

## **INNOVATIONS AT ORGANISATION VIA CREATIVITY OF EMPLOYEES**

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### **Abstract**

*The article presents arguments for links between creativity of employees and innovations at organizations on the basis of psychosocial interdisciplinary approach. The main results of current (2010) polish national survey dedicated to define psychosocial connections between individual creativity and pro-innovative attitudes are presented together with general benchmarking position of Poland in IUS 2010. In conclusion arguments for adequacy of egalitarian approach to issue of talents management at company and innovative benchmarking are stressed together with remarks about current innovative strategies of UE and OECD policy.*

**Key Words:** *innovations, creativity, human capital*

**JEL Classification:** O31 - Innovation and Invention, J24 - Human Capital, D03 - Behavioral Economics; Underlying Principles

### **1. INTRODUCTION**

#### **1.1. Links between creativity, innovativeness and innovations**

The value of direct links between creativity and innovativeness had been put into focus of scientific attention in area of psychology since the end of 60. of XX cent. Theoretical models formulated in that time used to stress the mutual feed - back in form of assimilation/accommodation processes between individual and its close or more distant surroundings. This primarily psychological context of the issue, during next two decades was successfully transferred into domain of economy and management by introducing currently so influential notions as are: globalization, intellectual capital, intelligent enterprises, knowledge based economy, etc. Innovativeness represents broader notion in compare to innovation and generally means formation the conditions for occurrence of innovations as an objective facts and also means the result of subjective internal cognitive

processes (i.e. creativity) of individuals and teams at organizations. In this way - it is psychosocial and economical category and we found as useful to stress the interdisciplinary origin of the issue of innovation.

When we consider the chances to achieve innovations as a result of creative thinking, we see that it is possible only when it is multi paths way of thinking on the beginning and on one path way of thinking – on the end of the creative process. And these elicitation of creative thinking should to be guided simultaneously on individual as well on organizational level. Moreover, innovation needs also processes of organizing and planning - as it is stressed in recent literature where is viewed as holistic model:

***idea + leader + team + plan = innovation.***

Innovativeness seems obligatory necessary in turbulent and insecure times but it is also recommended for organization every time searching for survival on the market and for development (Proctor, 2001:2).

Nowadays we observing growing up the role of immaterial forms of innovations such as are: information, reputation and mark of company and its global human and organizational capital (Matuska, 2010: 212). Many current global challenges which basically influence application of potentially innovative solutions consist: lasting economic crisis, climate changes, demographics trends, imbalances and mobility on labour markets, popularity of community portals, etc. They have to be incorporated into key issue of speed, range of creation and implementation of innovations in enterprises' activities.

There is a range of different factors and mediators in this topic but the common ground of them together seems to be exactly the creativity of organizational human potentials. It depends on quality of human resources at organization but also on quality of management and support from administration and external institutions. And here is real space for system reinforcement.

## **1.2. Exclusive versus egalitarian approach to creativity**

Since the 80.of XX cent the new paradigm of creativity in psychology was established with its exemplification as an 'everyday happened and an ordinary' process. This process has no more belonged exclusively to selected, rare represented individuals - as it was on the beginning (and still is represented for example by authors, which prefer narrow definition of talents in a company) -

what can be described as an *exclusive approach*, but occurs in every team consisted with individuals with their very different potentials - what can be in opposite viewed as an *egalitarian approach*. Such issues as: methods for increasing of team creativity, global innovativeness of organizations in context of employees professional activity and efficiency, transactional leadership et al., had started to be in focus of scientific and practical interests (Amabile, 1983). The followers of egalitarian approach consider that creativity is domain of every human being, although represented not in equal proportion and form.

The key questions apparently stays: *how to activate different individual creative potentials for the same goals, during the same time and at the same place ( i.e. at concrete organization) to achieve the effect of synergy?* And this is the real challenge for successive team managing and HR managing (especially: talent managing) inside of organization. The potential creativity of employees will be reflected as innovativeness of organization only when it is properly activated by smart managers and suggestive leaders. The join point for it we found in analyzing main connections between human capital measures and innovativeness benchmarking – what is presented in next part of paper on the example of investigations done in Polish business and psycho-social curricula.

## **2. CREATIVITY OF EMPLOYEES AND INNOVATIONS – RESULTS OF POLISH SURVEY**

Hereby we present crucial results of the current polish national research study, done under auspices of Polish Agency for Entrepreneurship and dedicated to examine determinants of origin of innovative attitudes at job with some recommendation for adequate supporting system (Drozdowski et al.: 2010).

The survey, planned as a quality study was conducted with methods of individual in-depth interviews (n=6) with experts: psychologists of business, coaches, anthropologist, and also by method of focus- group- interviews (n=19, n=60) with entrepreneurs, HR managers, employees, representatives of training companies, personal agencies and economic self-government from randomly selected sample of enterprises and institutions represented different areas of business in Poland.

The main goal of the survey was to define possible socio-economical facts currently acting in polish business and social curricula which are reinforcing or blocking the development of innovative attitudes of individuals at job and general innovativeness of companies and society. Theoretical and practical inter mediators

controlled by study were very widely founded (from home and school education to managing styles and civil behavior) but the fifth specific targets were defined:

- the relationship: individual creativity – innovation and conditions for creating pro-innovative attitudes ;
- identification of potential sources of innovation unit in organization;
- identifying factors enhancing or limiting the creativity of individuals;
- identifying ways and tools to promote creativity by influencing the relationships connecting the unit of innovation with its environment and other units, and
- determinants for more effective use of innovation unit in general socio-economic system(op.cit.:7).

Because of the topic of this paper, we will concern only to the main results identified in respect to the first one of over mentioned targets - conditions for developing pro-innovative attitudes and also to the part of last one – oriented to identifying enhancing factors for explored issue (despite barriers due to space limit).

### **2.1. Factors involved with developing pro-innovative attitudes at job**

The key variables responsible for creating pro-innovative attitudes obtained following ranking according to interviewed subjects: 1/ open to new, flexible organization; 2/ friendly, open-minded chefs, bestowal of employees trust; 3/ school learning creative thinking; 4/ opportunity to participate in workshops, training to support creative thinking and innovative attitudes; 5/ model of education in the home respecting the subjectivity of pupil (op.cit.: 64).

It means the main responsibility for innovativeness was perceived on side of organization (company), but primary background is referred also to school and home. We can assume that this results confirm what we earlier described as egalitarian approach to creativity. Everybody have chance for creativity and innovativeness with proper organization – home, school or company.

Part of investigations dedicated to explore possible links: creativity - innovation and pro-innovative attitude have guided to following conclusions:

- innovative nature of the organization creativity is seen as a prerequisite but not sufficient condition for innovation, not always creative thinking or acting guide to innovations;
- creativity represents the ability to design the broad sense of changes within the organization( question: how can you do something differently or better);
- innovation can be described as creativity embodied in the organizational processes, products, technologies, etc.,
- innovation-oriented attitude represents the link between creativity and innovation and it can be described as a "vested interest in the realization of creative concepts and ideas and willingness to assume all or part of the responsibility for operationalization of the project and its implementation" (op.cit.:109, see also Fig.-1):

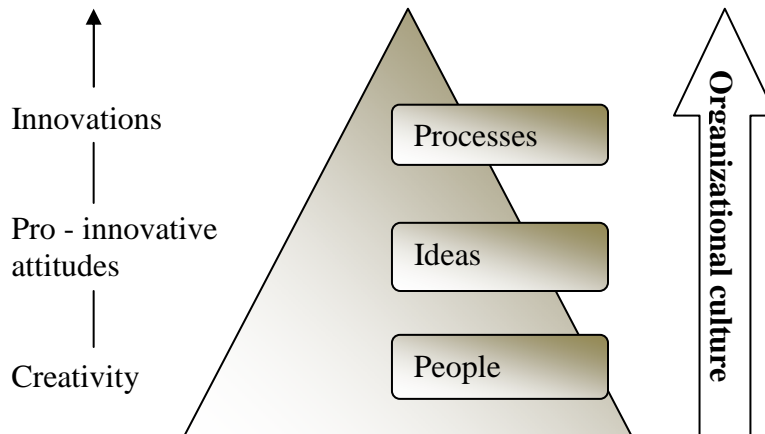
**Figure-1.: Relationship between creativity, innovation and pro-innovative attitude**



Source : own, on the basis op.cit., p. 109.

Relationships between creativity, pro-innovation attitude and innovative solutions suitable for organization illustrates the innovative nature of the organization and are shown in Figure 2. As we see below, creativity and pro- innovative attitudes are situated on the level of organizational ideas and are strictly connected with competences of staff. Innovations therefore are related to internal organizational processes. Investigated subjects agreed that innovations are the form of externalization of competences and ideas.

**Figure – 2.: Innovative nature of the organization**



Source: own on the basis op.cit., p. 110.

However, the crucial context for creativity, as well for pro- innovative attitudes and innovative potential of organization – in opinion of interviewed - gives organizational culture. The culture delivers programs for thinking and acting inside of organization and can successfully promote or block creativity and innovation - orientated attitudes of staff and managers. Clearly it depends on socio - economical, historical and psychological background manifested as system of value currently influencing society and internalized by its members.

And we can absorb main characteristic of demandable organizational culture together with conclusions found in the part of study dedicated to analyzing eligible system for enhancing pro-innovative attitudes at job.

## **2.2. Factors diagnosed as favorable for pro-innovative attitudes**

Adequate conclusions of the study we present below in division into realized macro-systemic factors and inter-organizational factors which are enhancing pro-innovative attitudes in polish realities.

As main specific macro systemic factors positively influencing links: creativity-innovations were discovered:

- growth orientation of individualistic society (as associated with values of: freedom, autonomy and authenticity) together with gradual increase in social and cultural pluralism in society – what is obviously related with democratic transformation after the 1989 (the end of socialistic regime) and with membership of Poland in UE from 2004.;
- digitization and accompanying multimedia forcing the acquisition of units of a completely new skills and competences;
- growing spatial mobility of population - what seems connected with context of temporary job migration to more developed EU countries then to internal spatial mobility;
- all manifestations of civic society and self-organization in form of NGOs organizations, civil legal initiatives, etc.

These results are quite obvious in light of polish recent history and dynamics of educational, social and civil changes during last 20 year together with democracy, open market rules in economy and membership in EU.

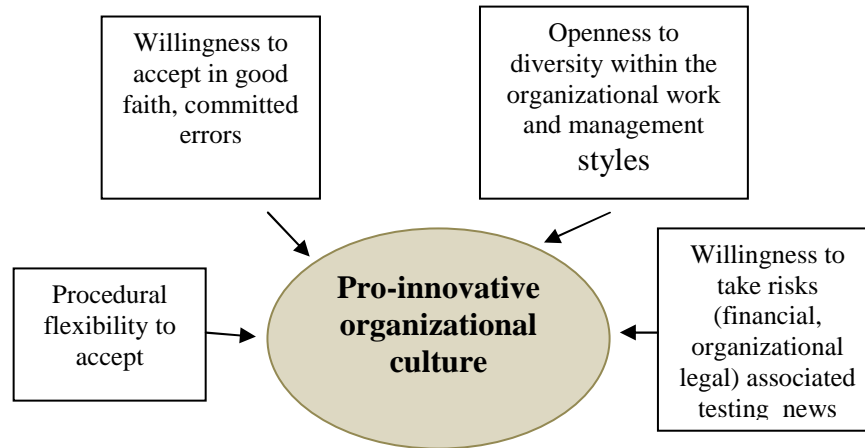
Respectively, in topic of main inter-organizational factors responsible for innovativeness of polish companies was summarized that:

- existing an eclectic, theoretical pro- innovative model of the new organizational culture which is realized as recommended for innovatively oriented companies ( see fig. 3);
- there is growing up number of organizations that are open to a variety of projects aimed at supporting or running the potential of creativity and innovation ( for example in for of training);
- creativity and innovation (although in the short run) is strong focus with orientation on market performance and are perceived as tools of market expansion.

Unfortunately - respectively few polish organizations are precisely fitting to model presented on Fig.3., but such were also present between investigated enterprises (mostly in IT and media branches) and paradoxically - more often they represented new- established companies than well experienced. But generally itself valuable is range of attributes and relationships identified in the model of pro-innovative organizational culture and awareness of the issue in

minds of investigated subjects. However there is lack of systematic approach to innovativeness and treating it rather as incidental and expensive intervention than regular and everyday business strategy.

**Fig.- 3. Model of pro – innovative organizational structure recommended to polish companies**



Source: own on the basis op.cit., p. 113

We can summarize that Poland, unless represents quite good, fast growing potential of the human capital and economically good dynamics of development - still is only on the way to innovativeness and till now didn't achieve satisfied location in global benchmarking rankings as for UE member countries and other countries is the *Innovation Union Scoreboard* (IUS, 2010). The IUS uses the most recent statistics from *EUROSTAT* and other internationally recognized sources as available at the time of analysis. Poland has currently position in group of 'moderate innovators' – together with other European post-communistic countries which joined UE in 2004 (IUS, 2010:4). But has ambition for better location.

### **3.CHALLENGES OF GLOBAL INNOVATIVE STRATEGIES**

The new long-termed European developmental strategy '*EU 2020*' (Commission of the European Communities: 2009) is aimed to help the EU to copy with the results of current crisis and to refresh its ability for successful competition with other strong world economies. It sets out a vision for Europe's social market economy and rests on three interlocking and mutually reinforcing priority areas as are :



- smart growth, developing an economy based on knowledge and innovation;
- sustainable growth, promoting a low-carbon, resource-efficient and competitive economy; and
- inclusive growth, fostering a high-employment economy delivering social and territorial cohesion.

All above goals touch issue of innovation, but first one is directly addressed to it. In order to meet fifth specific targets specified as a measures for controlling planned results, the Commission put into Europe 2020 agenda a series of flagship initiatives between them on first position is located initiative of “*Innovation union*”. This project aims to focus R&D and innovation policy on major challenges, while closing the gap between science and market to turn inventions into products.

Quite similarly sound the fundamentals for current OECD Innovation Strategy (OECD, 2010) in which innovation is considered as an essential factor in searching for the new sources of global socio - economical growth. The OECD’s Innovation Strategy is one of the first, whole-of-government exercises that seeks to look at “innovation” not from the narrow lens of just science and technology (S&T), but more broadly from a wide expanse of policy areas. The motto of the strategy is: “*Stimulating innovation - people and education*” and the key role in it plays pillar of human capital which builds innovative society.

Planned global innovative results however depend on innovative human resources potential accumulated in countries, regions and enterprises. The current investigations – as over mentioned polish study and different rankings of economical competitive indicators repeatedly show that problem of possessing sufficient amount of talented members of companies, leaders, creative innovators and effective team members – really consists the central challenge for organizations. And because of it some authors suggest the urgent need of broadening ‘talents’ definition. They are inside and outside of the organization. The problem is: to absorb proper one of them, to develop them in demanded direction and to hold them in organization.

#### **4. CONCLUSIONS**

Summarizing, we were looking for significant relations between creativity and innovativeness with respect to ongoing micro and macroeconomic challenges. The

collection of some results from polish survey delivered some argumentation – and not only in relation to Poland – but generally - for support the suggestion about the adequacy of egalitarian approach to issue of creativity of workforces. It is quite understandable in light of systematically growing up level of education (including life - long - learning), spatial mobility of employees and their acting in digital, globalized socio-economical reality. New global networking initiatives like is for example EU project of “*Innovation union*” have to be properly used with vision of goodness of all stakeholders – not only in the space of the existing- but also future UE members and if possible - other countries.

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