

What's stifling creativity at coolburst



What's Stifling Creativity At September 20, 2008 Case One Team Three

Pauline Respress, Denise Wilson, Matt Harden and Allen Linton Executive

Summary CoolBurst is a conservative company which undermines creativity in an effort to maximize production and control. The company values its traditional culture, has a "if it's not broken, don't fix it" philosophy, and does not view innovation as a normal part of business. By not capitalizing on the ingenious creations by Sam Jenkins and Carol Velez, CoolBurst missed the mark of the changing needs of its current and potential customers, and lost some of its market share to competitors.

Its' structure, culture, policies and practices, reward system and management style paralyze creative innovation and motivation. In order to lead change in an organization, managers need a clear vision and methodology that includes understanding his/her company, market, customers, and employees (Kelley, 2001). As CoolBurst's newly appointed CEO, Luisa Reboredo can transform the company into a learning and innovative organization by championing good ideas and providing moral support for her employees. A nurturing and innovative environment can be created by adjusting CoolBurst's culture of command, compartmentalization and control to an environment that welcomes new ideas and ways of doing things. The transformation should involve enriching the physical environment, improving internal communication, employing the right people, encouraging cross-fertilization of functional units, and implementing a rewards system.

Improving workplace practices and conditions can influence all three components of creativity: expertise, creative-thinking skills, and motivation.

<https://assignbuster.com/whats-stifling-creativity-at-coolburst/>

Luisa must also provide a new focus and encourage commitment by adjusting her management style to incorporate the six categories of managerial practices that affect creativity: challenge, freedom, resources, work-group features, supervisory encouragement, and organizational support. Table of Contents Executive Summary

. . . .

. . . .

.

.

.

. . . .

. . . .

.

.

.

. . . . 1 What's Stifling Creativity at CoolBurst •Structure . .

.

.

.

.....

.....

.....

.....

.....

.....

.....

.....

.....

•Culture

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.. •Policies & Practices . . .

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

. •Management Style

.....

.....

.....

.....

.....

.....

.....

.....

.....

..... •Reward System. .

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

..... 3 3 4 5 6 Changes Needed to Make CoolBurst a Learning and Innovative Organization •Enrich the Work Environment . .

.....

.....

.....

.....

.....

.....

.....

.....

... •Improve Internal Communication .

.....

.....

.....

.....

.....

.....

.....

.....

... •Employee the Right People ...

.....

.....

.....

.....

.....

.....

.....

.....

.....

. •Cross-Fertilization of Employees

..... •Implement a Reward

System 7 7 8 8 8

Successful Implementation of Changes Assess the Current Culture

- •Enrich the Physical
- Workplace •Create
- a Community of Interest
- ... •Employ a Diverse
- Workforce
- Cross-Fertilization of Employees
- •Challenge Employees with Stimulating Projects
- •Give Employee
- Autonomy
- Create a Department of Research &
- Development •Provide Supervisory
- and Organizational Support
- Recognize & Reward
- Employees 9 10 10
- 11 12 12 3 13 14 14 Conclusion
- 16
- References
- 17 What's Stifling Creativity at CoolBurst? CoolBurst is a
- conservative company that undermines creativity in an effort to maximize
- production and control. The company values its traditional culture, has a “ if
- it's not broken, don't fix it” philosophy, and does not view innovation as a
- normal part of business. By not capitalizing on the ingenious creations by
- Sam Jenkins and Carol Velez, CoolBurst missed the mark of the changing
- needs of its current and potential customers, and lost some of its market
- share to competitors. Its' structure, culture, policies and practices,
- management style, and lack of a reward system paralyze creative innovation
- <https://assignbuster.com/whats-stifling-creativity-at-coolburst/>

and motivation. Structure CoolBurst has been an independent company since 1975 and retains much of its old organizational culture and traditions. The company has operated on the same formula until its inception and fails to progress with the changing needs of society and its customers. It primarily focuses on producing its current products instead of creating new and improved products. Culture CoolBurst has a non-diverse workforce of 200 employees who joined the company after high school or college. Even Garth LaRoue, the company's former CEO, had worked at CoolBurst during his entire career. Since CoolBurst is basically the only place that the employees have worked, they do not have a diversity of knowledge, skills and expertise to create new ideas. They are satisfied with the company's traditional culture, and do not have a fresh perspective on solving problems from new angles. CoolBurst does not welcome and support new ideas. New ideas are met with skepticism instead of open minds and exploration of reasons to make the ideas work. For example, when Sam Jenkins approached Roger Blatt, Director of Distribution, about opening up new channels for distributing CoolBurst drinks, Roger gave many reasons why the ideas would not work. Blatt's final word, " If it ain't broke, don't fix it. " This type of management kills employee morale and intrinsic motivation, and forces them to seek other employment opportunities where their talents are appreciated and utilized. Since Sam's creative techniques were not appreciated and did not fall in line with the company norms, he left the company for a start-up competitor and took Mango Tango with him. Policies & Practices CoolBurst's formal office environment hampers creativity and excitement. Research has shown that formal dress codes may inhibit creativity and innovation. The small, formal, and nondescript offices present a dull, un-lived-in feeling that

<https://assignbuster.com/whats-stifling-creativity-at-coolburst/>

drain energy and creativity. " Open space is a requisite if you want to drive creativity. Walls are walls. Privacy is incompatible in a creative business setting. (Weis, 2001) Office politics and infighting undermine creativity and expertise. Sam rubbed some colleagues the wrong way when confronting them about their assumptions and methods of operations. Most employees considered him a trouble maker who did nothing but try to change things and challenge them to " think outside the box". Many were offended, confused, and questioned " what box is he talking about? " Also, no one at CoolBurst argues. Healthy conflict is vital in an innovative organization. If no one ever questions the way things are done, then things will become stagnant and never evolve. Management Style Senior management is satisfied with its traditional culture and has no enthusiasm for anything new, unless the company is regressing in market share or revenue. For good reasons, management has the attitude that " We've been successful over the years by doing things this way, so why should we change? " For over a decade, CoolBurst has been the most successful juice maker in the Southeast. Practically every school in Alabama, Florida, Georgia, and South Carolina has a CoolBurst vending machine in its cafeteria. Thousands of restaurants list CoolBurst's drinks on their menus. The company has grown steadily over the years with annual revenues of \$30 million. Despite its growth, CoolBurst's revenues remain stagnant and have not increased because the company has not attracted new customers. Even though a half dozen start-up companies recently began venturing into the drink business in the Southeast, none of them have made a noticeable dent in CoolBurst's market share in schools and restaurants. Being complacent with its current market share of restaurants and schools, CoolBurst spends minimal funds on

<https://assignbuster.com/whats-stifling-creativity-at-coolburst/>

advertising, developing and marketing new products, and attracting new customers. Management undermines autonomy and micromanages employees; thereby stifling creativity, morale and performance. For instance, Carol Velez and Sam Jenkins were shouted out of Garth LaRoue's office when they presented their four new flavor creations. He was outraged at their unauthorized use of time and practically fired them both. This type of management behavior creates a climate of fear and kills the possibility for any new ideas. This is proven by Velez stating, " Why bother to come up with new ideas when management shoots down everything? You can't do anything different in this company. Everyone gets hysterical. " (Wetlaufer, 1997) In Douglas Paul's article, the Pitfalls of Micromanaging (2008), he describes how micromanaging employees creates resentment, making employees feel disrespected and distrusted. Management does not view innovation as a normal part of business. When Jenkins brought in an advertising agency to help with creating a new vision for the brand, LaRoue lashed out at the account executives' creativity-enhancement exercise, called it a waste of time, and stated that the employees should be back at their desks working. Hands-off management shows employees that management does not care about them. Reboredo tasted and liked Mango Tango and the other four drinks. Instead of defending the concepts, she made no effort to rally support for the new flavors, to build alliances, or to convince the CEO of the products' value. Reward System Steve Jacobs, CFO King & Spalding LLP, often says " only that which is rewarded will be done. " Management at CoolBurst does not provide extrinsic or intrinsic motivators for pioneering ideas. There are no extrinsic rewards such as bonuses and extra raises for new ideas. Management's rejection of creative ideas by its

<https://assignbuster.com/whats-stifling-creativity-at-coolburst/>

employees diminishes intrinsic motivation – their internal desire to create ideas for the betterment of the company. Not providing sufficient recognition and rewards for creativity spawn negative feelings because employees feel that they are used and unappreciated. Changes Needed to Make CoolBurst a Learning and Innovative Organization In order to lead change in an organization, managers need a clear vision and methodology that includes understanding his/her company, market, customers, and employees (Kelley, 2001). As CoolBurst's newly appointed CEO, Luisa Reboledo can transform the company into a learning and innovative organization by championing good ideas and providing moral support for her employees. A nurturing and innovative environment can be created by adjusting CoolBurst's culture of command, compartmentalization and control to an environment that welcomes new ideas and ways of doing things. The transformation should involve enriching the physical environment, improving internal communication, employing the right people, encouraging cross-fertilization of functional units, and implementing a rewards system. Enrich the Work Environment Subtle changes to the design of CoolBurst's physical workspace and formal work attire will engage creative interests of its workforce.

Improve Internal Communication No one at CoolBurst argues. The employees are afraid to engage in healthy conflict and debate which are vital in an innovative organization. Like Sam Jenkins, Luisa should encourage CoolBurst's employees to engage in productive debate. Healthy debate should not be seen as attacking the person, but rather exploring new ideas and ways of doing things. All employees must feel safe to question the ideas and practices of others. In high performing organizations, healthy conflict and productive debate are a part of the normal environment and are not

perceived as a negative confrontation. Employ the Right People Employing the right people is crucial to a company's success and survival. CoolBurst needs a diverse workforce of employees who have different sets of skills, competencies, and perspectives. A diverse workforce can be created by attracting and hiring new employees, matching the right people to the right jobs, and encouraging professional development of knowledge and skills. Hiring new employees provides a fresh perspective of how to do things. Matching the right people to the right jobs makes the most of their expertise, creative-thinking skills, and intrinsic motivations. Cross-Fertilization of Employees Cross-fertilization of employees from different functional areas and levels in the company bring together a greater sum of competencies, perspectives, and energy to the effort. Luisa should create a team of researchers to work on marketing strategies and product development which will be beneficial to the company. Along with creating a new team, CoolBurst employees should receive training on how to incorporate the principles of inclusion of ideas and opinions of their colleagues into their daily work activities. Implement a Reward System The article "Enhancing Creativity: Enriching the Organization and Workplace" suggests that creativity flourishes in the presence of a reward system that encourages individuals to stretch beyond the normal bounds of work. Motivating rewards can be either intrinsic or extrinsic. Intrinsic rewards appeal to a person's desire for self-actualization, curiosity, enjoyment or interest in the work itself. Extrinsic rewards appeal to a person's desire for attainment that distinct from work. Successful Implementation of Changes As CoolBurst's new CEO, Luisa Reboredo is in the optimal position to direct the company into an environment that embraces learning and innovation. By assessing

<https://assignbuster.com/whats-stifling-creativity-at-coolburst/>

CoolBurst's culture and modifying her management style, Luisa can "influence all three components of creativity: expertise, creative-thinking skills and motivation" (Amabile, 1998). As Teresa Amabile suggested in article, How to Kill Creativity, Luisa can improve workplace practices and conditions at CoolBurst by incorporating the six categories of managerial practices that affect creativity into her management style: challenge, freedom, resources, work-group features, and supervisory and organizational support. Creativity can even be inspired by making subtle changes to the physical work environment, creating community of interests, hiring a diverse workforce, and cross-fertilization of employees.

Assess the Current Culture

The first step to changing CoolBurst into an innovative and learning environment is to assess its current culture. Luisa can assess CoolBurst's culture by questioning its method of operations, hiring an outside consultant, obtaining recommendations from customers and suppliers, and reading articles about CoolBurst to gauge public perception of the company. Also, observing the behaviors, and interviewing and listening to her employees can provide insight into the company's culture. By following Luisa's lead, employees may become comfortable questioning the company's method of operations and share their creative ideas of how to make the company grow.

Before Luisa can change CoolBurst's culture, she must envision a new direction for the company and decide what she wants it to look like in the future. The company's mission, vision and value statements may need to be revised to support Luisa's vision.

Enrich the Physical Workplace

Luisa can engage creative interest of her workforce by making subtle changes in CoolBurst's formal work attire and physical work space. Changing the work attire from formal to business casual allows employees to be comfortable,

<https://assignbuster.com/whats-stifling-creativity-at-coolburst/>

feel better and do better work. Allowing employees to enrich their offices/cubicles with inspiring music and colorful decorations encourage them to lighten up and be creative. Designing work spaces that support co-location of teams also enhances creativity. Teammates whose workspaces that are conveniently close tend to communicate easier and share ideas. The redesigned workspaces should be open without many walls which is conducive to teamwork. Redesigning workspaces will be costly but will have a tremendous pay off in the end. Create a Community of Interest Employees should be encouraged to stretch their imagination. Imaginations can be sparked by communities of interest and free-flow of information as employees tap sources of knowledge from their colleagues. (Harvard Business School Press, 2006) Free-flow of information can be encouraged through co-location of team members, joint work sessions, think tanks, brainstorming sessions, weekly brown-bag lunches, and war rooms in which teams can meet, plan, share information, debate and display competing products and ideas. During the creativity empowerment sessions, employees should engage in the “ four ironclad rules that facilitate creativity: withholding judgment, freewheeling, generating a quantity of ideas, and hitchhiking on the ideas of others. ” (Hughes, 2003) Bringing in outside experts to share their know-how via lectures, workshops, and team building activities also stimulate innovation. Employ a Diverse Workforce Recruiting and retaining a diverse workforce that stimulates creativity is a challenge and an opportunity to change CoolBurst into an environment that embraces innovation and change. CoolBurst can recruit and retain a diverse workforce by: odeveloping relationships with university placement officers, recruiters, headhunters, executive search firms, and employment placement agencies.

enabling employees to participate in industry related professional associations, conferences, and tradeshow where they are likely to meet candidates. Watching on-line job boards for resumes of potential candidates. Placing job announcements in magazines and on web sites of industry related professional associations. Soliciting possible candidates from its competition. Using the internet to post employment opportunities on CoolBurst's web site, classified ads in newspaper, and commercial web sites such as Monster. com. Involving current employees in the hiring process who can recommend, assist with reviewing resumes, and help with interviewing potential candidates who fit within the company. (Heathfield, 2008) To ensure that her staff is composed of employees who are committed to CoolBurst and ready to "hit the ground running", Luisa should first consider retraining and promoting her in-house staff. Providing promotional and lateral opportunities for current employees positively boosts morale and creativity, and makes current employees feel that their talents, capabilities, and accomplishments are appreciated. CoolBurst can also develop a diverse workforce through implementing a tuition reimbursement program (TRP). A TRP will encourage employees to enhance their knowledge and skills by pursuing higher education in areas related to their job. Also, a TRP will help foster employee job satisfaction, improve creativity and productivity, and contribute to the overall success of the company. Cross-Fertilization of Employees Cross-fertilization of functional units identifies and cultivates innovative talents of employees. Creating a cross-functional community of employees - administrative support staff, marketing, research and development, distribution, sales, public relations, human resources, etc. - ensures that no hidden talent is overlooked because all employees have

<https://assignbuster.com/whats-stifling-creativity-at-coolburst/>

ideas of how even the smallest changes can have the greatest impact. Mutually supportive work groups encourage diversity of skills, perspectives, and backgrounds which are essential to creativity. Teams comprised of people with various intellectual foundations and approaches to work often produce an abundance of exciting and useful ideas. “ For diverse work groups to be effective, all team members must be excited over the team’s goal, display a willingness to support their teammates through difficult periods, and recognize the unique knowledge and perspective that other members bring to the table. ” (Harvard Business School Press, 2006) Each employee should be assigned to a cross-departmental team that participates in monthly team building and brainstorming sessions. Challenge Employees with Stimulating Projects

Of CoolBurst’s 200 employees, many of them are full of potential and creative ideas that will propel the company into an innovative environment. Luisa should tap into the skills of her employees by challenging them with assignments that stimulate their minds. Creative people work for the love of a challenge and crave the feeling of accomplishment. Employees should be encouraged to challenge their own perceptions of CoolBurst’s products and processes. Reborredo must find people like Sam Jenkins and Carol Velez who are passionately interested in taking on the challenges of CoolBurst’s business and culture. Give Employees Autonomy Giving employees autonomy and freedom around processes heightens their intrinsic motivation and sense of ownership, and fosters creativity. Freedom allows people to approach problems in ways that make the most of their expertise and creative-thinking skills. Although autonomy is valued, management must periodically check on their employees to see that their work is directed toward the overall goals and

<https://assignbuster.com/whats-stifling-creativity-at-coolburst/>

that they have adequate resources. Luisa should also encourage her employees to have fun at work, be more creative, and take breaks during the day. Play provides a fun and risk-free means of seeing things from a fresh perspective, learning without constraints, and exploring without fear. Encouraging employees to favor creativity over the status quo enables them to step out of their usual mode of thinking and working. " (Weis, 2001)

Employees' minds and creative juices are stimulated when they are allowed to take a break from work by attending professional meetings, conferences, trade shows, field trips, and visiting customers and benchmarking partners. Create a Department of Research & DevelopmentCoolBurst cannot afford to lose another creative and talented employee. Luisa should create a new Department of Research & Development and promote Carol Velez as the department director/manager and ask Sam Jenkins to come back to CoolBurst. Rehiring Jenkins would start a trend toward hiring the kind of people needed to revitalize CoolBurst. Luisa and Carol should jointly create a departmental vision that focuses on fresh perspectives on new and improved product development. Carol should also be allowed to hire ten employees whose skills and talent mirrors her passion for creativity and innovation. Hiring a balance of new employees and current employees from various departments within CoolBurst will promote diversity of expertise and ideas. Carol's and Sam's ingenuity to create tasty and marketable drinks will lead CoolBurst into a marketable advantage over its competition. Provide Supervisory and Organizational Support Supervisory encouragement and hands-on management influence creativity because employees feel a sense of ownership and competence in their work, and that their contributions matter to the organization. Luisa should serve as a role model by " rolling up

<https://assignbuster.com/whats-stifling-creativity-at-coolburst/>

her sleeves and delving into the real work of her subordinates. The next time someone creates a new product or suggest improvements in processes, Luisa should celebrate the breakthroughs and ensure that all company employees work together to see if the idea can work. This technique sends the message that: we are all on the same team, striving toward the same goal of providing a superior product. Employees have a greater assurance that their contributions are appreciated when their boss thoroughly understand and respect the work they do -because he/she has actually done it. They will also have more faith in their boss' decisions and support. (Florida and Goodnight, 2005) Also, supervisory involvement ensures adequate allocation of resources, such as time, money, support from colleagues, and physical space that are needed to enhance creativity. Organizational support encourages employees and teams to collaborate and seek support from all units within the company. New employees and novices should be paired with the most experienced workers. DeGraff's and Bacevice's (2006) " see one, do one, teach one" approach to innovation ensures that " upperclassmen are expected to assist their junior colleagues in developing their latent abilities. Leading innovation in any company requires that your master innovators train your novices, who overtime, become your next generation of master innovators. " Recognize & Reward Employees " Employees who feel that their expertise is recognized and appreciated are intrinsically motivated to exercise their creative-thinking skills. They engage in their work for the challenge and enjoyment of it. " (Amabile, 1998) To foster creativity and growth at CoolBurst, Luisa should implement extrinsic and intrinsic reward systems that are appropriate and desirable. An intrinsic reward system can be based on recognition, control, celebration and rejuvenation. (Harvard

Business School Press, 2006) Individual and/or group achievements can be recognized with a plaque, public announcement in the company newspaper, certificates, etc. Allowing employees to participate in decision making processes and giving them resources to carry out a project are excellent control rewards. Having a party to celebrate the successful launch of a new product or service acknowledges the work of all employees within the company. Providing employees with a day-off work or away from their desk allows them time to rejuvenate and refresh. Extrinsic rewards appeal to a person's desire for attainment distinct from work itself such as a financial bonus, promotion, or stock options. Luisa should include creativity in employee performance evaluations. Employees should receive extra raises or bonuses for their creative ideas that are implemented. While there are pros and cons to extrinsic rewards, if administered properly, they can inspire creativity and innovation. Conclusion There are no short cuts to innovation. CoolBurst can be ushered into a more competitive company by applying practical principals that embrace creativity and new ways of doing things. As the company's new CEO, Luisa Reboredo is in the optimal position to take risks and completely overhaul CoolBurst's culture and transform it into an organization that stimulates creativity. However, she must bear in mind that the current environment has been established by herself, her colleagues and predecessors over a long period of time. Most certainly, Luisa will experience skeptical resistance from some of her conservative colleagues. Resistance can be overcome by achieving employee buy-in when they are involved in the suggestion and decision making processes. Instead of giving in to resistance, Luisa should focus on things that really matter, such as hiring the most talented employees, getting them out of their comfort zones, and

<https://assignbuster.com/whats-stifling-creativity-at-coolburst/>

providing them with resources and an environment that they need to thrive. Since behavior breeds behavior, as Luisa changes her realm of thinking and management style to inspire innovation, her employees are sure to follow.

References Amabile, T. M. (Sept. –Oct. 1998). How to Kill Creativity. *Harvard Business Review*, 77-87. DeGraff, J. and Bacevice, P. (Sept. 1, 2006). Making Innovation Work in Your Workplace. Retrieved on September 5, 2008 from <http://www.careerjournal.com/hrcenter/astd/features/20060901-astd.html>.

Florida, R. and Goodnight, J. (July-Aug. 2005). Managing for Creativity.

Harvard Business Review, 125-131. Harvard Business School Press (2006).

Creativity and Creative Groups: Two Keys to Innovation. Excerpted from *Managing Creativity and Innovation*, Chapter 6, Boston, MA. Harvard

Business School Press (2006). Enhancing Creativity: Enriching the

Organization and Workplace. Excerpted from *Managing Creativity and*

Innovation, Chapter 7, Boston, MA. Heathfield, S. M. (2008). Top Ten Ideas

for Recruiting Great Candidates. Retrieved on September 16, 2008 from

<http://humanresources.about.com/cs/recruiting/a/candidatepool.htm>.

Hughes, G. D. (Summer 2003). Add Creativity to Your Decision Processes.

The Journal for Quality and Participation, 5-13. Jacobs, Steve (2008). Chief

Financial Officer of King & Spalding, LLP. (Interview) Kelley, T. (2001). *The Art*

of Innovation. New York, NY, Double Day. Paul, D. (2008). *The Pitfalls of*

Micromanaging. Retrieved on September 10, 2008 from [http://www.](http://www.fastcompany.com/blog/douglas-paul/dig-deeper-reach-higher-be-great/pitfalls-micromanaging)

[fastcompany.](http://www.fastcompany.com/blog/douglas-paul/dig-deeper-reach-higher-be-great/pitfalls-micromanaging)

[com/blog/douglas-paul/dig-deeper-reach-higher-be-great/pitfalls-](http://www.fastcompany.com/blog/douglas-paul/dig-deeper-reach-higher-be-great/pitfalls-micromanaging)

[micromanaging](http://www.fastcompany.com/blog/douglas-paul/dig-deeper-reach-higher-be-great/pitfalls-micromanaging). Weis, R. (Feb. 2001). How to Foster Creativity at Work.

Training and Development, 61-65. Wetlaufer, S. (Sept. –Oct. 1997). What's

Stifling Creativity at CoolBurst? *Harvard Business Review*, 36-51

<https://assignbuster.com/whats-stifling-creativity-at-coolburst/>