

Creativity and
innovation ??"
important in business
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Creativity & Innovation ??" Important in business today Prepared by Olivia Smith Master of Marketing, Swinburne University Melbourne 2009

Creativity The term ??? creativity??™ is very open to interpretation, which probably goes some way toward explaining why it is rarely understood and instigated in a business setting. Mednick (1962) painfully defines creativity as ??? the forming of associative elements into new combinations which either meet specified requirements or are in some way useful. The more mutually remote the elements of the new combination, the more creative the process or solution??™. In layman??™s terms: creativity is taking concepts and combining them to form something new and useful.

The more ??? out of left field??™ the new concept is, the more creative. This definition is a brave attempt at applying metrics to creativity, however, most noticeably, it neglects a key facade of the creative process which is creating something from nothing ??" concepts that demonstrate intrinsic originality. By its very nature, creativity (not unlike the term art), cannot be confined to a definition given to it by conventional business ideology. It is free and unbridled; it takes on many forms, and it cannot always be produced on demand.

To draw an analogy ??" creativity needs freedom like sex needs mood lighting. It??™s no wonder so many companies get it wrong. The most apt description of creativity I can offer is this: creativity is mental productivity; thinking that is productive in that it evolves a concept further. The reason it takes on so many forms is because mental productivity can be expressed or demonstrated in any imaginable way ??" through art, music, literature, technology, movement, mathematics, science ??" literally anything.

Creativity is the inception point of a host of more advanced forms it takes on ??" one being art, and another being innovation. You can??™t produce an innovation, without first thinking creatively.

Innovation Innovation as a term is much more commonly used in commercial discourse. MIT professor Ed Roberts defines innovation as ??? the embodiment, combination, or synthesis of knowledge in original, relevant, valued new products, processes, or services??™ (Harvard, 2003). Essentially this means to take an idea and make it into something of value ??" or, value creation. Appropriately, the Latin root of innovation is nova, or new (Harvard, 2003). Innovation can also take on various forms but all usually share the common vein of having commercial value. Most people have the view of an innovation taking the form of product or invention, but of course there are service innovations, production innovations, process and policy innovations, hiring, distribution, research methodology, marketing, networking, customer targeting innovations; an innovation is simply a creative idea that improves a situation or provides a benefit, which is then brought to reality. Once it??™s a reality, it becomes an innovation.

Systemising innovation Traditionally creativity and commerce have been compartmentalised by society as belonging to different schools of thought; creativity is bold and risky, free, fearless, abstract, and difficult to measure or define; whereas business has always been considered more of a science ??" careful, logical, ordered, calculated, based on facts and figures. Hence, trying to fit the practice of creativity into business constructs is not easy. If it weren??™t for the human element in business, there might have been little need for creativity and innovation, but the human factor adds

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variables which businesses are forced to work with or face underperformance, or possibly failure. This brings into the equation changing attitudes, tastes, opinions, environments, contexts, and eventually wants and needs. Successful businesses will routinely assess shifts in market conditions and make adjustments to their product or service offering accordingly.

Companies that innovate are on the front foot seeking out customer needs and wants that aren't being met. For those companies that aren't innovating, you can be sure their strongest competitors are and it's only a matter of time before their customers notice they're paying for an inferior product or service. Creativity and innovation are not only important in business today; having a competitive advantage relies almost entirely on the ability of companies to innovate. Most businesses are aware of this as a rule but fall remarkably short in making the jump from simply understanding its importance, to actually walking the talk. There are many well-known examples of innovative companies. 3M innovates by constantly morphing its product offering. It began in the abrasives business 100 years ago with sandpaper, then moved to adhesives, then to audio and video tapes, then to fluoromaterials, inks and pigments, software, data management the list goes on. 3M says it's their misplaced loyalty to what's worked in the past that allows them to take on a state of constant reform.

They say that companies who cling desperately to their past successes are making a mistake in doing so (Coyne, 2001). Google encourages innovation by giving all their engineers something called 20 per-cent time, which

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is time they can spend exploring their own ideas for the company. They call it curiosity-guided exploration and they liken it to how we think as a child when barriers of fear and negativity don't exist (Bharat, 2006). An ideas mailing list is set up for all employees to submit a proposal, and it has fast turned into an intellectual sparring contest (Elgin, 2005). Apple innovates by re-inventing products, developing new technologies in secret and launching products with a bang, to the shock of their competitors. Despite being in the business of computer manufacturing, they saw an opportunity to make software the primary technology for music, and proceeded to revolutionise the music industry with the iPod – perhaps the most influential electronic device of modern day.

When asked how they systemise innovation, Steve Jobs says there is no system. There are processes to make us efficient, but innovation happens in a conversation in the hallway, or when you call a colleague at 10.30 at night with a great idea (Business Week Online, 2004). It's about empowering people to think and communicate freely, and then it's about saying no to 1000 ideas to concentrate on the most important one (Business Week Online, 2004). Some of the most creative innovations are demonstrated among small businesses, because there is less bureaucracy and hence less resistance to change.

Small businesses also have more of a need to be innovative to compete with the big marketing budgets of their industry's big players. When Louis Salazar began noticing the customers of his undertaking company start choosing \$1000 cremations instead of burials (\$3000 – \$7000), he decided to take a different approach to funerals. He wanted to find ways to celebrate

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the lives of the passed individual, so he delicately interviewed customers about the dearly departed before presenting creative ideas on how to honor them. Five years on, he has held fully catered memorials on golf courses, brought personal items into their funeral home for services, even organised custom made jewellery etched with the departed??™s thumbprints (Alsever, 2009). The outcome was that whilst all his competitors were downsizing, his sales grew by 19% between 2007 and 2008 (Alsever, 2009). The problem in business today is that we are far too focused on continuous productivity to ever allow ourselves or our employees to think creatively.

Larger companies rely too heavily on what??™s worked in the past, choosing the ??? safe??™ path rather than taking the risk of exploring new opportunities: it is cheaper and easier (initially) not to innovate. Those companies who try to systemise innovation almost always fail because true creativity can never occur on demand. Whilst teamwork and collaboration is sometimes appropriate in furthering a creative concept, great ideas always begin with the individual. To draw from a personal experience, one of my clearest memories of having creativity demanded of me occurred about 6 months into a new job as Account Manager for an advertising agency. We had just landed a big campaign for L??™ Oreal and we had to come up with a catchy name for an online community we were building for them.

Obviously frustrated with her own mental roadblock, my Account Director called me into the boardroom for an impromptu meeting, pulled over a whiteboard and poised herself ready to begin scribing. She told me to start producing random ideas, and I did ??“ making every effort to not strive for perfection and just produce, but it was very difficult. I made an internal

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judgement of every idea before deciding whether to announce it, which meant every idea was safe and boring, and as she became more frustrated and impatient and I seized up more and eventually froze. I left the room thinking I was no longer creative and subconsciously made the decision never to put another idea on the table in that office. I did eventually but it took time to regain my confidence. In his book, *Free Prize Inside*, Seth Godin says that companies must realise that there is no risk-free innovation technique that always works, and that by trying to make innovation perfect, we cause it to disappear.

Godin believes that since the industrial revolution, we have been conditioned to think that productivity is the most important workplace performance measure there is, and that it comes back to a confidence issue. People like to be given instructions to follow because that??™s easy! As white collar workers, we behave as though we work on the assembly line because modern business systems have not evolved to encourage and accommodate innovation. The result of this is that innovative people actively seek out career opportunities within small organisations so that they might one day be able to execute some of their creative ideas. Alternatively they will go and start their own businesses. Godin??™s theory is that we begin learning to think like a factory worker from a young age; sitting in rows, following instructions, talking in turn; it??™s all a very strictly systemised procedure.

On the opposite end of the scale, renowned American choreographer Twyla Tharp believes that creativity must be ??? routinised??™ in order to be productive, and that creativity is all about hard work and practicality (Harvard Business Review, 2008). Tharp strongly negates any claim that <https://assignbuster.com/creativity-innovation-important-in-business-today/>

creativity is genetically determined, naming it an excuse for people to avoid hard work. In her work developing ballets, she is not concerned with originality, but rather focuses on productivity.

In her interview with a Harvard journalist (Harvard Business Review, 2008), she draws reference to Brahms, who couldn't write his first symphony until he was in his forties for fear of writing something that might be perceived as being similar to existing pieces by other composers. Tharp's view is that this signals arrogance opposed to modesty. When asked about failure, Tharp says that if you only do what you know, you won't fail, but you'll stagnate and that is failure by erosion. In her work, Tharp sometimes faces failure, and says that when she fails in public it is very painful, but that such failure is not useless. Tharp welcomes change; she pursues it. She says she creates habits to foster change, such as reading both words either side of the one she looks up in a dictionary, in case it sprouts an idea. She says fundamental change is an endeavour, and you make a choice to keep evolving and growing, it's not something that just happens.

Conclusion There is something valuable to be drawn from both Godin's and Tharp's theories on creativity. Whilst Tharp's opinion comes from the perspective of the individual, leaving group creativity unaddressed. From all accounts, it appears that the problem only exists when we try to make creativity a routine and group task. The question remaining is, when will the modern business model evolve to take on this next challenge Market saturation and constantly advancing technology make innovation the only key to commercial prosperity in this age. Where can new measures be

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integrated In HR, do we try and recruit entrepreneurs Or is it best to set up internal systems to capture creative ideas if and when they occur Businesses need to adapt to filter in the human element, and it comes down to nurturing the individual. Innovation comes from bottom-up when people are empowered through freedom and ownership.

As long as employees remain a number, leaders shouldn't expect to see any creative initiative. Godin's claim that people opt to protect their jobs by finding out and doing what is desired of them by their managers is correct, but management's reaction to this is to set more KPIs, which serves to perpetuate the problem. LIST OF REFERENCES

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