

# **Compete with Creativity**

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## **Executive Summary**

Organizations possess great opportunities in applying their creative potential to pursue success and competitive strength. This makes it important for managers to adopt a management style that encourages employees to come up with new ideas.

It is crucial not to exclude anybody from this creative process. Organizations that confine their focus to "creative jobs" like in marketing and in Research & Development, risk missing out on opportunities.

Creativity-focused leadership embedded in a fertile organizational climate can generate a harvest of ideas for improvement and innovation from the entire workforce. These new thoughts are often urgently needed to achieve goals like reducing costs, improving quality and introducing new products and services. They open new avenues for growth, competitiveness and success.

On the part of management this calls for open communication on the issues facing the organization, unit or department and an invitation for everybody to come with solutions. By stimulating and organizing knowledge-sharing, a company can feed the process of forming new ideas. Cross-fertilization of knowledge and ideas is necessary to develop new perspectives. One way to do this is by arranging meetings with people from completely different industries and disciplines.

Setting challenging targets mobilizes the creativity of people further. If the creative tension that this yields, is accompanied by a tolerant management attitude towards failure, a stimulating context is created for experimenting and entrepreneurship. It will be a setting where people put forward ideas on their own initiative. In addition, management have to allow people sufficient time to work on their own ideas.

Creativity techniques are useful as a stepping-stone towards taking new and promising thought paths and offer therefore the possibility to generating a large number of ideas. Idea management, as the set of activities for identifying, selecting, rewarding and polishing ideas for implementation, ensure that the harvested creativity is used.

Regardless of size, industry, strategy and growth phase, all organizations need to utilize the creative capacities of their employees. The choice between productivity and creativity is often considered a dilemma, but in fact it is not. Productivity allows us to deliver to the customer. With creativity, we can continue delivering to disloyal and

demanding customers. After all, creativity enables us to think and see differently. Our creativity allows us to answer the question: How can we do it better, smarter and more productively?

The government can play an important role in stimulating and utilizing creativity. Ways of doing this include promoting knowledge-sharing on excellent creative organizations, devoting greater attention in the education system to creative thinking and systematically harvesting creative ideas from the population. For its part, the government must set an inspirational example when it comes to managing creativity.

## **1. Introduction**

"Compete with Creativity" is the theme of the Innovation Lecture 2005. This essay explains the vision, leadership and methods necessary to be able to compete with creativity. We will indicate the important elements of managing creativity and examine the essence and diversity of competing with creativity. Additionally, we will formulate five policy opportunities for the government to support creativity. First of all, however, we will provide a profile of an organization that permanently cultivates harvests and utilizes creativity.

## **2. The ideas factory**

Imagine an organization where people know that innovation is the only vehicle that can deliver indispensable competitive strength. Management realizes therefore the need for a permanent stream of new valuable ideas. They are hunting not just for ideas for new products or services, but also want suggestions for improving the streamlining of labor processes, reducing costs and enhancing quality still further. Management sees the workforce as the principal source of these ideas.

With all of this in mind, senior management considers it of the utmost importance for all employees to be aware of the challenges facing the organization as a whole and their own particular part of the organization. The managing board communicates regularly on these matters through various channels. Managers discuss the challenges with their employees at their departmental meetings. They invite everybody to brainstorm and submit ideas.

Management organizes ideas sessions with groups of employees from different departments in order to obtain new perspectives and solutions, supported by creativity techniques. Managers are completely receptive to all suggestions, even those completely at odds with the present vision. There is awareness that it is precisely the conflict of opinions and ideas that can produce new opportunities. Customers are regularly invited to attend these ideas sessions and to discuss their wishes and requirements.

Innovation teams work within the organization with the task of elaborating promising ideas and examining whether they are ripe for implementation. The teams include representatives of different disciplines, work against the clock and have limited resources at their disposal. They report outcomes directly to the managing board. This creates a creative tension that keeps the team members on their toes. This tension does not turn into negative stress and insecurity. After all, the team knows that if it is, despite all its efforts, unsuccessful, no repercussions will follow. Management is very tolerant towards failure and stresses its learning value. The team members therefore feel a great freedom in deploying all their creativity in the pursuit of success. The different innovation teams regularly share knowledge with each other. The success that a team achieves is intensely celebrated with the other teams and with the management.

In the corridors, over lunch and even on the intranet lively discussions about new ideas occur. Management organizes lots of informal gatherings, including ones where inspirational guest speakers from entirely different industries share their experience.

At this company, employees feel that they are part of an innovative and creative community. They know that they develop competences, advance personally, build networks and use their own creativity intensively. This enthusiasm among the workforce has a ripple effect towards the customers who time and again are surprised by the company's innovations. This organization has succeeded in competing with creativity. It has evolved into an ideas factory. What's more, the organization is recognized as being one of the most attractive employers.

It is possible that you have drawn the conclusion that your own company strongly resembles the creative organization described above. The opposite may also be true and you may be keen to create such a community. The key question you must first ask yourself is: do you believe that employees at your organization could come up with much more valuable ideas than they presently do? If you suspect this is the case, you have just discovered a big opportunity to compete more intensively with creativity.

### **3. Creativity as an opportunity**

Creativity is a mysterious phenomenon. Despite thousands of research articles and books written on the subject over the past decades, it remains very much a poorly understood phenomenon. We don't actually know the wellsprings of our creative thoughts come from, how exactly we can control them and what our creative limits are. We know creativity by what it brings into being. It has given us art of intense beauty and inventions that have enriched our lives. With creativity people have tackled problems in work and life, and opened new windows of opportunities. By combining creativity, determination and energy, humankind has constantly progressed and innovated, individually or in communities.

We will confine ourselves in this essay to creativity in an organizational context. In this area we define creativity as the mental process allowing people to think up new ideas. These ideas don't necessarily need to be completely new concepts. An idea sometimes comes about by combining pieces of knowledge that already exist. Forming these new combinations is an important creative act.

Innovation is the process of implementing ideas with a new value. That is why creativity and innovation are inseparable partners. Without creativity innovation cannot be fed. Without innovation we will be left with lots of valuable but unimplemented ideas.

#### *The hunt for ideas*

To be able to compete with creativity, the organization must search for ideas on a permanent basis. The quest is for new ideas that can potentially produce improvements, cost savings, minor or major innovations or a market opportunities.

They could be breakthrough ideas with an obvious value for a customer, like a suggestion for a new type of service. But they might equally be proposals for a small improvement step. Even these small ideas can build competitive strength. Toyota, for example, secured a top position in the automotive sector by competing with the creativity of its production line employees. In small groups called Quality Circles, workers repeatedly came up with suggestions for making further improvements to the process. The Toyota management turned the ideas into incremental but permanent enhancements of quality, flexibility and reliability. This approach gave Toyota a

powerful position in the market. Based on the awareness that creativity produces competitive strength, Toyota organizes an annual Idea Contest among its employees. This yields thousands of new design ideas for the company. The teams with the best ideas receive an award and an opportunity to exhibit their ideas in Tokyo and Osaka.

Ideas that occur in an organization can produce profit, growth, survival, uniqueness and customer loyalty. Ideas are the gold of any organization. Failure to systematically dig for that gold, leads to missed opportunities. However, competing with creativity means more than just cultivating streams of valuable ideas. The challenge is also to compete with the everyday inventive, problem-solving behavior of employees. Creativity can also be expressed in workplace situations where we need to persuade other people, resolve conflicts or communicate with customers.

Well thought-out management is essential in order to encourage and utilize this valuable creative behavior.

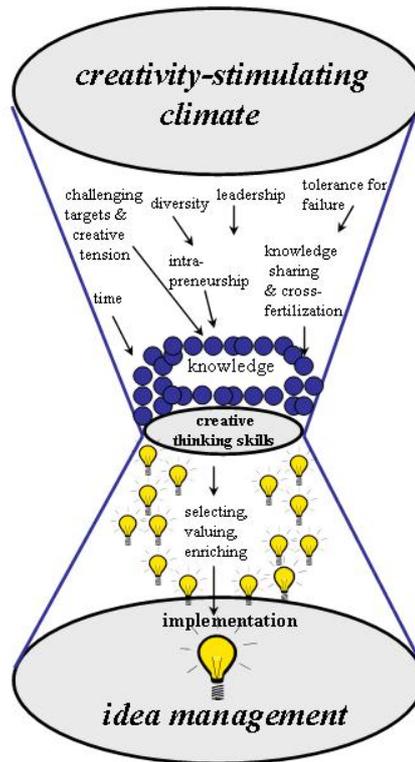
#### **4. Managing creativity**

Management's task when it comes to creativity consists of focusing, identifying, recognizing and valuing creative behavior. Basically, it is about creating the conditions necessary to be able to deploy creativity for achievement of the goals of the department, team, business unit or organization. This calls on the part of management for a vision and a well considered policy for stimulating, channeling and harvesting creativity. In the hourglass model shown below, we can see the core tasks of that policy. The hourglass represents the streaming of ideas within an organization. It is the process with which new ideas are brought into being. The balloons in the upper section of the hourglass represent the knowledge possessed by employees in an organization. This knowledge is an essential (but not sufficient) condition for obtaining ideas and bringing them to fruition.

It is also important for a climate to exist in the organization that stimulates and supports the transformation from knowledge into ideas. Characteristic elements of such a climate are creativity-focused leadership, diversity of opinions and styles of thinking, tolerance for failure, time for creativity, challenging targets that produce creative tension, knowledge-sharing and cross-fertilization, and scope for entrepreneurship within the company (intrapreneurship).

It is crucial - and this is a bottleneck - for employees and managers to possess creative thinking skills. This can be seen in the middle section of the hourglass. The greater the number of people possessing these skills (represented by the widening of the middle section of the hourglass), the faster the knowledge-to-ideas transformation will take place.

Provided that the climate is sufficiently stimulating and people possessing creative thinking skills, the chance is big that employees and managers will think up new ideas and put them forward. New ideas are represented in the hourglass as lamps that find their way to the bottom section. The further processing of the ideas occurs in the field of idea management. The ultimate goal is to implement the best ideas and achieve the desired improvements or innovations.



We will now look in more detail at the three levels of the hourglass, namely:

- A. **Creativity-stimulating climate**
- B. **Creative thinking skills**
- C. **Idea management**

The different elements of each level are briefly discussed below.

### A. Creativity-stimulating climate

#### *Creativity-focused leadership*

Creativity-focused leadership encourages people to be creative and come up with ideas. It is the kind of leadership that provides the mental space for the emerging of new ways of thinking, new perspectives and solutions. The challenge in creativity-focused leadership is to initiate processes that enable knowledge to be transformed into ideas.

This makes it important for management to be sufficiently open in its communication with employees about the strategic issues facing the company, business unit or department. After informing employees of these matters, it is important to ask everybody to suggest and share solutions. A comprehensive study by Stern and Robinson on the generation of valuable ideas shows that it is impossible to predict where a golden idea will come from. Employees not expected to bring any special ideas forward, can suddenly submit an extremely valuable suggestion. Therefore, by

making assumptions about who might be able to make a creative contribution, a company will limit its own creative potential. Creativity is not the exclusive domain of the people in the organization who are considered "the creatives". It is crucial for management to include anybody in their invitation to suggest new ideas.

The practical result of open communication is that employees know what kind of ideas the organization needs. This raises the quality of submitted ideas, because people are able to make their own pre-selection of their ideas based on relevance.

Communication must go hand in hand with providing clarity about the expectations regarding creative behavior. As part of its "Connected Creativity" program, Unilever defined the following expectations regarding its employees:

- Obsessively search for new ideas, by observing, listening and learning from everyone
- Relate to consumers and customers as individuals and not as statistics and tune into what they feel and want
- Learn from all colleagues across boundaries – we all share best and worst practices
- Use my everyday experiences to stimulate new ideas
- Share my ideas and build on others irrespective of the formal hierarchy
- Build partnerships with all stakeholders to develop and drive new ideas

Besides communication, the most important task in creativity-focused leadership is to find and support the best ideas. An important task for senior management in this setting is to sponsor promising but risky ideas. These could be ideas about possible new breakthrough technologies, products or services. Innovative and risky ideas of this kind can be killed off lower in the organization because people don't make time for them or are not prepared to stick out their necks. In an interview for the Dutch television, Jack Welch, former CEO of General Electric and widely regarded as one of the most powerful captains of industry, expressed his view of the essence of his leadership: *"My job was to select the best ideas and the best people from 300,000 employees. That is what a leader must do"*.

Leaders of innovative organizations recognize the importance of creativity. Bill Gates once stated in an interview that *"Human imagination is our only real asset here at Microsoft"*. If Microsoft had not materialized this creative ability, it would probably now be a run-of-the-mill company.

### *Sharing knowledge*

Knowledge is an essential ingredient for thinking up ideas. Without any knowledge of a certain field, it is difficult to come up with valuable ideas in that field. The process of forming ideas will be boosted if knowledge flows between the employees and departments of an organization. The knowledge could concern new customer needs, experimental projects, improvements to work processes or newly identified trends in the market. Something that one department considers knowledge with little relevance can lead at another department to new ideas. By creating infrastructures for internal knowledge sharing - like setting up networks, discussion forums and databases - an organization will enhance the creation of new ideas. An organization can even stimulate the forming of ideas by means of its spatial design. Companies like Microsoft, Xerox, 3M and Philips have built parts of their organizations as campuses. This increases the occurrence of informal contacts and coincidental meetings and thus drives a spontaneous exchange of knowledge and ideas.

If employees regard knowledge as power or if a strong rivalry exists between parts of the organization, the process of sharing knowledge can be blocked. This is another situation that calls for strong leadership that stimulates and rewards the sharing of knowledge.

### *Diversity*

A rigid 'this-is-how-we-do-it-here' attitude can dominate in closed, conformist organizational cultures with tight, uniform norms and values, and considerable recruitment from within. In such a context, it will be extremely difficult to let new and daring ideas flourish. People who work in such an organization will meet too few people who think differently and there will be insufficient mental latitude for a person to deviate from the prevailing views. A diversity of opinions, styles of thinking and experience is necessary for an atmosphere in which promising ideas can thrive.

Conflicting and frictional thoughts and points of view can lead to new, valuable combinations of ideas. On account of their own particular view of the same problem, people with different backgrounds and from different disciplines are of great significance in the search for new solutions. They expand each other's thinking framework. Consciously bringing together such people in projects and teams will create contexts for cross-fertilization.

### *Cross-fertilization*

Some organizations that compete with creativity arrange meetings with people from outside the organization who contribute new perspectives and thoughts. Xerox, for example, designed its "Art and Innovation Program" to let its researchers learn the visions and perceptions of artists. These meetings are occasions for valuable cross-pollination of knowledge, ideas and perspectives.

Cross-fertilization can be induced by a multi-disciplinary composition of teams. Motorola forms teams made up of a great diversity of disciplines, like marketing, engineering, research and sales. The team members first attend a training course in creative thinking and also a course in conflict resolution. This is because a great probability exists that emotions may reach a high pitch because of the strongly contrasting opinions about the right solution.

Cross-fertilization occurs spontaneously if employees exchange in groups - cutting straight through hierarchical levels - knowledge and ideas about certain subjects and discuss them. The creation of these "communities" can be supported by creating an infrastructure that presents an opportunity for meetings and knowledge sharing between large groups of people. An organization could for example use its intranet for this purpose.

#### *Challenging targets and creative tension*

3M has a reputation of being one of the most innovative and creative companies. Desi Desimone, the former CEO of 3M, had a simple answer when asked about the secret of his company's innovative strength: "*Setting higher and higher targets*". It is the ambitious target and the associated tension that drives 3M employees to find new solutions. The household products company Rubbermaid has named creative tension one of its critical success factors. Role-swapping is one of the measures Rubbermaid has taken to embed creative tension in its organization. For example, a financial manager is set a task that would normally be undertaken by the marketing manager. It does require insight and orchestration to inject creative tension into an organization without the tension boiling over into negative stress.

#### *Tolerance for failure*

People who used their creativity to achieve major accomplishments were persons who dared to experiment and accepted failure as useful feedback. Richard Feynman, who won the Nobel Prize for Physics, emphasized the value of failure vividly: "*To develop working ideas efficiently, I try to fail as fast as I can*". Therefore, it is important in an organization to create a safe environment in which people can put forward their ideas and possibly try them out. This requires tolerance on the part of management if employees, after making a serious effort, encounter failure in their work. With this in mind, it is important to initiate a learning process and to make available the knowledge that it yielded to employees undertaking similar projects. Tolerance of failure essentially means accepting the risks typically associated with work on innovative projects and also acceptance that success is often impossible to force through within a time frame.

However, tolerance for failure is easier said than done. Middle-managers and first-line managers frequently have to contend with a rigid accountability for results and they have to struggle with the pressures of time. They fear both for their budget and for their image if projects do not succeed. Creating a climate in which creative tension does not turn into stress and fear of failure is something that can only be achieved if senior management clearly indicates the value of learning from mistakes and encourages and even appraises managers on their tolerance for failure.

#### *Time for creativity*

To stimulate creativity it is important for employees or teams to be given time to work on their own often experimental projects without having to be accountable to senior management. Many innovative organizations have a scheme whereby employees involved in innovation are allotted a percentage of their working time. The most well-known is the 15% scheme at 3M. The company asks researchers to spend 15% of their time on research in a field of their own choosing. These measures have brought the company a stream of new products enabling it to improve its success in the marketplace.

Another way of making time for creativity is to invite each staff member to contribute two ideas for innovation or improvement at regular monthly meetings. Reserving time at such meetings to listen to ideas is not only a form of harvesting creativity. It also sends out a message that management values the creativity and involvement of employees.

Freeing up time to generate new ideas brings its rewards. Various Japanese organizations would not now be major competitors if they had failed to free up time for ideas for improvement and innovation. Their *Kaizen* (improvement) principle is built on the theory that one idea from every 100 employees is better than 100 ideas from one manager. But this does imply that the organization must reserve time to listen to employees.

#### *Scope for intrapreneurship*

Allowing scope for in-house entrepreneurship (intrapreneurship) among employees is extremely important as a way of ensuring that employees tackle ideas at their own initiative and move them forward. For the intrapreneur, it is important that his drive for initiative should not be overly obstructed by bureaucracy. Special attention needs to be devoted to the persons in the organization with an exceptional creative performance. The key task is to give them sufficient entrepreneurial latitude, safety and freedom to allow them to prosper and be productive.

This represents a formidable task for large organizations that during their growth have built bureaucratic rules and procedures. Their challenge is to make the large organization feel small and to bring about a climate in which the intrapreneur experience a sense of adventure, challenging targets and scope for their creativity and dreams. If an organization succeeds in promoting intrapreneurship, it will have created the fertile soil in which it may not even be necessary to encourage creativity anymore. It will grow on its own, as the by-product of intrapreneurs who, when working on their own exciting projects, will need all their powers of imagination and inventiveness.

#### **B. Creative thinking skills**

Numerous creative thinking techniques are now available that considerably increase the likelihood of finding golden ideas. They force a departure from habitual thinking and steer the thinking process in different directions in the hunt for new perspectives and solutions. Especially for people with considerable knowledge and experience, these thinking techniques can help them break free from thinking patterns that may have become stuck in a rut. Research has shown that training courses in creative thinking increase our capability to think in wider and diverging contexts.

In particular in the initial phases of a project, where we search for ideas for alternative approaches and solutions, creative thinking techniques can be extremely useful. The techniques help us to generate a large number of ideas in a short time. This increases the likelihood of hitting on golden ideas.

At the DuPont company, they calculated that 3,000 rough ideas were necessary to launch one new product in the market. Therefore, DuPont provides workshops in creative thinking at its own training centre. Employees learn how to apply creative

thinking to new proposals for products. Research in the United States has revealed that at organizations with more than 100 employees one out of every three companies already offers employees training courses in creativity techniques.

### **C. Idea management**

Idea management includes all activities a company undertakes to identify, select and reward ideas and make them ready for implementation. If improving the climate for creativity in the organization is the cultivation of the soil, then idea management is akin to organizing the harvest. Idea management is the way ideas really take on value for the organization.

The task in idea management is to establish a system that identifies and manages ideas from employees and possibly also from customers. Sometimes ideas are easy to capture at a departmental meeting with colleagues and managers. However, it is advisable also to offer employees an opportunity to submit ideas along a different path. We definitely do not mean the impersonal and frequently ineffective suggestion box. Some large organizations in the Netherlands - including ABN AMRO Bank, KPN and the Dutch Tax Authorities - have instead built electronic systems that allow employees to submit ideas over the intranet. These systems allow the organizations to keep employees well informed of the further progress of a submitted proposal and they shorten the lead time. It is also possible to store unused ideas in a database and regularly reassess their value. This has a motivational effect on the employees whose ideas do not make it to the top of the pile. They know their discarded ideas will not be consigned to the wastepaper basket.

Idea management also focuses on rewarding the most valuable ideas. A highly material reward gives rise to the danger that employees will be primarily interested in the reward and might therefore not be willing to share their ideas with colleagues. The best and most intrinsic reward is public recognition of the donor of the idea. Another possibility is to involve employees in the capacity of advisor or supervisor in the implementation of their own ideas.

For the stage at which some promising ideas have been selected, some organizations have set up formal step-by-step procedures to polish, assess, test and implement the ideas. A less formal way is to give a team of mixed composition - preferably including the customer - the task of moving a valuable idea forward in a short period of time and, if possible, implementing it. The Finnish company Nokia, for example, has set up "Insight & Foresight" teams to work systematically - supported by creative thinking techniques - on ideas for new market opportunities.

## **5. Competing with creativity**

### *The essence of competing with creativity*

An organization that wants to compete with creativity have to search for its creative powers. Some companies pin their hopes on the inventiveness of employees at departments like R&D and New Business Development. Some service providing organizations, unable to protect their new services from being copied by competitors cast hopeful looks in the direction of the marketers. They believe that their experience and creativity will lead to a unique positioning of the new service in the marketplace.

The vision put forward in this essay indicates that an organization choosing this narrow approach, will fail to mine a substantial proportion of the creative "gold" present in the organization. With the right leadership, a fertile climate, the support of creativity techniques and effective idea management, a firm can draw creativity from a far wider reservoir: the entire workforce.

A company, in need of creativity with a competitive value, should also search for other, external, sources of valuable ideas, like customers and suppliers. Organizations like Vauxhall and Nokia even ask children for new ideas for designs.

Organizations trying to unleash creative competitiveness, have to devote careful attention to creativity in its policies. At some organizations this is an immediate necessity. They include organizations with products or services with a short life cycle. They can survive only by producing a permanent stream of innovations. These are the organizations that have to be ideas factories.

Unleashing and utilizing the creative capacities of employees is important for all organizations, irrespective of their size, industry, strategy or growth phase. This includes organizations that do not pursue an innovation strategy, but choose to compete on high quality or low prices. For these companies, raising quality to an even higher level or reducing costs still further, often poses a huge creative challenge. The question they ask themselves is: how can we do this smarter than our competitors? So all ideas and suggestions will be welcome and the task will be to involve as many people as possible in creative thinking for solutions.

Creativity must also be given a chance at companies with highly standardized processes and companies where employees perform simple, repetitive work. Management can strive to improve processes by asking employees suggestions for incremental steps forward. All together however, the numerous small improvement steps, resulting from the 'small creativity' of employees, can add up to a significant process innovation that offers the company greater competitive strength.

For these reasons, productivity and creativity do not cause a dilemma. Productivity allows us to deliver to our customer. With creativity, we can continue delivering to demanding and disloyal customers. This is because creativity allows us to look differently at matters like working methods, processes and management styles. It enables us to discover new ideas for raising productivity and attractiveness even further. Precisely when our competitors have higher productivity, we need to free up time to answer creativity-stimulating questions like: "How could we work more effectively or efficiently?"

For mobilizing creativity we don't need to brainstorm for new ideas on a daily basis. There is often no time for such an approach and is also not necessary. A manager can mobilize the creativity of his team permanently by pronouncing the expectation that they will come up with new proposals for success. At that moment, his team will start to listen differently to customers in order to identify new needs. The team may get in touch with other teams to share knowledge and to discover new opportunities. The team might examine how competitors solve the problem. Possibly the team will first use a creativity technique to generate a large number of ideas of its own and launch only the most promising ones.

Was the manager's question really necessary to bring about this kind of action? This invitation will certainly be necessary in some contexts where employees believe they are uncreative. The ideal situation occurs when people no longer look upon creativity as a special activity and instead creativity finds expression in the way people work solve problems on a daily basis. M. Douglas Ivester, former CEO at Coca-Cola, summarized this vision in the following way:

*"At Coca-Cola creativity is not an 'epiphany du jour'. It is not something we propagate as the campaign of the month. It's not just an invitation to a creativity facilitator. Creativity is what we put into practice 365 days a year. It is a discipline reflected in the ways one person interacts with another. It is the way we hold meetings, the way we work with each other. In other words, everything's about creativity".*

#### *Different methods*

Organizations differ in the way they attempt to make creativity flourish within the organization. We will discuss three types of organizations:

#### A. Organizations with an integral approach

These are organizations that strive to stimulate, channel, select and materialize the creative contributions of their employees in the most structured way possible. The management of creativity is focused entirely on building the innovative strength of the organization. There is strong creative leadership that ensures the fostering and protection of the unique creative contributions of employees and a regulated translation into innovation. These organizations have developed the culture and the processes for permanently harvesting creativity. Examples of organizations of this kind are DuPont, Pfizer, Rubbermaid, Xerox and 3M. ABN AMRO Bank and Philips are examples of Dutch organizations that are striving for an integral approach.

#### B. Organizations with a 'laissez-faire' approach

These are organizations typically found in what is called 'the creative sector'. They include organizations in advertising, architecture, entertainment or music. Creativity is a word seldom found in their organizational vocabulary. It is not something that they specifically manage. Rather, they take creativity for granted. It is for their management and employees a style of living and working.

These are organizations where other concepts than creativity frequently take centre-stage: entrepreneurship, ownership, adventure, freedom, openness and shared values.

The style of leadership in these companies is best described as 'laissez faire'. They create scope and freedom and occasionally even allow a creativity-stimulating chaos to occur. Anita Roddick, founder of Body Shop, characterized the culture in her organization as "benevolent anarchism", in which everybody is free to express doubts about what they are doing and how they are doing it.

Employees at these organizations have the feeling that they are on a special mission and are fulfilling their own dreams and desires. This combination unleashes passion and creativity among employees on different planes: contacts with customers, with colleagues and in their own careers.

### C. Organizations with a "creative islands" approach

In such are organizations the leadership do not pursue an integral approach for managing creativity, but recognizes that creativity must be given greater latitude.

Such a situation can be found in firms where the pressure of the primary processes are so high, that too little attention can be given to generating new ideas. Or, we could think of large bureaucratic organizations where the culture of loyalty and conformism strongly suppresses creative behavior.

To give attention to promising creative processes despite such circumstances, these organizations create "islands" where more (mental) space exists for forming ideas, exploring opportunities, experimenting and implementing promising proposals. They may be large bureaucratic organizations that have departments like "New Business Development" or a "Future Center". Sometimes the creative island may be a physical space where people can brainstorm or accelerate implementation of their ideas. Lucent Technologies, for example, developed the "IdeaVerse" creativity centre. The objective was to build a place where employees can let their creativity excel. The centre has purple walls and stars on the floor. Employees can take creativity training courses at the centre and it has books and videos. They can simply walk into the centre and hold brainstorming sessions.

"Creative islands" can cause an oil slick effect. If employees have gained a stimulating and valuable experience on the "creative island", they will apply the different way of thinking and looking at matters in their everyday work.

## **6. Government support**

We explained in the previous sections of this essay that organizations can apply their creative potential to drive improvement, innovation and competitive strength. There is an urgent need to do so. Creativity can offer the Netherlands a decisive distinctive edge over countries like China, considered as one of the leaders in low costs in combination with quality. Creativity allows us to think up unique products and services, to explore new ways of partnering and to develop inventive solutions for organizational challenges.

This makes it in the national interest to stimulate, foster and harvest the creativity present in companies and institutions and, in a wider context, among the population as a whole. The government can play a supporting role in ways such as promoting knowledge sharing on successful creative processes, by giving greater attention in the

educational system to creative thinking and by systematically harvesting valuable ideas from the public.

The role of government is particularly important to ensure that creativity feeds innovation in the Netherlands. A revealing comment made by the director of innovation of a major international corporation during a guest lecture was: *"We are one of the best in materializing an idea and getting it to the market step-by-step. But our problem is this: how do we get new ideas?"*

It is not the primary task of the government to deliver ideas to companies. But it is a government task to make sure that optimum conditions exist for utilizing the creative potential in the Netherlands and at Dutch companies. Further research is necessary to determine the required policies at national level and at the level of distinct industries.

We will formulate five general policy opportunities for the Dutch government to support creativity and creative processes in the Netherlands and, in particular, in the business community:

1. The government could promote more intensive contacts between organizations in the creative sector (architecture, fashion, entertainment, music, visual arts, advertising, publishing) and other sectors. Managers and employees in the creative sector possess often a spontaneous, refreshing creativity that could be a source for inspiration and cross-fertilization.
2. With a view to the current growing importance of innovation, social innovation and creativity, it is recommendable for the government to take a series of measures to recognize and publicly express appreciation of organizations that excel in competing with creativity. Giving publicity to these companies and their approaches offers opportunities not only for useful knowledge sharing, but will provide other organizations with an incentive to improve their own creative processes.
3. The government faces major economic and social issues in the community at large. We stressed earlier in this essay the importance of the leadership of organizations indicating the issues for which new and valuable ideas are needed. This will encourage creative thinking to find solutions. The government could follow suit by inviting members of the public to put forward ideas to address the challenges that confront the public and private sectors. These ideas could be, for example, launched at specific websites at each ministry. The government could also set up temporary networks in which experts and non-experts generate new solutions for a particular issue, if possible supported by creativity techniques.
4. If the government wants to promote innovation and creativity, it will need to take on the role of inspirational front-runner. This role includes stimulating creative problem-solving behavior among civil servants and creating a culture in which ideas and in-house entrepreneurship are able to prosper. The Dutch government has already developed initiatives in this direction by defining a profile, as part of the "Different Government" policy program, of the competences required to be an innovative civil servant. Besides a program for

developing the competences for creativity, it is advisable to make a cultural diagnosis of the forces within governmental organizations that oppose creative behavior. At different levels of the government one could also formulate ambitions and targets for the promotion and utilization of creativity. To provide an example: The city of Groningen has already profiled itself as a creative city. It has indicated that Groningen has a number of features that give its community a great creative potential: a large number of young people, a great diversity in education, a broadly-based cultural sector and innovative companies operating in the ICT and life sciences sectors. Further research is required to determine how cities and municipalities can utilize their creative potential optimally for innovative projects.

5. Primary and secondary education could prepare pupils for the creativity that organizations will expect from them. Teachers could systematically devote attention in teaching programs to stimulating creative thinking. In the Netherlands at present, creativity receives attention principally through the expressive subjects. Dutch schools devote little if any attention to teaching creative thinking. Yet some effective programs are available to support children in sharpening their creative thinking and allow them to see more possibilities and solutions. This is a skill that in later stages will give them a greater creative problem-solving capacity, in their work as well in their private lives. Schools in countries including Australia, Canada, China, New Zealand, Japan, Malaysia, South Africa, Italy, the United Kingdom, the United States, Venezuela and Russia are already using teaching programs that promote creative thinking among children. In the Netherlands, the Ministry of Education could set up "Learning to think creatively" trial projects at various Dutch schools.

## **7. Conclusion**

Innovation and creativity are inseparable partners. This means that innovation policies should be supplemented with a vision and policies targeted on creativity. This is relevant at the level of organizations and on a national level. This essay indicated ways in which creativity can be unleashed and utilized in such communities.

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