

Innovation & Creativity In Organizations

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Introduction: Innovation is the spark that makes good companies great. It's not just invention but also a style of corporate behavior comfortable with new ideas and risk. Companies that know how to innovate don't necessarily throw money into R.& D. Instead they cultivate a new style of corporate behavior that is comfortable with new ideas, change, risk and even failure, according to "Americas most Admired Companies," fortune, March 3, 1997.

Joseph V. Anderson has defined creativity as "nothing more than going beyond the current boundaries, whether those are boundaries of technology, knowledge, current practices, social norms, or beliefs. Creativity is nothing more than seeing and acting on new relationships thereby bringing them to life. While there are many definitions of innovation, it is defined here very simply: using creativity to add value. Value can be economic, social, psychological, or aesthetic.

Creativity is not a personality trait available to only a few. Research has shown everyone has some creativity, but it has been stifled by Freud's thinking that artistry and creativity are associated with mental illness and the scientific emphasis on materialism and analytical thinking.

There are 120 different, special, and measurable aspects of creative thinking which particularly distinguish humans from other species. These wide-ranging creative faculties have been, and continue to be, critical to mankind's ability to adapt to changing

situations, environments, and systems. Extensive studies of creative thinking have firmly established that individuals exhibiting higher than average scores in creative thinking also exhibit higher than average scores in areas of mental emotional health course of instruction is applied imagination produce significant gains in personality traits such as confidence, self-reliance, persuasiveness, initiative, and persuasiveness, initiative, and leadership. The challenge is to create an environment that will bring out the creativity of everyone and make those who have demonstrated creativity even more creative.

The social can most definitely affect intrinsic motivation. A study has identified six factors of environmental stimulants to creativity (freedom, positive challenge, supervisory encouragement, work group supports, organizational encouragement and sufficient resources) and two environmental obstacles to creativity (organizational roadblocks and excessive workload pressure)

A creative environment requires more than providing intrinsic rewards. It requires rethinking organizational designs. We have made organizations fit Newtonian mechanical models by putting responsibilities into functions and people into roles with boundaries and a secure sense of control.

The Newtonian model of the world is characterized by reductionism, determinism, predictability, equilibrium, and control.

The new model challenges us to accept that organizations are fluid, chaotic, and subject to unseen fields of energy, present concepts of leadership must change. Gone is the heretical model with the person at the top controlling everyone by holding all information? No one person possesses all of the knowledge or skills to control a fluid, rapidly evolving system. Leading gives way to facilitating relationships in a system where knowledge and skill are networked.

Leadership in the new organization consists of facilitating shared values. This facilitatorship must take place in an environment that has relationships that freely share ownership, information, and ideas. Facilitation and sharing are basic to creative problem solving. Creative problem solving is needed to transform an organization into a continuously innovative one.

The steps to integrate creativity into a decisive decision involves many steps. Listed in order of development:

1. Vision
2. Goals
3. Situation analysis
4. Macro
5. Micro
6. Opportunities, problems, causes
7. Alternative – Solutions
8. Resources required
9. Evaluation of alternatives
10. selection
11. Action plan
12. Implementation
13. Measure results

Taking innovation one-step further the Osborn –Parnes model stresses four critical rules that must apply to each stage: Withholding judgment, freewheeling, generating a quantity of ideas, and hitchhiking on the ideas of other.

Judging more than any other event will shut down idea generation. Judging is a psychological threat. Unfortunately, our culture has taught us that large doses of judgment are prerequisites for extrinsic rewards.

Hitchhiking creates ideas that combine the best ideas of everyone on the team. It can also help during implementation if all members see a piece of their idea in the final solution.

Creating an environment that is tolerant of mistakes is difficult. It must be made clear that mistakes are acceptable if they are based on solid thinking, enhance learning of what will not work, and are caught early before damage is severe. There must be support for the people who were on the team of the project that failed.

The Kirton Adapter – Innovator (KAI) inventory measures preferred styles for problem- solving. The adaptor prefers to be creative within the present system. The innovator wants to create new definitions of the problem and new systems. Thus, both types are creative, but their styles are different. Adaptors include bank managers, accountants, production managers, and programmers. Innovators include persons in marketing, finance, and fashion buyers.

Thomas Edison had all the characteristics of a risk taker innovator. He was a divergent thinker, making observations about the natural world. He was not afraid of failure. The lessons learned in one of his failures led to success in another project. In addition to the light bulb, his 1,093 patents included familiar ones such as the microphone & batteries.

Creative leadership must facilitate positive relationships in organizations to produce profitable growth through innovation. We now know that creativity is not a personality trait that is available for geniuses. Everyone has unique knowledge and

experiences that can be tapped, given the proper environment. This environment must be free flowing and non-judging to take people through the mental block they learned in early childhood. These blocks are associated with the risk of being wrong.

The motivation for innovating comes largely from the joy of doing something that has never been done before. It is like going on an expedition and risking everything to be the first person to climb a mountain or sail around the world. It taps the same drive that exists within a composer or an artist who wishes to create something forever.

What seems to stop the flow of creativity and innovations within organizations?

We've all experienced meetings where we've asked our staffs for their thoughts and ideas. We needed their creativity, innovation, and insight to resolve problems or to take advantage of opportunities. Their response or lack thereof, was very discouraging.

We ask ourselves why does this happen? Many factors come into play.

Fear. This discourages idea sharing. No one likes to look stupid in front of peers. Ideas are very personal. Presenting an idea in public puts the ideas creator in a glaring spotlight.

When we were young, we became conditioned. The humiliation we experienced when we gave the "wrong" answer to the teacher's question in front of all of our classmates. The fear of public humiliation is enough to keep the most innovative person quiet.

Self-assessment. Before we will ever state an idea out long, we play it over and over in our heads. We look for different ways to discredit our own ideas, and we

eventually discard the thought. Too often, we believe we have nothing of merit to provide because we didn't work directly within an issue or in a specific area.

We tend to keep our thought to ourselves if they pertain to areas we are unfamiliar with.

Not my problem. You stay in your turf and I'll stay in mine. If you want other people to stay out of your business, then you had better stay out of theirs.

On one hand, the silence could be an issue of reciprocating turf protection. Then again, it could simply be motivated by slightly tilted dedication to common courtesy. If the problem isn't directly with the scope of our assigned duties and responsibilities, we might hold back. When the hope that our colleagues will do the same down the road when something comes up in our area.

The remedies to these situations are really quite simple. The first thing you and your managers must do is to keep soliciting ideas. Never stop asking what your staff are thinking, what opportunities they see that you and others might have missed. Give them a safe environment for sharing. No boundaries. All ideas are good ideas. It's simply a matter of some ideas being more doable than others.

It's extremely important to your staff's development to be continually challenged by what they do. Boredom and routine kill creative thinking and problem solving. The mind, like other muscles, needs to be exercised regularly.

The work we once did with our hands is done increasingly in our heads. The United States is transitioning into an idea economy where innovation is replacing industrialization, and creativity is the key to selling products and services.

Employees with a creative side are leading the way into the idea economy. About 38 million workers, roughly 30 percent of the work force are employed in creative professions, and the numbers keep growing.

Today, highly skilled workers see themselves as artists who need space to think and create. Heavy-handed management just gets in the way of the creative process.

To manage the creative enterprise is as much as art as science. Creative people are driven by exciting work more than by a paycheck, and they need to express themselves through their work. A mind set foreign to many employers.

To manage creative people, feedback is important because creative employees are more emotionally involved with their work. The brainstorming and planning process is the desirable process for a creative mind. A manager should articulate the vision and goals to the creative employee and then let him go and create. It is important not to over manage.

Creative people are not the best time managers. Time management is not their strong suit. therefore a manager must set perimeters from the beginning of the project.

A manager should also be flexible with scheduling because creativity and innovative employees need to get away from the four walls to come up with new ideas. They need time to go somewhere they can get inspired and be creative, because that is what they are being paid for.

On a larger perspective, for a nation, to be healthy and creative it must have the ability to renew itself constantly. This applies to companies, organizations and governments.

Innovation is risky not just for the individual but especially for large companies. Studies show that the probability of economic success from innovation is between 20% and 30%. It takes guts to live with risk, get creative and innovate!

As a 20% to 30% success rate, it becomes necessary to improve the chances of success. Leadership is of course the first key to success. Successful innovation requires a clear vision defined by the leadership of the organization as well as the creation of an environment where this vision can be shared by colleagues. This combination of vision and environment is called strategic context. Organizations rely on it to harness their creativity. Without a clear strategic context, creativity may blossom, but it will be misplaced. Strategic context gives purpose and direction, benchmarks and role models. It shows the way ahead.

The second key to success is to learn how to manage risk. This means that senior and junior players in an organization act as innovators and entrepreneurs, and that they can inspire others to do the same. Taking risks is not just about jumping in foolishly, but assessing in a cool and rational way what the risks are and preparing for them.

Innovation inevitably starts with creativity. Many of us have some creativity and it is the organizations role to provide an environment where we dare to be creative.

Innovation is essentially an “enterprise of enterprise”: it is a risky effort that must be borne by the whole organization. In order to implement innovation the whole organization has to take ownership of it.

Once innovation is in place then comes implementation. Edison once said that success is 2% inspiration and 98% perspiration. The best ideas can get lost in bureaucracy as well as in weighty details. This way, under situations of high uncertainty, project management is so vital. Managing the unknowable requires astute knowledge management, as well as being flexible and so on. Time is also a valuable resource

and, to be innovative, speed in implementation must move along in a timely manner without compromising quality.

A last key to insure success is marketing. In a competitive world where complete originality and genius are rare, good marketing is the innovators most important key to insure success.

Case Study:

Home Depot – Motivating their workforce

“The greatness of our company is the sum of the actions of our people,” said Annettee Verschuren, President of the Home Depot.

Every retailer knows that motivated and passionate store level employees are the key to ensuring customer satisfaction and financial success.

Home Depot has to be considered one of retailing’s great companies because of the financial success the company has achieved.

Verschuren said that when she became president of the Home Depot in 1996 there were only 19 stores doing approximately \$1 billion in annual sales. Now annual sales are approximately \$ 4 billion.

Home Depot's success has mirrored its success in the United States. In 1997, Home Depot's total sales were \$24.2 billion and by the end of last year, they had increased to \$53.6 billion.

Verschuren said that to get there will require the addition of \$40,000 new employees each year, all of which also have to be highly motivated and passionate about the business. "You have to make your full team business partners with you. They are your competitive advantage", Verschuren said. "Take care of your people and they will take care of your company.

Verschuren highlighted six areas that are essential for ensuring a culture of performance. There has to be an emotional appeal so that the employees feel good about the company. "Verschuren adds that many of our most successful hires are customers that have fallen in love with the company.

There also must be a high level of trust in the products and services that are being sold. Management must have vision and leadership and the workplace environment has to be favorable.

Home Depot offers part-time employees health care benefits and a bonus program. They work very hard to ensure that each store is a positive workplace environment.

Recommendations & Analysis:

As a CEO of a large organization, I strive continually to insure an environment that instills psychological safety for my staff.

Present in my view, is the reality that without fresh new ideas on a continual basis, innovation and growth are thwarted. My company cannot afford to hit a stagnate growth cycle.

To provide the right environment a leader must be perceived as trustworthy. A leader's job is to work very hard to capture the trust and respect of his followers and staff. If a staff member feels intimidated and / or fearful they will just perform there job. Worse yet, they will not enjoy the job that they are performing. This is unacceptable to me as a CEO. The working environment must and should be a whole, balanced life perspective.

As the organization that I lead adopts a balanced life perspective and philosophy, we embrace the attitude that the employee has needs and interests outside of the work force. With this in mind, the organization has a more relaxed attitude integrating a more flexible work schedule.

As the employees work schedule is more conducive to their lifestyle, they can feel more relaxed and cared for as a whole. With the interest of the employer evident as a strong support mechanism the employee is free to be free from the constraints of legalism as well as fear, thereby, releasing the creative and innovative resources that innovators possess.

My analysis consists of observing various organizations that have a very structured work environment. My observation lends me the freedom to assess that most of those systems are archaic and outdated. The baby boomers of the past are reaching retirement age and their work style is outdated.

The style for our current workforce is obviously teamwork, stressing cooperative brainstorming. The idea is that as a “whole” the group will produce better thinking and solve problems more rapidly with overall agreement and buy-in.

The concept that I referred to earlier as piggybacking is very similar to this team approach. One idea generates to another and then another. Some in the field of leadership call this synergy. Solutions, new concepts as well as incredible innovative ideas come shining through as the group processes ideas back and forth.

I believe whole-heartedly that the workforce other than a compliance agency should adopt this new and very successful way of operating.

To further my point is to analysis the current level of employees that work from within their homes. This is a very cost effective way for employers to operate their operations. The new technology allows for accountability with each employee even though they are working from their home office.

The virtual network interacts with all employees as they are tapped into the company’s network. Each can share information and with emails exchange ideas without every having to have a face –to face.

My idea is that without the face-to-face employees are more comfortable to release some of their precious and very profitable ideas. Ten years ago, the technology was not in place to provide this type of working environment.

How wonderful it is to have advanced to this point. Virtually, global companies exist without having bricks and mortar buildings, but have blossomed into multi-million dollar organizations.

Times are ever changing and change is inevitable. To not see and catch this wave as a CEO of an organization would be very sad for the organization that they lead. Yes, it does mean letting go of some control but what the CEO obtains in doing so is more innovation, creativity, profitability and a happier workforce. Not a bad exchange if the company can weather the change.

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