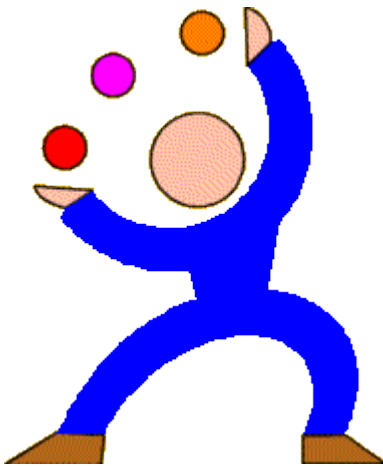


## Encouraging Organizational Creativity and Innovation

By Emmanuel Agbor



Peter Drucker said that innovation would be the core competency of the 21<sup>st</sup> century and that organizations that want to be 21<sup>st</sup> century leaders needed structures and processes that would evolve to accommodate the reality of constant innovation. In the 21<sup>st</sup> century, organizations must innovate or become obsolete. This is because we live in an era of such rapid change, evolution, and increasing global competition, that for any organization to remain viable, its leaders must work continuously to develop the capacity for frequent adaptation and transformation.

These leaders can successfully encourage organizational creativity and innovation by how they work to create a more conducive environment that allows creativity to flourish. The leaders can do this by how they encourage and manage diversity in the organization and how they design the organization to foster development of creativity in the organization. This is because the way an organization is designed can affect the creativity and development of that organization. For example, highly functional, hierarchical and command and control organizational structures tend to produce less creative organizations than a more organic and flexible one.<sup>1</sup>

### Removing Barriers to Creativity

Some organizations are failing today because they are not creative enough to compete in the changing world of the 21<sup>st</sup> century. Such organizations have many barriers that stifle their creativity and effectiveness. These organizations need creative and innovative leaders who will help provide a conducive climate that will encourage organizational creativity. However, before leaders can encourage and nurture creativity, they must first identify and remove the barriers to creativity.

Excessive bureaucracy is one barrier to creativity that organizations face. Sometimes formalities and protocol in the organization stifle creativity. Frequently, once organizations have established certain systems, it becomes difficult to change. Organizational rules, regulations and procedures can become ends by themselves and stifle the organization. When this happens, employees could simply apply the rules without much thought. Even though organizations need procedures to function smoothly, yet, the danger is that rules can stifle creativity and innovation and inhibit new ideas. Therefore, leaders must be open-minded to accept new creative ideas and must empower employees to bend the rules when it serves the best interests of the customers or organization.<sup>2</sup>

Some organizations tend to discourage new ideas and in so doing discourage people from being creative. People will stop being creative when they feel that their ideas are not important. Therefore, leaders must help create an environment that welcomes and evaluates new ideas on their merits. General Electric's CEO, Jack Welch Jr., wrote the following statement in GE's 1989 Annual Report: "We want GE to become a company to which people come to work every day in a rush to try something that they woke up thinking about from the night before".<sup>3</sup> Attitudes like this encourage the employees to be creative.

In some other organizations, there is lack of incentives for new ideas. Many people work not just for money but simply to get recognition for a job well done and to feel some inner satisfaction about their work. When employees do not receive any recognition and appreciation for their work, they will not maintain sufficient morale to give their best. When this happens, employees would continuously reduce their commitment to the organization, which would directly discourage them from being creative. Therefore, organizational leaders must provide a sense of belonging and friendly and inclusive working conditions for their workers. Ultimately, workers feel secure when they feel and see themselves as "accepted members" of the organization.<sup>4</sup> As a result, the social structure of the organization can help workers obtain the recognition, security and satisfaction, which bring out their best creative selves and encourages them to use their unique personal abilities and experiences to work for the attainment of the organization's objectives.

Resistance to change is part of the culture of some organizations. In some organizations, new ideas have no chance because no one in the organization would listen to them. Frank Sonnenberg and Beverly Goldberg believe that the most difficult roadblock of creativity to overcome is an organizational culture that militates against creativity and innovation.<sup>5</sup> This culture rejects change of any kind and fosters the belief that the way the organization did things in the past is the way it should always be. The motivations for such behavior are usually fear of failure, organizational politics, and uneasiness with anything new or different. Leaders must encourage the followers to question why the

organization does things in a particular way, and frequently ask whether an alternative might be better.

Some organizations create an environment that fosters fear of failure. This strengthens the fear of making a mistake that leads to the fear of taking risk, the fear of getting it wrong or losing face. Leaders can remove such barriers by treating mistakes as part of the learning process and not punishing followers who try new ideas that did not succeed.

In addition, the leadership style employed by the organization leaders can either encourage or stifle creativity. Leaders can hinder creativity by leading in a style that kills ideas prematurely, discourages risk taking and experimentation, and inhibits feedback. Ashkenas, Ulrich, Jick & Kerr stress that successful organizations have discovered that shared and collaborative leadership, rather than heroic management, is what unlocks the potentials of the organizations.<sup>6</sup> Organizations that operate from the authoritarian, and command and control model where the top leaders control all the work, information and decisions, tend to produce employees that are less empowered and less creative. This is because the leader would not give them the opportunity to be creative.

### **Effect of Organizational Design on Creativity**

David Nadler and Michael Tushman describe organizational design as the process by which an organization aligns its structure, processes, reward systems, and other features to support the organization's strategic intent, identity and capabilities. They propose that the ultimate goal of design is to use creatively the structural material and technology to transform the organization and unleash its competitive strength.<sup>7</sup>

Today's successful organizational leaders recognize that they live in a "turbulent competitive environment" and they need to find new, flexible, and adaptive forms of managing today's organizations. As a result, there is greater need for creativity and innovative design today because organizations have to redesign frequently due to the constant change in the environment. Today, leaders realize that how organizations are designed affects the creativity and innovation of that organization and that they can use design to encourage creativity and innovation in their organizations. However, not all designs encourage innovation in organization. Sometimes, particular types of organizational structures and processes can interfere with the creative development of an organization. For example, highly functional and bureaucratic organizational structures tend to stifle organizational creativity. Therefore, to encourage innovation, organizations need open and adaptive systems that allow ideas and work to flow quickly and seamlessly throughout the organization and with the external environment.

## The Need for Diversity

Diversity lies at the heart of an organization's ability to innovate. Leaders help encourage organizational creativity in organizations by creating a more conducive environment that encourages diversity. Where there is true diversity in an organization, it becomes easier for innovative solutions to take place because according to Edwards, the presence of dissimilar mindsets in the workforce enhances creativity, flexibility, problem solving, and innovation in organizations.<sup>8</sup> When people with diverse backgrounds and talents join an organization, they tend to inject new ideas and challenge the organizational mindsets.

Moreover, because today's environment is very complex, filled with many intertwining and diverging interests and issues, it is impossible for just a few people to provide all the ideas that the organization needs. Therefore, the solution is for leaders to get everyone's unique perspective so that together the organization can create a rich variety from these various unique perspectives.<sup>9</sup> In other words, organizations must not depend on a lone genius to invent all the ideas for the organization. Rather, everyone in the organization should have the opportunity to produce good ideas and have some rewards and recognition for it.

Besides, there are new kinds of employees today who do not want their employers merely to tolerate their differences in the work place, but they want inclusion and appreciation for what they bring to the organization in terms of their abilities and their spiritual, cultural, and personal uniqueness. For example at Southwest Airlines, listening authentically to employees is a core value and a critical environmental support for continuous innovation because the leaders at Southwest believe that as soon as one stops listening, one stops getting ideas.<sup>10</sup>

In essence, the creativity of an organization depends on how the leader designs the organization and creates the environment that allows creativity to develop. It can also depend on how they encourage and manage diversity in the organization. The leader can do this by redesigning the functional, hierarchical and command and control organizations into more organic and flexible ones. However, before leaders do this, they must first identify and remove the barriers to creativity by removing excessive bureaucracy in the organization, increasing incentives to employees for new ideas, controlling resistance to change, and encouraging shared and collaborative leadership in the organization. Ultimately, organizational creativity cannot happen without the people of the organization. Therefore, for creativity and innovation to take root in any organization, the leaders must treat people with respect and dignity and allow them to own the organizational process.

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