

INTERRELATION BETWEEN ORGANIZATIONAL CULTURE AND CLIMATE FOR CREATIVITY IN STATE THEATRES IN LATVIA

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ABSTRACT

The **purpose** of the research paper is to study interrelation between organizational culture and climate for creativity in state theatres in Latvia.

Main **methods** used for research: The Organizational Culture Assessment Methodology and Instrument, KEYS methodology and Instrument, interviews, mathematical statistical methods.

Design of the research **methodology** as well as the model *for* interrelation between organizational culture and climate for creativity and also be used in research in other industries.

Paper type: research paper.

Keywords: organizational culture, organizational climate, creativity.

1.INTRODUCTION

In the current (changing) economic situation it is a positive and promising fact, that concepts like *innovation, innovative entrepreneurship, creativity and creative economy*, become increasingly important in the acoustic field of Latvian business management education and practice. This indicates a change in understanding and the way of thinking in business and society. All of the above is also related to organizational culture and climate (Dubkevics, 2009).

Creative industries already by definition are associated with the above-mentioned concepts. Definitions of creative industries in management science are different, but not contradictory. Creative industries can be described as the convergence of creative arts (individual creativity, talent and skills) and culture industries (mass activities) to satisfy needs of the interactive consumer (Hartley, 2005).

Topicality of the theme is also determined by the nature of state theatres: on the one hand state theatres are business organizations (government established limited companies), while at the same time they are cultural institutions. From management perspective it is a question of how to balance creative, intellectual and emotional performances with needs of basic customers and market interests (Berzins, Niedrite, 2011).

Organizational culture in management science is defined as a set of basic assumptions, values, beliefs, behaviours and artefacts (Heskett, 2012). A strong organizational culture is linked to sustainability and long-term effectiveness of an organization (Heskett, 2012; Waterman, Peters, Philips, 1982, at.all.)

Sustainability of an organization is largely dependent on its openness to change – creativity and innovation. It is emphasized that creativity and innovation are the impetus to change, while organizational culture is the fundamental (Sarros, Cooper, Santora, 2008).

The Recent research shows that organizations with culture and strategy related to creativity and innovation show significant increase in company value and profits (Jaruzelski, Loehr, Holman, 2011).

Organizational culture research is important, necessary and useful. Topicality of the issue is also determined by the fact, that organizational culture can either support or hinder the change. This is also why organizational culture studies are important for long-term strategy. Organizational culture studies in Latvia are very fragmented, and mainly related to the commercial banking sector. The research is an application to build a research meta-story about performing arts in the form of state theatres in Latvia.

The notion of “culture” itself is associated with creativity. Creativity is the human ability to generate new ideas with potential value of practical applicability. Social environment has an impact on individual creativity. Organizational climate is the subjective perception of organizational characteristics and internal environment factors which have a positive or negative impact on individual creativity. (Amabile, Conti, Coon, 1996).

Research results show that creativity and innovation exercised in certain products or processes are the most important factors for achieving organization’s long-term existence and success. This explains the increasing research interest in the level of creativity in organizational climate and its compliance with innovation. An increase in interest has particularly been evident in the last twenty years, as the 21st century is characterized as the era of innovation (Carol Yeh –Yun Lin, Feng - Chuan Liu, 2011).

Both, organizational culture and climate actually characterize the same phenomenon – internal environment of an organization. The key difference is in research traditions and interpretations of the

phenomena. Therefore, there is a need for integrated approach to both methodological (qualitative and quantitative methods need to be used in organizational culture research) and thematic meanings (Denison, 1996). It should be noted that interrelation between organizational culture and climate for creativity is not sufficiently studied in management science (McLean, Laird, 2005).

The author of the paper shares the view of the world's leading management researchers - while analysing organizational culture and climate for creativity, in addition to management science, the knowledge of other social sciences such as sociology, anthropology, psychology and philosophy needs to be taken into consideration. (Hofstede G, Hofstede G.J, 2005).

Internal environment of an organization – culture and climate, is created in the management process – it is the result of specific management activities that lead to realization of organizational objectives.

The aim of the research is to study interrelation between organizational culture and climate for creativity in state theatres in Latvia.

Research hypotheses are:

1. Preferable changes of culture of state theatres are associated with changes of climate for creativity and factors influencing it.

2. The supportive (clan, family type) and creative (innovative, adhocracy) values of desired culture is being characterized by a greater effect size on climate for creativity in state theatres in Latvia.

3. The bureaucratic (hierarchical) and market values of the desired culture are being characterized by a lower effect size on climate for creativity in state theatres in Latvia.

Theoretical Significance and Scientific Novelty of the Study are:

1. Potential theoretical concept for the empiric research of interrelation between organizational culture and climate for creativity in creative and other industry organizations was developed as a part of the paper.

2. Research includes a study of interrelation management between organizational culture and climate for creativity in state theatres.

3. KEYS methodology and respective research instrument (KEYS – Tool for Assessing the Climate for Creativity) is used in climate for creativity research. It is possible to compare the obtained results with the data of different industries and statistic data of organizations created by Creative Leadership centre and standard deviation base results in creative economy.

4. Design of the research methodology as well as the model for interrelation management between organizational culture and climate for creativity was developed as a part of the paper and can also be used in research in other industries.

2.THEORETICAL DESCRIPTION OF ORGANIZATIONAL CULTURE AND CLIMATE IN MANAGEMENT SCIENCE

The first chapter of the paper is focused on the analysis of theoretical approaches of organizational culture and climate in management science in state theatres in Latvia. Concepts of organizational culture and climate for creativity are defined and convergence of organizational culture and climate is described.

Organizations are affected by their internal and external environments. The author of the paper explores the internal environment.

J. Heskett distinguishes between four main internal factors that determine organizational performance: an effective organizational culture (“know how”), goals (“know why”), strategy (“know what, when, and where”), and performance (“know who”). The author does not highlight resources as they are considered a base factor of internal environment (see the figure 1.).

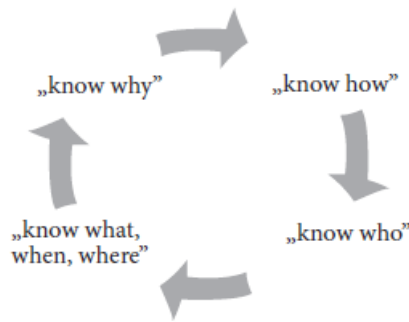


Figure 1. Mutual relationships of an organizational culture and purpose, strategy, and execution
Source: Compiled by the author based on the works of Heskett (2012).

Organizational culture is also the reflection of all the internal environment factors. Culture plays a crucial role in implementing the strategy.

Organization's internal environment is a result of management. Culture is a set of main organizational conditions that drive performance.

Interrelation between organizational culture and climate for creativity is studied in this research

On the one hand, the fact that not all internal factors are in the scope of this study is a research limitation. On the other hand, global research practice in management science relates the organizational culture specifically with the level of climate for creativity. Organizational culture and climate for creativity are related to human resource development – promotion of individual creativity.

After evaluating different perspectives, the author concludes that in general organizational culture is defined as a set and system of common values and assumptions, as well as the way of thinking that characterizes the organization and its members. Such opinion is expressed by the leading organizational culture researchers in management science (Schein, 2010; Cameron, Quinn, 2006; Heskett, 2012; Wallach, 1983; Vanaerde, Jowrnee, 2003).

Theoretical framework of the research is based on organizational culture theories by K. Cameron, R. Quinn and E. Wallach.

Competing values framework by K. Cameron and R. Quinn is based on organizational effectiveness research (Cameron, Quinn, 2006). It is designed by integrating a variety of organizational culture research findings.

The theory distinguishes four dominating types (value systems) of organizational culture:

1. Hierarchy (bureaucratic);
2. Market;
3. Clan (family);
4. Adhocracy (innovative);

The typology is based on two dimensions of organizational culture effectiveness:

1. Flexibility and discretion // stability and control;
2. External focus and differentiation // internal focus and integration

The main values of the hierarchy or bureaucratic culture are formalized and structured environment, power hierarchy, goal orientation, stability and competitiveness (Orientation to internal focus, stability). The main values of the clan or supportive culture are positive microclimate, team awareness, high self-motivation, as well as respect for traditions and personalities (Orientation to internal focus and flexibility). The main values for the adhocracy or innovative culture are creative environment, freedom for creativity, orientation towards change and risk, as well as high internal motivation (Orientation to external focus and flexibility). The value system of the market culture is oriented towards high competition in the external market and stability.

In this study, the author has used research instrument OCAI, which is based on organizational culture typology theory by K. Cameron and R. Quinn. According to research in management science on a global level, adhocracy and clan culture values are the ones that positively correlate with organizational climate for creativity

E. Wallach's theory does not differ very much from the typology by K. Cameron and R. Quinn. Similarly to K. Cameron and R. Quinn and other authors, E. Wallach believes that to understand the culture means to understand the difference between the current and preferred situations in an organization. OCAI research instrument examines both levels. (Wallach, 1983).

Wallach's description of cultures is similar to the theory by K. Cameron and R. Quinn. In her culture analysis she emphasizes the role of functionality in culture and recommends collecting information about two or three different functions (subcultures – L.D.) within organization. For this purpose the questionnaire OCI can be used. This instrument has been used in the paper, to study management and actor subcultures.

Unlike K. Cameron and R. Quinn, E. Wallach does not separate market dimension of the culture. She connects the market orientation to the innovative culture dimension (Wallach, 1983).

Typology theories are theoretical concepts (categories of thinking process) that are based on the research.

Value of the typology theories is determined by the extent to which they allow navigation when dealing with the complex organizational reality. At the same time, the problem of typology theories is simplification of reality. This type of theories limits research perspective focusing only on certain dimensions while ignoring subcultures.

However, research instruments based on typology theories are widely used in research practice. The research paper is based on organizational culture definition by K. Cameron and R. Quinn, which essentially does not differ from other definitions in management science. It is similar to the most well-known definition by E. Schein and in fact, is not different from E. Wallach's view. The empirical research of the research paper is based on organizational culture theories by K. Cameron, R. Quinn and E. Wallach. Value systems in those theories are related to organizational climate and the theories also describe creative types/dimensions of the culture.

Research has shown that it is possible to balance the improvement of organization's business performance and promotion of creativity. To achieve that, it is necessary to understand factors that promote and distract creativity.

Research literature often associates creativity and innovation with organizational climate (McLean, Laird, 2005; Amabile, at all 1996). The range of climate definitions is wide enough, however researchers are more focused on human perception of internal environment, including organizational culture. Individual perception is a reality that affects the internal environment factors of an organization. The climate is more sensitive to power – more easily manipulated and influenced (Denison, 1996).

In KEYS methodology, which is used for empiric research of the paper, organizational climate is defined as human perception of work environment factors. This perception affects their personal activities, including creative activities. On the other hand, creativity is defined as human ability to generate new ideas that have a useful value. Research is based on the organizational climate definition provided in KEYS methodology. Subjectivity of climate largely explains why the research literature relates creativity and innovation to organizational climate instead of culture (Center for Creative Leadership, 2010; Amabile Center for Creativity, 2010).

In the management science literature:

1. Individual creativity is not separate from the level of creativity of organizational climate and factors influencing it.

2. Creativity and innovation are complimentary, interdependent and at the same time different concepts.

The conceptual model of climate for creativity developed by T. Amabile and other authors distinguishes ten dimensions/scales: freedom, challenging work, managerial encouragement, work group supports, organizational encouragement, organizational impediments, sufficient resources and workload pressure. The end result of these factors is the level of creativity and productivity in the organization (Amabile 1985; Amabile, et.al.,1996).

There are three main conceptual approaches, when it comes to interaction between organizational climate and culture that largely determine research interests of the authors:

1. Organizational culture and climate are two significantly different concepts;

2. Organizational culture and climate are complimentary concepts;

3. Organizational culture, climate and change (therefore also creativity and innovation process – L.D.) are closely interrelated, and constitute a kind of trinity. They are supposed to be studied in parallel and simultaneously (Ashkanasy, Wilderom, Peterson, 2000).

This research is based on the third conceptual approach. The author suggests that all three views actually recognize cultural impact on the climate and creativity. This assumption is a logical consequence of theoretical concepts mentioned above.

The concept of culture is much broader and deeper than climate, but they are related and characterized by convergence and complementarity. Research of creativity in organization is based on dyadic approach: culture and climate are supposed to be studied in parallel and simultaneously.

3. RESEARCH METHODOLOGY

The research base of the paper is state theatres in Latvia. Actor and management subcultures were studied. The size of population (N) is 198 respondents, while the sample size (n) is 130.

In order for the standard error not to overreach 0.05, sample size of 132 respondents is required. The sample size is sufficient to ensure the validity of the study. It is also appropriate to KEYS methodology and the generally accepted sample size compared to the population size in research.

Five research instruments were used in the study:

1. *Organizational Culture Assessment Instrument – OCAI* by K. Cameron and R. Quinn is used for organizational culture research. The questionnaire allows to measure existing and preferred organizational culture typological models from different (actors, managers) subcultures perspectives. The instrument allows to diagnose the dominating cultural value orientation, type, strength and congruence.

2. *The Organizational Culture Index – OCI* is also used in the study. In general, it is similar to theoretical concept of OCAI. OCI is used to re-test purposes in order to test the reliability of OCAI data.

3. *KEYS – Tool for Assessing the Climate for Creativity* is used to research climate for creativity. In total 186 organizations from different industries (including the creative industries) have been tested by using this instrument. Based on studies a database with results and possible standard deviations for all KEYS dimensions has been created. This allows a comparison of research data.

Research results are directly related to statistical data and standard deviations included in the calculation formula of the instrument. There does not exist such a database in the Baltics and Europe. The database also does not include specific information about theatres as a part of performance art industry. Taking into account all the above-mentioned as well as cultural differences, KEYS results leave space for interpretations in different climate dimensions.

4. Another instrument used in the study is a questionnaire. The target audience of the questionnaire is a group of producers – experts. It consists of 9 producers from state theatres in Latvia (middle and top level management).

5. In order to evaluate results of the empiric research and to clarify the possible preferred changes in culture and climate in the theatres, directors of four theatres were interviewed. In one of the occasions, the public relationship manager gave an interview after it was confirmed with the director.

6. Statistical methods (descriptive and inferential statistic methods for exploring relationships among variables):

- a) measures of central tendency;
- b) correlation;
- c) analysis of variance;
- d) standard linear regression.

Data to be collected are processed and analysed using MS Excel and SPSS

4. RESEARCH RESULTS

OCAI and OCI questionnaires were used as a data collection method for organizational culture analysis in state theatres. The data analysis reflects separate perspectives of management subculture and the actor subculture as well as their common view. The existing and preferred organizational culture typology from common view of both subcultures is reflected in the figure 2.

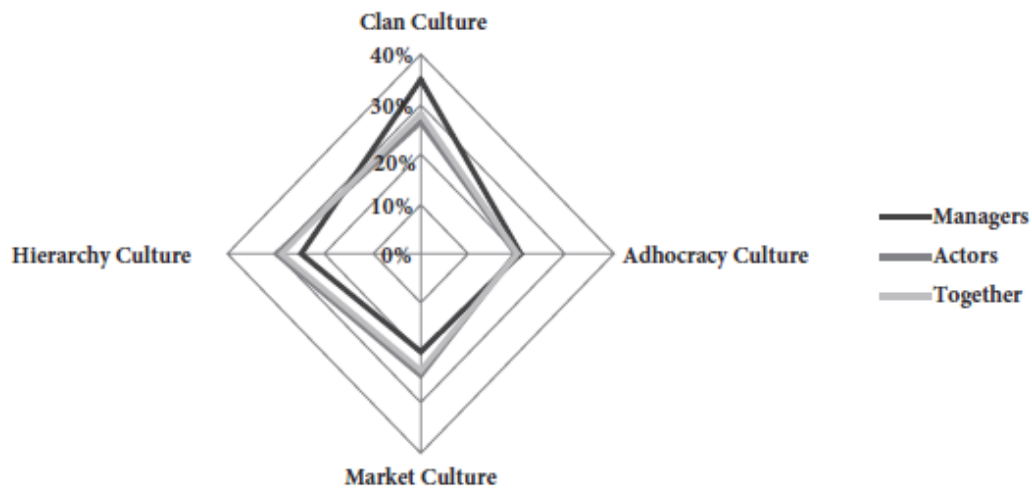


Figure 2. Percentage frequencies for existing organizational culture of actors and managers subcultures and taken both together accordingly by OCAI
Source: Compiled by the author

The analysis was carried out by using frequency distribution expressed in frequency percentage rate available in MS Office 2010 Excel software. The figure 3 shows that the dominant culture type in the existing model is hierarchy culture with the percentage rate 29%. The percentage rate for clan culture type is 1% lower – 28%. Accordingly, median values for both cultures are – 27.5 for hierarchy culture and 26.5 for clan culture. This indicates that the current culture model is characterized by the internal focus and integration, which is characterized by maintenance of the status quo.

Activities of state theatres are currently focused on keeping the existing clients (spectators) with an appropriate repertoire, pricing policies etc.

There are statistically significant (expressed by *Me*) differences between clan culture and other culture types. However, it must be asserted that results of questionnaires in subcultures prove the typology of organizational culture on the whole in OCAI version.

Theoretically, hierarchy and clan cultures are interested in fostering climate for creativity. However, the author believes that the two are not characterized by strong emphasis on innovative orientation focused towards market expansion.

The typology of the existing organizational culture is also confirmed by the results of OCI questionnaire.

Percentage frequencies of exiting organizational culture dimensions taken both subcultures together accordingly by OCI methodology are innovative dimension 31%; Supportive dimension – 34%; Bureaucratic dimension – 35%

OCI questionnaire was used as the re-test instrument.

Results by OCI confirm the results by OCAI. Validity of the study is also supported by dispersion analysis.

To understand the culture means to understand the difference between the existing and preferred situation in the organization.

Preferred culture model in state theatres is shown in the figure 3.

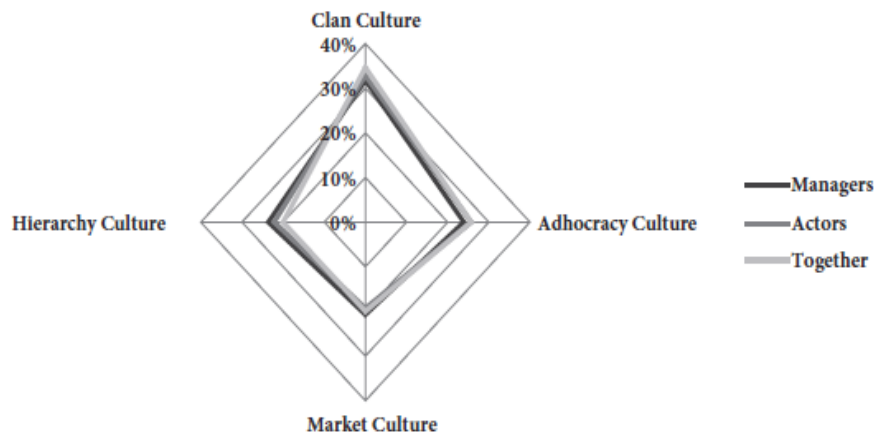


Figure 3. Percentage frequencies of preferable organizational culture dimensions for actors and staff subcultures and taken both together accordingly by the OCAI

Source: Compiled by the author

The figure 3. shows that dominating types in the preferred culture are as follows: clan culture type 35%; adhocracy culture type 26%; market and hierarchy culture types 20%.

Both subcultures, in general, are dominated by clan and adhocracy culture values, which in management science are positively associated with climate for creativity. Increase in clan and adhocracy culture values is based on proportional decrease of hierarchy values in overall culture and actor subculture. From management perspective the decrease in hierarchy culture is smaller by 1%.

The author argues that formalized, strongly structured and stable internal environment at least on a subjectively desired level provokes clan or family culture values: development of human resources (individual creativity), team, and other values. Such environment also provokes adhocracy values – desire to express individual creativity.

Differences between the existing and preferred organizational culture models are shown in the table 1.

Table 1

Organizational culture Wilcoxon Signed Rank Test in the actors and managers subcultures taken together

Organizational culture type	Organizational culture level	Median (Me) existing	Median (Me) preferable	Z value	P (level of significance)	Statistical significance
Clan (taken together)	existing-preferable	26,25	30,00	-2,032	0,042	Statistically significant difference
Adhocracy (taken together)	existing-preferable	20,00	25,00	-2,060	0,039	Statistically significant difference
Market, (taken together)	existing-preferable	20,00	20,00	-0,447	0,655	Statistically no significant difference
Hierarchy (taken together)	existing-preferable	27,50	20,00	-2,070	0,038	Statistically significant difference

Source: Compiled by the author.

The Wilcoxon rank criterion shows significant differences (large effect) in clan, adhocracy and hierarchy culture types. Statistically, the less significant difference (small effect) is detectable between the existing and preferred market culture values in both subcultures separately and in general.

The difference between the existing and preferred organizational cultures is generally valued as

statistically significant. Consequently, the existing organizational culture cannot be classified as integrated, strong and effective. It is characterized by certain features of entropy.

The Analysis of climate factors influencing creativity in Latvian theatres is presented in the table 2.

Table 2

T value results of the KEYS factor groups for actors, managers and together for state theatres in Latvia

Nr.	Factor groups	T value actors	T value staff	T value taken together
1	Freedom	23	40	26
2	Challenging Work	54	58	55
3	Managerial Encouragement	51	59	52
4	Work Group Support	61	66	62
5	Organizational Encouragement	54	56	54
6	Lack of Organizational Impediments	54	55	53
7	Sufficient Resources	55	62	56
8	Realistic Workload Pressure	74	73	74
9	Creativity	69	67	68
10	Productivity	49	59	51

Source: Compiled by the author.

The table 2 explains the results of analysis in five levels (by T-scores):

- very high – score of 61 and more;
- high – score from 56 to 60;
- medium – score from 46 to 55;
- low – score from 41 to 45;
- very low – score of 40 and less.

The correlation coefficient between different groups of KEYS factors and results are shown in table 3.

Table 3
 Pearson's product-moment correlation coefficients between KEYS factors for actors and managers subcultures taken together

	Freedom	Challenging Work	Managerial Encouragement	Work Group Support	Organizational Encouragement	Lack of Organizational Impediments	Sufficient Resources	Realistic Workload Pressure	Creativity	Productivity
Freedom	1	x	x	x	x	0,236(*)	x	x	x	x
Challenging Work	x	1	0,337(**)	0,461(**)	0,392(**)	x	x	x	0,516(**)	0,374(**)
Managerial Encouragement	x	0,337(**)	1	0,530(**)	0,776(**)	-0,445(**)	0,551(**)	-0,255(*)	0,519(**)	0,633(**)
Work Group Support	x	0,461(**)	0,530(**)	1	0,555(**)	-0,323(**)	0,362(**)	x	0,513(**)	0,488(**)
Organizational Encouragement	x	0,392(**)	0,776(**)	0,555(**)	1	-0,449(**)	0,575(**)	-0,241(*)	0,594(**)	0,724(**)
Lack of Organizational Impediments	0,236(*)	x	-0,445(**)	-0,323(**)	-0,449(**)	1	-0,322(**)	0,543(**)	-0,352(**)	-0,439(**)
Sufficient Resources	x	x	0,551(**)	0,362(**)	0,575(**)	-0,322(**)	1	-0,373(**)	0,541(**)	0,581(**)
Realistic Workload Pressure	x	x	-0,235(*)	x	-0,241(*)	0,543(**)	-0,373(**)	1	x	-0,246(*)
Creativity	x	0,516(**)	0,519(**)	0,513(**)	0,594(**)	-0,352(**)	0,541(**)	x	1	0,684(**)
Productivity	x	0,374(**)	0,633(**)	0,488(**)	0,724(**)	-0,439(**)	0,581(**)	-0,246(*)	0,684(**)	1

Source: Compiled by the author.

Table 3. shows the correlation between KEYS factor groups. Presented degree of association is with high reliability.

Comparison between factors influencing climate for creativity in Latvian theatres, the results of KEYS database, experts evaluation and opinion of the World's leading researchers is reflected in the Table 4.

Table 4

Comparative analysis of factor groups for climate for creativity of state theatres in Latvia, KEYS data base, expert evaluation and in scientific research literature

Nr.	Factor groups	T value, state theatres in Latvia	Experts evaluation	KEYS	Standpoint from theoretical sources and researches about creativity and productivity (McLean, Laird, 2005; Amabile, Conti, Coon, 1996).
1	Freedom	Very low	Low	Middle	Important/less important
2	Challenging Work	High	Middle	Middle	Important
3	Managerial Encouragement	Middle	Middle	Middle	Important
4	Work Group Support	Very high	High	Middle	Important
5	Organizational Encouragement	Middle	Middle	Middle	Important
6	Lack of Organizational Impediments	Middle	Middle	High	Important
7	Sufficient Resources	High	Middle	Middle	Important/less important
8	Realistic Workload Pressure	Very high	Middle	Middle	Less important
9	Creativity	Very high	High	Middle	
10	Productivity	Middle	Middle	Middle	

Source: Compiled by the author.

The table 4 shows very high scores in work group support as well as realistic workload pressure in state theatres. Score is also high for sufficient resources dimension, but similarly to challenging work dimension, it should be assessed relatively. Freedom or autonomy dimension has a very low score. During the interviews theatre directors explained it by two factors: school of directing as well as limited options of repertory theatre actors. In fact, actors in repertory theatres have no choice of roles and the choice of actors is in hands of the director. Compared to KEYS database, greater dispersion of scores can be observed. This at least partly can be explained by greater consistency of companies in KEYS database – the database does not include studies done in theatres. The table 4 reflects the opinion comparison between the expert group and main theoretical sources in regards to factors affecting climate for creativity (in case of expert opinion, also results). In general, the views match. In the science of management theory, major differences are in scores for such factor groups as realistic workload pressure, freedom and sufficient resources. In some positions there are differences in views of researchers, this includes scores in freedom and sufficient resources. In the table 4 important means high, while less important means medium.

The results of KEYS survey suggest:

1. Groups affecting climate for creativity contribute to a very high level of creativity and medium level of productivity in theatres;
2. In general, there are on average positive and positively low correlation between all factor groups affecting climate for creativity (with exception of lack of organizational impediments, which mainly have a negative correlation);
3. There is a very strong correlation between creativity and productivity;
4. Organizational culture has a strong correlation with managerial encouragement and productivity, moderately positive correlation with work group supports, sufficient resources and creativity, but mainly low negative correlation with the lack of organizational impediments.

Research worldwide has shown that in motivation for creative behaviour there are three crucial dimensions: challenging work, work group support and lack of organizational impediments. On the other hand, less important are dimensions of freedom, sufficient resources and realistic workload pressure. Research in state theatres generally confirms these findings. The exceptions are realistic workload pressure

and sufficient resources.

The impact of existing competing value types on climate for creativity factor groups and results in state theatres was analysed by OCAI version. Linear regression method was used in creation of mathematical model. β standardized coefficient was applied in evaluating state theatre value types and values on dependent variables. Higher β value has a higher impact on the dependent variable. In this model, other dimensions have lower, insignificant effect. In some cases it might be said that the effect does not exist. Interaction between culture and climate for creativity in state theatres from actor and management perspective was analysed. Such integrated perspective on the problem complies with the goal of the research.

Results of the organizational culture and climate for creativity research show similarities in assessment of the existing and preferred organizational cultures in state theatres from actors and management perspective. Differences in opinions in general are not statistically significant.

Linear regressions β values were analysed in the OCAI methodological context. Results are shown in the table 5

Table 5

β values presenting interaction between existing culture and climate for creativity for actors and managers taken together accordingly by OCAI

Systems (dimensions) of organizational culture	Factors and results influencing organizational climate for creativity,	β values
Clan culture value system	1. Freedom	0.140
	2. Organizational Encouragement	0.288
	3. Lack of Organizational Impediments	0.302
	4. Realistic Workload Pressure	0.244
	5. Creativity	0.213
	6. Productivity	0.210
Market culture value system	1. Challenging Work	0.284
	2. Managerial Encouragement	0.209
	3. Sufficient Resources	0.372
Hierarchy culture value system	Work Group Support	0.248

Source: Compiled by the author.

The table 5 shows interrelation between culture and determinants as well as outcomes of climate for creativity in state theatres in reliable and prevalent β values. From overall management and actors perspective according to OCAI the prevailing influence on factors forming climate for creativity belongs to the clan culture values.

The current interaction between culture and climate for creativity in state theatres in linear regression β values leads to the following conclusions:

1. In state theatres prevailing impact on factors of climate for creativity (organizational encouragement, lack of organizational impediments, realistic workload pressure, level of creativity and productivity) belongs to supportive or clan culture values.

2. Impact of culture on determinants and outcomes of climate for creativity in state theatres only partly is consistent with the dominant culture types and dimensions.

Analysis of variance (ANOVA) in terms of η^2 also shows that the current cultural competing values dominants by OCAI do not correspond to their significance of impact on climate for creativity. The current cultural values have different impact on climate for creativity factors and results in state theatres. The impact of market culture values on climate for creativity in state theatres is insignificant. Results of analysis of variance (ANOVA) in terms of η^2 and linear regressions (β values) are similar. Thus it increases the validity of the study.

In order to make any changes, it is necessary to determine the current situation, find out the systematic relationships and the necessary changes. This is the purpose of the research. Higher management has a crucial role in managing change.

In this chapter the desired interactions between culture and climate for creativity in state theatres are analysed from overall actor and management perspective. This shows an integrated picture of organizational culture and allows to determine accurately the main directions of the development.

The desired interactions between organizational culture and climate for creativity in state theatres in the research are analysed by linear regression method in terms of β values as well as analysis of variance (ANOVA) method in terms of η^2 . Interactions are analysed by OCAI and KEYS methodologies, taking into

account the correlation between influencing factors and results of climate for creativity in state theatres. Results are presented in the conceptual model developed by the author in terms of η^2 . (See the figure 4)

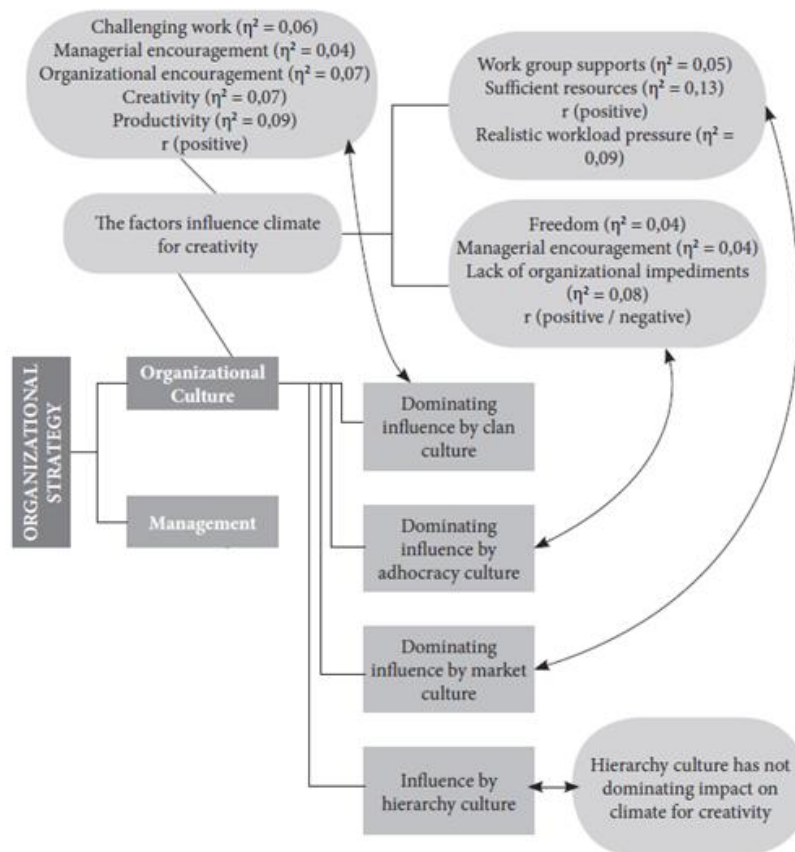


Figure 4. Conceptual model for improvement interrelation between culture and climate for creativity of state theatres in Latvia

Source: Compiled by the author

The figure 4 shows that the dominant influence on determinants and outcomes of climate for creativity in terms of η^2 belong to clan and adhocracy cultural values. Impact of clan culture on challenging work is medium, on managerial encouragement – medium low, on organizational encouragement – medium, on creativity – medium, while on productivity – medium high. The correlation between determinants and outcomes of climate for creativity is positive and reliable. A medium positive correlation is also between managerial encouragement, creativity and productivity, while the correlation is very strong between managerial encouragement and organizational encouragement. This is an indicator for cross-compliance between η^2 and r . Negative correlation between the lack of organizational impediments and all other factors and outcomes needs to be noted. According to all respondents, the impact of clan culture values on the lack of organizational impediments in terms of η^2 is zero. Adhocracy culture values have the biggest impact on work group support (medium), sufficient resources (medium high) and realistic workload pressure. Mutually reliable and positively low is the correlation between the work group support and sufficient resources. It should be noted that in the preferred organizational culture model in state theatres adhocracy culture values are the second most important after clan culture values, when it comes to the impact on creativity and productivity. In general, preferred culture model according to actors and management is dominated by the value systems described above. Adhocracy values do not affect challenging work, as $\eta^2 = 0$.

The preferred culture model in state theatres is characterized by such values as personnel selection, self-differentiation (resource issue), personal development, personal value and individual contribution appreciation by management and colleagues. At the same time, these are internal and external motivational factors that promote significantly individual creativity.

In KEYS methodology, the above-mentioned values correspond to climate for creativity determining management practice, organizational motivation and resource factor groups, as well as results – creativity and productivity.

Market type values in OCAI preferred culture model have the largest impact on freedom (medium low impact), managerial encouragement (similarly to clan culture – medium low impact), lack of organizational

impediments (medium impact). The positive correlation of managerial encouragement is with low reliability, while managerial encouragement has a reliably low negative correlation with it. Market culture values do not affect creativity as $\eta^2 = 0$.

Hierarchy and bureaucratic culture values actually have no impact on determinants and outcomes of climate for creativity in the preferred organizational culture model: η^2 effect on freedom, work group support, sufficient resources, lack of organizational impediments, creativity and productivity is zero. There is no prevailing influence of hierarchy culture values on other factors for climate for creativity. They have a medium low impact on challenging work, and low impact on managerial encouragement, organizational encouragement and realistic workload pressure. On the one hand, it confirms the preferred culture typology of state theatres. On the other hand, it increases organizational risks, especially given the status of state theatres, which is a public limited liability company. Hierarchy or bureaucratic culture values provide a framework for existence of the organization and ensures the status quo.

The figure 4 characterizes the author's conceptual approach, based on theoretical and empiric research results.

The main conclusions are:

1. Factor groups, creativity and productivity affecting climate for creativity in state theatres are mainly determined by clan and adhocracy culture value systems.

2. Typologically different culture values have different prevailing impact on factors and results of climate for creativity in state theatres in Latvia. It is confirmed by the results of linear regression and analysis of variance in terms of η^2 .

3. Analysis of variance (ANOVA) results are broadly consistent with correlation between climate for creativity factor groups in state theatres.

4. Analysis of variance (ANOVA) results in terms of η^2 correspond to the dominant preferred organizational culture competing values typology from management and actor perspectives according to OCAI.

This is generally confirmed by the results of linear regression in terms of β . The difference in results can be explained by the diversity in calculation methodology.

In the figure 4 organizational strategy first means defining and communicating the vision, while core of the organization is formed by values. Strategy, organizational culture and climate (internal environment) generally are the result of managing, while culture plays the key role in implementing the strategy. The recipient of internal environment change management in any organization is the top management.

To summarize the main issues of the research, the change of the existing organizational culture model will contribute not only to the increasing level of climate for creativity, internal efficiency and innovation, but also on to higher level of artistic quality in state theatres in Latvia.

Qualitative research method – interview, was used to assess the possibility to increase the level of creativity by using the preferred model of interaction between culture and climate for creativity in state theatres in Latvia. The author choses to interview four directors, who also are chairmen of the board. Theoretical substantiation of the interviews is based on management science knowledge that organizational culture and climate is defined by the top management.

The public relations manager was interviewed in the fourth theatre. The content of the interview was previously aligned with the opinion of the director of the theatre.

Results of the interviews can be summarized as follows:

1. This type of research has not been done in Latvian state theatres before.

2. Research results of the paper are reliable.

3. Dual status of state theatres is confirmed: on the one hand, they are public corporations characterized by hierarchy and market culture values – focus on results, while on the other hand, as cultural institutions, they are characterized by clan and adhocracy culture values.

4. In regards to interaction management between culture and climate in state theatres in Latvia, top management have similar views.

5. Clan and adhocracy culture values are more suitable for culture specifics of state theatres. Values of market culture (mainly competition) are not significant, but do exist. This is confirmed by the preferred model of interaction between culture and climate in state theatres, where market culture values have statistically insignificant impact on climate factors and level of creativity.

6. The impact of hierarchy culture values in culture and climate of state theatres is mainly related to over-bureaucratic politics by the Ministry of Culture.

7. The interviews confirm the possibility to implement the model of culture and climate interaction in partly close (definition of mission, vision and values) but mainly further future (a period of 3-5 years).

Interviews confirm reliability of research results and that the goal of the research is reached.

Paper does not include practical results of interaction between preferred culture model and climate, as changes take longer a period of time.

5.THE MAIN CONCLUSIONS / DISCUSSIONS

1. Dominant organizational culture type in actor subculture as well as overall culture is the hierarchy culture type (by OCAI). Management subculture is largely dominated by clan culture values. The less significant is market culture orientation. Proportion of adhocracy culture values in both subcultures is statistically insignificant. Culture in theatres is characterized by internal focus and integration. Results of OCAI and OCI questionnaires in regards to the existing culture from perspective of both subcultures and in general is similar. The differences are evaluated as statistically insignificant. Similarities in the existing culture are confirmed by the analysis of variance of OCAI and OCI.

2. Preferred culture by OCAI according to overall actor and management view is dominated by clan culture based on a decline in hierarchy culture values. There is also an increase in adhocracy culture direction and a decline in market orientation. The preferred culture typology highlights values fostering climate for creativity (in terms of linear regression β and analysis of variance – ANOVA η^2).

3. The analysis of Wilcoxon rank criterion shows statistically significant difference between the hierarchy, clan and adhocracy culture types in the existing and preferred organizational culture models in general. Analysis of OCAI results does not confirm strength of the cultures in theatres. Research results prove the features of cultural entropy as the existing values are not consistent with the preferred ones. Determining the level of cultural entropy requires additional research.

4. Factor groups affecting climate for creativity contribute to a very high level of creativity and medium productivity in state theatres. Overall organizational climate in state theatres in Latvia is characterized by very high work group support, realistic workload pressure, and highly sufficient resources. Factors as challenging work, managerial encouragement, organizational encouragement, and lack of organizational impediments are at a medium level. Personal freedom and autonomy dimension is very low.

5. Evaluation of factors of climate for creativity in state theatres from actor and management subcultures perspective is different: it is higher in all dimensions, apart from realistic workload pressure, from management perspective. The level of climate for creativity is rated slightly higher from actor subculture perspective.

6. The research shows that creativity is positively correlated with productivity. In state theatres in Latvia, there is a medium positive and positively low correlation between all factor groups affecting climate for creativity (except for the lack of organizational impediments, which mainly has low negative correlation).

7. There is a strong positive correlation between managerial encouragement and productivity, average positive correlation with work group support, sufficient resources and creativity, but mainly low negative correlation with lack of organizational impediments in state theatres.

8. There is a statistically significant interrelation between organizational culture and climate for creativity in state theatres. The impact of different organizational culture types on results and factor groups affecting climate for creativity is different. The main influence in the preferred model by OCAI belongs to clan and adhocracy culture values. The impact of organizational culture types (dimensions) on results and factor groups affecting climate for creativity is different.

9. Overall dominant management in state theatres in Latvia is not focused on significant challenges, risks, and creative experiments. Instinct to preserve internal environment and climate dominates, which does not exclude the encouragement to maintain the existing level of creativity. This is confirmed by the dominance of hierarchy leadership by OCAI culture typology and results by KEYS.

10. Results of the research support hypothesis put forward in the paper, that the preferred changes in culture in state theatres are associated with changes in climate for creativity and the factors affecting it.

11. Research supports the hypothesis, that the focus on supportive (family and clan) as well as creative (innovative and adhocracy) values in the preferred culture is characterized by a greater impact on climate for creativity in state theatres in Latvia.

12. Research results prove the hypothesis, that the orientation towards bureaucracy (hierarchy) and market values in preferred culture is characterized by a lower impact on climate for creativity in state theatres in Latvia.

13. The developed methodological design and conceptual model for research of interaction between organizational culture and the level of climate for creativity can be used in change management in Latvian state theatres.

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