

CREATIVITY AND THE CORPORATE ENTREPRENEUR

INTRODUCTION

TWO THEORIES AND THE NEED TO TAKE A LEAP

What does it take to get people to act in an entrepreneurial manner? Consider two possibilities. Theory 1 is that certain people are born to be entrepreneurial, that they are destined to become entrepreneurs, and that they will do so when they are ready. Theory 2 holds that everyone, or at least most people, have innate entrepreneurial potential. People simply need to discover and channel that potential, and there are things that can be done to help them along the way. These two theories result in very different implications for how a company can foster entrepreneurship. With Theory 1, the company that wants to encourage entrepreneurship must go out and hire entrepreneurial people. Internally, senior management must, in effect, pick the winners, meaning they must try to identify the innately entrepreneurial employees and then invest in or provide resources to those individuals. Alternatively, Theory 2 suggests that the job of senior management is to create a work environment that is highly conducive to entrepreneurship and that employees will naturally "step to the plate."

It is our position that entrepreneurs are not necessarily "born," and that many of the key traits associated with entrepreneurial behavior are a function of a person's family, social, educational, and work experiences (see Chapters 2 and 5). Thus, we adhere to Theory 2. To the extent that we are correct, the task of management is to design work environments with the proper set of incentives, role models, resource pools, control systems, and structures. How to create such an environment is the focus of Section III of this book.

With both of the theories above, and especially with Theory 2, there remains a fundamental challenge. It is said that "you can lead a horse to water, but you cannot make him drink." The same is true for entrepreneurial behavior in companies. An

inappropriately designed work environment will surely destroy the entrepreneurial spirit in companies, but a well-conceptualized environment does not guarantee that employees will act in an entrepreneurial fashion. In the end, the employee must make the personal commitment and take the entrepreneurial leap. The beginning point for employees is to recognize their own creative potential and then to systematically manage that potential within the organization.

This chapter will examine ways in which people can develop breakthrough ideas on the job. Specifically, we will explore the nature of individual and group creativity in organizations. Our interest is both in identifying ways for employees to think about their own creativity and in ways for managers to facilitate employee creativity.

CREATIVITY IN A COMPANY

Creativity is the soul of entrepreneurship. It is required in spotting the patterns and trends that define an opportunity. It is needed to develop innovative business concepts. Most importantly, the corporate entrepreneur has to be highly creative in getting a sponsor, building and using a network, obtaining management buy-in for the concept, forming a team, coming up with resources, and overcoming the many obstacles that will be thrown into his/her path.

While many perspectives exist, creativity can be defined as the application of a person's mental ability and curiosity to discover something new. It is the act of relating previously unrelated things. In fact, much of the work on creativity tends to focus on the ability to relate and connect, to put things together in a novel way. Thus, while entrepreneurship is about making things happen and deals with the practical challenges of implementation, creativity is the capacity to develop new ideas, concepts, and processes.

People are inherently creative. Some act on that creativity all the time, others stifle it, and most of us are somewhere in between. The reality is that employees often do not realize when or how they are being creative. Further, they fail to recognize the many opportunities for creativity that arise within their jobs on a daily basis. Miller (1999) notes that we are all creative in many different ways. Table 6.1 summarizes seven general ways in which people are creative.

In a business context, creativity is more than originality. There is a pragmatic dimension in that creative approaches or solutions must also be useful and actionable in the context of the company and its competition situation. Amabile (1998) suggests that there are three components of successful creativity in organizations: expertise, motivation, and creative thinking skills. Expertise encompasses what a person knows and can do. It defines the intellectual space that he/she uses to explore and solve problems. Motivation can be extrinsic (desire to achieve company rewards and awards) or intrinsic, with the latter being the most critical. Intrinsic

■ TABLE 6.1

THE ARENAS IN WHICH PEOPLE ARE CREATIVE AT WORK

William Miller argues that people often do not recognize when they are being creative, and they frequently overlook opportunities to be creative. He suggests that the path to creativity begins by first recognizing all of the ways in which we are or can be creative. People in organizations can channel their creativity into several different arenas:

- **Idea Creativity:** thinking up a new idea or concept, such as an idea for a new product or service or a way to solve a problem.
- **Material Creativity:** inventing and building a tangible object such as a product, an advertisement, a report, or a photograph.
- **Organization Creativity:** organizing people or projects, and coming up with a new organizational form or approach to structuring things. Examples could include organizing a project, starting a new type of venture, putting together or reorganizing a work group, and changing the policies and rules of a group.
- **Relationship Creativity:** innovating approach to achieving collaboration, cooperation, and win-win relationships with others. The person who handles a difficult situation well or deals with a particular person in an especially effective manner is being creative in a relationship or one-on-one context.
- **Event Creativity:** producing an event or occasion, such as an awards ceremony, team outing, or annual meeting. Finding a way to bring two opponents together. The creativity here also encompasses décor, ways in which people are involved, sequence of happenings, background, and so forth.
- **Inner Creativity:** changing one's inner self. Being open to new approaches to how we do things and thinking about ourselves in different ways. Achieving a change of heart, or finding a new perspective or way to look at things that is a significant departure from how one has traditionally looked at them.
- **Spontaneous Creativity:** acting in a spontaneous or spur-of-the-moment manner such as coming up with a witty response in a meeting, an off-the-cuff speech, a quick and simple way to settle a dispute, or an innovative appeal when trying to close a sale.

SOURCE: Adapted from Miller W. C. 1999. *Flash of Brilliance*. Reading: Perseus Books.

Creative thinking skills refer to the particular ways individuals approach problems and solutions and the techniques they use for looking at a problem differently, seeking insights from other fields of endeavor, challenging assumptions, and so forth. One of the most important conclusions from Amabile's impressive work in the area is that managers can influence all three of these components of creativity. The organization must emphasize managerial practices that result in employees being challenged, that provide them with freedom, and that give them access to resources. Similarly, practices that result in well-designed, mutually supportive, and diverse work teams are likely to spur creativity. Also valuable is encouragement from supervisors for creative outputs and reinforcement in terms of the values, systems, and structures of the organization.

Creativity is too often associated with brainstorming. Here the general idea is that

be positive, and generate as many ideas as possible. Out of this activity will come a creative solution. However, it is important to recognize that creativity is much more than brainstorming. In fact, brainstorming is but one of many tools or techniques that can be useful in creative problem solving.

On one level, creativity is messy, random, and unscientific. On another level, structure plays a role in creativity, and those who approach creativity from a more systematic perspective tend to come up with a lot more great ideas. The key to this distinction is to recognize that creativity involves heuristics, not algorithms. Algorithms are complete mechanical rules or formulas for solving a problem or dealing with a situation. Heuristics are incomplete guidelines or rules of thumb that can lead to learning or discovery. Thus, if there is no clear path the employee must create one. Finding the appropriate path to a creative solution is much easier if the employee first approaches creativity as a logical process and then utilizes some of the available creative problem-solving techniques as he/she moves through the process. While it is generally accepted among researchers and consultants that a process is involved in creativity, there are different opinions regarding the nature of that process. Figure 6.1 summarizes seven views regarding the steps or stages involved in successful creativity. On further examination, these perspectives have much in common. Accordingly, we believe the following five-stage approach captures the essence of all of them.

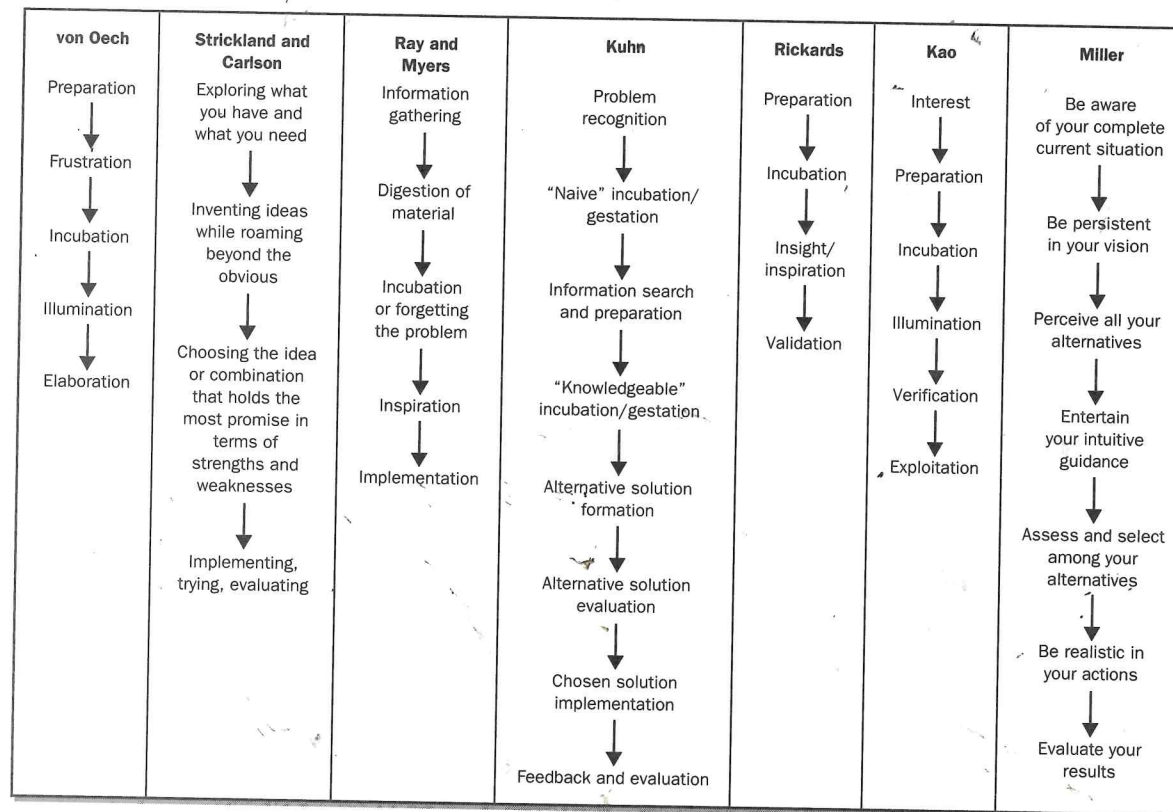
The process begins with a problem or question or challenge. What is labeled "preparation" is a stage where the individual attempts to define the problem, gather information, and look for the right answer. Too often, people jump in looking for the solution without really understanding the real problem or question. In many instances, the different individuals in a work group think they are all solving the same problem, but because of their differing interpretations and assumptions, they are effectively solving different problems. This is why Hirschberg (1998) suggests that an individual must first ask creative questions before coming up with creative answers. He encourages questions that are surprising, provocative, destabilizing, that emanate from skewed vantage points, and that open new routes to a subject. The most simple questions can serve to get around constraining assumptions and help the employee get to the root of the true problem.

As a rule, the creative solution does not simply come. In fact, the route an individual pursues in trying to come up with the solution can become circuitous, confusing, and far removed from the beaten path. It leads to a series of dead ends that seem further and further removed from a viable solution, and the "frustration" stage sets in. This frustration is caused by and magnified by a set of creative blocks, a subject to which we will return shortly. Most people, arriving at the frustration stage, give up or settle for a solution that is rather uncreative and closer to the status quo.

If a person consciously steps away from the problem and puts it on the back burner, he/she is in the "incubation" stage. The individual is, in effect, nonintentionally working on the problem. Further, he/she is either consciously or uncon-

FIGURE 6.1

DIFFERENT VIEWS OF THE CREATIVE PROCESS



areas, pursuits, or activities that are far afield of the actual problem and may be quite removed from the person's own background or field of expertise.

The employee next sees a ray of light, a thread, or a piece of a possible solution. There may be an "aha" moment. This stage, called "illumination," involves the employee's coming up with the outline or core of an answer. The answer often needs to be refined, adapted, expanded, tested, and further revised. Not only are there likely to be pragmatic problems in actually applying the solution, but the employee also has to make changes as he/she tries to sell the idea to management. This is the stage of "elaboration."

being very short. There may be feedback loops, where an insight at one point leads the employee to discard a principle or assumption made at an earlier point, suggesting a need to go back and move in a direction that was earlier rejected. There may also be little "eureka" along the way, and these may come together to form an overall solution, rather than a single big eureka in the illumination stage.

As an employee moves through the creative process, it is also helpful to think of the stages in terms of divergence and convergence (Leonard and Swap 1999). Divergence is breaking from familiar, established ways of seeing and doing. It is a concern with generating lots of options and truly novel ideas, regardless of their practicality. Convergence is the achievement of some agreement regarding the merits of a given idea and the value in pursuing that idea. It is a reality check in terms of the implementation issues. Individuals or groups go back and forth from divergence to convergence when they are successfully managing their creativity. Effective creativity requires balance, or equal time, for divergence and convergence. In fact, the failure to produce highly creative answers may be linked to groups that either spend too much time generating and discussing options, or, alternatively, devote most of their effort to taking an idea to task and arguing detailed implementation issues.

IVE BLOCKS

People do not need to be creative for most of what they do in a given day. In fact, they develop patterns and routines without which their lives would be in chaos. They then adopt attitudes that are consistent with maintaining the status quo. However, the same type of thinking that allows a person to function efficiently on a day-to-day basis becomes a major constraint when trying to be creative. That is, the guidelines and rules people find so valuable in everyday life become the blocks to their own creative potential. The ability to master the creative process on an ongoing basis is very much linked to removing the blocks.

Roger von Oech (1998) argues that there are ten critical blocks to creativity. These are summarized in Table 6.2. In essence, he is arguing that employees are more likely to come up with breakthrough ideas if they look for multiple solutions, are illogical and impractical, break existing rules, are playful and not worried about looking foolish, embrace ambiguity, and recognize that failure is a sign of progress. Two additional blocks are especially relevant for corporate entrepreneurship. People miss creative opportunities because they are too narrow and focused in their jobs. By stating, "That's not my area," possibilities are ignored because they do not fit a person's job description or are outside of a person's education, experiences, and professional field. As von Oech (1998) notes, "It's hard to see the dynamite idea behind you by looking twice as hard in front of you." The key lies in the employee's willingness to look beyond his or her field or job

TABLE 6.2

THE CREATIVE BLOCKS

"The Right Answer"	The fallacy that there is only one correct solution to a problem
"That's not logical"	The belief that logic is fine for the development and application of ideas, but stifles creativity
"Be practical"	The tendency to allow practical considerations to kill concepts, halt the search for ideas, and deter us from considering alternative solutions
"Follow the rules"	Ignoring the fact that most revolutionary ideas are disruptive violations of existing systems and beliefs
"Avoid ambiguity"	Strict adherence to one fixed perspective on a situation
"To err is wrong"	Failure to see the connection between error and innovation: when you fail, you learn what doesn't work and can adjust
"Play is frivolous"	Unwillingness to acknowledge the creative power of play
"That's not my area"	Restriction of creativity through thinking that is overly narrow and focussed
"Don't be foolish"	Unwillingness to think unconventionally out of fear of appearing foolish
"I'm not creative"	The worst of the blocks: self-condemnation that trumps talent, opportunity, and intelligence

SOURCE: Adapted from von Oech, R. 1998. *A Whack on the Side of the Head*. New York: Warner Books.

individuals are explorers, looking in other areas for ideas. They find history in a hardware store or fashion in a steel factory. They indulge hobbies and read publications in diverse fields and then bring all of this to bear on job-related challenges. Lastly, the worst of the blocks is the "I'm not creative" one. A difference between people who are consistently creative and those who are not is that the former think of themselves as creative, while the latter assume they are not. The latter come to depend on the former any time a creative solution is needed. The objective evidence suggests that we are all rich in creative potential, regardless of what we believe about ourselves.

Where do these blocks to creativity originate? Consider three sources. As the discussion above makes clear, employees impose the blocks on themselves based on their own perceptions. Second, fellow employees impose them on their coworkers. Refrains such as "That's not your job," "Don't be foolish," and "That's not logical" are commonly heard in team meetings, planning sessions, and hallway conversations. Even where the employee does not actually hear such phrases, he/she perceives a need not to look foolish or step beyond his/her job responsibilities in front of coworkers. Finally, the workplace itself is a source of blocks. Certain companies may not tolerate failure, may penalize rule bending or breaking, or may assign people to jobs with extremely narrow job descriptions. A host of variables that characterize the internal environment come into play, variables

**THE CREATIVE EMPLOYEE:
PROBLEM-SOLVING STYLES**

Although there is latent creativity in every employee of a company, people are not all creative in the same way. They have different thinking or cognitive styles. A very popular way to label these styles involves distinguishing individuals based on whether they are "left-brained" or "right-brained." The left-brained thinker arrives at solutions through a more analytical, logical, sequential approach to problem solving. The right-brained thinker relies more on an intuitive, values-based, nonlinear approach to framing and solving a problem. The cognitive styles of people can also be reflected in work styles and decision-making activities, including a person's preference for working with others versus alone, learning about something versus experiencing that something, and making quick decisions versus generating lots of options no matter how urgent the matter at hand.

A more comprehensive view of thinking styles, or what some have called "brain operating systems" (Hall 1995) grows out of the work of Ned Herrmann over the past twenty-five years. He posits a model that groups thinking styles into the following four categories:

1. *Thinking Style A*: Intuitive, rule breaking, imaginative
2. *Thinking Style B*: Logical, fact-based, bottom-line oriented
3. *Thinking Style C*: Organized, planned, detailed
4. *Thinking Style D*: Interpersonal, emotional, people-focused

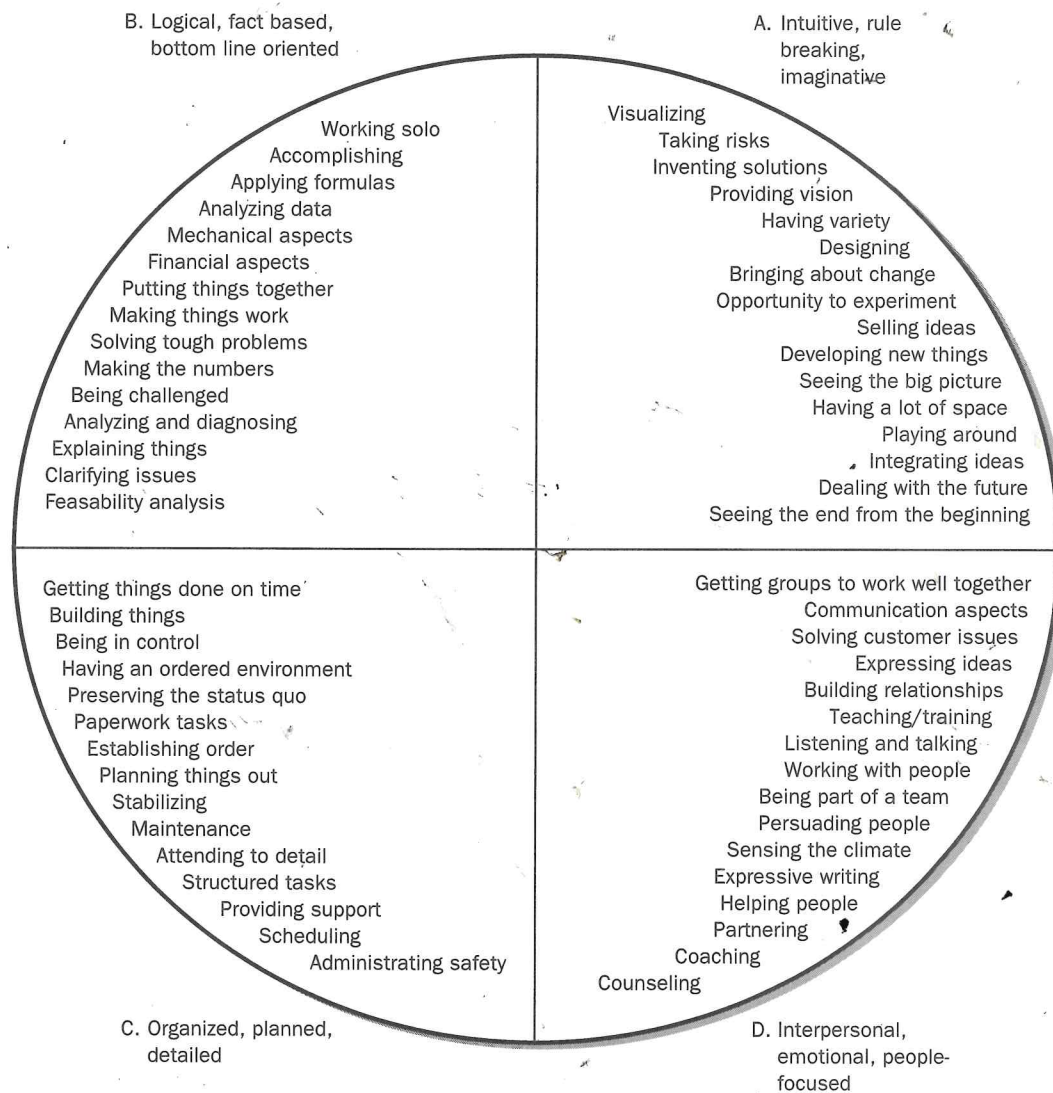
These styles are summarized in the four quadrants pictured in Figure 6.2. Within each quadrant is a synopsis of the thinking and problem-solving preferences of people who fall into that category. It is possible that individuals use each of the quadrants to varying degrees when doing certain tasks. However, over time, people develop a preference for a particular thinking mode. They develop skills for the types of tasks or methods associated with that thinking mode. None of these four thinking styles is necessarily better than the others. Each is capable of producing significant creativity. The key becomes the nature of the problem and the decision-making context.

A given person's cognitive preferences shape his or her leadership styles and communication patterns. But the people who work for that person or the team members with whom that person must interact can differ significantly in terms of their own cognitive preferences. They process information and solve problems in different ways. The failure to appreciate these differences is often a cause not only of the failure to produce a truly creative solution but also of frustration and conflict. Because one person's style is to gather as much information as possible, absorb it, and then generate a solution does not mean a fellow group member is effective at doing things in the same way.

As a result, thinking styles have important implications for creativity in work

■ FIGURE 6.2

**EMPLOYEE PROBLEM-SOLVING STYLES
AND THE HERMANN BRAIN DOMINANCE PROFILE**



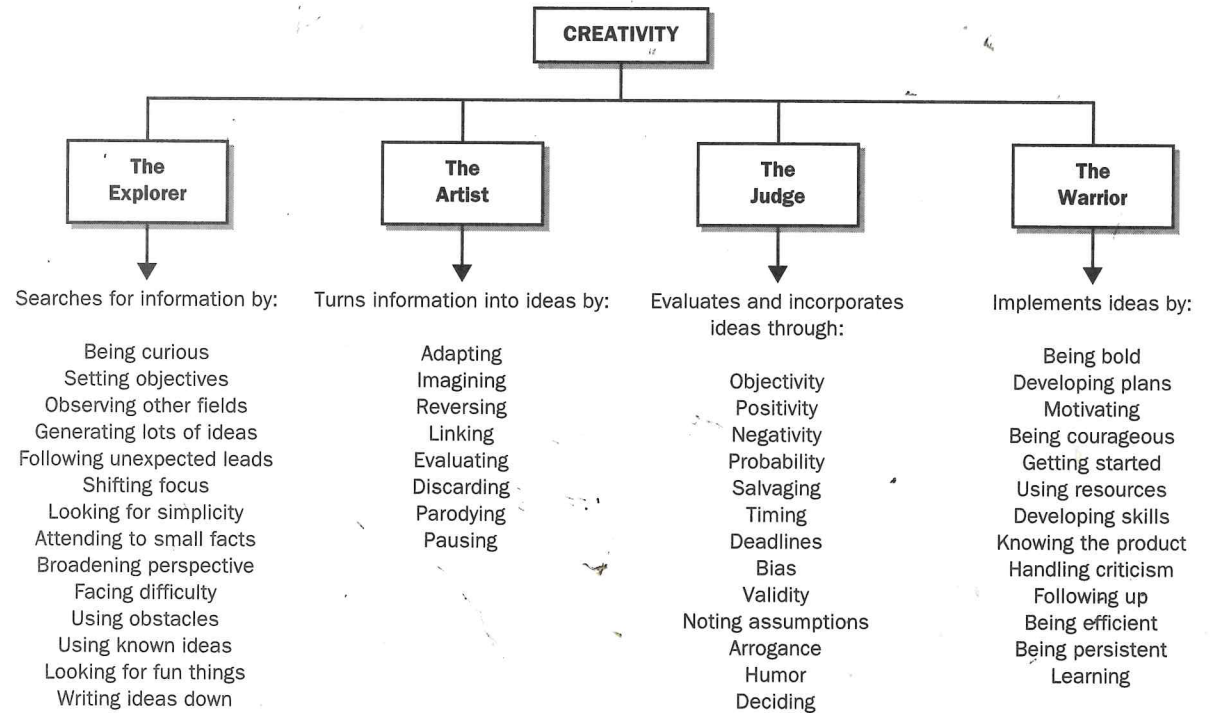
SOURCE: Ned Herrman Group.

LINKING STAGES IN THE PROCESS TO PROBLEM-SOLVING APPROACHES

Activity	Psychological Style
Environmental scanning	Intuition/emotion
Preparing the expedition	Details/planning
"Mulling things over"	Intuition
The "eureka" experience	Intuition
Market research	Details/rationality
Captain of industry	Details/rationality

FIGURE 6.3

THE CREATIVE PROCESS: RELEVANT ROLES



SOURCE: von Oech, R. 1986. *A Kick in the Seat of the Pants*. New York: Harper and Row.

and doing market research in the verification stage. Consistent with the changing activities that require attention is the notion that the role of the individual changes as the creative process unfolds. Different roles require unique skill sets (Figure 6.3). For instance, von Oech (1986) stresses the need to be an explorer when searching for new insights and perspectives, an artist when turning resources into new ideas, a judge when assessing the merits of a concept, and a warrior when attempting to achieve organizational acceptance and implement the idea.

THE NEED FOR FRICTION

Creativity involves a paradox. In an era where considerable attention is devoted to the need in organizations for teamwork, cooperation, consensus, and conflict

39. *Entrepreneurship, Creativity and Organization*. Englewood Cliffs: Prentice-Hall.

employee's idea or creative vision; rather, it may be that his/her thinking or cognitive style differs from that of his/her boss or coworkers. People are judging both the methods someone uses to get to an idea and the idea itself from the unique perspective of their own thinking style. Similarly, when an employee is trying to sell an idea to someone within the organization, presenting it in a manner consistent with the thinking style of the recipient can be instrumental in obtaining support.

The implications for management are also considerable. A manager must recognize that different people have different thinking styles. Accordingly, he/she purposely designs a full range of approaches and perspectives into the organization, unit, or department. While insisting that cognitively diverse employees must respect one another's thinking styles, the manager is purposely trying to foster the collision of ideas, frames of reference, assumptions, and approaches. He/she is actively managing those collisions.

Consider the formation of two work teams. One consists entirely of individuals who utilize Thinking Style A. Another includes people with all four thinking styles. Will one group be more creative? Research from the Eureka Ranch (1998), a leading creativity center, suggests that the "whole brain" group, or the one with participants from all thinking styles, can out-create groups populated with just one thinking style. What is also apparent is that the homogeneous and heterogeneous groups will be creative in different ways and will not respond in a similar manner to the same stimuli.

We can also relate thinking styles to the stages of the creative process. Different skills are more important at particular stages in the process, as suggested in Table 6.3. Here, Kao's (1989) version of the creative process is presented. Thinking styles built around intuition and emotion may be more productive in identifying relevant problems or opportunities to undertake, while styles that prioritize detail and rationality will be especially good in the verification and exploitation of a creative concept. To the extent that these inferences hold true in a corporate context, they reinforce the value of work groups with diverse thinking styles.

hand, creative organizations demonstrate great teamwork and collaboration. On the other hand, they feature diversity and friction. The message is that such friction can be good. Collisions are a vibrant source of energy in a company.

The fostering of entrepreneurship requires that managers figure out how to get different approaches and perspectives to grate against one another in a productive process that can be termed *creative abrasion*. The point is not to create a scenario where colliding ideas, viewpoints, or priorities battle one another, with one winning out or dominating and the other losing or being discarded. Nor is the objective to encourage compromise, alignment of positions, or watering down of one or both positions so as to achieve unity of direction. Hirschberg (1998) notes the following:

“Creative abrasion calls for the development of leadership styles that focus on first identifying and then incorporating polarized viewpoints. In doing so, the probabilities for unexpected juxtapositions are sharply increased, as are the levels of mutual understanding. The irony is that out of a process keyed on abrasiveness, a corporate culture of heightened sensitivity and harmony is achieved.”

Consistent with the earlier discussion, creative abrasion serves to facilitate divergence, and it must be complemented by leadership styles and structures that ultimately produce convergence. Abrasion is not about clashes that are arbitrary or based on personalities and egos. It is about highlighting differences that are natural and that increase the level of stimulation and variety in the organization. Further, there are different degrees of creative abrasion. Examples of efforts to take advantage of this concept could include hiring people who are not like current staff; putting together interfunctional teams; giving a team two seemingly incompatible goals; introducing a perspective that threatens the positions and assumptions of those in the group; blurring responsibilities between departments or functions; and bringing in consultants, temporary staff, or speakers who hold very different points of view. Management of abrasion is an art. It requires patience and a sense of when to let the friction run its course and when to interfere so as to avoid permanent dead ends.

CREATIVITY TECHNIQUES AND CREATIVE QUALITY

A treasure trove of techniques and methods are available for use at different stages in the creative process. Techniques exist for generating creative concepts and ideas (e.g., brainstorming, role playing, mind mapping), techniques for overcoming negativity (the “yes and” rather than “yes but” rule, which states that concerns about new ideas must be phrased in ways that find the positive in them), and techniques for reaching convergence (e.g., backcasting, or imagining future scenarios and backing up to the present). The list is virtually endless as can be seen in such

TABLE 6.4

EXAMPLES OF CREATIVE PROBLEM-SOLVING TECHNIQUES

- Brainstorming
- Reverse Brainstorming
- Mind Mapping
- Lateral Thinking Techniques
- Synetics
- Gordon Method
- Force Fit Technique
- Checklist Method
- Free Association
- Forced Relationships
- Collective Notebook Method
- Knight's Move Thinking
- Heuristics
- Scientific Method
- Kepner-Tregoe Method
- Value Analysis
- Attribute Listing Method
- Morphological Analysis
- Perceptual Mapping
- Matrix Charting
- Sequence-Attribute/Modification Matrix
- Inspired (Big Dream) Approach
- Parameter Analysis

SOURCE: Adapted from Hisrich, R. D., and M. Peters. 1998. *Entrepreneurship*. Burr Ridge: Irwin McGraw-Hill.

The value of these techniques and exercises is likely to vary based on an employee's thinking or problem-solving style. People with a particular thinking style (see the quadrants in Figure 6.1) may respond more to certain techniques or stimuli than will those who have a different thinking style.

The purpose of these types of exercises and techniques and the reason for approaching creativity in a more systematic manner is to improve the quality of the creative output. In fact, producing a higher *quantity* of creative ideas is not of much value unless the end result is higher *quality* in terms of the ultimate concept or solution. This is an important point. While creativity itself is not something an employee can see or feel or touch, the quality of an individual's or group's creativity can be judged. Although many criteria are available for judging creativity, a good beginning point is to consider the following three standards:

1. *Overt benefit*—to what extent does the idea or concept convey a clear benefit or advantage to a user or customer? In what ways does it create value, and how much value is being created?
2. *Reason to believe*—what supporting evidence is the employee able to provide, and is a user or customer likely to accept that the concept or idea will deliver the same level of benefits that the employee claims?
3. *Dramatic difference*—how unique or different is the employee's concept or idea from current or conventional solutions? Is it an incremental or breakthrough advance? Can it be

Although creativity will always be an art, organizations need not view it as unmanageable. There is a role for structure, standards, expectations, and measures of performance. Clearly, creativity often happens inadvertently, and employees are frequently not conscious of the fact that they are being creative. Even so, their creative productivity is apt to be enhanced when they recognize the many ways in which they are currently creative, understand their own immense creative potential, and adopt systematic approaches for tapping that potential.

AND CONCLUSIONS

Creativity is the foundation upon which entrepreneurship is built. The corporate entrepreneur requires creative solutions to an array of challenges and obstacles as a concept goes from conceptualization to implementation. In the end, entrepreneurship in larger organizations cannot happen without technical creativity, political creativity, resource creativity, marketing creativity, and more.

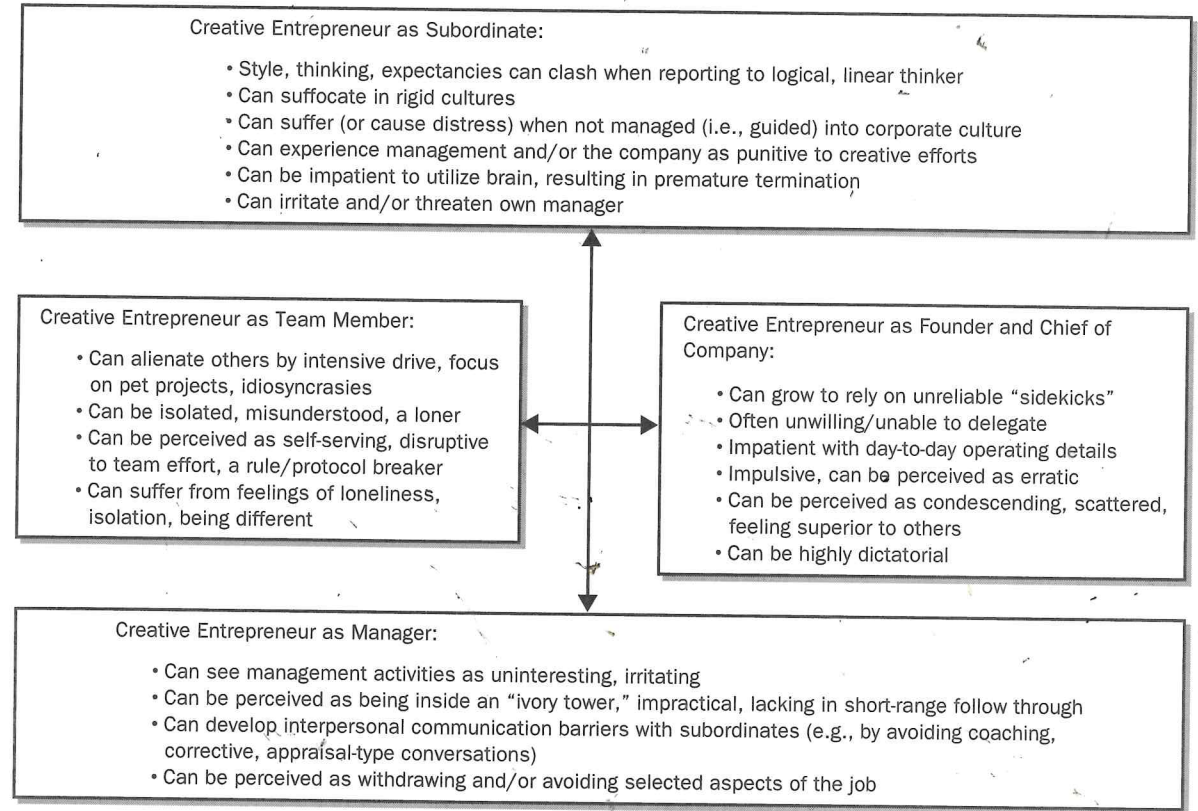
Creativity in organizations is about destruction and construction. It requires the abandonment of certain assumptions, the rejection of accepted precepts, and the elimination of established methods. It also results in concepts or solutions that can disrupt the work lives of people in companies, making them break out of patterns and comfort zones. But creativity also brings with it a fresh start, a new way, a freedom from the constraints of what was, and a path to what can be. It is a manifestation of the human spirit, such that the act of successful creativity is by itself a tremendous source of employee motivation and pride. To create is to matter, to count, to make a difference, to have an impact, and to be a source of value.

Employees are creative without knowing it, and many creative things they do happen on the spur of the moment. Yet, the employee's ability to be a continued source of creative contribution is tied to an understanding of a) a person's own immense creative potential; b) a recognition of the many ways in which he or she is and can be creative; c) an appreciation for his or her own thinking or problem-solving style; d) a recognition of the different thinking styles of those with whom he or she works and to whom he or she reports; and e) an understanding of the nature of the creative process and some of the techniques for facilitating the mastery of that process time and time again.

Corporate entrepreneurs operate in differing capacities within an organization. The challenges of successful creativity are likely to vary depending upon the particular role the corporate entrepreneur is playing. Figure 6.4 provides a synopsis of the different challenges confronting the creative entrepreneur when he or she is in the position of subordinate, team member, manager, and founder/CEO. What becomes evident from each of the boxes in Figure 6.4 is that while creativity should be the oil that lubricates an organization and allows it to move in new directions, in many companies it is treated as a foreign substance that will disrupt

FIGURE 6.4

COMMON CHALLENGES FACING THE CREATIVE CORPORATE ENTREPRENEUR



SOURCE: Sinetar, M. 1985. "Entrepreneurs, Chaos and Creativity: Can Creative People Really Survive Large Company Structure?" *Sloan Management Review* 65 (5): 57-62.

Organizations tend to be insensitive to the nuances and idiosyncrasies of the individual who is attempting to be creative. While there are many things a company can do to encourage and support this individual, the ultimate issue is one of freedom (Sinetar 1985). The creative employee seeks freedom in the general area of his or her work and the way in which the work gets done. He or she seeks freedom to ask novel or disturbing questions. Most fundamentally, he or she seeks freedom to develop unusual solutions to the problems and opportunities confronted by the organization

INTRAPRENEURIAL INSIGHT

EY Do It?

panies fear losses if the creative others are secure. urage creative ociation, and the eration of a proje at the Disney ably the most ion in the world. nd his team of is, and "imagi amaze the pub- rks; cruise ship productions; and ractive, visually . Four new parks, kyō, Paris, and open by 2005.

er year at Disney, an pitch an ani- a to Eisner and residents during To ensure that eek and mild get ressing their cre- rs are utilized to resentations and support if neces- ive team listens to rty ideas each ses- it a point to give dback, whether Peter Schneider, ture animation in

the '90s and current chairman of Walt Disney Studios, emphasized the importance of telling the presenters why their ideas will or will not work. "We don't pull our punches. If you do that enough and people don't get fired or demoted, they begin to understand that no matter how good, bad, or indifferent the idea, it can be expressed, accepted, and thought about." The box-office hit, *Hercules*, was a result of the *Gong Show*. The employee's original story line didn't make it into production, but he still received what Schneider referred to as a "first treatment" — a very generous cash reward with payments spread out between idea inception and the release of the movie.

Once a movie is in production, the environment of employee-driven decisions still reigns. According to Schneider, the only management intervention is in setting the deadlines and budget. With those parameters in place, the directors and imagineers are free to do whatever it takes to get it done. Seventy-five percent of the time, this method works wonders. The directors are allowed to pick their crew — enough of an

incentive for employees to give any project their best effort.

Disney employees' creative energy is also fueled by the fact they not only can be themselves but also can feel appreciated and valued. For a company that is so closely involved with its customers on all levels and in all divisions, it only makes sense that the top brass associate with the individuals that make everything happen. On one occasion, a ping-pong tournament found Michael Eisner and hourly artists playing together during lunch hours. The structure at Disney is so employee-friendly that the low person on the totem pole didn't let Eisner win.

Revenues for the Disney Corporation totaled \$25.4 billion for the fiscal year 2000, with \$4 billion being retained as operating income. Disney has 2 billion shares of common stock outstanding, with no single person or group as the beneficial owner of more than 5 percent of either class of the common stock.

SOURCE: McGowan, Joe. 1996. "How Disney Keeps Ideas Coming." *Fortune* 133 (April): 131-134.

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