



INNOVATION AND CREATIVITY MANAGEMENT

Training material

Part 1

INCONEXT PROJECT

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Introduction

The first attempt to define creativity is based on the dictionary definition of creativity which is defined as the ability to "create something" or "made out of nothing." If this means a theoretical explanation of creativity is closely linked to the human ability to create something new and the grounds, first, the power of imagination as the ability to create a real thing and, second, the development, imagination perceives the thing as yet unknown.

Generally, the words "new", "proper" and "acceptable" are a widely used definition of creativity and can be found in the literature. Thus, according to these definitions creativity is a new, appropriate and acceptable concept, created by individual people or small groups of people.

Unlike creativity, innovation usually is associated with the implementation of creative ideas in the organizational context. Thus, individual and team creativity is a source of organizational innovation. In addition, it is important to distinguish creativity and innovation. Creativity is typically used to describe new ideas, attitudes, or creation of new activities. Such an innovation is the development of creative ideas which are used in a particular context. Therefore, in the organization, the word "innovation" is often used to describe the process by which an organization creates creative ideas and turns them into new, useful and viable commercial products, services and business practices. Further, the word "creativity" refers only to individuals or groups that have and implement new ideas. This is important in the process of innovation.

Companies and organizations need to innovate constantly. In order to be competitive, they must be innovative and creative. Creativity and innovation are not the only drivers for success, but the one of the essential features. This is the economic, social and political context of nowadays reality. But what is creativity? Is it accurately defined and managed? Do we encourage or limit our creative potential by setting the specific ways to become creative? Is it possible to measure and assess creativity?

In this training material all these and many other aspects are discussed in a concentrated and brief manner. Creativity involves a wide range of aspects. This material is designed to focus on the creativity in the working environment. There are many factors that promote the creativity of employees, but there are also a lot of barriers that restrict it.

Generally speaking, when an organization has a systematic approach to creativity, it thrives in all directions - from top to bottom and along all functional units. People and their teams generate "fresh" ideas that become commercially successful products, services or processes. Furthermore, creativity is not a privilege of only large businesses (giants). Every day people get thousands of ideas that are valuable to them and also these provide a base for significant creative breakthroughs.

Creativity has been studied based on different perspectives and is important in many contexts. Most of them are not consistent, making it difficult to form a

clear and unified view about creativity. In addition, during the past 50 years, in order to understand it, a lot of investigations which revealed its' typical complexity and "mystery" were carried out.

In this material, developed during the European funded project INCONEXT, managers and workers of SMEs and public sector organizations are provided with the practically tested methods and innovative measures to encourage creativity and innovation. The ability of organizations to successfully manage creativity will help them to create new growth and more competitive future opportunities. The material is designed by international partner organizations and is partly funded by the European Commission's Leonardo da Vinci program.

1. Theories of creativity and innovations

1.1. Why is creativity important?

The industrial economy, formed in the last century, was replaced by the knowledge economy, the essence of which indicates a well-known saying „who rules information, rules the whole world". However, today to have knowledge or information is not enough anymore. Nowadays it is important to focus on the output which can be gained with this knowledge and information. The world moves towards the creative economy, where personality becomes in particular significant again. According to a professor Viktorija Daujotytė, „a creatively acting person finds unexpected solutions, catches sight of ways out, turns in unexpected directions, sees what was not noticed, and perceived before". Therefore, in this century of concepts we need to stimulate and maintain thinking related to creativity and emotions (*right-directed thinking*), not giving priority to logical and analytical thinking (*left-directed thinking*).

Creativity is important in the companies as well, i.e., organisations need it to adapt in the quickly changing environment, when changing the format of an activity, creating new products and improving services to the customers. To increase creativity in organisations the managers apply various methods, for example, creativity training programs, establishments of teams and improvement of managing. Creative communities also help organisations to become more distinguished and better known for their unique features.

Creativity also means changes and resistance to the changes is a natural phenomenon. Therefore, to develop creativity in organisations, it is necessary to know about possible reactions to the changes, e.g., refusal of ideas and assessments of a dominating position. For example, someone may think that a traditional educational system (especially preschool and primary one) is

“inhibitory” to creativity. In such a case efforts are made to provide little children with an environment, which is favourable to the appearance and the development of creativity and which fosters imagination. While after the implementation of certain systems in a working place, the risk emerges that resistance to the changes will arise. In some cases rules, regulations and procedures existing in the organisation may impede creativity. If these rules, regulations and procedures become an aim of the company, the employees must strictly obey to them. Therefore, it is very important to the organisations to have a reward system, which rewards creative activities and would not repress them. When the introduced reward system punishes failures which can happen when working on creative ideas, the a certain amount of employees will consider not working on creative ideas anymore as the risks which comes with it is too high.

1.2. Process of creativity

Today, the organisations face significantly bigger competitive pressure than before. The organisations have to change, renew and reorganise constantly to surpass changes of technologies. The development of creativity as the main competency becomes a cornerstone of every organisation, since with its help something new can be developed or existing processes can be improved.

In practice there is no unique or best method to foster creativity, and in different situations different methods should be applied. **An appropriately chosen method is substantial in reaching the goals in training and the proper choice of people.**

Jeff De Graff and Katherine A. Lawrence have determined **four types of creativity**, perceived as creativity profiles. A profile is the description of certain tendencies and intended activity, which is performed by single individuals, groups or organisations, as well as the desired result of creative activity:

- **Image profile:** it is the profile of radical past gaps and turning-point ideas, which may change a market. Individuals with such a profile often are „generalists“ or people possessing an artistic gift, such as exploring, who are versatile in solution of problems. The image companies try to develop something new, what was impossible before.
- **Invest profile:** individuals having this profile focus on their activities and goals. Exactly their culture emphasises the results and discipline necessary for the creation of something. People working in the departments of finances and marketing belong to this group. The main aim of these companies is to develop everything faster than their competitors.
- **Improve profile:** this profile indicates creativity, which improves something. People belonging to this profile are systematic, careful and practical. The

companies try to improve existing things. They strive for improvement and expanding of existing goods without changing them considerably.

- **Incubate profile:** this profile includes people who believe in something more valuable than the concept of business itself and they engage in business to reveal certain valuables. Such people perceive creativity as perpetual and ageless. They work in the fields of labour resources, training or improvement of organisations. The companies strive for creating solid things valued by the community.

Of course subject to circumstances, the types of creativity are also important. The creative practises and competences, which we are using, determine the results obtained.

The creativity is the process of four stages starting in generation of creative ideas, in other words, **generation stage**, where information, thoughts and ideas are combined and as a result the new things appear. First, it is thought about what should be created. Then, having overcome a preconception the new possibilities are being pursued. This stage is replaced by another, **incubation stage**, indispensable for nascent ideas. In this stage the subconsciousness takes part which helps generating a number of unusual or radical ideas. The state of subconsciousness perfectly helps us getting free from rules, which we set for ourselves in the stage of creativity beginning. In order to transfer ideas to reality it is necessary to assess the creative outcome more critically, to form the results, and to create such conditions, which would allow the idea being successful. This stage is known as **evaluation stage**, when ideas are deliberated and only those are chosen which will be implemented. Finally, in the **implementation stage**, the creative ideas are turned into reality. To implement the ideas the participation and needful support of other persons are necessary. This stage is also related to financing and other resources. Before the presentation of a new idea it should be deliberated. Such process includes the effect on other people, seeking for finances, testing various variants, which ensure that idea is practical. The dedication and hard work are concurrent with innovations, but endurance and perseverance are also needed.

1.3. Characteristics of creativity

People differ not only in terms of their creativity level, but also by the features of creativity expression. Micheal Kirton states that two types of creative people exist: **adaptors**, preferring to work in the system to improve the products, and **innovators** ignoring the system and engaging in more radical decisions. The adaptors adjust to existing conditions, work effectively, and like analysing several ideas simultaneously, and innovators do not adjust to existing conditions, work inefficiently and only propagate the ideas when being put in

the role of the adaptors. The adaptors try to improve the things, and innovators aim to do everything in different and new way.

Table 1. Differences between the adaptors and innovators

Adaptors	Innovators
<ul style="list-style-type: none"> - Like improving the things; - Strive obtaining such professions, which induce stability, feature by responsibility and production; - Formulate ideas without significantly changing primary facts of the problem. 	<ul style="list-style-type: none"> - Like doing everything in different ways; - Choose such spheres as, e.g., marketing, where circumstances are constantly changing (and uncertainty prevails); - When solving a problem most likely will present new ideas and will change interconnection of problem's elements.

Source: <http://www.brainstorming.co.uk/contents.html>

Despite these assumptions, it is necessary to define the main characteristics of the creativity:

Motivation is the criterion of investments into emotions, which help people overcoming a natural inertia, and having broken through existing circumstances, move towards desired things. The distance between existing circumstances and desires, generate an emotional stress, which leads to the creation of something new. This desire becomes the energy stimulating a creative process. In other words, to begin a creative process, every person and a company needs motivation. With the motivation **curiosity** and later **fear** arises. A curiosity is concurrent from the search of useful information. Later it turns into something unknown and dangerous, interesting and useful. However such uncertainty usually frightens. When somebody becomes frightened, it is difficult to retain curiosity and therefore these people may completely lose the curiosity.

Determination and destruction of relations take place in such work, where the creativity is necessary. Destruction is a breach of strictly set prerequisites determining what may and may not be done in certain situations. But if people are more creative only in certain sphere, it may become an obstacle for new discoveries. Viewing information from different disciplines may help destroying existing curves of thoughts and old convictions. This method is useful for discovering new relations.

And finally, **evaluation**: sooner or later a decision has to be made, but new ideas are not ready to be implemented or suitable to accept or refuse. They

should be discussed, changed and adjusted to one's needs before deciding whether they are valuable. The evaluation of ideas end in either their rejection, or acception, and in such a way an active, curious and creative mind prepares to solve other problems.

Gerhard Fischer claims that a **social nature of creativity** should be accentuated. The power of a free mind is overestimated and though everybody says that a creative person works solitary, **our mental abilities and creativity appears when communicating to other people**. Creativity does not appear in the depth of mind, but arises in the interaction of human thinking and sociocultural context. However, it does not mean that the individual creativity should be deemed insignificant. On the contrary, the creativity must possess the element „and“, and not „against“, when a relation between individual and social creativity emerges.

Gilbert Tan emphasises **three important elements of creativity**, i.e., foundation, competencies and support of creativity.

The creativity foundation means convictions. Both employees and managers must have a positive system of convictions. The employees must think about themselves positively and believe that they are able to be creative, and the convictions of managers (or supervisors) in respect of subordinates must also be positive. *The competencies* mean that a person wishing to be creative must be competent. The creativity of employees should interconnect with technical skills and human relations to make sure that the organisations are efficient and the managers are authorities to the employees. Finally, the *support* is necessary as the employees need the support of the organisation to be creative. Despite this, the theory of creativity states that creativity is necessary to organisational innovations in a work place, and when work environment stimulates the creation of ideas, knowledge sharing and creative solution of problems, the individuals in such environment will generate creative ideas, which will have unique concepts and it will enable another way of usage of already existing ones. Thus, the creative ideas may be used to solve the problems, to improve processes and to create new services and/or products.