

# What is creativity? essay sample



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What is creativity? Why is it important in the success of enterprise and innovation and how can it be efficiently and effectively managed?

## 1. What is creativity?

Creativity is a term used very frequently nowadays. If we see a work of an artist, we often talk about creativity, beauty farms offer creative nail designs, creative workshops are in trend, firms are preaching their creative new inventions and the capability of creative problem solving seems to be vital for a large number of jobs. But what is creativity? It might be surprising that the concept of creativity has been neglected for a long time and only recently there have been attempts to delimit the idea of creativity and show the boundaries of its definition.

### 1. 1 Etymology

The English word, “ create”, derives from the Indo-European root, “ ker, kere” to grow, via the Latin, “ creation or creates” to make or grow (Weiner, 2000: 41). In its beginnings encapsulating the idea of biological fruitfulness, “ create” ultimately came to mean “ to bring something new into being.” The Greeks used just the expression „ poein“- to make. This is most certainly related to their concept of art and the idea of inspiration by muses, according to which even the artist did not invent something new, but merely imitated.

The Romans, on the other hand, made a distinction between „ facere“ (to make) and „ creare“(create, bring into being; institute; conjure up; be born; produce, bear fruit; bring about). The different significance of these two

terms was later on underlined in the Christian period, where „ creatio“ was used to indicate „ God´s act of creation out of nothing“ – „ creatio ex nihilio“ – as described in the Genesis. Only in the Renaissance, when humanists started to assert the genius of man, the notion has been designated to human acts as well. At first, mainly in relation to art, literature and poetry or music, creativity has been implemented in science, technological innovation, sociology, politics and economy.

## 1. 2 Definition by Guilford

Joy Paul Guilford is often considered to have started the study of creativity in 1950, when he became head of the American Psychological Association. He was the first to approach the topic from a scientific point of view and tried to measure creativity by psychometric testing. He looked into the subject of divergent thinking (thinking in divergent directions in order to find new solutions to problems), in contrast to convergent thinking (thinking that weighs alternatives within an existing model to find one best solution).

He came to the conclusion that this was only possible in association with fluency (the ability of producing a great number of ideas in a short period of time), flexibility (the ability to simultaneously propose a variety of approaches to a specific problem), originality (the ability to produce new, original ideas) and elaboration (the ability to systematize and organize the details of an idea in a head and carry it out) (Glover et al, 1989: 116).

Alva Edison had a clear vision about what he wanted to find. After various experiments, through his persistency he was able to reach his goal and finally improved – not invented as often claimed – the electric light bulb and

made it practical, economical and safe. The attributes given by Guilford certainly apply to him. However, one might argue that many new inventions have been made by accident, by persons not having the characteristics described above. The brothers Kellogg found cornflakes haphazardly when they forgot about some cooked wheat. When they found it, it had gone stale.

They forced it through a roll, hoping to obtain long sheets of the dough. But what they found instead were flakes, which they toasted (Kellogg Company, 2007: Online). Although their original intention was not to produce cornflakes, personally I think that Guilford's model is still appropriate, just in a less obvious way. The divergent thinking here lies in the fact that unlike most people, they didn't throw the bad wheat away and rather decided to work with it. On a later stage they recognized the value of their findings and hence, learned how to use them.

This shows the creativity as stated by Guilford. He doesn't mention intelligence explicitly, neither the capacity of learning and reasoning nor the ability of recognizing important information and making links. Nevertheless it appears clear to me, that this is the basis of his whole concept of creativity. Without this kind of intelligence, the four steps stated above, especially the elaboration of ideas, become impossible.

### 1. 3 Creativity and entrepreneurship

Translated from its French roots, entrepreneur means "one who undertakes". The Oxford English Dictionary (2008) defines entrepreneur „a person who attempts to profit by risk and initiative“. Entrepreneurs do this by exploiting some form of change and shifting resources from an area of

lower productivity into an area of higher productivity and a higher yield (Burns, 2005: 7). The American psychologist Ellis Paul Torrance suggested that creativity is “ the process of becoming sensitive to problems, deficiencies and gaps in knowledge, missing elements, disharmonies and so on, identifying the difficult, searching for solutions, making guesses or formulating hypothesis and possibly modifying and retesting them; and finally communicating the results” (Glover et al, 1989: 116).

I believe that creativity as described by Torrance is one of the main challenges of an entrepreneur. Our day-to-day life is continuously exposed to changes, for example in technology, prices, demographics or sociological and cultural aspects. For entrepreneurs it is essential to deal with those alterations. In order to be successful they have to identify the opportunities of a shifting world, they should foresee them and might even be able to influence them. Thus it becomes clear, that without creativity entrepreneurship is unfeasible.

If we think of flourishing businesses operating in various sectors, creativity has always been at the bottom of their success and is still one of their main drivers. Without creativity Häagen Dazs, Ryanair, Apple, Dyson or Kelloggs would have no chance of survival. Later on, I will try to show how this can be incorporated efficiently and effectively in the management of an enterprise in order to advance.

For me creativity may be best described as the ability of seeing something which is not there, not yet, but might be, the capability of looking at one thing and seeing another, the preliminary stage to the actual act of creation:

As an artist imagines first the colors and shapes he wants to use in a painting, a scientist will have an idea related to a theory, even if indistinct and obscure, before he is actually able to grasp it. The same applies to an entrepreneur, who after examining the business environment, will try to find new ways to gain higher profits and sustain growth.

## 1. Creativity and innovation

### 2. 1 European Year of Creativity and Innovation

In 2009 the European Union launched the year of Creativity and Innovation. The goal was to raise the awareness of the importance of creativity and innovation “ for personal, social and economic development; to disseminate good practices; to stimulate education and research and to promote policy debate on related issues” (European Union, 2010: Online).

A series of debates were held and activities aimed to reach the public and to enhance the development of those skills, among children and young people as well as among adults since their minds and ideas represent the future of the European Union. It is hence widely understood nowadays, that creativity and innovation play a key part in driving a successful economy.

### 2. 2 Distinction between creativity and innovation

Very frequently, creativity and innovation are used in context and therefore often confused or substituted in a wrong way. Despite the fact that they are closely linked, the terms are not interchangeable synonyms. Therefore I want to emphasize very shortly the different meanings. According to the Oxford

English Dictionary (2008), innovation is “ the action or process of innovating; a new product, idea, method etc.”.

Mintzberg (1983) defines it as “ the means of breaking away from established patterns”. I have already tried to give a definition of creativity above and we can hence summarise that creativity is the capability of recognising a problem and thinking of novel, unprecedented, yet possible solutions, whereas innovation implies the realisation, the bringing into life, of these new ideas.

## 2. 3 Innovation, entrepreneurship and creativity

With regard to the distinction of creativity and innovation and we now have to focus on their connection: “ Creativity is the starting point whether it is associated with invention or opportunity spotting. This creativity is turned to practical reality (a product, for example) through innovation.

Entrepreneurship then sets that innovation in the context of an enterprise (the actual business), which is something of recognized value.” I agree with this statement by Bolton and Thompson (2000), especially when they point out that creativity is the basis of every kind of innovation (Burns, 2005: 248).

In 1991 Trevor Baylis came up with the design of a clockwork radio. He had been thinking about a possibility to broadcast Aids prevention to people in a country where there was no electricity and batteries were too expensive for the average population. However, he was not able to launch the product on the market. Only three years later, with the help of an entrepreneur, Christopher Staines, the production started and the radio was marketed (Burns, 2005: 247). This example illustrates very well that the difference

between invention and innovation and how entrepreneurship and creativity link them together.

Inventions must not necessarily lead to innovation. Invention has nothing to do with the commercial viability of a product, whereas the later has a very strong impact on innovation. Inventions are made by discovering new concepts or new associations of existing ones, whereas innovations have to do with spotting new market opportunities, those the entrepreneur looks for.

Inventions are not the only source of innovation – we can think of new materials, the opening of new markets, a new organization of the enterprise or the expansion of a product line. Out-of-the-box-thinking is essential for either of them. Moreover, we can find it everywhere in an organisation, in research and development as well as in the production or marketing department and creativity is always at its core. Without creativity, innovation is not possible.

### 3. Creativity and the success of enterprise

#### 3. 1 Freedom versus boundaries

“ The very essence of the creative is its novelty, and hence we have no standard by which to judge it.” – Rogers (1961: 351). Until a certain extent, Rogers may be right. There are no means of judging creativity and valuing its exact impact goes beyond our potentials. Still there have been attempts to allocate it with regard to its contribution to the success of an enterprise. One of the most widely used growth models was developed by Greiner in 1972 (Burns, 2005: 50). He splits the development of a business in five phases of growth – creativity, direction, delegation, coordination and



collaboration. Each one of these stages requires a particular style of management and is followed by a revolutionary period, a management problem, to be solved.

As growth in the first step comes through entrepreneurial creativity, the constant seeking of new opportunities leads to a crisis. The core of the business, its main focus, becomes increasingly unclear and this can only be overcome by leadership. Greiner points out one of the main problems with creativity. Novel ideas alone are not enough, they have to be bundled and implemented in the strategy of a business otherwise they result in chaos. I tend to think that this is one of the most difficult questions an entrepreneur has to face: How much freedom should he give to the individuals? How can this freedom be controlled?

A too centralized leadership might result in the loss of the creativity of the employees. Rather than just carrying out their job like benumbed machines, they should contribute to the development of a business and are often able to do this very valuably – depending on their position in the firm, their point of view differs from the one of the directors and hence they see many problems from a different, more practical perspective. On the other hand, an entrepreneur has to make sure that the direction is not dispersed and that the goals he sets are achieved without wasting an extensive amount of resources in order to obtain a competitive advantage over other enterprises.

### 3. 2 Creativity and the structure of enterprise

Glaxo Smith Kline is a British pharmaceutical company. It is the world's second largest pharmaceutical company by employees. However, its share

price reveals a company which is losing its touch with making innovations profitable. Reasons for this are the production of generic drugs by firms challenging patents and the enormous amounts of money it has to invest in research and development when it is becoming increasingly more difficult to discover pioneering new drugs (Burns, 2005: 256). In addition to buying drugs from smaller competitors and distributing them using its marketing power, Glaxo has been looking for other ways to address the problem.

On their homepage it promises new employees “ an environment where we value and draw on the differing knowledge, perspectives, experiences, and styles resident in our global community“. In other words it promotes an open-minded atmosphere in order to attract creative minds. Already in its job advertisements, it becomes clear that the company wants to encourage unconventional, divergent thinking and is not afraid of stimulating curiosity. Nevertheless it has been searching for an effective policy to limit this freedom. It has separated its research departments in six semi-autonomous units each with their own budget.

Each unit must manage research using commercial criteria and judge its investment decisions by the commercial return they make. As a result, Glaxo makes sure that the employees are motivated as the departments attempt to outperform each other as well as allowing each individual to play a more important role in a less centralized enterprise structure. On the other hand, in giving each unit a limited budget and evaluating their performance according to the profit they make, it reduces the risk that resources are not allocated reasonably or even wasted. In my opinion, this should be sufficient

to avoid complete anarchy and channel creativity efficiently when giving the different departments a large extent of independence at the same time.

Finally entrepreneurs should also consider how to deal with mistakes made by their employees. In an environment where there is the threat of severe punishment if something goes wrong, employees may be too frightened to approach problems from a new perspective and to quest for diversified solutions. However, companies should not enhance irresponsible actions either.

Consequently a compromise has to be found – similar to the relationship between freedom and barriers, entrepreneurs have to strike a balance between allowing failure and punishing irresponsibility, especially if this is connected to negligent thoughtlessness. Therefore I believe that every company needs some kind of reward system, which recognizes not only the employees' performance but also their behavior.

### 3. 3 Listening to the users

In addition to encouraging their employees' creativity, entrepreneurs should also learn to confide in their consumers. In their book "In the search of excellence – lessons from America's best-run companies" Peters and Waterman highlight that most top companies have in common that they are "better listeners" (1982: 193). According to them successful firms pay more attention to the market than do failures. Thus successful innovators innovate in response to market needs. They cite Eric von Hippel of MIT, who studied the source of innovations in the scientific instrument business.

He concluded that out of eleven major inventions he looked at, all came from users, 85% out of sixty-six major improvements came from users and out of eighty-three minor improvements about two thirds came from users. These findings may appear so overwhelming that one might observe that they are exaggerated. Nonetheless we can think of countless famous examples: The 3M's Scotch Tape was invented by a salesman. Levi's obtained the right to market steel-riveted jeans from one of its users. IBM developed his first computer only in collaboration with its lead customer – the Census Bureau.

A lot of companies like P&G and HP are constantly trying to get closer to their customers by involving the potential users directly in the development, offering green numbers for their complaints and suggestions, carrying out questionnaires or giving them in other forms the possibility to express their opinions. Effective companies see their customer as partners, instead of developing their ideas in a vacuum, they adapt them to the market and make hence sure that the user will be satisfied.

When Peters and Waterman stress the importance of listening to the user, they focus in particular on inventions and product development. However, I think that the same principle is valuable for the creative process in general. As the employee has a different point of view than the entrepreneur, the customers will enrich this vision. I am not suggesting that entrepreneurs should rely blindly on their users. On the contrary, this should encourage them to look at their business from a wider perspective, to distrust any simple, obvious answer and to consider divergent, innovative solutions instead.

#### 4. Conclusions

Creativity is a form of self-expression and hence fundamental for the individual wellbeing, but it contributes as well to economic prosperity. Entrepreneurs have the difficult task to incite their employees to look constantly for new pathways to improvement and then to identify worthwhile opportunities, which will increase profits in the future.

There may be innumerable different practices to do so, the most appropriate may not always be the most obvious one and it should always be chosen with the final targets or objectives in mind. This requires a broad field of vision. However, it can be taken as a rule of thumb that too many restrictions can never generate creativity. Excellence can only be achieved if we eliminate all apparently unambiguous certainties and hence disrupt the conventional way of thinking.

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