

**SKILL SETS UTILIZED FROM THE VIDEO GAME DEVELOPMENT  
INDUSTRY TO CREATE BUSINESS INNOVATION**

Doctoral Dissertation Research

Submitted to the Graduate Faculty of  
Argosy University, Salt Lake City Campus  
Graduate School of Business and Management

In Partial Fulfillment

of the Requirements for the Degree of  
Doctor of Education in Organizational Leadership

By

Christopher John Gardner

April 2016

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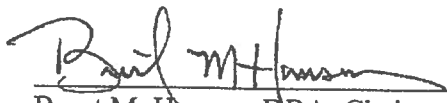
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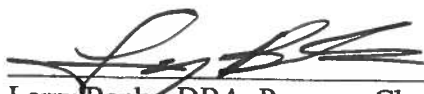
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## **ABSTRACT**

The purpose of this exploratory qualitative study was to determine what benefits leaders of the video game development industry might bring to business leaders to further innovation. This research involved a qualitative exploration of small to midsized organizations. The phenomenological study included interviews with the executive level leaders of six gaming companies. The research study was designed to shed light on the importance of the influence of product innovation as part of the early business development phase. The interviews were transcribed and the data were coded into categories, subcategories, and themes. The goal was to compare and evaluate the themes in order to make recommendations for future research.

## **DEDICATION**

To my father, Dearl Dee Gardner, who undoubtedly will feel a sense of pride wherever he might be at this present moment!

## ACKNOWLEDGEMENTS

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## CHAPTER ONE: INTRODUCTION

Technology, as well as its application in the business world, has expanded faster than at any other time in history. Organizational leaders are finding that as a result of this expansion of technology, they are competing with a larger number of businesses on a global level. The ability to adapt to external surroundings is considered vital to an organization's continued success; organizations must adapt or risk failure. While researchers agree that organizations have to change in order to survive and maintain their competitive advantage, the literature reveals that the majority of change efforts driven by innovation fail. Shalley and Gilson (2004) offered that 50% to 70% of change efforts fail to achieve, at least in part or in full, their objectives and almost two-thirds of all innovation projects fail. With so many change projects with innovation in mind failing, the question becomes why and who is in the best position to help change this outcome.

The purpose of this exploratory qualitative study was to determine what benefits video game development leaders might bring to business leaders to further innovation. In order to make the implementation of technology stick, an innovative leadership style might be applied by the executive structure. Innovative leadership theory and technological aspects have been the focus of many research studies due to the need to understand how to lead people in a way that will increase the chances of a successful technological implementation process (Kelley, 2008).

The current study was designed to add to the body of knowledge on both creative leadership with product innovation in mind and the technological implementation process. These aspects were used in an attempt to discover whether indeed executives might benefit from an innovative leadership style to make technological implementation

work and product innovation take place. Some leaders might resist innovative solutions, preferring instead to continue with familiar patterns of thinking and behaving no matter how incongruous these patterns are with current research (Liu, Wang, & Wayne, 2014). Levitt (2002) argued that innovation can be destructive and counterproductive to the aims of an organization when not managed properly.

### **Problem Background**

Cooper (2012) argued that human beings are not meant to be robots. Open communication between superiors and followers can lead to additional motivation, as followers who experience a feeling of well-being are more likely to perform at their best. Kelley (2008) was under the impression that collaboration between team members could turn the strength of an initial opposition into a positive force (p. 116). Miscommunication between a company's executive manager and the head of the creative department might lead to product failure (Kutsch, Hall, & Turner, 2015). Kutsch et al. (2015) looked at aspects within a company from an organic ever growing perspective and determined that environmental factors could lead to miscommunication, which ultimately could force the board to close a project.

If executive managers do exert such influence, it is important to uncover how the leader uses his or her power to influence the technological implementation process. Shin (2012), using social learning theory, explained that when role models are present in organizational settings, the workforce tends to copy these individuals. Additionally, while any manager can be a role model, the executive leader tends to be a significant role model for the entire organization to follow (Shin, 2012). Shin argued that when the executive leader powerfully influences the performance of the workforce with his or her

leadership, rank, and power, his or her conduct will have consequences. Shin's argument means executive leadership likely has a great deal of influence over technological implementation, which means a greater chance of success if the leader's goal is to create technological implementation.

With the arrival of the Internet, knowledge has become more accessible to the public and leadership has taken on a new approach—that of creative thinking. E. L. Wilson (2004) elaborated on different types of leadership that have emerged due to the influx of adjustments and growth experienced during the digital age. While traditional leaders are trying to hold onto their more centralized top down version of leadership, E. L. Wilson pointed out that the digital age has produced leaders who are more unique, flexible, and hungry for new knowledge. Video game development's graphics, speed, innovative storylines, and scalability have made leaders around the globe take notice of this growing industry spearheaded by executive leadership.

Costello (2010) suggested that changing habits can be hard for some individuals because they find security in the status quo or have a broad fear of the unknown, which prevents them from wanting to make changes in the current technology used within the organization. When changes such as new technology are first brought into an organization, many individuals feel fear related to perceived loss, mainly because they believe the loss will be greater than any improvements (Morgan & Brightman, 2000). Fear of the unknown can lead to substantial anxiety. Karp and Helga (2008) asserted that the only way individuals want to change is when they feel there is no other resolution than to change. In order for innovation to be successful, leaders must attempt to instill in their followers the need for the innovation to take place. In addition, they should help

them overcome resistance to change and perhaps make a case for an improvement rather than a perceived personal loss. Therefore, the current study involved an exploration of the ways in which leaders can help their followers adapt and become open to new innovative processes.

A new imperative for companies emerged during a colloquium at the Harvard Business School around the notion that leaders cannot simply manage in the hopes that creativity will spontaneously emerge; rather, there must be a level of intentionality toward creative expression (Amabile, 2008). This 2-day event was attended by 100 business leaders from around the world who had a deep concern for the future of corporate innovation. At first, attendees were skeptical that innovation within the technological implementation process could be evaluated and critiqued. One leadership imperative that was received openly and readily discussed at the colloquium was the need to evaluate traditional management practices that tend to homogenize diverse opinions and discount the value of perspectives from the margins.

In order for innovative activity to emerge at the organizational level, environments that are conducive to individual creative idea generation are critical. X. Zhang and Bartol (2010) declared, “Without a constant flow of ideas, a business is condemned to obsolescence; executive leaders know that ideas and innovation are the most precious currencies in the new economy, and increasingly in the old economy as well” (p. 120). Organizations that engage in surfacing, testing, prototyping, and routinely experimenting with new products and processes often become idea factories that establish new norms for product design. Gumusluoglu and Ilsev (2009) found that creativity has little to do with raw talent or solitary genius; rather, innovative solutions to technical

challenges surface as creative ideas are encouraged. Zhou and Shalley (2007), in their research on creativity and innovation, revealed that new product designs often are built on concepts that have been operationalized in other arenas.

Thus, while innovative ideas stem from individual talent and ingenuity, the organizational or group setting is what channels that talent into the production of useful goods and services. The role of leadership in recognizing and releasing creative idea generation is ambiguous, according to some researchers. Tushman and O'Reilly (2013) found that visionary or charismatic leadership qualities are not enough to promote idea generation and innovative business practices, such as the development and implementation of new technology in the organization. Change due to innovation is often difficult for people (Costello, 2010). Therefore, leaders must find ways to help their followers embrace or accept change in order for their organizations to succeed (Costello, 2010; Karp & Helga, 2008).

More countries are investing in higher education, skill development, and innovative processes that have leveled the playing field for the generation of novel ideas and products. Tushman and O'Reilly stated, "A mind is meant to imagine and then act and we must restore the place (or at least the possibility) for vision in everyone's job" (p. 20). Further research is needed to understand the role of leadership in promoting or inhibiting the free flow of innovation specifically applying to new technology in the organization, thus the impetus for the current study.

Uncertain times call for flexible leadership approaches. Nilsson (2001) understood that without the freedom to act out one's ideas, the leader's ability to understand and accept change due to innovation would not matter. Furthermore, Nilsson

identified that in a modern, rapidly changing society, the environment outside of an organization largely dictates the leadership approach. According to Gumusluoglu and Ilsev (2009), transformational leadership recognizes and encourages followers to come up with their own solutions to problems. The use of creativity within a modern leadership approach reflects the realization that inspirational motivation can be a force toward technological implementation. Stimulating intellectual thought within a group of followers can lead to innovative solutions toward a situation of change. The President of Pixar Animation Studios and Walt Disney Animation Studios, Catmull (2008), took 20 years to realize his dream—namely, the creation of *Toy Story*. In the process, Catmull discovered that the far greater achievement was to build a unique work environment. Pixar's Board of Directors found that creative leadership allowed employees to explore different ideas and to focus on fixing problems, rather than initiating directions to take.

Business executives and owners have grappled for centuries with the idea of finding new solutions to enhance organizational capability and profitability. Kamprad and Torekull (1999) explained how their success in building IKEA into a global franchise was based on finding creative solutions to immediate business needs based on experimental responses to problems such as knock down furniture into flat parcels as well as products that are instantly ready for customer pick-up and assembly.

Today's fast-paced work environment may benefit from creative stimulation. Amazon CEO, Jeff Bezos (2013), wrote in his book that thinking outside the box and embracing technological advancements, while implementing them in creative ways, can enhance business growth. Bezos emphasized that creative collaboration and building trust will lead to better products. Ford was an innovator who, according to his

autobiography, always kept the “big picture” in mind (Ford, 2014, p. 133). Creative leadership requires moving back and forth between levels of abstraction, the concrete, and the big picture. Traditional businesses benefit from new ideas being injected into their existing structures by creative leaders.

### **Purpose of the Study**

The purpose of this exploratory qualitative study was to determine what benefits leaders of the video game development industry might bring to business leaders to further innovation. This research involved an exploration of small to mid-sized organizations. The phenomenological study included interviews with executive leaders from six game development companies.

Qualitative methods are an approach to research that assist in exploring a trend within its framework using an array of data sources. Within any organization, communication and motivation are integral to success. The ability to communicate is a vital aspect of any upcoming technological implementation procedure. Research validates the importance of communication and shows the ability to communicate is “the most important factor in making an executive promotable, more important than ambition, education and capacity for hard work” (Alder & Elmhorst, 2008, p. 5).

### **Research Question**

This study involved an exploration of the perceived influence of the video game development industry when it comes to innovative technological implementation processes through creative leadership. The research question used to guide this study was: What benefits might leaders of the video game development industry bring to business leaders to further innovation?



## **Problem Statement**

There is a consensus in the literature that executives do make a difference in organizational performance. However, M. E. Antonaros (2010) did not conclude that leadership ability has an effect on total quality attainment. The implications are perhaps that the executive's role is much smaller than previously stated, suggesting researchers need to focus again on quality practices, work specialization, and process refinement. According to Hackman and Wageman (2007), what should be asked is under what conditions leaders could make a difference instead of whether they make a difference. The authors pointed out that the physical environment in which a technological implementation process takes place might have a significant impact on the possible success of the upcoming procedure.

Sentences such as "You are responsible for your results. The success of this company depends on you and what you do. Now go do it" are expressions by executive team members that could be counterproductive and might lead to employee dissatisfaction. Leadership today operates in a complex and uncertain context. From the challenges that cross organizations, there arises a need to reduce the complexity and uncertainty to obtain a desirable future scenario. Therefore, leadership must have a sense of purpose and vision and members of the organization must share that vision.

As Kelley (2008) suggested, an open floor plan may be more conducive to the creative mindset due to the fact that a positive communication flow can enhance innovation. The author used Thomas Edison as an example of how collaboration can enhance innovative thinking. A drawback might be that more traditional followers may not be able to perform under those conditions. Technological implementation

developments that influence the work environment may end up being more conducive to a certain gender. Therefore, the current study was designed to understand the influence of the leader on the process from the perspective of managerial level through innovative leadership.

As stated by Johnson, Scholes, and Whittington (2008), “deciding strategy is only one step strategic decisions need to be communicated” and “communications are typically vital to ensure that the strategy is carried out in the first place” (p. 574). Kelley (2008) reported on a strategy that was developed to create a situation of unmonitored cross-communication and resulted in large output (p. 119). The author concluded that “taking down some of the walls separating inter-company teams can make a world of difference (p. 120). As a result, executive management should communicate effectively while taking into consideration both the business needs as well as the innovation requirements. This researcher hoped to establish technological implementation procedures that can enhance innovation in order to create a superior product.

One vital aspect to the possible success of the procedure could be successful communication between involved parties. Video game development involves writers who are responsible for mind mapping and storyline. Character creators create 2D and 3D models and code movement. The production team is responsible for the appropriate look and feel of the final product. Most teams work in open spaces and are in close proximity with each other and their individual project managers. Project managers and executive members work with the development team as one unit from the introduction of the storyline to fine tuning character movement and screen transitions.

Gartner (Hall & Safian, 2015) stated in its annual report that game related spending for consumers reached \$112 billion. The analysts stated that executives within the industry make a strong push for ultra realistic or lifelike graphics. Here, the simulation effect puts the player into a believable environmental setting. Rauf (2013) said that Strickler, co-founder of Kickstarter, and Crowley, co-founder of Foursquare, said at a conference in Brooklyn that the world is not to be seen as a stage but as a video game. Both parties agreed their biggest motivator came from the games themselves. Strickler and Crowley elaborated by stating that the secret to success in any digital venue is to create a “sport feeling” in an intelligent and engaging way; the way a lot of successful game executives execute their products (Rauf, 2013). The largest increase within the game industry has been reported in mobile gaming. Nguyen (2015), principal research analyst at Gartner, predicted that sales of consoles would slow while gaming on smartphones and tablets might double by 2017.

Öberg (2013) linked personal creative activity and enhanced human capacities with innovation, indicating that a study of this nature can bring greater understanding to organizational dynamics. Adarves-Yorno, Postmes, and Haslam (2007) suggested that a connection exists between individual creativity and organizational innovation: “Creativity does not solely depend on the intrinsic properties of the creation or the individual creator, but creativity is a dynamic process in which individual and social-structural factors interact” (p. 412).

Burgelman and Doz (2001) posited that “winning in business today demands innovation” (p. 1). Innovators build a reputation for problem-solving and often reap benefits in the form of funding for research and development, learning laboratories, and

dedicated design space, as well as increased profitability and stakeholder satisfaction. Companies are investing millions of dollars each year in research and development, indicating the value being placed on new products, systems, and technological advances (W. K. Smith, Besharov, Wessels, & Chertok, 2012).

Kim and Mauborgne (2000) conducted research with 30 companies across a variety of industries and found the key driver for profitable growth to be innovation. The cultivation of innovative processes and procedures is necessary for companies to develop new and more effective ways of meeting customer needs. Hitt, Ireland, Sirmon, and Trahms (2011) reasoned that in today's business market environment, organizations have a higher chance of success if they are adaptive, innovative, and consumer-centered. These findings suggest innovative ability is expressed fully in organizational settings where individuals are encouraged to think and act in creative ways and innovation is valued and supported.

According to Öberg (2013), the leader has a great influence on people's perceptions about the climate of the organization. The leader's behavior and attitude establish a pattern that promotes or hinders the generation of behaviors and attitudes that are conducive to innovation. The climate is a complex variable that can be affected by various influencers. The ability to solve problems, work together, learn, and generate innovative processes could be skewed. Organizations might benefit from innovation, which suggests the ability to respond flexibly to permanent changes in the marketplace. Factors these types of managers might take into consideration before a possible engagement can take place include positive leadership that may be conducive to a creative mindset, an enabling environment, and using deliberate processes to find

solutions that might promote innovation. The leader could influence the climate for organizational members to create a favorable environment for change to take place. Ford (2014) understood that innovative leaders should prepare the ground for the seeds of creativity to come to fruition. Kouzes and Posner (2008) pointed out that creative leaders should: (a) challenge the process, (b) inspire a shared vision, (c) empower others, and (d) encourage passion and enthusiasm at work. Each of these attributes involves the leader in a number of activities that should be carried out within an organizational work day. Oftentimes, change processes influence followers in ways that are unexpected. Subjects sometimes take offense to the incorporated change procedures and may not be able to perform under the newly established conditions.

Challenging the process encompasses continuously seeking out opportunities for possible growth, change, innovation, and improvement. The leader is able to experiment, take risks, and learn from mistakes. The innovative leader builds, with the collaboration of the members of his or her team, a common vision of a promising future, appealing to their values, interests, desires, and dreams (Bezos, 2013). Innovative leaders establish conditions that enable organizational members to feel welcome to invest their talents and efforts in order to achieve a vision they may find attractive, challenging, and demanding. The ability to empower others is an important attribute that innovative leaders put into practice by promoting cooperative goals and building on a foundation of trust. Empowerment not only involves the ability to delegate, it includes the ability to free the potential of each of the involved followers. Empowering individuals might include sharing information and expanding or transferring the decision-making ability to others participating in the process (Zhou & Shalley, 2007).

Models should lead by example by behaving in a manner consistent with their stated values. It might be crucial to establish a connection between the inside and the outside environment. Leadership can plan and establish conditions for small wins that promote consistent progress to build commitment.

The innovative leader has the ability to influence others. He or she can create a vision that followers might find desirable and achievable based on their talents as well as their possible commitment toward the organization.

### **Definitions of Terms**

*Creative leadership*: manages to improve efficiency and shift from managing people to a style that reveals intelligence for the benefit of all (Antes & Schuelke, 2011).

*Creativity*: defined by Amabile (1996) as “a product or response will be judged as creative to the extent that . . . it is both a novel and appropriate, useful, correct or valuable response to the task at hand” (p. 35). This definition provides a useful framework for understanding creativity as more than a set of personal characteristics or processes, although both are necessary for creative outcomes to materialize.

*Game Art*: a game that must contain at least two of the following: (a) a defined way to win or experience success in a mental challenge, (b) passage through a series of levels (that may or may not be hierarchical), or (c) a central character or icon that represents the player (Holmes, 2003).

*Leadership*: defined as having a hierarchical relationship with the most power, status, and influence on how the rest of the organizational members engage, and asserts that the leadership is fundamentally bound up with questions of ethics as leaders’ ambitions, relationships, daily performance, choices, and actions all have a moral

element. Leadership guides, encourages, and facilitates others to reach an organizational vision (Williams & Foti, 2011).

*Video game development*: the process of creating a video game. Development is undertaken by a game developer, which can range from a single person to a large business. Mainstream games are normally funded by a publisher and take several years to develop (Rollings & Adams 2003).

### **Significance of the Study**

The significance of the current study is to understand how executives in video game development companies can influence the possible success of business innovation within their organizations. The study was designed to expand on the acquired knowledge in the field of innovation and creative leadership. Kotter and Cohen (2014) stated that a leader can be effective if he or she has an obvious sense of purpose in order to point the organization toward a new goal. Therefore, the study was designed to help executive members to better understand and execute their role within an organizational technological implementation.

This study is important to the field of leadership theory. It involved an exploration of whether using an innovative leadership style has an effect on the outcome of an incorporated technological implementation. Furthermore, leadership stems from individuals who have a justification and intention that is either in opposition or disagreement with an organization in an attempt to connect, provoke, or to persuade followers to engage in a cause that promotes change.

Shalley and Gilson (2004) pointed out that successful innovative leadership might ask for the executive leader to be truthful to him or herself before setting a standard for

the team. A clear direction should be established first. Tushman and O'Reilly (2013) wrote that successful communication might not only lead to a situation of trust, it could generate synergy and promote flexibility. Thus, innovative leaders should:

- Promote successful communication tactics
- Give detailed directives during situations of innovation
- Always be available and socially aware
- Be open minded to new ideas
- Be ready to accept situations of change

### **Overview of the Study**

The focus of Chapter 1 was on the background and purpose of the study, along with the theoretical framework for this investigation into the innovative process, primary and secondary research questions, and research methodology. A review of pertinent literature follows in Chapter 2 to address theoretical issues relevant to this study, including: (a) change management research, (b) organizational innovation, and (c) principles of creative leadership.



## **CHAPTER TWO: LITERATURE REVIEW**

The survival of global organizations could depend on their leaders' ability to manage change—adapt or risk failure of the change. This literature review involves an in-depth look at whether the personal commitment of the members of senior leadership to a technological implementation has any influence on the success of the proposed improvement. Researchers have agreed that organizations have to evolve in order to survive and maintain a continuous competitive advantage (Elkin, Cone, & Liao, 2009).

The literature revealed that the majority of change with innovation in mind fails (Choi & Ruona, 2011; I. Smith, 2011). Regardless of whether executives have a role in the technological innovation, more than half of all large-scale change initiatives fail. Examining why these innovative ideas fail can help clarify whether leadership plays a role in the failure. Exploring leadership styles and their influence on innovation adds to the understanding of a leader's influence on all of the different types of evolution during the life of the business. Researching the diverse ways in which organizations change also adds to the exploration.

### **Literature Search**

The literature search revealed various opinions on the degree to which leadership can influence organizational innovation, different leadership approaches used for organizational innovation, and what might provoke people to attempt innovative thought. Papalexandris and Galanaki (2009) indicated the different leadership styles of executives lead to a variety of effects displayed by followers. The literature review opens with an exploration of different aspects of innovative leadership. It then moves to a discussion of the nature of innovation, leader's influence on organizational change from the innovative

lens, leader-follower relationships, theoretical gaps in the literature, organizational change and effect, managing resistance through communication, and organizational readiness for innovation through professional evolution.

### **Essence of Innovation**

An in-depth investigation of innovation is a complex undertaking. Liu et al. (2014) commented on the challenges inherent in innovation and questioned whether organizational stakeholders knew anything about innovation or whether it is even a useful concept for scientific theory (p. 429). Some theorists are skeptical about the concepts of creativity and innovation. Liu et al. stated little is known about the conditions that promote the creative or innovative performance of individual employees in organizations (p. 607). Yet, as new fields of inquiry have emerged in recent years within leadership studies, organizational behavior, and management science, further research might prove that innovation in organizations could lead to unforeseen product advancements (Liu et al., 2014, p. 429).

Innovative leaders should be awakening passion and enthusiasm at work, recognizing individual contributions to the success of each project, as well as celebrating the achievements of the team (W. K. Smith et al., 2012). W. K. Smith et al. (2012) stated a list of challenges in organizations that have recognized the value of creativity and innovation includes: (a) promoting innovation in all tasks, (b) unlocking the potential talents of each of the followers, (c) managing change rather than just reacting to it, (d) creating conditions for retaining individuals, (e) encouraging a labor force charged with energy and commitment, (f) aligning the personal development of each individual and his or her talents and capabilities with the highly competitive nature of an organization, (g)

generating a sense of urgency to facilitate positive attitudes toward change, and (h) improving quality.

Measuring innovative qualities is not easily accomplished. Skeptics point to the scarcity of empirically verifiable data that can be used to identify specific innovative personality traits. Additionally, there is a lack of objectively identifiable features that might distinguish innovative products from others. Finally, there is a widely held view that not enough information is published about the phenomenon that would specify a precise, universally accepted definition for innovation.

Amabile (1996) wrote that it is challenging to discuss a topic that has been defined by multiple sources and has been applied to various philosophical ideologies. Researchers are moving toward a consensus that the phenomenon of innovation might involve the production of something novel and useful in very specific domains (Amabile, 1996, p. 23). The premise of this dissertation surrounded the notion that further research is warranted in the burgeoning field of innovation and creativity studies and their perceived impact on leadership practices during a technological implementation, particularly in the area of environmental influences on innovation within organizations.

### **Previous Research on Innovation**

The first conceptualizations of innovation began in an era when scientific inquiry was viewed with great skepticism by prominent thinkers and institutions of the day (Albert & Runco, 1999, p. 16). Throughout most of the Renaissance period, scientists who had an interest in understanding the creative process that might lead to innovation studied the phenomenon in secret (Albert & Runco, 1999, p. 19). For example, Copernicus delayed the publication of his works on the heliocentric nature of the universe

for fear of public criticism (Baldwin, Bommer, & Rubin, 2012). Innovative research constituted an effective and practical way of understanding the world and its surroundings in a more modern way. This led to the unveiling of scientific findings to research colleagues, and in time, to a reluctant but ever advancing populace (Albert & Runco, 1999, p. 22).

Thus, for many years it was considered normative that creative genius and innovation were more products of heredity and nature than the nurture of family, friends, and mentors. These early forays into the complex world of creativity and the power of innovation paved the way for statistical analysis of the creative process. Albert and Runco (1999) reported that creative thought and innovative leadership first had to be recognized by the public as useful tools that could potentially lead to unforeseen greatness (p. 21).

Bulmer (2003) wrote that Galton devised a system for measuring individual creative differences and innovative aptness and was a pioneer of correlating intelligence and innovation. Guilford (1950) constructed the groundwork by initiating a psychological study of individuals considered to be innovative according to their abilities and traits. A careful analysis of thinking patterns and behaviors led Guilford to conclude that innovative individuals possess combinations of traits in specific patterns that are observable and verifiable. According to Guilford, innovative aptitude is influenced by fertility of thinking, quantity and quality of ideation, and flexibility (p. 452).

The study of creativity and innovation was documented by a small number of research proposals prior to the 20th century (Buchanan et al., 2010). Buchanan et al. (2010) indicated that other well recognized thinkers, such as Freud, Piaget, Rogers, and

Skinner, included innovation in their research endeavors in order to openly explore and develop the effect of human behavior (p. 274). Furthermore, Buchanan et al. were under the impression that the field of creativity and innovative ability could only be described as explosive (p. 282).

### **Recent Research on Innovation**

The study of human invention experienced a dramatic increase in scholarly activity during the mid-20th century as authors started publishing works on innovation and creative expression (Shin, 2012). Precursors to creative accomplishment and innovation were measured. A wide range of methodologies emerged, including psychometrics, biometrics, experimental, and historiometrics, that gave researchers additional means of analyzing creative activity. In this section, a brief description is presented of the methodologies that have been utilized in recent years and their relevance to the current study.

Brown (2009) advanced a testable model of innovation that linked genetics to innovative achievement. In this research design, an experimental methodology was developed that enabled investigators to empirically measure the relationships between intelligence, genius, personality, and creative productivity (Brown, 2009, pp. 55-57). According to Brown, there are two ways to tackle the subjects of genius and innovation: purely philosophical or from an empirical point of view.

Innovative ability can be reflected as a personality variable that includes intelligence, acquired knowledge, technical skills, and special talents like musical, verbal, or numerical capacities (Brown, 2009). Environmental variables are considered to be political-religious, socioeconomic, and educational factors, while personality traits are

considered to be internal motivation, confidence, non-conformity, persistence, and originality (Brown, 2009, p. 38). What makes this even more fascinating is how this can be linked to the creative and innovative characteristics of those who work with gaming techniques and how they have translated them into animation tools used by companies such as Pixar. Arsenault (2009) illustrated this link in his case study on this topic, demonstrating how innovative thinking helped to shape the evolution of gaming art, allowing it to become one of the most useful tools in 3D animation.

Amabile (1996) conducted a detailed analysis to determine contributing factors to organizational innovation. A team of researchers coded hundreds of hours of typed verbatim transcripts of tape-recorded interviews conducted with 200 Research and Development (R&D) managers and identified four major categories of responses from participants based upon consistency and frequency (p. 127). The categories included: (a) qualities of environments that promoted innovation, (b) qualities of environments that inhibited innovation, (c) qualities of problem solvers that promoted innovation, and (d) qualities of problem solvers that inhibited innovation. Qualities of the environments were items that provided outside influence to innovation-based events, while qualities of the problem solvers involved factors of intelligence, style, personality, or mood within the individuals who were themselves involved in the innovation (Amabile, 1996, p. 127). Environmental factors were mentioned with greater frequency than were personal qualities, which led the research team to question whether individual contributions were less influential in the innovation-based incidents mentioned above than the environments in which they were operating.

To further the point made in 1996 by Amabile, Arsenault (2009) focused more on video game development and how innovation played a major role in allowing this field to evolve to a point where it crossed over into 3D animation, making it an important tool in companies such as Pixar. He asserted that without innovation in video game development, there would not have been a push for consistent innovative evolution to get to the point to where gaming art would be used to further design or in other areas of creation to where it is one of the major tools used by the industry today. Furthermore, scholars in the field, such as Thompson (2006), explained that Robert Altman used this concept to explain how innovative thinking has been used to cross over into the special effects field and used by companies such as Industrial Light and Magic (ILM) to create new, innovative tools for the area as well (Arsenault, 2009). Creative innovation has taken the basic human desire to evolve as a creative being to new heights previously never dreamed possible.

### **Theoretical Framework for Executive Innovative Leadership**

Yin (2008) stated the preferred strategy for developing a case study is to analyze data through the lens of theoretical propositions that initially lead the researcher to investigate a phenomenon (p. 130). The current case study involved an examination of the impact of leadership on creativity and innovation. Several theoretical constructs have contributed significantly to the conceptual scaffolding upon which the theory for this case study rested. Amabile's (1996) componential theory of innovation and Bezos's (2013) systems model of innovative productivity shaped the definitions and measurements of creativity and innovation. Adaptive leadership theory (Heifetz et al., 2009) provided insight into mobilizing organizations and leaders in the midst of limited resources and

uncertain future considerations. Each of these theoretical frameworks influenced the formulation of the research questions; they clarified assumptions, clarified appropriate methodological choices, data collection and analysis, and sharpened the focus of the current study with a theoretical structure of sufficient clarity and depth.

The theoretical lens for the current case study focused in part on Amabile's (1996) componential theory of innovation and creativity grounded in dispositional, cognitive, and social research. Componential theory is based on findings from a qualitative study conducted by Amabile concerning factors influencing organizational innovation and a series of experimental studies conducted by the Amabile Research Group at Brandeis University from 1986 to 1995. This theory suggests a set of factors, or components, that are necessary for innovative production in a given setting. The factors include domain-relevant skills, creativity-relevant skills, and task motivation (Amabile, 1996, p. 81). Amabile theorized that particular levels of each of the three components can be used to make qualitative predictions of the outcomes of certain task engagements (p. 102). She found the componential model to be a useful guide in reviewing past creativity research and in formulating analysis and measurement of an innovative activity (Amabile, 1996, p. 82).

Amabile's (1996) componential theory of creativity centered on a set of sociological and psychological components that influence innovative productivity. First, *domain-relevant* skills comprise individual responses within a given domain based upon knowledge, technical skills, and experience in the domain. Second, *creativity-relevant* skills include those of a cognitive nature, including facility in complex issues and problem-solving. Finally, *task motivation* encompasses an individual's attitude toward a



particular issue, and the combination of internal and external stimuli affecting the will to be innovative (Amabile, 1996, p. 83). This is again linked to Arsenault (2009), who took this theory a step further.

Although today's organizations are in a perpetual state of evolution, researchers agree that each organization adapts at a different rate (Goodman & Loh, 2011).

Organizational change due to innovation is a more fluid and in constant progression rather than in a set of prerecognized, separate, and autonomous procedures (Yukl et al., 2011). Therefore, no matter which change management theory or structure is used, leaders will need to take into consideration both technical improvements and whether their people will welcome or reject the new technological implementation to everyday operation (Shirey, 2013). Shirey (2013) asserted that effective leadership and support are required for a change process to be successful.

### **Leadership's Influence on Technology**

The ability for a company to adapt to external surroundings is considered vital to its continued success. Bajer (2009) asserted that today's leaders should take the culture of an organization and transform it to one where everyone can create value by actively working together. The author further explained that a leader's behavior will help the organization get past the theory and recognize profound, lasting change via innovation. Arsenault (2009) also made a sound argument for this point, stating that today's leaders should embrace technology and its evolutionary process in order to see meaningful innovative process take hold in gaming art.

In order for an organization to keep its competitive advantage, it must evolve to one that continually reviews, renews, and adjusts by exploring, testing, and taking risks

(I. Smith, 2011). R. A. Antonaros (2010) stated many organizations today are gaining a competitive advantage due to their overall quality and continuous development strategies. According to I. Smith (2011), organizational change due to innovation, quality, and how executives manage their duties are all connected. Therefore, a leader's own ability to manage change plays a significant part in whether the innovative strategies implemented will succeed in an organization.

Literature reveals the executive's attitude about change can have a strong, methodical influence on followers (Musteen, Barker, & Baeten, 2010). Thus, the executive's attitude affects the innovation of the organization as a whole and can lead to groundbreaking endeavors. Moreover, Isaacson (2011) added that executives who attempt to implement high quality change decisions should have mastered high levels of field explicit skill training. The opposite holds true for executives whose overall decisions are looked at as being of low quality (Isaacson, 2011). Gilley, Dixon, and Gilley (2008) pointed out that followers should develop trust in the ability of their executives to energize innovation and to implement change initiatives effectively.

Personnel throughout an organization will identify with their executives' abilities to energize innovation and technological initiatives. Garvin, Edmondson, and Gino (2008) indicated leaders' behaviors have a strong influence on the organization's ability to learn. For this reason, a commitment by top-level leaders is vital for the sustainability of the executed technological initiative. Executives who show an innovative approach to professional evolution might be able to get buy-in from their employees at once (Musteen et al., 2010). Musteen et al. (2010) indicated that transformational leaders offer superior internal levels of advancement. Trusted leaders who receive employee buy-in oftentimes

apply change and development tactics in order to implement new idea processes successfully.

Executives who seek support from their employees on a technological implementation should be able to present a clear vision. Before the leader can implement a new technological process, he or she should offer a clear and wide-ranging concept that might include various phases, stages, and milestones with rewards offered when deliverables are successfully implemented by the staff (Salmela, Eriksson, & Fagerström, 2013). Additionally, the leader should inspire collaborative thinking and activities at every level of the process. Solid leadership and robust project management skills are needed by the executives to ensure a situation of success (Salleh & Grunewald, 2013).

As a leader, the CEO has the ability to defy the status quo and create a new vision for the future of the organization. The leader can motivate his or her organizational members to want to attain the new vision of the organization (Salleh & Grunewald, 2013). Executive members should be able to communicate comprehensive strategies persuasively in order to break down, move, or re-align the norms of their followers (Salleh & Grunewald, 2013). Successful communication will ensure that everybody involved is working toward a common goal. Musteen et al. (2010) indicated it is critical for executives to support the change effort from its initial stages through the final phase of the venture. Additionally, executives should be openly involved in all stages that are critical throughout the change development process to maintain a stable situation, which might lead to successful change initiative (Grady & Grady, 2012).

Research has shown executives who designate individuals as responsible for an innovative change initiative create a situation with increased likelihood for a successful

outcome (Grady & Grady, 2012). Executives should act as visionaries and set achievable goals for the entire organization (Salleh & Grunewald, 2013). Salleh and Grunewald (2013) explained that it might be vital for executives to be present throughout the various steps included in the technological advancement in order to maximize the effectiveness of their involvement.

The general consensus throughout this literature is that the executive's presence has a tremendous impact on the organization's performance during a change process. Musteen et al. (2010) found that the CEO's task-focused behaviors are directly associated with the organization's success. The CEO's relationship-focused behaviors could be interrelated to the employees' mindsets. For any type of innovation to succeed, leaders must aggressively probe and pay attention to their employees' needs in order to encourage discussions and deliberations, which, in turn, will generate and inspire them to embrace the newfound situation of change, whether it involves a technological implementation of some sort or not.

Companies with a more content workforce are more profitable and industrious than are companies with a less content workforce (Wang, Tsui, & Xin, 2011). Higher internalization and identification levels will lead to greater performance levels during the ongoing transformational phase (Wang et al., 2011). Wang et al. (2011) wrote that the best way to promote employee commitment to the organization is to create a workplace in which employees can thrive and at the same time assist the company in reaching their set goals (p. 274).

Today's fast-paced corporate society dictates that organizations need to maintain a high level of complexity and must adapt to survive; therefore, it is vital for leadership to

affect an organization's ability to adapt or to maintain flexibility to create a situation of evolution. The leader's values, preferences, and inclinations create the company's identity that might demonstrate dependency and can develop into a blind spot (Schneider & Somers, 2006). A blind spot can constrain the adaptive capacity of an organization because the identity created can prove to be too rigid and might discourage variation within a rigid system. However, if the organization's identity is too flexible, it can inspire the organization to grow into a hyper-adaptive company that can transform into a non-adaptive chaotic system (Schneider & Somers, 2006).

The executive's commitment to the organization is vital for change with innovation in mind to be sustainable. Herzberg (1969) outlined why communication, training, and counseling are not effective motivators without giving employees the opportunity to grow. Money, in itself, likely will not create overall happiness unless the follower feels job enrichment is also being offered as an incentive. While Herzberg did not take into consideration that all people are not alike, Lazenby, Amabile, Conti, Coon, and Herron (1996) realized the importance of making a distinction between people who want to be challenged and followers who are content with producing average output. Here, Lazenby et al. distinguished between "mastery-oriented" and "performance-oriented" individuals.

### **Leader-Follower Relationships**

Within organizations, leaders form relationships with their followers. These relationships create bonds that can help create an environment that accepts innovation. Change initiatives fail more often than not because of the human factor (Gelaidan & Ahmad, 2013). Leaders who do not understand followers' perspectives on change

initiatives may perhaps be met with cynicism on performing productive evolution and enhancement (Schneider & Somers, 2006).

The management of uncertainty is vital to help maintain focus in any new innovative process. When followers are committed to the organization, the change initiative has a better chance of being implemented efficiently (Gelaidan & Ahmad, 2013). Similar characteristics between leaders and followers have a positive effect on work results (Z. Zhang, Wang, & Shi, 2012).

When a follower and a leader are similar in their stages of practical behavior, they are more apt to have comparable work objectives (Z. Zhang et al., 2012). Leaders who have solid interpersonal personalities tend to place a high value on the connections they form with their followers (Eubanks-Carter, Muran, & Safran, 2010). The relationship between a leader and his or her followers sets the stage for whether the change initiative will succeed.

Interpersonal relationships between leaders and followers play a vital role in change initiatives within an organization. The nature of the leader-follower link influences the level at which leaders and followers can affect the self-esteem of one another (Valcea, Hamdani, Buckley, & Novicevic, 2011). Interactions between leaders and followers have the benefit of being constant, multifaceted, and extended in character (Valcea et al., 2011). A follower's most important interpersonal relationship at work could be with his or her leader. The leader will largely decide about the possible success or failure of the follower at his or her current workplace (Tepper et al., 2009). In the leader-follower relationship, the leader is in a situation of control (Valcea et al., 2011). The responsible leader should construct an environment that will help followers learn and

develop and that provides them with proper instructions and procedures (Valcea et al., 2011). Leaders should be able to evolve their role from a controlling authoritative figure to one who facilitates an open environment that allows individuals to grow. Encouraging followers will add value to a change initiative and might lead to innovation, technological or otherwise.

Leaders should be seen as enablers (Schneider & Somers, 2006). Schneider and Somers (2006) underlined that managing uncertainty can be related to successful communication between the leader and his or her followers. Meaningful communication can help overcome obstacles created by the change process. The successful implementation of transformational change can lead to innovation, which consequently can improve an organization's competitiveness. This specifically includes updating technology to make the business run more efficiently. A prime example of this would be a medical complex where technology helps to protect the integrity of the confidentiality of patient information (Grol, Wensing, Eccles, & Davis, 2013).

### **Theoretical Gaps in the Literature**

The assumption that successful leadership within change management is not the norm was inherent in each of the theoretical approaches presented above. According to the above-mentioned theories, very few leaders prove to have defining characteristics that make for a successful leading personality: (a) sufficient personality traits and natural abilities to lead, (b) a developed sense of timing, (c) a keen understanding of the needs and desires of followers, and (d) an innovative ability to mobilize followers around a common goal (Heifetz et al., 2009).

The narrow emphasis on the specific traits and experiences of the few individuals who possess them is the first theoretical gap addressed in this section. A traditional criticism of trait theory is that while certain characteristics seem to accompany those who have accomplished great things in history, trait theorists have failed to create a definitive list of traits that accompany notable accomplishments. Heifetz et al. (2009) wrote that the myth of leadership is that of a solitary individual who will lead the way to success (p. 251). This notion can be illustrated by polio-stricken President Roosevelt, whose mastery over his disease during the crippling economic depression of the 1930s sparked comfort and calm among a nation craving stability. President Roosevelt was an exemplar of activism. Kotter (1996) pointed out that followers can be in the position to lead the changes made by the executives. Without the involvement and support of the followers, a successful evolutionary process becomes unattainable.

Another gap presented in the literature is the benefit of setting goals for followers while going through change management. Lazenby et al. (1996) wrote that a change leader should be willing and able to give concrete instructions and should not be shy to exert his or her power while handing out tasks. While leadership should be direct, it is also good practice to inspire followers to set their own goals during the process. Giving employees freedom to create their own goals will lead to valuable discussions between the employees and the change leader. Immediate feedback will have a positive effect on employees, which will decrease the chances of potential conflict and could lead to a situation of growth. With that in mind, the leader might also create more flexibility within his or her leadership style due to the fact that not all subordinates and teams are created equal.



Grol et al. (2013) also presented another interesting gap in the literature when it comes to change leadership as it applies to technological innovation. They specifically focused on how these technological evolutionary processes can either make or break a firm, depending on how well the members grasp the constant changes occurring within the firm. Patient confidentiality where medical records are concerned is a big concern and must be consistently addressed. However, too much change in one time period can also make members of a company leery and not trust the process, which can lead to overall failure (Grol et al., 2013). The gap here is how to compensate for the constant acceleration of technological innovation without upsetting the delicate balance of positive change management.

#### **Innovation and Product Change with Regard to Innovation**

Van de Ven and Sun (2011) explained that relying on one model might prove to be ineffective as each person is unique due to his or her personal background and responsibilities within any given organization. Therefore, each person will react to and interpret the change processes in a different way (Van de Ven & Sun, 2011, p. 35). Van de Ven and Sun stressed the need for organizations to use both action and reflection strategies. In order for change managers to succeed, they must utilize both strategies. Without reflection, an action strategy could fail (Van de Ven & Sun, 2011, pp. 78-83). The authors pointed out that organizational evolution can include planned change, directed change, lead change, or radical change. A change leader should align culture, structure, and strategies to their respective environments to generate innovation within dynamic environments.

Elkin et al. (2009) suggested looking at innovation from an Eastern point of view. For example, the Chinese worldview in conjunction with pragmatism allows for a more natural development of learning companies. Elkin et al. pointed out that companies might have to use a different philosophical approach to develop a learning culture in Western society (p. 69). Here, the executive leadership creates the framework for a successful learning environment that can be adopted by followers.

Situation-based uncertainty can add to work-related anxiety that influences an employee's ability to cope with the organizational innovation taking place (Salmela et al., 2013). Consequently, to help minimize uncertainty, leaders should communicate and inform their followers about upcoming deviations from the norm in advance (Salmela et al., 2013). Empowering employees with knowledge about the changes to be experienced could create a sense of control and a feeling of participation in the process of innovation (Salmela et al., 2013). Leaders should demonstrate the ability to manage the developmental process in a way that provides a sense of fairness to their employees. When employees feel they have some control over the uncertainty of change and are treated with respect, they might obtain a sense of trust in their newfound situation. Consequently, most followers might find it easier to cope with the innovative strategies being implemented.

### **Managing Resistance Through Communication**

Gilley et al. (2008) wrote that open communication promotes successful innovative strategies. Communication provides members of the organization with vital information that can help manage resistance. Communication is effective for managing

individual resistance and is vital for achieving successful innovation (Gilley et al., 2008, p. 54).

Gilley et al. (2008) pointed out that people resist change, while not necessarily resisting the change process that is taking place. By providing individuals with a sense of control over their current circumstances, it could follow that the changes made by executives could be better understood by their followers (Nandan & Verma, 2013). This sense of control might inspire them to contribute and to be part of the change process (p. 89). Nandan and Verma (2013) wrote that providing organizational members with information gives followers an opportunity to discuss concerns and to find out how the change initiative will affect them on a daily basis.

I. Smith (2011) wrote that organizations must continuously change in order to keep up with the global marketplace and their stakeholders' needs. In order for an organization to stay competitive, it must change to one that continually adjusts and evolves and its leaders must not be afraid to take risks in order to be innovative (I. Smith, 2011, p. 145). Choi and Ruona (2011) used Lewin's change theory to create their idea of change sequence. Choi and Ruona stated that organizations are in a continuous state of change. In order to survive, they must develop the ability to continuously change themselves incrementally and, in many cases, in a fundamental manner (Choi & Ruona, 2011, p. 47). The authors stated that episodic change is a dramatic change because it requires both breaking the equilibrium of the organization and switching the equilibrium to a newer one. The unique insight gained is that continuous change denotes creative processes that help a company succeed. Choi and Ruona stated that episodic change

follows the sequence of unfreeze-transition-refreeze, whereas continuous change follows the sequence of freeze-rebalance-unfreeze (p. 361).

### **Organizational Readiness for Innovation Through Technology**

Choi and Ruona (2011) pointed out that before a new change initiative is implemented, an organization should be prepared for the upcoming change process, specifically in the technology area. The higher the organizational readiness for the upcoming change, the likelihood that organizational members will instigate innovation increases (Choi & Ruona, 2011, p. 231). Employees might put more effort into the possible success of that organization. They could demonstrate superior determination and exhibit supportive actions (Choi & Ruona, 2011, p. 256).

Choi and Ruona (2011) wrote that followers who experience normative-re-educative innovative approaches have new features linked to their learning culture due to additional education by the company. This additional education of employees will increase organizational readiness for change. Readiness can take place at the organizational, entity, division, group, or individual level (Weiner, 2009). Weiner (2009) stated that internal and external influences, such as culture, composition, goal setting, individual needs, and feedback will affect whether the new change process will be successful.

Organizational culture might strengthen or diminish the ability to sustain a specific organizational change (Weiner, 2009, p. 35). Weiner (2009) explained that organizational culture has been described in recent research as the sharing of views, values, traditions, symbols, and rituals within an organization (p. 45). Weiner pointed out

that each of these shared elements in organizational culture could cause barriers and frequently are looked at as the cause of failure in change initiatives.

Organizations continue to be competitive when they can put into practice and maintain transformational and continuous change (Gilley et al., 2008). Weiner (2009) realized that readiness for change is created at multiple levels. The question becomes whether innovation is wanted and the members are sufficiently motivated to execute the organizational change (Weiner, 2009). Oftentimes members of organizations take into consideration their past experiences with situations of innovation. Weiner wrote that followers might act in a preconceived manner due to change situations experienced in the past. An individual's organizational readiness is fostered by positive experiences with change and is discouraged by bad past experiences (Weiner, 2009, p. 105).

### **Conclusion**

The purpose of this exploratory qualitative study was to determine what benefits video game development leaders might bring to business leaders to further innovation. This qualitative exploratory study was designed to determine whether a joint effort between video game development leaders and business leaders can result in product innovation. Denzin and Lincoln (2005) underlined that qualitative researchers study things in their natural settings in order to make sense of or interpret the phenomenon under investigation. The literature review involved an analysis of how innovation could affect the success of innovation. Research has validated the importance of communication and revealed the capacity to communicate to be one of the most important factors in making an executive promotable (Burnard, 2008, p. 432). The literature review also provided additional insight but left room for the current research

study. Chapter 3 provides a detailed look at the methodology used to examine the above mentioned question. The population investigated was the executive management layer of small to mid-sized organizations within the video game development industry. The sample frame included a population of participants from six organizations.

## **CHAPTER THREE: METHODOLOGY**

This qualitative exploratory study was designed to determine whether leaders of the video game development industry can add insight to business leaders of other sectors, which could result in product innovation. The study involved an exploration of the executive's influence on innovative processes in small to mid-sized for-profit organizations.

This chapter includes an overview of the purpose of the study, the research design, the research question, sample, setting, recruitment of participants, instruments, data collection, data analysis, credibility, reliability and trustworthiness, and ethical considerations.

### **Restatement of Purpose**

Baxter and Jack (2008) explained that qualitative methods assist in exploring a phenomenon within its framework using an array of data sources. Baldwin et al. (2012) stated it is vital for executives of an organization to make hard performance and market-based choices in a competitive global marketplace. Executives can be resistant to innovation and might reject a new innovative implementation plan (Shirey, 2013).

Within any organization, communication and motivation are integral to success. Research has validated the importance of communication and revealed the ability to communicate to be one of the most important factors in making an executive promotable (Burnard, 2008, p. 432). An additional goal of the current study was to increase the understanding of how successful organizations adapt to innovation and the methods these organizations use to ensure the changes that result from innovation are maintained.

Dust et al. (2013) suggested that during organizational change, company leaders should be ready to implement diverse models to ensure flexibility. This study was designed to expand the knowledge of which innovative methods applied work well and are the most effective at creating a change that can be maintained and adds to the knowledge of leadership theory and organizational change.

### **Research Design**

A qualitative phenomenological research design was used to explore what benefits video game development leaders might bring to business leaders to further innovation. A qualitative study is used to explore a phenomenon in its natural setting. There are different types of qualitative studies, such as exploratory, descriptive, and explanatory. Creswell (2013) explained that the phenomenon or event is explored thoroughly and in its natural setting, which is why it is occasionally stated to be a naturalistic strategy. Seidman (2012) stated that qualitative studies usually include in-depth, descriptive questions that are about developing a detailed understanding that will provide insight into a phenomenon. This study involved the use of interviews, e-mail correspondence, and notes taken from phone conversations. Multiple data sources are used to build a contextual, comprehensive understanding of the study (Maxwell, 2012).

Yin (2008) indicated that a researcher uses a qualitative study method when he or she purposefully wants to cover related circumstances with the belief that such an exploration could be extremely relevant to the phenomenon being studied. When conducting a study, the researcher explores an issue within a bounded system over time through detailed, comprehensive data gathering encompassing various sources of data (Creswell, 2013). Data gathering involves interviews, documents, and observations, and



then the researcher reports the themes and descriptions (Creswell, 2013). There are three main forms of case studies: instrumental, collective, and intrinsic. An instrumental case study is used where the particular case study could uncover something else—a wider phenomenon in order to get a better understanding of the actual case at hand. The collective case study refers to research that might involve a coordinated set of case studies also known as multiple case studies. In the intrinsic case study, researchers might aim to achieve an exhaustive understanding of a particular case.

Hamrouni and Akkari (2012) explained the objective of qualitative research is to contribute to the understanding of societal phenomena in a natural situation in order to discover how the members feel as well as their experiences, mindsets, and observations with the findings and conclusions drawn from the data. The objective was to select the setting, individuals, and events that would provide the richest and most detailed information with regard to the research question. This allowed the researcher to detect how an organization's executive management employee comprehends his or her circumstances, the events that stem from this comprehension, what actions led to what outcome, and the effect on performance and actions.

Willig (2013) explained that qualitative studies are focused on the differences contained within issues. The challenge might be to comprehend this variant as a function of other variables that differ within issues over time or as a function of variables that differ across issues. The goal of the current study was to uncover whether executives can apply creative leadership to influence the success of a change process to create innovation.

## **Rationale**

According to Luft et al. (2011), some of the strengths of qualitative methods are: (a) they are valuable for studying a small sample size in-depth; (b) they offer an insider viewpoint to help comprehend and explain the participants' personal experiences of the occurrence; and (c) they enable the researcher to study active processes, which include documenting pattern and change. Thus, using a qualitative research method for the current study was perceived as the best choice in order to gain valuable insight.

Heidegger's (1996) hermeneutic phenomenological approach was used as a research method. Kafle (2011) elaborated on the importance of understanding lived experiences and how one orients to those lived experiences. Because the data were collected using open-ended interviews, researcher observations, and document review, this method best fit the current study. Moustakas (1996) and Giorgi (2009) created themes through clusters of meanings that translate into structural and composite descriptions.

The value of a qualitative study is in its ability to present an intra-subject point of view on the subject in focus. Additionally, the use of a qualitative study had value because the method was appropriate and realistic to the lived experiences of executive managers. Also, it is about being more flexible and fluid in perceiving multifarious emotional constructs, and has the ability to generate more practical, pertinent findings.

## **Research Question**

This study involved an exploration of the perceived influence of the video game development industry when it comes to innovative technological implementation processes through creative leadership. The research question used to guide this study

was: What benefits might leaders of the video game development industry bring to business leaders to further innovation? The research question was previously stated in Chapter 1 and was used to validate the suppositions that were made during the earlier parts of this study.

### **Sample**

The population investigated was the executive management layer of small to midsized organizations within the game art industry. The sample frame included a purposeful sampling of participants from six organizations. The focus was on different levels within organizations, including top executives, middle management, and frontline supervisors. Purposeful sampling is a strategy in which a researcher exercises his or her decision concerning who will offer the best viewpoint on the phenomenon of interest, and then deliberately requests those particular participants into the study (Bryman, 2012). Using this type of sampling assumes that some individuals will provide insight that is more relevant than that provided by other individuals.

According to Saunders, Saunders, Lewis, and Thornhill (2011), to use a purposive sampling method the researcher must identify the topic and then find the people “who are likely to have relevant information” (p. 149). Because the focus of this study was to examine or look for a trend in how members of video game development organizations perceived their executives’ influence on change processes to create a situation of innovation, purposive sampling was deemed appropriate. Bryman (2012) stated that purposive sampling takes place when the researcher hand picks the individuals who will be part of the study because they are believed to be a good source of data.

The study involved the use of face-to-face, in-depth interviews, researcher observations, and open-ended questions, making a smaller sample size more suitable. Marshall and Rossman (2010) asserted that oftentimes a study can be conducted with only one person. The sample in the current study was six participants from six carefully selected organizations. Bryman (2012) stated that qualitative research samples are smaller because researchers strive to purposively select individuals who have a wealth of information to share. Oftentimes person-to-person interviews take up more time, making it necessary to limit the number of participants (Bryman, 2012, p. 106).

One inclusion criterion was holding a job at one of the three management levels: top executives, middle management, and frontline supervisors. Bryman (2012) explained that theoretical saturation occurs when no new categories or themes or relations among the categories are found. Additionally, saturation is reached when little or no new information surfaces or the same themes are occurring continuously throughout different interviews. To determine whether data saturation had taken place, coding and interpreting as well as identifying and labeling the overarching themes or categories were part of the process. It should be noted that once data saturation was reached no new data were uncovered.

In order to use purposive sampling, the researcher began by forming procedures for selecting the certain type of person who would fit the study; in the current study, these individuals were executive employees (Bryman, 2012). Next, the researcher developed criteria to uncover the different perspectives of persons at each executive level; these criteria determined who was affected by the innovation process and why they were affected (Bryman, 2012).

## **Setting**

The video game development companies primarily targeted were located within the United States and Canada. The search for study participants expanded largely due to a well working word-of-mouth recommendations system. In order for the research to be conducted properly, the researcher formally contacted the organizations that were willing to participate in this study. A main objective was to determine whether or not the organization was willing to participate in this study. Each of the organizations chosen was asked to express interest and agree to take part in the interview phase.

## **Recruitment of Participants**

The study was designed to explore the perceived experiences of top executives, middle management, and frontline supervisors within the video game development industry that might lead to product innovation. Therefore, top executives, middle management, and frontline supervisors were asked to participate in this study. All participation was on a voluntary basis.

After receiving consent, the researcher e-mailed individuals at the three levels of leadership to ask them to consider participating in this study. An informed consent form was included in the e-mail to each of the potential participants. Given the time constraints and willingness of organizations to participate, six companies were used this research study.

## **Instrumentation**

In this qualitative research study, the researcher was the instrument of data collection, which means the researcher brought his biases and cognitive preconceptions into the study. Tufford and Newman (2012) confirmed that in a qualitative research

study, the researcher is the instrument. Kafle (2011) pointed out that the interpretive narration to the description is a natural effort to get beneath the subjective experience in order to find the objective nature of things (p. 186).

Thus, to enhance the thoroughness of the study as well as help the researcher develop continuous in-depth reflections that could improve the perception of the research and assist in analysis, the researcher took the environment in which the interviews were conducted into consideration. A friendly and relaxed environment was created with a formal introduction, which was followed with a clear outline of the steps included in the interview phase. In order to create rigor, member checking and thick description were applied. Denzin (1989) explained that a thick description goes beyond the surface and presents “detail, emotion, and the webs of social relationships that join persons to one another” (p. 83).

Ezzy (2010) argued that emotions are central to conducting interviews (p. 163). The reason emotions are a part of the qualitative interview process is because the researcher, according to Ezzy, is focused on the cognitively voiced characteristics of the interview. Several aspects were explored in this study that could aid in the reflection period and arrangement with the data (Tufford & Newman, 2012). Tufford and Newman (2012) asserted that maintaining field notes as a continuing record of thoughts and impersonations might be of importance. The actual voice of truthfulness might be essentially detected through the data collection procedure. The research participants fundamental contextual meaning might only show in their individual versions communicated and recorded. Bailey (2005) suggested that the technical task of transcribing audio data to written form will include making judgement calls in terms of

what detail to choose or to omit. Once the notes are studied and coded, actual meaning can surface.

The interview guide included open-ended questions designed to invite study participants to share how they perceived the influence of executives on the change process that might lead to product innovation. A list of semi-structured interview questions, which were tested for credibility, was used. To test for credibility and validity of the questions, they were submitted reviewed by peers who were involved in qualitative research. The study was designed to find patterns and themes through concentrated qualitative analysis with the intention of forecasting comparable outcomes or to generate opposing outcomes but for expected causes (Tufford & Newman, 2012).

Field notes of observations, as well as taking notes of impressions after an interview or observation, were included in this study. These observations came from planned meetings and informal, conversational interviews. They were also a subtle reminder that the main role of the researcher is to remain objective.

**Interviews.** In-depth interviews enabled the participants to describe their experiences with innovation and their perceived leader's role. Petschnig (2011) used semi-structured interview questions to attain the data. This study involved the use of semi-structured interviews because the researcher wanted to guide the conversations to discover meaningful information relevant to the purpose of the study. Furthermore, the use of open-ended questions helped develop a real sense of the subject's mindset, which led to more in-depth data retrieval.

The study participants were asked if they were willing to participate in the interview process, and indicated a confirmatory response through signing the informed

consent form. The researcher arranged an interview time with each study participant. Bernard (2012) explained that the participants in a study are requested to review their transcribed interviews through a process known as member checking, in which they review the data for accuracy and palatability. The research participants were given the opportunity to review their transcribed interviews. Once interviews were conducted, a transcription validation was done to ensure data credibility. Interviews were voice recorded, transcribed, and e-mailed to the participants for their review.

The transcripts were only shared with the participants who reviewed the notes and returned any clarifications to the researcher. This process ensured all parties involved understood the intent of the study. Once the feedback was received, the researcher modified the transcript to increase the credibility of the study. After each session, field notes were recorded with immediate impressions in addition to a transcript of the information provided by the participant. Interviews were 60 minutes in length and each participant was assigned a code to protect his or her identity that was based on the order of each interview.

**Interview questions.** The same interview questions were addressed to the participants (See also Appendix):

1. What does the gaming community have to share with businesses?
2. How do businesses learn from the gaming industry?
3. How and how often have video game leaders collaborated with the business officers?
4. How do video game leaders feel that the collaboration was successful on multiple levels?



5. What recommendations do game art executives have following their experiences made based on the collaborations with business leaders?
6. How often do you meet with your business leaders?
7. What factors of your innovative products have the most influence on them?
8. What are the digital literacy or communication gaps between video game leaders and business officers that can be narrowed to better drive the innovative products?

### **NVivo Data Analysis**

Grbich (2012) asserted that qualitative data analysis is a method that involves identifying themes, recursiveness, continuous comparison, deductive and inductive rationale, and interpretation to produce meaning (p. 236). Bryman (2012) stated that unlike quantitative data analysis, qualitative data analysis starts during the data collection stage. Grbich pointed out that there are four phases to qualitative data analysis: preparing the data, becoming familiar with the data, coding, and producing meaning.

After the data were collected they were interpreted using constant and thorough reviewing and categorizing of the rich and detailed data (Silverman, 2013). Silverman (2013) offered a framework approach to better manage and analyze large datasets that includes six stages: familiarization, isolating a thematic context, indexing, chronicling, diagramming, and analyzing. In the initial coding phase, the researcher manually coded the data line by line starting with the first interview and continuing through subsequent interviews. The raw data or direct quotes from interviews were included to substantiate codes, inferences, and conclusions. Memos were written to aid in the understanding of conceptual categories as possible connections were recognized and explored.

The researcher looked at the data using creative variations. Examples include the data being looked at from the viewpoint of the top executives, middle management, and frontline supervisors. Once all interviews were completed and the initial (manual) coding was complete, theme coding began. Thematic coding was used to determine the codes that made the most logical sense to classify all the data completely. Raw data or direct quotes from interviews were included to substantiate codes, inferences, and conclusions.

Once data analysis matured to the point where the codes seemed somewhat solid, theoretical coding began. The researcher continued to write memos to aid in the understanding of conceptual categories as possible connections were recognized and explored. Raw data or direct quotes from interviews were included to substantiate codes, inferences, and conclusions (Seidman, 2012). All interviews were analyzed in the same manner.

The data reflected the results of the findings based on the themes found through coding. Also, a description of the sample is included with all the descriptive information regarding the participants that is pertinent to the study itself. This information includes demographics such as age, gender, educational status, and management level. Direct quotes from interviews are used to clarify the development of open codes to focused codes to theoretical groupings.

### **Credibility, Reliability, and Trustworthiness**

To ensure transparency, the research procedures are described and documented (Luft et al., 2011). Every researcher makes certain assumptions as he or she reviews the data collected. The goal is to ensure that the assumptions or deductions are transparent and valid. According to Luft et al. (2011), the researcher might reach conclusions about

the outcome's value to contribute that might play a significant role in addressing the larger functional topic of this study. The study should be truthful and reliable.

Luft et al. (2011) stated that reliability is about the quality of the measurements used in the study; in essence, it reflects whether the study can be repeated or is consistent. While this study was conducted in small to midsized organizations, other researchers could transfer the findings of this study to conduct a similar study.

### **Ethical Considerations**

Because this study involved people, ethical issues were considered to reduce any risks to the participants. The five main ethical principles, according to Wester (2011), are security of susceptible populations, respect for persons, benevolence, sovereignty, and justice. Petschnig (2011) explained that respect for persons is the basis of all other ethical principles for the simple reason that ethical research means respecting the participants.

The main ethical objective of this study was to not put participants at risk. Other ethical issues included how to protect the privacy of the participants, where the data would be kept after the study is complete, and how to provide a correct description of the information. Marshall and Rossman (2010) reported that there are more ethical decisions than just informed consent and protecting participants' anonymity. Therefore, it was important for the researcher to continually evaluate and anticipate emotional engagement (Marshall & Rossman, 2010).

The goal was to maintain ethical standards throughout the entire process. Petschnig (2011) pointed out that the maxim of do no harm applies (p. 111). Part of being a researcher is to provide data that can be looked at to build on, and this usually

requires the researcher to review and add other authors' findings; therefore, it was necessary to cite the work of others so future researchers can examine the study.

Pseudonyms were used to protect the participants. Petschnig cautioned that while a researcher is responsible for determining which identifiers in a participant's life story or life situations need to be changed to preserve confidentiality, the researcher should be aware that by changing the details the data can lose their original meaning.

Consequently, the researcher used member checking to validate the transcriptions. The data collection procedures for this study were designed to minimize the risks to participants in the study as much as possible. Participant responses to the interview process were kept confidential. At the conclusion of the study, recorded data were downloaded and will be kept on an encrypted USB drive and locked in a safe for 5 years and then deleted.

### **Data Process and Analysis**

Qualitative research provides a deeper and more investigative analysis when conducting exploratory research. The ability to obtain a richer understanding of underlying reasons, opinions, and motivations plays a significant role in the utilization of qualitative analysis and research. Having insight into problems and helping develop ideas is the key to quality qualitative research. The focus of this study was searching for solutions that relied on people's experiences. Experience can relate to essential elements in the decisions made in life, whether good or bad. Video game leaders who had been working in the industry for many years comprised the sample for this dissertation study. These leaders had opinions, experiences, past interactions, and foreshadowing presumptions based on their knowledge that was invaluable to the depth of this study.

Responses given to the interview questions were saved in a Microsoft Word file. Then the data were placed into the qualitative analysis software package called NVivo and analyzed to understand the context of discussion by various companies in the gaming industry. Software was used to analyze the data for accuracy as well as encode the data for reporting purposes. Codes were developed through reading of the interview data, not by the number of participants. The more a code or topic was discussed, the more often it was coded, which resulted in increased frequency of a code.

Basit (2003) established that coding is crucial to the analysis phase but it is not interchangeable (p. 145). Here, the goal is to discover new meaning without a specific formula (Richards & Morse, 2007). Once clustered together according to similarity, patterns emerged.

To derive conclusions, a thematic coding scheme was developed that made sense according to the initial, intuitive data assembly conducted. The study was broken down into creating categories and subcategories. The categories were a collection of similar data using content analysis. Analyzing the arrangement of the data enabled the researcher to bring forth descriptions or characteristics of those categories.

Those categories were contrasted to other formed categories after subcategories were created. Some of the categories created became large and needed to be separated into smaller units, referred to as subcategories. Cross-analysis of results through frequency of occurrence was highly recommended (Hill & Cota, 2005).

### **Chapter Summary**

The purpose of this exploratory qualitative study was to determine what benefits video game development leaders might bring to business leaders to further innovation.

Individuals from six organizations comprised the sample. Face-to-face interviews, a review of historical documents, and observational data were part of the data collection procedures. The constant comparative method for data analysis was used.

The main ethical objective of this study was to not put participants at risk. Other ethical issues considered included how to protect the privacy of the participants, where the data would be kept after the study is complete, and providing a correct description of the information. The results of the data collection methods, coding, development of themes, data analysis, and an overview of the study participants are presented in Chapters 4 and 5.

## **CHAPTER FOUR: RESULTS**

### **Restatement of Purpose**

The purpose of this exploratory qualitative study was to determine what video game leaders might bring to business leaders to further innovation. Baxter and Jack (2008) explained that qualitative methods assist in exploring a trend within its qualitative framework using an array of data sources. Baldwin et al. (2012) stated it is vital for executives of any organization to make solid performance and market-based choices in a competitive global marketplace. Executives can be resistant to change due to habit and even escalate their commitment to a deteriorating plan (Chow & Schoenbaum, 2010). This was a point of focus for gathering and analyzing information in the completion of the current study.

Within any organization, communication and motivation are integral to success. The ability to communicate is a vital aspect of any upcoming change management procedure (Harrer, 2008). Research has validated the importance of communication and revealed the capacity to communicate to be one of the most important factors in making an executive promotable (Burnard, 2008, p. 432). Dust et al. (2013) suggested that during organizational change, company leaders should be ready to implement diverse models to provide flexibility. The current study was designed to expand the knowledge of which change methods work well and are the most effective at creating change that can be maintained to add to the knowledge of leadership theory and organizational change.

After reviewing the existing literature as well as the information gathered through the interviews conducted for the current study, the researcher evaluated the results to

understand the research question. The data were collected per the methodology described in Chapter 3. This chapter contains a review of the findings.

The information in this chapter is presented in a logical manner to remind the readers of the original questions, the research process, and findings. According to Boyatzis (1998), the manner in which the information is presented is necessary because the results and future implications can be dependent upon how data are handled and interpreted. Denzin and Lincoln (2005) underlined that qualitative researchers study things in their natural settings in order to understand and interpret the phenomenon under investigation. The interviews were largely conducted in conference rooms that were familiar to the subjects. All questions were asked in a certain order to avoid confusion or misunderstandings. Here, the goal was to gather useful information while establishing a good rapport.

### **Research Question**

The current study entailed an exploration of the influence of game art when it comes to the technological implementation process through creative leadership. The research questions used to guide this study were: What might video game developers bring to business leaders to further innovation?

Interviews were conducted with one CEO, one vice president, one CCO, one senior project manager, and two co-owners selected from different companies. Of the participants who engaged in the dialogue, all six parties were leaders within their respective fields. Research has shown that independent game companies, also known as indie games, use innovative tools to promote their products. Not many independent game



companies experience commercial success; however, the leaders engaged in this study had a proven track record of improving the profitability of their companies.

The subjects were conscientious of their roles and responsibilities to their shareholders and stakeholders in a competitive market. This influenced their willingness to talk freely. During the interview phase, it became clear that the leaders were protective of their business strategies and execution methods of set goals.

### **Role of Innovation**

The role of innovation in the everyday duties of the selected study participants was another significant factor in selecting candidates to get the best information possible. Four out of the six participants selected believed that partially releasing information about an upcoming product would increase sales. All four of these interviewees believed that users' anticipation and ability to comment on an unfinished product created a feeling of participation, responsibility, and ownership. Other results indicated new ways of looking at value that might create unforeseen new revenue streams.

Innovative business models such as freemium or free subscriptions can be scaled to fit any number of business models. The leaders in the current study agreed that the key to success was in the creation of a product that people truly embraced and was easily accessible by a wide audience. Here, the subjects agreed that this business model could make a number of products profitable once the right complementary products were created.

### **Description of Study Participants and Demographics**

The previous chapter contained the criteria used to define what type of individuals would be recruited to participate in the interview phase. These standards were adhered to

which yielded positive results. The population investigated was the executive management layer of small to midsized organizations within the video game industry. The sample frame included a population of participants from six organizations. The focus was on the different levels within these selected organizations already mentioned above. This was done to elicit the best responses possible to the interview questions, which were specially designed for top level executives.

The focus of recruitment was on top executives, middle management, and frontline supervisors. The participants were between the ages of 28 and 55 and all were male. There was no bias in participant selection toward race, culture, gender, ethnicity, or religion.

For anonymity purposes, the companies studied were coded as Company A, Company B, Company C, Company D, Company E, and Company F. Although the interviews were intended to be face-to-face, there were instances where the researcher required clarification and further information from the interviewees. In such cases, the researcher made and recorded phone calls or sent follow-up e-mails. Company A's headquarters were based in the western United States. The interview was conducted with the co-founder, who was about 35 years of age. The company had between 120 and 135 employees. All of the concept art, programming framework, and game mechanics were done by freelancers or consultants while the finishing work, final coding assembly, and alpha testing were done in-house. This model allowed for greater efficiency and cost savings, and while the product at times might not be as good as if it were entirely produced internally, it would always meet the standards of the marketplace. Due to the fact that Company A's business model was created with divisional segregation in mind,

the employee count could vary depending on the amount of external help needed to complete a current project.

The interview for Company B was conducted with the vice president, who was 50 to 55 years of age. Company B had a larger employee base of 200 to 250 employees. Its offices were located in multiple cities in North America. In this case, all development was done in-house, but this company had a subsidiary gaming company from which it could borrow employees. The focus was on bootstrapping game production as tightly as possible. Bootstrapping had a single purpose—minimize the cost of production as much as possible while increasing the possibility of success by being able to differentiate between needs and wants. All the earnings are reinvested back into the business until it is financially sound and self-sufficient.

Company C had an employee base of 20 to 25 employees. The focus was on gaming in education; therefore, the company tried to hire for a slightly different demographic than Company A, B, D, E, or F. The goal was to attract intelligent, highly educated people who also possessed a well developed entrepreneurial spirit. Employees of Company C were self-motivated to make a difference within education by offering gaming as part of certain curricula. The interview for Company C was conducted with the senior project manager who was 28 to 32 years of age.

Company D had an employee base of five. The interview conducted was with the co-owner, who was approximately 40 years of age. In this case, every employee had expertise and the leader pointed to their proven track records. Success experienced within this small shop was largely due to players being highly production-process oriented and every team member also being an expert at A/B testing. Here, the leader

elaborated on the importance and power of testing before actually releasing the product to the public.

The Creative Chief Officer (CCO) of Company E said that the company encompassed an employee base of approximately 20 people. He was approximately 45 years of age and was adamant about the importance of employing people with a true passion for gaming. The leader also mentioned that his employees were well-versed in gaming with cutting-edge technology that could be implemented into their already existing workflow. Furthermore, the leader pointed out that the passion within his workforce would resurface in the product. As long as the games were fun to play, they would sell.

The Chief Executive Officer (CEO) of Company F estimated that his workforce was between 25 and 30 people. The CEO was about 45 to 50 years of age and pointed out that he had over 25 years of experience in the field. According to this leader, employees had to be able to follow a certain workflow that was very much in alignment with a particular business model. Due to extremely tight deadlines, time-based production schedules, and massive distribution channels, every employee working on his team had to be an absolute professional in his or her area of expertise. This leader also pointed out that the amount of money spent on reporting, tracking, and market research had to be counterbalanced by the eventual success a particular game would experience after its initial release. He concluded that the significant psychology around the gaming experience showed that gamers enjoyed staying engaged in order to increase their skill level and problem-solving abilities and ultimately succeed at a certain game. His employees had to be in close contact with the gaming community to follow up on

possible flaws, drawbacks, or bugs that needed to be addressed for the next release or patch update. Figures 1 and 2 present the ages of the participants and the sizes of their companies.

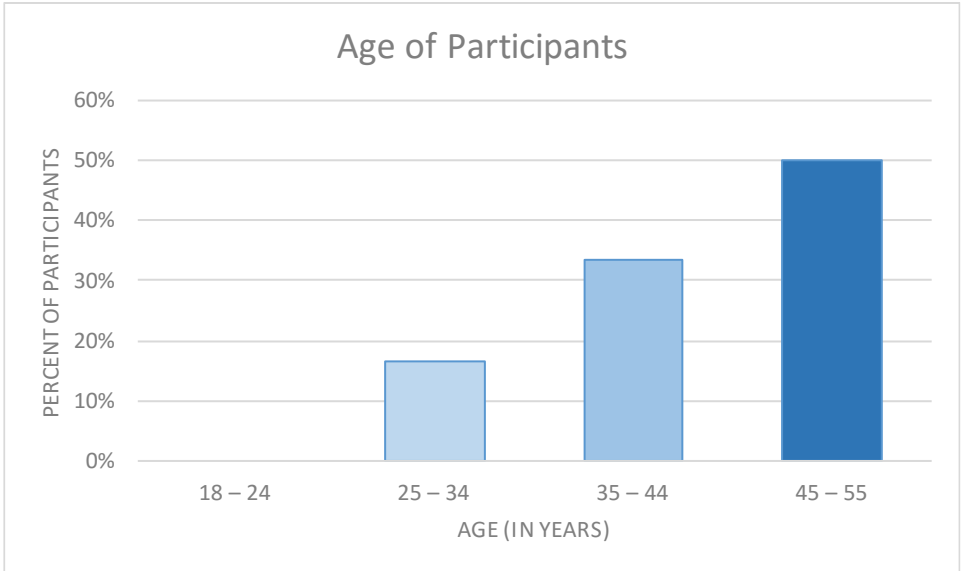


Figure 1. Age of participants who took part in the study.

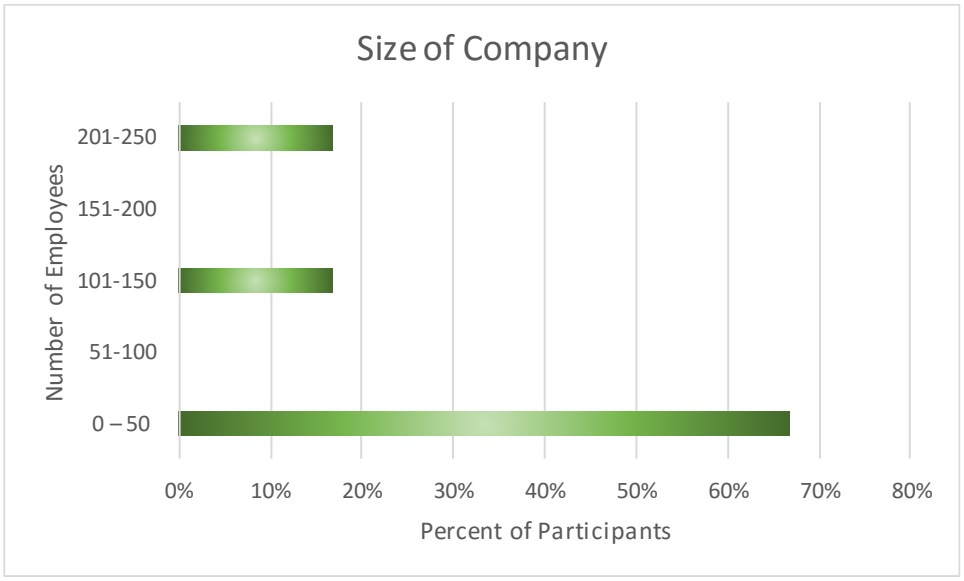


Figure 2. Company size by number of employees.

**Coding of Information**

A qualitative researcher analyzes the data retrieved for patterns or themes, which are then presented based on major patterns found in the data (Yin, 2008). Throughout

each coding method, the communication patterns were journaled and themes were recorded for later reference. These methods were detailed in studies mentioned by Boyatzis (1998). In addition to these coding methods, qualitative methodologies used in these types of studies add a different level of explanation to the results gathered from the study, which can give a different type of meaning to the data whether coded in a traditional or non-traditional manner.

The breadth of perspectives taken on by the subjects varied. In order to create meaningful codes that ultimately could be evaluated, a constant comparison of their interaction throughout each interview phase had to follow. With qualitative methods, the codes are the interpretation of the researcher of what is important with regard to the study and to find meaning in the data. Table 1 gives an overview of all themes, codes, and subcodes and the percent of coverage. Frequencies of codes are discussed in more detail following the themes.

Table 1  
*Themes, Codes, and Subcodes and Percent Coverage*

Themes	Code	Subcode	% Coverage
Adaptive Methods	Offer Iterations		31.9%
	Rapid Prototyping		
	Multi-level Collaborations	Seamless Integration	
		Bridging Gaps	
		Creative Financing	
Media Campaigns	Social Media	Product Awareness	15.9%
	Beta Releases and Early Access	Word-of-Mouth	
Business Strategies	Quality Assurance	Audience Feedback	52.1%
		Product Updates	
		Art and Design	
		Research and Development	
		Testing	
		Cutting Edge Technology	
		Hiring Practices	
	Bridging Gaps		

### **Theme 1: Adaptive Business Methods**

**Code 1: Offer iterations.** Leaders of Company A, C, and E agreed that iterations, or getting regular updates on their products, helped to fix bugs and also created a healthy interaction between the company and the gaming community. The leader of

Company E thought the idea of rapid iterations could be pushed into other products and services as well, not just the management process.

In the following excerpt taken from an interview, one participant pointed out that:

The standard in the gaming industry is rapid prototyping and iteration. Gamers are used to getting regular updates on their products. This is something that is not as common in other businesses. The industry demands a push for more “Agile” like project management through more non-game or mainstream business. (Leader Company E)

**Code 2: Rapid prototyping.** Few leaders believed that creating a prototype helped to get an approximation of the characteristics of the final product. Each prototype is modified based on inputs from the end user and next prototype is built. The prototype gets evaluated and updated accordingly until the users are satisfied. It is not until this point that the final product is developed. The leader from Company E believed that rapid prototyping was the unique contribution to the gaming community from video game development.

My company has developed digital courses for game design and game programming—teachers and students love that we can push fixes and content updates to the courses. (Leader Company E)

**Code 3: Multi-level collaborations.** The third code had two subcodes.

**Subcode: Seamless integration.** Organizational leaders agreed that seamless integration between multiple work teams is essential. It results in a smooth workflow as all members of a team, from art leaders to developers to business officers, are on the same level.

The leader from Company D believed the designers and marketing teams should have proper communication and understanding between their units:

The designers need to create new and interesting products and marketing needs to sell whatever the designers make, so the best games are a compromise between



these two competing forces. I think the Marketing and Design departments generally understand each other well. (Leader Company D)

**Subcode: Bridging gaps.**

**Code 4: Creative financing.** Gaming, in a sense, is similar to the movies. It is in the entertainment business and what drives entertainment from year to year changes. One leader mentioned the movie industry often looked at the gaming industry to generate hit movies (e.g., *Tomb Raider*, *Resident Evil*, and *Mortal Combat*):

The only industry that looks to the gaming industry for knowledge is the movie industry. Although they are technically in the entertainment industry, games tend to achieve more revenue than the majority of movies. (Leader Company D)

**Subcode: Freemium model.** Much of the game industry is moving toward online (i.e., free-to-play and subscription required model) to achieve a steady cash flow.

## **Theme 2: Media Campaigns**

From the leaders' experience, it was identified that it is necessary to create excitement and drive gamers to their websites to learn about different upcoming games. This allows companies to stay competitive. Planning for the promotion of the game takes 3 to 6 months prior to the actual release date. Game promotion can be in any form, which was discussed in the following subcodes.

**Code 1: Social media.** The leader from Company A mentioned media campaigns to raise awareness of upcoming releases are via press releases, Twitter feeds, Pinterest, YouTube, and a Facebook page. These campaigns generate buzz while at the same time trying to drive traffic to the site where people can register and learn more. The leader from Company A stated:

From my experience, it is essential to use social media to help promote a game...we started a YouTube campaign to create buzz. These videos emulated the alien bad guy trying to communicate with Earth, but underneath there was a hidden message. This message could be deciphered on our website. A series of

videos like this were released every month for a half a year to generate traffic and buzz to our game.

It is essential to use social media to promote the games, which takes up time and energy within a company. It is essential a company has a strong social media group or department to handle media streaming.

On our team, we have hired people specifically to help generate buzz in all forms of social media. This can be a full time job reaching out to different segments of the gaming market. (Leader Company A)

***Subcode: Product awareness.*** Leaders from Company A and B thought creating product awareness before releasing the final product was of utmost importance. The leader from Company A stated:

With a month left before we sell the game on Steam, it is important for us to generate even more buzz because there are thousands of games out in the marketplace. If you have buzz, that's great, more people will be interested in your game.

The leader from Company F stated, "Game art companies are highly production process oriented, time-based production schedules, strong marketing presence, massive distribution channels." This reflects that there is a strong product awareness within the video game industry:

***Subcode: Word-of-mouth.*** Word-of-mouth, specifically in online, interactive games, assists in creating interest for upcoming video games. Early access games drive word-of-mouth product awareness and a deeper connection with the end user to the final game, which can potentially increase sales.

Another benefit of this process [early access] is the community of players feel a greater sense of ownership in the final product. This drives word-of-mouth product awareness and a deeper connection to the final game, which can potentially increase sales. (Leader Company B)

When we launched beta, a working game but with only two levels for people to experience, people can play and give feedback. The coolest part is that people are

beginning to generate video reviews of the beta and our demo on YouTube.  
(Leader Company A)

**Code 2: Beta releases and** early access. Early access and beta games are games that are not completed, but are playable and are sold publicly in specialty stores to make the audience aware of the product, which can result in an increase in sales. There are double benefits to early access and beta games to the company, both with quality assurance and financial benefits. Both are also interrelated to business strategies and adaptive business methods.

Early access games are sold publicly in an intentionally unfinished, yet functional, state. Players who purchase these games can play the game, provide feedback, and try new features. (Leader Company B)

### **Theme 3: Business Strategies**

All leaders agreed that every gaming company stringently protects its own business strategy and underlying concepts. Additionally, the gaming business moves toward the unpredictable and adjusts business practices based on organizational efforts from other businesses outside of the gaming industry.

For the most part, the gaming community looks to more traditional businesses for advice in order to achieve more stability. (Leader Company D)

**Code 1: Cutting edge technology.** Organizational leaders of Company A, B, D, and E agreed that staying current with the video game technology was of the utmost importance to their survival. All leaders believed the gaming industry was extremely competitive and every gaming company had to be up to date with the latest technology. The leader from Company A said they were planning to release their game on every platform to be on the cutting edge:

We plan to have an XBOX, PlayStation, IOS, and Android versions of the game. We have guys working on that already.

**Code 2: Hiring practices.** Organizational leader from Company D believed the gaming industry was an entertainment industry, in that it could be somewhat unstable. The leader from Company D stated that, as with the entertainment industry, not every game (or in the case of the entertainment industry, movie) is a hit and hits do not happen all that often, but creative hiring practices can help:

The gaming community is essentially in the entertainment business and as such tends to be unstable. For the most part, the gaming community looks to more traditional business for advice in order to achieve more stability. Sometimes this comes from management and hiring practices that can mitigate the cash flow rollercoasters the developers ride.

**Code 3: Bridging gaps.** The leader from Company C believed there was a gap between video game developers and business officers. They felt there was not enough linkage between performance and what was occurring with video game design concepts. They felt if there were more performance measures around the video game design concepts, this would bridge the gap between the art and design department and business leaders.

Linking metrics and performance to design and art concepts would bridge that gap. Performance of the product can be determined by A/B testing and metrics which are gathered around the result. (Leader Company D)

Additionally, there were often disagreements between different departments in where priorities lie. Specifically, participants mentioned marketing departments often had different input from marketing research on what to include in the design of a new video game. However, video game leaders had varying concepts and ideas, and often these did not align with marketing.

They collaborate more than the art leaders want and less than the business officers would like. The “art leaders” in gaming would be the game design team and they usually don’t like mandates from marketing—the business officers—on what to put in the game. The marketing department wants only to maximize sales revenue

so are always pushing to mimic whatever the current hit game does in an effort to capitalize on that market demand. The two forces are generally in constant tension. This is healthy as the designers need to create new and interesting products and marketing needs to sell whatever the designers make, so the best games are a compromise between these two competing forces. (Leader Company D)

**Code 4: Quality assurance.** The code related to quality assurance had five subcodes.

***Subcode: Audience feedback.*** Audience feedback is a general practice that is extremely vital to the gaming industry. Beta versions of the product, which are unfinished yet functional, are launched into the gaming community as a sort of test. Leaders from all companies believed that player comments were of utmost importance to their companies, as they helped them to refine and improve the product, resulting in a better final product for the end user.

***Subcode: Product updates.*** The leaders agreed that gamers were used to getting regular updates to their products, which is not common in other businesses. The leader from Company E said they had to inform the end users about the use and control of their versioning and updates. The regular update process was appreciated by the end users and put the company in a positive light with the gaming community.

***Subcode: Art and design.*** Art and design are the basis for developing games. The gaming industry has developed in a way that requires leaders to be creative in presenting their art. The leader of Company C believed metrics and performance should be linked with art and design. The correlation between certain art and design choices needs to be formulated to give the best performance.

***Subcode: Research and development.*** One company instituted a research and development (R&D) section that is responsible for researching current trends in the gaming community and developing games that will appeal to end users.

Experiment with new designs and prototypes that if successful, can be used for future games. The R&D department helps in developing new and innovative products that meets customer needs and expectations. (Leader Company A)

***Subcode: Testing.*** Testing and imparting end user suggestions are important parameters for quality assurance. The leader at Company C leader said they even devoted significant resources to user testing to understand what was working and what was not. All leaders (100%) during the in-depth interviews agreed that thorough testing was important in developing a quality product.

The idea of rapid iteration and project management that viewed pushing products as their primary incentive proved that agile project management could be part of products and services and not just the management process.

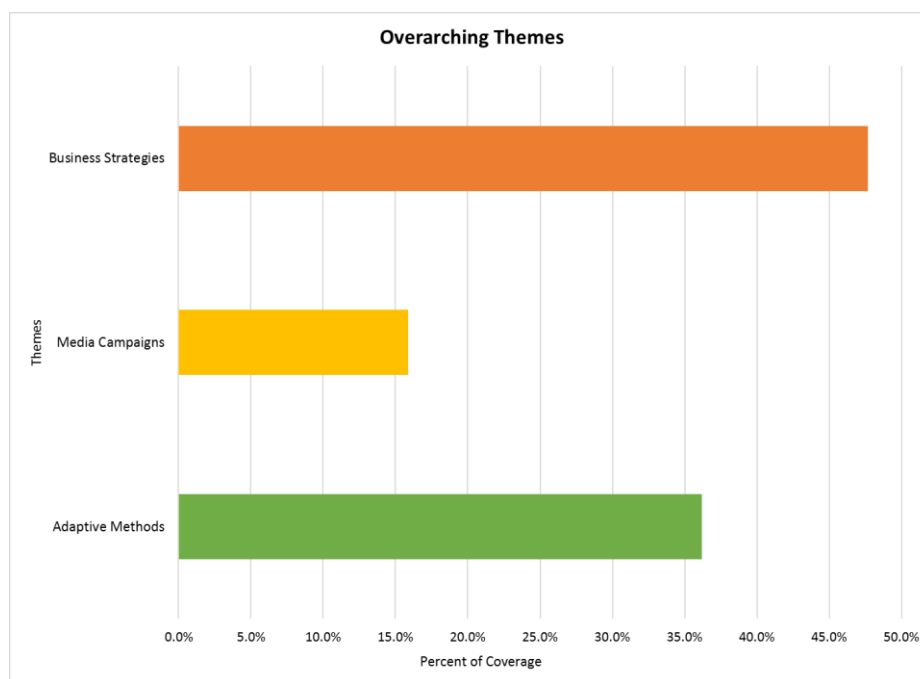
Thorough testing is required for quality assurance of the product to know what is working or what is not, which is common knowledge throughout the technological industry. One participant stressed that R&D is also necessary to create a new idea for innovative products that may generate customers' attention.

### **Summary of Themes**

To examine the qualitative data results, it is essential to examine the results of themes in terms of percent of coverage, as well as the frequencies (percent of coverage) of each of the codes. Qualitative analysis focuses less on the number of participants and more on what is discussed and how frequently it is mentioned within all conversations. The more it is talked about, the higher the code frequency. The data were not placed

within the discussion above in order to focus solely on the supporting quotations (data) from the interviews.

Figure 3 shows the percent of coverage by each theme in terms of the what was discussed during the in-depth interviews.



*Figure 3.* Overarching themes coded from the in-depth interviews with business leaders.

Each theme was supported by the data accumulated in the codes and subcodes. The theme of Business Strategies included codes that were interrelated (i.e., Business Strategies and Adaptive Methods) and also included a relationship to include the code/subcode of Bridging Gaps. Business Strategies covered 47.7% in terms of total references linked from the interview discussion. The theme of Media Campaigns covered 15.9% of the overall discussion and was also related to Quality Assurance within the theme of Business Strategies. The theme of Adaptive Methods was reflected across all three themes through interrelated codes. It had a percent of coverage of 36.2% in the overall interview discussion.

As seen in Figure 4, the core ideas derived from Business Strategies were Bridging Gaps, Quality Assurance, Hiring Practices, and Cutting Edge Technology. Quality Assurance included several subcodes: (a) audience feedback, (b) product updates, (c) art and design, (d) research and development, and (e) testing.

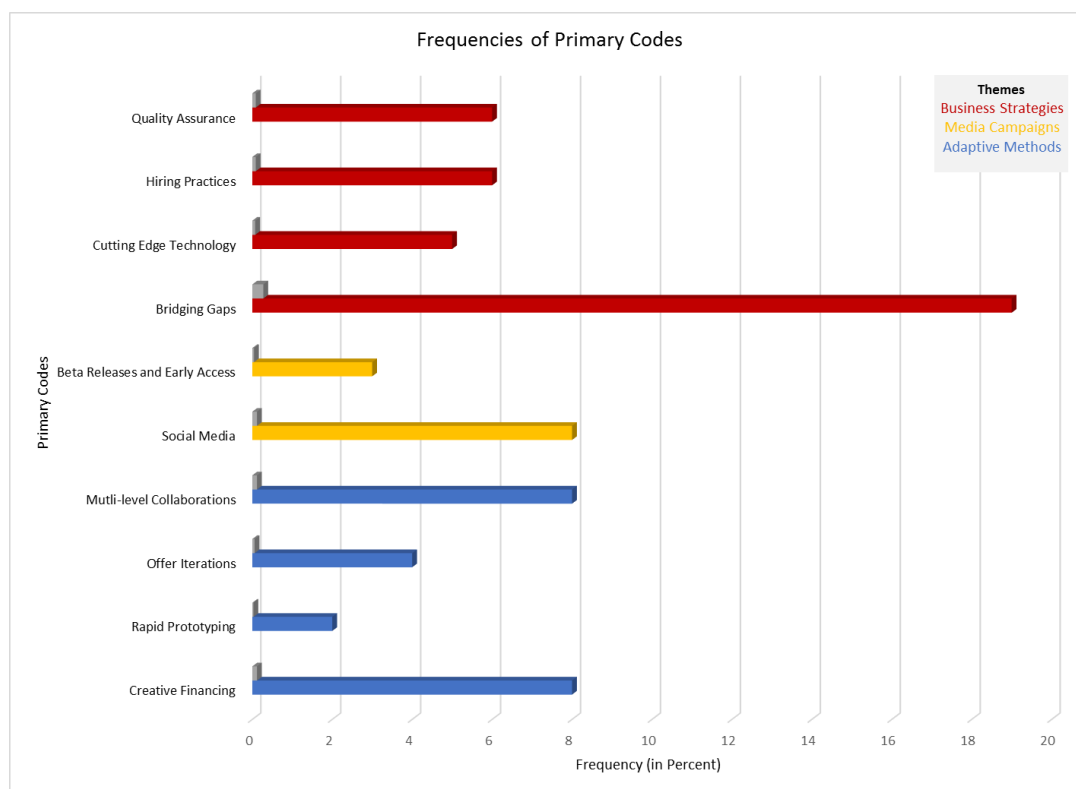


Figure 4. Frequency of primary codes grouped by overarching themes.

Bridging Gaps was a subject discussed across two themes (See Table 2). Table 2 shows it was the most discussed topic not only within Business Strategies (at 52.8%) but also across all themes (at 27.5%).

Quality Assurance was the second most discussed topic within Business Strategies, covering about 16.7% of the discussion. Consequently, Hiring Practices covered approximately 16.7% of the conversation within Business Strategies. Hiring Practices were discussed by three of the six participants. Cutting Edge Technology



covered approximately 13.9% of the discussion and five of the six participants mentioned it during the interviews.

Media Campaigns covered 15.9% of the discussion. The core ideas derived from Media Campaigns were Social Media and Beta Releases and Early Access (See Figure 4). Both categories had interrelated subcodes of product awareness and word-of-mouth. Social Media accounted for 11.6% of the discussion through all overarching themes and Beta Releases and Early Access accounted for 4.3% (See Figure 4). This theme was mentioned by two of the six interviewed leaders. Within its theme, Social Media accounted for 72.7% of the conversation whereas Beta Releases and Early Access accounted for 27.3% (See Table 2).

Adaptive Methods accounted for approximately 32% of the conversation across all overarching themes. The codes within Adaptive Methods were: (a) Offer Iterations (covered 5.8% of the overall discussion); (b) Rapid Prototyping (covered 2.9% of the discussion); (c) Multi-level Collaborations (covered 11.6% of the discussion); and (d) Creative Financing (also covered 11.6% of the discussion; See Figure 4). Adaptive Methods were discussed in all six in-depth interviews. Within the theme Adaptive Methods, Multi-level Collaborations had a coverage of 36.4% (See Table 2). Multi-level Collaboration also was interrelated to Business Strategies through Bridging Gaps as a subcode (See Table 2). Other subcodes within Multi-level Collaboration was Seamless Integration.

Creative Financing was another highly discussed topic within Adaptive Methods at a coverage level of 36.4%. Creative Financing had a subcode of freemium model of

play. Offer Iteration covered the theme at 18.2% and Rapid Prototyping followed with a coverage of 9.1% (See Table 2).

Table 2  
*Primary Codes Frequency Within Themes*

Theme	Code	Frequency
Adaptive Methods	Creative Financing	36.4%
	Rapid Prototyping	9.1%
	Offer Iterations	18.2%
	Multi-level Collaborations	36.4%
Media Campaigns	Social Media	72.7%
	Beta Releases and Early Access	27.3%
Business Strategies	Bridging Gaps	52.8%
	Cutting Edge Technology	13.9%
	Hiring Practices	16.7%
	Quality Assurance	16.7%

### Summary

The focus of this study was an exploratory qualitative examination to determine what benefits video game leaders might bring to business leaders to further innovation. The following key topics were discussed by the company leaders interviewed in the study:

- Bridging gaps and multi-level collaborations are important to the industry. These can include outside of the industry collaborations.
- Creative financing is important to meet the demand and costs associated with development. This includes freemium and subscription models and regular updates or new versions of the product.

- The need to create product awareness and promotion using extensive social media platforms.
- Hiring practices are important and interrelate business strategies and adaptive methods in order to stay ahead.
- The requirement of thorough quality assurance thorough testing to develop a quality product, incorporating the R&D department for developing an innovative product, integrating audience feedback, and enhancing the art and design departments.
- The importance of rapid prototyping and iterations as an adaptive method in developing a product that meets customer needs.
- The requirement of thorough quality assurance thorough testing to develop a quality product, incorporating the R&D department for developing an innovative product, integrating audience feedback, and enhancing the art and design departments.

Although the research question was not directly supported, the study did bring up several areas of interest for future research.

## **CHAPTER FIVE: DISCUSSION, CONCLUSIONS, AND RECOMMENDATIONS**

### **Discussion**

As a result of advances in technology, world leaders are finding themselves competing in a market with continual growth and expansion. Executive members must use adaptive strategies to influence their companies in order to move them toward continued organizational success. Adaptive organizational change is imperative and necessary to survive and maintain a competitive advantage and market penetration. The purpose of the current study was to explore the potential impact executive managers within game art companies can have on innovation that might lead to the implementation of technology in the business setting. Change is often difficult for individuals, but the acceptance of change can be influenced by leadership. Leaders have the capacity to show the willingness to change, which, in turn, encourages other employees to accept the change. In Chapter 2 of this dissertation, the review of the existing literature presented the notion that fear of the unknown (i.e., change) can lead to anxiety. As leaders press forward to engage in innovation and change, the irrational thought of instability and failure was apparent within some of the companies whose leaders were interviewed in the current study.

Through qualitative analysis and experimental design, joint efforts were sought between business leaders and video game developers to reach a conclusion surrounding whether or not video game developers can influence innovation. Each research question was addressed in the various interviews with leaders from Companies A, B, C, D, E, and F. Video game leaders commonly commit to positive performance and market-based choices in the global market.

Having the ability to adapt and be readily able to implement diverse models of change with ensured flexibility is a quality a leader must possess. The rationale behind the current study proved to be strong, as having a small sample size allowed for an in-depth insider viewpoint using the personal experiences from the leadership of Companies A, B, C, D, E, and F to understand and determine the patterns and change of the study.

The purpose of this exploratory qualitative study was to identify what benefits video game developers might bring to business leaders in order to further innovation. Baxter and Jack (2008) explained that qualitative methods assist in exploring a trend within its qualitative framework using an array of data sources. Having the ability to monitor a trend within the context of an organization creates room for growth while reducing possible marginal error. Baldwin et al. (2012) stated it is vital for executives of an organization to make substantial performance and market-based choices in a competitive global marketplace. The choices made can affect the outcome for the company, attain goals, and target consumers, which can propel an organization in a positive direction in a global marketplace.

Executives can be resistant to change and even escalate their commitment to a deteriorating plan (Chow & Schoenbaum, 2010). A paradigm shift in business strategy and planning may not be the easiest task. Through research and literature, many innovative video game leaders have shown great strides in management and maintaining a business strategy, adaptation, marketing, leadership, and producing profitability and positive change effort rates. The collaboration of both game art leaders and business officers leads to a question of whether a joint effort between game art leaders and business officers can result in an improved output.

Furthermore, with a 50% participation rate, it was noted that many interviewees were resistant to change. One interviewee stated, “Going with what works will enable a consistency within a structured organization.” These words provide insight that doing what works is worth pursuing; however, the statement is open to interpretation because market adaptation works and there are many other innovation strategies that lead to consistency within a structured organization (Dixon, Meyer, & Day, 2014).

Hubbard and Power (1993) pointed out that the “aha” and “oh no” moments best show when there is a breakthrough in answering a research question (p. 113). In this study, some of the anecdotes that were revealed underlined the competitive spirit and innovation factors that sprung from the intensity of this market. The leaders were immersed in trying to convey the painful yet exhilarating days before a release or partial release. Some of the stories revealed that internal turmoil due to extreme competition among followers led to new revenue streams.

This study involved interviews with six individual executive leaders from small to midsized organizations. Through random sampling and permission, six companies engaged in the game art industry. After each interaction with the executive leaders, the researcher transcribed the recorded data and sent follow-up e-mails or phone calls to some interviewees. The required information was then taken from the recorded conversation. The interview phase improved the researcher’s interviewing skills. Notably, the researcher learned that it is imperative for the interviewer develop a rapport with the interviewee. This ensures the interviewee will be comfortable throughout the entirety of the interview phase. In effect, this facilitates the interviewee to present well

thought out ideas that are likely to allow the interviewer to gain an in-depth understanding of the subject matter.

The researcher also realized that open-ended questions were suitable for gaining a holistic understanding of a particular topic. Preparing adequately for an upcoming interview to be conducted was of vital importance. Devising interview queries as well as reviewing them were also integral aspects of preparing for an upcoming interview. Subjects provided in-depth answers and in many cases were willing to expand on their narratives.

Furthermore, having open-ended avoided leading questioning, though the researcher probed the interviewees to answer the issues in depth to achieve accurate and unbiased information. Respondents gave thorough answers according to their wealth of knowledge to accurately explain the range of issues brought forth. Adhering to individuals responding on their terms allowed views, experiences, and opinions to flow freely and without leading. Many executive leaders wished to share their knowledge; however, often the shorter answers given were followed up with more complicated issues that led to quality research data.

Many themes and codes emerged through the interviews. As discussed in Chapter 4, three main themes were developed. The first, Adaptive Methods, took into account ways in which leaders adjust their leadership qualities to be flexible and adaptive while maintaining a respectable presence in the organization. The second was Media Campaigns, which incorporated ways in which organizations use media outlets for product promotion. The third was Business Strategies, which spanned into Adaptive Methods with multi-level collaboration and bridging gaps. Business Strategies also

included quality assurance methods, cutting edge technology, and hiring practices to address the ever-changing video game market. Below, the more extensive topics are discussed, followed by areas where additional research can improve understanding.

### **Multi-level Collaborations and Bridging Gaps**

The majority of the leaders mentioned multi-level collaborations and bridging gaps, which accounted for 58.2% of the conversation, and most stressed the importance of collaboration at each level. The organizational leaders specified that collaboration between the design team and marketing team or between art leaders and other business officers is important to make a successful product. This made a good argument for executives to adopt this useful game art technique. Gaming design was an industry that combined the metric approach of leaders with the more conceptual ideas brought forth by the game art design team. This category could potentially increase sales but was only thought of in limited capacity as a distinct skill set utilized by game art leaders that could be applied to enhance output for the business executive leadership level.

Subjects also stated that combining metric-driven business thinking with conceptual ideas not only altered the perceptions of value within the company, but also the value system within the corporate market structure. This skill of art leaders is unique and specific to the gaming industry. Linking concept and design to metrics and performance might help create innovation. The need for collaboration between the design and marketing team was also mentioned to make a game a hit. Collaboration between developers and business officers lets them stand on the same platform in terms of the product to be developed and its related features. Whenever collaboration between the design and marketing team hits a right note, a game becomes a hit. Collaboration



between art leaders and business officers is essential, especially during the beginning of the project.

Furthermore, one leader mentioned not collaborating often enough with other industry leaders. It was discussed that although video or telephone conferencing happened on occasion, the only time organizational leaders would meet and collaborate was at industry conferences. To build rapport, notability, and gain learning experiences within the video game industry, leaders should gather more frequently for face-to-face encounters.

### **Product Awareness Through Social Media and Word-of-Mouth**

The results showed the largest number of participants ( $n = 4$ ) stated that the video game industry might be keen on hinting or leaking certain features of upcoming games, either through social media outlets or other media channels available. As the release date gets closer, the gaming community might be already prepared to purchase the product to be released. This created buzz and anticipation through the various media channels and increased sales.

Promotion is the important aspect for each company to create product awareness. A company has update its products with the latest promotion techniques and platforms to create the right buzz at the right time. As previously mentioned, promotion techniques are focused largely around social media and promotional videos through YouTube. The use of these avenues brings increased traffic to the company's website, which can lead to interest in other products and games.

Buzz needs to be created well before the launch of the product. In the gaming industry, word-of-mouth is used largely to create product awareness. Early access games

help create a deep connection with the audience and increases the word-of-mouth promotion technique. Different platforms are also used to promote the game, which keeps on changing with the market. Currently, social media and blogs are mainly used to reach the target audience. With discretion, utilizing consumer feedback may provide innovative strategies and better market penetration. Audience feedback gives way to word-of-mouth, whether the impact is negative or positive. A company that listens, adapts, and creates new aspects through consumer feedback will provide more reason for positive word-of-mouth. The ability to engage the audience in fresh products during what may be a beta phase is a way to turn free into profit (Lescop & Lescop, 2014). This type of beta testing allows users to experience the game, generate feedback, and enhance future marketing strategies. Although some of the companies did not participate in feedback or word-of-mouth, the literature revealed that customer feedback correlates heavily with the direction of research for the product (Bulsara & Thakkar, 2015). Although the data signified some executive leadership does not partake in customer feedback, these companies showed great strides with product development.

Audience commentary was an important topic for discussion from interviewees for future innovation business strategies because many interviewees did not wish to deviate too much from original plans for products or services, although adaptation for enterprises is imperative for survival, especially for value-based sales (Viio & Grönroos, 2014).

## **Creative Financing – Linking Product Awareness, Early Access, and the Freemium Model**

Creative financing has led to free online play that is largely based on a subscription required model (freemium model). This subscription required model resulted in a steady cash flow and additionally opened up new revenue streams. Research shows that for business innovation to continue in a linear motion, adaptation to freemium models is imperative. Companies outside of the gaming or tech sector might deploy free products or services. The free product or service does not have specifications to what ranges generates more interest in the market population, but rapid adoption to this has been seen with many prestigious companies such as Gillette, IKEA, Nespresso, and Pixar (Fleisch, Weinberger, & Wortmann, 2015). This subcode shed light on how innovation can be integrated into the traditional business metric of thinking and application.

Early access games are sold publicly in an intentionally unfinished, yet functional state. Players who purchased these games could play the game, provide feedback, and actually try new features before the game was released. Here, the subjects elaborated by saying that in some cases, player comments were actually used to refine and improve the game in order to build an arguably better product. This concept of actual implementation of audience feedback should be adopted by other businesses.

Company leaders also understood the importance to game art developers of audience feedback in the gaming industry. They believed game art developers were concept driven and creative in designing. Also, companies in the gaming industry consider audience feedback as one of the best practices to develop games. Companies launch beta versions of the game for players to try, receive players' feedback, and then

incorporate their suggestions to refine and develop a better product. This unique concept helps a company to meet customers' needs, improves customer relations, and increases sales.

Although few spoke about the use of adaptive methods in business leadership, those who spoke about it believed it was the most important skill set that could easily be adopted by business executives to increase the revenue stream. An underlying idea was to have the capability to create iterations of products based on client experience. To offer instant gratification based on constant iterations is an idea that can be adapted by business executives to increase marketability. When early access games are launched, players who play these games provide feedback and try new features. In some cases, player comments are used to refine and improve the game. Players, thereby, feel a sense of ownership as they are involved in developing a product. Furthermore, with respect to the code of Rapid Prototyping, executives shared different beliefs with regard to how much benefit a company will gain; however, in recent literature, rapid prototyping has been shown to be “one way to change and redesign product modules on the fly to satisfy a customer and to increase the flexibility of sales and order-delivery processes” (Kinnunen, Hanninen, Haapasalo, & Kropsu-Vehkaperä, 2013, p. 112).

### **Quality Assurance Measures – Linking Rapid Prototyping, Iterations, and Audience Feedback**

The code of Quality Assurance offered 16.7% of the conversation within the theme of Business Strategies. The players' ability to have access to the unfinished, early version of a particular game, and thus their feedback, is valuable for the developers to

refine the overall quality and develop a better product that meets customer needs. It gives players a sense of ownership and opens up an additional revenue stream.

Furthermore, thorough testing is required for quality assurance of the product to know what is working or what is not. To develop an innovative product that might generate customer attention, the company must have an R&D department.

The idea of agile or rapid iteration can be used to provide regular updates of products that are already in the market or to be released. Other business markets do not have such a quick and accurate response rate. Agile and rapid iteration can be pushed into products and services as well and not just applied to the management process. The interview phase brought out that video game development was quick to respond to market demands, which ultimately resulted in changing revenue landscapes.

Additionally, regular updates are based on user demands for constant product upgrades and improvements. This could be a tool that business executives within other markets could possibly apply successfully to their products in order to see instant gratification. The literature showed product updates depend on consumer heterogeneity, the rate of distribution, and social interaction among consumers (Albuquerque & Nevskaya, 2015). Although two companies did not participate in this method, this does not change the fact that new ideas generate new possibilities for business innovation, profits, and revenue streams.

Through the video game industry, many other business owners, founders, and executives implemented significant aspects that provided further innovation. The idea of rapid iteration and project management that viewed pushing products as their primary

incentive proved that agile project management could be part of products and services and not just the management process.

### **Hiring Practices**

With market demands increasing for different organizations, a CFO that the leader of Company C had met shed light through a phone conversation on how game art leaders influenced many of that company's decisions. Through the market demand increasing, the company created an auction system for contractor employees to utilize in obtaining new jobs. The auction was influenced by gaming art designs and enabled a steady distribution of work, increasing revenue and profits, and cost cutting. Upon an order being placed, the auction system uploaded the work project into a system that notified all contracted employees that a new job was available; this job would have a minimum bid and a maximum buyout, thus eliminating the middle-man. Upon eliminating the middle-man, the employees who once spent time distributing jobs now spent time on other important tasks. The system reduced favoritism and promoted a competitive nature among employees. By eliminating favoritism, employees felt much more equal to one another.

Each employee had a fair chance of obtaining a job through either bidding on a job and continually bidding until the bid finished, or buying out the job with fake currency and immediately obtaining the job. Employee satisfaction had increased heavily, customer satisfaction had increased by decreased wait times for jobs being accepted, and revenue had increased due to the reduction of position and reallocation of an employee in a position to a more suitable position. The CFO, again through a phone conversation with the leader of Company C, developed the perspective that the ability to

change the perception of value and had a quick reaction time to market concerns, which played an influential role in company development and progression.

### **Professional Practice Implication**

The researcher reached the following conclusions by analyzing the responses offered by the participants during the interview process and corroborating them with information from observations and related documents. Through research, the change effort failure rate of 50% to 70% stated by Shalley and Gibson (2004) can be reduced and turned into positive outcomes with influence and guidance from executive leadership.

A regular number of interviewees agreed that the trend of moving toward online platforms to gain access to free online subscription and freemium models should be shared with other business sectors. Game art leaders noticed that the video game community developed a great sense of ownership due to their early involvement in the game development phase. This sense of ownership created a deep connection to the game, which, in turn, led to an increase in sales. This early involvement of consumers by taking their feedback makes them feel satisfied and connected. Other businesses can implement this model to understand the customer needs that might lead to innovation.

It was observed other businesses can borrow some of the operational strategies from the gaming industry. For instance, executives in the gaming industry rarely meet in-person and instead employ the use of facilities, such as video conferencing. Other businesses, particularly multinational corporations, can learn from this and implement the same strategy (Aswathappa, 2008). In the end, they will save on costs incurred due to transportation and accommodations, especially when board and executive meetings are to be held. Additionally, leaders in the video game industry suggested the need to link the

metrics and performance with art and design to lead to innovation. This is a unique and efficient idea that can be used by other businesses to help them innovate.

Businesses should also aim at pleasing and satisfying their clients and customers. In the code, Offer Iterations, or send updates or other information to customers, some interviewees found it can cause consumers to become irritated due to the constant e-mails, even if the e-mails provide company offers. The ability to maintain equilibrium between too many and too few offers was often determined to be a company secret among interviewees. Additionally, if clients' needs are not addressed properly, they could easily shift to the competitors to the detriment of the business in question (Chow & Schoenbaum, 2010). In order to keep clients satisfied, the gaming industry started involving a third party, referred to as an agent or middle-man, in particular during the marketing process. The third party mentioned played a unique role in completing a sale successfully. This liaison strived to guide or influence certain buying decisions made by potential customers. Here, negotiations became of vital importance. The above mentioned marketer's role included enlightening potential buyers about the benefits of a certain product after determining the exact factors clients deem to be of fundamental importance. Participants agreed that going to extreme lengths in order to engage successfully with clients supported the importance of the initial interaction with a potential client.

Moreover, the gaming industry is part of the entertainment industry. Other industries, such as the movie and music industries (e.g., special effects, video clip animations, etc.), have already been collaborating with video game businesses for quite



some time. The participants largely agreed that the overlapping of industries in order to create successful situations could be viewed as a win-win scenario.

This equilibrium provides the proper amount of operational expansion and growth of the product or service to a company. It was mentioned by a few of the interviewees that business innovation is a mixture of consumer demands and the ability to meet them, and if this means companies need to offer iterations to promote new products or increase the sales of old products, this is a possible avenue in which to partake.

### **Obstacles and Limitations**

A major obstacle experienced within the investigative phase was the protective nature of the subjects with regard to their business strategies and marketing techniques. Many individuals consider the strategies and techniques they utilize to be valuable intellectual property and refrain from in-depth discussion due to a possible conflict of interest. Upon further investigation, some of the subjects confirmed that due to the extremely aggressive nature of the gaming industry, every leader must safeguard his or her business plan and strategies to remain competitive. Market penetration remains an essential element in any industry and some more than others. Some of the other leaders were willing to release insight after engaging in a lively conversation. The development of a trusting relationship opened mutual respect and knowledge to spread and flow freely. A limitation to obtaining interviews within the gaming industry was rapport. Many companies declined participation due to apprehension of speaking to an unfamiliar person about their business.

The interview phase revealed that all of the companies represented had a significant amount of structure and maintained a functional, market worthy, and

profitable business. The hesitation to reveal their business tactics or marketing strategies underlined their competitiveness and eagerness to succeed in a tough gaming market. At times, the subjects revealed anecdotes that showed their internal competitiveness as well. The leader of Company B stated that the company's new game release needed to have a classical undertone to the sound effects compared to the previous release, which was more heavy metal-based. The five sound engineer directors of the company mentioned above started to compile audio samples that might be appropriate for the new instrumental underscore of this particular game. The competitiveness within the group reached a point in which the leader of the company had to intervene. To prevent disruption of the workflow, this leader decided to outsource the audio-based project. This excerpt illustrated the competitive nature of the gaming industry and how it can affect the internal structure of any given business.

The learning curve was not mentioned as a significant factor by many of the interviewees. Research indicates learning curve monitoring can help generate information about the learning process as a whole for the product or service provided by a company. Pigliapoco and Bogliolo (2008) spoke of the learning curve monitoring method and collecting information for education, yielding high amounts of feedback that can easily correlate to business. The correlation is the ability to generate said feedback. Although this subcategory did not generate much coverage, it does not make it unviable, but perhaps overlooked.

There were six noted study limitations. The first limitation was the relatively small sample size of six participants, which reflected a limited view. Future researchers should focus on collecting and analyzing a larger data set to reflect a larger pool of game

video game art developers. This larger pool of game video game art developers might shed additional light on the influence game art executives might have on other business sectors.

The second limitation observed was the geographical relevance of the sample size taken. As stated before, the companies represented were located throughout North America. Some regional bias occurred as two organizations were selected near where the researcher was located. In order to gain a more diverse and broader spectrum of gaming companies and their assessment, geographic regions including Europe (UK, Germany, France, Sweden, Finland), Latin America (Brazil, Argentina, Mexico), parts of Asia (China, Japan, and India), as well as Australia should be part of future research.

The third limitation that affected this study was the narrow scope of cultural and gender diversity. While broadening the geographic scope of this research, widening cultural diverse views and experiences will have to be taken into consideration. An increase in sample size will be followed by a wider perspective on cultural differences that might affect the outcome of this study.

The International Game Developers Association (IGDA; Edwards, 2014, p. 9) determined that Caucasians made up 79% of game development workers followed by Hispanics/Latinos (8.2%), Asians (7.5%), and African Americans (2.5%). The study also showed that 76% of respondents identified their gender as male, 22% as female, 0.5% as male-to-female transgender, and 0.2% as female-to-male transgender. An additional 1.2% were identified as “other” taken from this category. The current research showed bias towards U.S. based organizations. Ethnicity and gender sampled were exclusively Caucasian and male. Future research should be more diverse in terms of ethnicity and

gender. Reports on past IGDA studies showed that the Hispanic/Latino and female categories in the video game industry experienced a drastic increase since 2005.

The fourth limitation noted was that companies were not labeled as private or public businesses. The decisions made in these companies might be different due to their respective positions within the stock market or lack thereof. It is commonly known that public companies are more likely to have instant access to large amounts of capital. With more capital comes more decisions and liability to maintain a balanced working capital ratio. The ability to create stratified groups between public and private companies would allow for more diversified research. In addition, randomized controlled trials within the stratified groups would enhance the validity of the research. There may not be any overlapping strata groups due to the inability to continually interchange between public and private as a company.

The fifth limitation noted was related to the size of the companies. None of the companies interviewed were large-sized business; only two companies interviewed had more than 100 employees. Including big companies in the research can give more insight that might affect the findings of the study.

The sixth limitation noted was that all the questions asked in the interview were open-ended, so it was difficult to gather precise information from each interviewee. In addition, a few interviewees did not discuss some of the categories. As a result, the researcher missed their views on the topics required per the study. Open-ended question might have affected the percent of coverage as well. For future research, some specific questions around important categories and sub-categories can be framed to get

participants' input on the stated topics. This would also provide the correct coverage to help in gaining a clear interpretation of the data.

The restriction of the research centered around contractual agreements that prevented the business executives from releasing too much information with regard to their business, marketing, and financial strategies. Though the research was conducted in an anonymous manner and identity was not a concern, the business executives remained protective over their responses, providing precise answers or leaving them open to interpretation. Some of the subjects did wish to participate as much as possible but felt their loyalty to their company and contracts affected the value of their answers. This limitation was subjective to each on a case-by-case basis.

### **Future Research**

Recommendations for future research arose out of the research limitations already identified. The flaw in this research was that the subjects were restrained on the information they could discuss regarding their business strategies and marketing techniques. The information retrieved showed early release versions of a game could lead to instantaneous feedback from the audience which, in turn, could lead to a complete final product that would be presented on the actual release date. Future research could show on a broader scale how an early release could potentially affect business products.

Research shows that the audience develops a sense of belonging and being able to control the destiny of a certain product by seeing their suggestions implemented and produced. Future researchers can validate this theme further by its application to another business sector.

A future study that would be worthwhile could show a comparison of how video game leaders sampled from different cultures could affect the business sector within their geographic region. Results retrieved from qualitative research conducted in Latin America could be compared to results gathered from interviews with European and Asian video game leaders. Here, video game leaders interviewed should also be of diverse gender. Future research should accurately display and give deserving attention to diversification.

Recommendations for this study and future studies are to recruit more participants within different fields of work; however, all interviewees would have to be business executives or upper management, which aids in the ability to provoke dramatic change within the organization. The different fields of work would revolve around various leading industries, such as energy, manufacturing, transportation, healthcare, and agriculture. These industrial leaders could provide insight into whether or not the video game leadership can aid in business innovation in a revolutionary standpoint. With the application of the five categories, 10 subcategories, and three themes and interviewing leading industrial leaders, it will be possible to collect more data, richer content, and future projections.

This study laid the foundation for future research and how to evaluate future business leaders and their innovation with the addressed themes and their relevant categories and subcategories. As stated above, more than six companies would have to be evaluated to increase credibility. Also, large companies (in terms of employee size) could be included in the study to get more substantial information. In future studies, the categories, sub-categories, and themes do not need to be changed as they have addressed

particular concerns in business innovation and strategy. Specific questions can be asked to ensure consistency in the information gathered. The dynamic expansion could use alteration to prevent any biased results from occurring in the future, this represents industry and interview demographics. Also, other business executives would need to be interviewed because each executive plays a role in a company's success, including, but not limited to, a company's CFO, CMO, and CDO. The ability to acquire more information from a variety of executive sources is imperative for future studies to produce continuous empirical data. Although interviewees presented no biased behavior, the ability to gain true insight into their business strategies and marketing tactics was reserved.

### **Conclusions**

The data supported the research question by informing and maintaining the need for innovative leadership practices within the gaming industry. The researcher reached the following conclusions by analyzing the responses offered by the participants during the interview process and corroborating them with information from observations and related documents. A number of interviewees agreed the trend of moving toward online platforms to gain access to free online subscription and freemium models should be shared with other business sectors. Video game leaders have noticed that the video game community developed a great sense of ownership due to their early involvement in the game development phase. This sense of ownership created a deep connection to the game, which, in turn, led to an increase in sales. This early involvement of the consumer by taking their feedback makes them feel satisfied and connected. Other businesses can implement this model to understand the customer needs that might lead to innovation.

It was observed other businesses can borrow some of the operational strategies from the gaming industry. For instance, executives in the gaming industry rarely meet in-person and instead employ the use of facilities, such as video conferencing. Other businesses, particularly multinational corporations, can learn from this and implement the same strategy (Aswathappa, 2008). In the end, they will save on the costs incurred due to transportation and accommodations, especially when board and executive meetings are to be held.

Each gaming industry has its own business strategy and its underlying concepts to attain stability. Leaders in the gaming industry suggested the need to link the metrics and performance with art and design to lead to innovation. It would bridge the gap between developers and business officers and also motivate the video game developers. This is a unique and efficient idea that can be used by other businesses to help them innovate. Seamless integration between different departments can result in a smooth flow and make the game a hit. The compromise between the marketing and design team would lead to new and interesting products as per the need of audience.

Hiring a diverse mix of staff sets the tone for an innovative environment. A diverse workforce from various backgrounds bring new ideas to the table. Conversations with the participants showed that innovative hiring practices set the tone for success. This concept could be applied to other industries to stimulate innovation and creative idea flow.

It was also shown that in today's era of social networking, every company agreed on the need to generate product awareness well in advance to create a buzz on social platforms. The gaming industry is based on a strong marketing presence to reach out to



the different segments of the gaming market, and campaigns on social media platform help in this area. Gaming industry leaders strongly agreed on the need to embrace all forms of social media, including, but not limited to, YouTube, Pinterest, Facebook, and Twitter, as well as press releases in order to promote their newly developed games.

Video game leaders noticed that the video game community has developed a great sense of ownership over the past 8 to 10 years as a result of their early involvement in the game development phase. This sense of ownership created a deep connection to the game, which, in turn, led to an increase in sales.

This early involvement of consumers, which includes taking their feedback, makes them feel satisfied and connected. It also helps gaming companies to work on, refine, and improve the product, resulting in a better final product for the end user. Other businesses can implement this model to understand the customer needs that might lead to innovation.

A number of interviewees agreed on the trend of moving toward online platforms in order to gain access to free online subscriptions and freemium models. This idea should be shared with other business sectors. Leaders even noted that the movie industry often looks at the gaming industry to generate ideas that could be turned into blockbuster movies.

Business leaders suggested the idea of rapid iterations to be pushed into other products and services as well. The idea of iterations and getting regular updates on products creates a healthy interaction between the company and the gaming community. The gaming community thrives on creative energy in conjunction with the use of

technology. Game art developers need to be tuned in and able receive updated information instantaneously on a creative as well as a technical level.

Businesses should also aim at pleasing and satisfying their clients and customers. The gaming industry is part of the entertainment industry. Game art developers are risk takers and feel the need to push the envelope in terms of innovation and creativity. Other industries such as the movie and music industries (e.g., special effects, video clip animations, etc.) have already been collaborating with the game art industry for quite some time. The participants largely agreed that the overlapping of industries in order to create successful situations could be viewed as a win-win scenario.

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**APPENDIX**

### **Interview Questions**

1. What does the gaming community have to share with businesses?
2. How do businesses learn from the gaming industry?
3. How often do you meet with your business leaders?
4. What are the digital literacy or communication gaps between game art leaders and business officers that can be narrowed to better drive the innovative products?
5. How and how often have game art leaders collaborated with the business officers?
6. Do game art leaders feel that the collaboration was successful on multiple levels?
7. What recommendations do game art executives have following their experiences made based on the collaborations with business leaders?
8. What factors of your innovative products have the most influence on them?
9. What are game arts unique contributors?