

**INNOVATION AND CREATIVITY AS DETERMINANTS OF
GROWTH IN THE REAL ESTATE INDUSTRY IN KENYA**

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DECLARATION

This research project is my original work and has not been presented for examination in any other university.

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This research project has been submitted for examination with my approval as the candidate's university supervisor.

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DEDICATION

This work is dedicated to my mother (Teresa Nderitu), also to my loving and supportive family. They have shown their sincere and relentless contributions towards creating an ideal environment to enable me further my studies. I would also give thanks to Almighty God for having brought me this far.

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My special thank you goes to the Almighty God for having given me the strength to persevere all the obstacles that came on my way.

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ABSTRACT

Creativity and innovation are essential determinants of long-term survival, success, and growth in the organization. Innovation and creativity are very important to a great number of the organizations and it's significant to achieve competitive advantage. Studies have found that firms with certain advantages are in a position to use innovation strategies so as to acquire high market share and profits .Despite the increasing demand for public housing and increasing opportunities for investors to invest in residential real estates, rental yields have been fluctuating from the year 2007. Real estate investment and prices act as important measures to reflect the anticipated demand for real estate and they also predict the economic growth of a country. This study sought to determine the extent to which innovation and creativity determine the growth in the real estate industry in Kenya. Descriptive research design and cross-sectional survey design was adopted. In this study, the target population consisted of 80 firms in the real estate sector in the Nairobi Metropolitan Area. Semi-structured questionnaire was used for the primary data collection. Data was analysed by descriptive analysis like the mean, standard deviation, frequency and percentages using tools such as Statistical Package for Social Sciences (SPSS). Qualitative data was analysed using content analysis, where the opinion of the respondent was presented in prose form. Regression analysis was utilized to determine the relationship between one dependent variable and independent variables.Organizational structure is statistically significant to the growth in real estate. Motivation is statistically significant to growth in real estate. Work group design is statistically significant to growth in Real Estate Company. Resource allocations statistically significant to growth in real estate companies. On the organizational support the study found that in the organization creativity is recognized and rewarded consistently and also that rewards make people have the feeling of encouragement to carry on in performing creative work in the future. Regarding motivation the study found that productive individuals are those who feel motivated by the work they do and also that motivated individuals are likely to be more persistent and creative. On the work group design, the study found that the numerous ways of solving problems generates new views and ways of solving problems and also that it enhances creativity. Regarding resource allocation the study found that resources influences the ability of organizations to attain targets, perform tasks and adapt to demand and also that the provision of enough resources to every new project is significant to precisely support the process of innovation. The study recommends that the management of the real estate companies should ensure that the human resource department in their company is vibrant to identify the employees to be encouraged and also to act in the best interest of both the company and the other stakeholders to offer organizational support to the selected areas for better performance of the company. The study recommends that the management of the real estate companies should create ways on which to motivate the employees, the management should motivate the employees both intrinsically and extrinsically. Motivation should be done on a continuous manner in the company for the employees by the management. The study recommends that the management should develop a culture of openness and trust so that workers can give their ideas and opinions for the company. The culture should be developed overtime and should be in line with the company's mission and objective.

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LIST OF ABBREVIATIONS

GDP	Gross Domestic Products
ISOCARP	International Society of City and Regional Planners
PIRI	Prime International Residential Index
SMEs	Small and Medium Enterprise
SPSS	Statistical Package for Social Science
TGL	Thika Greens Limited

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Creativity and innovation are essential determinants of long-term survival, success, and growth in the organization (West, 2002a). Anderson, De Dreu, and Nijstad (2004) stated that as firms pursue to put in place the suggestions and ideas of workers, it's clear that the idea generation and execution process is now a basis of diverse competitive advantage. Innovation and creativity are multi-level, emergent phenomenon and complex that need competent leadership so as to make best use of the benefits of improved and new working ways (West, 2002a). A lot of research has been done in the previous 30 to 40 years at four methods level-of-analysis - organizational, individual, team work level and numerous ways across different management sciences disciplines (Zhou & Shalley, 2003).

This study was anchored on the theory of componential of organizational innovation and creativity and the theory of four factor of team climate for innovation. Amabile (1997) noted that the significant component of componential theory is based on the facts that work environment influence creativity by influencing the methods contributing to creativity a source of innovative tasks in the organization. Team and individual creativity comprise of three components: intrinsic motivation, expertise and creative-thinking skill. Hülsheger, Anderson and Salgado (2009) stated that the four factor theory of team climate for innovation is largely used in research innovation and has a lot of backing from equally primary and lately from studies about meta-analytic. Ambidexterity theory explains the method of managing conflict demand at different organizational stages to effectively innovate.

Kenya is a prime location for real estate investors, due to its fast-growing GDP, booming property market and secures financial returns. Investment in the country is strong regionally with foreign direct investment flowing in from markets in line with its economic blueprint (Gatauwa & Murungi, 2015). In Kenya the real estate industry has been flourishing which started in late 2000's since the market for property was responding to demand that was created by enlarging middle class with disposable income and enabling people to buy homes and others service their mortgages. As a result, there have been many entrants into real estate firms to satisfy this demand. Competition is therefore no surprise; the firms have to sharpen their core competencies to deliver unique products at reasonable costs for their survival. There is need for firms to innovate and be creative in order remain competitive and enhance their growth.

1.1.1 Concept of Innovation

Innovation is the method, products and outcomes of ways to grow and bring about better and new ways of performing activities (Amabile, 1996). The stages of innovation include generation of idea and innovation to the consequent stages of ideas implementation towards improved practices, products or procedures (Oldham & Cummings, 1996). Innovation may ensue at individual level, organization, work team, or at more combined levels, however it will consistently lead to distinguishable positive results at single or more of the analysis level (Shalley & Zhou, 2008). Though innovation is seen as creation of useful and new ideas, there is an argument that innovation can be creation of creative ideas at stage one, and stage two which is implementation (West & Farr, 1990). Though different definitions of innovation and creativity have been stated, the researchers lack an agreement on what innovation or

creativity is different studies use different definitions of each concept. The latest literature about creativity and innovation explains that there is no clear boundary between the concepts.

Innovation stresses on the implementation of idea; the first stage of innovation is creativity (West, 2002b). According to Janssen (2000) innovation comprises new practices and ideas which are implemented in a firm and is brought about by staff in the focal institution. Conversely, generation of ideas in the organization by employees does not signify that innovation - new practices and ideas can be made by workers external to the main company (Zhou & Shalley, 2010). So long as a worker presents and applies new ideas, practice and methods intentionally such worker is said to be engaged to innovation. Finally while examining ideas or innovation implementations at a personal analysis level, researchers may also make use of the term innovation role and innovation behavior (West & Farr, 1990)

1.1.2 Concept of Creativity

Different scholars have supported the differentiation concerning innovation and creativity (Rank, Pace & Frese, 2004). According to Paulus (2002) though, in another perspective, some authors argue that creativeness not only occurring processes at primary innovation stages, then relatively they propose a cyclic, recursive idea generation process and its implementation. Empirical literature that supports the suggestion shows that the process of innovation as it discloses over a period of time is reiterative, messy and mostly includes two steps forwards for one step backwards in addition of numerous side-steps (King, 1992). Anderson et al., (2004) notes that researchers argue that creativity entails absolute, that is true novelty, on the other hand innovation entails ideas which somewhat novel which have

been adapted and adopted from other firms rather are new to the point of adoption. It can be pointed out that ideas may be evaluated consistently on a large scale in relationship to radicalness and novelty; innovation can also comprise absolute radical and novel ideas altogether ideas which are more incremental and less-novel as noted by (Zaltman, Duncan & Holbek, 1973). According to Rank et al., (2004) creativity involves mostly intra-individual processes of reasoning while innovation mostly symbolizes inter-individual social procedures in the place of work

1.1.3 Determinants of Growth

Over the last ten years, Kenya has undergone a significant growth in terms of population and migration from rural to urban settlement. Urbanization has resulted to a modern single family set up which is expected to bring up a high demand of housing in the urban areas resulting to more expansion in the urban centers. Such state of affairs has brought about a large demand and supply gap in every housing sector whether residential, commercial, (KIM, 2016). Because of this huge gap in provision of housing, developers are doing a great job in providing the much needed deficit. In Nairobi low demand for housing outweighs supply. The demand is estimated to be 50% in Nairobi whereby 3.3 million people are living in slums. The demand for middle-income is very high. The two market segments have a large demand gap.

Estimates reveal that Nairobi needs an approximate of 150,000 novel housing units yearly in relation to a construction of maximum of 10,000 housing units annually. For the satisfaction of housing in the urban areas, the Kenyan government is advocating for proactive and

innovative strategies which will help in meeting the challenge to reduce the local deficit on housing of 200,000 units annually to levels which are manageable. The present shortage is estimated to be 550 housing units daily in the urban sector, whereby Nairobi only experiences a shortage of 410 housing units daily. Reducing the shortage is the main target whereas the construction of houses in the great Nairobi has a positive contribution towards reducing the shortage (46th ISOCARP congress, 2016).

The new constitution 2010 provides for devolution of most services to the county governments. This means that as the services devolve, housing should also be expanded in the counties to cater for the county employees. The Kenyan housing sector has witnessed outstanding progress recently whereby the price of property is spiraling increasing the scale and number of projects. Research by Monsod (2011) stated that an active real estate market is one where families can convert their assumed demand for quality housing into valuable demand at market prices, and where the supply of housing is sensitive to that demand.

1.1.4 Real Estate Industry in Kenya

Approximately the construction segment has generated 82,000 jobs in the private sector by 2010. The markets in Kenya have been rewarding more so for investors who are foreign because profit margins which are high ranging from 20 to 30% an analyst (Nathan Luesby, 2012) noted that it was difficult in markets in Europe and United States of America. Large real estate organizations which are international invest millions of dollars in luxurious properties as well as high-end market which target wealthy Kenyans, expatriates and diplomats. Knight Frank's (2011) Prime International Residential Index (PIRI) monitored

changes in price all over the world property market and revealed that the Kenyan luxury real estate experienced the highest increase in price globally. The prime real estate in Nairobi had 25% growth, in the coast of Kenya it was 20% which exceeded the growth in cities such as Singapore (-4.7%), Shanghai (-3.4%), New York (3.1%), Moscow (9.8%), London (12.1%) and Miami (19.1%).

However, Hass Property Index (2013) noted that there is high saturation in the market in the upper end and such growth in prices might not be applicable in years to come. Some of the big projects include Thika Greens Limited (TGL) stands on 1,135 acres of land in Thika; the golf estate costing \$650 million estimated to be having 4000 house units upon completion; the Migaa project by Home Afrika Limited, which featured 2,500 houses together with 18 holes of golf course. The prices of land in areas near the projects has risen tremendously because the sellers expect high demands for such land due to the construction of social amenities which will influence the growth of rural villages to large estates for both high income earners and middle class individuals. There is a high competition in the Kenyan real estate sector, so, for survival of institutions there is need to embrace competitive advantage. The main real estate industries comprise Dunhill Consulting Limited, Lloyd Masika Limited, Hass consult and many more.

There is a big problem of affordable housing in Kenya. There is a high growth of slums and informal settlement where a great number of persons in the urban centers live. Mud housing and congested houses are the characteristics of slums. Such areas experience undeveloped infrastructure which include poor roads, lack of clean water and electricity and poor sewerage systems. Villacare notes that a real estate firm that has been operating for 20 years,

some of the challenges of real estate includes; government incentives on housing are not enough to foster affordable housing to low income earners where there is a high demand and low supply. Increased fraudulent cases on property, thorough due diligence on properties of interest is therefore a must. High competition in the industry and the rising cost of construction materials.

1.2 Research Problem

Innovation and creativity are very important to a great number of the organizations and it's significant to achieve competitive advantage. Numerous studies argue that firms with certain advantages are in a position to use innovation strategies so as to acquire high market share and profits (Prajogo & Ahmed, 2006). Innovation ability has an essential role in developing and promoting institutions. A great number of organizations pursue to build the innovation ability so as to achieve higher performance, acquire innovative outputs and increase profits. Despite the increasing demand for public housing and increasing opportunities for investors to invest in residential real estates, rental yields have been fluctuating from the year 2007 (Hass consult, 2016). The real estate sector plays a very important role in an economy. Real estate investment and prices act as important measures to reflect the anticipated demand for real estate and they also predict the economic growth of a country (Cytton, 2015).

Empirical studies done in the area of innovation and creativity include; Keskin (2006) did a study about the association among innovativeness, market and learning orientation and in small enterprises, and revealed that learning orientation has a positive effects on an organization innovation, whereas market orientation had an unintended effect on a company's innovative activities as well as performance by influencing learning orientation

positively and directly, which eventually influenced the innovativeness of the firm. Saunila, Pekkola and Ukko (2014) studied the association between the innovation ability and the results of small enterprises and deliberated on the effects on this relationship on performance measurement, Mungai (2016) did a investigated the role of financing options to the growth of real estate in Kenya, a survey of real estate developers in Nairobi metropolis. The study found that mortgage financing and equity finances significantly influenced the development of the Kenyan Real estate, Muli (2013) assessed the components influencing the growth in investment real estate in Kenya. The study found that growth domestic product growth, growth in inflation and interest rate variation were found to be statistically significant determinant of growth of real estate, Reubenson and Pokhariyal (2014) did a study on the factors influencing competitive advantage in Kenyan real estate sector, a case of Thika greens golf estate in Muranga County. The study found that infrastructure development promoted the development of real estate performance by encouraging the consumers to invest in the sector.

The above studies present different points of view about determinants of growth of real estate industry and some factors are pointed out as the most vital in relation to growth of real estate industry. None of the studies have been carried out to establish the association between creativity and innovation and growth in the real estate industry, hence the research gap. This study seeks to fill the existing research gap by answering the following research questions? To what extent does innovation and creativity determine the growth in the real estate industry in Kenya?

1.3 Research Objective

The study objective was to assess the influence of innovation and creativity on growth in the real estate industry in Kenya

1.4 Value of the Study

The study findings will be significant to the management of real estate companies in Kenya, as they will be enlightened on the role played by innovation and creativity in enhancing growth of real estate industry in Kenya. This will assist them in design strategies to improve their organization creativity and innovativeness; this will lead to the growth of the real estate industry.

The study finding will assist the government and policy makers in designing policies that will promote the creativity and innovations of the real estate sector. This will assist in the growth of the industry, which largely contribute to the country economy. The policy maker will make policies that will help creativity and innovation that will help in the growth of the real estate industry in Kenya.

The study findings will be important to academicians and scholars as it will form the basis for future research and provide literature to future studies. The study will add to the body of the knowledge on innovation and creativity as determinants of growth in the real estate industry. The study findings will provide basis for future studies as well as literature for future studies.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Literature is reviewed in this chapter. The chapter first discusses the theoretical literature where the theories on innovation and creativity are discussed. The next section focuses on a review of innovation and creativity followed by growth in the real estate industry. The last section summarizes the chapter and presents the gap in literature

2.2 Theoretical Review

The theoretical review backgrounds are main frameworks in the field of innovation and creativity in the place of work. Few have acquired much empirical support than others, but they give and emphasize of the functions of different determinants of either idea generation or the implementation of ideas. This study was anchored on the theory of componential organizational creativity and innovation, four factor theory of team climate for innovation and ambidexterity theory.

2.2.1 Componential Theory of Organizational Creativity and Innovation

The significant part in this theory states that working environment influences creativity by influencing the components which contributes to creative activities which is a source of innovation in the organization (Amabile, 1997). Amabile, (1997); Amabile & Conti, (1999) states that the factors contributing to small and individual creativity include: creative-thinking, intrinsic motivation and expertise skill. On the other hand the important components of a large working environment that facilitates workers creativity include, resources (including personnel resources, finances and time availability), management practices, like an enabling challenging work and supervisory encouragement and motivation

of the organization to innovate. There has been empirical support of this theory in relation to its motivation role component underlying psychological mechanism which affects the working environment and influences the creativity of employees; however other components have no enough literature as compared to motivation components (Shalley, Oldham & Zhou, 2004).

2.2.2 Four Factor Theory of Team Climate for Innovation

According to West (1990) the four team factors of climate that influence innovation include: support for vision, innovation, task orientation and participative safety. In reference to Anderson and West, (1998); west, (1990) innovation can be improved if, there is an understanding of vision, if vision is accepted and valued by the workforce. Members of the team are able to suggest different ideas and clarifications without being criticized or judged, there are different discussions on likely solutions among the team whereby the solutions are examined carefully and at the end members of the team seek support for innovation. According to Hülshager, Anderson and Salgado, (2009) this theory has been applied in team innovation research and also acquired backing from mutually primary and lately from meta-analytic studies.

Concerning group innovation, research has explored variables such as heterogeneity of group composition, which has been found to be related to group innovation (McGrath, 1984). Rogers (1954) suggested that cohesiveness among team members determines the degree to which individuals believe that they can suggest new ideas without being censured (see Scott and Bruce, 1994). Group innovation increases when members feel that new ideas are encouraged and expected, and when they feel safe enough to participate in decision making

and voice their ideas (Anderson & West, 1998). On the other hand, research on team size provides greater evidence that teams with a sufficient number of members to perform the team task are effective (Guzzo, 1988).Diversity appears to increase conflict, reduce cohesion, complicate internal communications, and hamper coordination within the team (Ancona & Caldwell, 1992).

2.2.3 Ambidexterity Theory

The ambidexterity theory have been used by Bledow, et al., (2009b) to give an explanation on the process of conflict management demand at various organizational levels for successful innovation. Ambidexterity refers to “the ability of a complex and adaptive system to manage and meet conflicting demands by engaging in fundamentally different activities” (Bledow et al., 2009a). In general ambidexterity characterizes a management which is successful both exploitation (for instance manufacturing and implementation of products) and exploration (creating new products). In reference to activity integration, Bledow (2009a) differentiated between self-regulatory processes and active management and suggested that the two are needed to incorporate the tasks done by sub-systems or at different points in time. There is already published support about the main concepts of the theory of ambidexterity; such point of view thus holds the chance of being used for future studies mostly into effects of leadership in innovation processes (Rosing, *et al*, 2011).

2.3 Concept of Creativity

Creativity is the use of imagination or original ideas to create something (Amabile 1988).Creativity is the process of generation of ideas which are useful and valuable (Amabile 1988). An idea which is creative may be thought by an individual or a group individual who

work together. It may be something, which range from new products ideas, processes and services in line with the organizations business, to ideas about new procedures and policies for the all organization. The concept of innovation as explained by (McAdam & McClelland, 2002) is the process whereby fresh ideas implemented and changed to new services and products. Moreover, innovation maybe devising new ideas, a unique thing which has never been thought of, or the improvement of a product which is in existence or changing an innovation which existed into something new (Dodgson, Gann &Salter, 2008).

Irrespective of the innovation form and type, they all start from creativity (Amabile et al., 1996). For a fruitful implementation of novel programs, product and services it requires an individual or a group of people to have the best ideas. Therefore innovation can said to be effective application of innovative ideas in a firm. The difference amid creativity and innovation is at times unclear in the empirical literature (Moghimi & Indra, 2013). Since, there is a relationship between the two concepts in relation to generation and implementation of useful and new ideas in a firm (Mathisen, *et al.*, 2012).

Yu Kyoung Park et al., (2013) states that initial research about creativity and innovation is mainly about personal traits like motivational activities and personality traits which affects innovation. There was a suggestion that creativity is related to intelligence and mainly focused on examining the main characteristics which influenced creativity. According to McAdam and McClelland (2002) the essential research about creativeness is dated on 1960s, since then a lot of research has been done. It therefore means that McAdam and McClelland (2002) is related to creativity concept becoming highly known as an essential component for

growth of an organization's competitive advantage and is becoming highly common within the management field.

2.4 Concept of Innovation

The ability to innovate was always one factor that contributed to the success of an organization (Hollenstein, 1996). Organizations that dispose of the necessary resources, of a powerful motivation to innovate and of an organizational climate that would allow and encourage innovative ideas, are exactly those which will innovate quickly and successfully. The capacity to innovate represents therefore the ability of continuously making knowledge and ideas innovation process is very complex and multidimensional since many factors interact to make possible the emergence of this process (McAdam & McClelland, 2002). Generally, organizations which dispose of the necessary resources, a strong motivation to innovate and an organizational climate that allows and encourages the emergence of innovative ideas, are exactly those which will innovate quickly and successfully.

The ability to innovate is represented by the ability to continuously transform knowledge and ideas into new products, processes and systems, to the benefit of both the organization and the shareholders (Hollenstein, 1996). The ability to develop new ideas and innovation has become a priority for many organizations (Moghimi & Indra, 2013). Intense global competition and technological development have made innovation be a source of competitive advantage. Research on innovation has addressed a number of ways, such as using levels of innovation in individuals, teams / projects or organizations (Drucker, 1999), or by the intensity of innovation (Hollenstein, 1996).

2.5 Innovation and Creativity as Determinants of Growth

Amabile (2008) presented six managerial practices affecting innovation and creativity. They include; freedom, organizational support, supervisory encouragement challenge, work-group features and resource. Moreover, inspiration for innovation and creativity is vital and also includes essential activities which promote activities which are creative and innovative. Further, the features may also be put into four crucial activities for the growth of innovative activities, creative climate and promoting creativity in an organization. They comprise; organizational support which emphasizes on the significance of generating an organization knowledge about the significance of motivation, innovation, in the provision of sufficient resources for creativity and designing of teams and groups so that they can work proficiently with innovation.

2.5.1 Organization Support for Innovation and Creativity

Creativity is highly stimulate if there is support in the entire organization. Therefore creativity should be communicated in the organization as a top priority just like the innovation (Amabile, 2008). Once innovation has been made a priority in the organization, everyone in the organization is most likely to become creative because they are free to think in various ways and build new ideas, make reflection and implement the new ideas. The stress on short-term profits and efficiency makes workers busier in their work and avoid the loss of the initiative of being creative (Ekvall, 2009).

An institution should recognize employee's creativity and reward them accordingly. According to Amabile (2008) recognizing an employee's work and giving them feedback about their work is essential and also rewarding their work gives employees motivation to be

more creative. Giving rewards for work well done on creativity enhances the employees' activities since they feel more encouraged and validated to go on with their creative activities in the future (Amabile et al., 2006). Failure to provide enough recognition in regard to creativity might bring about negative attitudes among the employees and therefore raise the risk making the employees feel unappreciated. Such circumstances make it difficult to improve the inner employee motivation and minimize the creative projects.

Besides, a major problem of creating new ideas in businesses is to predict the usefulness of the idea. The major problem is that one has no knowledge on whether the idea would be successful. More so lack of such knowledge might also be essential in different situations of the business (Amabile, 2008). Innovation actions mostly mean uncertainty about certain outcomes. Risk is involved innovation, and also risk-taking is applied in innovation. Moreover, it is important to know that risk taking is related to organization operations and not the performance of an individual worker. A person might be willing to involve themselves in risk activities if they feel that the risk will not affect their operations. So as to initiate creativity, it requires tolerance and also the allowance of mistakes. Therefore, uncertainty in innovative activities is more stimulating and tolerable since the co-workers trust each other hence ensuring personal security (Ekvall, 2009).

The assurance of management support ensures the minimization of threat of negative criticism which might demoralize the intrinsic motivation essential for creativity. (Amabile et al., 2006) argued that supportive activities build security while discussions encourage the generation of new ideas (Ekvall, 2009). In an open climate where there is support,

individuals are in a position to listen to the opinion of others; influence initiatives and support by management of new ideas. A positive and constructive atmosphere whereby the communication is open in different levels of the organization, individuals and business units. The firm is the best setting where novel ideas can be constantly be generated (Ekvall, 2006).

2.5.2 Motivation for Innovation and Creativity

Motivation is referred as the major significant factor by the componential model (Amabile, 2008). Since the individual expertise and skills only determines the possibly achievable things, other than what to be done. Hence, motivation is essential. This is similar to organization perspective, techniques or management practices and sufficient resources are as source of creativity, and rather it is not a guarantee that creative and innovative activities will be there (Amabile, 2008).

Motivation is seen as a forthright activity which effectively promotes creativity and stimulates innovation. Motivational activities are significant in that people who are motivated at work are expected to be more persistent, productive and creative, in the production of excellent work. Unmotivated persons will often work less hard, leave the workplace if given the opportunity, produce low quality work and avoid work (Amabile, 2003).

Motivation is of two types; Intrinsic and extrinsic. People who are motivated intrinsically mostly act out of personal challenge, interest and enjoyment. Extrinsically motivated persons engage themselves in numerous activities as a way of getting certain rewards (Amabile, 2003). The major component of encouraging innovative activities is through intrinsic motivation. This is as a result of the positive impact strong determination acquired from self-

fulfillment which is ultimately essential to deal with problematic tasks that tend to come up during the process of innovation. The most effective motivation is the intrinsic motivation and it promotes innovation and creativity as compared to extrinsic motivation (Amabile, 2008). This is so since the feeling of competence seem to persist even after the completion of the project, while the necessity of a need or want for reward arises after getting it (Yu Kyoung Park et al., 2013). Therefore, after a period of time, a firm's climate with mostly a motivational structure which is strong, extrinsic or intrinsic might affect the way people are motivated by work. This might also affect the methods used in innovative and creative activities in an institution (Amabile, 2013).

2.5.3 Work-Group Design for Innovation and Creativity

Promoting joint practices improves sharing of ideas all over the organization therefore increasing the chances of coming up with novel ideas (Amabile et al., 1996). Therefore it's important to prudently choose a good work-group design while forming teamwork for working with creative ideas. It is essential for a manager to form mutual group of persons who are supportive with different skills, diversity of background and knowledge. Teams that comprise people with diverse creative thinking styles and expertise are in a position to put together their collective knowledge and devise creative and useful ways of problem solving. Further, openness and diversity to bring into light challenging opinions and views hence positively affecting creativity by exposing people to numerous ideas, knowledge and methods (Amabile *et al.*, 1996).

With numerous ways of solving problems a problem further provides a ground for a strong debate that helps to come up with new ways of solving problems (Ekvall, 1996). So as to

minimize misunderstandings when working jointly with other people, it's essential to come up with clear objectives and goals for a project and also make efforts to incorporate open communication and coming up with ways of information sharing, idea generation and knowledge. Mathisen, et al., (2012) notes that openness and trust is important for people to be able to give ideas and opinions (Ekvall, 2016). Moreover, communication, goal clarity and open interaction are very significant for effectively encouraging creative and innovative activities (Amabile *et al.*, 2006).

2.5.4 Resources Allocation for Innovation and Creativity

Organization resources are of different characteristics which include competence, immaterial and material things and personal knowledge. Organization work environment may affect the way the organization resources are used and further the way investment in resources is efficiently changed into effects. Organization resources are also important in influencing the firm's ability to perform tasks, adapt demand and reach targets (Ekvall, 2009). Amabile, (2007) noted that skills on creative thinking can be established and improved through learning an also through incorporating techniques which can increase intellectual independence and flexibility.

McAdam and McClelland (2002) stressed that the techniques of improving creativity like brain storming can be valuable tools which can be used in enhancing a person's creative thinking and enhance sharing of knowledge. Making use of techniques in the organization to train and stimulate creative skills and solving of problems is therefore major in influencing the methods of creativity and innovation in a company (Amabile, 1998). In a similar way to the significance of motivation activities of putting together the right persons with right tasks

or projects to intensify challenge, allocation of correct and enough resources to new projects is essential for supporting the processes of innovation (Amabile, 2008). The ability to get the necessary and sufficient resources such as, facilities and people, equipment, information, knowledge and funds is important for effectively promoting creative and innovative activities (Amabile, 1988).

2.6 Innovation and Creativity as Determinants of Growth

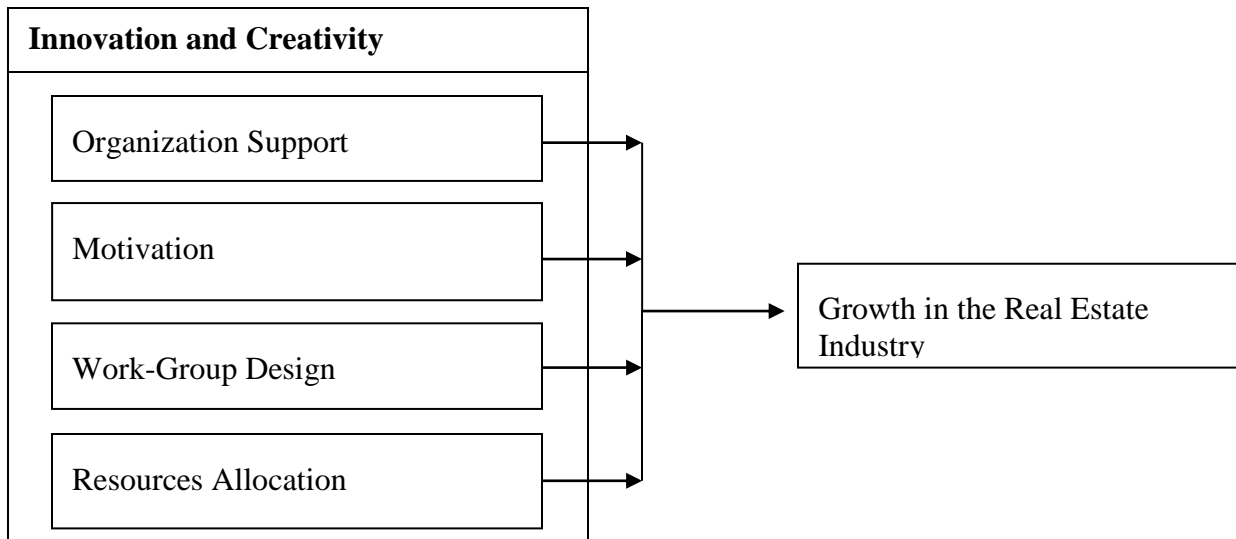
Several scholars have shown the association among firm growth, innovation and creativity and established the significance of innovation that brings about growth and development and success. Firms are required to incorporate learning orientation so as to acquire competitive advantage (Calantone et al. 2002). Learning orientation has various parts which include: “commitment to learning, shared vision, open-mindedness, and intra-organizational knowledge sharing”, and stressed the effects of learning orientation on innovation, which eventually influences the organization performance.

Prajogo and Ahmed (2006) studied the human and technological factor, culture and people and many more of management of innovation, by examining the association between innovation, stimulus innovation and capacity innovation and performance framework; it was established that between innovation capacity and innovation performance had a direct and strong association, but there was no a direct effects of innovation performance and innovation stimulus. Lawson and Samson (2001) did a study on ways of developing organizations innovation capability so that to boost innovation and organization performance. The study also argued that the innovators capacity is important in effecting effective organization performance. However the researcher stated that: The concept of capability is

crucial to use to innovate because it is the ability to innovate that generates useful behaviors in the firm resulting to innovative activities which are systematic in the organization.

2.7 Conceptual Framework

Mugenda and Mugenda (2003) observed that a conceptual framework is an assumed representation that identifies the model under study and the association between the dependent and independent variables. Kombo & Tromp (2006) defined a conceptual framework as a group principles and broad ideas acquired from important fields of analysis and which are used to structure a subsequent presentation.



Independent Variables

Dependent variable

Figure 2.1: Conceptual framework

From the literature review, the framework depicted in figure 2.1 shows the link between innovation, creativity and growth in the real estate industry in Kenya. As shown in figure 2.1 the independent variable of the study was organization supports, motivation, and workgroup design and resource allocation. The dependent variable of the study is the growth in the real estate industry in Kenya.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter consists of research methodology which explains the applied research design during the study, target population, data collection and data analysis and presentation.

3.2 Research Design

A descriptive research design was adopted; with the cross-sectional survey design. Creswell (2003) stated that a descriptive research design is used when the collected data describe phenomena, persons, organizations and settings. It involves the use of qualitative and quantitative techniques. The choice of cross-sectional survey design was because the research aim was to investigate the way things exist in the field and there was no manipulation of variable.

According to Cooper and Schindler (2006), cross sectional studies are carried out once. They help a researcher establish whether significant associations among variables exist at some point in time (Mugenda & Mugenda, 2008). Creswell and Clark (2003) suggest that a descriptive research design deals with the what, how and who of a phenomenon which is the concern for this study.

3.3 Population of the Study

Population is a precise group of households, services, people, events and elements or group of things that are being investigated (Ngechu 2004). The definition makes sure that the population being studied is homogeneous. In this study, the target population consisted of 80 firms in the real estate sector in the Nairobi Metropolitan Area (Appendix II). The study

purposively selected one manager from each of the 80 firms in the real estate sector in the Nairobi County.

3.4 Data Collection

Primary and secondary data sources were used in the study to obtain data that was used for analysis. Semi-structured (matrix) questionnaire with open and close-ended questions were used for the primary data source (Mugenda & Mugenda, 2008). The secondary data provided dependable information source required by the researcher in examining phenomenon and find effective methods for solving problems (Sekaran, 2003). The collection of primary data involved self-administering of questionnaires. The researcher dropped the questionnaire at the work place of the respondents'. Secondary data was collected from published annual accounts from these company websites.

3.5 Data Analysis

The study used the Likert scale to rate the questionnaire. Likert scales are mainly used with matrix questions (Mugenda & Mugenda, 2008). Collected data was commonly quantitative in nature and was analysed by descriptive analysis like the mean, standard deviation, frequency and percentages using tools such as Statistical Package for Social Sciences (SPSS). Qualitative data was analysed using content analysis, where the opinion of the respondent was presented in prose form. Multiple regression analysis is a statistical method utilized to determine the relationship between one dependent variable and one or more independent variables (Hair et al., 2010). This study employed a multiple linear regression analysis. The multiple regression equation will be

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon$$

Whereby Y = Growth in the Real Estate Industry, X_1 = Organization Support, X_2 = Motivation, X_3 = Work-Group Design and X_4 = Resources Allocation, while β_1 , β_2 , β_3 and β_4 are coefficients and ε is the error term. This generated quantitative reports through tabulations, percentages, and measures of central tendency.

CHAPTER FOUR

DATA ANALYSIS, INTERPRETATION AND PRESENTATION

4.1 Introduction

This chapter analyses, interprets and presents the study findings as per the aim of this study, whose purpose was to assess the influence of innovation and creativity on growth in the real estate industry in Kenya. Further the study sought to find out how; organizational support, motivation, work group design and resource allocation being the aspects of innovation and creativity influences the growth in the real estate industry.

4.2 Response Rate

The study targeted 80 respondents who were the managers of the 80 firms in the real estate sector in the Nairobi Metropolitan Area. Out of the 80 respondents who were issued with the questionnaires 74 responses were obtained giving a response rate of 92.5%.

4.3 Demographic/General Data

This section shows the respondents bio data and the study findings are as shown in each category as indicated.

4.3.1 Period of service in the organization

The respondents were asked to indicate the number of years that that they had been working in the organization. The study findings were as presented in the Figure 4.2

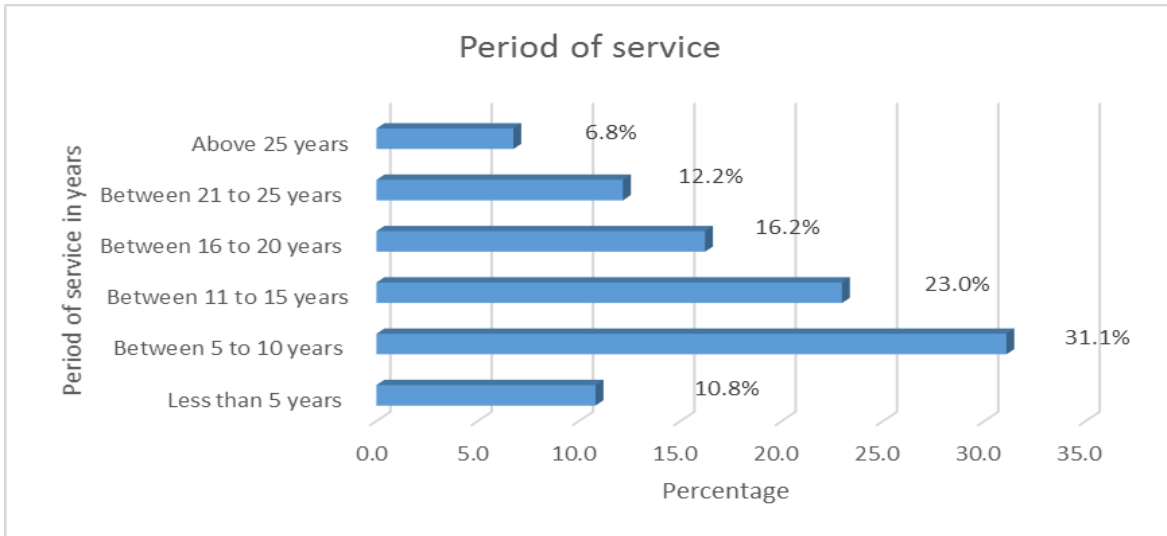


Figure 4.1: Period of service

As was indicated in the figure 4.2, 31.1% of the respondents indicated that they had been working between 5 to 10 years, 23% indicated that they had been working for a period of between 11 to 15 years, 16.2% indicated that they had been working on their real estate companies for a period of between 16 to 20 years, 12.2% indicated that they had been working in their companies for a period of between 21 to 25 years, 10.8% indicated that they had been working in their companies for a period of less than 5 years whereas 6.8% of the respondents indicated that they had been working for their companies for a period of above 25 years. This shows that most of the respondents had been working in their companies for more than five years as was indicated by majority of the respondents. This shows that the respondents involved in the study were well familiarized with relevant knowledge pertaining the study.

4.4 Organization Support

The respondents were asked to indicate whether their organization, support innovation and creativity. The study findings were as presented in the Table 4.1

Table 4.1: Support of innovation and creativity

Category	Frequency	Percent
Yes	69	93.2
No	5	6.8
Total	74	100.0

The study shows that 93.2% of the respondents indicated that their organization support innovation and creativity and 6.8% of the respondents disagreed that their organization doesn't support innovation and creativity. This implies that organization support innovation and creativity as was indicated by the majority of the respondents. The study findings concurs with those of Amabile, (2008), he asserted that creativity should be communicated in the organization as a top priority just like the innovation.

Statements on influence of organization support real estate industry growth in Kenya

In this section the respondents were requested to indicate their level of agreement on statements relating to the influence of organization support on growth in the real estate industry in Kenya. A scale where 1= strongly disagree, 2= Disagree, 3= Neutral, 4= Agree and 5= strongly agree was used. The study findings were as presented in the table 4.2, the higher the mean the higher the respondents' rate of agreement on the statement.

Table 4.2: Influence of organization support on the real estate industry growth in Kenya

Statement	Mean	S.D
Our organization creativity is recognized and rewarded consistently.	3.838	0.772
The provision of rewards for work creatively done enhances creative activities	3.662	0.671
Rewards make people have the feeling of encouragement to carry on in performing creative work in the future	3.946	0.787
Managers should identify creative work done by an individual with teams and give an open feedback on creative new ideas	4.054	0.859
Organization support is essential in effecting intrinsic motivation for creativity	3.824	0.747
Organization support makes employees feel secure hence promoting the generation of new ideas.	3.568	0.542
Failure of enough recognition for work creatively done might bring negative atmosphere in the organization	4.014	0.890

As was shown in the table 4.2, the study found that majority of the respondents agreed that; managers should identify creative work done by an individual with teams and give an open feedback on creative new ideas as was shown by a mean of 4.054, also that the failure of enough recognition for work creatively done might bring negative atmosphere in the organization as was indicated by a mean of 4.014.

Respondents also agreed that rewards make people have the feeling of encouragement to carry on in performing creative work in the future as was shown by a mean of 3.946, in addition respondents agreed that their organization creativity is recognized and rewarded consistently as was indicated by a mean of 3.838. Further the respondents agreed that

organization's support is essential in effecting intrinsic motivation for creativity as was shown by a mean of 3.824. As was indicated by a mean of 3.662 respondents agreed that the provision of rewards for work creatively done enhances creative activities and also that organization support makes employees feel secure hence promoting the generation of new ideas as was shown by a mean of 3.568. The study findings were supported by low standard deviation which was an indication that respondent held similar opinion.

These study findings agrees with those of Amabile *et al.*, (2006) who asserted that giving rewards for work well done on creativity enhances the employees' activities since they feel more encouraged and validated to go on with their creative activities in the future . Also the findings agrees with those of Ekvall (2009), he asserted that Once innovation has been made a priority in the organization, everyone in the organization is most likely to become creative because they are free to think in various ways and build new ideas, make reflection and implement the new ideas.

4.5 Motivation

The respondents were asked to indicate how they were being motivated in their organization. Majority of the respondents indicated that motivated either intrinsically or extrinsically. The respondents indicated that the employees receive various rewards to mark their work, achievements and even innovation at the workplaces. Majority of the respondents indicated that the employees receive various forms of motivation such as a pay rise, promotion and recognition within the company.

The respondents were requested to indicate their level of agreement on statements relating to the influence of employee motivation on growth in the real estate industry in Kenya. A scale

where 1= strongly disagree, 2= Disagree, 3= Neutral, 4= Agree and 5= strongly agree was used. The study findings were as presented in the table 4.3, the higher the mean the higher the respondents' rate of agreement on the statement.

Table 4.3: Influence of employee motivation on growth in the real estate

Statement	Mean	S.D
Productive individuals are those who feel motivated by the work they do	3.919	0.716
Motivated individuals are likely to be more persistent and creative	3.838	0.667
Motivated individuals are likely to produce high quality work.	3.757	0.684
People who are motivated intrinsically usually do their work out of self-interest, satisfaction and personal challenge	4.135	0.887
Extrinsically motivated persons mostly are involved in various tasks as a way of getting some sort of reward	4.365	1.138
Encouraging employees influences creativity and motivation.	3.946	0.890
Rewarding employees on their good performance enhances creativity	4.068	0.884

As was shown in the table 4.3, respondents agreed that extrinsically motivated persons mostly are involved in various tasks as a way of getting some sort of reward as was indicated by a mean of 4.365, also that people who are motivated intrinsically usually do their work out of self-interest, satisfaction and personal challenge as was indicated by a mean of 4.135. Further the respondents indicated that rewarding employees on their good performance enhances creativity as was shown by a mean of 4.068. Respondent's also indicated that encouraging employees influences creativity and motivation as was shown by a mean of 3.946.

Additionally the respondents indicated that productive individuals are those who feel motivated by the work they do as was indicated by a mean of 3.919 and that motivated individuals are likely to be more persistent and creative as was shown by a mean of 3.838. Also the respondents agreed that; motivated individuals are likely to produce high quality work as was shown by a mean of 3.757. The study findings were supported by low standard deviation which was an indication that respondent held similar opinion. The study findings agrees with those of Amabile (2008) he asserted that motivation is essential and that individual expertise and skills only determines the possibly achievable things, other than what to be done.

4.6 Work-Group Design

The respondents were asked to indicate if their organization puts into consideration work-group design when selecting teams in the organization. The study findings were as presented in the Table 4.4

Table 4.4: Work-group design

Category	Frequency	Percent
Yes	68	91.9
No	6	8.1
Total	74	100.0

As was shown in the table 4.4, 91.9% of the respondents agreed that their organization puts into consideration work-group design when selecting teams in the organization whereas 8.1% of the respondents were of the contrary opinion. This shows that many of the real estate's

company in Nairobi puts into consideration work-group design when selecting teams in the organization as was indicated by majority of the respondents.

The respondents were requested to indicate their level of agreement on statements on the influence of work-group design on growth in the real estate industry in Kenya. A scale where 1= strongly disagree, 2= Disagree, 3= Neutral, 4= Agree and 5= strongly agree was used. The study findings were as presented in the table 4.5, the higher the mean the higher the respondents' rate of agreement on the statement.

Table 4.5: Influence of work-group design on growth in the real estate industry

Statement	Mean	S.D
It's essential to form a group of persons with different skills, background and knowledge who are willing to support each other.	4.203	0.975
Openness and diversity to express challenging opinion or views may have positive effects on creativity.	3.851	0.843
The numerous ways of solving problems generates new views and ways of solving problems.	4.041	0.906
Numerous problem solving views enhances creativity.	3.784	0.953
Openness and trust is important so that workers can give their ideas and opinions.	4.014	0.933
Communication, clarity of organization goals and free interaction are important for successfully promoting creativity and innovative activities.	4.324	1.105
Employees often share enthusiasm and interest in their jobs and work together to achieve similar goals.	3.824	0.674

As was indicated in the table 4.5, majority of the respondents agreed that; communication, clarity of organization goals and free interaction are important for successfully promoting

creativity and innovative activities as was indicated by a mean of 4.324, also that it's essential to form a group of persons with different skills, background and knowledge who are willing to support each other as was indicated by a mean of 4.203. Further the respondents agreed that the numerous ways of solving problems generates new views and ways of solving problems as was indicated by a mean of 4.041. Also respondents agreed that openness and trust is important so that workers can give their ideas and opinions as was indicated by a mean of 4.014.

Additionally the respondents agreed that; openness and diversity to express challenging opinion or views may have positive effects on creativity as was indicated by a mean of 3.851 and also that employees often share enthusiasm and interest in their jobs and work together to achieve similar goals as was shown by a mean of 3.824. Also the respondents agreed that numerous problem solving views enhances creativity as was indicated by a mean of 3.784. The study findings were supported by low standard deviation which was an indication that respondent held similar opinion. The study findings agrees with those Ekvall, (1996), he asserted that with numerous ways of solving problems a problem further provides a ground for a strong debate that helps to come up with new ways of solving problems. Also the findings agrees with those of Mathisen, *et al.*, (2012) who asserts that openness and trust is important for people to be able to give ideas and opinions.

4.7 Resource Allocation

The respondents were requested to indicate their level of agreement on statements on resource allocation on growth in the real estate industry in Kenya. A scale where 1= strongly disagree, 2= Disagree, 3= Neutral, 4= Agree and 5= strongly agree was used. The study

findings were as presented in the table 4.6, the higher the mean the higher the respondents' rate of agreement on the statement.

Table 4.6: Resource allocation on growth in real estate

Statement	Mean	S.d
Resources influence the ability of organizations to attain targets, perform tasks and adapt to demand.	3.811	0.916
Openness and diversity expresses the problematic opinions and views may have a positive influence on creativity	4.135	0.933
Creativity techniques like brainstorming are valuable tools for advancing the creative thinking of a person and improve knowledge sharing.	3.784	0.853
The use of organizational techniques is affects the methods of creative and innovative activities in organizations.	3.716	0.725
Provision of enough resources to every new project is significant to precisely support the process of innovation.	4.189	0.991
Creativity is influenced by the individuals' belief of lack of support and neglect.	3.905	0.964
Scarcity resources influence creative solving of problems to compensate for the lacking resources.	3.824	0.751

As was shown in the table 4.6, majority of the respondents agreed that; Provision of enough resources to every new project is significant to precisely support the process of innovation as was indicated by a mean of 4.189 and that openness and diversity expresses the problematic opinions and views may have a positive influence on creativity as was indicated by a mean of 4.135. Also respondents agreed that creativity is influenced by the individuals' belief of lack of support and neglect as was indicated by a mean of 3.905 and that scarcity resources influence creative solving of problems to compensate for the lacking resources as was indicated by a mean of 3.824.

The study also indicated that majority of the respondents agreed that resources influence the ability of organizations to attain targets, perform tasks and adapt to demand as was shown by a mean of 3.811. The study also indicated that creativity techniques like brainstorming are valuable tools for advancing the creative thinking of a person and improve knowledge sharing as was shown by a mean of 3.784 and also that the use of organizational techniques affects the methods of creative and innovative activities in organizations as was shown by a mean of 3.716. The study findings were supported by low standard deviation which was an indication that respondent held similar opinion. The study findings agree with those of Ekvall, (2009) he asserted that organization resources are important in influencing the firm's ability to perform tasks, adapt demand and reach targets.

4.8 Inferential Statistics

In this study, correlation analysis and multiple regression analysis were conducted to test the influence among predictor variables. The researcher used statistical package for social sciences (SPSS Version 21) to code, enter and compute the measurements of the multiple regressions.

4.8.1 Correlation Analysis

The correlation analysis is used to analyze the association between independent and dependent variables. The study used the Pearson Moment Correlation analysis to determine the association between organisational support, motivation, workgroup and resource allocation on the growth of the real estate companies in Nairobi. The results were as shown in the Table 4.7

Table 4.7: Correlations Coefficient

		Growth in Real Estate	Organizational support	Motivation	Work group design	Resource Allocation
Growth in Real estate	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	74				
Organizational support	Pearson Correlation	.813*	1			
	Sig. (2-tailed)	.000				
	N	74	74			
Motivation	Pearson Correlation	.779*	.423	1		
	Sig. (2-tailed)	.002	.064			
	N	74	74	74		
Work group design	Pearson Correlation	.792*	.520	.534	1	
	Sig. (2-tailed)	.000	.048	.071		
	N	74	74	74	74	
Resource Allocation	Pearson Correlation	.798*	.368	.473	.336	1
	Sig. (2-tailed)	.002	.073	.041	.164	
	N	74	74	74	74	74

** . Correlation is significant at the 0.01 level (2-tailed).

The results revealed that there was a strong positive correlation between organizational support and the growth in real estate as shown by $r = 0.814$, statistically significant $p = 0.000 < 0.01$; there was a positive correlation between motivation and growth in real estate as shown by $r = 0.779$, statistically significant $P = 0.002$; there was a positive correlation between work group design and growth in real estate as shown by $r = 0.792$, statistically significant $P = 0.000$; there was a positive correlation between resource allocation and growth in real estate as shown by $r = 0.798$, statistically significant $P = 0.002$. This implies

that organizational support, motivation, work group design and resource allocation are related.

4.8.2 Model Summary

Model summary is used to analyze the variation of dependent variable due to the changes of independent variables. The study analyzed the variations due to organizational structure, motivation, work group design and resource allocation which were the links to influence of innovation and creativity on growth in the real estate industry in Kenya.

Table 4.7: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.783 ^a	0.613	0.598	0.00465

As shown in table 4.8 the adjusted R squared was 0.613 implying that there was 61.3% on the growth of real estate industry in Kenya, due to the changes of organization structure, motivation, work group designs and resource allocation. The remaining 38.7% indicates that there are other factors that lead to effective implementation that were not discussed in the study. R is the correlation coefficient which shows the relationship between the study variables. From the findings, the study found out that there was a strong positive relationship between the study variables as shown by 0.783.

4.8.3 Analysis of Variance

The analysis of variance ANOVA is used to determine whether the data used in the study is significant. Therefore it was used to determine the significance of data used in this study.

Table 4.8: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	18.864	4	4.716	36.844	.009 ^b
	Residual	8.818	69	0.128		
	Total	24.677	73			

From the ANOVA statistics, the processed data (population parameters) had a significance level of 0.001. This shows that the data is ideal for making conclusions on the population's parameter as the value of significance (p-value) is less than 5%. The F calculated was greater than F critical (36.844). This shows that organizational structure, motivation, work group design and resource allocation significantly influences the growth of real estate companies in Kenya.

4.8.4 Beta Coefficients of the study Variables

The regression equation was

$$Y = 1.132 + 0.402 X_1 + 0.589X_2 + 0.489 X_3 + 0.586X_4$$

The equation above reveals that holding organisation structure, motivation, work group design and resource allocation constant, the variables will significantly influence the growth of real estate as shown by a constant = 1.132. If the variables are removed growth will continue because there are other factors influencing growth of real estate which were not discussed in the study.

Table 4.9: Beta Coefficients of the study Variables

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.132	0.178		6.075	0.005
1 Organizational Support	0.486	0.104	0.402	4.673	0.013
Motivation	0.649	0.089	0.589	7.292	0
Work group Design	0.513	0.091	0.489	5.637	0.004
Resource allocation	0.621	0.102	0.586	6.088	0.006

Organizational structure is statistically significant to the growth in real estate ($\beta = 0.402$, $P = 0.012$). This shows that organizational structure had significant positive relationship the growth in real estate. This implies that a unit increase in organizational structure will result to increase in the growth of real estate. Motivation is statistically significant to growth in real estate as shown by ($\beta = 0.589$, $P = 0.000$). This indicates that motivation had significant positive relationship with the growth in real estate companies. This implies that a unit increase in motivation will result to growth in real estate.

Work group design is statistically significant to growth in real estate company as shown by ($\beta = 0.489$, $P = 0.004$). This shows that work group design had significant positive relationship with growth in real estate companies. This implies that a unit increase in work group design will result to increased growth in real estate companies. Resource allocation is statistically significant to growth in real estate companies as shown by ($\beta = 0.586$, $P = 0.006$). This shows that resource allocation had significant positive relationship with growth in real estate companies. This implies that a unit increase in resource allocation will result to increased growth in real estate companies.

4.9 Discussion

Regarding the organizational support the study revealed that organizations support innovation and creativity. Also the study revealed that; managers should identify creative work done by an individual with teams and give an open feedback on creative new ideas also that the failure of enough recognition for work creatively done might bring negative atmosphere in the organization. Additionally the study revealed that organization support makes employees feel secure hence promoting the generation of new ideas. These study findings agrees with those of Amabile *et al.*, (2006) who asserted that giving rewards for work well done on creativity enhances the employees' activities since they feel more encouraged and validated to go on with their creative activities in the future .

With regard to motivation the study revealed that companies motivates their employees both intrinsically and also extrinsically and that employees receive various forms of motivation such as a pay rise, promotion and recognition within the company. Also the study revealed that extrinsically motivated persons mostly are involved in various tasks as a way of getting some sort of reward and also that people who are motivated intrinsically usually do their work out of self-interest, satisfaction and personal challenge. Further the study research revealed that rewarding employees on their good performance enhances creativity and that encouraging employee's influences creativity and motivation. The study findings were supported by low standard deviation which was an indication that respondent held similar opinion. The study findings agrees with those of Amabile (2008) he asserted that motivation is essential and that individual expertise and skills only determines the possibly achievable things, other than what to be done.

On the work group design the study revealed that, real estate companies do consider work-group design when selecting teams in the organization. Also the study revealed that communication, clarity of organization goals and free interaction are important for successfully promoting creativity and innovative activities also that it's essential to form a group of persons with different skills, background and knowledge who are willing to support each other. Further the study revealed that the numerous ways of solving problems generates new views and ways of solving problems. The study findings agrees with those Ekvall, (1996), he asserted that with numerous ways of solving problems a problem further provides a ground for a strong debate that helps to come up with new ways of solving problems. Also the findings agrees with those of Mathisen, *et al.*, (2012) who asserts that openness and trust is important for people to be able to give ideas and opinions.

Regarding resource allocation, the study revealed that; provision of enough resources to every new project is significant to precisely support the process of innovation and that openness and diversity expresses the problematic opinions and views may have a positive influence on creativity. Additionally the study revealed that creativity is influenced by the individuals' belief of lack of support and neglect and that scarcity resources influence creative solving of problems to compensate for the lacking resources. The study findings agree with those of Ekvall, (2009) he asserted that organization resources are important in influencing the firm's ability to perform tasks, adapt demand and reach targets.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of the findings, conclusions and recommendations for practice and further research on the problem. The main objective of the study was to assess the influence of innovation and creativity on growth in the real estate industry in Kenya. Further the study sought to find out how; organizational support, motivation, work group design and resource allocation being the aspects of innovation and creativity influences the growth in the real estate industry.

5.2 Summary of the Key Findings

This section entails the study summary according to each of the study objectives as stipulated in the conceptual framework.

Regarding the organizational support the study revealed that organizations support innovation and creativity. Also the study revealed that; managers should identify creative work done by an individual with teams and give an open feedback on creative new ideas also that the failure of enough recognition for work creatively done might bring negative atmosphere in the organization. Further the study revealed that rewards make people have the feeling of encouragement to carry on in performing creative work in the future. Additionally the study indicated that organization creativity is recognized and rewarded consistently. Further the study revealed that organization's support is essential in effecting intrinsic motivation for creativity and also that the provision of rewards for work creatively done

enhances creative activities. Additionally the study revealed that organization support makes employees feel secure hence promoting the generation of new ideas.

With regard to motivation the study revealed that companies motivates their employees both intrinsically and also extrinsically and that employees receive various forms of motivation such as a pay rise, promotion and recognition within the company. Also the study revealed that extrinsically motivated persons mostly are involved in various tasks as a way of getting some sort of reward and also that people who are motivated intrinsically usually do their work out of self-interest, satisfaction and personal challenge. Further the study research revealed that rewarding employees on their good performance enhances creativity and that encouraging employee's influences creativity and motivation. Also the study revealed that productive individuals are those who feel motivated by the work they do and that motivated individuals are likely to be more persistent and creative. Additionally the study established that; motivated individuals are likely to produce high quality work.

On the work group design the study revealed that, real estate companies do consider work-group design when selecting teams in the organization. Also the study revealed that communication, clarity of organization goals and free interaction are important for successfully promoting creativity and innovative activities also that it's essential to form a group of persons with different skills, background and knowledge who are willing to support each other. Further the study revealed that the numerous ways of solving problems generates new views and ways of solving problems. Additionally the study revealed that openness and trust is important so that workers can give their ideas and opinions. Also the study revealed that openness and diversity to express challenging opinion or views may have positive effects

on creativity and also that employees often share enthusiasm and interest in their jobs and work together to achieve similar goals. Also the study indicated that numerous problem solving views enhances creativity.

Regarding resource allocation, the study revealed that; provision of enough resources to every new project is significant to precisely support the process of innovation and that openness and diversity expresses the problematic opinions and views may have a positive influence on creativity. Additionally the study revealed that creativity is influenced by the individuals' belief of lack of support and neglect and that scarcity resources influence creative solving of problems to compensate for the lacking resources. Further the study revealed that resources influence the ability of organizations to attain targets, perform tasks and adapt to demand. In addition the study revealed that creativity techniques like brainstorming are valuable tools for advancing the creative thinking of a person and improve knowledge sharing. Also the study revealed that the use of organizational techniques affects the methods of creative and innovative activities in organizations.

5.3 Conclusion

On the organizational support the study revealed that in the organization creativity is recognized and rewarded consistently and also that rewards make people have the feeling of encouragement to carry on in performing creative work in the future. Thus the study concludes that organizational support has a positive impact on growth in the real estate industry in Kenya. Regarding motivation the study revealed that productive individuals are those who feel motivated by the work they do and also that motivated individuals are likely

to be more persistent and creative. Thus the study concludes that motivation have a positive impact on the growth in the real estate industry in Kenya.

On the work group design, the study revealed that the numerous ways of solving problems generates new views and ways of solving problems and also that it enhances creativity. Thus the study concludes that work group design have a positive impact on the growth in the real estate industry in Kenya. Regarding resource allocation the study revealed that resources influences the ability of organizations to attain targets, perform tasks and adapt to demand and also that the provision of enough resources to every new project is significant to precisely support the process of innovation. Thus the study concludes that resource allocation have a positive impact on the growth in the real estate industry in Kenya.

5.4 Recommendations

On the organizational support the study revealed that, the failure of enough recognition for work creatively done might bring negative atmosphere in the organization and also that organization support makes employees feel secure hence promoting the generation of new ideas. Thus the study recommends that the management of the real estate companies should ensure that the human resource department in their company is vibrant to identify the employees to be encouraged and also to act in the best interest of both the company and the other stakeholders to offer organizational support to the selected areas for better performance of the company. This should be done on a regular basis by the management to ensure efficiency in the organization.

With regard to motivation the study found out that encouraging employees influences creativity and motivation and also that motivated individuals are likely to produce high

quality work. Thus the study recommends that the management of the real estate companies should create ways on which to motivate the employees, the management should motivate the employees both intrinsically and extrinsically. Motivation should be done on a continuous manner in the company for the employees by the management.

Regarding the work group design the study revealed that employees often share enthusiasm and interest in their jobs and work together to achieve similar goals and also that openness and diversity to express challenging opinion or views may have positive effects on creativity. Thus the study recommends that the management should develop a culture of openness and trust so that workers can give their ideas and opinions for the company. The culture should be developed overtime and should be in line with the company's mission and objective.

On resource allocation the study revealed that resources influence the ability of organizations to attain targets, perform tasks and adapt to demand, also the study revealed that scarcity resources influence creative solving of problems to compensate for the lacking resources. Thus the study recommends that the management of the real estate companies should ensure that the company's resources are well distributed in the company according to the stipulated preferences this is to ensure that all the departments get what is apportioned for them for better performance.

5.5 Areas for Further Studies

The purpose of this study was to assess the influence of innovation and creativity on growth in the real estate industry in Kenya. The study recommends that a further research should be carried this time to access the influence of motivation and compensation on the growth in the real estate industry in Kenya.

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APPENDICES

Appendix I: Introductory letter

TO: WHOM IT MAY CONCERN

Dear Sir/Madam,

RE: REQUEST TO UNDERTAKE RESEARCH AT YOUR INSTITUTION

I am a postgraduate student undertaking a Master of Business Administration in Marketing degree at the School of Business, University of Nairobi. As a partial fulfillment of the requirements for the award of the MBA degree, I am conducting a survey on **INNOVATION AND CREATIVITY AS DETERMINANTS OF GROWTH IN THE REAL ESTATE INDUSTRY IN KENYA.**

I kindly request you to authorize me to conduct interviews in your institution to gather the required information. I assure you that this information will be treated in strict confidentiality and will be used purely for academic purposes.

Any additional information in form of suggestions and comments that you may feel could add value to my research findings particularly on this area of study will be highly appreciated.

Your co-operation will be highly appreciated.

Yours faithfully,

Caroline Nderitu

Appendix II: Questionnaire

Part A: Demographic/General Data

- 4 For how long have you worked in this organization?
- | | | | |
|------------------------|-----|------------------------|-----|
| Less than 5 years | [] | between 5 to 10 years | [] |
| Between 11 to 15 years | [] | between 16 to 20 years | [] |
| Between 21 to 25 years | [] | above 25 years | [] |

Part A: Organization Support

- 5 Does your organization support innovation and creativity?
- Yes ()
- No ()
- 6 To what extent do you agree with the following statement relating to the influence of organization support on growth in the real estate industry in Kenya? Where 1= Strongly Disagree, 2=Disagree, 3= Neutral, 4= Agree And 5 = Strongly Agree.

Statement	1	2	3	4	5
Our organization creativity is recognized and rewarded consistently.					
The provision of rewards for work creatively done enhances creative activities					
Rewards make people have the feeling of encouragement to carry on in performing creative work in the future					
Managers should identify creative work done by an individual with teams and give an open feedback on creative new ideas					
Organization support is essential in effecting intrinsic motivation for creativity					
Organization support makes employees feel secure hence promoting the generation of new ideas.					
Failure of enough recognition for work creatively done might bring negative atmosphere in the organization					

Part C: Motivation

7 How are employees motivated in your organization?

.....

8 To what extent do you agree with the following statement relating to the influence of employee motivation on growth in the real estate industry in Kenya? Where 1= Strongly Disagree, 2=Disagree, 3= Neutral, 4= Agree And 5 = Strongly Agree.

Statement	1	2	3	4	5
Productive individuals are those who feel motivated by the work they do.					
Motivated individuals are likely to be more persistent and creative					
Motivated individuals are likely to produce high quality work.					
People who are motivated intrinsically usually do their work out of self-interest, satisfaction and personal challenge					
Extrinsically motivated persons mostly are involved in various tasks as a way of getting some sort of reward					
Encouraging employees influences creativity and motivation.					
Rewarding employees on their good performance enhances creativity					

Part D: Work-Group Design

9 Do your organization put into consideration work-group design when selecting teams in the organization?

Yes ()

No ()

10 To what extent do you agree with the following statement relating to the influence of work-group design on growth in the real estate industry in Kenya? Where 1= Strongly Disagree, 2=Disagree, 3= Neutral, 4= Agree And 5 = Strongly Agree.

Statement	1	2	3	4	5
It's essential to form a group of persons with different skills, background and knowledge who are willing to support each other.					
Openness and diversity to express challenging opinion or views may have positive effects on creativity.					
The numerous ways of solving problems generates new views and ways of solving problems.					
Numerous problem solving views enhances creativity.					
Openness and trust is important so that workers can give their ideas and opinions.					
Communication, clarity of organization goals and free interaction are important for successfully promoting creativity and innovative activities.					
Employees often share enthusiasm and interest in their jobs and work together to achieve similar goals.					

Part E: Resource Allocation

11 To what extent do you agree with the following statement relating to the influence of work-group design on growth in the real estate industry in Kenya? Where 1= Strongly Disagree, 2=Disagree, 3= Neutral, 4= Agree And 5 = Strongly Agree.

Statement	1	2	3	4	5
Resources influence the ability of organizations to attain targets, perform tasks and adapt to demand.					
Openness and diversity expresses the problematic opinions and views may have a positive influence on creativity					
Creativity techniques like brainstorming are valuable tools for advancing the creative thinking of a person and improve knowledge sharing.					
The use of organizational techniques is affects the methods of creative					

and innovative activities in organizations.					
Provision of enough resources to every new project is significant to precisely support the process of innovation.					
Creativity is influenced by the individuals' belief of lack of support and neglect.					
Scarcity resources influence creative solving of problems to compensate for the lacking resources.					

THANK YOU