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Creativity and Innovation: Assurance for growth

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Abstract

Innovation is a decisive process for the well-being of an organization. The ever-changing economy and know-how will sway society, organizations, and managers according to Drucker (1992). In his view, the knowledge Society will require all its members to have basic computer skills as well as conventional literacy skills; political, social and historical knowledge as well as the skills of learning-to-learn. All giant corporate houses, he believes, will be information-based and in general encompass flatter organizations comprising knowledge specialists (Drucker, 1998). Now days we can observe that most of the organisations have started with Knowledge Training centre to improve the performance level of the employees. This is because knowledge is considered as the bottom of enterprise. Employees have the minds of specialists who do different work and direct themselves. In such an information-based organization, traditional departments will serve several roles: as guardians of standards, as centres for training and the assignment of specialists. Moreover, when a large business organizes around information, it leads to a reduced number of management levels. In his view there are three reasons why large organizations will have to become information based. First due to knowledge workers, who form a growing part of the workforce, are not responsive to common control methods. Secondly, the organization must decide what information it needs to operate otherwise it will be submerged in data. Thirdly is to 'systematise innovation and entrepreneurship which is ideal knowledge work'.

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1. Introduction

Most of the companies invest in innovation and creativity nowadays. Top priorities of most of the companies would be to bring new ideas of doing the same business irrespective of areas of specialisation (Porter Stern & Council on Competitiveness, 1999). Due to emergence of knowledge economy, global competition and technological advancement INNOVATION has become priority among the corporate houses. Innovation results in new product development, advanced processes and innovative system of doing business. Innovation brings solution to many gaps and latent demand of consumer or market.

The term creativity and innovation are often used interchangeably (Man, 2001) but there is clear difference between these two terms. Creativity refers to the generation of ideas and Innovation refers to implementation of that ideas. Creativity is of three types like individual creativity, group creativity and organisational creativity. In this research paper the focus would be on **organisational** creativity.

Innovation also has two categories like incremental innovation and radical innovation. In this research paper, Authors have collected and presented various literature reviews on creativity and innovation, studied various models on creativity and innovation and then with the help of case study as research methodology they have mentioned that creativity and innovation plays in an organisation.

2. Literature Survey

Normative theories are offering suggestions that there is strong fundamental correlation exist between innovation and organisational growth but there are not consistent evidences in the field of research. In 1998 Cook has mentioned in his research that creativity is an element of competitive advantage. Cook stressed on the point the companies that develop culture of creativity and innovation gets benefits beyond direct sales and profit in terms of social benefits in terms of teams working and motivation of employees. He has concluded the creativity can be seen as starting point for the innovation process and it occurs through four stages namely idea generation, idea screening, idea feasibility and implementation.

In 1998 Gurteen has defined creativity as idea generation and innovation as implementation stage. Creativity needs divergent thinking process where as innovation needs convergent thinking process. Tidd, Bessant and Pavitt (1997) suggest that a number of core elements and processes exist which encourages effective innovation outcomes. He has mentioned that innovation exist in each industry irrespective of type of production and other resources, it says only

degree of its implementation may varies but its presence do exist in an organisation.

In 1994 Hamel and Prahalad expressed in their research paper based on Resource Based view (RBV) that one of the important key factors of difference between firms performance is Innovation. They mentioned that innovation generated out of creativity help many organisations to differentiate them in terms of product, resource utilisation, and processes. These unique aspects are not easily imitated or substitute. Their research says that firms do not fight only on product but rather on much deeper factor than that which is capacity to do that.

3. Objective of the study

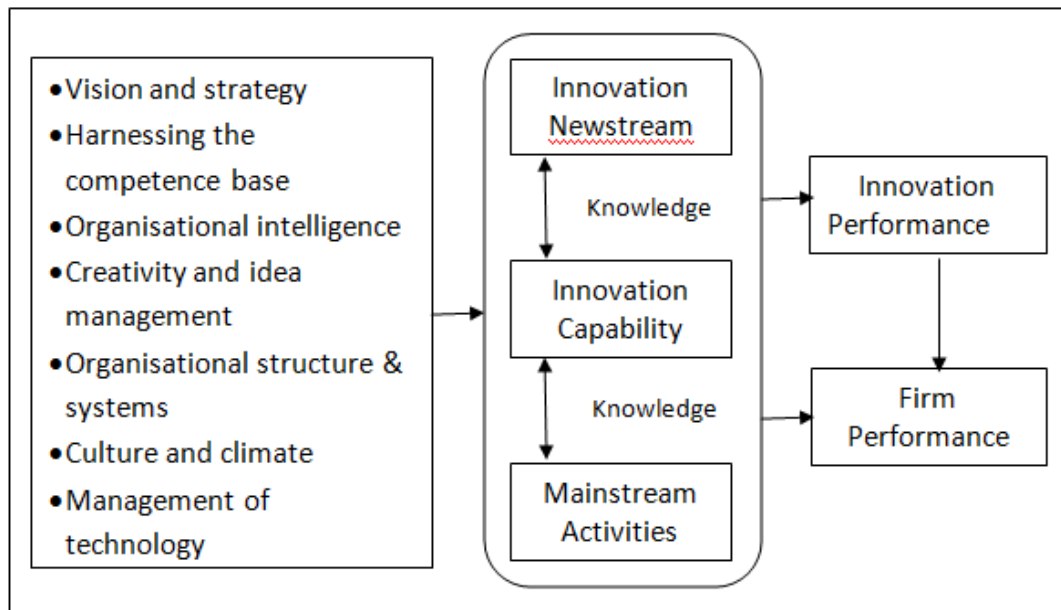
- To know the importance of organizational creativity and innovation
- To identify the factors that enhances and/or facilitates organisational creativity
- To study various models of innovation.

4. Models of innovations

Researchers have studied two models of innovation in this paper to explain correlation between innovation and business processes.

4.1. Kanter's Model

Fig. 1 Kanter's Model

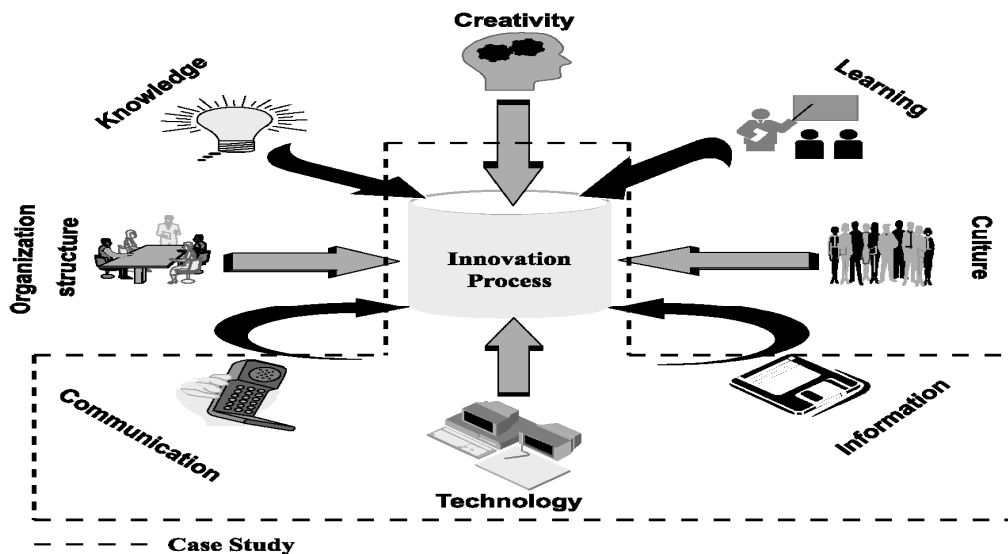


Kanter has presented model in 1989 (shown in Fig. 1) and argued that organisations are most effective when different resources are mainstreamed and newstreamed. ‘Mainstream’ and ‘newstream’ means organisational resources are balanced by Management in such a manner that organisation can absorb stability and change. It needs to have its resources identified in manner in which it will not face any urgency or crisis at the same time it will also see that it does not get obsolete by offering the same level of output to the market. Kanter (1989) has also proposed that organisation has to continuously fund its newstreams and let the new processes and products/system then assembled to the existing one. This will restrict an organisation to deviate organisation from its main goal and risk of sudden change can also be eliminated. He had also observed through his research that if there is constant communication between both the streams then Mainstream will not take much time in adopting the newstream i.e. innovation.

This Model strongly recommends that innovation cannot be brought instantly else it will fail Mainstream independently is unlikely to be successful in dynamic and continuous changing market. So there has to be strong information flow and continuous development between newstream and Mainstream of any business.

4.2. Integrated Model of Innovation

Fig. 2 Integrated Model of innovation



Source: Ahmed et al. (1998)

Source : emeraldinsight.com

Above chart represents an integrated approach towards innovation. This integrated approach explains that if an organisation wants to introduce innovation strategies then it has to have integrated approach towards that. This model is comparatively easy to implement as innovation will be understood properly and it will be absorbed by company's system. It says that mainstream activity is clubbed with innovation capabilities. So there is perfect coordination of innovation newstream, business capabilities and building strength over a period of time to launch innovation in business.

Researchers, after studying both above discussed models would like to suggest a balance between mainstream and newstream resource is essential to bring assurance of success.

Another important finding from this model is innovation cannot be limited up to particular department, process or system; it has to be launched at organisational level. Researchers would like to mention few of the innovations examples in detail manner.

5. Dimensions of Innovation

In this paper Researchers would like to discuss various dimensions of innovation that have been extracted from literature review and various case studies. Rothwell (1992) suggest five different models where they have mentioned that there has to be pull and push strategy, again organisation also has to see that there is balance between softer and harder goals of organisation. Following dimensions have been derived from theories of "Innovation".

- a) **Training:** Each organisation has to train their staff for innovation and creativity. Organisation has to check if impact of present training programme on employees creativity and innovations. Organisations which would like to survive with greatest potential in market have to have each programme moving in direction of change and innovation. Training head / Manager has to work on output of training programme and should allow constant change in structure and system. According to Nonaka and Tekenchi (1995) successful companies are those which create new knowledge and disseminate widely throughout the organisation. According to Senge (1994) there has to be learning atmosphere of learning for five types of discipline *viz.* personal mastery, mental models of personal learning and growth, shared vision for organisation, commitment to learning and system thinking. Many researchers argue that process of critical thinking starts with injecting intellectual knowledge and thinking throughout the organisation; where training plays an important role.
- b) **Working conditions/ culture of innovation:** According to Man (2001) employees would be ready to contribute if there is culture of implementing ideas into practice. Innovation will only happen when people think for new ideas, implement this and **accept it**. It is very important for an organisation to develop culture of accepting the idea, people would start with efficiency. Managers should try to create conducive

atmosphere where there is lot of why, why questions and mind-set of employees are triggered with questions of finding newer ways and means of doing the things.

- c) **GAP Analysis:** Researchers have mentioned in this paper literature review which revolves around the process of implementing innovation with great efforts but at the same time excellence of innovation cannot be neglected. It is not only important that creativity and idea should result in “Innovation” but it is also important the innovation should result in excellence. Excellence can be brought by implementing innovation with strategic tools and working on all determinants of innovation.
- d) **Business Process Reengineering (BPR):** Zang(2002) had mentioned that for achieving competitive advantage organisation has to work on both continuous innovation and radical innovation. Business Process Reengineering can be brought as radical change in an organisation. Some example of BPR like organisation structural change from hierarchical to flat, changing main goal from domestic to global, and going for strategic alliance. BPR needs huge investment with great deal of efforts from top management.
- e) **Organisational Excellence:** Organisation has to work towards inclusive growth to achieve main goal of excellence. According to Hillman (1994) assessment of excellence is the process of assessing organisation against its goal set. Organisation has to try continuously for achieving its excellence with innovative ideas and thought process.

6. Research Methodology

In this research case study methodology has been followed to understand importance of innovation for any organisation. Researchers have discussed one SME’s case study which has its success story based on innovation.

Case Study: Popy Umbrella Mart – Kerala

Researchers would like to discuss and present one case study which is most unique. Popy umbrella Mart is a Small and Medium Enterprise. Popy umbrella has its unique success story. Kerala has been considered as hub for umbrella due to weather conditions. There is heavy demand for umbrella in this region. Popy umbrella is highly labour intensive firm which is totally depended on its employees’ creativity. Popy has so huge demand that it is sometimes difficult for them to meet the demand. There was one incident where company has to remove its website as it was not able to cope up with magnitude of demand. In 1940s the late Shri. Thayyil Abraham Varghese, alias “KudaVavachan” Started the making of umbrella. He founded St. George Umbrella Mart in 1954. The race acumen and dynamic entrepreneurship of the founder was greatly responsible for the astounding growth of the Umbrella Mart in the initial stages. In later years, with innovative stewardship of his son Shri. Baby, the Umbrella Mart scaled new elevations of development. The traditional mantle of his well-known father fell on his as association with his father’s venture was long and consistent. People called him St. George Baby. In recognition for his great contribution towards the development of modern umbrellas, Shri Baby was conscripted in the in the Quality Control Committee of ISI as early as in the year 1979. He became the Chairman of that Committee in year 1986 .For his

outstanding contribution towards the development of small scale industries in India, St George Baby received IMM awards consecutively in the years 1992 & 1993, 1998. The “BharathiyaUdyogaJyothi” awards in 1992 was yet another all India recognition he got .Popy has received the prestigious “UdyogRatan’ award in 1998, presented by Institute of Economic Studies, ‘Deepika’ Business Man of Kerala 1998, Rajiv Gandhi Quality Awards, Akshaya Award, AKCC Centenary Award were also awarded to him. Mr. Baby has been unanimously elected as the president of all India Umbrella federation in its Annual General Meeting held at Rajasthan on 19-12-2005..Popy is also proud to announce that it is first Umbrella company nationally and internationally to achieve the ISO-9001 certificate..*

**Source :<http://www.indiamart.com/pu-mart/aboutus.html>*

Popy has identified many areas of improvement after analysis of areas of improvement. Company has always engaged itself in bringing innovation by interacting with its clients for e.g. kids, female clients, dealers and others. They tried to collect latest information on latest cartoon story or innovative ways of making such routine product an extra ordinary one. Company has tried to associate various features with its product which can not only gives visibility to the product but also it can lead up to multiple utility of the product. Some innovative examples of Popy umbrella are WPWR coating, light house umbrella which lights up when opened , Teflon water proof umbrella, godfather umbrella which can be used as walking stick umbrella, Nokia umbrella which looks like cellular phone with five folds, etc. Popy has also tried to reach its operational efficiency by introducing automation but it has still not resulted into personal touch of how it gets under labour stitching. Popy has been declared as most likely product in Kerala. Though it is facing competition from local and international and national brands but owner of the firm leads the market with innovation and freedom to think and implement. Popy is planning to start its operations in other places of South India which will expand its operations.

7. Discussion

From above analysis and case study, researchers would like to mention that innovation has no limit. A product which nobody would have thought to innovate can create such a huge success story- like Popy umbrella. The paper presents impartially strong evidence that reshaping organizations for imagination both technical as well as non-technical can provide a powerful advantage to organizations regardless of the pressures of their operating environments. Whilst there is no universal prescription for inspiring organizational creativity, a number of factors may be identified that make creativity more possible. Broadly speaking these subdivides into these areas: Setting an appropriate culture, leadership style, focusing more on informal structures and continuous and two way communications. At times many organizations have capacity and talent pool that can bring innovation at the right place but due to poor integration it fails. So one should try to take necessary steps and let the employees be at their creative best!

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