisation innovativeness through their ability to generate new ideas of products, services and processes to ultimately enhance the customer experience. Employees

are the main source of innovative ideas of products and services. Results of this research are consistent with de Jong and Hartog's (2007) study indicating that employees can enhance the organisation's performance through generating and implementing ideas for new products and services. The current study demonstrates that organisations must create and maintain a climate for innovation that stimulates and supports employee innovative work behaviours (Bysted, 2013).

The current study shows that employees' roles in the innovation process can be divided into three stages: generation of new ideas, sharing and promoting ideas, and implementing those ideas or helping others implementing their ideas (Scott and Bruce, 1994). The majority of the new ideas generated in the organisation under study came from young employees at junior levels. These findings confirm Foss, Woll and Moilanen's (2013) study that found that ideas originate from the lower levels of the organisation, such as junior employees. The findings indicate that employees generate new ideas to provide customers with innovative products and services that offer unique benefits and solve customers' problems in an innovative way (Scott and Bruce, 1994). For instance, the Balance Transfer portfolio innovation and Micro-Recharge cards innovation are among the top and most significant innovations of the organisation that enhance the customer experience and they arose from junior employees.

This study shows that employees play a crucial role in seeking ways to promote their new ideas and convince others about the value of their ideas (Scott and Bruce, 1994). Employees tend to share their new ideas with their co-workers and managers and spread their new ideas across the organisation. Findings from this research reflect that employees who come up with new ideas, idea champions, tend to push and promote their innovative ideas through blockages in the organisation (Baer, 2012). In line with previous research, results of the current study indicate that employees promote their ideas through seeking support from managers and colleagues, showing enthusiasm and confidence about the success of their new ideas, and being determined to implement their ideas (Baer, 2012; Bjorklund, Bhatli and Laakso, 2013; Foss, Woll and Moilanen, 2013). This research shows that during the implementation stage, employees exert tremendous effort to make new ideas happen (de Jong and Hartog, 2007). Results confirm that when employees believe that a certain innovation will offer customers value-added benefits and enhances the customer experience, they take initiatives to implement the idea. During this stage, employees put effort in the development of new ideas and contribute to the implementation of the new ideas (Scott and Bruce, 1994; Foss, Woll and Moilanen, 2013). They do this by convincing their peers and managers of the innovation's value, investing considerable effort in development and testing, spreading positive word-of-mouth to their families and friends and on social media.

Findings of the current study reveal that when employees have positive perceptions of climate for innovation, they are likely to play an active role in the innovation process. In line with earlier research, an innovative organisation must create and maintain an appropriate climate for innovation that encourages employees to innovate (Foss, Woll and Moilanen, 2013; Caniels, De Stobbeleir and De Clippeleer, 2014). Foss, Woll and Moilanen (2013) suggest that the extent to which employees generate new ideas and implement their new ideas depends on their perceptions of the climate for innovation in the organisation. This study shows that employees play an active role in the innovation process because of the high level of positive perceptions of climate for innovation. Findings from this study demonstrate that employees are willing to be innovative to the extent they perceive their organisation is receptive and supportive to new ideas. Thus, the current study's findings are consistent with previous research, suggesting positive perceptions of climate for innovation are highly related to employees' innovative work behaviours. The next section discusses the organisation's innovations drawn from the climate for innovation and their success in terms of customer experience.

6.4 Organisation Innovativeness and Customer Experience

Telecommunications operators around the globe are faced with a number of threats affecting or threatening their revenues and growth (Acker et al., 2012). The increase in demand from customers is placing telecommunications operators under unprecedented pressure. This increase in demand has forced telecom operators to invest significantly to upgrade network capacity and connectivity, thus lowering their profit margins (Acker et al., 2012). Further, rivals from adjacent industries, such as Facebook and Google, are exploiting opportunities in the telecommunications sector and competing with telecommunications operators. If telecommunications operators are to meet the changing customer needs and head the competition, they should innovate. Network capability alone is no longer a differentiator and telecommunications operators need to develop their innovation capabilities to survive in the fast-evolving telecommunications industry. Telecommunications operators must discover new innovative products and services to enhance the customer experience and generate new revenue streams.

The development of mobile telecommunications technologies and the rapid growth in the mobile phone subscriber base led to the ongoing popularisation of telecommunications services (Wang, 2015). The current study investigated the top ten innovations, both radical and incremental, of a major telecommunications operator in Egypt and their impact on the customer experience. Consistent with the literature, findings reveal that innovation is a key source for competitive advantage (Hogan and Coote, 2014). Organisations can enhance their product and service quality, attract new customers and markets, and improve their market position through

innovation (Hogan and Coote, 2014). Findings show that the telecommunications operator under study is continuously enhancing the customer experience through innovation. Results indicate that the organisation offers differentiated value-added product and service innovations to leverage the customer experience.

Congruent with the literature, the current study results show that mobile value-added services have become increasingly vital for telecommunications operators because revenues from the voice call service continue to decline (Wang, 2015). Findings confirm that the value-added service and product innovations contributed to the average revenue per user (ARPU) and enhanced the customer experience. Entering the 3G and 4G eras, telecommunications operators are able to provide customers with a variety of value-added service innovations that serve customers' hedonic or utilitarian needs (Wang, 2015). The organisation in this study produced two significant mobile value-added service innovations in the Egyptian telecommunications market: the Arabic e-Bookstore and the Money Transfer application. The digital e-Bookstore is considered one of the organisation's radical innovations. Findings reveal that the customer experience of the e-Bookstore application was positive on several dimensions including variety of choices of books and magazines, easy access without spending time on searching, reduced prices of publications, convenient purchases and payment processes, reliability of the technical aspect of the application, and providing customers with a social engagement platform. Findings indicate that the Arabic e-Bookstore is a radical innovation in the Egyptian market fulfilling a market gap and customer need. Another significant mobile value-added service innovation introduced by the organisation under study is the Mobile Transfer application. It is a radical service innovation that was first introduced in the Egyptian market. This innovation leveraged the organisation's positioning in the market and enhanced the customer experience. Findings posit that the Money Transfer application serves the customers' utilitarian needs, thus enhancing the customer experience. The application provides customers with convenience, value-for-money and time, accessibility and high service quality in call centres and retail outlets, as well as caring processes and procedures. The number of customers expanded tremendously in one year because of the superior customer experience. Findings are congruent with previous research results indicating that offering differentiated mobile value-added service innovations is crucial for superior customer experience (Wang, 2015).

As mentioned earlier, results suggest that the organisation considers carefully the value-added benefits of product and service innovations to the customer. In other words, the organisation offers product and service innovations that have an enormous impact on the customer experience. Further, the organisation produced a range of value-added product and service innovations to serve each market segment and, thus, enhance the customer experience. For

instance, the Balance Transfer portfolio services innovation and the Micro-Recharge cards targeted the mass-market, the Red Services Bundles service innovation served the high value customer segment, and the Control Flex Unit tariff was developed for the aspiring market segment. Findings indicate that the organisation thinks from a customer perspective when innovating products and services rather than from a product technical perspective. The Balance Transfer services portfolio innovation is a radical innovation that was first introduced in the Egyptian telecommunications market. This innovation fulfilled an existing market gap and enhanced the customer experience by providing value-added benefits, variety of choices, and differentiated services. Findings reveal that the Balance Transfer services portfolio innovation achieved high net promoter scores and generated massive revenue streams to the organisation. Similarly, the Micro-Recharge cards is a radical innovation that was new to the world and the Egyptian telecommunications market. Findings show that the Micro-Recharge cards innovation received a patent, won 13 international awards, increased the average revenue per user (ARPU) by 7%, generated revenues and boosted the customer experience. This product innovation provides customers with value-added benefits, fulfils an existing customer need in the Egyptian market and offers a variety of choices. Findings show that the Micro-Recharge cards is a significant innovation that turned a market need or problem into an opportunity, thus driving the customer experience. Likewise, the Control Flex Unit tariff innovation boosted the customer experience of the aspiring customer market segment. The Control Flex Unit tariff innovation is another radical innovation as it is a creation of a new currency in the telecommunications industry. Findings indicate that this innovation expanded the customer database, achieved a high net promoter score and massively increased the organisation's revenues. The Control Flex Unit tariff innovation offered customers with utilitarian benefits including simplicity, flexibility, value-for-money, and transparency in bill calculation.

The findings of the current study confirm earlier researchers' findings that organisations should innovate differentiated products and services that fulfil customers' needs and are of value-added benefits (Deshpandé, Farley and Webster, 1993; Theoharakis and Hooley, 2008). Customer centric organisations are more likely to offer successful innovative products and services that are congruent with the customer needs and wants (Grissmann, Plank and Brunner-Sperdin, 2013). Literature also suggests that customer centric organisations have high chances of producing new-to-the-world innovations (Lukas and Ferrell, 2000); and retain their customers (Grissmann, Plank and Brunner-Sperdin, 2013). In line with the literature, the current research findings posit that customer centricity is crucial for innovation in an organisation and enables the organisation to innovate value-added products and services that deliver superior customer experience. Consistent with Chen, Tsou and Huang 's (2009) findings, the current study shows that an organisation should innovate products and services that deliver

value to customers that meet changing customers' preferences and multiple customer segments with different needs.

To enhance the customer experience and achieve competitive advantage, a service organisation must deliver services and products through various distribution modes in an innovative way (Wirtz et al., 2004). The innovative way in delivering services is increasingly becoming a new source of differentiation and innovation for service organisations (Chen et al., 2009). In line with the literature, the current study findings point out that an organisation should provide customers with customer care innovations to enhance the customer experience (Chen, Tsou and Huang 2009). The customer care innovations have been referred to in the literature as service delivery innovations (Chen et al., 2009). There are two types of service delivery innovations in a S-D logic framework: the introduction of new service touch points for existing customer service (NE) and the introduction of new service channels (NN) for new customer service (Chen, Tsou and Huang, 2009). As discussed in section 5.1.3, the organisation introduced various customer care innovations including social media customer care, call centre service innovations, retail outlets innovations, and customer service digital applications. The organisation introduced both types of service delivery innovations. The NE service innovation refers to the adoption of new service touchpoints, such as the social media care platforms and digital applications launched by the organisation. Conversely, the NN innovation refers to the introduction of new service channels to provide new customer services, such as the retail outdoor customer service innovations and technical support services in retail outlets. The organisation was awarded for the best online customer experience and recognised for being successful in using social media for customer service that ultimately enhanced the customer experience. Findings show that the organisation reported the highest customer experience score in the call centre and retail outlets service innovations among competitors in the market (The National Telecom Regulatory Authority of Egypt, 2014; 2015). Extending Chen, Tsou and Huang 's (2009) study findings, this research pinpoints that it is crucial for an organisation to innovate at all customer service touch points to deliver superior customer experience. They argue that innovation in service delivery offers customers greater convenience and improves an organisation's competitiveness and financial and non-financial performance.

Findings of the current study also reveal that the organisation introduced various innovations for the enterprise customers. Some of the main organisation innovations for enterprises and small businesses include Cloud Services, Machine-to-Machine, and Data Analytics. The organisation introduced several business or complex new innovative solutions for enterprise customers to enable them to be efficient. Results confirm that it is necessary for an innovative organisation to launch innovations that the customers are unaware of and, thus, change their

behaviours to boost the customer experience. An innovative organisation should introduce customised business solutions innovations that would suit its customers' needs and provide value-added benefits. The findings demonstrate that the organisation's innovations targeting the enterprise customer segment enhanced the customer experience for various reasons. The enterprise innovations enabled customers to execute their daily business in an efficient way (e.g. Cloud Services), value-added services (e.g. Data Analytics), and fulfilled customer needs (Machine-to-Machine). The three enterprise innovations analysed boosted the customer experience of the enterprise segment. Findings indicate a positive customer experience of the enterprise innovations.

The relationship between innovation and organisational performance has been studied by several researchers. It is found that innovation plays a key role in driving superior organisational performance (Oke, 2007; Rosenbusch, Brinckmann and Bausch 2011; Lin, 2013). Existing literature divides organisational performance measures into financial performance measures, such as revenues and profits; and non-financial performance measures, including reputation, loyalty, or customer satisfaction (Ngo and O'Cass, 2013). There are few studies investigating the relationship between innovation and customer experience (Su, 2011; Foroudi et al., 2016). Congruent with the literature, findings of the current study confirm the positive relationship between organisation innovativeness and customer experience (Oh and Teo, 2010; Su, 2011; Foroudi et al., 2016). Foroudi et al. (2016) posit that technical and non-technical innovations have a positive influence on customer experience and customer loyalty. Within the same vein, Oh and Teo (2010) propose that innovation provides customers with new products and services that positively influence the customer experience. Further, Su's (2011) study in ethnic restaurants show a strong significant relationship between service innovation and customer experience. When an organisation provides innovative products and services that meet customer needs, customers are more likely to purchase products and services from the firm and, thus, increase customer retention (Anderson, Fornell and Lehmann, 1994). Lin's (2013) study proposes that innovations introduced by organisations, including a wide range of products, adoption of new technology, and improvement of services processes, contribute to high service quality and, therefore, higher customer satisfaction. Service innovation can transform the state of customers, especially in their perceptions of the service delivery offered, and results in customer satisfaction and loyalty (Lin, 2013). Using data from 259 firms, Ngo and O'Cass' (2013) study establishes a strong relationship between innovation and the quality of a firm's services and business success. They suggest that organisations that place emphasis on innovation are more likely to improve the fit between their product and service innovations and customer needs. Damanpour, Walker and Avellaneda (2009) argue that innovations enable organisations to differentiate their offerings and increase their service quality. Chen, Tsou and Huang's (2009)

study examines the innovation in service delivery and its antecedents and consequences, finding that service delivery innovation had a positive and significant influence on both financial and non-financial performance, which indicates that service delivery innovation has a strong impact on firm performance.

Drawing on previous research findings, the current study suggests that product and service innovations that meet customer needs are highly related to superior customer experience. To provide customers with a superior experience, an organisation should be constantly adapting to changing customer needs by being innovative. The customer experience should be placed at the heart of an organisation's innovation efforts (Beltagui, Darler and Candi, 2015). Findings from this research confirm that innovation enables an organisation to differentiate its offerings in the market and deliver value-added benefits, thus enhancing the customer experience. A service organisation can enhance the customer experience through service innovations (Hsieh et al., 2013). As mentioned earlier, there is a lack of studies investigating the relationship between product and service innovations and the customer experience (Beltagui, Darler and Candi, 2015). Thus, this addresses this gap and investigates the relationship between organisation innovativeness and customer experience. The study proposes a strong relationship between organisation innovativeness and customer experience.

6.5 Employees' Perceptions of Climate for Innovation and Customer Experience

Findings of the current study indicate that a climate for innovation is highly related to customer experience. Positive employees' perceptions of climate for innovation foster employees' innovative behaviours and, thus, organisation innovativeness. The current study is in line with previous research results confirming that climate for innovation encourages innovative behaviour because it will have a high tolerance towards trial and error, promotes risk-taking, allows autonomy, provides comprehensive rewards, flexibility, and inspires democratic communication, contributing in this way to organisational performance (Baer and Frese, 2003; Kheng and Mahmood, 2013). The current study shows that a positive climate for innovation enables the organisation to introduce innovative products and services that enhance the customer experience. Consistent with Matsuo's (2006) study findings, results also confirm that when employees are encouraged to innovate, they tend to focus on customer needs and wants, and innovate services and products to serve the customer. Younger employees are eager to take initiatives and innovate when they have positive perceptions of climate for innovation. An organisation can boost the customer experience and establish a competitive edge in the market by introducing differentiated innovative products and services that meet the customer needs. Findings demonstrate that this cannot be achieved unless the organisation has an appropriate climate for innovation. The organisation under study has the largest market share and scored

the highest customer experience scores in the Egyptian telecommunications market because of the innovative products and services it offered. The current study's findings are congruent with Schmitt's (2010) findings, which posit that when employees positively perceive their work environment and receive motivation, they are more capable of offering customer experiences. His study concludes that if companies do not provide employees with a good experience, they will not be motivated and engaged enough to offer experiences. Similarly, Hart et al. (2002) argue that organisational climate influences employee contextual performance behaviours as those activities that support the overall success of the organisation, including volunteering to carry out tasks, cooperating with workers, exerting effort and promoting the organisation to others. The results of Hart et al. (2002) demonstrate that employee contextual behaviours are important in determining customer experiences.

Despite the crucial relationship between climate for innovation and customer experience, there have been no studies to date, to the best of the author's knowledge, investigating the relationship between employees' perceptions of climate for innovation, organisation innovativeness and customer experience. Previous literature focused on the relationship between service climate and service quality (Schneider and Bowen, 1985), customer satisfaction (Johnson, 1996), customer loyalty (Salanova, Agut and Peiró, 2005). There is no knowledge about which dimensions of climate for innovation are highly related to customer experience. Although innovation literature placed emphasis on the relationship between innovation and firm performance, it ignored the relationship with customer experience. Snyder et al. (2016) argue that there is scant attention paid to customer experience in the service innovation literature and there is a need for more focus on service innovation success in terms of customer experience. Therefore, this research closes this gap and investigates the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience. Specifically, the current research identifies dimensions of climate for innovation that are highly related to customer experience. The significant dimensions of climate for innovation that are identified to be highly related to customer experience are addressed and discussed below.

As discussed in Chapter 5, the most significant dimensions of climate for innovation that are highly related to enhancing customer experience include customer centricity, idea support, senior management, risk-taking, open innovation, idea time, teamwork, empowerment, functional units' structure, rewards and recognition, challenging jobs and employee involvement.

Customer centricity is the most important dimension of climate for innovation perceived by employees to be highly related to superior customer experience. As discussed in section 6.2.1,

customer centric practices emerged from the interview transcripts analysis. Results indicate that customer centricity practices discussed earlier are crucial for a supportive climate for innovation and encouraged employees to come up with innovative products and services. Interviewees spoke solely about customer-centric innovations and argued that the organisation produces only product and services innovations that are useful to customers. Results reveal that employees had the customer in mind when thinking of any new idea. Consistent with the previous research findings, the current study argues that a customer centric organisation is more likely to innovate products and services that meet customer needs and wants, thus boosting the customer experience (Theoharakis and Hooley, 2008; Grisseemann, Plank and Brunner-Sperdin, 2013). Because of customer centricity, the organisation was able to introduce various innovations that served different customer segments, such as the Balance Transfer Portfolio innovation and the Micro-Recharge cards innovation, thus enhancing the customer experience of the consumer market segment. Further, the organisation introduced three innovations to the enterprise market segment including the Cloud services, the Machine-to-Machine services, and Data Analytics services. These innovations were introduced for the first time in the Egyptian telecommunications segment. Findings show that the organisation under study is the only telecommunications organisation that provides enterprise customers with telecommunications service innovations to enable them to be efficient. This study indicates that because of customer centricity, the enterprise innovations were able to address and fill the needs of the enterprise customers, thus leveraging the customer experience. Additionally, findings of this study indicate that the organisation adopted practices and policies, such as launching a customer experience excellence programme, to ensure a high level of customer obsession among employees and to encourage employees to think from a customer mindset and innovate to drive the customer experience. The customer experience excellence programme focused on stimulating and encouraging employees to think from a customer's perspective and emphasised the importance of innovating products and services that would leverage the customer experience. Findings show that the customer experience excellence requires employees to do things in a new way and innovate new and differentiated products and services. Findings reveal that innovation, in a way, is provoked by focusing on customer experience. Hence, this research argues that an innovative organisation should encourage employees to think from a customer perspective when innovating products and services. Congruent with the literature, findings from this research confirm that customer centricity is an important driver of innovation and, thus, customer experience (Paladino, 2008; Theoharakis and Hooley, 2008; Ar and Baki, 2011; Ngo and O'Cass, 2013).

The current study argues that the **idea support** dimension of climate for innovation is highly related to customer experience. Organisational support of new ideas fosters the generation of

plenty of innovations that ultimately enhance the customer experience. The current study argues that when employees have positive perceptions of the level of idea support and their ideas are implemented, they are encouraged to innovate for customers to enhance the customer experience. Innovations discussed in Chapter 5, such as the Balance Transfer Portfolio, Micro-Recharge cards, and Control Flex Unit tariff, enhanced the customer experience and they were ideas that came from employees and were strongly supported by the organisation. The organisation supports new initiatives and encourages employees to generate and put forward novel ideas by providing a tool, namely, the catalyst tool, which is available for employees to propose and submit new ideas that would enhance the customer experience. The Arabic e-Bookstore innovation was one of the ideas generated from the catalyst tool that drove the customer experience. Further, the organisation established an innovation showroom where employees present their new ideas of products and services to the entire organisation and discuss how these ideas can improve the customer experience. Hence, it can be concluded that idea support is an important dimension of climate for innovation that is highly related to customer experience.

Senior management is also identified as one of the important dimensions of climate for innovation that is highly related to customer experience. The current study argues that the CEO and senior executives influence innovation by encouraging and supporting the generation and implementation of new ideas, inspiring employees and acting as innovative role models, improving the organisation's innovativeness and, thus, customer experience. The senior management of the organisation under study supported the implementation of several innovations that were new to the Egyptian telecommunications market and achieved positive customer experience, such as the digital e-Bookstore and Micro-Recharge cards. Those innovations would not have been implemented without the senior management support because they were too risky and could have generated tremendous financial losses to the organisation. Further, results show that the launch of the enterprise service innovations, such as the Cloud services and Machine-to-Machine innovations, were hugely supported by the senior management. Thus, it can be argued that senior management support is a crucial dimension of climate for innovation that is highly related to customer experience.

Risk-taking is another dimension of climate for innovation that is highly related to customer experience. For an organisation to enhance the customer experience and achieve competitive advantage, it must be a risk-taker. The current study's findings demonstrate that successful innovations that enhanced the customer experience needed high levels of risk-taking. The Balance-Transfer portfolio innovation was one of the riskiest innovations launched by the organisation that generated high customer experience scores and revenue streams. Similarly,

the Cloud Services innovation introduced to the enterprise segment was risky. The organisation was not sure if the Egyptian enterprises would be encouraged to adopt new methods of conducting their work processes. The organisation had to convince enterprise customers to switch from the traditional ways of doing business to adopt the Cloud Services. This was considered a risky innovation because it was new to the Egyptian enterprise customers and required them to change their ways of doing businesses. Further, this study's findings show that being risk-averse can lead to loss of potential opportunities in the market, thus failing to enhance the customer experience. This research postulates that an organisation cannot enhance the customer experience unless it takes high risks when introducing product and services innovations.

Another dimension of climate for innovation that is highly related to customer experience is **open innovation**. The current study argues that external collaboration with partners and sources outside the organisation can generate innovations that enhance the customer experience. Two out of the ten innovations discussed in Chapter 5 came from open innovation practices, the Money-Transfer application and the Red Services Bundles innovation. Both innovations came from collaboration with external partners in international markets in Kenya and the United Kingdom. In addition, an online platform was created for developers of USSD and SMS from outside the organisation to innovate and develop services that would enhance the customer experience. Therefore, it is crucial for an organisation to use external sources to innovate products and services that would enhance the customer experience.

Idea time is also an important dimension of climate for innovation that is related to superior customer experience. This research demonstrates that employees need time to think out-of-the-box and develop product and service innovations that boost the customer experience. For instance, findings show that the call centre employees came up with new customer service innovations that enhanced the customer experience when they were given time to think and innovate. Employees should have time to think from the customer mindset and test and develop product and service innovations. Findings from this study show that when employees are given adequate time to explore and elaborate on new ideas, they are able to conduct sufficient market research about customer needs and wants, market trends, and identify factors that leverage the customer experience. They are also able to experiment and test their new ideas in terms of the customer experience. The Red Services Bundles, the Control Flex Unit tariff, and the Micro-Recharge cards are prominent examples of successful innovations that leveraged the customer experience because employees were given time to think out-of-the box and elaborate and experiment on these ideas. Thus, it can be concluded that idea time is an essential dimension of climate for innovation that is highly related to customer experience.

Similarly, **teamwork** and **cohesiveness** is also identified as one of the climate for innovation dimensions that are related to customer experience. Research findings indicate that collaboration and teamwork among employees across the organisation during the innovation process can lead to successful innovations that ultimately enhance the customer experience. Employees from different functional units can suggest several ideas and views to enhance the ultimate version of an innovation in order to drive the customer experience. Results of the current study point out that teamwork was crucial for the success of several innovations, such as the Balance-Transfer portfolio, the Control Flex Unit tariff, and the e-Bookstore. Employees from various departments collaborated and worked cohesively to enhance the customer experiences of these innovations. This collaboration led to the emergence and flow of new ideas that drove the customer experience. For instance, employees from the marketing and finance departments worked closely in order to create the Control Flex Unit tariff and make it easy for customers to understand and adopt. Further, the advertising department collaborated with the marketing team to launch an appealing advertising campaign for the Control Flex Unit tariff. Findings show that the advertising campaign was one of the most significant campaigns executed by the organisation and yielded positive customer experience. Results reveal that this high teamwork level and cohesiveness led to the success of the Control Flex Unit tariff innovation in terms of customer experience. Thus, it can be argued that teamwork is an essential dimension of climate for innovation that is highly related to customer experience.

Employee empowerment is also a crucial dimension of climate for innovation that leads to enhanced customer experience. Findings propose that when employees are empowered, they are more keen to generate and implement novel ideas of product and service innovations to leverage the customer experience. Congruent with the literature, findings of this study show that empowerment enhances employees' skills enabling them to undertake new initiatives and generate novel ideas to satisfy customer needs (Rafiq and Ahmed, 1998; Luria, Gal and Yagil, 2009). Results of this study pinpoint that empowered employees are eager to implement innovations that enhance the customer experience. For instance, the study reveals that when call centre employees were empowered, they were able to solve customers' problems and complaints in an innovative way without going back to their line managers, thus enhancing the customer experience. Findings suggest that when employees feel that they are in control of their jobs, they are able to be creative and innovative, and this consequently reflects on the customer experience. Further, this study shows that junior employees or those who are in direct contact with the customers, are those who know what the customer wants and are the ones who come up with innovations that improve the customer experience. An example of this is the Micro-Recharge cards innovation that was put forward from a junior employee in the consumer marketing department. His managers allowed him to elaborate and work on his idea until he

achieved the final successful version of the innovation. Thus, the role of the managers is to empower employees enough to generate and implement their ideas. Additionally, empowered employees feel that they are the owners of the innovation, thus they exert effort to make it succeed and, hence, improve the customer experience. The current study argues that empowered employees are able to innovate for the customers, thus enhancing the customer experience. Hence, it can be argued that employee empowerment is an important dimension of climate for innovation that is highly related to the customer experience.

Further, findings of this research confirm that organisations structure in terms of **functional units** is highly related to customer experience. This study demonstrates that the establishment of teams specialised to serve each customer market segment enables the organisation to introduce innovations that meet each customer segments' needs and wants, thus driving the customer experience. The organisation under study launched innovations dedicated to each market segment, such as the mass market, the aspiring segment, and the high value segment. Innovations targeting each customer segment (Balance Transfer Portfolio, Control Flex Unit tariff, and Red Services Bundles) improved dramatically the customer experience of each customer segment as each innovation fulfilled the specific needs and wants of the segment. As mentioned earlier in Chapter 5, innovations targeting specific customer segments achieved high customer experience scores (NPS) and generated revenue streams. Therefore, the current study argues that the continuous restructuring of functional units and teams to meet changing customer needs enables the organisation to innovate product and service innovations that enhance the customer experience.

The **rewards and recognition** dimension of climate for innovation is also identified to be highly related to customer experience. When employees receive rewards, and get recognised for going the extra-mile, they are encouraged to innovate to enhance the customer experience. The customer care innovations discussed in Chapter 5 came from the call centre employees who went the extra-mile to enhance the customer experience because of the rewards and recognition practices in the organisation. Further, when employees were recognised and rewarded for coming up with the idea of the Lend-Me service innovation (in the Balance Transfer Portfolio), they were encouraged to generate and implement nine more service innovations, enabling the organisation to create the Balance Transfer Portfolio innovation discussed in section 5.1.1. As discussed in Chapter 5, the Balance Transfer Portfolio was one of the organisation's significant innovations that leveraged the customer experience and generated enormous revenue streams. Findings of this study indicate that an organisation should reward and recognise employees who put forward innovative ideas that exceed the customer expectations and improve the customer experience. Therefore, it can be argued that rewards

and recognition is a crucial dimension of climate for innovation that is highly related to the customer experience.

The current study argues that the **challenging jobs** dimension of climate for innovation is highly related to customer experience. Findings show that job designs should challenge employees to always innovate products and services that would meet customer needs and wants in an exciting way. When employees are challenged and not executing routine tasks, they are more encouraged to innovate products and services that would enhance the customer experience. Results of this study reveal that employees came up with the idea of the Control Flex Unit tariff innovation when the Head of Consumer marketing challenged them to generate ideas for new products and services to fulfil the market gaps in the aspiring market segment. As discussed in Chapter 5, this idea of launching a new telecommunications unit was of a huge success in terms of customer experience. Employees were challenged to develop a new monetary unit in the telecommunications industry. Additionally, the idea of the vehicle tracking device innovation, addressed in section 5.2.2, came from employees when the Head of the Enterprise Business Unit challenged them to innovate a device that enables customers to track and manage their vehicles. Findings from this study suggest that jobs should be designed in a way that push employees out of their comfort zone to stimulate their creativity and innovation, thus generating product and service innovations that enhance the customer experience. Thus, it can be argued that challenging jobs is another dimension of climate for innovation that is highly related to the customer experience.

Finally, this study argues that the **employee involvement** dimension of climate for innovation is highly related to the customer experience. The current study shows that employee involvement is crucial to generate innovative ideas for products and services that improve the customer experience. Findings posit that it is important to involve the entire organisation in the innovation process and allow employees across the organisation to make suggestions and recommend new ideas to improve the customer experience. To leverage employee involvement, the organisation runs go-to-market forums and trade review forums to engage all employees across the organisation in the innovation process. As discussed earlier, these forums tend to review new product and service innovations launched on to the market. In these forums, the organisation is keen to involve employees who would be keen to initiate actions, suggest ideas for improvement, or participate in the decision-making. Further, these forums increase employees' awareness of all the innovations generated from other functional departments. This increases employees' involvement and encourages them to participate in the innovation process by suggesting new ideas that would enhance the customer experience. Employees across the organisation were involved in the innovation process of all the consumer innovations discussed

in Chapter 5. Results show that when employees become involved in the innovation process, they are more likely to be engaged in proactive and discretionary behaviours to implement innovations that contribute to the customer experience. This study reports that high levels of employees' involvement in the innovation process stages can drive the customer experience. Therefore, it can be concluded that the employee involvement dimension of climate for innovation is highly related to the customer experience.

6.6 Summary

To sum up, the current study confirms a relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience. This research shows that positive employees' perceptions of climate for innovation enable the organisation to introduce innovative products and services that enhance the customer experience. Further, this research finds that there are some dimensions of climate for innovation that are highly related to customer experience than other dimensions. The study identifies the dimensions of climate for innovation that are more critical to customer experience. The next chapter is the conclusion chapter of this thesis.

CHAPTER 7: CONCLUSIONS

This final chapter presents the conclusions of the research study described in previous chapters. The chapter is divided into five sections. Section 7.1 summarises the contribution to knowledge. Section 7.2 examines the implications of the study for marketing and management practice. Section 7.3 discusses the limitations of the study. Section 7.4 reviews the opportunities for future research. Finally, section 7.5 concludes the chapter with a final word reflecting on the need for close collaboration between innovation management, marketing management, and human resources management.

7.1 Contributions to Knowledge

In Chapter 2, it was mentioned that very few studies have examined the relationship between organisational climate, innovation, and organisation performance (Baer and Frese, 2003; Panuwatwanich, Stewart and Mohamed, 2008; Nybakk and Jenssen, 2012). Despite the importance of this relationship, the majority of the studies that examine the three constructs are fragmented (Sethibe and Steyn, 2016). Specifically, it was argued that there have been no studies to date investigating the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience. This study, therefore, is built on the componential theory of organisational climate for creativity and innovation developed by Amabile (1997) and the resource-based view theory (Wernerfelt, 1984), and shows that climate for innovation is related to organisation innovativeness and customer experience at a major telecommunications organisation in Egypt.

There are three major contributions to literature made by this research. These are summarised as follows:

7.1.1 Climate for Innovation and Innovation Management Literature

First, this study contributes to the climate for innovation and innovation management literature by identifying further dimensions of climate for innovation that foster organisation innovativeness in a real-life setting. There is scant research on the relationship between climate for innovation and implementation of new ideas, i.e. organisation innovativeness (Foss, Woll and Moilanen, 2013; Loewenberger, 2013; Anderson, Potočnik and Zhou, 2014; Dul and Ceylan, 2014). Most studies conceptualise climate for innovation in terms of certain variables or determinants. An in-depth understanding of the factors that foster creativity and innovation in organisations is required (Černe et al., 2014; Hon and Lui, 2016). There is a need to develop a framework that includes more dimensions of climate for innovation to investigate the relationship between climate for innovation and product/service innovation at an organisational

level (Lowenberger, 2013; Dul and Ceylan, 2014). In this study, climate for innovation is divided into five main themes: leadership for innovation, organisation support for innovation, organisation structure, human resources practices, and impediments to innovation. Within the climate for innovation themes, there are also a number of dimensions which are critical for organisation innovativeness. This study shows how a service organisation creates a supportive climate for innovation that facilitates organisation innovativeness in a real-life-setting. This study pinpoints dimensions of climate for innovation that enhances organisation innovativeness that were not identified in previous climate for innovation frameworks, including: customer centricity, a dedicated unit for innovation, open innovation, idea implementation, structure of functional units, hierarchy, bureaucracy, informality, performance appraisal, physical environment, flexible working conditions, internal communication, training and development, and recruitment. Some of these dimensions, such as open innovation, training and development, and recruitment, were studied separately as practices that enhances employees' innovative behaviours and organisation innovativeness (Cooke and Saini, 2010; Stock, Totzauer and Zacharias, 2014), but not integrated in climate for innovation frameworks. Hence, by identifying further dimensions of climate for innovation, this study provides a comprehensive framework of significant dimensions of climate for innovation that enhances the organisation innovativeness.

Second, this study contributes to the climate for innovation and innovation management literature by adding insights from the Egyptian telecommunications sector. Reviewing the literature, there is only one study investigating the relationship between transformational leadership and climate for innovation in the Egyptian hospitality industry (Moustafa, 2015). As discussed in Chapter 2, previous studies on climate for innovation and organisation innovativeness were in Western and Asian contexts. This is the first study to investigate the relationship between employees' perceptions of climate for innovation and organisation innovativeness within the telecommunications industry in Egypt. The study also examines radical and incremental innovations from a Middle Eastern country. Thus, the study provides new insights of employees' perceptions of climate for innovation and organisation innovativeness from a non-western context.

7.1.2 Customer Experience Literature

First, this study contributes to the customer experience literature by proposing that there is a positive relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience. This study shows that employees' positive perceptions of climate for innovation enable the organisation to introduce product and service innovations that enhance the customer experience. Despite the crucial relationship between

climate for innovation and customer experience, there have been no studies to date investigating the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience. There is no previous research on the determinants of customer experience from a climate for innovation perspective, only limited research about the impact of internal forces in an organisation (Chakravorti, 2011), such as organisational climate in driving customer experience (as mentioned earlier in Chapter 2). Further, although customer experience is regarded as an important variable in the marketing literature, its relationship with innovation has not been thoroughly studied. Anderson, Potočník and Zhou (2014) emphasises that investigating more consequences or organisational-related outcomes of innovation is required. The innovation literature has placed emphasis on the relationship between innovation and organisational performance, but it has ignored the relationship with customer experience. There are few studies investigating the relationship between innovation and customer experience (Su, 2011; Foroudi et al., 2016). Snyder et al. (2016) argue that there is scant attention paid to customer experience in the service innovation literature and there is a need for more focus on service innovation success in terms of customer experience. Therefore, the current study closes the gap in the literature and suggests that there is a positive relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience in a service setting. It indicates that positive employees' perceptions of climate for innovation leverage the customer experience. Further, this is the first study to investigate in depth the relationship between organisation innovativeness and customer experience by examining various top innovations of an organisation. The study explored in detail the success of radical and incremental innovations in terms of customer experience.

Second, the study contributes to the customer experience literature by identifying certain dimensions of climate for innovation that are highly related to superior customer experience. There was previously no knowledge about which dimensions of climate for innovation are related to customer experience. This is the first study of its kind to identify dimensions of climate for innovation that are related to customer experience. The study identifies five main themes of climate for innovation that enhances the customer experience: leadership for innovation, organisation support for innovation, organisation structure, human resources practices, and impediments to innovation. Within these identified main themes of climate for innovation, the significant dimensions of climate for innovation that are identified to be highly related to customer experience more than others include: customer centricity, idea support, senior management, risk-taking, open innovation, idea time, teamwork and cohesion, employee empowerment, functional units' structure, rewards and recognition, challenging jobs, and employee involvement. Further, this study proposes that customer centricity practices are

highly related to organisation innovativeness and customer experience. This study reveals that customer centricity is the most significant dimension of climate for innovation that enhances organisation innovativeness and dramatically improves the customer experience. By investigating the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience, this study provides valuable insights about the most critical dimensions of climate for innovation that are highly related to customer experience.

7.1.3 Methodological Contribution

As mentioned in section 2.11.2, researchers placed emphasis on determining and measuring the climate for innovation dimensions through quantitative approaches (Amabile et al, 1996; Ekvall and Rhyammar, 1999; Mathisen and Einarsen, 2006). Anderson, Potočnik and Zhou (2014) argue that there is a need for more studies of climate for innovation and the innovation process using case study, observational and ethnographic approaches within organisational settings to demonstrate the climate for innovation as it is in a real-life setting, rather than over-reliance upon large-scale questionnaires that are prevalent in the literature. Further, previous studies investigating the relationship between organisational climate, innovation, and organisation performance have adopted quantitative approaches (Baer and Frese, 2003; Nybakk and Jenssen, 2012). Hence, this study contributes to the climate for innovation and innovation management literature by adopting a qualitative case study approach to provide a deeper understanding of the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience. As mentioned in the previous section, conducting a qualitative research enabled this study to identify further dimensions of climate for innovation that were not identified in previous frameworks and provided more insightful answers to research questions. However, the methodological approach is not particularly innovative as a method – only the target for its application. It is the first study to adopt qualitative case study research to investigate the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience.

7.2 Implications for Marketing and Innovation Management Practice

Organisations around the globe are faced by intense competition and an increase in demand from customers putting them under pressure to meet customer needs and wants (Acker et al., 2012). Telecom operators, specifically, are facing threats from rivals from adjacent industries, such as Facebook and Google, as well as an increase in demand from customers (Acker et al., 2012). Organisations need to constantly innovate to meet customer needs and wants and head off the competition. Therefore, it is imperative for organisations to replace existing products

with new products and services to achieve superior customer experience. Thus, organisations need to create and sustain a supportive climate for innovation that enhances organisation innovativeness and improves customer experience. Findings from this research show that a supportive climate for innovation is related to organisation innovativeness and customer experience. Positive employees' perceptions of climate for innovation encourage employees to play an active role in the innovation process and, hence, enhance organisation innovativeness. An organisation can leverage the customer experience by constantly producing incremental and radical innovative products and services.

This research study has four important implications for managers. First, it shows practitioners how employees perceive a supportive climate for innovation that enhances organisation innovativeness. It provides a greater understanding of what are the appropriate practices, policies and procedures needed to stimulate idea generation and implement new ideas. Second, this research can also help managers understanding of the crucial role of employees in the innovation process in determining successful outcomes in service organisations. Third, it provides managers with an understanding of how the organisation innovativeness can boost the customer experience. The research enables practitioners to understand the success of innovations in terms of customer experience in a service setting. Fourth, it can help managers understand the relationship between climate for innovation and customer experience to provide them with a better understanding of what the appropriate practices, policies and procedures are, and how employees perceive climate for innovation in relation to customer experience. The findings of this research are particularly relevant for those in service organisations and innovation management. The findings of this study can be generalisable to telecommunications operators in Egypt and other countries. For instance, senior management support, idea support and idea time practices, are essential for a positive climate for innovation whether in an Egyptian or UK telecommunication operator.

7.2.1 Understanding How Employees Perceive Climate for Innovation

By developing a deeper understanding of how employees perceive a supportive climate for innovation, organisations are able to build and sustain an appropriate climate for innovation and develop more effective practices and policies for managing their employees. For each of the climate themes identified, the following section provides a brief overview of how managers can apply this research's findings to their organisations.

a) Leadership for Innovation

Adopting a transformational leadership style (Hater and Bass, 1988; Cheung and Wong, 2011; Choi et al., 2016), which encourages employees to think in novel ways and engages them in

decision making, is crucial for a supportive climate for innovation. The **senior management** should support the generation and implementation of new ideas. The CEO should show strong support for innovation and create and sustain a positive climate for innovation. **Line managers** should challenge, mentor, encourage new initiatives, and develop employee's individual skills. Non-controlling and supporting supervision empowers employees to be innovative more than micromanagement. Supervisors that micromanage employees tend to reduce their willingness to innovate.

Managers must develop an **innovation strategy** that places emphasis on differentiation of products and services that provides customers with value-added benefits and experience. The innovation strategy should focus on long-term revenues rather than generating short-term revenues. Managers must establish an **innovation vision** that supports innovation and points out innovation key performance indicators and long-term goals. This research shows that innovation should be one of the **core values** or main pillars of the organisation to enhance organisation innovativeness. To have innovation as one of the organisation's core values is essential for climate for innovation.

To innovate products and services that leverage the customer experience, managers must focus on customer centric innovations and encourage employees to think from a customer perspective. An organisation should launch programmes that focus on customer experience and encourage employees to produce innovative products and services that enhance the customer experience. Findings from this research reveal that **customer centric practices** in the organisation encourage employees to innovate products and services that boost the customer experience. Customer-centric organisations are able to launch innovative products and services that drive the customer experience.

Managers must develop **trust and openness** with employees to encourage them to express their opinions and share their new ideas, experiences and views. Employees are more innovative when they feel a high level of trust and openness in the organisation. Managers must be open to divergent views and non-traditional thinking and allow employees to get involved in discussions and raise their voices and concerns. Further, managers should provide employees with **challenging job** tasks to continuously encourage them to think-out-of-the-box and innovate products and services. Findings from this research indicate that employees are innovative when they come out of their comfort zone and are assigned challenging tasks. Job rotation expands employees' skills and knowledge and, hence, stimulates innovative work behaviours. Managers must ensure **employee involvement** in the innovation process, strategic decision-making, and issues facing the organisation to provide them with a sense of responsibility. Results of this research suggest that employees are more innovative when they are involved in the innovation

process. Similarly, **employee empowerment** is important in ensuring a climate for innovation. Managers should allow employees to have control over their job tasks and discretion in their daily work responsibilities. Employees generate novel ideas and are eager to implement them when they feel empowered. This research pinpoints that empowerment is important to young employees. This is because they feel that they are the owners of the innovation and the brand when they are empowered.

b) Organisation Support for Innovation

This research indicates that an organisation can support innovation in several ways including: creation of a dedicated innovation unit, adoption of open innovation practices, practical implementation of new ideas, idea support, idea time, and allowing conflict and debate and high risk-taking. Results from this research indicate that a distinct business **unit for innovation** can contribute to the climate for innovation. The establishment of a dedicated unit for innovation enables the organisation to foster innovation across the whole company, examine new ideas thoroughly and explore new opportunities in the market. Further, by adopting **open innovation** practices, an organisation can access external knowledge and generate more innovative ideas. Open innovation influences the climate for innovation and enhances the organisation innovativeness. This research suggests that managers should collaborate more with external sources, such as university students and academics, suppliers, start-ups, and customers, to gain access to new ideas.

An innovative organisation should support novel ideas and encourage employees to explore and experiment with new things to leverage the organisation innovativeness (Amabile et al., 1996; Isaksen, Lauer and Ekvall, 1999; Foss, Woll and Moilanen, 2013; Urbach et al., 2016). **Idea support** is one of the most crucial practices that positively influence the climate for innovation. It is important that managers provide employees with tools to generate new ideas, such as think boxes, showrooms, forums for idea generation, and idea competitions. Managers should also support new ideas from all functional units in the organisation rather than just commercial or marketing teams solely. Innovations that are expected to generate revenue streams in the long-term should also be supported. Managers should not just focus on innovations that will succeed and accrue revenues in the short-term. Further, organisations must support the practical **implementation of new ideas**. Practical implementation of new ideas has a positive influence on climate for innovation and inspires employees to be innovative. This research reveals that idea implementation is a social-political process (Green, Welsh and Dehler, 2003), in which employees need to establish social relationships with key employees to facilitate idea implementation. Managers should reduce this and show employees that the organisation is

willing to implement new potential ideas. When employees feel that their ideas will be implemented, they are encouraged to innovate.

This research indicates that constructive **conflict and debate** are essential for ensuring a positive climate for innovation (Isaksen and Ekvall, 2010, Isaksen, 2007). Managers should allow employees to put their ideas forwards, discuss different opinions and share diversity of views to stimulate and foster innovation. On-going debate and discussions should be encouraged by managers while personal tension and conflict should be reduced to establish a supportive climate for innovation and, thus, organisational innovativeness.

High risk-taking is significant for a supportive climate for innovation (Ekvall, 1996; Isaksen, Lauer and Ekvall, 1999; Isaksen, 2007). This study demonstrates that innovation requires a high risk-taking approach (García-Granero et al., 2015) and employees think out-of-the-box and put forward new ideas when they are encouraged to take risk. High risk-taking involves allocating significant amount of resources to new ideas with the potential of failure, high tolerance of uncertainty, and considering and implementing new initiatives even when the outcome is unknown. Managers should, therefore, take a high risk approach when launching new products and services. The higher the organisation's tolerance to failure and risk-taking, the higher is the organisation innovativeness. Thus, this study suggests that high risk-taking is a significant characteristic of innovative organisations and is essential for a positive climate for innovation.

Organisation Structure

Organisation structure contributes to a positive climate for innovation and is a significant determinant of organisation innovativeness (Cosh, Fu and Hughes, 2012; Steiber and Alänge, 2013). Results from this study indicate that an organic organisation structure, including non-hierarchy, less bureaucracy, informality, flexibility, playfulness and dynamism, teamwork and cohesion, and functional specialisation, enhances the climate for innovation. Organisations should establish a flat and **non-hierarchical** structure to encourage employees to share and discuss their ideas and, thus, foster innovation. Managers should create a low power distance environment in the organisation, in which employees can easily access and communicate with managers and seniors. Further, managers should reduce the layers of approval and processes required to implement new ideas. **Bureaucracy** hinders innovation in an organisation and the speed of launching innovation in the market place. This study also pinpoints that **informality** in the organisation in terms of dress code and having a relaxing and friendly environment is important for climate for innovation. Managers should, therefore, ensure an informal and relaxing work environment to foster employees' innovation. Ensuring **flexible working conditions** contributes to a positive climate for innovation. For employees to be innovative,

managers must devise flexible working schedules and remote working policies and reduce restrictive policies. Moreover, managers should create an enjoyable work environment characterised by **playfulness and dynamism** to reduce employees' stress and encourage them to think of new bright ideas.

Encouraging **teamwork** and a cohesive work environment for employees is essential in ensuring a climate for innovation. To assist teamwork and cohesion in the organisation, managers should encourage employees to collaborate, exchange knowledge, help each other and share ideas. Likewise, the structure of the functional teams in the organisation also promotes a positive climate for innovation. As mentioned earlier, **functional specialisation** enhances the ability of the organisation to innovate for each specific market segment. By establishing teams dedicated to each market segment, an organisation can produce innovative products and services that fulfil the needs and wants of each segment. This study points out that the continuous restructuring of functional units according to market segments is important for a supportive climate for innovation and, hence, organisation innovativeness.

Human Resources Practices

This research suggests that human resources practices contribute significantly to climate for innovation. Such practices include rewards and recognition, performance appraisal, internal communication, training and development, and recruitment policies. **Rewarding and recognising** employees for initiatives and new ideas is vital for a supportive climate for innovation (Amabile et al., 1996; Prieto and Pérez-Santana, 2014). This research reveals that recognition awards are more important than extrinsic rewards (e.g. financial rewards). Recognising employees' efforts increases their intrinsic motivation to innovate. Thus, it is important for managers to celebrate, announce and recognise employees' new initiatives and ideas. Employee performance appraisal and evaluation has also an important influence in ensuring a positive climate for innovation. **Performance management practices**, such as performance appraisal, fosters innovation in the organisation (Cooke and Saini, 2010). Managers should conduct regular performance appraisals to identify employees with lower innovative behaviours to help them strengthen their performance. Furthermore, conducting **training and development** sessions dedicated to innovation also influences positively the climate for innovation. Organisations should run innovation-oriented training and development sessions to enhance employees' innovation capabilities and nurture innovation across the organisation (Laursen and Foss, 2003; Cooke and Saini, 2010). Finally, adopting an innovation-oriented **recruitment policy** is critical for a positive climate for innovation. Managers should be selective when recruiting new employees to ensure the hiring of the right people. The selection and recruitment policy should focus on leveraging the organisation innovativeness (Stock, Totzauer

and Zacharias, 2014). It is important for managers to consider diversity of employees' backgrounds when selecting and recruiting. This study shows that recruiting employees with diverse backgrounds in terms of work experience leverages the climate for innovation and enhances the organisation innovativeness.

Impediments

This research reveals that **resources** and **work pressure** can negatively influence climate for innovation (Amabile et al., 1996). Managers must ensure the availability of adequate resources, such as financial budgets and a strong research and development department, to promote innovation. Further, workload pressure undermines and hinders innovation. Managers should not burden employees with excessive deadlines and targets that would reduce their innovative work behaviours. When employees are exhausted with trying to achieve targets and deadlines, they are less likely to spend time on idea generation and implementation. Thus, managers should ensure the availability of adequate resources and lessen workload pressure to establish a positive climate for innovation.

7.2.2 Understanding Employees' Role in the Innovation Process

Understanding the role of employees in the innovation process is critical for managers endeavouring to improve organisation innovativeness and customer experience. Employees can enhance organisation innovativeness and customer experience through their ability to generate new ideas and implement them. Thus, organisations must create a supportive climate for innovation that stimulates and strengthens employees' crucial role in the innovation process.

This study shows that employees' role in the innovation process is divided into three stages: idea generation, idea sharing and promotion, and idea implementation. Previous research reveals that employees are the main source of innovative ideas for products and services (Foss, Woll and Moilanen, 2013). This is shown in this research in which young employees at junior levels are the ones who came up with the most innovative ideas of products and services. Therefore, managers must create a positive climate for innovation for employees that embellishes employees' active role in the idea generation stage. Employees also play a major role in idea sharing and promotion across the organisation (Scott and Bruce, 1994). This study pinpoints that idea champions tend to promote and convince everyone in the organisation with the value of their innovations. They seek support from managers, show confidence about the success of their new ideas, and are resilient in implementing their ideas. Hence, managers must provide employees with a supportive climate for innovation that encourages employees to share and promote their ideas. Finally, employees have a major role in the implementation stage in which employees exert enormous effort to make new ideas happen. This research shows that

during the implementation stage, employees invest considerable time to develop and test new ideas, spread a positive word-of-mouth to their friends and families, and play an active role in promoting the innovation on social media. Therefore, managers must create an appropriate climate for innovation to increase employees' persistence to implement their new ideas.

7.2.3 Understanding How Organisation Innovativeness Can Enhance Customer Experience

This research shows that organisation innovativeness is a key source of superior customer experience. An organisation should always offer customers innovative products and services to leverage the customer experience. It is important for an organisation to launch both radical and incremental innovations to meet the customers' needs and wants. To enhance the customer experience, organisations need to think from a customer perspective more than a technological one when offering new products and services. This study reveals that successful innovations that enhance the customer experience provide customers with benefits, such as differentiation, value-for-money, value-for-time, convenient processes, user-friendliness, reliability, variety of choices, accessibility, high service quality and social impact. Further, a successful innovation should arise from a gap in the market and fulfil a customer need to enhance the customer experience. An innovative organisation should exploit potential opportunities in the market and develop new product and service innovations that were not introduced previously in the industry and, thus, leverage the customer experience. Managers need to consider carefully the end benefits of product and service innovations to customers. Moreover, organisations should realise the needs and wants for each market segment and innovate accordingly. It is important for marketing managers to spot the market gaps in each customer segment and introduce product and service innovations that embellish the customer experience. This study points out that customer centric innovations enhance the customer experience. To conclude, marketing and innovation managers should place customer experience at the heart of the innovation strategy. It is imperative for managers to constantly respond to changing customer's needs and wants by being innovative.

7.2.4 Understanding the Relationship between Employees' Perceptions of Climate for Innovation and Customer Experience

Positive customer experience provides an opportunity for organisations to sustain a long-term competitive advantage in the market (Bolton et al., 2014). Research shows that it can lead to satisfied and loyal customers with positive word-of-mouth, improved retention and reduced complaints (Verhoef et al., 2009; Garg, Rahman and Qureshi, 2014). Innovation is considered as a competitive tool for organisations to achieve differentiation and competitive advantage. Managers are increasingly paying attention to enhancing organisation innovativeness and

leveraging the customer experience. Understanding the relationship between employees' perceptions of climate for innovation and customer experience is, therefore, essential in creating a positive climate for innovation.

This study presents a framework of climate for innovation themes and dimensions in a major telecommunications organisation in Egypt which can be used by managers. The framework can be used as a diagnostic tool to enable managers to consider the particular practices, policies, and procedures that are adopted in their organisations, and evaluate whether or not they are the most effective for establishing a supportive climate for innovation that enhances the organisation innovativeness and the customer experience. Within this framework, there are some dimensions of climate for innovation that are highly related to customer experience including customer centricity, idea support, senior management, risk-taking, open innovation, idea time, teamwork and cohesion, employee empowerment, structure of functional units, rewards and recognition, challenging jobs and employee involvement. The below figure shows the dimensions of climate for innovation that are highly related to customer experience than others.



Figure 7.1 Climate for Innovation and Customer Experience

Customer centricity: Managers should encourage employees to think from a customer perspective when innovating products and services. It is vital that employees see as their first priority the customer experience. Managers should also develop customer centric practices, such as customer experience excellence programmes, training and workshop sessions, focused on leveraging the customer experience, and commercial teams dedicated to each customer segment.

Idea support: Managers should support the generation and implementation of new ideas. Employees are more encouraged to innovate to enhance the customer experience when they feel that the organisation is supporting and willing to implement their new ideas. This study reveals that the top product and service innovations that achieved superior customer experience came from employees and were strongly supported by managers. If managers do not carefully listen and support employees' novel ideas, they will not be able to leverage the customer experience through innovative products and services.

Senior management: This study indicates that the CEO and senior executives have an important role in creating a positive climate for innovation that enhances the customer experience. Innovations cannot be launched without senior management sponsorship and support. Senior managers should inspire employees and act as innovative role models and support new ideas for products and services that enhance the customer experience. They should stimulate employees to think from a customer perspective and always emphasise the importance of innovating for customers.

Risk-taking: It is crucial for managers to be risk-takers to enhance the organisation innovativeness and customer experience. Managers should recognise that successful innovations that enhance the customer experience require high risk-taking. Risk-averse managers can kill innovation, thus failing to achieve superior customer experience. This study shows that in high risk-taking situations, the organisation launched innovative products and services that boosted the customer experience and generated massive revenue streams, while in moderate risk-taking situations, the organisation lost potential opportunities in the market.

Open innovation: External collaboration with stakeholders enables the organisation to generate innovations that enhance the customer experience. Managers should cooperate with university students, academics and researchers, young entrepreneurs, partners and suppliers, customers and other market subsidiaries to exchange knowledge and gain ideas for innovative products and services that elevate the customer experience. Managers should create dedicated teams to outsource external ideas and collaborate more with external stakeholders.

Idea time: Managers must provide employees with an adequate time to think out-of-the-box and generate new ideas of products and services. This research reports that employees need time to do their own research on customer needs and wants and new market trends and, hence, develop innovative products and services that improve the customer experience. It is necessary that managers allow employees sufficient time to think, develop and test innovative ideas for products and services. Idea time enables employees to brainstorm novel ideas and produce customer centric innovations.

Teamwork and cohesion: This study shows that several innovations were successful in the market and leveraged the customer experience because of teamwork and cohesion among employees in the organisation. Ensuring a cohesive work environment is an important dimension of climate for innovation (Hülshager, Anderson and Salgado, 2009; Gundry et al., 2016) that has a positive influence on customer experience. Managers should recognise that when employees across the entire organisation collaborate during the innovation process, plenty of ideas are suggested to improve the final version of an innovation and, thus, embellish the customer experience. Teamwork and cohesion among employees ensures the generation of different opinions and suggestions that can improve the customer experience of an innovation.

Empowerment: This research indicates that employee empowerment is one of the climate for innovation dimensions (Amabile et al., 1996) that is highly related to customer experience. Managers should recognise that when employees are empowered, they are more encouraged to generate ideas and implement them to enhance the customer experience. Managers should empower employees to provide them with a sense of responsibility, thus utilise their employees' innovative potential in the best way possible. Previous research indicates that empowered employees are more likely to devote time to improve the service quality and provide customers with innovative products and services (Luoh, Tsaur and Tang, 2014; Sok and O'Cass, 2015). Hence, this study recommends that managers should empower employees to enable them to innovate products and services that improve the customer experience.

Structure of functional units: The establishment of dedicated teams for each market segment is an essential dimension of climate for innovation that positively contributes to the customer experience. Managers should consider the creation of marketing and customer experience teams specialised in serving each customer segment, as well as innovation teams that look for potential ideas inside and outside the organisation. Focusing on and innovating for each customer segment enables employees to produce innovative products and services that meet the needs of each segment and ultimately enhance the customer experience. This study shows that the creation of specialised marketing and customer experience teams for each segment

improved dramatically the customer experience of the product and service innovations and, thus, managers should follow this strategy.

Rewards and recognitions: Rewarding and awarding employees is another dimension of climate for innovation (Amabile et al., 1996) that highly contributes to enhanced customer experience. Managers should always reward and recognise employees for innovating products and services that exceed the customer expectations and leverage the customer experience. This research demonstrates that rewarding and recognising employees for going the extra-mile and innovating for customers contributes to a positive customer experience. Recognising and awarding employees increases their intrinsic motivation. Hence, managers should recognise employees through announcements, celebrations, and appreciation certificates to boost their intrinsic motivation and encourage them to innovate for the customers.

Challenging jobs: Designing challenging jobs that stimulate employees to innovate products and services is highly related to customer experience. Challenging jobs is a dimension of climate for innovation (Amabile et al., 1996; Amabile, 1997) that is highly related to customer experience. Managers must assign employees various and challenging tasks, and move them from one unit to another to broaden their perspectives and divergent thinking and knowledge. Healthy competition among employees is also essential in order to foster innovation. This research shows that when employees compete and have challenging jobs, they are more likely to produce innovative products and services that enhance the customer experience. For example, managers should always challenge and ask employees what is new and what is different about their new ideas; and whether they are producing innovations that can meet the latest market trends and boost the customer experience or not. Hence, when employees are challenged and not performing routine jobs, they are more encouraged to innovate and enhance the customer experience.

Employee Involvement: Involving employees is another climate for innovation dimension (Ekvall, 1996, Isaksen; Lauer and Ekvall, 1999) that contributes to positive customer experience. Managers should involve employees in the innovation processes, operations, strategic decision-making, and issues facing the organisation. This is to encourage them to suggest new ideas for improvement, provide them with a sense of ownership and involvement and, thus, stimulate their innovative work behaviours. This study demonstrates that when employees become involved in the innovation processes and decision-making, they are more likely to be engaged in proactive and discretionary behaviours to implement innovations that contribute to the customer experience. When employees are involved in the innovation processes, they exert massive efforts to produce innovative products and services that would dramatically boost the customer experience and succeed in the market.

To summarise the above, this study contributes to both the academic literature and practice. The table below summarises the contributions of the current study.

Table 7.1: Summary of Contributions of the Current Study

Contributions		
Theoretical	Climate for Innovation and Innovation Management Literature	<ul style="list-style-type: none"> • First study to investigate the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience. • Proposes a comprehensive framework of climate for innovation by identifying further dimensions of climate for innovation that foster organisation innovativeness. • Contributes to the literature by adding insights from the Egyptian context.
	Customer Experience Literature	<ul style="list-style-type: none"> • First study to identify the dimensions of climate for innovation that are highly related to customer experience. • Provides insights on the success of organisations' innovations in terms of customer experience in a service setting.
	Methodological Contribution	<ul style="list-style-type: none"> • Adopts a qualitative case study approach to provide a real life understanding of the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience.
Practice		<ul style="list-style-type: none"> • Provides a comprehensive framework to practitioners of how employees perceive a supportive climate for innovation. • Presents an understanding of employees' roles in the innovation process. • Provides understanding of how organisation innovativeness can enhance customer experience.

- Provides practitioners with an understanding of the relationship between employees' perceptions of climate for innovation and customer experience.

7.3 Limitations of the Study

This study adopted a single case study approach, which used qualitative research methods including in-depth interviews, documents, archival records, and direct observation for investigating the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience in a major telecom organisation in Egypt. As with any single case study research, there are always limitations to the design, implementation, and analysis. These limitations can also recommend potential areas for future research, which will be addressed in the next section.

One of the main limitations of this study is the size and scope of the sample frame. The research is confined to one large organisation in the telecommunications industry. This sample is, therefore, small in comparison to quantitative studies in the field of climate for innovation research. However, because of the qualitative nature of the research, this study is not designed for projection to the population as a whole. Instead, the researcher focused on a major telecommunications organisation to understand in depth the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience in a real-life setting. Because of the detailed insights needed to understand this relationship, it was difficult to include another case study organisation due to time constraints. However, because some of the results that emerged from the research are congruent with previous studies, it may be possible to apply some of the findings to a wider population of organisations.

One of the significant limitations of this study is the availability of data on customer experience. The organisation considered customer experience data, such as net promoter scores of innovations, to be highly confidential and, thus, they were not included in this research. Data availability and access in Egypt is generally difficult for researchers due to confidentiality and data leakage issues, which represents a major obstacle for many researchers. However, the researcher was able to obtain data on customer experience through in-depth interviews with the employees, as well as archival records on customer experience and customer reviews on social media.

The process of coding and data reduction is invariably a subjective process. The themes and dimensions were carefully defined in order to reduce the researcher bias as much as possible. Check-coding was undertaken by two academics, independently, who coded the transcripts and

then discussed and updated the coding framework afterwards. As explained in section 3.7.3, good inter-reliability percentages were achieved. One academic coded the fifteen interview transcripts on an uncoded copy - free coding, and then a couple of weeks later another academic coded the whole data set (thirty-five interview transcripts) against a pre-determined coding scheme. The researcher was very careful to ensure that a trail of evidence was made through each stage of the research process so that plausible conclusions could be established regarding the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience. However, despite these efforts, some degree of bias will inevitably be introduced into the research.

This research was a cross-sectional research study that investigated the relationship between employees' perceptions of perceptions of climate for innovation and customer experience at a specific point of time. The customer experience of the organisation's innovation was collected at a specific period of time. Longitudinal research could have allowed the researcher to investigate employees' perceptions of climate for innovation over time and with the change of senior management, as well as examining the customer experience of the product and service innovations over time. Longitudinal research would have allowed the researcher to understand the enduring nature of employees' perceptions of climate for innovation. However, there is evidence from the in-depth interviews that perceptions might not be stable over time due to the change of senior management.

Finally, it is important to emphasise that this research is concerned with the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience in a major telecom organisation; it does not make any claims of causality. The study aimed to understand and describe this relationship in a real-life setting. Hence, a limitation to this study is that there may be other contribution factors that are related to customer experience that have not been identified in this study. Further, there is a possibility of a two-way relationship between employees' perceptions of climate for innovation and customer experience. The presumption in this thesis of a one-way relationship is another limitation.

7.4 Opportunities for Future Research

The main aim of this research is the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience in a major telecom organisation in Egypt. The findings of this research, together with the study's contribution to knowledge, have helped identify a number of potential future research avenues. The main research opportunities are identified below.

7.4.1 Future Research Design Opportunities

This study reveals that there is a relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience. In particular, it shows that positive employees' perceptions of climate for innovation enable the organisation to introduce product and service innovations that enhance the customer experience. There have been no studies to date investigating this relationship. Therefore, the current study sheds light on this relationship and provides a basis for future empirical research opportunities. Using quantitative methods, future research could empirically explore and test the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience in more contexts, including different service sectors, as well as different countries. A longitudinal study could also be adopted to investigate the enduring nature of employees' perceptions of climate for innovation and to allow for further examination of the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience. Future research could also tackle the issue of causality by developing causal models that establish the direction of the relationship between employees' perceptions of climate for innovation and customer experience. Further, this research proposed a framework of climate for innovation with some newly identified dimensions. Hence, this framework can be tested empirically in future studies to investigate whether or not it can be used as a measurement scale for climate for innovation in organisations.

7.4.2 Climate for Customer Experience

A major accomplishment of research on organisational climate is the development of studies on focused climates. Many researches on climate have appeared in specialised journals, such as those related to ethics, leadership, entrepreneurship, and services management. With this renewed interest, the focus of climate research has changed as researchers have switched their focus from global to facet-specific climates (Kuenzi and Schminke, 2009). This study focuses on employees' perceptions of climate for innovation and customer experience. Further, the research identifies dimensions of climate for innovation that are highly related to superior customer experience. A fruitful future research avenue would be a climate for customer experience that would provide more understanding of the dimensions of an organisational climate that contributes to superior customer experience. The organisational climate research does not examine customer experience as a facet-specific climate. Further, the current academic literature focuses on establishing customer experience measurements and dimensions. Hence, there is a need for additional research to investigate internal factors in the organisation that drive the customer experience (Chakravorti, 2011). Thus, a potential future research that would

contribute to both the organisational climate research and customer experience would be a climate for customer experience.

7.4.3 Climate for Innovation and the Innovation Process

This research addresses the employee role in each stage of the innovation process including idea generation, idea sharing and promotion and idea implementation. The study identifies a number of themes and dimensions of climate for innovation that enhance the employee role in the innovation process. Findings show that employees play a crucial role throughout the innovation process when they have positive perceptions of climate for innovation. However, the research does not explicitly identify which themes and dimensions are associated with each phase of the innovation process. Dimensions of climate for innovation identified in this study or previous research may not be universally applicable to all stages of the innovation process (Caniëls, De Stobbeleir and De Clippeleer, 2014). For instance, some dimensions can be related more to idea generation, or negatively or not at all to idea implementation or idea sharing. For example, it is important to understand whether the leader's role is more influential during the idea generation or idea implementation stage. Thus, future research investigation is needed to identify new insights and relationships with regard to the influence of each dimension of climate for innovation on each stage of the innovation process.

7.4.4 Senior Management Team Innovation

This study shows that employees are the main source of innovative ideas of products and services. The research also reveals that the senior management team plays a critical role in supporting innovation. Previous research has suggested that senior leadership is a crucial dimension of climate for innovation and the vital role that leadership plays to leverage innovation in the organisation (Ekvall, 1996, Isaksen; Lauer and Ekvall, 1999; Isaksen, 2007; Isaksen and Akkermans, 2011). However, there have been no findings either in this research or in previous research investigating innovation at the senior management team level (Anderson, Potočnik and Zhou, 2014). There have been a number of studies examining creativity and innovation at the lower levels of the organisational hierarchy. Both the generation of new ideas solely at the senior management team level and their treatment of the ideas they receive from employees has received negligible attention in the innovation literature, despite the crucial role that the senior management team plays in promoting or hindering innovation (Anderson, Potočnik and Zhou, 2014). Thus, investigating innovation at the senior management team level would be a potentially valuable future research avenue as senior executives robustly affect organisational practices and organisation innovativeness.

7.4.5 Role of Customers in Organisation Innovativeness and Employee Innovation

Findings of this research indicate that customer centricity is an essential dimension of climate for innovation and the most highly related dimension to customer experience. Customer centricity practices enable the organisation to produce innovative products and services, thus leveraging the customer experience. Further, the research shows that customers are one of the sources of generating new ideas outside the organisation boundaries (open innovation). Despite the importance of the customers' role in enhancing the organisation innovativeness, there have only been a few studies examining the influence of customers on radical service innovations (Melton and Hartline, 2015). Organisations must move beyond the traditional market research techniques, such as surveys and focus groups, to generate more innovative ideas from customers (Witell et al., 2011). Hence, the understanding of the customers' role in driving organisation innovativeness is a promising research avenue.

Another research opportunity would be the role of customers in enhancing employee innovation. Much existing research on employee creativity and innovation has been limited within the organisational boundaries (Anderson, Potočnik and Zhou, 2014). Previous research has examined the role of leaders, supervisors (Amabile et al., 2004) and work colleagues (Foss, Woll and Moilanen, 2013) in encouraging and hindering innovation in the organisation. However, scant research has investigated how external factors outside the organisation, such as customers, can influence employee innovation (Anderson, Potočnik and Zhou, 2014). Thus, future studies could explore the outside-in influences on employee innovation, particularly customer-driven innovation attempts.

7.5 Final Word

This chapter concludes the thesis. The contribution to knowledge made by this thesis, along with the limitations of the study, have put forward an agenda for future research which is hoped to provide better insights into the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience. In an attempt to achieve superior customer experience in today's competitive markets, close collaboration between marketing, innovation, and human resources management is imperative. The objective of this collaboration is to build a mutual and trusting relationship between organisations, employees, and customers through the efficient management of climate for innovation, organisation innovativeness, and customer experience.

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APPENDICES

APPENDIX A: SUMMARY CODES - CLIMATE FOR INNOVATION

INITIAL CODING SCHEME, DEFINITIONS AND DIMENSIONS

Summary Themes	Labels as found in the literature	Author(s)
Structure	Organic structure: <ul style="list-style-type: none"> – Centralisation – Freedom from rules – Informal rules – Little red tape – Non-bureaucratic – Semi-structured – Flat/non-hierarchical – Bottom-up process – Participative decision-making – Non-traditional – Outward looking – Considering views 	Foss, Woll and Moilanen, 2013; Pervaiz, 1998; Steiber and Alange, 2013.
Leadership Behaviours and Managers' Support	<ul style="list-style-type: none"> – Support for innovation – Encourage ideas – Emphasise innovation strategy – Innovative role modelling – View problems in different ways – Inspirational motivation – Intellectual stimulation – Joint decision-making – Delegation – Feedback – Empowerment – Support new projects – Voice concerns – Skill development – Experiment new ideas – Reflexivity 	Agbor, 2008; Agars et al., 2012; Amabile et al. 1996; 2002; 2004; Anderson and West, 1998; Axtell et al., 2000; Cummings and Oldham, 1997; Damanapour and Schneider, 2006; Dawley, Andrews and Bucklew 2008; de Jong and Hartog, 2007; Ekvall and Rhyammar, 1999; Foss et al., 2013; Gumusluoglu and Ilsev, 2009; Hsu and Fan, 2010; Isaksen and Ekvall, 2007; Isaksen and Akkermans, 2011; Jung, Chow and Wu, 2003; Kanter, 1983; Kahai, Sosik and Avolio, 2003; Kazama et al., 2002; Mumford et al., 2002; Mumford and Gustafson, 1988; Prieto and Pérez-Santana, 2014; Sarros et al., 2008; Scott and Bruce, 1994; Shanker and Sayeed, 2012; Shin and Zhou, 2003; Siegel and Kaemmerer, 1978; Steiber and Alange, 2013; Tierney, Farmer and Graen 1999;

		West, 1990.
Team Work/ Colleagues Support	<ul style="list-style-type: none"> – Support from colleagues – Collaborative work – Knowledge exchange – Integration – Mutual openness – Helpfulness – Task orientation 	Amabile et al., 1996; Anderson and West, 1998; Chandler, Keller and Lyon, 2000; Ekvall and Rhymmar, 1999; Foss et al., 2013; King et al., 2007; Hsu et al., 2007; Hsu and Fan, 2010; Ruiz-Moreno et al., 2008; Prieto and Pérez-Santana, 2014; Scott and Bruce, 1994.
Work Pressure	<ul style="list-style-type: none"> – Workload pressure – Time pressure 	Amabile et al, 1996; Chandler, 2000; Foss et al., 2013; King et al., 2007; Madjar and Oldham, 2006; Mathisen and Einarsen, 2004; Moreno et al., 2008.
Freedom	<ul style="list-style-type: none"> – Autonomy – Shaping own work behaviours – Experiment new approaches – Trial & failure 	De Spiegelaere et al., 2014; Ekvall and Rhymmar, 1999; Ekvall, Arvonen and Waldenstrom- Lindblad, 1983; Ekvall et al., 1996; Ekvall, 1983; Hennessey and Amabile, 2010; Hsu and Fan, 2010; Isaksen, 1995; Isaksen and Akkermans, 2011; Lopez et al., 2013; McLean, 2005; Peraviz and Ahmed, 1998; Shalley and Gilson, 2004; Shalley, Zhou and Oldham, 2004; Spieth, 2014; Ubius et al., 2013.
Resources	<ul style="list-style-type: none"> – Information data – Technical knowledge – Expertise – Funds/money/budget – Time 	Amabile et al., 1996; Amabile, 1988; Caniels et al., 2014; Ekvall and Rhyammar, 1999; Hunter and Cushenbury, 2011; Hsu and Fan, 2010; McLean, 2005; Moreno et al., 2008; Peraviz and Ahmed, 1998; Scott and Bruce, 1994.

Innovation Vision		Amabile et al., 1996; Anderson and West, 1998; Angle, 1989; Hunter and Cushenbery, 1999; Hunter, Bedell and Mumford, 2007; Peraviz and Ahmed, 1998; Scott and Bruce, 2011.
Rewards & Awards	<ul style="list-style-type: none"> – Awards for new ideas – Celebrations of accomplishments – Recognition for creative ideas – Pay raises – Profit sharing – Bonuses – Promotions – Suggestions are implemented 	Amabile et al., 1986; Amabile et al., 1996; Anderson, De Dreu and Nijstad, 2004; Baer et al., 2003; Baer, Oldham and Cummings, 2003; Eisenberger and Aselage, 2009; Eisenberger and et al., 2001; Hunter Bedell and Mumford, 2007; Peraviz and Ahmed, 1998; Prieto and Pérez-Santana, 2014; Scott and Bruce, 1994; Shalley and Gilson, 2004; Waples and Friedrich, 2011; Zhou and Shalley, 2004.
Idea-time		Alpkan et al., 2010; Del and Ceylan, 2014; Isaken et al., 1999; Isaksen, 1995; Isaksen and Akkermans, 2011; King et al., 2007; Peraviz and Ahmed, 1998; Scott and Bruce, 1994.
Risk-taking	<ul style="list-style-type: none"> – Tolerance of uncertainty – Introducing new ideas – Competitive strategies – Try things and fail – Acceptance of mistakes 	Alpkan et al., 2010; Ekvall and Rhymmar, 1999; Gupta, MacMillan and Surie, 2004; Isaksen and Akkermans, 2011; Peraviz and Ahmed, 1998; Ruvio et al., 2014; Ubius et al., 2013.
Physical environment	<ul style="list-style-type: none"> – Plants – Non-crowded space – Window view – Colour, sound and odour 	Dul and Ceylan, 2014; Oksanen and Ståhle, 2013; Dul and Ceylan, 2011; 2014; Dul and Ceylan, 2011; 2014.

Challenge/Involvement	<ul style="list-style-type: none"> – Complexity of the job – Challenge the status-quo – Innovation part of the job 	<p>Amabile et al., 1996; Dul and Ceylan, 2014; Ekvall and Rhymmar, 1999; Ekvall, 1983, 1996; Harter et al., 2002; Hsu and Fan, 2010; Isaksen, 1995; Isaksen and Akkermans, 2011; Ismail, 2005; Peraviz and Ahmed, 1998; Shalley and Gilson, 2004; Shalley et al., 2004; Zhou and Shalley, 2003.</p>
Conflict		<p>Isaksen, 1995; Isaksen and Ekvall, 2010; Isaksen and Akkermans, 2011; Lopez et al., 2013.</p>
Debate	<ul style="list-style-type: none"> – Constructive atmosphere – Accept criticism 	<p>Isaksen, 1995; Isaksen and Akkermans, 2011; Ismail, 2005; Lopez et al., 2013; Peraviz and Ahmed, 1998.</p>
Organisation Support	<ul style="list-style-type: none"> – Support innovation – Encourage new ideas 	<p>Amabile et al., 1996; Alpkan et al., 2010; Ekvall and Rhymmar, 1999; Kanter, 1983; King et al., 2007; Madjar et al., 2002; Moreno et al., 2008 Scott and Bruce, 1994.</p>
Trust & Openness	<ul style="list-style-type: none"> – Emotional safety – Participative safety – Open and frank communication – Sincere respect – Listen better – Encourage lateral thinking/shared views – Intellectual honesty 	<p>Isaksen, 1995; Isaksen and Akkermans, 2011; Baer and Frese, 2003; Ekvall and Rhymmar, 1999; Peraviz and Ahmed, 1998; Ubius et al., 2013 West, 1990.</p>
Idea support	<ul style="list-style-type: none"> – Listen to each other – Encourage initiatives – Constructive atmosphere – Do things in different ways 	<p>Ekvall and Rhymmar, 1999; Isaksen, 1995; Isaksen and Akkermans, 2011; Scott and Bruce, 1994; King et al., 2007; Lopez et al., 2013; Ubius et al., 2013.</p>
Playfulness/Dynamism	<ul style="list-style-type: none"> – Dynamism – Laughter – Fun – Relaxed atmosphere 	<p>Isaksen and Akkermans, 2011; Ubius et al., 2013; Ekvall and Rhymmar, 1998; 1999.</p>

Initial Coding Schemes with Codes, Definitions and Dimensions

STRUCTURE (S)

S- Organic structure: includes freedom from rules, participative and informal rules, face-to-face communication, little red-tape, breaking down inter-departmental barriers, and flexibility.

Dimensions: High Low

Formal Informal

S- Centralisation: refers to the extent to which decision-making authority is held only by senior management, as opposed to being delegated to employees at lower levels in the organisation.

Dimensions: High Low

S- Flexibility: flexible work schedules, working remotely, part-time or intermittent, leaves of absence, job sharing and retirement programs.

Dimensions: Flexible Rigid

LEADERSHIP (L)

L- Support for innovation: to what extent leaders, direct-supervisors, managers and executive managers influence innovation by encouraging and supporting employees to generate and implement new ideas.

Dimensions: High Low

L- Encourage ideas: the extent to which leaders are encouraging employees to come up with new ideas.

Dimensions: High Low

L- Innovation strategy: a strategy that promotes the development and implementation of new products and services.

Dimensions: Clear strategy Unclear strategy

L- Innovative role modelling: the leader's charisma or the behaviour that makes the leader serve as an innovative role model for employees.

Dimensions: Influential Not influential

L- Inspirational motivation: refers to the ways leaders energise their followers by envisioning future state, providing meaning and challenge to employees, demonstrate commitment to ambitious goals and inspire and encourage to think.

Dimensions: High Low

L- Intellectual stimulation: leader's actions that stimulate their employees' efforts to be creative and innovative by questioning assumptions, reframing problems, and approaching old situations in new ways.

Dimensions: High Low

L- Joint decision-making: the extent to which employees participate in the decision-making process.

Dimensions: High Low

L- Delegation: the extent to which managers delegate job responsibilities to their subordinates.

Dimensions: High Low

L- Empowerment: the extent to which employees are empowered, have control over their own work and have autonomy on the job to innovate.

Dimensions: High ... Low

L- Feedback: the extent to which managers provide feedback to their subordinates on their job performance.

Dimensions: Provide ... Don't Provide

L- Support new projects: the extent to which leaders support new innovative projects.

Dimensions: High ... Low

L- Voice concerns: the extent to which leaders consider their subordinates' opinions, points of view, and concerns.

Dimensions: High consideration Low consideration

L- Skill development: the extent to which leaders enhance and develop their subordinates' skills.

Dimension: High ... Low

L- Experiment new ideas: the extent to which leaders encourage subordinates to experiment new ideas.

Dimensions: High ... Low

L- Reflexivity: the extent to which leaders review and reflect upon objectives, identify areas of weaknesses in task and work processes in order to eliminate these weaknesses.

Dimensions: High ... Low

TEAMWORK (TW)

Support from colleagues: the extent to which teams support each other's ideas, share excitement over team's goals, and help each other during difficult periods and setbacks.

Dimension: High ... Low

Collaborative work: the extent teams to which teams cooperate and help in order to develop and apply new innovative projects and build on each other's ideas to achieve best possible outcomes.

Dimensions: High ... Low

Formal ... Informal

Knowledge exchange: the extent to which employees share and exchange knowledge and information.

Dimensions: High ... Low

Integration: the extent to which employees interact together, socialise, keep regular contact and share perceptions.

Dimensions: High ... Low

Mutual openness: the extent to which employees are open in exchanging ideas, have feelings of trust, ability to express views fully, and feeling at ease with each other.

Dimensions: High ... Low

Helpfulness: the extent to which team members provide helpful advice and constructive feedback and suggestions to encourage each other's ideas.

Dimensions: High ... Low

Task orientation: to what extent does the team have a shared concern with excellence of quality of task performance in relation to shared vision, appraisals, outcomes characterised by evaluations?

Dimensions: High ... Low

WORK PRESSURE (WP)

WP- Workload pressure: the extent to which employees have intensity of work assignments.

Dimensions: High ... Low

WP- Time pressure: the extent to which employees have pressure to meet targets within a certain time.

Dimensions: High ... Low

FREEDOM (FR)

F- Autonomy: the extent to which employees have control over means as well as the ends of their work

Dimensions: High ... Low

F- Experiment new approaches: the extent to which employees are encouraged to experiment new things

Dimensions: High ... Low

RESOURCES (R)

RK- Technical knowledge: the extent to which the organisation provides employees with technical knowledge to perform their jobs.

Dimensions: Available ... Unavailable

RM- Funds/Money/Budget: the amount of funds and budgets available for developing new ideas.

Dimensions: Available ... Unavailable

Adequate ... Insufficient

RT- Time: the amount of time given to employees to develop new ideas and think of new things.

Dimensions: Available ... Unavailable

High ... Low

INNOVATION VISION (V)

V- Innovation vision: availability of clear vision that is supportive of the need for creativity and innovation and reflects the value of innovation and importance to achieve organisation goals.

Dimensions: Available ... Unavailable

Clear ... Unclear

REWARDS & AWARDS (RS)

RS- Intrinsic rewards: the extent to which the organisation celebrates accomplishments, recognises creative ideas and implements employees' ideas.

Dimensions: High ... Low

RS- Extrinsic: the extent to which the organisation rewards innovative ideas and initiatives in terms of pay raises, bonuses, and profit sharing.

Dimensions: High ... Low

IDEA TIME (I)

I- Idea-time: refers to the amount of time available for employees to elaborate on new ideas.

Dimensions: High ... Low

RISK-TAKING (RT)

RT- Tolerance of uncertainty: the extent to which the organisation considers new ideas and initiatives even when outcomes are unknown

Dimensions: High ... Moderate ... Low

RT- Introducing new ideas: the extent of frequency in which an organisation adopts new innovations.

Dimensions: High ... Low

Frequent ... Infrequent

Try things & fail: the extent to which an organisation encourages trial of new things and invests on innovations with unknown outcomes and accepts failure.

Dimensions: High ... Moderate ... Low

Acceptance of mistakes: the extent to which an organisation accepts and tolerates mistakes and does not punish employees for mistakes.

Dimensions: High ... Moderate ... Low

PHYSICAL ENVIRONMENT (P)

P- Physical environment: it includes elements in the physical work environment that stimulate creativity, such as plants, colour, sound and odour.

Dimensions: High ... Low

CHALLENGE/INVOLVEMENT (CI)

CI- Challenge/involvement: the extent to which employees are involved in daily operations, long-term goals and visions.

Dimensions: High ... Low

CI- Complexity of the job: the extent to which an employee finds the job complex and challenging.

Dimensions: High ... Low

CI- Challenge the status-quo: the extent to which the organisation encourages employees to challenge the current way of doing things and the current business situation.

Dimensions: High ... Low

CI- Innovation part of the job: the extent to which the job tasks require creative and innovative thinking to be achieved.

Dimensions: High ... Low

CONFLICT (CF)

CF- Conflict: the level of personal and emotional tensions in the organisation. It is the feeling that managers and colleagues are willing to hear different opinions; the emphasis placed on getting problems out rather than smoothing them over.

Dimensions: High Low

DEBATE (D)

D- Debate: the occurrence of encounters and disagreements between viewpoints, ideas and different experiences and knowledge.

Dimension: High ... Low

D- Accept criticism: the extent to which an organisation allows employees to put forward their ideas for consideration and review and giving room for opposing opinions and sharing of different perspectives.

Dimension: High ... Low

ORGANISATION SUPPORT (OS)

OS- Support innovation: the extent to which the organisation supports employee creativity and innovation. It refers to the organisational culture that encourages creativity and innovation and the extent to which the organisation approves and practically implements new ideas.

Dimensions: High ... Moderate ... Low

OS- Encourage new ideas: the extent to which the organisation encourages the generation of new ideas.

Dimensions: High ... Moderate ... Low

TRUST & OPENNESS (TO)

TO- Participative safety: the extent to which employees participate in decision-making procedures and the environment is perceived as non-threatening so that it is safe to present new ideas and ways of doing things.

Dimensions: Safe ... Unsafe

Participative ... Non-participative

TO- Open & frank communication: the extent to which employees have an open and frank communication of new ideas.

Dimensions: Very Open ... Not Open

TO- Sincere respect: the extent to which employees have mutual respect and trust for each other.

Dimensions: High ... Low

IDEA- SUPPORT (IS)

IS- Listen to each other: the extent to which the organisation members listen to each other's ideas.

Dimensions: High ... Low

IS- Encourage initiatives: the extent to which the organisation members encourage new initiatives.

Dimensions: High ... Low

IS- Constructive atmosphere: the organisation's overall way of considering and treating new ideas.

Dimensions: Constructive ... Unconstructive

Supportive Unsupportive

IS- Do things in different ways: the extent to which the organisation members encourage looking and doing things in a different new way.

Dimensions: High ... Low

PLAYFULNESS/ HUMOUR (PL)

PL- Playfulness/humour: the level of spontaneity and ease displayed within the workplace; a relaxed atmosphere where employees can have fun.

Dimensions: High ... Low

Relaxed ... Stressful

Fun ... Tough

PL- Dynamism: the eventfulness of life in the organisation

Dimensions: High ... Low

COMMUNICATION (COM)

COM- Information sharing: the free sharing of information throughout the organisation.

Dimensions: High ... Low

LEARNING & GROWTH (L)

L- Talents' training: the perceptions of organisational attention to talents' training.

Dimensions: High ... Low

L- Learning activities: the extent to which an organisation encourages employees to participate in learning activities.

Dimensions: High ... Low

L- Knowledge exchange: the extent to which an organisation provides opportunities to promote knowledge sharing.

Dimensions: High ... Low

L- Skills development: the extent to which an organisation provides opportunities for individual skills upgrading.

Dimensions: High ... Low

EXTERNAL ORIENTATION (EX)

EX- External orientation: the extent to which the organisation is responsive to the needs of the customer and the marketplace.

Dimensions: Responsive ... Unresponsive

High ... Low

CORPORATE IDENTIFICATION (CI)

CI- Corporate identification: the extent to which employees identify with the company, its philosophy, its products and customers.

Dimensions: High ... Low

APPENDIX B: SUMMARY CODES - CUSTOMER EXPERIENCE

INITIAL CODING SCHEME, DEFINITIONS AND DIMENSIONS

Summary Codes	Labels as found in the literature	Author(s)
Accessibility	<ul style="list-style-type: none"> – Accessibility of information – Accessibility of person/facility – Convenient hours of person/facility – Navigation 	<ul style="list-style-type: none"> • Lemke, Clark and Wilson (2011)
Application of Knowledge	<ul style="list-style-type: none"> – Ability to create value – Application of up-to-date technological knowledge – Competence – Knowledge 	<ul style="list-style-type: none"> • Lemke, Clark and Wilson (2011)
Atmosphere	<ul style="list-style-type: none"> – Atmosphere 	<ul style="list-style-type: none"> • Lemke, Clark and Wilson (2011)
Caring- Attitude	<ul style="list-style-type: none"> – Attitude – Authenticity – Concern to elicit customers' objectives – Customer care – Friendliness – Helpfulness – Interest in problem solving – Professionalism – Taking responsibility 	<ul style="list-style-type: none"> • Lemke, Clark and Wilson (2011)
Caring- Procedures and Processes	<ul style="list-style-type: none"> – Aftercare – Service recovery/complaint handling – Staffing levels – Validation of mutual understanding 	<ul style="list-style-type: none"> • Lemke, Clark and Wilson (2011)
Communication	<ul style="list-style-type: none"> – Advertisement – Enquiry responsiveness – Explanation – Provision of information to inform choice – Updating customer on current position 	<ul style="list-style-type: none"> • Lemke, Clark and Wilson (2011)

Experience Context	<ul style="list-style-type: none"> – Emotive context – Hedonic product/service type – Importance of timeliness – Market competitiveness – Product/service type with high customer involvement in service process – Significance of transaction 	<ul style="list-style-type: none"> • Lemke, Clark and Wilson (2011)
Outcomes	<ul style="list-style-type: none"> – Affective commitment – Feel good factor – Impression impact 	
Personalisation	<ul style="list-style-type: none"> – Customer need focus – Customisation – Extent of personal contact – Flexibility – Personalisation – Proactivity in addressing customer's needs 	<ul style="list-style-type: none"> • Lemke, Clark and Wilson (2011)
Relationship with Company	<ul style="list-style-type: none"> – Genuine desire to develop value for both – Presence of social relationship – Proactive relationship development – Trustworthy behaviour in relationship 	<ul style="list-style-type: none"> • Lemke, Clark and Wilson (2011)
Relationship with Other Customers	<ul style="list-style-type: none"> – Impact of other customers – Providing space for C2C relationship development 	<ul style="list-style-type: none"> • Lemke, Clark and Wilson (2011)
Reliability	<ul style="list-style-type: none"> – Consistency of experience overtime – Delivery timeliness – Impression of reliability 	<ul style="list-style-type: none"> • Lemke, Clark and Wilson (2011)
Social Impact	<ul style="list-style-type: none"> – Fashionable products/services – Impact on status – Premium brand 	<ul style="list-style-type: none"> • Lemke, Clark and Wilson (2011)
Value for Money	<ul style="list-style-type: none"> – Availability of discounts – Availability of loyalty incentives – Exceeding expectations without charge – Free contact with company – Value for money 	<ul style="list-style-type: none"> • Lemke, Clark and Wilson (2011)
Value for Time	<ul style="list-style-type: none"> – Efficient use of customer's time – Value for time 	<ul style="list-style-type: none"> • Lemke, Clark and Wilson (2011)
Variety/Choice	<ul style="list-style-type: none"> – Appropriate degree of variety – Breadth of product range – Provision of choice – Stock availability 	<ul style="list-style-type: none"> • Lemke, Clark and Wilson (2011)

Initial Coding Schemes with Codes, Definitions and Dimensions

AC- Accessibility: ease of finding and accessing people, premises, transactions, and/or information whenever needed.

Dimensions: High Low

APK- Application of knowledge: staff possess and proactively apply the knowledge and expertise necessary to create value for the customer.

Dimensions: High Low

AT- Atmosphere: company enables a pleasant and relaxing physical environment.

Dimensions: High Low

CA- Caring-Attitude: staff demonstrate a genuine interest and care towards the customer.

Dimensions: High ... Low

CP- Caring-Procedures & Processes: processes to understand and address needs, empower staff to respond to problems, and track effectiveness.

Dimensions: High Low

C- Communication: clear, open, responsive, proactive and effective communication with customer throughout the company.

Dimensions: High ... Low

EC- Experience Context: aspects of the industry, market or product category, which may shape expectations of experience.

Dimensions: High ... Low

OU- Outcomes: evaluations of the perceptual and factual outcome of the experience.

Dimensions: High ... Low

PE- Personalisation: dealing with customers in a personal way and adapting the offer to meet their needs.

Dimensions: High ... Low

RE- Relationship with company: company genuinely values and appropriately maintains relationship with customer over time and over a series of transactions.

Dimensions: High ... Low

RC- Relationship with Other Customers: the role of other customers including their identity and their involvement in value creation.

Dimensions: High ... Low

RL- Reliability: company is dependable and consistent regardless of personal attitude of staff.

Dimensions: High ... Low

SI- Social Impact: the impact of products and services on the customer's own image.

Dimensions: High ... Low

PE- Personalisation: dealing with customers in a personal way and adapting the offer to meet their needs.

Dimensions: High ... Low

VM- Value for Money: pricing of products and services that reflect benefits delivered and relationship status.

Dimensions: High ... Low

VT- Value for Time: company values and makes efficient use of customer's time throughout the customer journey.

Dimensions: High ... Low

VC- Variety of Choices: the company provides and makes available an appropriate selection.

Dimensions: High ... Low

Product Experience: dealing with customers in a personal way and adapting the offer to meet their needs.

Dimensions: High ... Low



Information Sheet and Consent Form for Face-to-face Interviews (MC-FM3-6A)

The following two pages provide:

- a template information sheet for face-to-face interviews
- a template consent form for face-to-face interviews.

Information sheet

The following template provides a suggested structure and content for an information sheet for face-to-face interviews, although it is not prescriptive/exhaustive. It is suggested that you keep the descriptions of your research straightforward and non-technical. You should also consider the appropriateness of the language used and presentation for your particular participants.

Title of research project: The Relationship between Climate for Innovation and Customer Experience

The aim of this study is to explore the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience. The study investigates through qualitative research techniques more dimensions of climate for innovation that would enhance and drive customer experience. It aims to investigate in depth how can an organisation create a climate for innovation; what are the best practices for getting innovations implemented; and the role of employees in the innovation process. Also, it aims to explore the nature of the relationship between climate for innovation and customer experience.

The research forms part of my PhD at Henley Business School at the University of Reading.

Part of the research, involves interviewing people who (*are involved with particular situation/topic, have knowledge/experience of, etc.*) and for this reason, I would like to invite you to take part.

If you agree, you will be asked to participate in an interview of about ...60... minutes.

During the interview I will ask you questions:

1. How can you describe practices, policies and procedures conducive to innovation at your organisation?
2. What are the organisation's customer experience top innovations?
3. Does your organisation encourage collaboration and experimentation?
4. How can you describe the role of employees in the innovation process?
5. What are the organisation's top innovations?
6. Can you describe the customer experience of X innovation?
7. Explain/describe in details the whole innovation process of a selected product/ service.
8. How can you describe the relationship between climate for innovation and customer experience?
9. What are the dimensions of climate for innovation that are highly related to customer experience?

You can choose not to answer any particular questions and you are free to withdraw from the study at any time.

With your permission, I would like to *record the interview/take note* for later analysis. The data will be kept securely and destroyed after the completion of the project.

At every stage your identity will remain confidential. Your name and identifying information will not be included in the final report.

The identity of your organisation will not be included in the final report.

A copy of the completed PhD dissertation will be available on request.

The project has been subject to ethical review in accordance with the procedures specified by the University of Reading Research Ethics Committee and has been given a favourable ethical opinion for conduct.

If you have any further questions about the project, please feel free to contact me at the email address below.

Name of researcher: Rasha El Gendi

Email: R.Elgendi@pgr.reading.ac.uk

Address: University of Reading, Henley Business School, Whiteknights, Reading, United Kingdom

Date: 16/02/2015

Consent form

The following template provides a suggested structure and content for a consent form for face-to-face interviews. You should also consider the appropriateness of the language used and presentation for your particular participants.

Title of research project: The Relationship between Climate for Innovation and Customer Experience

1. I have read and had explained to me by Rasha El Gendi the information sheet relating to the project and any questions have been answered to my satisfaction.
2. I agree to the arrangements described in the information sheet insofar as they relate to my participation.
3. I understand that my participation is entirely voluntary and that I may withdraw from the project at any time.
4. I agree to the interview being *video/audio* recorded. [delete if not applicable]
5. I have received a copy of this consent form and of the accompanying information sheet.
6. I am aged 18 or older.

Name of participant:

Signed:

Date:



Ethics form (staff research projects)

This ethics form comprises two elements:

1. Cover sheet
2. Section A: Research approval application

The cover sheet requires you to provide details about you and your research project. Section A is used to apply for ethical approval for your research project. You should answer all the required questions and you should ensure that you have read and understood the ethics requirements of the University of Reading Research Ethics Committee.

Application for research project approval

The University Research Ethics Committee allows Schools to operate their own ethical procedures within guidelines laid down by the Committee. The University Research Ethics Committee policies are explained in their *Notes for guidance*, which can be found at:

<http://www.reading.ac.uk/internal/res/ResearchEthics/reas-REethicshomepage.aspx>

Approval must be obtained from your Head of School before the research project commences.

During the research project

There is an obligation on all researchers to observe ethical procedures and practice and actively bring to the attention of their Head of School any concerns or questions of clarification they may have. If during the course of your work the nature of the research project changes or ethical issues arise, you must seek advice from your Head of School before proceeding.

Please note that this form is designed to conform to the University's requirements with respect to research ethics. Approval under this procedure does not necessarily confirm the academic validity of the proposed project.

Cover sheet

Project details

Name of researcher: Rasha El Gendi

School title: Business School - Marketing and Reputation

Research centre in which the study is located (if applicable):

External research funding support (if applicable):

Email: R.Elgendi@pgr.reading.ac.uk

Title of proposed project: The Relationship between Employees' Perceptions of Climate for Innovation, organisation Innovativeness, and Customer Experience

Proposed timing of the research: 3- 4 years

Nature of project

(Mark with an 'x' as appropriate)

Externally funded research []

HBS Academic Research Centre project []

HBS Applied Research Centre project []

✓ **Doctoral research** []

Other [] Please state:

Date of submission: April 2017

Section A Research approval application

Section A must be completed in full. If you have any questions regarding the form, please discuss them with your Head of School. Approval must be obtained *before* the research project commences.

Summary of proposed project and research methods

The aim of this study is to explore the relationship between employees' perceptions of climate for innovation, organisation innovativeness, and customer experience. The study investigates through qualitative research techniques more dimensions of climate for innovation that would enhance customer experience. This research builds on the recent interest in specific-climate facets and their impact on particular organisational outcomes. The study intends to investigate the crucial role of employees in the innovation process.

This study adopts qualitative research methods using a single case study approach. The main data collection techniques used in this study are in-depth interviews, company documents, archival records, and direct observation.

1. Questions about proposed research (University ethics requirements)

Please reply to all of the following questions concerning your proposed research by marking with an 'x' as appropriate.

		Yes	No
1.1	Have the participants and subjects of the study been chosen because they are patients and/or clients of the National Health Service or Social Services in the UK, or equivalent health or social care systems in another country?		X
1.2.	Are the participants and subjects of the study unable to give free and informed consent because they are not over the age of 18, or as a consequence of their mental capacity? (For more details on how mental capacity might impair the ability to give free and informed consent, please consult the Mental Capacity Act 2005.)		X
1.3	Are you asking questions that are likely to be considered inappropriate or to cause distress to any of the participants?		X
1.4	Are any of the subjects in a special relationship with the researcher that could affect their ability freely to give informed consent?		X
1.5	Is your project funded by a Research Council or other external source (excluding research conducted by postgraduate students)?		X

If you have answered Yes to any of these questions, your proposal will be reviewed in accordance with the requirements of the University Research Ethics Committee.

If you are unsure whether any of these conditions apply, please contact your Head of School for further advice.

2. Questions about proposed research (administration of investigation process)

Please respond to all the following questions concerning your proposed research project by marking with an 'x' as appropriate.

		Yes	No
2.1	The research involves only archival research, access to company documents/records, access to publicly available data and/or questionnaires, surveys, focus groups or other interview techniques.	X	
2.2	The need to reimburse expenses or make other payments to any research participants has been reviewed.	X	
2.3	Participants will be/have been advised that they may withdraw at any stage if they so wish.	X	
2.4	Arrangements for ensuring personal privacy, commercial confidentiality and data protection during and after the project and for the disposal of material will be in line with University guidelines.	X	
2.5	Arrangements for providing subjects with research results if they wish to have them have been considered.	X	
2.6	Research instruments (questionnaires, interview guides, etc) will be reviewed against the policies and criteria noted in The University Research Ethics Committee Notes for Guidance.	X	
2.7	The arrangements for publishing the research results and, if confidentiality might be affected, for obtaining written consent of this have been reviewed.	X	
2.8	Information Sheets and consent forms will be prepared in line with University guidelines for distribution to participants, as appropriate. This contains details of the project, contact details for the principal researcher and advises subjects that their privacy will be protected and that their participation is voluntary and that they may withdraw at any time without reason.	X	
2.9	Completed consent forms, where required, will be retained and submitted with the final report on completion of the project for retention by Henley Business School.	X	

If you have answered No to any of these questions, contact your Head of School for further advice.

3. Safeguarding personal safety and security of the researcher(s) and research participants

If the research is to be conducted outside of an office environment or normal place of work and/or outside normal working hours please note the details in the comments box below and state how the personal safety and security of the researcher(s) and research participants will be safeguarded.

Comments

All interviews will be conducted in an office environment during normal working hours.

[X] I confirm that I have read and understood the ethics requirements of the University of Reading and will abide by these requirements in the course of my research.

Signed (PhD Student): Rasha El Gendi

Date: 05/02/2015

Print name: Rasha El Gendi

Approval (Head of School)

Head of School to mark with an 'x' as appropriate:

[] I have reviewed this application as **Approved** and confirm that it is consistent with the requirements of the University Research Ethics Committee procedures.

This proposal is **Not approved** and

[] is returned to the applicant for further consideration

or

[] has been referred for further review in accordance with University of Reading Ethics Committee requirements

Name (Head of School):

Signed (Head of School):

Comments (where application has been refused)

Further action (office use only)

APPENDIX E: INTERVIEWEES' PROFILE

Interviewee	Level	Department	Age
Interviewee 1	Director	Commercial Operations	40-45
Interviewee 2	Director	Customer Experience - Retail	40-45
Interviewee 3	Director	Strategy and Innovation	40-45
Interviewee 4	Director	International Services	46-50
Interviewee 5	Director	Human Resources	46-50
Interviewee 6	Director	Consumer Marketing	40-45
Interviewee 7	Head	Customer Experience - Call Centres	40-45
Interviewee 8	Head	Customer Experience - Internet	40-45
Interviewee 9	Head	Consumer Marketing	35-39
Interviewee 10	Head	Enterprise Marketing	35-39
Interviewee 11	Head	Strategy and Innovation	40-45
Interviewee 12	Head	International Services	35-39
Interviewee 13	Head	Joint Ventures	35-39
Interviewee 14	Head	Enterprise Business Unit	35-39
Interviewee 15	Head	Internal Communications	30-34
Interviewee 16	Head	Human Resources - Human Capabilities	40-45
Interviewee 17	Head	Social Media	35-39
Interviewee 18	Product Manager	Consumer Marketing	25-29
Interviewee 19	Product Manager	Consumer Marketing	30-34
Interviewee 20	Product Manager	Consumer Marketing	25-29
Interviewee 21	Product Manager	Customer Experience	35-39
Interviewee 22	Product Manager	Customer Experience	25-29
Interviewee 23	Product Manager	Strategy and Innovation	35-39
Interviewee 24	Product Manager	Enterprise Business Unit	30-34
Interviewee 25	Senior Manager	Internal Communications	30-34
Interviewee 26	Manager	Technology	30-34
Interviewee 27	Team Leader	Customer Experience	25-29
Interviewee 28	Team Leader	Enterprise Marketing	25-29
Interviewee 29	Team Leader	Enterprise Marketing	30-34
Interviewee 30	Team Leader	Enterprise Business Unit	30-34
Interviewee 31	Junior	Enterprise Marketing	21-24
Interviewee 32	Junior	Consumer Marketing	25-29
Interviewee 33	Junior	Consumer Marketing	21-24
Interviewee 34	Junior	Consumer Marketing	25-29
Interviewee 35	Junior	Enterprise Marketing	25-29

APPENDIX F: SAMPLE INTERVIEW AND OBSERVATIONAL PROTOCOL

SAMPLE INTERVIEW PROTOCOL/GUIDE

Interview Protocol Research: The Relationship between Employees' Perceptions of Climate for Innovation, Organisation Innovativeness, and Customer Experience

Time of Interview:

Date:

Place:

Interviewer:

Interviewee:

Questions:

- 1) How can you describe practices, policies and procedures conducive to innovation at your organisation?
- 2) What are the practices, policies, procedures and rewards that endorse innovation at your organisation?
- 3) Hints:
 - a. Challenge/involvement
 - b. Freedom/autonomy
 - c. Trust/openness
 - d. Idea-time
 - e. Playfulness/humour
 - f. Conflict
 - g. Idea support
 - h. Debate
 - i. Risk-taking
 - j. Leadership
 - k. Awards and Rewards
 - l. Participative decision-making
- 4) How can creative ideas generation be stimulated?
- 5) How important is creativity and innovation? Are these processes at the heart of the organisation's mission and strategy?

- 6) Does your organisation encourage its employees to develop new mechanisms or improved work-related processes? How?
- 7) To what extent does your organisation support its employees to undertake initiatives and develop new ideas and implement them?
- 8) Does your organisation encourage collaboration and experimentation?
- 9) How can you describe employees' innovative work behaviours and their role in the innovation process?
- 10) What are the organisation's top innovations that came out of the organisational climate for innovation?
- 11) Explain / describe in detail the whole innovation process of a selected product/service.
- 12) How do you define customer experience at your organisation?
- 13) How do you measure customer experience?
- 14) How did customers experience the organisation's top innovations? To what extent were those innovations successful? Explain each innovation under study.
- 15) How can you describe the relationship between climate for innovation and customer experience? From your point of view, which practices and policies of climate for innovation are highly related to customer experience?

SAMPLE OBSERVATIONAL PROTOCOL

Descriptive Notes	Reflective Notes
Physical surroundings/ settings and layout, office facilities are luxurious/ facilities building/ comfortable/ dedicated room for ideas brainstorming	Employees are comfortable and satisfied with facilities; physical environment is an important dimension of climate for innovation in the organisation.
Informal work environment/ casual dress code, jeans and t-shirts/ senior managers are socialising in gardens and cafes with employees	Employees are enjoying the informal work environment. The organisation has a high open door policy in which senior managers are easily approached.
Fun and dynamism/ ping pong tables/ theatre and gym/ music and parties	The work environment is characterised by high level of playfulness and dynamism. Employees are having fun during working hours. The organisation is reducing the job stress through creating a playful and dynamic work environment.