

5th Europe Asia Young Leaders Forum

Creativity and Innovative Thinking

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Creativity in Business



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The Problem With Creativity

Most Business Leaders Agree that Creativity is Positive and Important, but ...

- *It cannot be planned*
- *It is difficult to manage*
- *It disrupts existing procedures and structures*
- *It is risky*

... thus, it causes so much trouble that many leaders would rather abstain!

Can Business Afford to Abstain?

- The vast oversupply of information will ultimately have to submit to an ordering impulse. That impulse is creativity, the human commodity that will become the most valuable in this new age

(Nomura Institute – Japan)

- “This is the age of creativity because that’s where technology wants us to go next. Growth will come through mastering the skills of creativity and making it actionable”

(John Kao in “Jamming”)

The “Creative Age”

- **Technology and Information era and their diffusions have leveled the playing field**
 - differentiation as the distinguishing factor
- **Companies are increasingly obliged to rapidly re-invent themselves**
- **Increasing importance of design**
- **Customers have greater demands, more input, increased control**
- **Globalization and global competition**
- **Worker entitlement (*rise of the ‘creative class’*)**

Creativity Defined

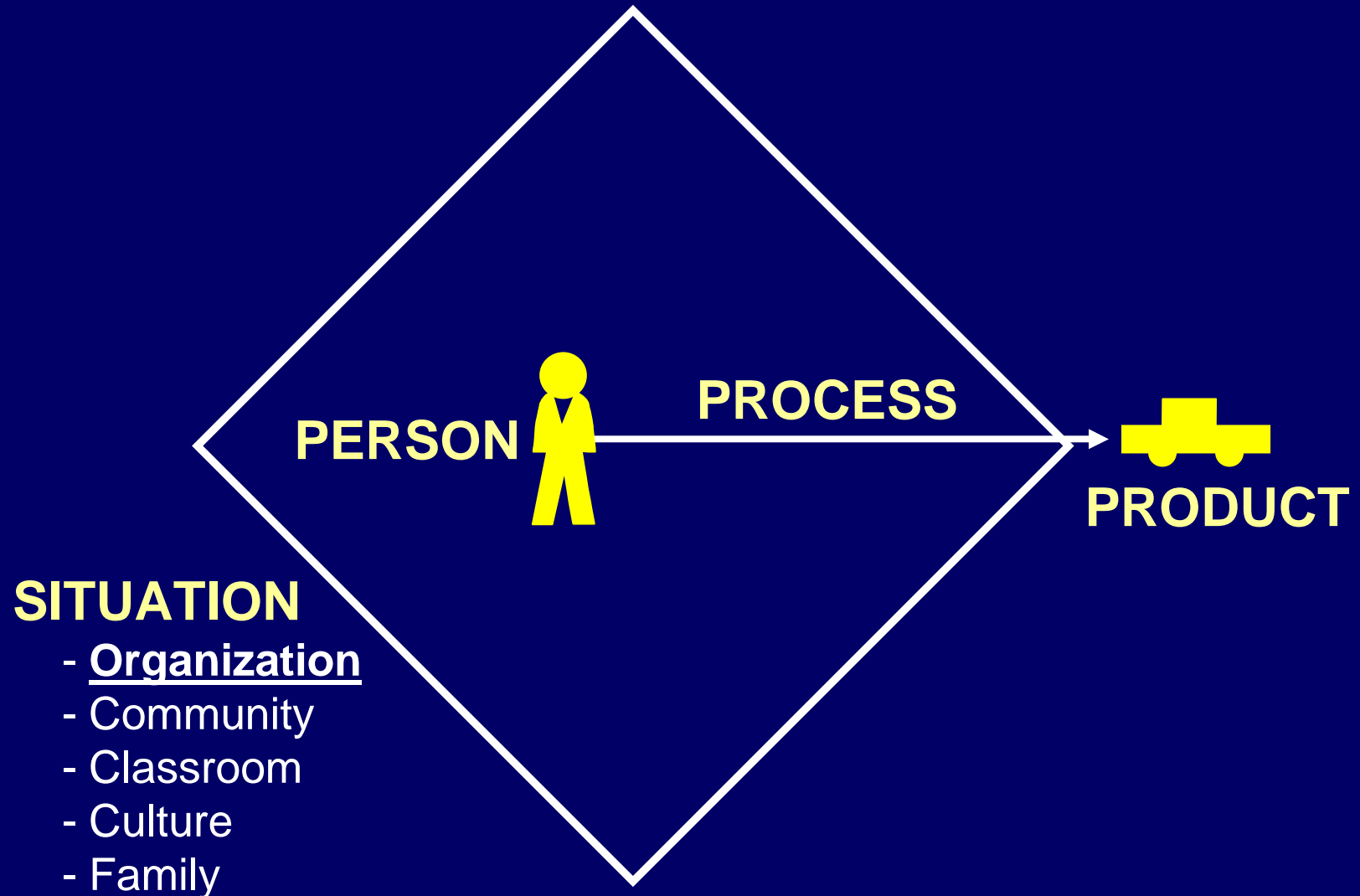
1. the ability to create something new showing imagination; artistic or intellectual **PERSON**ness; stimulation of the imagination and inventive powers

2. imagining familiar things in a new light, digging below the surface to find **PROCESS**ected patterns, and finding connections among unrelated phenomena

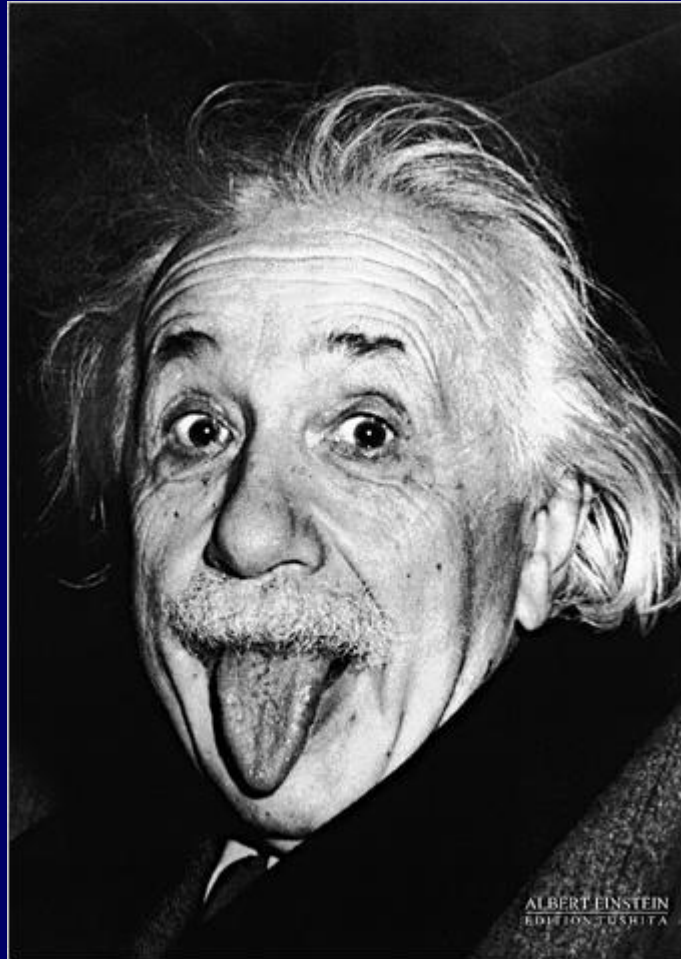
3. An act, idea, or **PRODUCT** original and also has value or usefulness

4. emanates from **SITUATION**onment that supports, encourages, and thought processes

The Facets of Creativity



The Creative Person



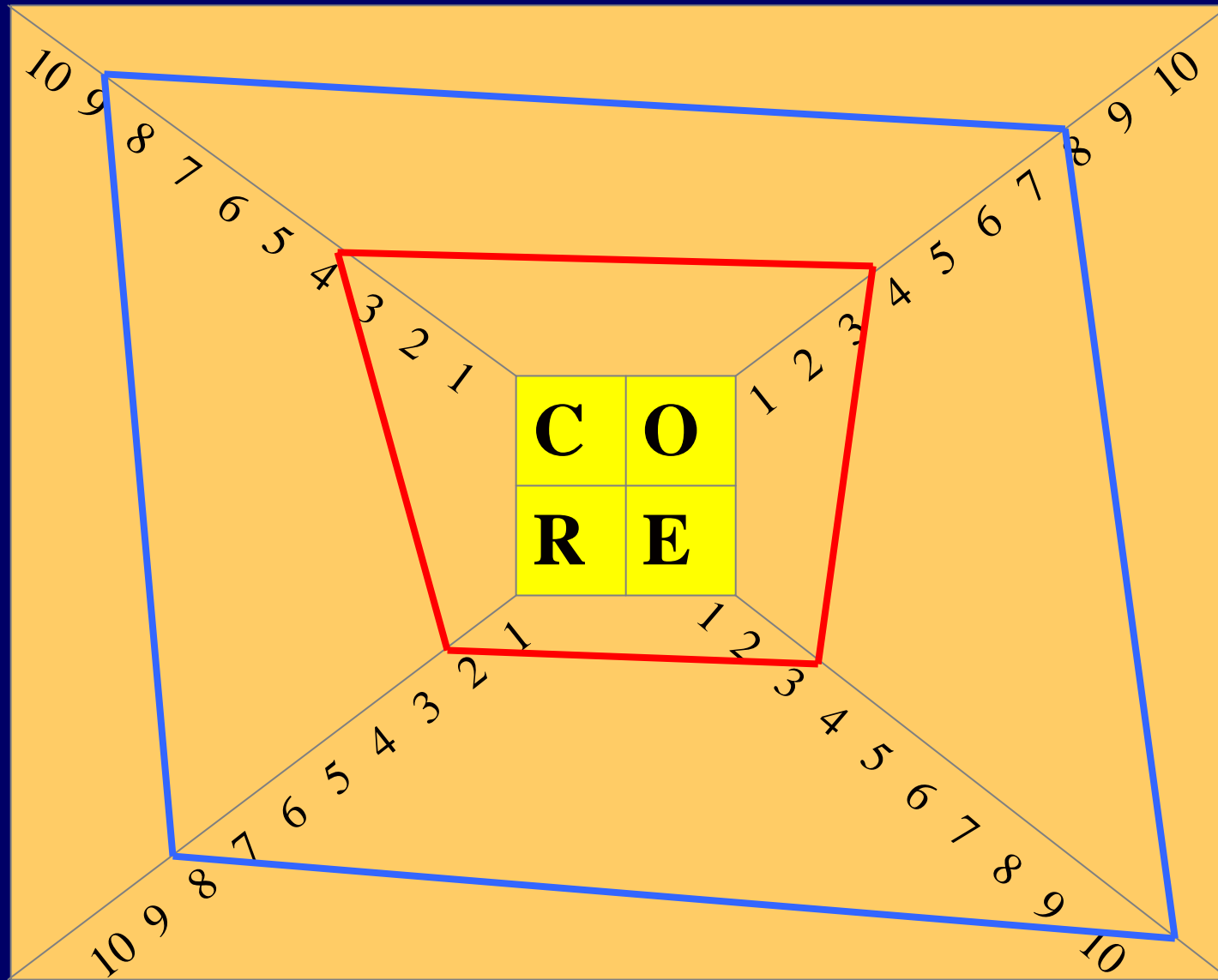
Creativity: Capacity vs. Style

- Capacity explores how adept a person is at thinking or behaving creatively
 - *“How creative am I?”*
- Style explores the way in which a person prefers to be creative, solve problems
 - *“How am I creative?”*

Your Creative C.O.R.E.

- **C. uriosity**
 - On a 1-10 scale, how curious do you feel you are?
- **O. penness**
 - On a 1-10 scale, how open are you to new things?
- **R. isk Tolerance**
 - On a 1-10 scale, how much of a risk taker are you?
- **E. nergy**
 - On a 1-10 scale, how energetic do you feel you are?

The C.O.R.E. Box

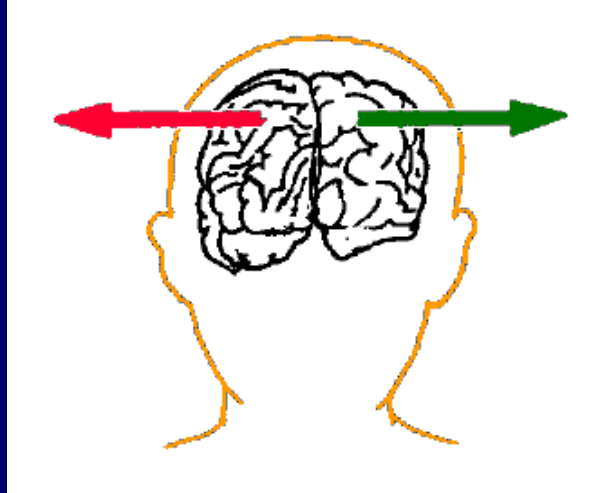




**I
LOVE
PARIS IN THE
THE SPRINGTIME**

LEFT BRAIN

- logic
- analyzing
- reasoning
- judgment
- linear thinking
- convergent thinking
- mathematical
- one thing at a time
- sequential
- routine memory
- written, verbal



RIGHT BRAIN

- intuition -
- insight -
- creative -
- meditative -
- multi-directional thinking -
- divergent thinking -
- integrating many inputs -
- synthesizing -
- holistic -
- perceptual -
- visual -

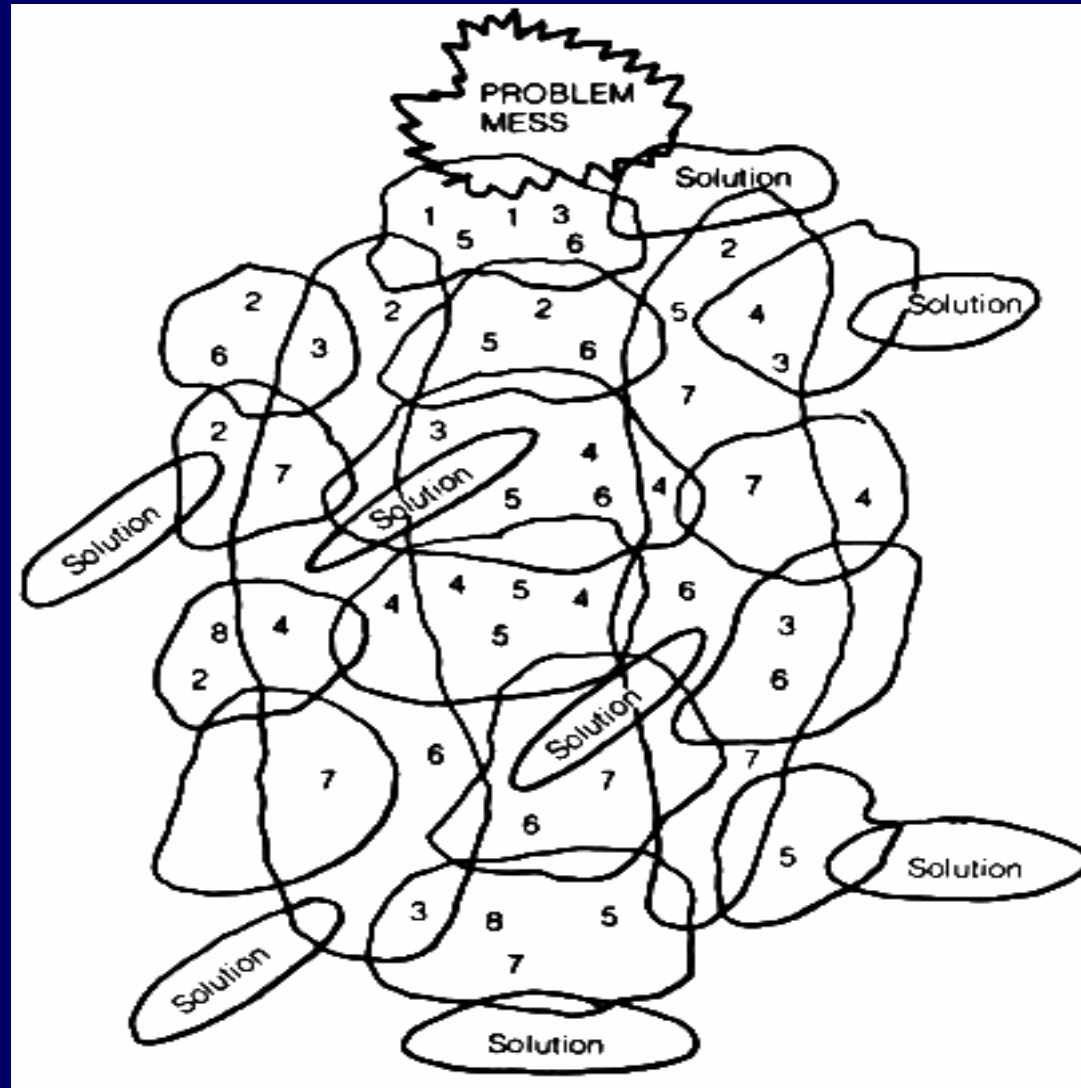
Role of Intrinsic Motivation

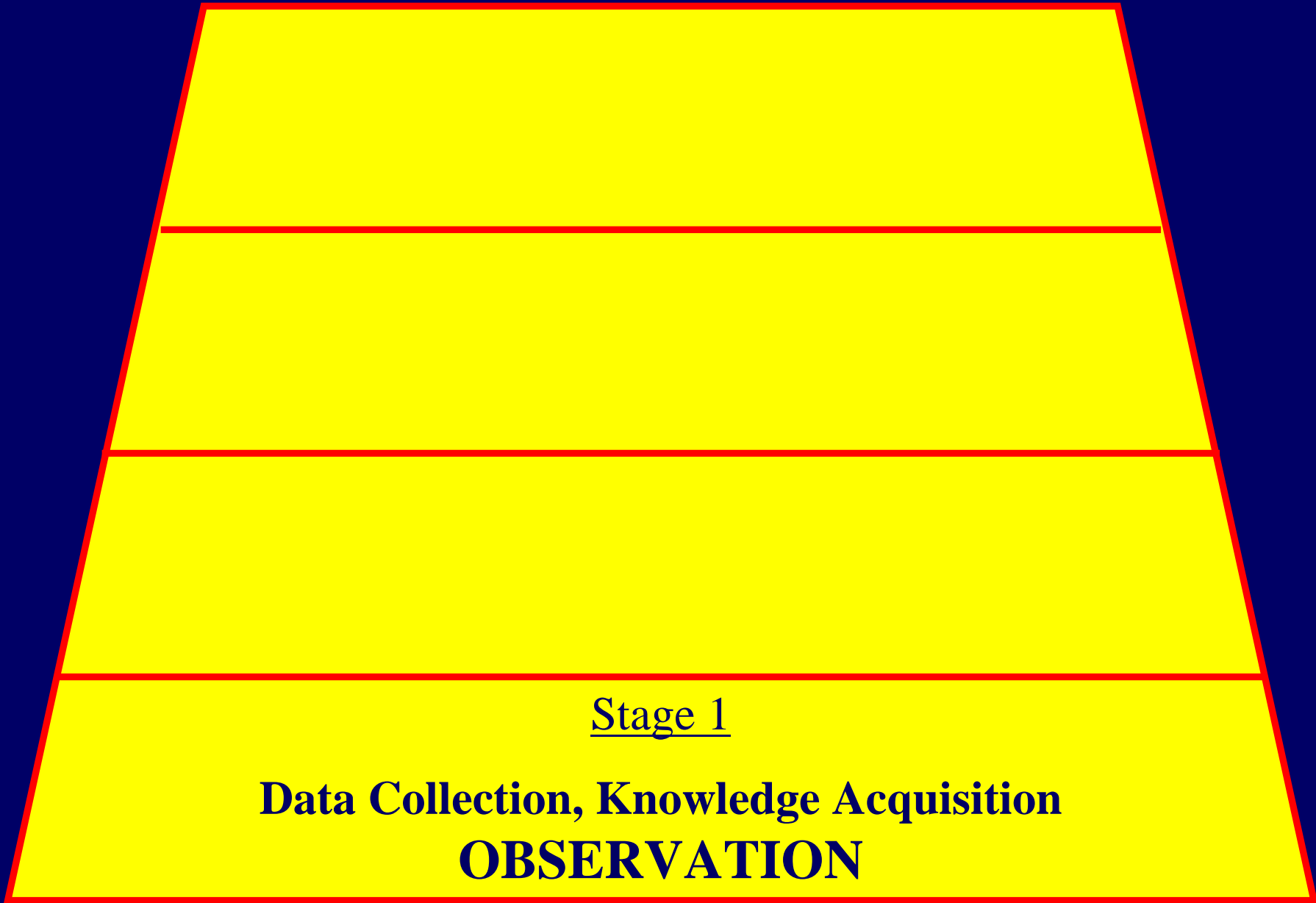
- **Intrinsic Motivation**
 - driven by deep interest and involvement in work, curiosity, enjoyment or personal sense of challenge
- **Extrinsic Motivation**
 - driven by desire to attain some external goal apart from the work itself
- **Intrinsic Motivation Linked to Creativity, Extrinsic Factors Often Reduce Creativity**
 - e.g., Rewards, Surveillance, Evaluation
- **Controlling vs. Informational Extrinsic Factors**

Myths and Realities of Creativity

- **Myths – What is not required...**
 - A Missing Organ
 - A Need for Genius
 - Lone Individualism
- **Realities – What is required...**
 - Intelligent, but Ordinary Thinking
 - High Motivation
 - Hard work (Blood, sweat & tears)
 - Collaboration
 - “Gumption” / Guts / Thick Skin

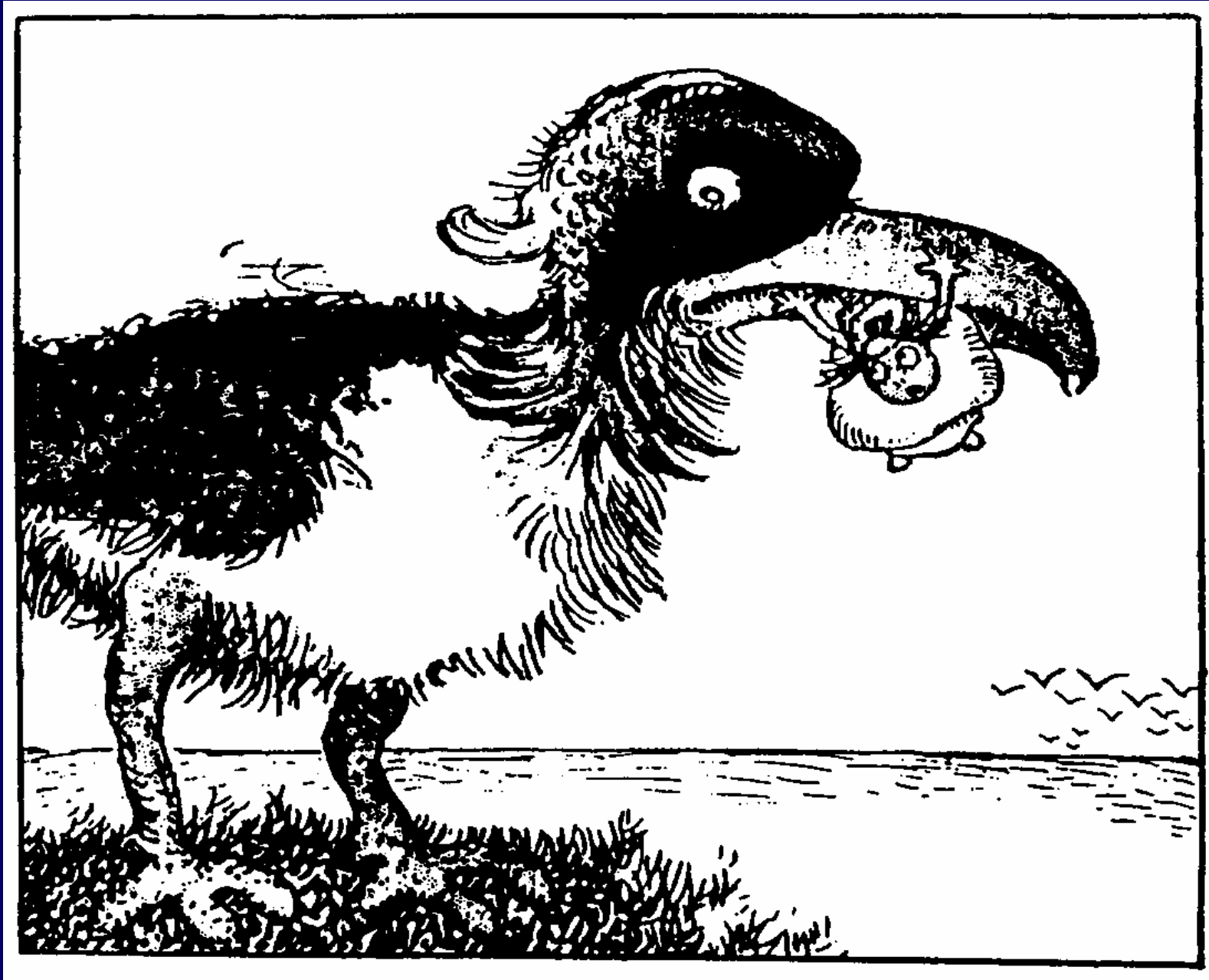
The Creative Process

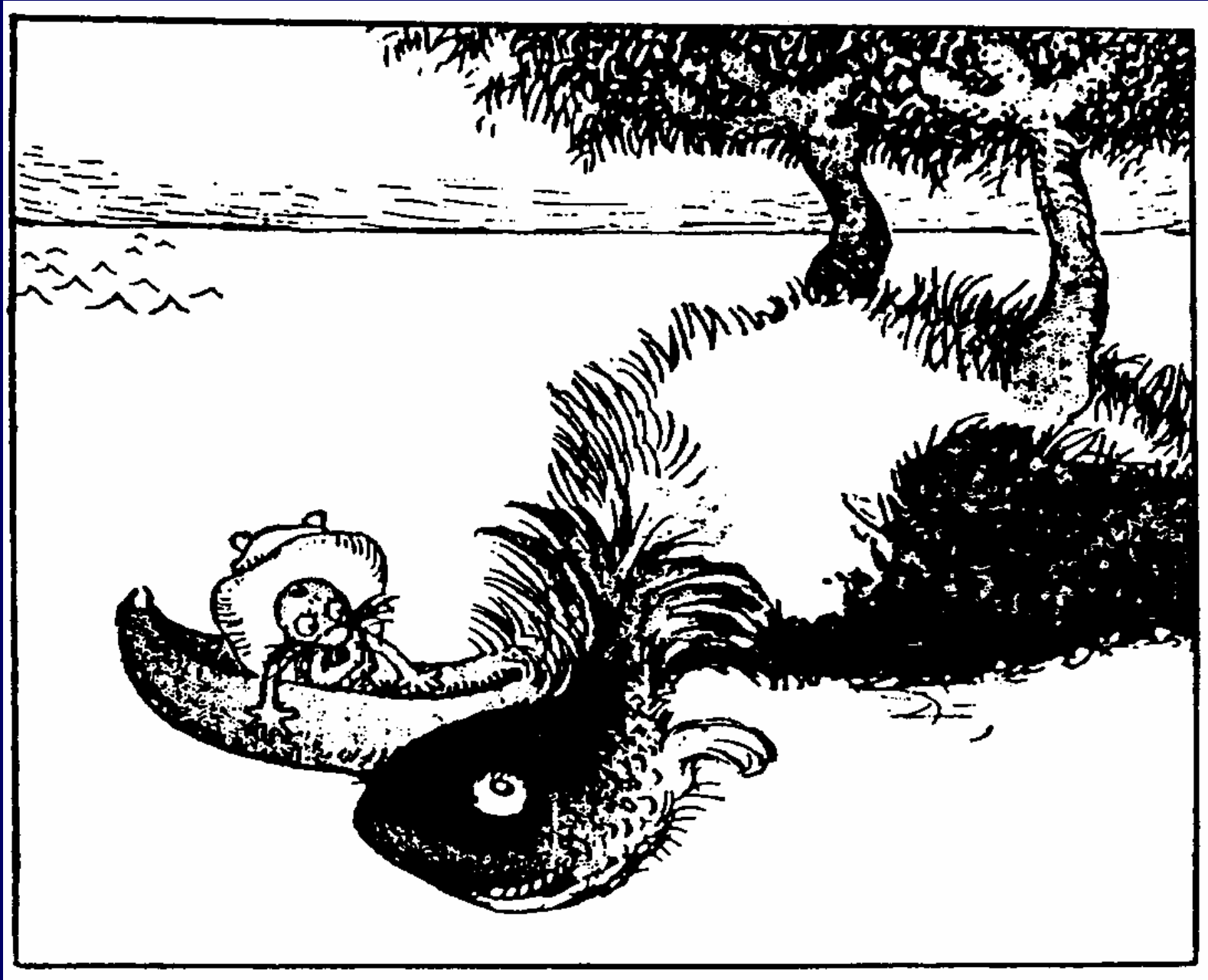




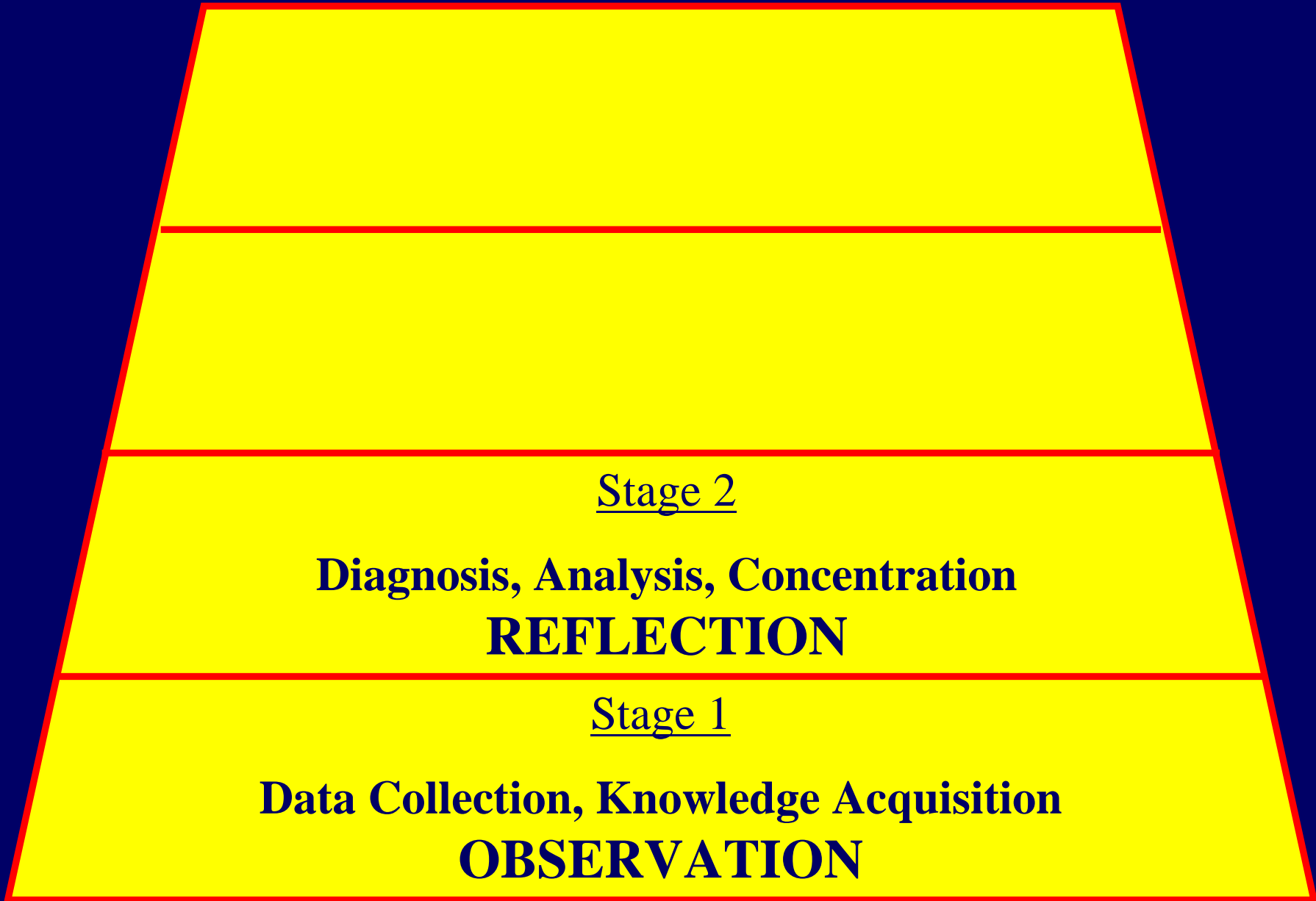
Observation

- **When observing the social world around you, do you:**
 - see only what you expect to see?
 - see only what is there?
 - see the depth of what lies beneath the surface/superficial?
- **Humans as “*Cognitive misers*”**









“Study after study has shown that managers work at an unrelenting pace, that their activities are characterized by brevity, variety, and discontinuity, and that they are strongly oriented to action and dislike reflective activities.”

*- Henry Mintzberg
Harvard Business Review
1975*

Leading in the 21st Century

- **Time pressures**
 - externally imposed *and* self-imposed
- **Focus on short-term objectives and incentives**
- **Less job security than in times past**
- **Value placed on action, not reflection**

Opportunities from Reflection

- **An opportunity to know yourself**
 - priorities, goals, attitudes, emotions, preferences
- **An opportunity to know and understand:**
 - your people, your customers, the environment
- **An opportunity to learn from experiences**
 - development and transference of knowledge
- **And, an opportunity to create**

Stage 3

Combine knowledge with experimentation
IMPROVISATION

Stage 2

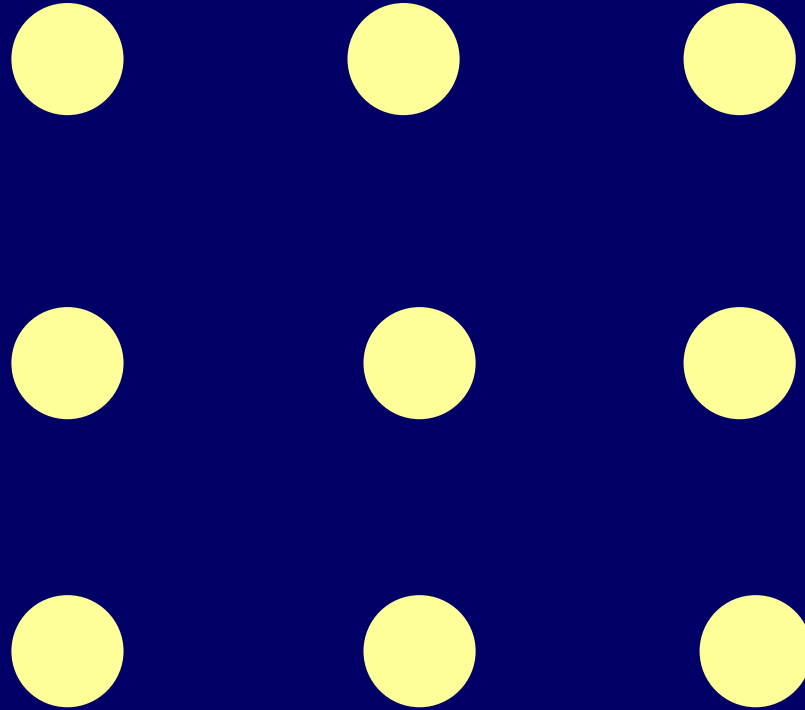
Diagnosis, Analysis, Concentration
REFLECTION

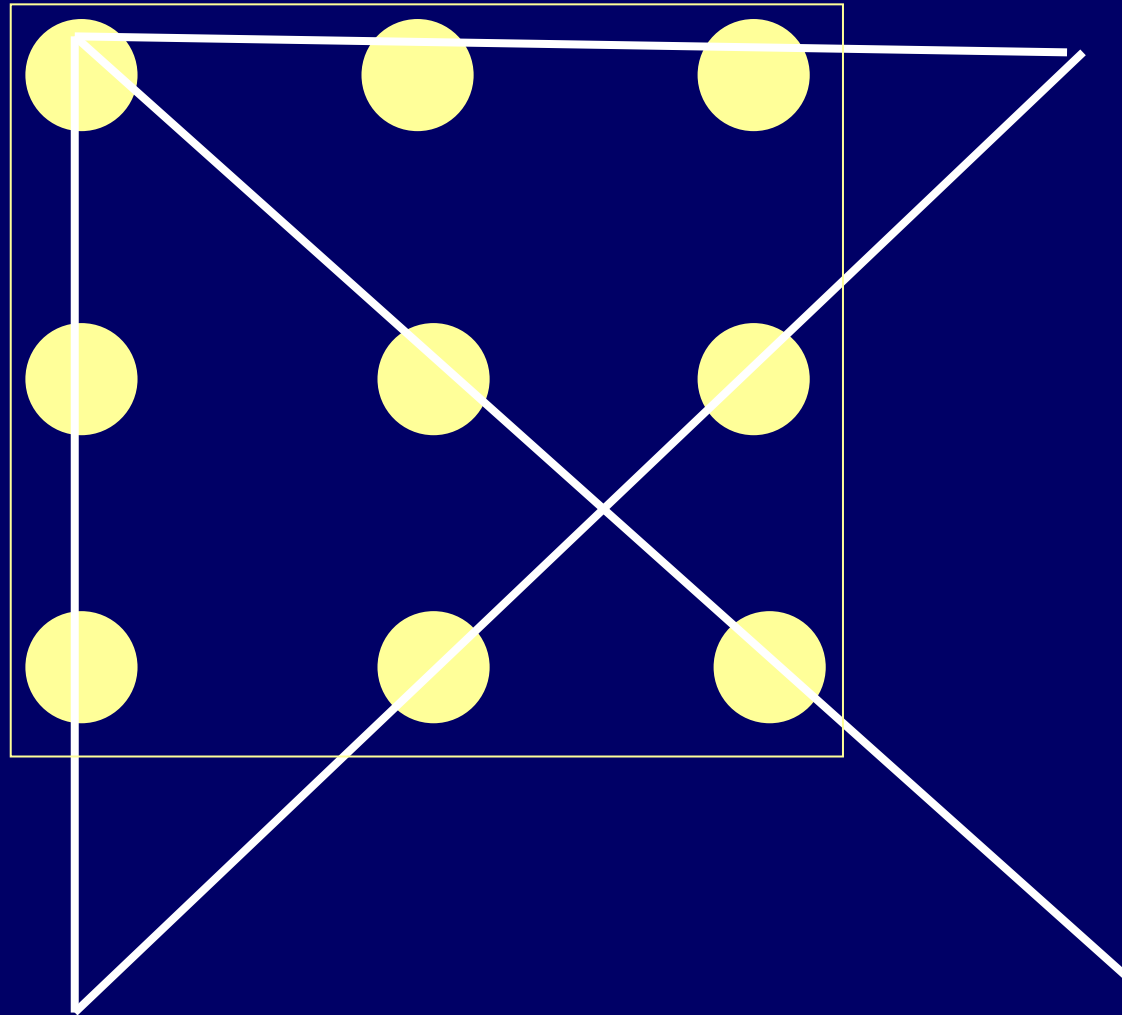
Stage 1

Data Collection, Knowledge Acquisition
OBSERVATION

Managerial Improvisation

- **Improvisation** - Everything that occurs in life that is not memorized or scripted
- **Humour: everyday improvisation and creativity**
- **Improvisation in Music (esp. jazz) and Theatre**
- **Improvisation is not...**
 - ...the abandonment of planning
 - ...freedom run amok
- **Improvisation is...**
 - ...disciplined
 - **But it is never driven by formulas, agendas, dogmas, plans, scripts, etc.**





Stage 4

**Imagination, Breakthrough
CREATION**

Stage 3

**Combine knowledge with experimentation
IMPROVISATION**

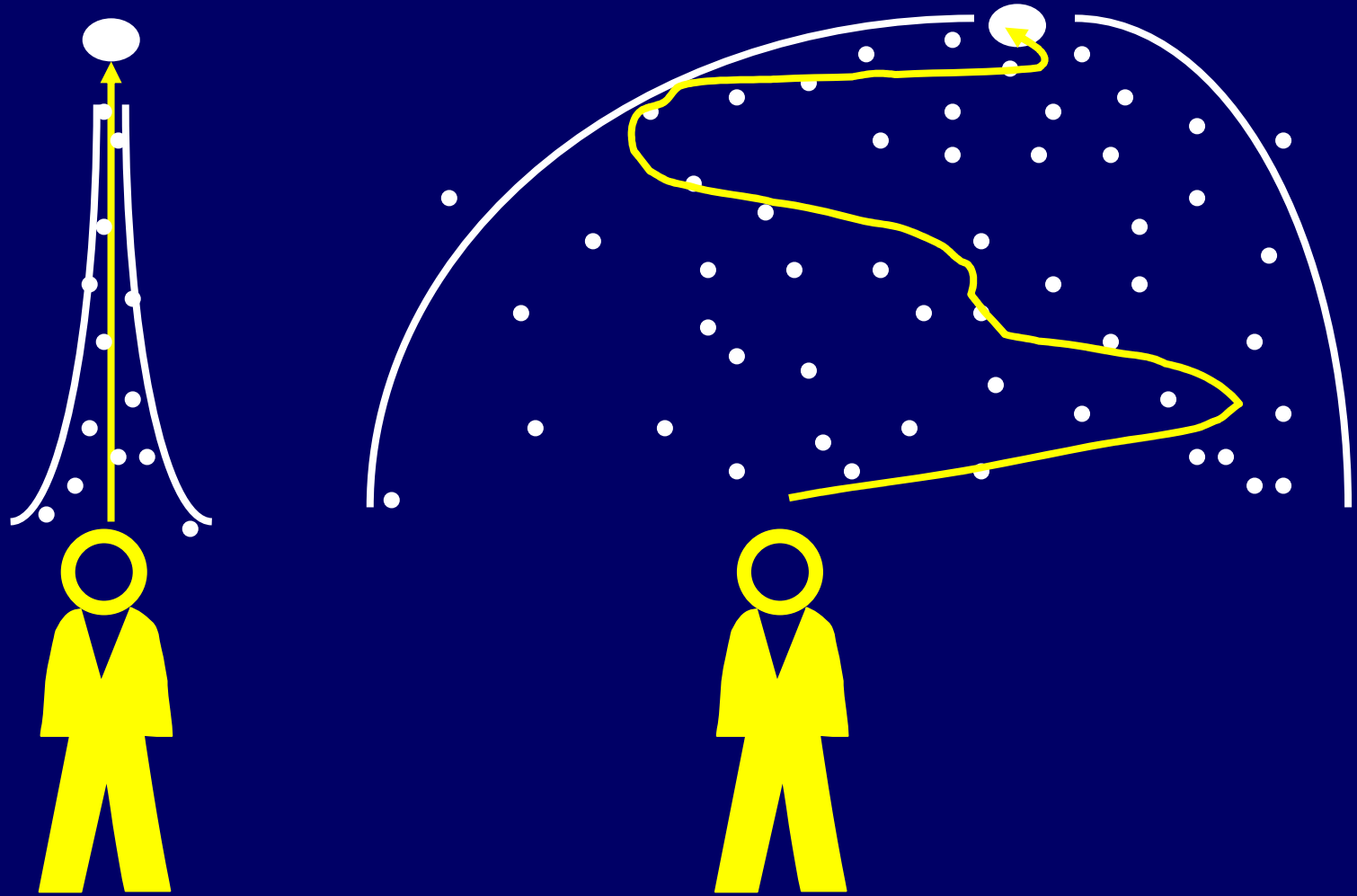
Stage 2

**Diagnosis, Analysis, Concentration
REFLECTION**

Stage 1

**Data Collection, Knowledge Acquisition
OBSERVATION**

Creativity and Divergent Thinking



Convergent Thinking

Thinking directed toward discovery of a single established correct answer; conventional thinking. The lines of thought converge on one (presumably) correct answer.

Divergent Thinking

Thinking that produces many ideas or alternatives. Refers to thinking in multiple directions to find different, creative solutions. (*COGNITIVE COMPLEXITY*)

FLUENCY

FLEXIBILITY

ORIGINALITY

ELABORATION

Barriers to Divergent Thinking

- **Fear of Failure**
- **Risk-Aversion**
- **Perfectionism**
- **Right and Wrong Thinking**
- **Too Many Assumptions**
- **Aversion to Complexity/Change**
- **Preference for Routine/Stability**
- **Over-Reliance on Left-Brain Thinking**

Creativity Processes

- **Brainstorming (*Alex Osborne*)**
 - **Electronic Brainstorming**
- **Lateral Thinking (*Edward de Bono*)**
 - **The “6 Hats” Method**
 - **Provocation and Movement**
- **Mind-Mapping (*Tony Buzan*)**
- **Forced Connections**
- **Others...**
 - **Observation, Reflection, Improvisation**

Brainstorming

- **Withhold criticism, judgment, evaluation**
- **Freewheeling input of ideas**
 - Even bizarre ideas should be encouraged
- **Quantity is encouraged**
 - Generate as many ideas as possible
- **Build ideas upon ideas**
 - Modify and combine ideas
 - Avoid individual idea ownership

Problem:

Think of a typical restaurant. Most follow a traditional model, with an entry, a seating area, a kitchen, a menu, etc. You might have differences based on cuisine, price, location, décor, theme, etc.

Use brainstorming rules to generate ideas that would build creatively on the conventional restaurant business to come up with a creative new idea for a restaurant

Some Facilitation Tactics

- **Stop & Go Brainstorms**
- **Sequencing**
- **Wild Cards**
- **Worst Idea Breaks**
- **Jokes / Humour**
- **Environmental Manipulations**
- **Buzz Sessions / Nominal Group Breaks**
- **Forced Connections**
- **Provocation and Movement**



Thomas Mannarelli



Random Word Technique

Risk

Assist

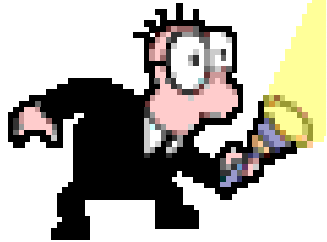
Provocation: Assumption Reversal

- ~~Customers order food from a menu~~
 - Customers do not order food from menu
- ~~A server takes the customer's order and delivers the order to the table~~
 - There is no server to take food order
 - A server does not deliver food to table
- ~~Customers pay money for food~~
 - Customers do not pay money for food

The Creative Situation



“Who’s responsible for innovation around here?”



Good Companies

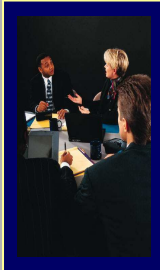
R&D Dept.



Better Companies

R&D Dept.

Creativity Team



“We ALL Are!”



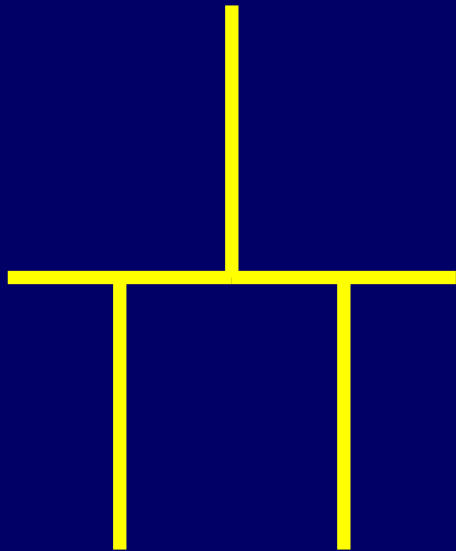
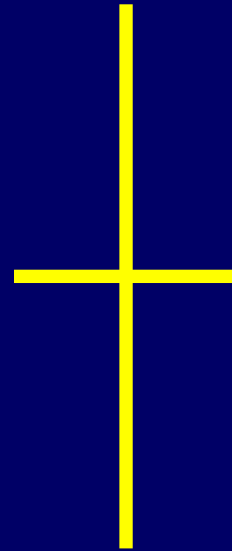
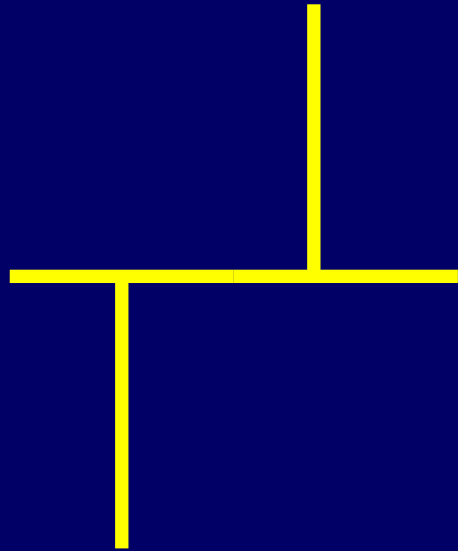
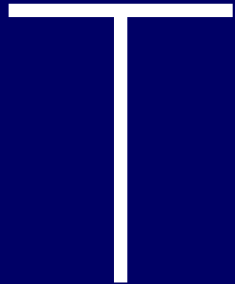
BEST Companies

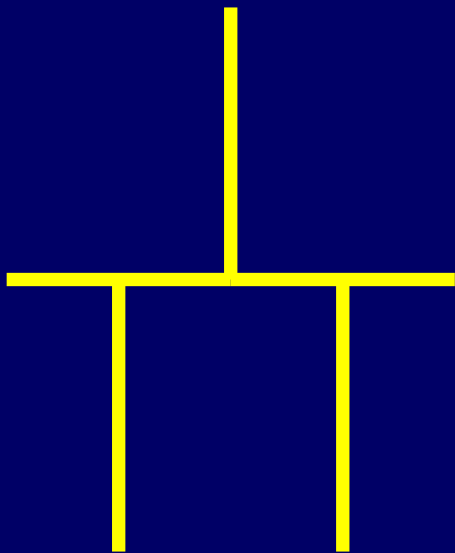
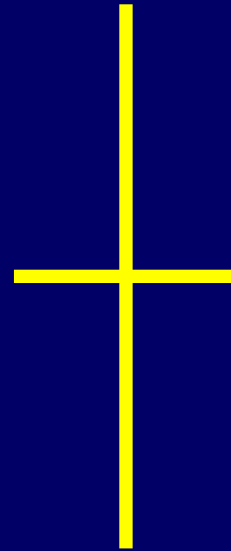
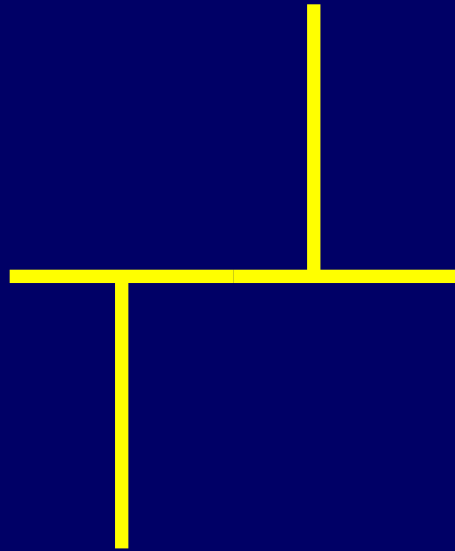
Creativity Barriers at Work

- **Premature Criticism**
- **Bureaucratic Channels**
- **Distractions and Interruptions**
- **Time**
- **Short-term Focus**
- **The Status Quo**
- **Deaf Ears**
- **Homogeneity of Perspectives**
- **Togetherness, Group Cohesion**

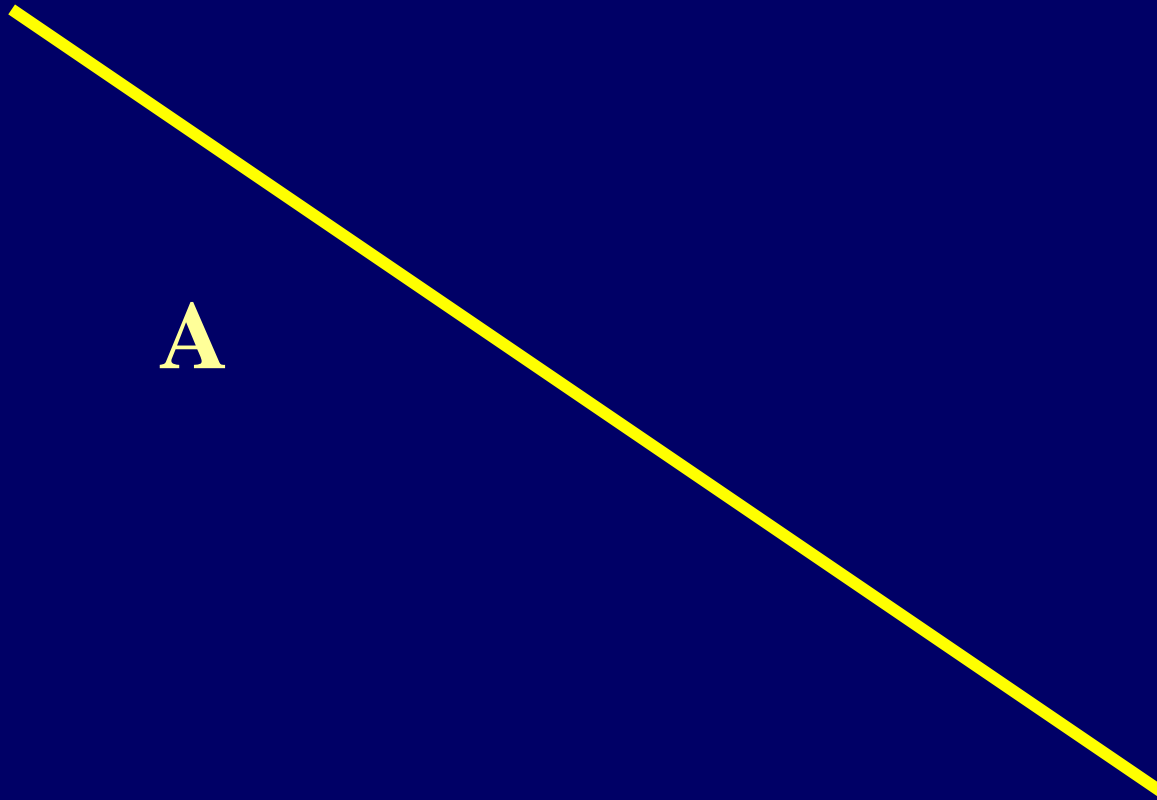
Groupthink

- **Desperate Drive for Consensus at Any Cost that Suppresses Dissent**
- **Danger of Occurring in Highly Cohesive, Tight-Knit Groups**
- **Symptoms:**
 - **Illusion of invulnerability, illusion of unanimity**
 - **Collective rationalization**
 - **Unquestioned inherent morality**
 - **Excessive stereotyping**
 - **Strong conformity pressures**
 - **Self-censorship of dissenting ideas**





Q: Which of the two lines pictured below is longer, *Line A* or *Line B*?



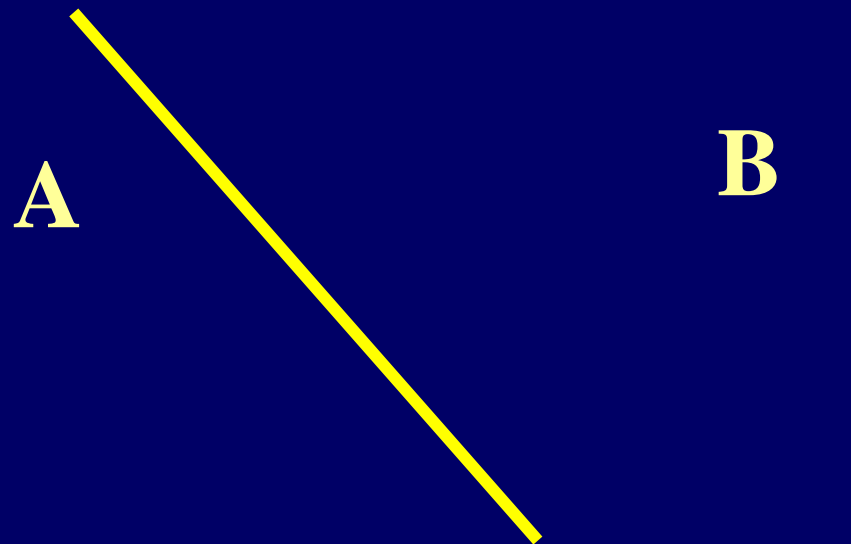
A

B



Majority Influence (Conformity)

- Assumption of Majority Correctness
- Fear of “Rocking the Boat”
- Initiates Convergent, Vertical Thinking



nTABos

vPITcu

xNOWze

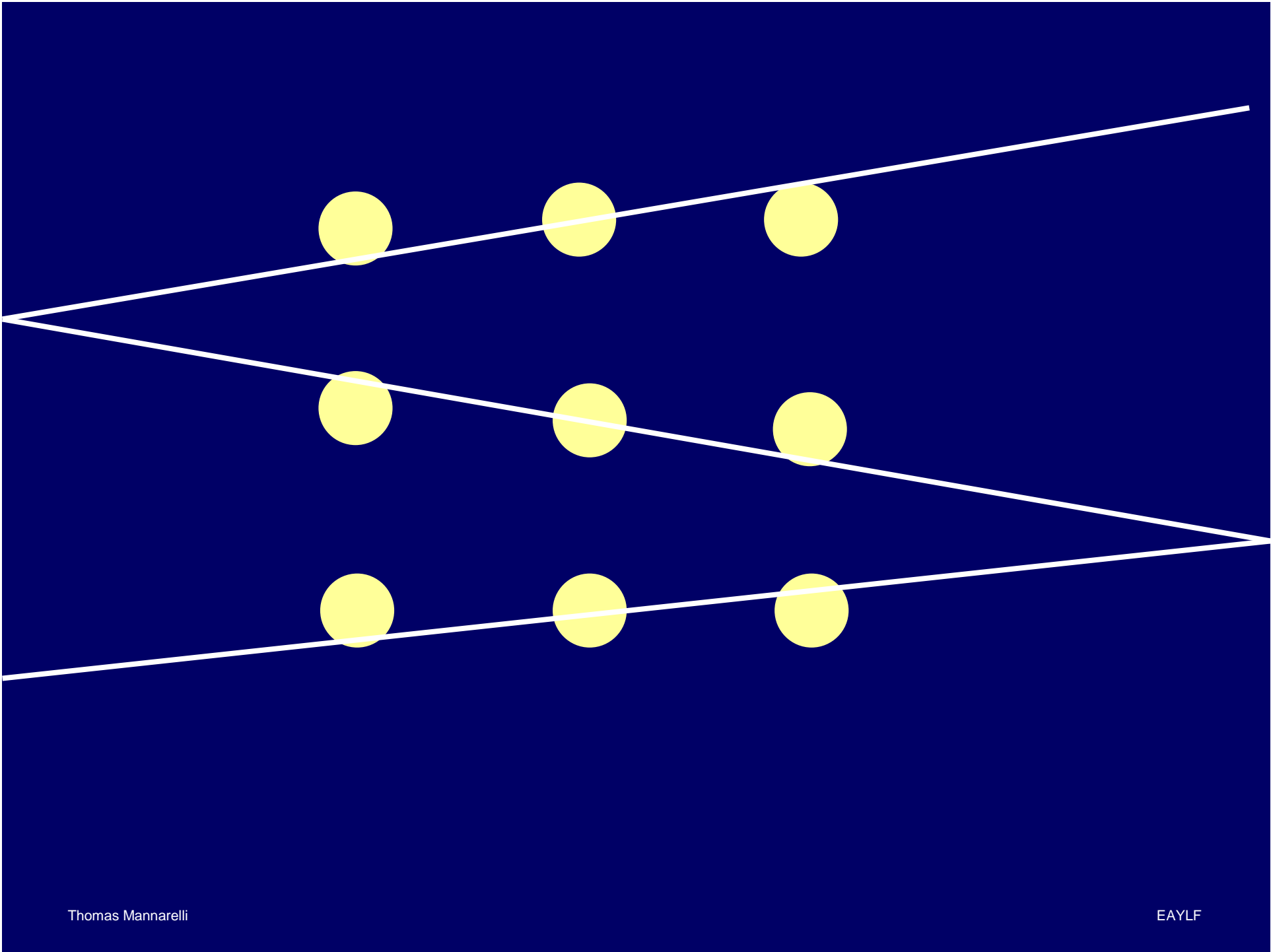
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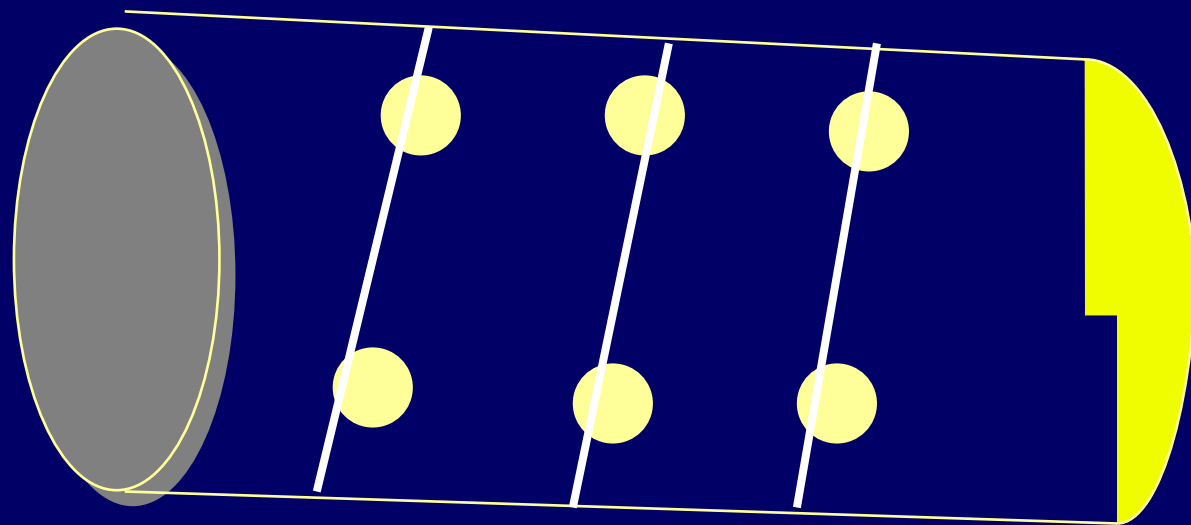
vPITcu TIP

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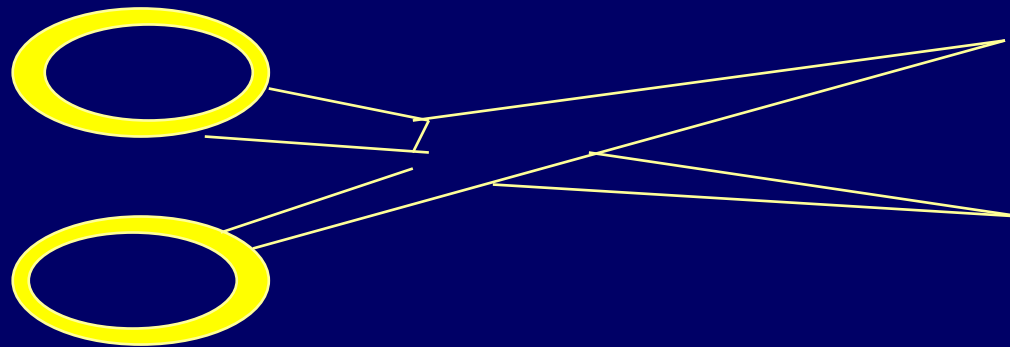
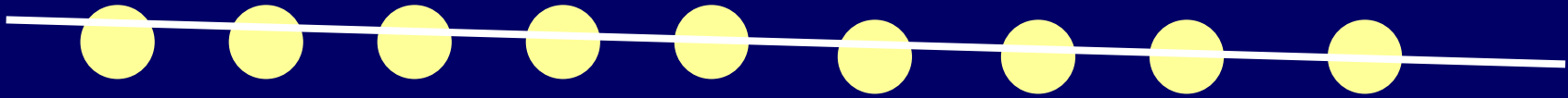
Minority Influence

- **Minority Introduces Stress to Group**
(reduced cohesion, liking, commitment, etc.)
- **Requires Consistency without Rigidity**
- **Initiates Divergent, Lateral Thinking**
(fluency, flexibility, originality, elaboration)
- **Issue of “Playing the Devil’s Advocate”**









The Creative Product



The Creativity Challenge

*How does someone
determine whether a
novel idea is 'creative'
or 'just plain bizarre'?*

Who are the experts?

- **“Everything that can be invented has been invented.”**
– *Charles Duel, Commissioner U.S. Office of Patents, 1899*
- **“This ‘*telephone*’ has too many shortcomings to be seriously considered as a means of communication. The device is inherently of no value to us.”**
– *Western Union internal memo, 1876*
- **“Who the hell wants to hear actors talk?”**
– *H.M. Warner, Warner Brothers, 1927*
- **“While theoretically television may be feasible, commercially and financially I consider it an impossibility, a development of which we need waste little time dreaming.”**
– *Lee de Forest, inventor of the cathode ray tube, 1926*

- **“The concept is interesting and well-formed, but in order to earn better than a ‘C’, the idea must be feasible.”**

– Yale University management professor in response to Fred Smith’s paper proposing reliable overnight delivery service (later he used the idea to create Federal Express)

- **“We don’t like their sound, and guitar music is on the way out.”**

– Decca Records. rejecting the Beatles, 1962

- **“Stocks have reached what looks like a permanently high plateau.”**

– Irving Fisher, Economics professor, Yale University, 1929

- **“I think there is a world market for maybe five computers.”**
– *Thomas Watson, IBM chairman, 1943*
- **“Computers in the future may weigh no more than 1.5 tons.”**
– *Popular Mechanics Magazine, 1949*
- **“There is no reason anyone would want a computer in their home.”**
– *Ken Olson, founder and president of Digital Equipment Corporation, 1977*
- **“640K ought to be enough for anybody”** – *Bill Gates, 1981*

Presumption of Superiority

- **Current methods of doing things are presumed to be superior to new methods:**
 - **current methods...**
 - ...have survived the test of time
 - ...have been in use for some time and imperfections/faults have been removed
 - ...result from of a process of evolution which has selected out competing methods
 - ...were chosen from many possibilities, thus it is the best
 - ...would have been replaced already if it were not the best
- **Tacit agreement that unless proven otherwise, the current method is likely to be the best**
 - **creativity refuses to accept this presumption**

Is the Future Unknowable?

- **Managers still approach the future as if it were knowable and predictable**
- **They continue to apply traditional forecasting and planning practices to new problems**
- **Should we therefore abandon traditional planning and forecasting?**
 - **No. But we need to approach such activities using a broader range of tools that include greater emphasis on imagination and intuition and rely less solely on concrete, knowable facts and data**

Getting Managers to Think Like Physicists...

“We all agree that your theory is crazy. But is it crazy enough?”

- Niels Bohr

“If at first the idea is not absurd, then there is no hope for it.”

- Albert Einstein

3M and the Post-It Note

- A product that took >10 years to reach market
- A truly collaborative effort
- Numerous steps along the way where the product appeared to be a failure
- 3M: Masters of Innovation or non-intervention?
 - They weren't overtly supportive, but they also never shut the project down
- 15% "Bootlegging" rule



Creativity and Knowledge

- **Idea capturing – what systems are in place to capture the intrinsic creativity of your people**
- **Idea activation:**
 - **Assessment**
 - **Implementation**
 - **Follow-up**
- **Knowledge sharing and transfer**

Concluding Remarks

- All motivated individuals and teams have the capacity to be creative
- Individual and group creativity can develop and improve over time and with practice
- Creativity comes from individuals but is nurtured by the environment and by leadership
- Creativity cannot easily be compartmentalized to specific times, tasks and individuals
- Creativity is fun (= *intrinsic motivation*)
- Creativity can be big or small – it all adds up

Challenges for Managers

- **People resistance**
- **Misconceptions about what creativity means, particularly in a business context**
- **Effective Leadership – the single most critical commodity in organizations**
- **Cultural differences in a global world**

- **Creativity is inevitable – the only thing that is uncertain is who will be poised to capitalize on the opportunity**

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Group Discussions

1. Culture issues related to creativity

- Are some cultures more creative than others?
- How do Europe and Asia compare?
- How is creativity affected (positively or negatively) by multiculturalism

2. Creativity in the economic development context

- How does creativity in the developed world differ from emerging markets? Where is it more critical?
- What challenges/opportunities exist in each context?
- Consider issues such as intellectual property, privatization of state-owned enterprises, for example

Group Discussions

3. Leadership of creativity

- What specific leadership challenges do you face with respect to creativity? How can these be overcome?
- What are the critical managerial behaviours needed to lead creativity in others?
- How can you best manage rewards and incentives to foster creative thinking?

4. Creativity and knowledge management/transfer

- Is there a risk that knowledge management can have an adverse impact on creativity in organizations?
- How to integrate knowledge transfer with a culture of creativity? What opportunities do you see for synergies/benefits between creativity and knowledge?

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