UNIT - II

- Building an Innovative Organization: Creativity in organizations
- – Building organizational environment – Need Analysis: Questionnaires, Online tools, SWOT analysis;
- Technology watch; Focus group; Desk Research – Innovation Management Process – stages of innovation
- - planning and financing Innovation projects – Innovation and organization: Creating new
- products and services, Exploiting open innovation and collaboration,
- Use of innovation for starting a new venture;
- Class Discussion- Innovation: Co-operating across networks vs. ‘go-it-alone’ approach

Building an Innovative Organization

- 'Innovation has nothing to do with how many R&D dollars you have. . . . it's not about money. It's about the people you have, how you're led, and how much you get it.'
- (Steve Jobs, interview with Fortune Magazine, 1998 1)

- This chapter deals with the creation and maintenance of an innovative organiza-
- tional context, one whose structure and underlying culture – pattern of values and
- beliefs – support innovation. It is easy to find prescriptions for innovative organizations which highlight the need to eliminate stifling bureaucracy, unhelpful structures,
- brick walls blocking communication and other factors stopping good ideas getting
- through. But we must be careful not to fall into the chaos trap – not all innovation
- works in organic, loose, informal environments or ‘skunk works’ – and these types of

TABLE 11.1 Components of the innovative organization

Component	*Key features*
Shared vision, leadership and the will to innovate	Clearly articulated and shared sense of purpose Stretching strategic intent 'Top management commitment'
Appropriate structure	Organization design which enables creativity, learning and interaction. Not always a loose 'skunk works' model; key issue is finding appropriate balance between 'organic and mechanistic' options for particular contingencies
Key individuals	Promoters, champions, gatekeepers and other roles which energize or facilitate innovation
Effective team working	Appropriate use of teams (at local, cross-functional and inter-organizational level) to solve problems. Requires investment in team selection and building

Continuing and stretching individual development	Long-term commitment to education and training to ensure high levels of competence and the skills to learn effectively
Extensive communication	Within and between the organization and outside. Internally in three directions – upwards, downwards and laterally
High involvement in innovation	Participation in organization-wide continuous improvement activity
External focus	Internal and external customer orientation. Extensive networking
Creative climate	Positive approach to creative ideas, supported by relevant motivation systems
Learning organization	High levels of involvement within and outside the firm in proactive experimentation, finding and solving problems, communication and sharing of experiences and knowledge capture and dissemination

- Much has been made of the dramatic turnaround in IBM's fortunes under the leadership of Lou Gerstner who took the ailing giant firm from a crisis position to one of leadership in the IT services field and an acknowledged pioneer of e-business. But closer analysis reveals that the entry into e-business was the result of a bottom-up team initiative led by a programmer called Dave Grossman. It was his frustration with the lack of response from his line managers that eventually led to the establishment of a broad coalition of people within the company who were able to bring the idea into practice and establish IBM as a major e-business leader. The message for senior management is as much about leading through creating space and support within the organization as it is about direct involvement.

Creativity

CREATIVITY

The use of imagination / Original Ideas to create something, inventiveness.

Although there are many approaches about creativity, it is commonly defined as a mental process, which involves the generation of new ideas or new associations of the creative mind between existing concepts. An alternative conception of creativity is that it is simply the act of making something new.

CREATIVE THINKING STYLES

DIVERGENT THINKING

- Think around or away from the problem
- Discontinuity / break
- 'Dig another hole'
- Spontaneous, informal, random
- Remove constraints

unconscious processes

CONVERGENT THINKING

- Think through or into the problem
- Continuity / evolution
- 'Dig a deeper hole'
- Systematic, formal, focused
- Work within constraints
- Conscious processes

CREATIVE THINKING

DIVERGENT THINKING

Is The Intellectual Ability To Think Of Many Original, Diverse, And Elaborate Ideas.

CONVERGENT THINKING

Is The Intellectual Ability To Logically Evaluate, Critique And Choose The Best Idea From A Selection Of Ideas.

The 4 P's of Creativity

- Person
- Product
- Process
- Place (or environment)

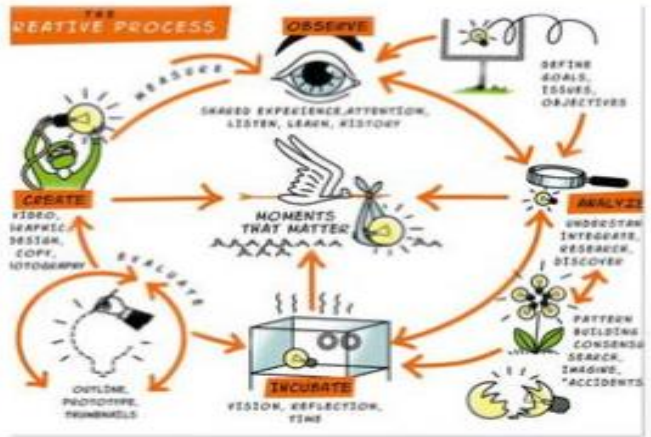
Place (or environment)

Workplace

Workplace

Person

Product



Process

Creative People: Creative Characteristics

- Aware of Creativeness
- Original
- Independent
- Risk Taking
- Energetic
- Curious
- Humorous
- Attracted to Complexity
- Artistic
- Open-Minded
- Needs Alone Time
- Perceptive

CREATIVE PROCESS

Combination of two ideas that are unrelated

Creative problem solving (CPS)

Brainstorming

DETERMINANTS OF ORGANIZATIONAL CREATIVITY

Five major organizational factors that enhance creativity in a work environment:

- Organizational climate
- Leadership style
- Organizational culture
- Resources and skills
- The structure and systems of an organization

HOW CAN ORGANIZATIONS FOSTER CREATIVITY?

- Higher Creative People
- Provide Resources
- Design Challenging Jobs
- Set a clear origination goals
- Reward creativity
- Create right organization culture

MANAGEMENT STYLE AND CREATIVITY

Provide autonomy

Encourage productivity

Supportive supervision, climate, and work group

CHECKLIST FOR ORGANIZATIONAL CHARACTERISTICS

1. RISK TAKING IS ACCEPTABLE TO MANAGEMENT.
2. NEW IDEAS & NEW WAYS OF DOING THINGS.
3. INFORMATION IS FREE FLOWING AND CONTROLLED BY MANAGERS.
4. GOOD IDEAS ARE SUPPORTED BY EXECUTIVE PATRONS.
5. INNOVATORS ARE REWARDED.

Measuring Creativity

- The concept of creativity may be delineated into **three dimensions; the person, the product and the process.**
- •Person-based - there are many ways to measure or infer creativeness directly from an individual.
- **Personality Measures** - Looking at certain personality traits or characteristics associated with a creative mind, e.g. intelligence, confidence, wit, originality, informality and tolerance to ambiguity.
- **Biographical Inventories** - The use of biographical data. For example, linking family and educational history to determine the potential sources of an individual's creativity, personal interests or hobbies that may indicate a creative mind, or even personal relationships.
- **Creative Ability** - The direct measurement of creativeness by testing an individual with various established tests (for example, the “unusual uses” test, and other exercises in creative thinking or elaboration).
- •**Product-based** - a more objective measure involving the assessment of an individuals previous work for creativity and innovation.
- **Process-based** - an examination of the creative processes employed by an individual to come up with solutions to problems or design novel products (e.g. feelings experienced before/ during/after the innovation).

Enhancing creativity

- DO IT, that was devised by Robert W Olsen in his book “The Art of Creative Thinking …. is a structured process for creativity ------- Employers
- D - Define problem
- O - Open mind and apply creative techniques
- I - Identify best solution
- T - Transform”,

DEFINE

Problem Definition:

- During this stage you apply a number of techniques to ensure that you are asking the right question. This step concentrates on analyzing the problem to ensure that the correct question is being asked. How you can do this:

- Check that you are tackling the problem, not the symptoms of the problem. To do this, ask yourself why the problem exists repeatedly until you get to the root of it.

- Lay out the bounds of the problem. Work out the objectives that you must achieve and the constraints that you are operating under.
- Where a problem appears to be very large, break it down into smaller parts. Keep on going until each part is achievable in its own right, or needs a precisely defined area of research to be carried out.
- Summarize the problem in as concise a form as possible. Robert W Olsen suggests that the best way to do this is to write down several of two-word problem statements and choose the best one.

Open Mind

- Here you apply **creativity techniques** to generate as many answers as possible to the question you are asking. At this stage you are **not evaluating the answers.**
- Once you know the problem that you want to solve, you are ready to start generating possible solutions. It is very tempting just to accept the first good idea that you come across. If you do this, you will miss many even better solutions.
- At this stage of DO IT we are not interested in evaluating ideas. Instead, we are trying to generate as many different ideas as possible. Even **bad ideas may be the seeds of good ones**.
- While you are generating solutions, remember that other people will have different perspectives on the problem, and it will almost certainly be worth asking for the opinions of your colleagues as part of this process.

Identify the best solution:

- Only at this stage do you select the best of the ideas you have generated. It may be that the best idea is obvious. Alternatively, it may be worth examining and developing a number of ideas in detail before you select one.
- The Decision Making Techniques section of Mind Tools explains a range of excellent decision making techniques. Decision Tree Analysis and Force Field Analysis are particularly useful.
- These will help you to choose between the solutions available to you.
- When you are selecting a solution, keep in mind your own or your organization's goals.
- Often Decision Making becomes easy once you know these.

Transform:

- The final stage is to make an Action Plan for the implementation of the solution, and to carry it out.
- Without implementation, your creativity is sterile.
- Having identified the problem and created a solution to it, the final stage is to implement this solution. This involves **not only development of a reliable product from your idea, but all the marketing and business side as well. This may take a great deal of time and energy.**
- The first stage in transforming an idea is to **develop an Action Plan for the transformation.** This may lead to creation of a **Business or Marketing Plan.** Once you have done this, the work of implementation begins!