

ORGANIZATIONAL STRUCTURES, ENTREPRENEURSHIP, AND CREATIVITY:
INSEPARABLY LINKED

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ABSTRACT

Evidence states the pursuit of creative endeavors by employee's results in more entrepreneurial activities, higher quality products, and long-term success. A skilled facilitator can direct creativity. However, such efforts to enhance creativity are often stifled by organizational structures themselves. The best way to encourage entrepreneurial and creative endeavors on the job is to understand the importance of creativity to entrepreneurship, to remove obstacles that get in the way of creativity, and to know how to motivate the creative individual.

INTRODUCTION

New ideas, new products, or new approaches to traditional products or services generally characterize the competitive edge in business. An entrepreneurial spirit within an organization might generate notions far beyond what could be originated within more traditional cultures. Nevertheless, no culture can become "entrepreneurial" without a reverence for-and encouragement of-creative endeavors.

Creativity is a term with which most are familiar, yet it still remains a somewhat elusive concept in the business world. While there are techniques for detecting and enhancing creativity, there are few "rules" as to how to best manage the creative individual. Enhancing creativity is the responsibility of management, but it is also the responsibility of employees to use their creative insights and intuitions in order to better both the organization and the individual.

CREATIVITY DEFINED

There are as many definitions of creativity as there are authors writing them. One definition is "Creativity is any act, idea, or product that changes an existing domain, or that transforms an existing domain into a new one" (Csikszentmihalyi, 1996). Still another is "The ability to find new solutions to a problem or new modes of expression; the bringing into existence of something new to the individual" (Edwards, 1989). In terms of corporate creativity, the definition is even more elusive:

Most creative acts, as they now occur in companies, are not planned for and come from where they are least expected. It is impossible to predict what they will be, who will be involved in them, and when and how they will happen. This is the true nature of corporate creativity, and it is here that a company's creative potential really lies. For corporate creativity, the real power is in the unexpected. (Robinson, 1997)

It is perhaps easier to determine what these diverse definitions have in common—a sense of change, the possibility of new idea generation, and serendipity.

Likewise, it is difficult to define what is meant by the frequently used phrase, "creative person." A creative person can be defined as one whose "thoughts or actions change a domain, or establish a new domain" (Csikszentmihalyi, 1996). Creative people tend to be confident in their strength-areas, focused on learning and application of that learning, and willing to live with the uncertainty that comes with creativity (Nahavandi, 1999). Perhaps Feldman expressed it best when defining creative productivity:

[Creative productivity] requires a unique juxtaposition of the person's mastery of the domain of knowledge in which creativity will be elicited, the person's ability to think beyond the current limits of that domain, and the perseverance and willingness/proclivity to take intellectual risks to produce something new and transformational within a community or context that is amenable to the transformational idea or product. If any of these elements is missing, then creative production will probably not happen. (Rogers, 1998)

With this definition in mind, one can look at several authors who have researched what constitutes an entrepreneurial, creative person. While studies are by no means complete, they are starting points in being able to identify creative individuals in the work place. These cited characteristics include perseverance, risk-taking behavior, willingness to try new things, tolerance of ambiguity, intuitive decision-making, strong will or vision, joy, and compassion (Nahavandi, 1999; Miller, 1986; Ray, 1986).

Even with certain characteristics identified, it would still be a mistake to hire individuals based solely on one or more of these traits. In some cases, the environment slowly nourishes these traits, and true creativity in an individual might not show itself for years. Moreover, all these traits are descriptive of entrepreneurs. The distinction between creativity and entrepreneurship is indeed murky in highly successful organizations.

PURSUING ENTREPRENEURSHIP=PURSUING CREATIVITY

Today's organizations, whether they are non-profit organizations, huge conglomerates, or neighborhood churches, can and should pursue creativity in the continuing quest for quality and entrepreneurship. Some managers, however, still see "creativity" as a bonus area of the organization, something that can be done when everything else is finished or when a new advertisement is needed.

Some cite budgetary reasons as an excuse for sticking to the tried and true, ignoring the possibility that a creative approach to a problem or a product might actually be less expensive to the organization than the status quo. Nevertheless, all organizations should examine the following reasons to pursue "creativity" as a means to improve overall quality:

1. Superior long-term financial performance is associated with innovation. Stockholders, stakeholders, employees, directors all need to understand that it is only with innovation that a company can improve and grow. An organization that remains unchanging for very long will die.
2. Customers are increasingly demanding innovation. Products are modified with alarming frequency, and customers have grown used to a disposable society, where products are replaced before wearing out. An organization that repeatedly offers the same product with no modification will lose even one-time loyal customers seeking change.
3. Competitors are becoming better at copying past innovations. "Knock-off" products are virtually indistinguishable from the originals. It is entirely possible for a successful organization to never "create" a thing-copying successful products, maybe making them better and cheaper. Constant innovation allows an organization to keep one step ahead of the copycats.
4. New technologies enable innovation. Technology begets innovation, and allows for faster movement with new products. Better machinery, faster, stronger computers, and more technologically-adept employees all produce better products at a faster pace.
5. What used to work does not anymore. Times change, people change, needs and wants change, so tried and true management techniques must also change with the times. A management philosophy of "if it ain't broke, don't fix it" can actually hinder forward progress (Plsek, 1998).

These questions can help guide an organization in need of more creative endeavors. If competitors are gaining ground, if products are no longer unique, and if management (as well as employees) is afraid to take chances, then an infusion of creativity is mandatory. In other words, squash creativity and destroy the entrepreneurial spirit.

DIRECTED CREATIVITY

Directed creativity, as defined, is "the purposeful production of creative ideas in a topic area, followed up by deliberate efforts to implement some of those ideas" (Plsek, 1997). This definition implies that everyone can and is creative on demand. In modern organizations, it is sometimes difficult to see such creativity at work.

Paul Plsek, director of Paul E. Plsek and Associates, Inc., and the maintainer of the DirectedCreativity™ website, has developed the "Eight Basic Heuristics of Directed Creativity": Each heuristic for directed creativity also describes successful entrepreneurs. These basic heuristics are explained below.

Make it a habit to purposefully pause and notice things. This concept is frequently called looking at the world through "new eyes." Many look but few truly see what is contained in the physical world around them, and might miss clues for new products or concepts.

Focus creative energies on just a few topic areas that one genuinely cares about and work on these purposefully for several weeks or months. Plsek contends that focus, care, and working purposefully are common characteristics of great creators throughout time. Cultivate the ability to recognize potentially valuable ideas.

Avoid being too narrow in the way problems or topic areas are defined; purposefully try broader definitions and see what insights evolve. Looking at the big picture helps one see problems in a greater context. Limiting vision when it comes to creativity is virtually the same as limiting creative choice.

Try to come up with original and useful ideas by making novel associations among what is already known. A creative individual is one who can take common thoughts or associations and can combine those in new, innovative ways. See the common and make those ideas or items extraordinary.

When one needs creative ideas, remember the following: attention, escape, and movement. One thing to avoid when undergoing a directed creativity process is saying or thinking "that's not the way we've done it in the past." Pay attention to all that is going on, break away from tradition, and move forward.

Pause and carefully examine ideas that cause laughter the first time one hears them. Good humor is based on drawing unconnected ideas together, thus "shocking" the listener into laughter. As Plsek says, "Laughter is serious business."

Recognize streams of thought and patterns of judgment are not inherently right or wrong; they are just what one thinks now based primarily on patterns from an individual's past. Many thoughts are emotion-based, and might not make logical or business sense. Letting go of preconceived emotions might assist with the creativity process.

Make a deliberate effort to harvest, develop, and implement at least a few of the ideas employees generate. Everyone knows of at least one colleague who always has great ideas but never implements any of them. Many U.S. businesses have strong bases in innovation, encouraging and hiring intreprenuers in order to keep one step ahead of the competition (Plsek, 1997).

While it is great to come up with lists to describe the directed creativity process, it is much more difficult to implement the ideas contained within them. Without managerial support, or if management (or even colleagues, for that matter), de-emphasize deliberate attempts at creativity, new ideas might not get implemented. Still, understanding the steps involved in creativity, and sharing ideas with those with whom one feels comfortable can help an organization become more entrepreneurial and move toward being one based on innovation and mutual trust.

Still, many others assert that creativity cannot be forced. These naysayers remark that creativity sessions are contrived and are guaranteed to have at least one person say, "there are no bad ideas." To these individuals, organizing creativity is counterproductive and a waste of time. However, even those who believe creativity has to happen on its own state that creativity can be encouraged, although not to the degree relied upon in directed creativity (Harkins, 1998).

The other side to just letting creativity happen is that workers often interpret this more "hands-off" approach to managing creativity as a lack of interest in creative endeavors. Elmwood, a consulting firm in Great Britain, recently conducted a survey that says 25% of all British workers believe they are not listened to by their superiors, plus they are never asked for additional contributions beyond their basic jobs. The director of Elmwood, Paul Middlebrook, says the reason why British firms are ignoring creativity is that "most businesses today have structures which are alien to idea generation and based around the premise of coordination and control" (Croft, 1998). The concept of coordination and control is not unfamiliar to American organizations, many of which are so focused on the bottom line that anything that is not perceived to be a direct contribution to profit is ignored. Worse, it is highly likely that managers seeing anything "creative" as being a waste of time can stop creative ideas.

ORGANIZATIONAL STRUCTURES AND CREATIVITY: Giant Hairballs and Oscillation or A Bad System Will Beat a Good Person Every Time

In organizations that emphasize the bottom line (and which ones do not?), the structure is often blamed for the lack of creativity and entrepreneurship. Often, performance evaluations center on meeting set standards or quotas. Obviously, some sorts of controls are necessary to keep an organization from spinning into complete chaos; the challenge of a creative and entrepreneurial entity could very well be to keep the organization on the edge of chaos.

While some organizations have kept pace with societal changes, many are still structured in ways that were popular decades ago. The shift of U.S. businesses from product-providers to service and information-providers necessitated a change in organizational structure as well, which, for the most part, has not happened.

Most organizations start out as entrepreneurial endeavors, ones that have strong visionaries or commitments to particular goals. However, as organizations grow and change, more controls are implemented over time, until the very entrepreneurial phenomenon that started the organization in the first place is exiled. This tangled mass of rules, policies, procedures, and controls is sometimes referred to as the "giant hairball." Creativity survives in this giant hairball only by finding a way to still contribute creative thoughts while adhering to the policies of the organization (Tapsell, 1998). Generally speaking, the more "corporate" an organization becomes, the less entrepreneurship and creativity are seen.

In some cases, "creative" parts of an organization are farmed out to other organizations, like advertising agencies, graphic designers, etc. The book, *How to Manage Creatives*, asserts that corporations do not have to outsource creative endeavors. However, the creative employee must be managed differently than other employees should be. The book says that creative people are by nature insecure and are perfectionists, partly because of the failure inherent in being creative. These employees must be encouraged more after failure than after success, as the insecure side must be reassured constantly. Most corporations pride themselves on diminishing mistakes rather than perpetuating them. Still, highly creative employees might fare best in less structured, less "corporate" structures (Krohe, 1996).

Oscillating organizations are notorious for defeating creative endeavors. Oscillating organizations are characterized by moving toward a particular point, then moving away from that point, much like an oscillating fan moves back and forth. These organizations often have two-to-three year cycles of laying off and rehiring workers. The instability employee's face often cancels out the motivation to be creative.

In contrast, advancing organizations move toward a goal but with employee involvement. The key to advancing organizations is that people work together to accomplish goals, and teamwork and creativity are encouraged (McManus, 1998).

According to business consultant, Robert Fritz, it is common management theory that "structure follows strategy." Changing an organization from an oscillating one to an advancing one might be as simple as gaining commitment to a new version of that old adage: business strategy drives management strategy. Management strategy deals with accomplishing work and meeting goals. Goals must be congruent, and strategies must be aligned; when that happens, an organization has shifted to an advancing organization (McManus, 1998).

Harry C. Stonecipher, president and CEO of the Boeing Corporation, has expressed concerns about whether a large organization like Boeing can maintain any sort of creative element. His summation of the dilemma between control and creativity was stated:

Creativity involves a great paradox. On the one hand, it depends upon a profound grasp of what is already known. On the other, it depends upon thinking differently...and that often begins with selecting the right principle...the right idea or the right connection...and then applying it in a new setting. With 20-20 hindsight, that often seems a matter of stunning simplicity. (Stonecipher, 1998)

In reviewing great inventors, Stonecipher says most innovations are not necessarily new; rather, they are the combination of new and old ideas. Stonecipher contends that while innovators and creative thinkers are welcome in any organization, it takes much longer to get things accomplished in larger organizations (Stonecipher, 1998). This slow movement tends to frustrate those employees who are innovative or creative.

According to La Rose, the eight-hour workday is an outmoded concept and a hindrance to creativity. He states, "The reduction of working time, its leisure, its time for reflection and withdrawal into moments of creative expression is the world of the artist, the world of cultural creativity. It is life without regimentation" (La Rose, 1996).

Many organizations require far beyond a 40-hour workweek for employees, and layoffs are an easy way to adjust to demands of the market and shareholders. Nevertheless, while layoffs are easy, those workers who take on additional work are frequently ignored. Adding work to already--overburdened employees can also mean a dramatic decrease in quality as well as creativity.

REMOVING BARRIERS TO CREATIVITY

It is easy to see that while creative endeavors can produce good results, it is equally easy to see that organizations can assist with the creativity process by removing obstacles that hinder creativity. Alexander Hiam, writing for the *Futurist*, sees nine major obstacles that organizations must remove in order to allow employees to be creative. Hiam calls this list "Creativity for Dummies," and the highlights are listed below.

Obstacle #1: Failure to ask questions. Asking questions is vital for creativity to emerge. Hiam says the failure to ask questions is a societal issue--most institutions, organizations, and corporations actually hinder the question-asking process. Make the workplace one where questions are not only welcomed but also encouraged. More entrepreneurial organizations seem to rely on questions as a way of improvement and as a way of settling into a particular niche.

Obstacle #2: Failure to record ideas. This is also a timesaving step. If all ideas are recorded, say from a brainstorming session, the next time an issue comes up the list can be consulted. Some ideas might not be valuable ever, but some might be in a decade or so.

Obstacle #3: Failure to revisit ideas. Spend time once a month looking at old projects or papers. Old decisions can and should be questioned. Hiam warns that this could be most beneficial on an individual level, as most executives do not like past decisions to be scrutinized, and certainly not in a group setting.

Obstacle #4: Failure to express ideas. Do not censor ideas. If someone discounts his own ideas too quickly, some terrific ideas might be rejected because they are not fully developed. With a little cultivation, some bad ideas, at first look, might become part of something else, or altered to make them work.

Obstacle #5: Failure to think in new ways. Draw a picture of a problem that is plaguing the organization. Think up words that describe what the problem looks like. Seeing problems in new ways automatically leads to creativity.

Obstacle #6: Failure to wish for more. If something works, it is far more difficult to be creative. Encourage employees to think of alternative ideas, even if an idea is working. Most ideas can be improved, even if they are currently good.

Obstacle #7: Failure to keep trying. It is sometimes hard to see how creativity is useful, and some organizations do not encourage creative processes. As Hiam says, "We all mess up creativity from time to time."

Obstacle #8: Failure to try being creative. If employees are told they are not creative, they will make no effort to be so. Often, organizations see failure as being "bad," therefore derailing employees who might want to try something new in spite of the risk.

Obstacle #9: Failure to tolerate creative behavior. Managers must learn to tolerate creative behavior. If employees are not physically doing something, it appears they are not "busy." Another error is to encourage creativity only at certain times, such as at meetings or when the organization's survival is at stake. Creativity needs to be encouraged throughout the organization on a daily basis, no matter how hard the temptation to encourage "real" work (Hiam, 1998).

Removing these obstacles--and probably many others--can encourage employees to be more creative on a daily basis. However, these barriers to creativity also imply that managers know about and understand the creative process. Without serious managerial training into creativity and creative processes, it will be impossible to remove these barriers.

Organizations that remove these obstacles to creativity are well on their way to becoming more entrepreneurial. If employees are encouraged to express creative ideas, the possibilities are endless. Perhaps one employee with a terrific idea and a supportive supervisor can lead the entire organization, whether large or small, into a position of market dominance.

SUMMARY

What is creative to one person is merely the day's work to another. Knowing how to motivate a creative person requires patience, understanding, and avoiding the temptation to micromanage. Even "non-creative" employees can be encouraged to develop their creativity skills. Directed creativity, where individuals are guided through creative processes, appears to work for some.

In some instances, it appears the structure of an organization itself can lead to or hinder creativity. Most businesses start out as small, entrepreneurial entities, often relying almost exclusively on creative ideas or services. However, as businesses mature, often into large corporations, the very thing that made them successful--creativity--is shunned as being a waste of time.

With the stakes growing higher for market share and long-term survival of organizations of all types, creativity might become an area that is actually enhanced by management. Understanding how creativity works is a good place to start. Also understanding what the creative individual needs and wants could prove valuable. Even those pessimistic about creativity cannot always argue about the results creative exercises can generate. If businesses want to develop and maintain an atmosphere of entrepreneurship, it becomes just a matter of time before creativity training becomes mandatory for managers and employees alike.

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