

# The Organizational Perspective Model: A Study in PT Starqle Indonesia

Albert Tommy Tanggo Chandra\*, Jann H. Tjakraatmadja\*\*

School of Business and Administration, Institut Teknologi Bandung - Indonesia

## ARTICLE INFO

Received: January 13, 2011  
Final revision: March 20, 2011

**Keywords:**  
Creativity,  
Structure,  
Balance,  
Built-to-change approach,  
Knowledge Activity Cycle.

Corresponding author:  
\*albert.tommy@sbm-itb.ac.id  
\*\*jannhidajat@sbm-itb.ac.id

## ABSTRACT

Balancing creativity and structure becomes an emerging issue, especially for companies whose competitive advantage is on creativity because failure in managing both creativity and structure will result in business losses, as experienced by Netscape, Xerox and Microsoft. PT Starqle Indonesia tends to experience the imbalance condition between creativity and structure, especially when the company plans to change its business focus from project-based to product-based. In project-based, structure is more emphasized. While to anticipate the business changing, Starqle must be able to manage both creativity and structure. The influence factors are company lifecycle, competency, ownership, self-motivation, leaders, and trust, while for structure; these factors are business process, organizational structure and policy. Built-to-change approach is used to balance both creativity and structure as continuous process. The approach focuses on 3 (three) core components: strategizing, creating value and implementing. Strategic intent should be aligned with identity to strengthen the creativity side. Creating value by leveraging learning is performed to improve the structure by means of conducting knowledge activity cycle to capture individual process in generating new knowledge. The last component i.e implementation is to improve creativity and structure by focusing on people, process and information technology.

© 2011 IRJBS, All rights reserved.

**N**owadays, companies in creative industry are using creativity as their competitiveness advantage. Their creativity makes them unique as a company, and in their products. People as their employees become one of the important factors to bring the companies to reach their success and become superior among their competitors.

To generate creativity, people should possess sufficient knowledge about the reason why creativity and knowledge has a very close relationship. Organizations should provide facilities for their people to gain new knowledge and proper structure to make them possible to do creative things. Combination between proper structures with creativity will lead companies to become innovative

organization, not only from its product, but also the organization itself and people as important asset. But, companies that emphasize creativity as their competitive advantage tend to avoid implementing structure and more emphasized to focus on creativity which actually cause imbalance between them and as a consequence, produce losses in business result. (Herford, n.d.: 2-7)

The research will begin by formulating the problem and in this current research the main issue is balancing between creativity and structure which will be performed in PT Starqle Indonesia as the object research. The next step is identifying the root cause analysis which comes from the factors influencing between creativity and structure. The solution proposed in order to balance between creativity and structure is focusing on both objects.

PT. Starqle Indonesia is a start-up IT Company to provide IT services and products that possess exceptional user experience design for IT market in Indonesia. Established since 2009, the company is still young and enthusiastic that already has several portfolios that emphasize on services and products with good user experience design. Starqle Indonesia has defined its vision as "Become the leading IT consultant & developer with User Experience emphasize" (20100610 - Starqle Strategy Formulation, 2010) and they possess several competencies to achieve the vision (20100610 - Starqle Strategy Formulation, 2010):

- Core competencies
  - Develop information technology software
  - IT consultant
- Distinctive competencies
  - Owns personnel who excelled in User Experience field
  - Unique framework and philosophy that designed for User Experience emphasize
  - Exceptional User Experience

Since its establishment, Starqle Indonesia has set its business strategy with several goals and

objectives to be achieved. The strategy is divided in 2 (two) phases (Giovanni Sakti Nugraha, Personal Interview, 20110304):

- Phase 1 (Yr. 2009 – 2010): Starqle Indonesia was focusing on project-based from Solution Development. In the end of 2010, the company prepared to enter product-based business. The company's revenue was 80% generated from project-based in this phase
- Phase 2 (Yr. 2011 – now): Starqle Indonesia will be more focused on Product Development rather than Solution Development, and the company will change its revenue source with 80% from Product Development.

The issue of balancing creativity and structure has also emerged since the company will change its focus from project-based to product-based, as shown in Figure 1. The product-based will be focused on product development business activity which, according to the CEO, will require more on creativity rather than structure while the CFO said that the structure side is more important in order to convert the knowledge into marketable product(s). So from these conditions, the researcher can conclude the problem formulation in these below points:

- The shifting from project-based to product-based will require different balance condition between creativity and structure. The different is in term of which one, between creativity and structure, should be more focused on in anticipating the shifting in order to maintain the business sustainability. Therefore, Starqle Indonesia has to define and implement the balance condition.
- The absence of systematic approach in balancing between creativity and structure had caused negative impacts, especially 6 months ago or since its establishment with too loose on creativity. According to the CMO, the negative impact was shown from unclear working hours, lack of coordination, mistrust, and

unproductive working time. Therefore, Starqle Indonesia requires a systematic approach in balancing between creativity and structure, especially to anticipate the business shifting.

The purpose of the research is to find the proper framework in order to balance between creativity and structure. It means that we cannot say one is better than another; instead these two objects are required in order to help companies to accelerate their innovation and ultimately maintain their sustainability in running their business. Having a good balance between creativity and structure will increase productivity and quality will increase. The other is companies can demonstrate their uniqueness position and maintain creativity as their competitive advantage. There are several objectives that want to be achieved in this final project research:

- Define the balance condition between creativity and structure inside Starqle Indonesia, including the level of importance in balancing them. It will be explored from marketing, technology, creative and finance division.
- Provide the systematic approach in balancing between creativity and structure inside Starqle Indonesia. Factors influencing for creativity and structure will be identified, as part of the approach in balancing them. The systematic approach will be implementing to improve the existing condition in balancing between creativity and structure. Later, the company should pay attention on the factors influencing between creativity and structure.

#### Conceptual Framework

The tension between creativity and structure had actually happened, especially in United States since the late 40's. At that time, researchers with their creativity were encouraged to produce products, but later their creativity were become useless because products generated were not accepted by the market, and this condition was caused by the

lack of structure; in term of identifying the market needs. From 40's to 60's, research was declining due to lack of budget for the researchers and as a result, numbers of new products generated were very low and structure was too rigid at that time. Since 60's, the condition was well improved. Researchers were encouraged to demonstrate their creativity while structure was also improved by demanding proposal from these researchers that proved their research result had also considering the market needs, and products generated would give added value to the market. Therefore, it is also important for Starqle Indonesia to learn from the history that creativity performed must be balanced with proper structure, and in the product-based business the company must also able to identify the market needs in order to give value added in its products. This value added as a result of a proper balance between creativity and structure.

Before the researcher introduce the conceptual framework, it is important to understand the concept of creativity, structure and later the co-existence between creativity and structure. In the co-existence, the researcher will introduce the balancing condition between creativity and structure, also the imbalance condition between them. Finally, the conceptual framework will show how creativity affects structure and vice versa in order to achieve the desired balance condition.

#### Creativity

Sagiv et al. (2009) stated that there are two approaches can be used to define creativity; the Freedom approach and the structure approach.

- The Freedom approach views creativity as qualitatively different from day-to-day thinking. The approach is challenging traditional or routine ways of conduct in day-to-day thinking and activity. For creative thinking to be happened, condition in which any restriction or structure on people thought's processes avoided should be created. People are encouraged to follow their instincts and

allow as many associations as possible to influence their thoughts.

- The structure approach views creativity as a reproducible, learnable, and in some cases even systematic type of thought process. Contradiction with the Freedom approach, this approach affirms that some deliberate restrictions are required to enhance creativity. By limiting the number of variables under consideration from a very large number to a more manageable number of core components should increase productivity.

Duguid and Brown (2001) also define creativity as how companies generate knowledge in practice, and the practice emphasizes the implicit coordination and exploration that produces things to do. Creativity can also be defined as any act, idea, or product that changes an existing domain or that transforms an existing domain into a new one (Csikszentmihalyi, 1996). Using other reference; McShane and Von Glinow stated creativity as “the development of original ideas that make a socially recognized contribution (Zhou and Shalley, 2003:165-217)” (McShane and Von Glinow, 2009:126). From these definitions, there are several characteristics that can be identified in creativity:

- It is one or more activities that become practices which activities usually occur from small Communities of Practices (CoP).
- The practices of creativity require focus and attention as well as they are enjoyable and rewarding. For creative people, they do more appreciate on intrinsic rewards rather than extrinsic one. A more challenging job can be more appropriate and motivated rather than only financial incentives.
- The last characteristic is from these practices, new knowledge is produced and the contribution of the knowledge is socially recognized.

Creativity is required and becomes an important attribute of organizations (e.g. Taggar, 2002)

because it plays a central role in firm’s potential for innovation and competitiveness on the global market (Miron, Erez, & Navef, 2004) especially in a high dynamic business environment with high level uncertainty but with high opportunity. Entrepreneurial organizations or start-up companies will also require creativity in order to accelerate the growth of the company because they have to able to identify and grasp business opportunities in the market.

**Structure**

There are several definitions for structure:

- One of the definitions of structure is “the arrangement of and relations between the parts or elements of something complex” (oxforddictionaries.com, 2011).
- Structure can be defined as “construction or framework of identifiable elements (components, entities, factors, members, parts, steps, etc.) which gives form and stability, and resists stresses and strains” (businessdictionary.com, 2011).
- Structure is “the way in which something is arranged or organized” (thefreedictionary.com, 2011).
- The term structure is more focused on how companies implement knowledge through process which emphasizes on the hierarchical, explicit command-and-control side of organization that it helps to get things done (Duguid and Brown, 2001).

From the definitions, there are several characteristics that can be identified:

- In structure, we can see the relationship between parts or elements that are connected to each other. And later, the structure becomes the framework of these interrelated elements or parts.
- Structure emphasizes on the way on doing something and it actually demonstrates the process itself systematically and in order, or it can be called as a process.
- Structure has responsible to implement something, e.g. knowledge, through a specific

process to produce something. In the case of knowledge, structured transforms inventions produced from knowledge into marketable products.

Structure is required to be applied in organizations, but one general argument stated that organizations with too little structure are too confused and lack efficiency, while organizations with too much structure are too constrained and lack flexibility (Davis et al, 2009). Moderate structure balances between these two states and so is likely to be high performing (Weick, 1976; Brown and Eisenhardt, 1997). Brown and Eisenhardt also found that high-tech firms with a moderate number of simple rules (i.e. semi-structure) are more flexible and efficient – quickly creating high-quality, innovative products while responding to market shifts – than firms with more or fewer rules.

Davis et al (2009) in his research shows that organizations with low or high structures rules perform worse than those with moderate structure.

Besides that his research also shows that less structure enables the flexible capture of serendipitous opportunities. But with too much improvisation as a result of less structure, the organization runs the risk of incoherence, confusion and drift. On the other hand, more structure enables tight focus on the efficient execution of expected opportunities, but with too much structure, the organization runs the risk of stagnation and misalignment with fresh opportunities. For entrepreneurial organizations that typically have little structure, sufficient structure is required in order to improvise and to capture opportunities. Without having sufficient structure, the organizations will meet failure eventually.

**METHODS**

The study was used qualitative research which focused on exploratory research, specifically on “how” and “why” questions by using interview techniques, to explain existing behavior in balancing between creativity and structure in PT. Starqle Indonesia. Relevant documents will also be required as long as can be provided by the

Table 1. Interview Summary

Index	Topic	Summary
1	Strategy Alignment	<ul style="list-style-type: none"> <li>• Strategy is easily aligned to all personnel due to the small number of size</li> <li>• “Differentiation” Strategic Positioning</li> <li>• “Survive” strategy on project-based development</li> <li>• User experience design as the company’s distinctive competencies</li> </ul>
2	The level of the importance of the main issue	<ul style="list-style-type: none"> <li>• Becomes an emerging issue, especially due to anticipate the changing business focus and for long-term purpose</li> <li>• More focus on Structure, although still facilitate the Creativity side on current project-based business. The portion could be changed due to the business shifting</li> </ul>
3	Practice of Creativity	<ul style="list-style-type: none"> <li>• “Innovation Day”</li> <li>• “Blogging”</li> </ul>
4	Structure Applied	<ul style="list-style-type: none"> <li>• Business Process</li> <li>• Organizational Structure</li> <li>• Policy</li> </ul>
5	Relationship between Creativity and Structure	<ul style="list-style-type: none"> <li>• There is relationship between them, especially related to project delivery and competency</li> <li>• More portion on Structure, rather than Creativity in the project-based business</li> <li>• Different opinions on the balance condition , including if compared to since its establishment, or 6 months ago</li> </ul>

Source: Analysis, 2011

sources and the information is not considered as sensitive data. The researcher used the source from journal and case study for literature study and the sources are selected only relevant to the problem identified and also become further resource for solution analysis. The important sources used by researcher are journal related with balancing between creativity and structure issue, and case study from Microsoft and SAS in how they were performing the balancing between creativity and structure, including managing the creativity.

Exploratory research is performed to find out the contextual condition on the object research. Therefore, interview is performed combined with documentation required. Most of the questions in the interview are focused on “why” and “how” as to explore the contextual condition in the object research. Interview is performed to 5 personnel and all of them are the founders of the company as the object research. Data analysis is performed based on the interview result which summary is shown in Table 1 and the focus of the analysis is to explore the strategy alignment, the importance of the main issue to the company, the existing practice of creativity and structure applied, and also how the relationship between creativity and structure from the object’s perspective.

**RESULTS AND DISCUSSION**

For Starqle Indonesia, especially in entering the product-based business, the company requires more creativity compare to project-based business. In project-based business, the structure approach (Sagive et al, 2009) is more appropriate to be implemented because the company has to meet specific requirements from its specific one or more customers. Target and deadline are expected to be met. In this approach some restrictions are available, in the form of customers’ requirements in producing the software desired. But then, this approach still makes individuals to be more creative in meeting the customers’ expectation. Individual creativity is not encouraged because it can cause losing focus or direction that can give negative effect on company’s performance.

In the transition to the product-based business, Starqle Indonesia has to use different approach in order to increase creativity, and as a result to increase the company’s performance. The Freedom approach (Sagive et al, 2009) is more appropriate to be used in product-based business because individuals are expected to produce new ideas, as a result of different ways of doing things in day-to-day operations. Individuals are encouraged to follow their intuitive in producing new ideas or

Table 2. Relationship between Creativity approaches and Starqle’s Business Focus

Creativity approaches	Starqle Business Focus	Starqle Business Performance
Structure approach	Project-based business	<ul style="list-style-type: none"> <li>Restrictions and guidelines are more required in order to meet specific customers’ requirements and deadlines.</li> <li>Creativity is required, and individuals are encouraged to be creative from the restrictions provided.</li> <li>Using Freedom approach in project-based will make Starqle Indonesia experience too wild creativity, and therefore the performance will be decreasing because it cannot meet the customers’ expectation and no value added provided from its products</li> </ul>
Freedom approach	Product-based business	<ul style="list-style-type: none"> <li>High portion creativity is expected to produce in this business due to individuals thinking are become the source to produce ideas or knowledge in creating products</li> <li>The high portion creativity can be shown in how individuals are expected to create new market and give value added from the products sold to the new market</li> </ul>

Source: Analysis, 2011

knowledge, as the source to produce product that gives value added for its customers. Starqle actually has performed the Freedom approach while it was still in project-based business, to anticipate the changing. Table 2 summarizes the relationship between the company’s business focus and the approaches used in order to keep increase the company’s performance.

In encouraging employees to flourish creativity, it is important to identify the right factors to motivate these people to become creative. But, the unique thing is, motivating by using financial incentives are recommended to be avoided. This statement is also supported by several experts; Peter Drucker, and Teresa Amabile (Harvard Business School) and Robert Stenberg (Yale University) that have also performed research in this field (Florida and

Goodnight, n.d:1). Another research shows that complex, challenging jobs lead to greater intrinsic motivation and therefore to greater creativity (Baer et al, 2003; Oldham & Cammings, 1996).

The similar condition also happens in Starqle Indonesia in which there are certainly no financial incentives for employees for doing creativity. The researcher is also able to identify several factors that actually can help them generate creativity continuously, which summarized in Table 3.

Starqle Indonesia as a start-up and entrepreneurial organization also requires to have a sufficient structure in running it business. Different business based focus will require different structure. When focusing on project-based business, having more structure is required in order to increase the

Table 3. Factors Influencing Creativity

Factors	Description
Company Lifecycle	As a start-up, the creativity condition was very loose supported with very informal condition. But as the business growth, structure is improved, for example, more strict working hours, set business process, and centralized creativity activity.
Competency	<p>Skill: Each personnel is occupied with good technical skills, including in design. As admitted by the CEO, most of them have technical skills above average which have been their critical strength.</p> <p>Knowledge: All of the personnel is from the same institution with the same knowledge background and discipline. These common in knowledge background give benefit by easily synchronized among others in running the business.</p> <p>Attitude: informal environment with informal communication due to the company is built based on friendship.</p>
Level of Ownership	Most personnel in Starqle are the founder, so it really makes sense for them to keep consistently grow Creativity in order to grow Starqle’s business and also demonstrates the high level of ownership.
Leadership	One of the interviewee admitted that the CEO has given a good example by showing a good working performance above others. He is the suitable person to become the CEO because he is successful in becoming the role model.
Self Motivation	Self-motivation is related with ownership factor. Each member has a high motivation in growing Starqle’s business although there is no financial incentive on their Creativity activity. The incentive is on Starqle’s good performance and the Creativity side is a place for them to demonstrate their idealism in developing product.
Trust	The company is built based on friendship among the founder, so trust climate with informal environment keep maintain Starqle’s business is running.

Source: Analysis, 2011

company's performance. Meeting customers' expectation in this business is a must; therefore the structure should be more strengthen in the form guidelines, business process, procedures or customers requirements. In the present situation by focusing in product-based business, the amount of structure should also be decreased into moderate because the product-based business requires more flexibility and moderate structure will give more room for its individuals to do improvisation and capture opportunities. Table 4 shows the relationship between the amounts of structure that

meets Starqle business needs with its performance. In Starqle Indonesia, there are several forms of structure that have been implemented in order to manage the company in better condition. Since the company is still a young and considered as start-up company, informal culture is very thick and this condition is also supported by the numbers of people inside which is only 6 (six). The structure itself is still very young along with the company's lifecycle which is still in initial move to growth position. The structure can be categorized in 3 (three) form, which also becomes the influencing

Table 4. Relationship between Structure and Starqle's Business Focus

Creativity approaches	Starqle Business Focus	Starqle Business Performance
High Structure	Project-based business	<ul style="list-style-type: none"> <li>High amount of structure are required to maintain the business performance by meets the specific customers' needs.</li> <li>Customers' requirements and business process becomes the high structure that should be followed.</li> </ul>
Moderate Structure	Product-based business	<ul style="list-style-type: none"> <li>Decreasing the amount of structure to give room for individuals makes improvisation, and able to identify as well as capture opportunities.</li> <li>Moderate structure will help the company to make improvement, and maintain the performance.</li> </ul>

Source: Analysis, 2011

Table 5. Factors Influencing Structure

Factors	Description
Business Process	<p>Informal business process for project-based and product-based. The informal is shown by the unavailability defined and documented clear business process due to informal environment and its current condition requires high flexibility.</p> <p>Agile software methodology which helps Starqle in developing good software. The methodology gives benefit with clear staging and output that has to be produced. Also, Starqle works in more efficient and effective way because it has closer relationship with customers.</p> <p>User experience design becomes the principle and guidance in building software which has become Starqle's distinctive competency. The process also helps them to educate customers about user experience design.</p>
Organization Structure	Flat with only one layer organization structure. The type is functional structure which consists of 4 (functions); Marketing, Creative, Technology, and Finance. Informal communication by face-to-face in a informal environment with collaborative decision making. Organization structure also helps them to be more specif in their function. There is also matrix structure, where in the certain condition; each person will have different role in different projects.
Policy	Two policies that have been implemented are "Innovation Day" and "Blogging". These policies help people inside to built continuously their competencies. Also, they become research activity in order to identify needs to build product(s).

Source: Analysis, 2011

Table 6. Co-Existence between Creativity and Structure

No.	Starqle Business Focus	Structure	Creativity	Balance or Imbalance
1	Project-based business	High Structure	Moderate tends to low Creativity, using the Structure approach	Balance condition: <ul style="list-style-type: none"> <li>High amount of structure are required to maintain the business performance by meets the specific customers' needs.</li> <li>Creativity is limited by the constraint provided, in the form of rules, guidelines and customers' requirements.</li> </ul>
2		Low Structure	High Creativity, using the Freedom approach	Imbalance condition: <ul style="list-style-type: none"> <li>Imbalance condition, which caused by too flexible structure and too loose creativity.</li> <li>Negative effect to the performance, as the company cannot meet the customers' expectation due to the project.</li> </ul>
3	Product-based business	Moderate Structure	High Creativity, using the Freedom approach	Balance condition: <ul style="list-style-type: none"> <li>Creativity portion should be higher in product-based, than in project-based.</li> <li>Structure portion should be more moderate to offer flexibility and give room for improvisation.</li> </ul>
4		High or Low Structure	Moderate tends to low Creativity, using the Structure approach	Imbalance condition: <ul style="list-style-type: none"> <li>Too high structure will cause process too rigid, and flexibility is too low.</li> <li>Too low structure will not cause any improvements; indeed it will bring company to failure.</li> <li>Too low or moderate creativity will not encourage individuals to make improvisations on the way day to things in day-to-day activity market.</li> </ul>

Source: Analysis, 2011

factors to structure; business process, organization structure, and policy. The summarized of the explanation is available in Table 5.

**Balancing Between Creativity and Structure**

The balancing between creativity and structure is determined by the co-existence between them, especially to meet the business expectation or performance. The balance behavior will be different in project-based business and product based business because the amount of creativity and structure should also be shifted in order to meet the business needs. Table 6 shows the co-existence between creativity and structure in order to achieve the balance condition.

From the Table 6, the researcher can conclude that Starqle Indonesia has to put moderate structure offering flexibility and using Freedom approach in order to produce high creativity in facing the product-based business (condition no.3). Therefore, the researcher provides the conceptual framework as shown in Figure 1 shows the relationship between each object in order to achieve the balance condition.

- The arrow sign from creativity to structure: informal activity or practice can be continuously converted into structure; therefore process in structure can be continuously improved. As a result, new marketable products will

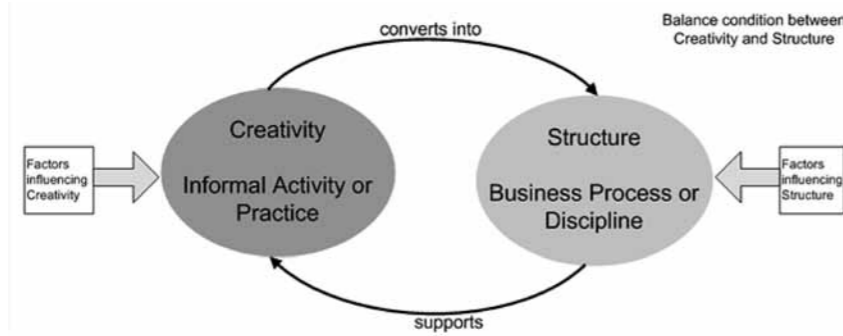


Figure 1. Conceptual Framework  
(Source: Analysis, 2011)

continuously produced which source of idea or knowledge comes from creativity.

- The arrow sign from structure to creativity: the improvement on structure will give better business process or discipline. Better means the improved business process or discipline will continuously support creativity to grow and to produce new idea or knowledge. This new idea or knowledge will become the source for structure in generating new marketable products.

Table 6 also shows imbalance condition that is potentially to be experienced when structure is too low (too flexible) and too high (less flexibility), and creativity is also moderate with tend to low (condition no. 4). Figure 2 shows how creativity and

structure influencing each other that can cause the imbalance condition:

- The first condition is when focus is only on creativity, therefore there is no informal activity or practice that can be continuously converted into process in structure, and as a result structure is not continuously improved. The dotted arrow sign from creativity to structure shows the imbalance condition.
- The second imbalance condition is shown from the dotted arrow sign comes from structure to creativity. In this case, the process cannot continuously support for creativity to be flourished. Therefore creativity is not being improved continuously and as a result, there will be no new idea or knowledge can be generated. This will also give negative impact

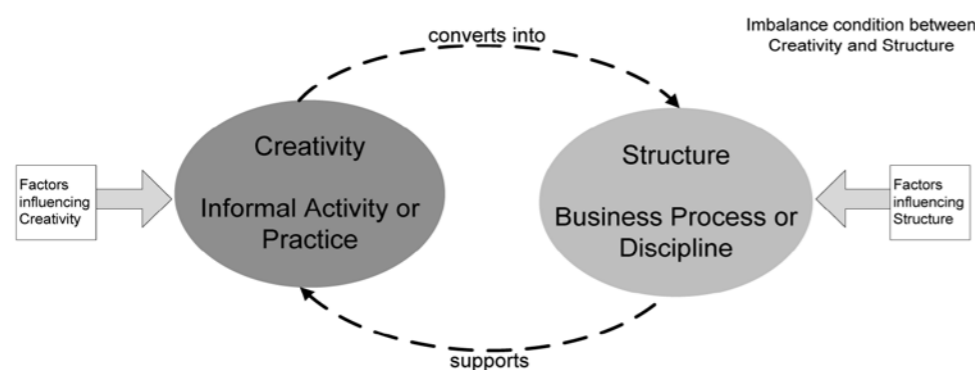


Figure 2. Imbalance condition between Creativity and Structure  
(Source: Analysis, 2011)

to structure, as it also can not generate new marketable products.

Balancing between creativity and structure becomes an emerging issue for Starqle Indonesia due to their changing business focus. While in project-based structure is more strictly applied rather than creativity, but in certain circumstances creativity is still given room although in a limited space. Several companies had demonstrated how they fail in balancing between creativity and structure, moreover they tried to conflict them. The imbalance condition was also experienced by Microsoft, who had let creativity too loose in the company while causing a significant negative impact to its business performance that had forced it to hire an outsider as an expert to repair more structure as a discipline without losing the creativity culture (Herford, n.d.:2-7). These imbalance conditions are as the result of conflicting between creativity and structure, by decreasing the level of creativity and putting either too much or too low structure. Therefore, Starqle Indonesia should try to harmonize between creativity and structure. Focusing only on creativity is potentially to make it too loose especially when focus on product-based with time schedule that is not as tight as project-based. On the other hand, too

tight structure implementation will hamper the idea generation as the source to bring new knowledge in order to produce potential products to be marketed. The solution provided should considering both creativity and structure.

Balance condition between creativity and structure will be achieved when competency can be continuously built in order to support creativity. From the interview analysis, it is impossible for employees in Starqle to flourish creativity without having required competency. Therefore, creativity should be built continuously. While on the other hand, proper structure should be implemented in order to support the creativity. In Starqle Indonesia, the proper structure in project-based has been shown by the implementation of the business process, organization structure and policy. The structure has given creativity to be flourished in a limited situation due to time constraint, and the flourish condition is indicated from the competency that is built continuously which makes Starqle possible to provide software solution with better algorithm and faster time to its customers. Factors influencing between creativity and structure in balancing them are shown in figure 3. These factors should be paid attention by Starqle in balancing

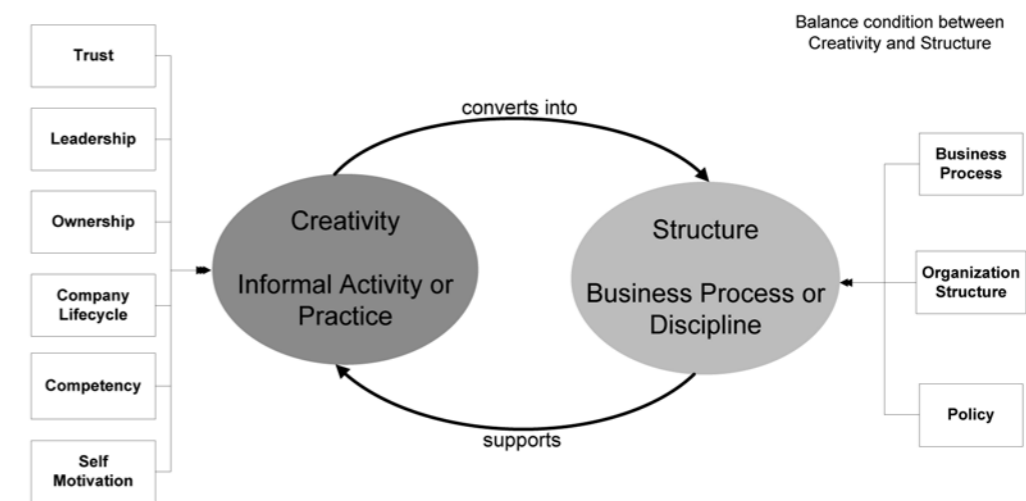


Figure 3. Factors influencing Creativity and Structure  
(Source: Analysis, 2011)

between creativity and structure, especially to anticipate the changing business focus.

Competency needs to be built continuously and this should be facilitated by the structure side. By increasing the competency, self-motivation and the level of ownership will also be increased. Employees become motivated to demonstrate their creativity due to the development of their competency and ownership will also be increased because they will feel attached to the company. The level of trust will also be increased because these employees will be sure that their partners possess required competency to solve either technical or business problem. So, the balancing between creativity and structure in anticipating the changing business focus will start from improving the competency side from creativity side, facilitated by proper structure.

**Root Cause Analysis**

Starqle still needs to improve the existing condition, and not only focusing on one either creativity or structure. Improvement should be performed due to the changing business focus, and to achieve the improvement, several factors should be more emphasized:

- On creativity side, consistency is required in performing “Innovation Day” as one of sources to produce new ideas or knowledge. But, Starqle still needs to find new informal practice to generate idea to support the competency factor that is also required to be improved in order to perform creativity.
- Ownership becomes one factor to be concerned because Starqle in this current time is filled with the founders. In the need of more resource to anticipate business growth, Starqle will need more employees from outside and it needs the appropriate approach in how the newcomers will have the same sense of ownership with others, especially the founder. This is important in order to keep growing the creativity side.
- On structure side, knowledge management becomes a concern because Starqle is still

unable to capture individual process in how each person can generate new idea or knowledge. This approach also will help Starqle to become a learning organization in the future.

**MANAGERIAL IMPLICATIONS**

Starqle Indonesia has been considered as a young company in a lifecycle, which is still in growth stage. In the stage, the company actually is still finding the best form to become stable. From the interview result, most of the interviewee admit that their organization is quite stable for current condition, but the fact is, in this young age, the company actually is very prone to become unstable; imbalance condition between creativity and structure will be easily experienced if Starqle does not prepare its organization in facing dynamic environment. The built-to-change approach (Hesselbein and Glodsmith, 2009: 213) will prepare Starqle in facing the dynamic business environment where the pace is very fast and uncertainty is high, that influenced by globalization and technological innovation.

Figure 4 is used as the framework for the solution. Learning organization for Starqle becomes the main objective with support by knowledge management to achieve the output continuous balancing between creativity and structure. The continuous balancing is shown from the relationship between improvement on structure and creativity side. Creating value by leverage learning is performed by conducting knowledge cycle activities to capture individual process in capturing new ideas or knowledge, which also aligns with the strategy defined as shown in its strategic intent and identity. Implementation will be focused on several factors to achieve the continuous balancing between creativity and structure.

The first stage on this solution is to prepare Starqle as learning organization. It begins with designing Starqle as an organization that is ready for change, either caused by internal or external pressures, and in this case, researcher calls it continuous balancing. As an organization that is built to change,

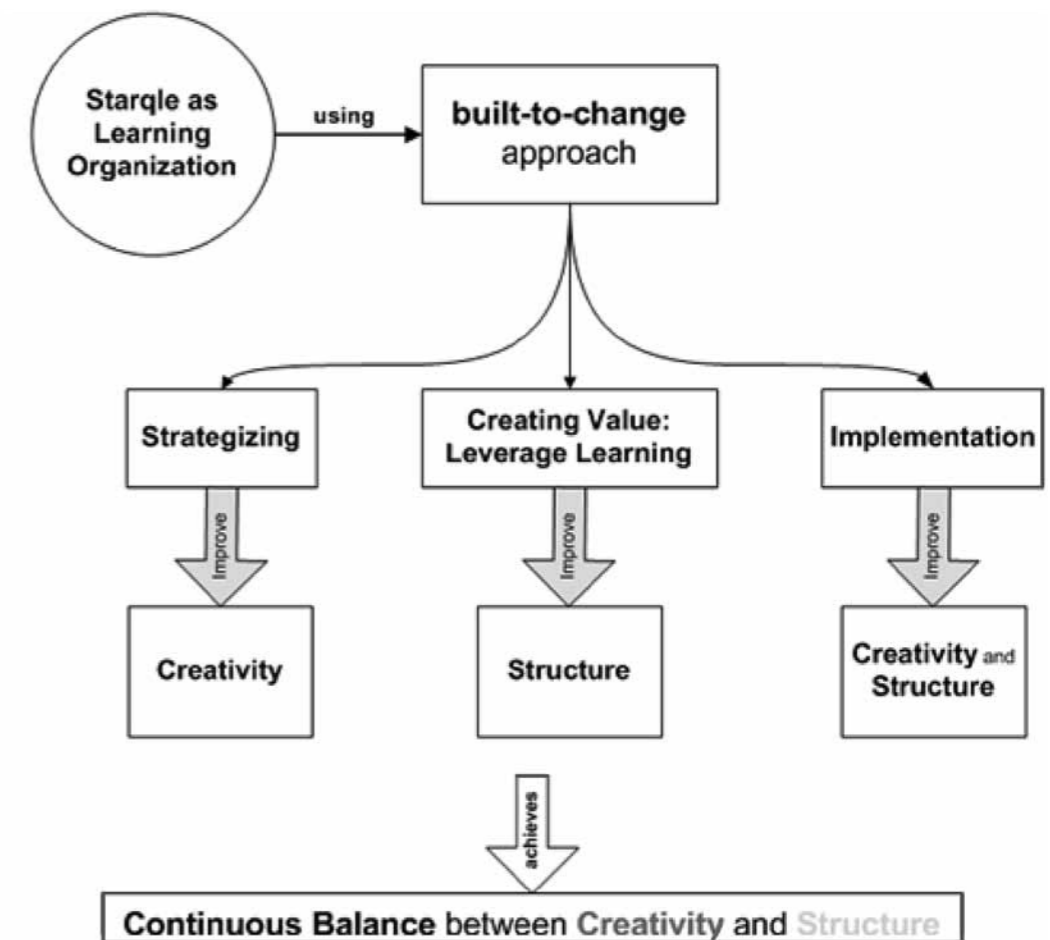


Figure 4. Business Solution Design Model (Source: Analysis, 2011)

Starqle should ready to adjust continuously the level of balance between creativity and structure.

*manage, and use knowledge for corporate success (1996)” (Weldy, 2009:2).*

Weldy has used several references in giving the definition about learning organization:

- Learning organization is *“Organizations where people continually expand their capacity to create the results they truly desire, where new and extensive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to learn together (Peter Senge, 1990:3)” (Weldy, 2009:2).*
- Marquardt describes a learning organization as *“An organization that learns collectively and continually transforms itself to better collect,*

From these definitions, there are 2 (two) main characteristics can be concluded from that a learning organization:

- A learning organization comes from learning individual, in term of employee involvement in a collaborative, collective and continuous way.
- “Transforming” and “expanding capacity” become the keyword that requires a learning organization to change continuously. Without change, it is impossible for an organization to become a learning organization because due to the change, knowledge will be generated and the organization should modify its behavior

based on the knowledge (Garvin, 1993) in (Weldy, 2009:2).

Built-to-change approach will help Starqle to become a learning organization, with ability to change or modify its behavior based on its learning process, from individual to organization, in generating knowledge. The approach emphasizes on 3 (three) core processes; strategizing, creating value and implementation, which spinning around identity as the centre (Garvin, 1993).

Strategizing is focusing on strategic intent and identity which should support each other. Strategic intent for Starqle Indonesia as defined in Table 7, while the identity that Starqle needs to be developed is “an IT company owns uniqueness in providing software built with exciting user experience, continuously innovate with its products and maintain close relationships with customers based on trust.” which also becomes the firm brand (Dave Ulrich, 2011).

Strategic Intent defined above should support to achieve 3 (three) main objectives in order to improve the creativity side; each individual will be able to identify new practices, continuously built competency and increase the level of ownership among its employees.

The focus in creating value is when competencies and capabilities support strategic intent and therefore, they should be developed continuously. Leverage learning process by using knowledge management can help Starqle to achieve the value creation, and the learning process starts from individual which will become the source of competitive advantage for Starqle Indonesia. By able to generate and capture the individual process from the activity, it will able to improve organization’s process in generating knowledge, which becomes the source for creativity. Therefore, knowledge activity cycle is proposed in order to capture the individual process. In the existing condition, Starqle has already succeed in performing the knowledge cycle for the knowledge in the form of generating product, but still not yet able to capture the process itself.

There are 4 (four) main activities which runs in sequence mode, start from Capture, Storage, Share and Enrich. Each individual is encouraged consistently to perform these activities, especially when they are doing the research in “Innovation Day” These activities later will also be formalized for individual in their knowledge activities

- Capture all detailed process the individual performed when doing research on certain product. Capturing can be in the form of tacit or explicit.
- After Capture, the individual is expected to do the Storage activity. The activity can be in the form of their own notes or Starqle provides an application, either stand-alone or web-based that is connected to each computer and has a centralized database server. All work result, including the individual’s process activity will

be converted to explicit knowledge and stored in the database.

- The Share activity ensures that all process recorded can be viewed and learnt by others. Discussing about the advantage and disadvantages about each process, including the strengths and weakness become important in order to improve each individual skills. Knowledge sharing is occurred here.
- In Enrich activity, the knowledge from the individual process will be developed further and later become the new one. The enrichment will also come from the applied knowledge by each individual on the process that is considered the better one based on the discussion from the knowledge sharing activity.

The knowledge activities in this cycle should be performed in consistent way in order to gain benefit from, and of course with the help of IT to run the cycle in more effective and efficient way. The knowledge cycle will give improvement on the structure, and later will also improve the creativity side. Therefore, 2 (two) factors are required to be considered to support the consistency in performing the knowledge activity cycle; Leadership with the support of Information Technology.

Implementing process will be focused on the people, process and technology which will improved both creativity and structure in order to support strategizing and creating value process:

- Starqle should start to create a simple database that record each individual skills, knowledge, related experiences which will be used for internal purpose. These people possess competencies that needed, not only to develop software but also business skills.
- Leadership style should not be depend only one figure. It is also should be developed from collective style to shared leadership. The CEO in this case, which is currently pursuing MBA degree, can share his knowledge and experience to the others to help them developing their knowledge and experience

Table 7. Starqle Strategic Intent

Elements	Description
Vision	Become the leading IT consultant & developer with User experience design
Mission	<ul style="list-style-type: none"> <li>• Develop and implement reusable framework for User Experience</li> <li>• Promote itself with unique products that embodies the User Experience principles</li> <li>• Creating conducive and engaging working experience to recruit highly potential personnel</li> </ul>
Strategic Positioning	“Differentiation” with providing user experience design built in software, supported by its critical strength
Competencies	Core competencies: <ul style="list-style-type: none"> <li>• Develop information technology software</li> <li>• IT consultant</li> </ul>
Distinctive competencies:	Distinctive competencies: <ul style="list-style-type: none"> <li>• Owns personnel who excelled in User Experience field</li> <li>• Unique framework and philosophy that designed for User Experience emphasize</li> <li>• Exceptional User Experience</li> </ul>
Business Strategy	<ul style="list-style-type: none"> <li>• “Survive” strategy with revenue generated from project-based</li> <li>• Current project-based software will be only focused on relevant to product-based</li> </ul>
Main Activities	<ul style="list-style-type: none"> <li>• Current marketing activities in finding related projects while starting to identify needs, demand and market trend</li> <li>• These activities should also performed by each individual. The task can be performed while they are doing research and development, not only from technology perspective but also from market perspective. Their findings can be useful for marketing input for decision making. The R&amp;D activity can be “Blogging” or “Innovation Day”.</li> </ul>
Improvement side	<ul style="list-style-type: none"> <li>• Creativity, with these objectives to be achieved:                             <ul style="list-style-type: none"> <li>- Generate new informal practices</li> <li>- Built competency continuously</li> <li>- Strengthen the ownership between employees</li> </ul> </li> </ul>

Source: Analysis, 2011



about business and management skills. Later in the future, the shared leadership concept can be used, not only to develop leadership and management skills, but also technical skills when the size becomes bigger and later the number of the team will be divided into smaller one. It will also helpful in socializing the leadership brand that is tried to built inside the company to support the firm brand.

- Emphasizes on individual knowledge activities as shown in Creating Value process. Everyone is expected to perform these activities from top to down, both for technical and business purpose. The main idea is to capture the individual process, that later can be used as the organization process from the best one, from the improvement of individual process. So, for the purpose, the management should make decision and take action on several things as mentioned in Table 8.
- IT as the tool to support the knowledge activity

process. Technology is required to help the process running effectively and efficiently. One of the functions is to capture the competency from its people in References point. Later, the information will be important for the leader in making decision. The system is also to capture the activities in knowledge cycle and also shows the contribution of each individual to related tasks. From the knowledge activities, the information will also show the number of new informal practices identified and new competencies built from these practices. Starqle later can decide whether to develop new application, in the form of ERP, to capture the knowledge activity, or use the existing one.

**CONCLUSION**

For Starqle Indonesia, balancing between creativity and structure has become an issue for the company with different perspective which should be more emphasized especially in anticipating the changing

business focus, but the researcher concludes that between creativity and structure should be improved to achieve continuous balancing between them. The researcher is also able to identify factors influencing creativity and structure. For creativity, they are: company lifecycle, leadership, trust, self-motivation, ownership and competency, while for structure, factors influencing are: business process, organizational structure and policy. The focus is on competency and ownership, because by improving competency continuously from individual to organization, it will strengthen also the ownership level to the company. By focusing on these two factors; competency and ownership, Starqle Indonesia can maintain and improve the balancing between creativity and structure, which will become a continuous process.

To achieve the continuous balancing, Starqle Indonesia has to be prepared as learning organization by using the built-to-change approach. The approach will also be the systematic approach for Starqle Indonesia in balancing between creativity and structure, and will be focused on Strategizing and Creating Value process. Strategizing will be focused on Strategic Intent and Identity. Vision, Mission, Positioning, Competency, Business Strategic and Main Activities are re-defined in a more systematic way as detailed in Table 7 and relates them with the Identity has been set to built. Previously, Starqle Indonesia has not been explicitly defined the identity it desired to built. Identity later also becomes the firm brand that its customers will recognize and use Starqle’s products and

services. Strategizing will be focused on creativity improvement.

Creating Value is focusing on knowledge activity cycle to leverage learning in Starqle. The activity consists of 4 (four) parts; capture, storage, share and enrich. It should be performed consistently and therefore, leadership has to ensure that the activity is performed and monitor the 2 (two) parameters that become the indicator; they are numbers of informal practices identified and potential to be converted to formal practices and number of new competencies built by each individual. Creating Value will improve on structure side.

Starqle Indonesia should develop a simple application system that has 2 (two) main functions, they are: records employees’ competencies and becomes the monitor system that contains the parameters to ensure that continuous balance is achieved.

In this present research, the researcher only focuses on one small-scale company that run its business in creative industry, specifically IT company. The research is focus on how to balance between creativity and structure inside the company. Therefore, there are still opportunities for this research to be developed. The focus on the further research can be on how to balance between creativity and structure in small-scale industries, medium-scale industries, and large-scale industries with a more specific sector, for example manufacturing or services. ■

Table 8. Management Considerations on Knowledge Cycle Activities

Activities	Questions	Objectives
Capture	<ul style="list-style-type: none"> <li>• What kind of knowledge should be captured?</li> <li>• Is there any standardized format in capturing the knowledge?</li> </ul>	<ul style="list-style-type: none"> <li>• Identify relevant knowledge should be captured.</li> <li>• Find or create proper standard for the capturing.</li> </ul>
Storage	<ul style="list-style-type: none"> <li>• Where is the appropriate place to store knowledge?</li> <li>• Who can have accessibility for the knowledge required?</li> </ul>	<ul style="list-style-type: none"> <li>• Provide database for knowledge capture. Use new database or modify existing database in order to capture the knowledge required.</li> <li>• Provide accessibility to the knowledge required for everyone.</li> </ul>
Share	<ul style="list-style-type: none"> <li>• How frequent should knowledge sharing be performed?</li> <li>• What kinds of method are possible to use for knowledge sharing?</li> </ul>	<ul style="list-style-type: none"> <li>• Determine the frequency for knowledge sharing, especially for the formal one.</li> <li>• Identify one or more tools can be used for knowledge sharing, especially for formal way.</li> </ul>
Enrich	<ul style="list-style-type: none"> <li>• What new things are founded and can be implemented by each individual?</li> <li>• What can be improved from the findings?</li> <li>• How to improve them in practical way?</li> </ul>	<ul style="list-style-type: none"> <li>• Identify new practice from the sharing activity.</li> <li>• Find one or more relevant case(s) in project to put it in practical way.</li> <li>• Identify the improvement from the new practice and return to Capture activity.</li> </ul>

Source: Analysis, 2011

**REFERENCES**

Baer, M., Oldham, G. R., & Cummings, A. (2003). Rewarding creativity: When does it really matter? *The Leadership Quarterly*, 14, 569–586. DOI: 0.1016/S1048-9843(03)00052-3.

Brown, John S., and Duguid, P. (2001). Creativity versus structure: a useful tension. MIT Sloan Management Review.

Business Dictionary, n.d. Available at: <http://www.businessdictionary.com/definition/structure.html>. [Accessed March 2011]

Collison, C., and Parcell, G. (2007). Learning to fly: practical knowledge management from leading and learning Organizations. West Sussex: Capstone Publishing Limited.

Csikszentmihalyi, M. (1996). Creativity: flow and the psychology of discovery and invention. New York:HarperCollins.

Davis, J., Eisenhardt, K., and Bingham, C. (2009). Optimal Structure, Market Dynamism, and the Strategy of Simple Rules.

- Administrative Science Quarterly*, 54, 413-452. Available at: <http://www.atyponlink.com/JGSCU/doi/pdf/10.2189/asqu.2009.54.3.413>
- Florida, R., and Goodnight, J., n.d. Managing for Creativity. *Harvard Business Review*.
- Garvin, D. (1993). Building a learning organization. *Harvard Business Review*, 71(4). 78-91.
- Herford, Robert J., n.d. Inside Microsoft - balancing creativity and discipline. *Harvard Business Review*. 2-7.
- Hesselbein, F., and Goldsmith, M. (2009). *The organization of the future 2: vision, strategies, and insights on managing in new era*. San Fransisco: Jossey-Bass A Wiley Imprint.
- Marquardt, M. J. (1996). *Building the learning organization: a systems approach to quantum improvement and global success*. New York, NY: McGraw-Hill.
- Miron, E., Erez, M., & Naveh, E. (2004). Do personal characteristics and cultural values that promote innovation, quality, and efficiency compete or complement each other? *Journal of Organizational Behavior*, 25, 175-199.
- Oldham, G. R., & Cammings, A. (1996). Employee creativity: Personal and contextual factors at work. *Academy of Management Journal*, 39, 607-634.
- Oxford Dictionaries, n.d. Available at: [http://oxforddictionaries.com/view/entry/m\\_en\\_gb0821990#m\\_en\\_gb0821990](http://oxforddictionaries.com/view/entry/m_en_gb0821990#m_en_gb0821990). [Accessed March 2011]
- PT. Starql Indonesia. (2010). *20100505 - Company Profile*. Bandung. Unreleased document.
- PT. Starql Indonesia. (2010). *20100610 - Starql Strategy Formulation*. Bandung. Unreleased document.
- Rasmusson, J. (2010). *The agile samurai: how agile masters deliver great software*. Texas: The Pragmatic Bookshelf.
- Sagiv, L., Arielli, S., Goldenberg, J., and Goldschmidt, A. (2009). Structure and freedom in creativity: The interplay between externally imposed structure and personal cognitive style. *Journal of Organizational Behavior*. Available at: [www.interscience.wiley.com](http://www.interscience.wiley.com).
- Senge, P.M. (1990). *The fifth discipline: the art and practice of the learning organization*. New York, NY: Doubleday.
- Sparx System. (2004). *UML Tutorials: The Business Process Model*. Enterprise Architect. p. 2. Available at: [www.sparxsystem.com.au](http://www.sparxsystem.com.au). [Accessed March 2011].
- Taggar, S. (2002). Individual creativity and group ability to utilize individual creative resources: A multilevel model. *Academy of Management Journal*, 45, 315-330.
- The Free Dictionary, n.d. Available at: <http://www.thefreedictionary.com/structure>. [Accessed March 2011].
- Ulrich, D. (2011). *The future of HR: a new vision of HR for value creation for investors and customers*". Jakarta.
- Weldy, Teresa G. (2009). Learning organisation and transfer: strategies for improving performance. *Emerald Group Publishing Limited*, 16(1). Available at: <http://www.proquest.com/pdqweb> [Accessed 4 April 2011].
- Zhou, J. and Shalley, C. E. (2003). Research on Employee Creativity: A Critical Review and Directions for Future Research. *Emerald Group Publishing Limited*. 165-217.