

Importance of creativity



Why is creativity an important aspect of business organization? Explain the major issues facing the manager in encouraging creativity in the organization and supporting creative people in order to improve performance. Creativity is an important aspect of business organization. This is particularly important as companies are facing continuous changes in the global economy.

Change is a continuously phenomenon which happens to the organizations both internally and externally that organizations need to make creative plans and reactions towards predictable or unpredictable challenges. The organizational environment has been changing rapidly. It is a set of forces and conditions outside the organization's boundaries that have the potential to affect the way the organizations operates (George and Jones, 2006, p. 157). An organization interacts with its immediate task environment and is affected by the general environment. The task environment includes the suppliers, distributors, competitors and customers, while the general environment includes forces that are economic, technological, sociocultural, demographic, political and legal and global.

The external environment has been becoming more turbulent as most companies are now competing in the global market where changes are not only common but substantial. Some changes are catastrophic such as economic depression and introduction of new technology. During poor economic times, managers may need to come up with creative strategy to reduce costs such as reducing the number of employees on the one hand, and to increase the motivation of the remaining employees. Managers may also need to identify ways to acquire and utilize resources more efficiently.

Technological forces can have profound implications for organizations that it can make established products obsolete.

Examples such as typewriters, black-and-white televisions, film cameras. The changes force managers to find new ways to satisfy customer needs. Other changes are more gradual such as demographic trends and sociocultural trends. For example, people have become increasingly interested in their personal health and fitness. PepsiCo used the opportunity presented by the fitness trend and took market share from Coca-Cola by being the first to introduce diet colas and fruit-based soft drinks.

On the contrary, tobacco companies came under intense pressure due to consumers' increasing awareness of negative health impacts from smoking. One prominent demographic force is the problem of aging population in most industrialized countries. It poses opportunities to medical and health care businesses on the one hand, but it is a threat to businesses whose products are mainly targeted at the younger customers. In addition to these external environment, organizations need to cope with changes in company culture, motivation of staff and relocation of production bases, etc. Hence, all organizations need to adopt some forms of creativity in any or all of their functional departments to cope with these continuous changes.

Creativity, as Proctor suggests, involves the breaking down of the existing knowledge base and restructuring it, and the coming up with new and different viewpoints on a subject (as cited in University of Leicester, 2007, p. 88). Also, Henry states that creativity is about the quality of originality which leads to new way of seeing and novel ideas. It is a thinking process

associated with imagination, insight, invention, innovation and ingenuity, intuition, inspiration and illumination. The related term innovation is usually used to describe the process whereby creative ideas are developed into something tangible, like a new product or practice. With creative ideas and innovations, organizations could become the market leader to penetrate new market and establish market share earlier than the competitors.

Hence, many organization leaders argue that creativity is the key to business success today. In order for the organization to well prepare for the changes, Alvin Toffler (as cited in University of Leicester, 2007, p. 0) talked about 'future shock' and discussed how organization should respond to these futures. He stated that finding innovative solutions requires imagination and creativity, while creativity is a necessary preliminary to innovation. Hence, creativity is important to the performance of organizations. Although creativity generally leads people to think of new products, we should not limit creativity in other areas such as new forms of organization, new markets, new production processes, that is anything new to the present organization structure, culture and functions of the organization.

Hence, some types of problems which require creative thinking are listed as follows. But there is limitless application of creative thinking (University of Leicester, 2007, p. 90): ? how to make more effective use of resources including management time, ? how to improve a product's appeal to customers, ? how to increase staff motivation, ? how to identify new business opportunities, ? how to improve the quality of production output, ? defining the vision/mission/objectives of the organization, and ? looking for a new organization of work flows. If an organization is able to make effective use of

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resources which has becoming more scarce and costly, such as the continual rise of oil prices, the organization will be able to create cost advantage over its competitors. Managers at Louis Vuitton, the most profitable luxury brand in the world, have succeeded in effectively using teams to produce luxury accessories.

Teams at Louis Vuitton are not only effective but truly excel and have helped to make the company a leader in the handbag industry (George and Jones, 2006, p. 373-374). Teams consist of 20 to 30 members at Vuitton. The teams work on only one particular product at a time.

Team members are empowered to take ownership for the goods they produce, are encouraged to suggest improvements and are kept up to date on key facts such as product selling prices and popularity. The goals are so organized that it helps to make every team member multi-skilled and autonomous as possible. By being involved in all aspects of the goods they produce, and having the skills and autonomy to ensure that all goods produced live up to the Vuitton brand name, employees take pride in their work and they are highly motivated. There are many issues facing the manager in encouraging creativity in the organization.

As the University of Leicester suggests (2007, p. 88), not all creative people are innovative, and not all innovative people are creative. It relies on the leader to encourage both factors so that both the individuals and the organization gain. Creative people are not inherently productive. In order to make them productive and generate new ideas and solutions to problems, they have to be managed.

The organizations need to establish an environment that promote create ideas. University of Leicester (2007, p. 98) suggests some principles associated with the management of creativity and creative people. It says that creative people need positive reinforcement and praise.

Positive reinforcement will provide creative people energy to pursue in creative ideas which usually takes a very long time frame. Second, creative people need to have new challenges continuously as they get easily bored. Technological companies such as Microsoft, Dell, Sony Ericsson, Nokia are continuously facing new challenges as the life cycle of technological products are very short due to continual launch of newer products to appeal to the technological fads. Third, creative people do not like to be told what to do. They need only simply briefing the directions of the organizations.

Fourth, creative people need sufficient mental space within which to think. Fifth, creative people need to know ‘ what’ to be achieved and they will work out their own creative solution, i. e. ‘ how’ to achieve the goal.

Sixth, creative people could be used as coaches, so that their enthusiasm could be used to affect those around them. Seventh, creative people might get lost of focus and limits should be set on them, such as time limits and deadlines, resources and decision-making authority. Moreover, the working environment is very important for the creative people to work in. As the products or services are targeted at meeting customers’ needs and wants, it is unreasonable not to expose creative people to the outside world.

For example, at IBM, 25% of researchers’ time is spent working outside the lab with customers (as cited in University of Leicester, 2007, p. 99). It

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enables the researchers understand the basic needs of the customers better. In addition, although financial incentives usually work to motivate employees' creativity at work, it is the culture of the organization which value creativity that actually motivates creativity.

If new ideas are always put aside as rubbish and creative people are being ridiculed for their unusual design, then even the most creative people will stop having new and good ideas. Furthermore, even the most creative people need time to think. Thomas Edison had failed thousands of times before finally making the light bulb, steam engine and other inventions. What had made him one of the greatest inventors for the industrial revolution was his curiosity in creating newer and useful things.

Without curiosity, drive and persistence, we would not have such a comfortable life as imagined two hundred years ago. On the other hand, the organization should be able to accept mistakes. As many products are developed and over 80 percent of them would fail in the introduction stage of the product life cycle, the organization needs to accept failures as a fact of life and help the employees to learn from their mistakes. One of the best environments for encouraging creativity is the creation of flexible multi-disciplinary teams. However, establishing such a flexible team culture is rather difficult and poses real challenges to managers.

Many organizations are functionally organized that the employees are expertise in their own field. Working in a cross-functional team structure requires employees communicate well and the presence of a leader who is able to ensure that each team member communicate and contribute. To

encourage creativity at the group level, organizations can make use of group problem-solving techniques such as brainstorming, nominal group technique and Delphi technique (George and Jones, 2006, p. 255).

Brainstorming is a group problem solving technique. Managers meet face-to-face to generate and debate a wide variety of alternatives from which to make a decision. It starts with one manager describing in broad outline the problem following with group members to share their ideas and generate alternative courses of action. No critics are to be allowed at this stage until all alternatives have been heard. After all alternatives have been generated, group members debate the pros and cons of each and develop a short list of the best alternatives. The nominal group technique is used to avoid production blocking in brainstorming.

It provides a more structured way of generating alternatives in writing and gives each manager more time and opportunity to come up with potential solutions. Delphi technique is a useful method to bring distant managers together to brainstorm. It is especially useful nowadays as many companies are globally organized. It starts with the group leader writing a statement of the problem and a series of questions to which participating managers are to respond. The questionnaire is sent to the managers and department experts who are most knowledgeable about the problem.

They are asked to generate solutions and mail the questionnaire back to the group leader. A team of top managers records and summarizes the responses and the results are sent back to the participants, with additional questions to be answered. The process is repeated until a consensus is

reached. Besides, there are a number of barriers to creativity within organizations.

Organizations which want to encourage creativity should be aware of these barriers. One of the barriers is the demand for conformity. Most people are generally risk-averse and do not want to be viewed as different from the others. This would stifle creativity especially in organizations with bureaucratic cultures in which individual conformity is usually rewarded.

Also, believe of one right answer is another barrier to creativity within organizations. If people are only considering for the right answer, it will inhibits them from thinking of the wide range of imaginative answers.

Answers are seldom right or wrong which actually depend upon context and perspective. It is better to consider some answers before coming up to the final decision. Also, it is better not to evaluate solution too quickly such as in a brainstorming exercise.

That is why people should not criticize until all suggestions are given in the brainstorming exercise so that the flow of ideas would not be stifled too early. Creativity requires people to have a questioning approach towards all problems. If there is a fear of challenging the obvious within the organization, people's creativity would have been stifled as they could not see things from different perspectives. They might also fear negative humiliating reactions from others that creative ideas are not spoken. Another obstacle to creative thinking is complacency that people do not have the time or tendency to learn new ways of thinking in high pressure or reactively oriented organizations.

In addition to these negative environments to creativity, the way people think would also block creative thinking. People tend to approach tasks based on their assumptions and experience and it is called conceptual blocks. There are four conceptual blocks to creative thinking. First, people become consistent to use their familiar ways of thinking over time that they use either the left or right side of the brain. People should be encouraged to do ambidextrous thinking, i. e.

, switch the way they think from one side of the brain to the other. The second conceptual block is called commitment. One type of commitment block is stereotyping. Stereotyping occurs when people consider the present based on their past experience. The other type of commitment blockage is ignoring commonalities. The famous example is the ' post-it' note that the employee's idea was initially disagreed with for its commonality.

If it was not the perseverance of the employee who gave samples of the prototypes to secretaries in the office to try, it would not have been one of the widest used office supplies. The third conceptual block is compression, which include artificial constraints and distinguishing. If the definition of a problem is initially defined too narrowly, it will constrain the creativity in the answer. Distinguishing means that there is inadequate filtering of irrelevant information.

The quality as well as the quantity of the information is very important in the decision-making process. In this information age in which a lot of information could be easily found through the internet, it is the leader's responsibility to ensure that the information available are complete, accurate, relevant and

comparable. Creativity does not come haphazardly but could be cultivated. Organization learning is recommended to improve the employees' desire and ability to make effective decisions. A learning organization is one in which managers do everything possible to maximize the ability of individuals and groups to think and behave creatively and thus maximize the potential for organization learning to take place (George and Jones, 2006, p.

251). Peter Senge has identified five principles for creating a learning organization. First, top managers must allow every person in the organization to develop a sense of personal mastery by allowing them to experiment and create what they want. Also, employees should be encouraged to use complex mental models to deepen their understanding of what is involved in a particular activity.

Team learning is considered to be more important than individual learning as many important decisions are made in subunits. Hence, group creativity should be promoted. Forth, a shared vision should be built so that all organizational members use a common mental model to frame problems or opportunities. Finally managers must encourage systems thinking and recognize the effects of one level of learning on another. For example, Wal-Mart has been pursuing global organization learning with success.

Managers at Wal-Mart use the lessons derived from its failure and successes in one country to promote global organizational learning. When Wal-Mart entered Malaysia, it believed that customers would like the one-stop shopping format. However, it was later found out that the Malaysians enjoy the social experience of shopping in a lively market or bazaar and hence

they did not like the impersonal efficiency of the typical Wal-Mart store. Then Wal-Mart has learned that it is important to design store layouts to appeal to the customers of each country in which it operates.

In a conclusion, as changes has become more rapid than ever, creativity is one of the keys to sustain competitive advantage over competitors.

However, many organizations are still too conservative in encouraging creativity on the one hand, and individuals are unable to break away from the old ways of thinking due to numerous psychological reasons on the other. Organization learning might be the answer in promoting group creativity in organizations. References: 1.

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