

Management

# Creativity and Innovation in Business and Education

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## **DIVERSE MANAGEMENT, CREATIVITY AND INNOVATION**

### **ABSTRACT**

Modern organizations need new forms of acting in very competitive environment. Customers' requirements and needs are changing rapidly and the pressure from rivals is becoming even more compelling. The crucial aspect of functioning of every organization is to find its own way of being recognizable on the market. One way is to focus on creativity in order to offer novel products and business solutions, introducing new methods of running business processes. Creativity is strictly connected to people as they are the source of new ideas, concepts and applications. Creativity may be born easily in diverse circumstances. Introducing instruments for sustaining and promoting diversity may be one of the directions of management of creativity. The article is focused on chosen aspects of diversity which may support creativity and innovation, and presents the role of management in this matter.

**Keywords:** creativity, innovation, diversity, management.

### **1. INTRODUCTION**

The search for the sources of creativity and innovation is one of the most crucial issues in modern companies which try to find their way of functioning and gaining the competitive advantage. There are some well known methods and techniques of creative thinking and finding fresh and novel solutions, however they are often less important than the main drives of creativity – human beings. Having people with their individual experience, various trails, different education and other specific characteristics can increase the potential for creativity in organizations. The full usage of that diversity is possible if there is a management of diversity in place. Unfortunately, given the many dimensions of diversity, there is no easy recipe to follow. Advice and strategies given for one situation may not work given the same situation in another context. The objective of this article is to recognize the systematic diverse management as the adequate solution for organizations to increase creativity. The study of literature was undertaken in order to attain the concepts and ideas on the matter.

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## **2. MEANING OF DIVERSITY**

The term diversity covers a range of differences in nationality, gender, functions, abilities, languages, religions, intellectual capabilities and lifestyle (Kossek, Lobel 1996). Diversity can be defined as acceptance and respect that means understanding that each individual is unique, and recognizing individual differences. These can be along the dimensions of race, ethnicity, gender, sexual orientation, socio-economic status, age, physical abilities, religious beliefs, political beliefs, or other ideologies. It is the exploration of these differences in a safe, positive, and nurturing environment. It is about understanding each other and moving beyond simple tolerance to embracing and celebrating the rich dimensions of diversity contained within each individual (<http://www.qcc.cuny.edu/diversity/definition.html>).

It should be recognized that diversity in the workplace should be reckoned even broader including varieties that stem from different organizational perspectives, goals and sometimes conflicting interests. As Leonard and Swapp (1999) claim, diversity at the workplace takes more than demographic or ethnic diversity to result in creativity that leads companies to perform better.

The term diversity management refers to the systematic and planned activities on the general level of an organization in order to introduce some policies and rules on treatment of the diversity. On the operational level, diversity management should be connected to procedures and instructions connected with all human resources processes from recruitment, selection and adoption of newcomers, through retention, development and motivation issues, ending on retiring and downsizing. These activities should mainly be found within the HRM training and development domains of organizations (Thomas 1992: 306). On the operational level, all employees should be involved in introducing and executing the diversity rules. However, managers are those who should be guards of the whole concept.

## **3. THE INTERRELATIONSHIP OF DIVERSITY, CREATIVITY AND INNOVATION**

Creativity seems to be the most crucial part of organisational functioning these days. The growth of interest in the field has been especially stressed since the new innovation revolution began when the new technologies based on IT were introduced. King and Anderson (1995: 23) highlighted the problematic nature of defining creativity as it is connected with personal capabilities of individuals and the question is whether creativity is a natural gift or a skill learned during the process of education and socialisation. Isaksen et al. (2000: 171) underlines polarization around four themes: creative person, creative process, creative product

and creative environment, which can be seen as various sources of new ideas. Brzeziński (2004: 17) describes two notions of creativity: conceptual – necessary for new methods and models, and operational – for introducing new effects of conceptual creativity to the practise. Ferlic (2008) introduces the notion of organisational creativity. He claims that, based on the exploration of creativity in the workplace and the subsequent exploration of our natural creativity, it is the premise and understanding of organizational creativity, it is the creative spirit which lies within each employee that is the organization's most valuable asset. It is the creative spirit which ultimately allows for full performance, safety, health, security and quality. Without employees an organization will cease to function. Even fully automated mechanical and electronic processes require human intervention at some points (<http://organizationalcreativity.info/>).

Creativity is a necessary precondition for successful innovations in organisations. Whilst innovation in some companies (especially of new technologies) tends to be defined in terms of breakthrough issues, in others it is more directed towards incremental changes and adjustments. The former is well known as the kaizen philosophy encouraged by Asian companies. Obviously there should be no conflict between these two; the most important thing is to think broadly and to implement strategies for promoting involvement in innovation, not only in the local area but also across the whole organization, or even across the supply chain.

Innovation can be seen in the context of processes and products. Innovative product means the novel features and functionalities, and usually introduces new possibilities of customers' needs fulfilment or even creates new needs among customers. The processes innovation is focused on the way of preparing and producing goods or services. These innovations are less visible to customers but have large consequences in effectiveness and efficiency of each organisation.

On the other hand, it is difficult to separate process from product because products can be intangible, namely services, and changes in processes often result in the creation of product. King and Anderson (1995) define this difference in the following way – creative products possess key characteristic as novelty, i.e. the conception must differ significantly from what was before. Good summary can be the definition proposed by Anderson et al. (2015: 4). They notice that “creativity and innovation at work are the process, outcomes, and products of attempts to develop and introduce new and improved ways of doing things. The creativity stage of this process refers to idea generation, and innovation refers to the subsequent stage of implementing ideas toward better procedures, practices, or products. Creativity and innovation can occur at the level of the individual, work team, organization, or at more than one of these levels combined, but will invariably result in identifiable benefits at one or more of these levels of analysis”.

Diversity should be seen in the whole process of creativity and innovation. As West (2000: 12) notices, creativity is based on associating various concepts of

knowledge from various disciplines, uncovering new notions in different areas of life and experiences in order to attain unconventional and original ideas which can be conflicting because they pose challenges to the established thinking schemes.

There is conflicting evidence as to the extent to which diversity can deliver to organisations advantages in terms of creativity. On the one hand, there are some claims (Richard, Shelor 2002) that when diversity is managed well, it can enhance creativity, resulting in increased commitment, job satisfaction and a better interface with the market place. On the other hand, some authors are more pessimistic (Ely, Thomas 2001: 230). They argue that diversity damages cohesiveness – one of the most important traits of effective team work, reduces communication and produces various coalitions inside groups. This results in various consequences like disharmony, distrust, low quality and lack of customer focus and market orientation.

The important arguments are stated by Woodman, Sawyer and Griffin (1993: 293–299). They stress that creativity is a complex interaction between the individual and his or her environment at different levels of organization. At the individual level, individual creativity is the result of individual conditions (biographical characteristics), cognitive style and ability, personality (self-esteem), relevant knowledge, motivation, social influences, and contextual influences (physical environment). This can be seen as a sound argument for diversity. Variety of human state of biological and psychological origin together with cultural and educational experience would be a profound input to creativity at all levels of organisation.

At the team level, creativity is a consequence of individual creative behaviour, the interaction between the group members (group composition), group characteristics (norms, size), team processes, and contextual influences (organizational culture, reward systems). At the organizational level, innovation is a function of both individual and group creativity (Woodman, Sawyer, Griffin 1993: 299). This has been one of the most frequently used conceptual frameworks in emphasizing the interactions between the contextual and individual factors that might enhance or inhibit creativity at work (Zhou, Shalley 2010: 275). Creativity would be boosted using various sources of interactions and in this matter diversity should help profoundly. Diversity means variety which should give mixture of stimuli in terms of emotional, physical and social events, interrelations and surprises that change perspectives of people and push them to generating ideas.

#### **4. ASPECTS OF DIVERSITY MANAGEMENT**

Organisations and their leaders are trying to create a proper framework in which creativity and innovation are accepted by employees as natural behaviour. It has become clear that the norms of behaviour, those written and unwritten, and

shared values influence motivation and performance and have crucial impact on creativity and innovation. Deal and Kennedy (1982) state that openness and trust in the innovation processes have an influence on whether and how valuable changes occur. Senge et al. (1999) support this statement by pointing out that openness often plays a critical role in profound change processes. Furthermore, absorbing new ideas help people think and act in new ways.

Diversity, combined with recognising individual strengths and weaknesses, and implementing open working relationships and friendly job environment, should enhance creativity and problem-solving capability. Isaksen and Lauer (2002) identified key characteristics that contribute to creativity and provide a collaborative climate: trust, team spirit, ethical leadership, unified commitment, inspiring goals, a results-driven structure, standards of excellence, participation in decision-taking, external support and recognition, and a capacity to adjust roles and behaviours to accommodate new emerging ideas. Thomas and Ely (1996: 80) show that diversity can be recognised as cognitive character, and it improves the way of thinking and adds to the perspectives, new ways available to the organization, encourages clarification, the organisation and combination of new approaches for accomplishing goals. Similarly, Tushman (1997) claims that work units characterized by diversity have the capability to access broader networks of contacts. This enables them to acquire new information that informs decisions, increases commitment to choices and enhances responsiveness to environmental turbulence.

Diversity management is strictly connected with team work. Teams are composed of various individuals who have the ability to work together and enhance their capabilities to achieve more than when they work individually, which is called synergy. However, when the goal is to attain a synergy effect among diverse members of the team, it is the most important to recognize the personal strengths and limitations of them. They adjust their behaviours so as to respond to the needs of their peers. These patterns of mutual adjustment result in reduced levels of interpersonal tension and conflict. Latimer (1998: 16) suggests that groups have been found to be less risk averse than an individual's „risky shift“. Increased diversity leads to lower levels of risk aversion and better decision-making and problem-solving capability. This arises because diversity promotes a more robust critical evaluation of the first solution to receive substantial support.

An interesting concept of teamwork was presented by Lencioni (2005). He indicates five hierarchical areas that have a profound influence on teamwork effectiveness. The foundation of his model is the lack of trust among members of the team which makes effectiveness inappropriate. As the main cause of this situation Lencioni indicates the people's fear of opening because of the risk of losing independence and freedom. It can be added that this fear is strictly connected with incorrect people's perception of diversity. Another problem which weakens effectiveness is the fear of conflicts which can be based on diversity. Conflict as

such can have positive effects as a source of fresh ideas stemmed from arguments and discussions. However, conflicts connected with personal traits and emotional sides, which are the wrong perception of diversity, are of dramatic consequences for cooperation and creativity.

Results pointing to ‘value in diversity’ have been countered by theorists who have shown that heterogeneous groups experience more conflicts, higher turnover, less social integration and more problems with communication than their homogeneous counterparts (Knight et al. 1999).

One of the objections to diversity is that it damages cohesiveness. Introducing too much of diversity may cause confusion among team members. Cohesiveness, however, makes groups vulnerable to group thinking in a way that damages creativity. Diversity acts as a barrier to this phenomenon. On the other hand, conflicts are perceived to damage cohesiveness; however, when it is effectively handled, it can lead to improved creative problem-solving and decision-making, because the diversity of perspective generates more alternatives and greater critical evaluation.

Suitable conditions to promote creativity and innovation in diverse contexts are associated with the management of work routines, and the creation of appropriate teams. Indeed, currently, an increasing amount of work within an organization is accomplished through groups or teams, rather than by individual action.

When selecting individuals to join a team, managers should not only consider technical competencies, but also the preferences of the people for different types of work and various types of work context. The ways in which individuals like to work and what kind of activities within their job roles give them greatest satisfaction will influence their choice to release their responsibilities, working individually or in teams. These manifestations of personal style are important in a team context. Individuals with similar styles may establish trust quickly; their similarity of approach, however, may become a significant disadvantage. In building a high effective and creative team, there is not only a need to match technical competence and personality against the requirements of the job, there is also a need to produce a balance of work preferences, attitude to risk and an orientation to social cooperation and mutual identity.

Having in mind above presentation of interrelations between creativity and diversity it can be stated that the basic level of managing diversity is the introduction of proper culture across the organisation. The main values and assumptions should be the map-road for all employees. Culture management should be directed towards trustful, secure and accepting atmosphere. Values and assumptions are guiding principles of individuals’ lives; they provide directions for action, and they are used as standards for judging others and justifying behaviours. Hence, employees’ values may be relevant for the idea generation and implementation. Shin and Zhou (2003) found that employees with conservation

values reacted more strongly and positively to the need of showing greater creativity. The importance of values for individual responses to innovation was addressed by Choi and Price (2005). They examined relative effects of value fit and ability fit on commitment to implementation and implementation behaviour. They claim that because values are guiding principles in employees' lives and affect their goals and actions, it is valuable to systematically remind the role of values in the employees' idea generation and implementation. In the light of diversity, Thompson (2011: 201) adds that organisational culture should reinforce the acceptance of inequalities or even value and promote them in order to attain a positive atmosphere of cooperation and idea generation.

## 5. MANAGING DIVERSITY – PRACTICAL RESOLUTIONS

Managing diversity means acknowledging people's differences and recognizing these differences as valuable; it enhances good management practices by preventing discrimination and promoting acceptance. To address diversity the following issues should be considered: what policies, practices, and ways of thinking within organizational management practice have differential impact on different groups and what organizational changes should be made to meet the needs of a diverse workforce as well as to maximize the potential of all employees. These problems are connected with the perception and understanding some social and cultural matters about diversity and among them are:

- the basic assumptions about various features of diversity – are they valuable, what are the limits of acceptable diversity,
- concern about right way of doing things – one or a number of valid ways that accomplish the same goal,
- building honest relationships with each staff member, creating comfort and the atmosphere of cooperation despite diversity,
- knowing what motivates people according to their specificity, what is the way of forming goals and way of achieving them, how they like to be recognized,
- the way of giving the negative feedback to someone who is culturally different,
- the way of team building based on concept of variety of roles, behaviors, way of thinking,
- rules and norms should be flexible and adjustable to new situations and new incomers,
- introduction of the balance between official and unofficial norms and ways of managing potential internal conflict among members of the team,
- mechanisms of improving the work environment based on staff suggestions and acknowledgment of their contribution,

- assignments and opportunities for advancement accessible to everyone.

The most important issues are the balance between openness for new ideas and chaotic ways of running creativity projects, between freedom of behaviours and offensive actions, between acceptance and misunderstandings, between constructive competition among ideas and the disruptive one.

## 6. SUMMARY

Each human being is to the some extent creative, feels the need for creation and can be a driving force for development (Baruk 2006). In practice, the full potential of human creativity is blocked mainly by lack of acceptance of diversity. The real answer to this problem is to change assumptions and values about diversity in the organisation and introduce the well-conceived program of diversity management. That program should embrace adequate policies, procedures and norms adopting the positive attitude to the diversity. Obviously, diversity management should be seen as one of the conditions for creativity boosting, however, not sufficient.

The good summary of introducing a proper attitude towards diversity is to change the golden rule: “treat others as you want to be treated”, into the platinum one: „treat others as they want to be treated” and moving the frame of reference from what may be the default view („our way is the best way”) to a diversity-sensitive perspective („let's take the best of a variety of ways”) (USCF 2015).

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