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Facilitating Creativity in Corporate Culture

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FACILITATING CREATIVITY IN CORPORATE CULTURE

A Thesis Presented

by

JAMES A. FIGLER

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Critical and Creative Thinking Program

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ABSTRACT

FACILITATING CREATIVITY IN CORPORATE CULTURE

SEPTEMBER, 1995

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This work was developed with the premise that a creative corporate

culture can be a competitive weapon in the world market today. It postulates

that unique corporate cultures do exist and explores their development and

characteristics from an anthropological point of view. This work investigates

tools and methods created to help facilitate creativity in corporate cultures.

Multiple examples of creativity within corporate cultures are presented

against the background of twelve key causal factors (Drennan, 1992). These

creative episodes are all recognized by outside sources as unique and innovative,

and fulfill the heuristic characteristics of creativity as defined by Amabile (1983).

This work purports that, although there is no direct correlation between

creativity and profitability, the creative corporation intuitively has an advantage

in today's marketplace.

The levels of organizational culture examined include assumptions,

beliefs and values, patterns of behavior and artifacts. These are cross-referenced

with key elements of organizational culture such as heroes, jargon, and management practices. The results are presented in a typology of the socially constructed concept of corporate culture.

Multiple tools to create a context from which to study and facilitate change in corporate culture are explored. Critical thinking is employed to understand the frame of reference in which each tool was created and to judge its value in facilitating change and creativity in an existing environment.

A number of intervention models are compared and contrasted and the merits of each is explored. The transition planning model (Beckhard, 1987) is chosen to study the content of other available tools and methods because it allows the opportunity to examine culture from multiple anthropological viewpoints. It seeks to understand culture so that action can be taken, and implies that culture can be managed. It also allows for unlimited creativity in the critical ideation stage.

Finally, using Beckhard's model, available tools and methods are reviewed for understanding corporate culture and facilitating creativity and innovation within that context.

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CHAPTER I

INTRODUCTION: MISSION STATEMENT AND DEFINITIONS

Can corporate culture, a set of shared values developed to minimize or reject the chaos, uncertainties and ambiguities of the modern business world (Trice and Beyer, 1993), embrace the dynamics of continuous and radical change, the very antithesis of why it originally developed? The concept of the corporation is in evolution, and the rate and complexity of change is growing exponentially. A "change-demanding change" can cause paralysis as demonstrated in Tofler's Future Shock (1971) if the environment is not capable of shifting dramatically. The more complex the problem, the higher the tendency becomes to create solutions to problems that are no longer relevant (Ackoff, 1981).

As we move further into the age of a knowledge-oriented business society, the increasing challenge for the manager will be the administration of change and brain power. The belief that the intrinsic value of adaptability and creativity should be joined with an environment of communications and trust to strengthen the organization dates back at least to the writings of Sun Tzu (trans. 1994, p.126) in the sixth century B.C. when he wrote:

> *If generals do not know how to adapt advantageously even if they know*
> *the lay of the land they cannot take advantage of it. If they rule armies*

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*without knowing the arts of complete adaptivity, even if they know what
there is to gain, they cannot get people to work for them.*

Over 2000 years later, Karl Albrecht (1987, p. 10) commented:

*Those companies that do the best job of becoming highly adaptive and
creative in their inner workings have the best chance of surviving,
thriving, and gaining a business advantage over their competitors.
Creativity, at the individual level and the corporate level, may become one
of the new weapons in the competitive arsenal of business.*

Freud treated creativity as the outcome of unconscious neurotic conflict
(Davis, 1973) while the highly regarded psychologist Carl Jung (1933) noted that,
"Any reaction to stimulus may be causally explained; but the creative act, which
is the absolute antithesis of mere reaction, will forever elude the human
understanding" (Davis. 1983 p. 20).In today's terminology, a creative person may
be labeled a "point off the curve," a "non-conformist," or a "nut." If that same
person brings an innovative product or process to fruition, that person becomes
a "genius," a "prodigy" or a "leader."

So how does a corporation gain the competitive edge of creativity that
Albrecht and numerous others have written about? Before embarking on this
journey, it is appropriate that "creativity" and "corporate culture" be defined as
they are intended to be used within the context of this work. The very definition
of creativity becomes, by default, a theory of creativity, and the commonality is
that both theories and definitions try to simplify and explain complex

phenomena (Davis, 1973). A subtle but persistent phobia with exploring the concept of creativity is the foreboding clouds of the unfamiliar, unexplainable and uncomfortable.

Creativity Defined

Definitions of creativity tend to focus on the person, the process or the product (results). At least one definition of creativity incorporates all three and includes the entire creative episode, from detecting the problem to presenting the results:

> *Creativity (is) the process of sensing problems or gaps in information, forming ideas or hypotheses, testing and modifying these hypotheses, and communicating the results (Torrence, 1965, p. 664).*

Demonstrating the difficulty of gaining consensus on the meaning of creativity, this definition was challenged as "typical problem solving" by the committee reviewing this thesis. Other noted scholars have vocalized similar reservations. The defense of the definition is longer than the definition itself, but Dauw and Fredian (1971) realize that "Torrence's definition does not distinguish between creativity or creative problem solving and other types of (intellectual) problem solving. Some hold that it equates creativity with all thinking. Obviously, one limitation of any brief definitions is that only a few distinctions can be made explicit. Certainly explicit in Torrence's definition are those

scholarly distinctions usually made between creative thinking and problem solving. Generally, creative thinking has been treated as one particular kind of problem-solving (p. 28)."

Amabile (1983, p. 33) presents a conceptual definition that was used as the standard throughout the Critical and Creative Thinking Program at the University of Massachusetts Boston:

> *A product or response will be judged creative to the extend that (a) it is both novel and appropriate, useful, correct or valuable response to the task at hand, and (b) the task is heuristic rather than algorithms.*

The heuristic aspect of this definition would cause some corporate executive trepidation. Management implies control and pre-determined outcomes. As this thesis will show, the path to creativity in corporate culture is definitely not algorithmic.

Corporate Culture Defined

Defining corporate culture may be less challenging than defining creativity from a psychological viewpoint, yet it is certainly as complex from a contextual standpoint. This matter of perspective will be dealt with in Chapter III. For purposes of this work, the definition of corporate culture articulated by Schein (1992, p.143) will be the benchmark:

> *(Corporate Culture is) a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that worked well enough to be considered valid and therefore,*

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to be taught to new members as the correct way to perceive, think and feel in relation to those problems.

Thus the premise of creativity is novel hypothesis and experimentation while the basis of corporate culture is tradition and established behavior. Some have labeled the concept of a creative corporate culture as an "oxymoron" (Albrecht, 1987), yet others (Schein, 1992 and Senge, 1990) point to creativity, continuous learning, and innovation as the organizational methodologies for success now and in the future. This thesis embrace the latter of those two views, citing examples of creativity in organizations and looking for ways of replicating that dimension in other organizations.

Over 2000 years ago, Sun Tzu, in The Art of War, wrote: "Adaptation means not clinging to fixed methods, but changing appropriately according to events, acting as is suitable. If you can change with the momentum of forces, then the advantage does not change. Therefore there is no constant structure" (trans. 1994,p. 125). This thesis will illustrate that "events" today are happening faster and becoming more complex, requiring a re-examination of the wisdom of the planning by the few for the many at a corporate level. In addition, "not clinging to fixed methods" means close and continual assessment of core beliefs, values and competencies as they relate to evolving external forces. Creativity, change and risk-taking must become essential and embraced elements of the successful corporate culture.

As demonstrated by Ackoff (1981), change itself is constantly changing in its scope and intensity. A high degree of creativity prepares us for elements we do not or cannot control. In a creative culture there is a diminished need to expend assets and energy forecasting or attempting to control the uncontrollable and increased focus on preparing for the unexpected. Culture is the invisible force behind the tangibles and observables in any organization, a social energy that moves people to act. This work will demonstrate that a conscious focus by management on corporate culture, embracing and enhancing creativity at every possible opportunity, can make a significant contribution toward re-energizing their enterprise's competitive posture.

The Road Map

The main components of this work will be developed in the following manner:

1. The hypothesis that all corporate entities develop and maintain a unique culture will be developed in Chapter II.

2. Chapter III will invoke critical thinking skills to examine a context in which to study the management of corporate culture by examining the frame of reference of organizational models.

3. Relevant literature regarding corporate culture will be examined in the context of the model developed in Chapter IV.

4. Chapter V will investigate examples of corporate cultures that have been deemed "creative," in terms of 12 key causal factors that shape corporate culture.

5. The essence of Chapter VI will be the integration of the intervention model unfolded in Chapter IV examining corporate culture with tools that foster creativity.

6. The conclusions drawn from researching and writing this thesis will be summarized in the final chapter.

CHAPTER II

HOW AND WHY ORGANIZATIONS ARE CULTURES

Let us then suppose the mind to be, as we say, white paper, void of all characters, without any ideas. How comes it to be furnished? Whence it comes by that wide store which the busy and boundless bounty of man has painted on it with almost endless variety? Whence has it all the materials and knowledge? To this I answer in one word, EXPERIENCE. In that our knowledge is founded, and from it ultimately derives itself (Locke, 1670, Book II, Chapter I).

According to the claims of Seventeenth century philosopher John Locke, the mind is a *tabula rasa*, a blank tablet, when we are born. Experience writes on our minds as though it were a clay tablet waiting to be marked by a writing stylus. From the time we are infants, we develop images of kinds of characters and personalities based on our experience. These stereotypes may be positive, negative or neutral, and they may contain generalizations that are incorrect and even dangerous (Gardner, 1991).

When confronted with everyday decision making, we will systematically rely on these cognitive heuristics as easy and natural shortcuts in evaluating relevant information. While it is very useful and powerful to make timely decisions, this natural process may lead to misperceptions, oversimplification, and systematic bias (Medin and Ross, 1992). Most people employ prototypical associations filtered by their culture rather than analytical processes in making

judgments, shaping their individual and collective value systems. "The acquisition of moral beliefs is an unconscious psychological process based, not on our capacity for reasoning, but on our emotional natures. The result is an essentially non-reasoning acceptance of the norms of one's culture" (Grassian, 1981, p. 17).

Culture is to an organization what personality is to the individual. Culture is a way of dealing with uncertainty and ambiguity. Corporate culture is the invisible force behind the tangibles and observables in any organization. It is the collective phenomena that embodies an organization's responses to the uncertainty and chaos that is inevitable in human experience. It emerges as a way of expressing collective beliefs, values and norms (Trice and Beyer, 1993).

Patterns of Assumptions

Patterns of assumptions emerge to influence behaviors. Because they historically were the basis of decision making in the organization, they become internalized so that they drop out of people's consciousness but continue to influence organizational decisions and behavior even when the organizational environment changes. They are so basic and pervasive that no one thinks about or remembers them (Ott, 1989). Argyris (1990) labels this collection of fundamental rules "Organizational Defenses." In such an environment,

individuals, groups and organization will not detect the errors that are embarrassing and threatening. The consensus is to:

- Bypass the errors and act as if they were not being done

- Make the bypass undiscussable

- Make the undiscussability undiscussable

This behavior is consistent with Schein's definition of corporate culture outlined in Chapter I, and demonstrates the incongruencies of classic culture and creativity.

Schank (1988) refers to this phenomenon as "script-based thinking." In his opinion, creativity involves, among other things, the ability to make up new explanations. "Creativity means finding the relevant case and carefully examining the similiarities and differences in order to construct a new explanation. And when a script is available-well, one needn't think at all" (p. 65). Many members of a corporation become too loyal to the scripts to seek or accept a new system or a new method. Accordingly, Schank believes that people whose existence is defined by the current script may feel threatened by new ideas. They cannot admit that they are wrong or that a new proposal might be better without having an identitify crisis. "If everyone has learned to live with a situation, no matter how bad it is, they are going to react negatively to any

questions about the merits of that situation. That is why large corporations hire armies of independent consultants — they are the only people who can even ask the necessary questions, let alone begin to answer them "(p. 82).

On the surface, it would seem that management and consultation are totally different processes. Managers usually have formal responsibility for defined organizational outcomes, whereas consultants are considered as being free to negotiate their areas of responsibility with their clients (Schein, 1987). Although they are part of their cultures, managers often have difficulty in surfacing their tacit knowledge of that culture and in recognizing how various activities express cultural meanings (Trice and Beyer, 1993).

Anthropological Viewpoints

Cultural research on organizations began as far back as the 1930's during the famous Hawthorne studies at Western Electric. One of the researchers, W. Lloyd Warner, was the first known researcher to utilize anthropological methods to investigate the shaping of a cultural workplace and the effect of culture on behavior and produtivity. That work, The Social System of the Modern Factory, published in 1947, became the cornerstone for the anthropological method of the study of corporate culture.

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Anthropologists divide culture into two major schools of study. Adaptationists analyze what is directly observable about the members of a community like their use of materials, patterns of speech and outward behaviors. The ideational school prefers to examine what is shared in the community members' minds like their beliefs, values and shared ideas. Within the ideational school, functionalists assume that an organization is composed of many interrelated elements, each of which serves a function for the organization. Culture from this vantage point is therefore something that an organization *has*. A divergent view takes an interpretative perspective, seeing cultures as systems of meaning. Culture, in this tradition, is perceived as a guiding metaphor or epistemological device to help frame and guide the study of organizations. From this point of view, culture is something an organization *is* (Sathe, 1985).

The definition of corporate culture is dependent upon which of those slices of reality comes to mind when the topic arises (Figure 2.1). The first level would reflect that of the adaptationists' interest composed of audible and discernible behavior patterns, technology, art and other visible conduct that is generally termed organizational behavior. The second level of culture reveals the functionalists' perspective, examining how people communicate, explain, rationalize and justify what they say and do as a community, of how they make sense of the first level of culture. The third level of corporate culture is the area that the ideational school follows most closely. It consists of people's ideas and

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hypothesis that govern their communications, justifications, and behavior. It is

the set of important assumptions, often unstated, that the members of an

organization share in common.
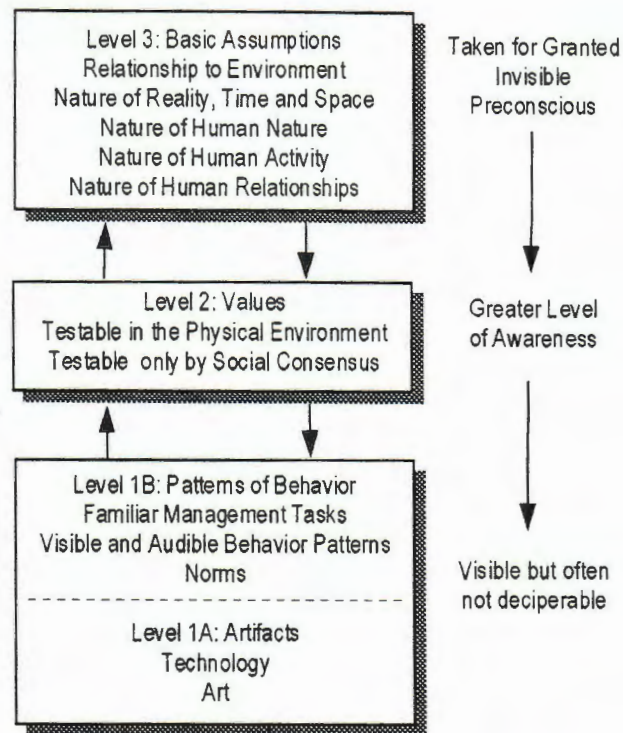
Figure 2-1. Levels of Organizational Culture and Their Interaction.

Developed by Schein (1991)

All three levels are interrelated yet discrete. People's basic assumptions

influence their communications, justifications, and behavior. Yet a change in

behavior does not necessarily produce a change in belief. The diversity of individualism creates the necessity to discern between nonconformity in behavior and nonconformity in belief.

Level 3

At the third and highest level, there are two principal types of assumptions that members of an enterprise hold in common, beliefs and values (Sathe, 1985). Beliefs include basic assumptions about the world and how it works. It is derived from one's own personal etchings on the *tabula rasa*, reinforced or supplemented by the judgment and expertise of those we come to trust or identify with. Values are basic assumptions about what ideals are desirable or worth striving for. They represent preferences for end states, and are heavily influenced by our personal development, prototypical associations and stereotypes. Collectively, these beliefs and values do not necessarily reflect what people say their beliefs and values are; they are more intrinsic. Beliefs, like motives, genes and neutrons, cannot be directly observed.

Level 2

The interrelated characteristics of corporate culture as referred to in Figure 2-1 in the second level, represent a slightly more tangible context. Historically neglected in organizational theory, the essence of cultural

differences has been captured by Trice and Beyer (1993). Those attributes are outlined below in *italics*, accompanied by a brief definition of each. Cultures are repositories of what their members generally agree about, and are therefore *collective*. They are the result of individual interaction, and emerge as prevailing norms. Belonging to a culture involves thinking and acting as others do as part of that norm.

People cherish their ideologies and cultural forms, so their culture is *emotionally charged*. Core values and beliefs are seldom challenged, and spring more from emotional needs than from rational consideration. The founder's personal perspective is typically transformed into a shared legacy over some period of time so that another element of corporate culture is that it is *historically based*. A shared set of ideas and practices come to have a life of their own, and thus transcend the members of the organization.

Corporate cultures often de-emphasize the value of the technical and practical side of human behavior in favor of *inherently symbolic* behaviors. As a pervasive form of cultural communication and expression, symbols become a specific type of cultural form. And while they are historically based and can be measured in hours or in decades, they are the object of continual transformation and adaptation, and are thus totally *dynamic*. As members of the constituency evolve, new technologies emerge, and methodologies emanate, even the most

deeply held culture will transform over time. Cultures are not monolithic sets of ideas, but rather a conglomerate of contradictions, ambiguities, paradoxes and confusion. As such, another character of corporate culture, according to Trice and Beyer is that they are *inherently fuzzy*. Unlike core values, the fuzziness of the peripheries is where consensus may be more difficult to achieve.

Level 1

At the first and most observable level, the group behavior norms emerge. The characteristics of a culture that are visible and different from our own are usually the most striking: the white shirt conservatism of the IBM salesman, the commitment to quality of Toyota employees, and the easy-going approach of the Silicon Valley engineer are but a few of the stereotypical examples. At this level we encounter "common or pervasive ways of acting that are found in a group and that persist because group members tend to behave in ways that teach these practices to new members, rewarding those that fit in and sanctioning those that do not " (Kotter and Heskett, 1992, p. 5).

The first level may be overwhelming to a newcomer to the culture or to an outside observer. It is discernible in symbols and jargon, gestures and slogans. Even a few company songs have found their way into western corporate cultures. Mechanisms that embed and transmit a corporate culture at the first level include design of physical spaces, buildings and facades. These artifacts are "easy to see but hard to interpret without an understanding of the other two

levels" (Sathe, 1985, p. 10). Formal reward systems, mentoring methods, and policy manuals incorporate the underlying philosophies of the corporate entity. The rites and rituals of a culture amalgamates a number of discrete cultural forms at all three levels, into an integrated public performance

Ott (1989) has compiled a list of seventy-three words or phrases (Table 2-1) used to define organizational culture from his research. No words or phrases are included that describe sources, functions, transmittal, change, or maintenance of organizational culture — only what it is and what elements constitute it. When overlaid on a three level model of cultural existence developed by Schein (1985) (Figure 2-1. Levels of Organizational Culture and Their Interaction.) and reinforced by Sathe (1985), a useful typology emerges.

Table 2-1. A Typology of Elements of Organizational Culture. Elements by Ott (1989), Levels by Schein (1991), Typology by Author

Elements of Organizational Culture	Levels of Organizational Culture and Their Interaction				
	Artifacts 1A	Patterns of Behavior 1B	Beliefs & Values 2	Assump-tions 3	Not Clear
anecdotes, organizational	X				
art	X				
assumptions that people live by				X	
assumptions, patterns of basic				X	
assumptions, shared				X	
attitudes		X	X		
behavioral regularities		X			
being			X	X	
beliefs			X		
beliefs, patterns of shared			X		
celebration	X				
ceremonies	X				
climate, organizational					X
cognitive processes, patterns of			X		
commitment to excellence			X		
communication patterns	X				
consensus, level of (about myriad organizational variables)			X		
core			X	X	X
customs		X			
doing things, way of		X			
enactment (per Weick, 1977)				X	
ethic, organizational			X		
ethos			X		
expectations, shared		X			
feelings			X		
glue that holds an organization together				X	
habits		X			
heroes	X				
historical vestiges	X				
identity			X	X	
ideologies			X		
interaction, patterns of		X			
jargon	X				

Table 2.1 Continued	Levels of Organizational Culture and Their Interaction				
Elements of Organizational Culture	Artifacts 1A	Patterns of Behavior 1B	Beliefs & Values 2	Assumptions 3	Not Clear
justification for behavioral patterns			X		
knowledge			X		
language	X				
links between language, metaphor and ritual	X	X			
management practices		X			
manner		X			
material objects	X				
meaning, patterns of			X		
meanings			X		
meanings, intersubjective			X		
mind-set			X	X	
myths	X				
norms		X			
philosophy			X	X	
physical arrangements	X				
practical syllogisms			X		
purpose			X		
rites		X			
ritualized practices		X			
rituals		X			
roots					X
rules, informal system of		X			
scripts, organizational (cognitive social psychology)	X				
scripts, organizational (transitional analysis)				X	
sentiments			X		
source of norms, rules, attitudes, customs, and roles			X		
specialness, quality of perceived org					X
spirit				X	
stories, organizational	X				
style		X			
symbols	X				
thinking, way of			X		
traditions	X	X			
translation of myths into action and relationship	X		X		
understandings, tacit			X		

Table 2.1 Continued	Levels of Organizational Culture and Their Interaction				
Elements of Organizational Culture	Artifacts 1A	Patterns of Behavior 1B	Beliefs & Values 2	Assumptions 3	Not Clear
values			X		
values, basic or core			X		
values, patterns of shared			X		
vision			X		
way			X	X	X
worldviews			X	X	X

The levels, complexity and interrelationships of the elements of corporate culture, illustrated in Figure 2-1, provides a potential beginning point for management to examine its own environment which will be further examined in Chapter III. Ott (1989, p. 52) provides five basic points of consensus about corporate culture, the first four of which provide reinforcement and a summary of Chapter II. The fifth point provides a segue into Chapter III where the management of corporate culture will be explored:

1. Organizational cultures exist.
2. Each organizational culture is relatively unique.
3. Organizational culture is a socially constructed concept.
4. Organizational culture provides organization members with a way of understanding and making sense of events and symbols.
5. Organizational culture is a powerful lever for guiding organizational behavior. It functions as organizational control mechanisms, informally approving or prohibiting some patterns of behavior.

CHAPTER III

CREATING CONTEXT

Framing A Perspective

In choosing tools or models to assess a corporate culture, one must then understand the perspective of its creator. Combined with the bias of Levels of Organizational Culture developed in the preceding chapter, the philosophical framework and the anthropological viewpoint under which the tool or method was created has an impact on the outcome of the study. Metaphorically, some study the forest while others study trees; and some look at trees as trees and others look at leaves and branches and roots and nutrients that feed the roots. It is important to understand the differences. This chapter is a survey of models available to study corporate culture, and will be followed in the next chapter by a model selected to give context to available literature.

The study of meaning in work organizations requires that one frame a perspective on a very old problem, "From the time of Heraclitus and Democritus, philosophers have puzzled over the problem of 'the one and the many' which raises the question in this context: Are organizations aggregations of members' actions, or do members' actions transcend individual control and express the organization of which they are a part?" (Adams and Ingersoll, 1985,

p. 227). Is society a collection of individuals, each unique like a snowflake? Or is the concept of individuals an illusion, simply the manifestation of the real being — the snowdrift of society?

Researchers who symbolize the being-as-many would act like a reporter, publicizing the subjective experiences of individual people who work in organizations. In his 1984 work, Managing Corporate Culture, Stanley Davis seeks out "informants" believing that solid case material and worthwhile examples are "more important than generalities or statistical data" (p. 12). Alternatively, researchers who manifest the being-as-one approach begin with the assumption that there are some universal laws, patterns or commonalties that, if appropriately observed and documented, will cut across all organizations leading to some underlying, singular reality.

Vijay Sathe (1985) developed a cultural map, complete with a 32 question organizational assessment guide, and a four-quadrant cultural charicature (p. 87-108). In seeking generalizations about the organization as a whole, he breaks down the phenomenon in the process of gathering observations, thus construing the organization as being-as-many. He further emphasizes this shared reality through an adaptation of Roger Harrison's 1972 essay, "Understanding Your Organization's Character."

Beyond the factors noted above that can create disparate perspectives, one needs to be clear about which of two broad purposes is being pursued in the investigation of corporate culture. Is one seeking knowledge of culture (generically speaking) through the study of specific settings? When knowledge of culture is the object or end purpose, it is important to compare a number of settings until some aspect of culture emerges with clarity. Is one is seeking knowledge of a specific setting to understand it, to function in it or to improve it, through the study of culture? When knowledge of a specific setting or element like creativity is the object or end purpose, efforts are directed toward identifying whether and, if so, what distinctive culture is to be found in any particular arena within the larger organizational setting.

"The action perspectives associated with the two purposes differ significantly. Each requires vastly different 'eyes and ears.' Specifically, efforts to understand culture in the generic sense require comparative analysis to see and hear what is common across settings, while efforts to understand culture as a means to understanding the setting require the detection of what is unique to this one setting." (Meryl Reis Louis, 1985, p. 76).

Cultural purists like Louis find it ridiculous to talk of managing culture. "Culture cannot be managed; it emerges. Leaders don't create cultures; members of the culture do. Culture is an expression of people's deepest needs, a means of

endowing their experiences with meaning. Even if culture in this sense could be managed, it shouldn't be, particularly if it were being managed in the name of increased productivity or the almighty dollar. It is naive and perhaps immoral to speak of managing culture" (Martin, 1985, p. 95).

Louis' work investigates the knowledge of culture as an end result. Framed as a guide rather than a critique, and it addresses the experiential boundaries of the culture being examined, the sites and penetration of the culture. The bounding of the topic and comparison to other facets of studies of culture is contained in a conceptual focus, concluding with the role of interpretation and sampling in cultural investigations. Like the other works that focus on culture in and of itself, there is no "next step" in the process and thus this approach is of limited use in managing for creativity in a corporate culture.

"Cultural pragmatists generally see culture as a key to commitment, productivity and profitability. They argue that culture can be—indeed, should be and has been—managed" (Martin, 1985 p. 97). Prescriptions for this management process range from active like that recommended in "Four Phases for Bringing About Cultural Change" by Allen in Gaining Control of the Corporate Culture, 1985) to passive (culture as a potential obstacle that must be anticipated and worked around) as noted below.

C. Robert Powell, CEO of Reinhold Chemicals, probably outlined the ultimate passive approach: "I can say from my vantage point that more good business strategies have been destroyed by incompatible corporate cultures than by anything else. But if I've learned anything over the past three-and-a-half years it is that it's much easier to change the strategy than to change the culture" (Powell, 1985, p. 25).

Finally within those advocates of management of culture there emerges yet another differentiator: those that focus exclusively on change and those who realize that the management of culture requires the ability both to introduce change and to maintain the status quo. While many managers look to Peters and Waterman's In Search of Excellence (1982) as a guide for change, the focus of this work is really how organizations with successful cultures sustain those cultures rather than how new cultures can be created. Thus we tend to focus on what does happen as a result of change while successful management of change is often a function of what does not happen (Martin, 1985).

The objective of this work is to explore the potential to develop the dimension of creativity in corporate culture as a competitive differentiator. Given the challenges of perspective noted above, choosing a model for change that would create the proper context and allow incorporation of both personal and corporate visions was a conscious choice. Additionally, some models have a

bias towards action. The model to be used in this process, however, had to focus on disciplined quality thinking before taking action. Finally, most models call for an assessment of the present state before creating a vision of the ideal state. I believe this significantly limits the creativity that can be generated around the new state by focusing on improving the current system in relation to its current limitations.

There are many perspectives on culture, cultural constituents and cultural change. Thus there are many models that frame a methodology for the study of culture. A number of models were investigated to review relevant literature but abandoned in favor of the specific purpose of this thesis. They are however, worth a brief analysis for their value in helping to frame a perspective.

Conceptual Models For Change

The Folk Model

There are many similar versions of this model which is simply common sense or problem-solving logic. The "folk model" of problem solving (figure 3.1) consists of the following steps:

1. Diagnosis: find out where you are, what is going right and what is going wrong with the system.

2. Goal Setting: find out where you want to be.

3. Program Development: find out what means are needed to get you to where you want to go.

4. Program Implementation: use these means.

5. Evaluation: find out whether you've gotten where you wanted to go.

6. Repeat as necessary.
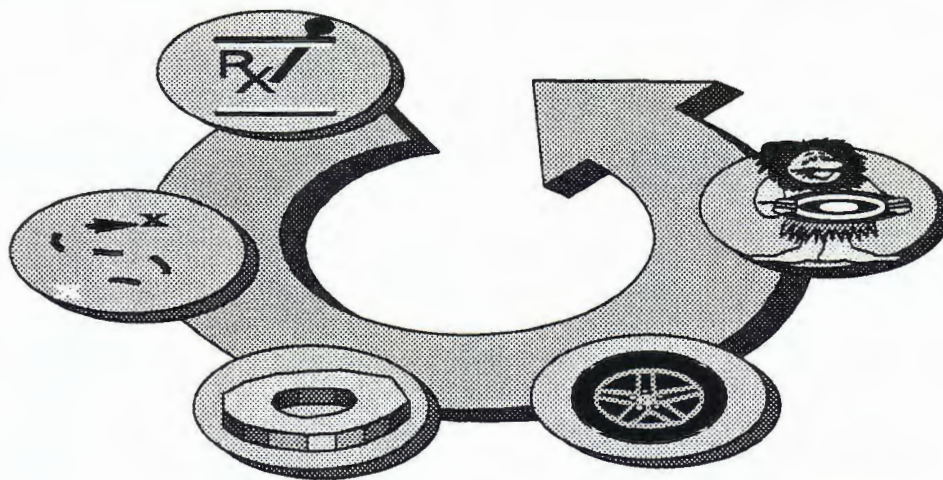
Figure 3-1. Folk Model. Concept from Egan (1993) Original Graphic

This model calls for an analysis of the current situation prior to goal setting. This limits the creative impulses that will be the focus of the cultural intervention in the later chapters, and thus was abandoned.

The Experiential Learning (Corkscrew) Model

This model (figure 3.2) was developed in the 1930's by a pioneer in the field of social psychology, Kurt Lewin. His approach is called "action research" and is focused on increasing both the quality and the quantity of the knowledge about individual, group and organizational behavior that can be gained from experience (Stokes, 1993). The model tends to create an event driven analysis, good for a snapshot of a compartmentalized happening, but not the overall picture. While it includes the beneficial aspect of analysis of both individual and collective behavior, it follows an action-before-analysis methodology that consists of the following steps:

1. Do something.

2. Observe what happened.

3. Determine why it happened.

4. Develop a personal working theory.

1. Use the theory to guide future actions.
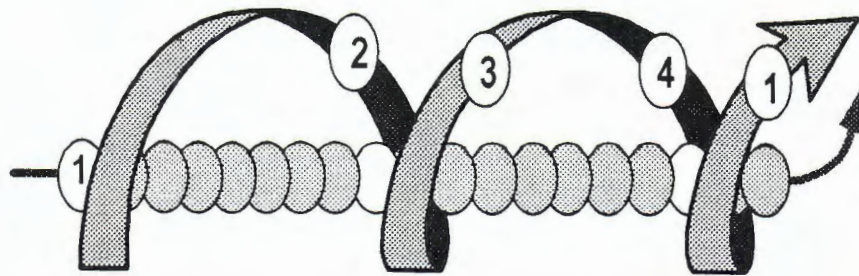
Figure 3-2. Experiential Learning (Corkscrew) Model.
(Adapted from Lewin by Stokes, 1993 p. 98)

This tool is valuable for analyzing the consequences of unplanned events and can be reasonably fast paced. While it contributes to a greater understanding of the role culture plays in shaping outcomes or consequences, the immediate call to action stage precludes an ideation stage that encourages creative thought before action.

The Organization Design Model

The Organizing Mode used in this model depicted in Figure 3-3 (Galbraith, 1982) focuses on the core mission, the work to be done, prior to looking at the supporting infrastructure. The elements of information processing, tasks/technology, structure, people systems and reward systems are built around the purpose, strategy, objectives and goals.

PURPOSE
- STRATEGY
- OBJECTIVES
- GOALS

STRUCTURE

- Division of Labor
- Configuration
- Departmentalization
- Distribution of Power

- Diversity
- Difficulty
- Variability

TASKS/
TECHNOLOGY

INFORMATION
PROCESSING

- Data Base
- Decision Mechanism
- Frequency
- Formalization

- Compensation
- Promotion
- Job Design
- Involvement

REWARD
SYSTEMS

PEOPLE
SYSTEMS

- Selection
- Assignment
- Training
- Development

Figure 3-3. Organizational Design Model (Galbraith 1982).

With the reason for existence at the center, Organizational Design

includes those choices that establish organizational patterns of thinking,

communicating, deciding and functioning. While organization design choices

include philosophical, strategic and logistical context, the model itself is focused

on process, so it did not lend itself smoothly to focusing on a compartmentalized

element like creativity.

The Socio-Technical Systems Model
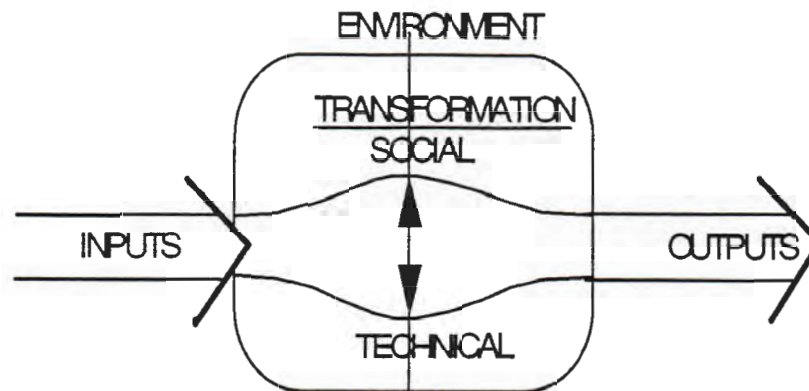
Figure 3-4. Socio-Technical Systems Model (Adapted from Quinn, 1992).

This is a fundamental input-output system (Quinn, 1992) with the processing including technical, social and transformational factors in the environment (figure 3.4). Technology is more broadly defined as knowledge about natural phenomena systematically applied to useful purposes. The key concept presented is the disaggregating of corporate activities into smaller intellectual clusters as dictated by the environment. The model called for specific organizational structures to respond to environmental shifts and thus became focused on structure rather than discrete elements (like creativity) present in the environment.

The Organization Systems Model

Based on work done by David Hanna (1988), this model builds upon the Organizational Design Model (Figure 3-3), incorporating environmental, cultural and organization outcomes factors. This model (figure 3.5) proved very attractive for analyzing the cultural influence as a key element of organizational output.
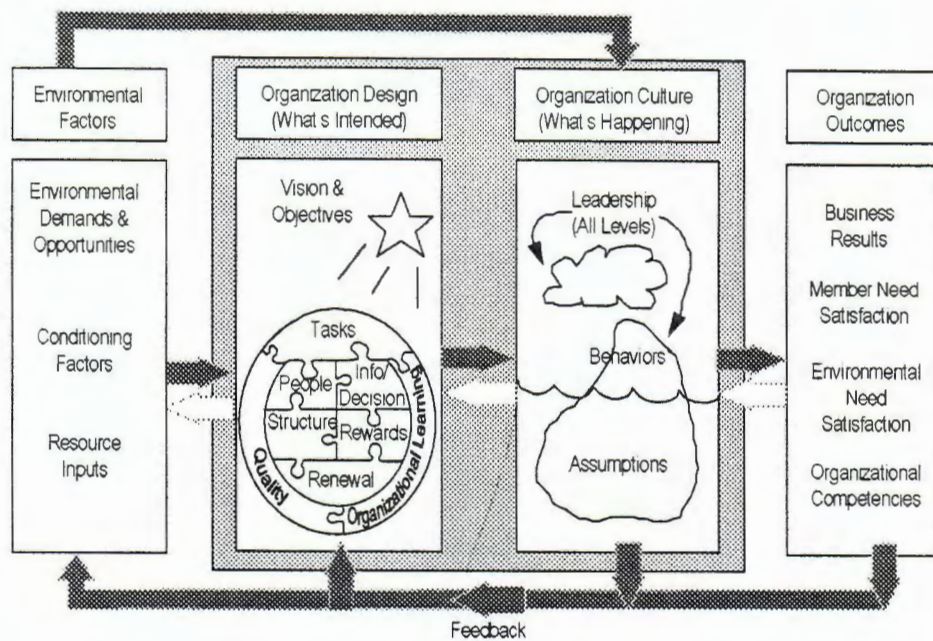
Figure 3-5. Organization Systems Model (Harrington, 1993 p. 134).

The feedback loop provides for information from the environment and from the organization itself. The model assumes a quantum leap, missing the element of any transitional state or that of continuous transition. The factor negating the use of this model was the Vision and Objectives positioning. These were built upon tasks, presently in place, that the organization does and the

32

methods it employs for doing it: the tasks, technologies, facilities and equipment. The model preferred is one that has the tasks, and even the objectives, flow from the vision.

The CQM Iniative

Ackoff (1981, p.205) notes that "the credibility attached to model-based evaluations of means should depend on how well these models represent reality." The Cultural Change Committee of the Center for Quality Management grew out of a proposition from the New Products Group that the improvement of new product development depended very strongly on achieving cultural change (CQM Cultural Change Committee Satus Report, 1994). Their charter was to provide intervention materials to create necessary change in new product development.

As part of the research, the committee received personal presentations from many noted thinkers on cultural change. This created a forum for exposure to and discussion of new ideas. Authors presenting their views included Alex d'Arbeloff, Gary Burchill, Alan Graham, Dan Kim, Kambiz Maani, Joel Moses, Arlen Phelps, Peter Senge and Shoji Shiba. The presentations and the readings created an awareness on the complexities and challenges of implementing cultural change.
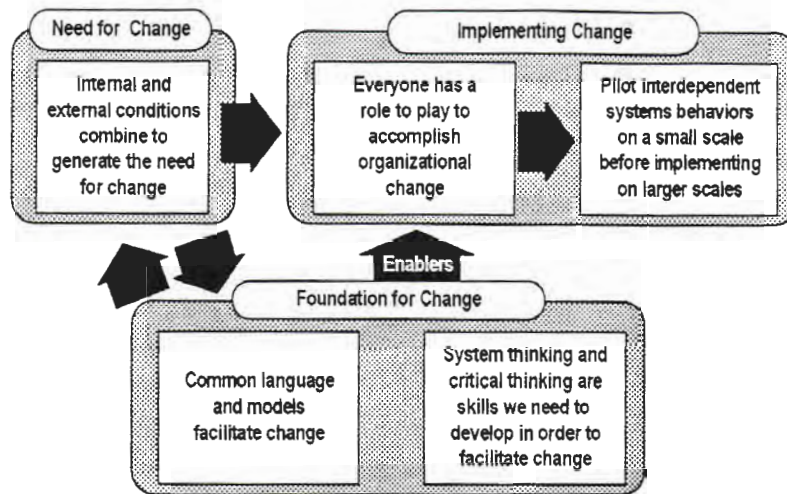
Figure 3-6: The Strawman Model for Change(CQM report August 1994).

Committee members were asked to think about a theme of key elements

that would contribute to a model on change. A process known as "KJ" was

utilized to develop a model for change. This process is coined after the name of

the Japanese scholar who invented it. Its implementation in the United States

comes in the form of written brainstorming in which a group of people create

concepts or ideas on a topic written on post-it™ notes and put on a wall. The

notes are then grouped together into high level relationships, in this case

formulating a "Strawman Model for Change" (Figure 3-6). This KJ serves two

purposes: (1) it is a quick reference that summarizes selected authors' ideas on cultural change, and (2) it also provides an initial model of cultural change for more useful for change facilitators. The premise developed showed that necessary ingredients included three major dimensions. First, developing the foundations for change required key skills, values and common language. Second, it is clear that those who participate in a change effort must clearly comprehend the internal and external factors that are causing the change, grouped as Understanding the Need for Change. The third grouping, Implementing Change, provides information on the roles that people play and the methods that people use to accomplish cultural change.

While all of the models discussed in this chapter contained some of the ambient factors, another model was selected that more closely paralleled these key elements, and will be utilized to examine the concepts of cultural change in Chapter IV and the tools for implementing cultural change in Chapter VI.

CHAPTER IV

CONTENT WITHIN CONTEXT

In the previous chapter, many models that could potentially be used to examine culture were discarded because their context was not in alignment with the purposes of this thesis. The content of those works, however, applied against the necessary link to the model chosen to create context, supplies invaluable insight into the examination and management of corporate culture. The model discussed below (figure 4.1) satisfied the major elements of "Understanding the Need for Change," the "Foundations for Change," and "Implementing Change" as it relates to the facilitation of creativity in corporate culture.

Transition Planning Model (Beckhard)

The Beckhard model (1987, p. 31) begins with an analysis of the need for change, for it is the question "Why Change?" that provides the initial impetus for change. He examines the need for change, if any, and the internal and external sources of pressure to change. Beckhard also explores the degree of choice that exists about to whether to change as many situations arise in which an organization has little choice. Being clear about the choice that exists directs attention to the areas where management can have an impact.

Like many other models, defining the future state involves identification and articulation of the core mission of the enterprise. While systems and organization are fundamental elements of the future state, corporate values and vision, a key cultural component, are also clearly defined. It is also crucial that the future state be defined in writing for critical analysis. The benefits of this step will be analyzed later in this section.

Now that the ideal future state has been committed to writing, assessment of the present state, a key element of the foundations for change, begins. There are multiple tools available to develop a clear, comprehensive and accurate view of the current state of the system which will be reviewed. The advantage of this model is that it provides the basis for what needs changing and what doesn't in terms of the future state. It also helps clarify the work required to move the organization through the transition state, an element missing from the Organization Systems Model.

The Transition Management, or "getting from here to there" stage, defines the period during which the implementation occurs. It may not look like either the present state or the future state, and temporary organizations, processes and systems may be the norm. This process of transition management requires new way of approaching problems, and thus lends itself to the creative element.
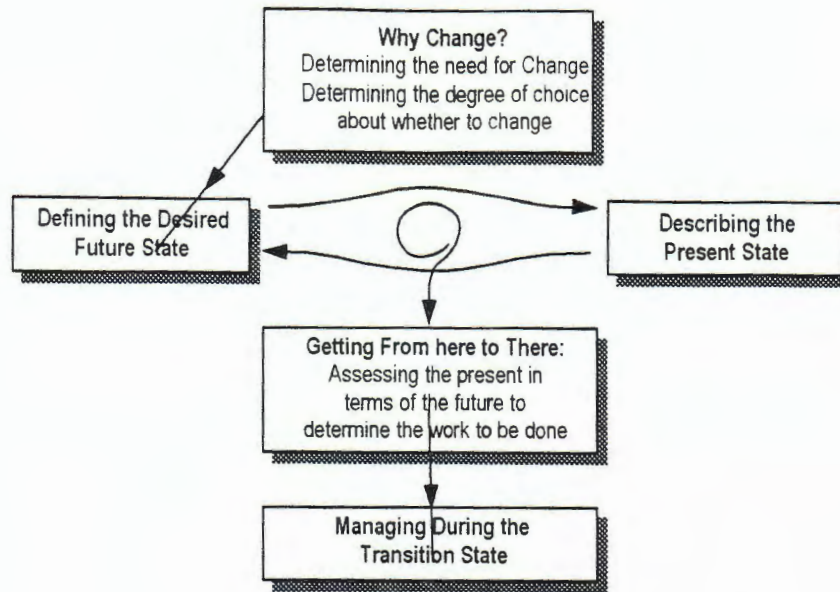
Figure 4-1. Transition Planning Model (Beckhard and Harris, 1987 p. 31).

Beckhard and Harris (1987, p.75) define no hard and fast rules for managing during the transition. "The most appropriate management system and structure for the ambiguous transition state is the one that creates the least tension with the ongoing system and the most opportunity to facilitate and develop the new system."

Why this model was Chosen

The Beckhard model offers the opportunity to examine culture on multiple anthropological viewpoints or from both individual and collective perspectives. It seeks to understand culture to take action, not for the generic

knowledge of culture and implies that culture can be managed. It focuses on analysis before action, and thus is not committed to changing that which does not require change. It also conceives the desired future state from a blank piece of paper, allowing for unlimited creativity in the ideation process. The Beckhard Model thus offers an acceptable vehicle to analyze current literature from a perspective seeking to explore the creative element present in a corporate culture and potentially intervening to enhance the degree of creativity present. These are all key elements for the facilitation of creativity.

Why Change?

According to Russell Ackoff (1981), change is inevitable and is increasing in rate and complexity. Almost paradoxically, Senge (1990) refers to this change as slow and gradual. In an address at the Center for Quality Management in Cambridge in September, 1994, Senge offered an analogy to our current state. If a frog is thrown into a pot of boiling water, it will immediately hop out. If it is placed in cool water that is gradually warmed to boiling, it will not notice the temperature change and will ultimately perish. Senge believes we are not equipped as a species to adapt effectively to those gradual threats. He believes most organizations are in a state of crisis "like driving down a dark road and slowly turning down the headlights while increasing the acceleration."

Wide spread change is rarely accomplished without a clearly articulated

crisis, whether present or future (Graham, 1984). Graham develops a parallel

between creating change and creating new products. Both involve large

uncertainties, constant exploration and reality checking to determine what is

practical versus what is needed by customers.

Clausing (1994) argues there is a need in American industry to generate

increased attention to customer needs, robust functionality, and much greater

speed in product development and delivery. The risk to American industry in

failing to pursue this direction is a dramatic and rapid decline of market share

for products, with serious negative consequences for commercial success.

Recalling Schein's definition of corporate culture from Chapter I, his

stated reason to change comes from the recognition of disconfirming data about

the shared assumptions in place.

> *(Corporate Culture is) a pattern of shared basic assumptions that the*
> *group learned as it solved its problems of external adaptation and internal*
> *integration, that worked well enough to be considered valid and therefore,*
> *to be taught to new members as the correct way to perceive, think and feel*
> *in relation to those problems.*

These are any items of information that demonstrate to the organization

that some of its processes are not accomplishing what they were supposed to.

The disconfirming data is often symptomatic and does not tell the organization

what part of its basic assumptions is not working well anymore.

Exacerbating the disconfirming data, organizational defense routines are unconsciously put in place to help people save face and ignore the relevant data. A common defensive routine is the mixed message (Argyris, 1990). When someone says, "Thanks for the feedback" but neither wants nor assesses the feedback, an organization defense has been utilized. Argyris contends that people become so well versed at these defensive routines they become subconscious, resulting in an acquired skilled incompetence. When confronted about the defensive routine, they bypass the subject. When asked about the bypass, they bypass the bypass. This fancy footwork in many companies undermines the ability to work effectively. To be more effective, according to Argyris, organizations need to strive to discuss the undiscussable in order to create the capacity to learn and work better together.

Kotter and Heskett (1992) studied the culture of twenty companies of diverse industries and geography. A consistent pattern in the sequence of events that helped shape their cultures emerged (Figure 4-2)). An unhealthy culture does nothing to adapt to change, even when the performance of these firms

```
┌─────────────────────────────────────────────────────────────┐
│ Some combination of visionary entrepreneurship              │
│ and/or luck creates and implements a very successful        │
│ business strategy.                                          │
└─────────────────────────────────────────────────────────────┘
                            │
                            ▼
┌─────────────────────────────────────────────────────────────┐
│ A fairly *dominant position* (and thus lack of strong       │
│ competition) is established in some market or markets--      │
│ usually a  product or service market, but might include     │
│ financial, labor, or supply markets.                        │
└─────────────────────────────────────────────────────────────┘
                            │
                            ▼
┌─────────────────────────────────────────────────────────────┐
│        The firm experiences *much success* in terms of growth│
│        and profits.                                          │
└─────────────────────────────────────────────────────────────┘
```

The firm needs, hires, and promotes managers, not leaders, to cope with the growing bureaucracy and to keep things from getting out of control. Top managers allow these people, not leaders, to become executives. Sometimes top management actively prevents leaders from becoming senior executives.

The pressures on managers come mostly from inside the firm, not outside. Building and staffing a bureaucracy that can cope with growth is the biggest challenge. Top management does little to remind people of the importance of external constituencies.

Managers begin to believe that they are the best and that their ideosyncratic traditions are highly superior. They become more and more arrogant. Top management does not stop this trend; often they exacerbate it.

A strong and arrogant *culture* develops.

Managers do not value highly customers and stockholders. They behave insularly, sometimes politically.

Managers do not value highly leadership and the employees at all levels who can provide it. They tend to stifle initiative and innovation. They behave in centralized/bureaucratic ways.
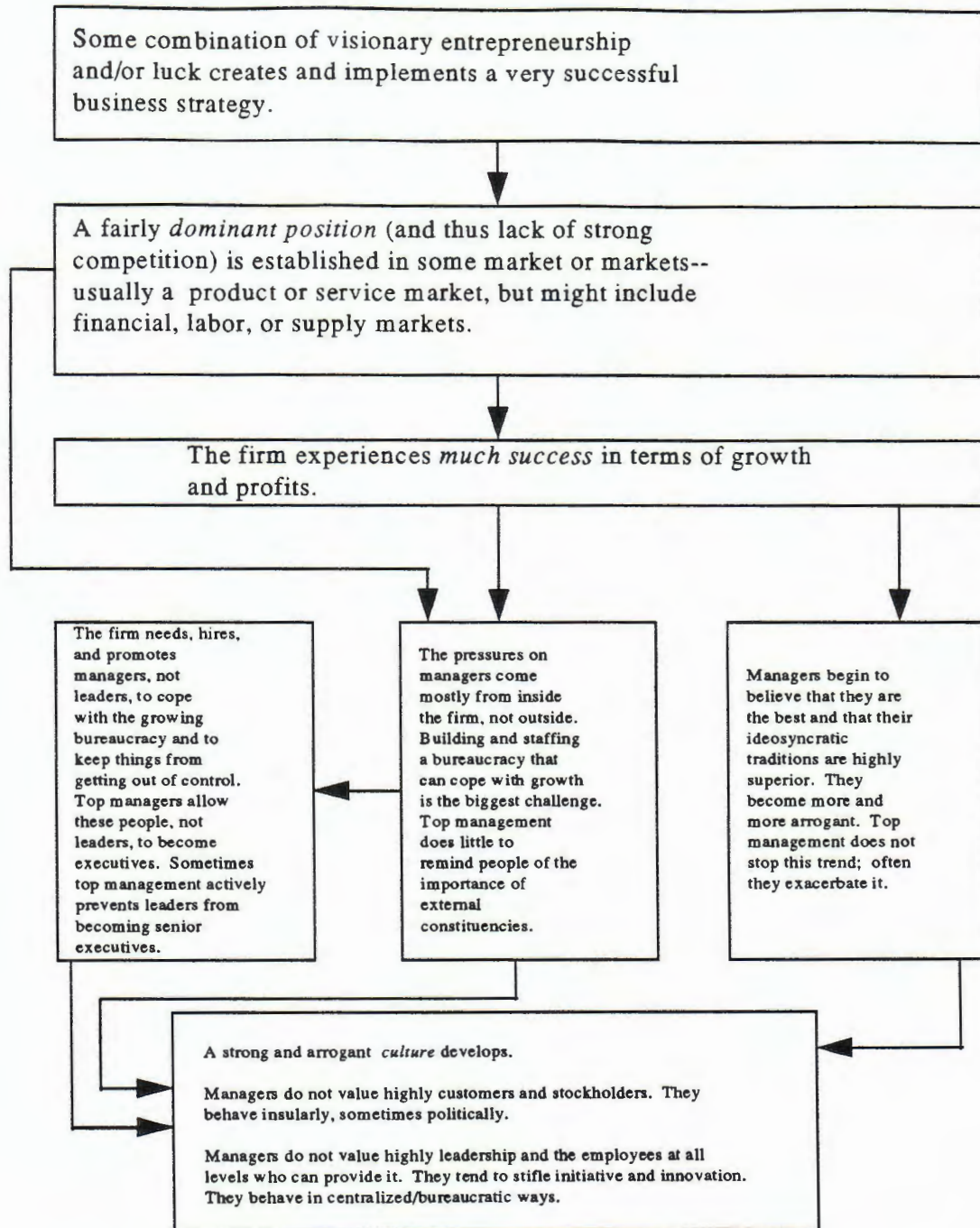
Figure 4-2 Origins of an Unhealthy Corporate Culture (Source: Kotter

and Heskett 1992, p. 36)

deteriorated severely because of significant mismatches between culture and environment. These cultures undermined economic performance, managers ignored relevant information and clung to practices and strategies that were no longer useful. If the firms were nevertheless performing well because of historic momentum, executives who saw the need to change refused to take action because of personal greed, fear of opposition, or risk to the firm's currently acceptable financial performance. "It may be hard to believe that a group of reasonable people would ever allow this scenario to unfold in their organization, but it clearly did happen" (p. 72).

Ackoff (1981) describes the inevitable evolution of the concept of the corporation beyond its current self-contained, survivalistic and organismic state. In its development and refinement, the concept of the corporation emerges as an organization taking on the responsibility for all of its stakeholders as well as society, the larger system of which it is part. In this concept, the corporation becomes the enabler for the individual members of its society to achieve progress towards omnicompetence, an unlimited ability to satisfy one's desires and those of others (p. 37).

Calling on ancient Greek philosophy, Ackoff identifies the four purists that are individually necessary and collectively sufficient for the development of man: truth as the scientific and technical function; the pursuit of plenty as the

economic function; the pursuit of good as the ethical/moral function; and beauty

as the aesthetic function. He believes that while most societies have made

progress in the first two areas, far fewer have made progress in the area of

ethics. Virtually nowhere has significant progress or even fundamental

understanding of the fourth category emerged.

Whether the driving force behind change is technical, economic, ethical or

aesthetic, the fundamental need for awareness and management of a culture is a

widely held concept. Both internal and external conditions combine to generate

the need for change, and as in the Beckhard model, the degree of choice about

whether to change. Those who look beyond the compartmentalized role of a

corporation believe that justification, design and implementation of change

should reflect both individual and organizational needs and concerns.

Defining The Desired Future State

Beckhard defines the future state as a midpoint goal representing a

desirable organizational condition intermediate between the present state and

the achievement of the stated corporate vision (p. 46). Thus a future state can

only be defined when the articulation of the corporate vision and clear

delineation of the core mission of the enterprise have been achieved. Beckhard

recommends mentally removing any barriers in the present situation by starting

with a blank piece of paper and commit to written scenario which prescribes

how the organization should appear and behave at some point in the future. This

provides for critical analysis of the participants and an opportunity for them to visualize their role in the new state. This aspect alone can serve to reduce tensions and anxiety about the future state.

Clausing (1994, p. 108) focuses on processes, with fundamental change in product development methodology as a given element in the future state. "Total quality development and production operations are linked activities in which the product people help all people (society). The needs of society are received within the total product development activity and returned to society as new products" Total quality development incorporates the application of engineering sciences and partial design. It successfully addresses customer needs, concept selection, robust functionality, integration, reusability, producability and strategy.

Ackoff (1990) emphasizes the human element of the future state, defining the citizens of the ideal state as interactivists. Inactivists are willing to settle for doing well enough. Pre-activists want to optimize their current environment. Interactivists focus on improving performance over time rather than how well they can do at a particular time under particular conditions. Interactivist's objective is to maximize their ability to learn, adapt and develop. In the desired future state, the constituents are better able to increase their control of the future and their ability to respond effectively to what they do not control. The inclusion

of beauty (aesthetics) in the process of planning is fundamental. The corporation is capable of developing and contribution to the development of others. It is flexible, adaptable, and the source of continuous learning.

Senge (1990) emphasizes learning and change as well as primacy of the whole as key concepts to be embraced, applied and thoughtfully reflected in the future state. The members would understand that culture is inherently collective and would seek opportunities to express and expand the collective understanding of the organization. In his future state, individuals in the organization would be building new skills and capabilities. That may lead to a new awareness and understanding about the organization that may manifest itself in new beliefs and assumptions and would translate into new skills and capabilities.

Senge (1990) consolidates his views on primacy of the whole and learning and change in his book, The Fifth Discipline. The future state will embrace the five disciplines, including *Shared Vision*. The energy for learning will come from the reason for being (purpose), how we intend to be (values) and a clear picture of what one truly wants to create (vision). People are happiest and most productive when they are living consistently with their own vision and purpose. *Personal Mastery,* a second discipline, generates a creative tension between

personal vision and current reality. Organizations would seek to link the individual vision of the employees with that of the organization.

The third discipline in Senge's future state is *Mental Models.* People would understand the powerful assumptions that they share and how that impacts on practice and shapes reality. People would learn in groups by continually reflecting on what is taken for granted. Those groups would learn how to contemplate their mental models and develop the skills and discipline to learn, share and reflect collectively, developing the fourth discipline of *Team Learning.* The integration of the five disciplines, *Systems Thinking,* puts the pieces together to understand interrelationships of actions and circles of causality.

By integrating Senge's Five Disciplines, several dividends result in the utilization of the Beckhard model. By casting off the restraints of the current state and committing to a formal written scenario in defining the future state, optimism replaces pessimism as the driving force in considering the possibilities for managing the change. By committing thoughts to writing and focusing on detailed desired behavior in the future state, members of the organization can visualize their own role in the change, thus gaining employee compliance. A succinct description of the future state specifies the nature of the anticipated changes and offers a rationale for managerial actions, reducing uncertainty. Additionally, focusing management attention on the future state diverts focus

from the present problems, avoiding the tendency toward a "quick fix" or the elimination of the symptoms and not the cause.

Assessing The Present State

Beckhard suggests several methods to produce an image of the present state. Questionnaires, interviews, focus groups and other means can all be useful for this purpose. The critical factor is that the organization must develop an accurate and detailed assessment of its present state. This image, when compared to the future state scenario already created, permits determination of what needs to be changed as well as what is currently working well and should not be changed.

A literal plethora of tools and methods have been published over the years to deal with assessing the current environment. Ackoff refers to this process as "formulating the mess" (Chapter IV) and call for a *systems analysis*, an *obstruction analysis*, and *preparation of reference projections*. Ott (1989) offers use of multiple research methods that combine qualitative and quantitative analysis he refers to as "triangulation." He includes many sample questionnaires and scoring profiles.

While Manzini (1986) and Trice and Beyer (1993) list over 100 discrete elements of influence, Drennan (1992) builds a powerful case that 12 key causal factors shape a company's culture. They consist of:

1)	Influence of a dominant leader	7)	Information and control systems
2)	Company history and tradition	8)	Legislation and company environment
3)	Technology, products and services	9)	Procedures and policies
4)	The industry and its competition	10)	Rewards system and measurement
5)	Customers	11)	Organization and resources
6)	Company Expectations	12)	Goals, values and beliefs

Drennan (table 4.1) uses the twelve (12) key causal factor approach to create the basis for a company audit.

Table 4-1. Factors and Questions (Drennan, 1992, Chapter 3)

Factors	Questions
Dominant Leader Influence	Do we currently have a leader, or leaders, in the business whose ideas, energy, personality or management style dominates how things are done across the business? What are the positive and negative aspects of this? Are there positive factors of the influences of a previous leader, now gone, which we wish to preserve?

Table 4.1 Continued

Factors	Questions
Company History and Tradition	Are there traditional elements in how we work or make the product which customers value? Do we own brand names with a long history which are positive assets? Do we have traditional ways of operating which are actual preventions to improvement or to beating our competition? What disruption might be caused by changing our traditional ways of doing things? (Trade unions may have vested interests, for example.)
Technology, Products, and Services	Does the nature of our business have a major influence on our culture? Does the nature of our business make us adaptable to change, or get us stuck in old ways? Is service all that really counts in our business, and are we all aware of it? Are we a business with such diverse products and services that our people find difficulty identifying with us?
The Industry and the Competition	Are we unduly influenced in our style of operations by what the rest of "the industry" does, or is our image and culture unique and distinctive? Does our dominant market share give us an arrogant culture? Does our minority position in the market make us act "second class" or like also-rans? Does our monopoly position, or the irrelevance of competition, make us lethargic and slow to innovate?
Customer	Does our dependence on one major customer largely shape our actions and our culture? What are the positives and negatives? Do the wants of our customers dominate our actions? What do our customers say our culture or mode of operating is as they see it? Should we find out? Do we have two levels of customers and what do they each think? (For example, the auto industry, in which vehicles are sold first to dealers and then to users, is in this category.)

Factors	Questions
Company Expectations	Are we clear enough about the behavior we expect of our employees, and do we follow through on what we say? (For example, on matters of safety, cooperation, absence, performance.) Have we a "commitment culture" or do we say one thing and accept another? Do we make our expectations clear at induction? And do our managers follow through?
Information and Control Systems	Has the installation of new information and control system radically changed the jobs of many employees? What have been the positive and negative effects on our way of doing things? Are our present information systems a help or a hindrance? Have we altogether too much information and paper?
Legislation and Company Environment	What effects does the national culture have on how we implement company policy? (For example, are we peculiarly British? or American? Japanese?) How does national legislation affect how we do things? What local and environmental issues shape how we operate in the business?
Procedures and Policies	Does the planning and reporting in the business shape much of how things are done in the business? Should it? Do we have procedures which make the handling of recurrent work problems easy, or are we a company which "ad hocs" much of the time? Do our people feel empowered to do what they think is right at work, or do they feel restricted by company policy? What company policies and procedures cause employees most frustration?
Rewards System and Measurements	What are the principle reward systems here (pay, promotions, awards, etc.) which shape behavior in the company? Are we a company which "chases the numbers?" Which numbers, and how does it affect how we operate in the company? Do we have different reward and measurement systems round the business which cause differing priorities and lack of cooperation?

Table 4.1 Continued

Factors	Questions
Organization and Resources	Are organization reporting relationships clear throughout the company? Are there confusions in decision-making authority? Does the diverse nature of the business produce a complex organization and mediocre performance? Does lack of resources make us act in struggling 'second-class' mode?
Goals, Values, and Beliefs	If employees across the business were asked to write down the prime goals and beliefs of the company, would we get similar or different answers? Do our leaders and managers demonstrate genuine and daily commitment to our published company goals? Are our business goals clear and consistent, or do we keep "moving the goal posts?" Are we subject to the "flavor of the month" syndrome?

While this was only one of the many tools found for analyzing corporate culture, it provides extreme flexibility. By tailoring the questions to one's own environment or mission, this becomes an effective tool that can be used by internal or external auditors.

The Beckhard (1987, Chapter 6) model views assessing the current state as a separate stage from intervention, while Schein (1969) emphasizes that data-gathering and intervention occur simultaneously throughout the entire process. "Every decision to observe something, or to ask a question, or to meet with someone constitutes an intervention into the ongoing organizational process" (p. 97). An additional caution here from Beckhard is that the Assessment of the

Present State is meant to be prescriptive in conjunction with the Desired Future State. It must therefore take place after the Desired Future State scenario has been constructed. This allows for a clear definition of the work to be done in the next phase, Getting From Here to There.

Getting From Here To There

This is the heart of the Beckhard model, the transition state during which the actual changes take place. Beckhard (1987, p. 75) emphasizes *activity planning* and *management structures* during the transition. He offers an activity plan as a road map for the change effort and cites the ideal management system and structure as "the one that creates the least tension with the ongoing system and the most opportunity to facilitate and develop the new system."

Ackoff (1981)develops an implementation and control plan that incorporates the potential effect of corporate culture on the transformation. As can be seen in Table 4-2 and Table 4-3, each implementation is checked against the assumption under which the task is based. Using the Corkscrew Model described in Chapter III, this document may be a useful tool for assessing the effect of corporate culture on the successful completion of the task. A key element of this approach is that implementation and control are treated as part of the plan, not as subsequent steps.

Table 4-2. Implementation and Control Plan (Achoff 1981, p. 236.)

Task: Date of Issue:
Goal or Objective: Responsibility of:

Steps	Responsibility		Percentage completed and expenditures — Time Periods								Comments, explanations and corrective actions
			1		2		. . .		n		
			%	$	%	$	%	$	%	$	
		Planned									
		Actual									
		Planned									
		Actual									
		Planned									
		Actual									
		Planned									
		Actual									
	Total	Planned									
	Expenditure	Actual									

Assumptions on which implementation schedule is based:
Expected performance and when expected:
Assumptions on which expected performance is based:

Table 4-3. Summary of Assumptions Expectations to be Controlled (Ackoff, 1981, p. 238).

Unit:		Date:				
	Task to which related and who is responsible for it	Time periods (* indicates which to check)				Comments
		1	2	. . .	n	
Implementation Assumptions:						
Performance Expectations:						
Performance Assumptions:						

A number of organizational design tools are available to optimize the structure of the organization to the task, output or market being served. James Brian Quinn (1992) focuses on the knowledge and service oriented communities. Fombrun (1992, p.227) focuses on a portfolio of business structures and networks to allow firms to be "simultaneously efficient, entrepreneurial, equitable and ethical." Galbraith and Lawler (1993) develop new organizational forms along a continuum that matches structure with strategy.

Ackoff (1981, p. 247) points out that there is no organizational structure or function that the members of that organization cannot sabotage if they are so inclined. "Such an inclination is often a product of their dissatisfaction with

Ackoff (1981, p. 247) points out that there is no organizational structure or function that the members of that organization cannot sabotage if they are so inclined. "Such an inclination is often a product of their dissatisfaction with work and the lack of ability to affect it, that is powerlessness. These conditions are more likely to arise in an organization that is managed autocratically than in one that is managed democratically."

An organization cannot be capable of rapid change and effective learning and creativity unless its management has that capability. Management is the part of the organization that has the responsibility for controlling it. The dynamics of strategic change must be managed. Intervention in large systems is, and will probably continue to be, largely an art (Beckhard and Harris, 1987), but even artists needs to have some tools and techniques as a base for their work. Thus we approach the last phase of the Beckhard model, "Managing During The Transition State."

Managing During The Transition State

Organizational change or reorientation is unlikely to be a single revolutionary event, with an organization moving from one state to another in a short period of time (Hinings and Greenwood, 1988). One method of looking at overcoming the resistance to change is a simple formulation proposed by Michael Beer (1980) and developed by Sathe (1985):

$$R \quad < \quad M1 \quad x \quad M2 \quad x \quad M3$$

(Resistance)   (Motivation)   (Model)   (Method)

This formula does not denote a strict arithmetical operation, but implies that resistance to change is overcome when people feel the motivation to change, when they understand the behaviors expected of them under the new model, and the process of change, the method, is appropriate to the current situation.

Motivation (M1), under the Beer model shown above, includes both intrinsic and extrinsic motivation. These are key factors when exploring the areas of creativity, but it is important to understand that almost counter intuitively, "the heavier the use of extrinsic motivators in relation to the intrinsic ones to induce the desired new behavior, the more difficult it is to achieve a corresponding cultural change" (Sathe, p. 369). Amabile (1983, Chapters 5&6) devotes considerable research to the effects of both evaluation and extrinsic rewards on motivation. In other words, change comes from within people, and management can not "make it happen," they can only facilitate the change.

Even if people are motivated to change, they must understand the expected new behavior. The "Model" (M2), the second element of the right hand side of the equation, refers to formal systems such as measurements, budgets, organization charts and job descriptions. The third element, the "Method" (M3),

refers to approaches and processes such as education, participation, negotiation, and facilitation. Sathe (1985) examines each of these dimensions in detail and explains their interrelationships, creating context for organizational designs, as well as planning and leading transitions.

Judson (1991) creates a model that is systematically organized around a psychologically oriented model of individual and group reactions to organizational change. The thrust of this work is the discussion of how and to what extent management can use perceptions, attitudes and behaviors to counter resistance to change. He believes that fundamental, predisposed feelings about changes of any kind, as well as general feelings of personal insecurity among the population, are essentially beyond management's ability to influence. Three other factors — the intensity of threat inherent in the change, specific apprehensions and expectations about the change and the manner in which the change is introduced — are under the full control of management. Two additional factors — the way historical events are interpreted and conflicts between desired changes and prevailing cultural beliefs and norms — can be managed to some extent.

Specific methods for managing reactions to particular changes are well defined and systematically demonstrated by Judson (1991). They include clarifying contemplated changes, anticipating reactions to changes, gauging and addressing resistance to change, and unifying management's approach to

change. While Judson dismisses the possibility of developing a "universal" method of effective organizational change, he does offer valuable guides and checklists that can be adapted for particular situations.

Summary

The process of intervention is complex. The tendency to rush to the "results" stage is well documented (Beckhard 1987, Sathe 1985, and Kotter & Heskett 1992). Pressures for immediate results arise from a need to eliminate the acute negative consequences of the problem. Management must gain an understanding of the logistics of the transition process before embarking on a cultural change. Elements such as quality, efficiency and competitiveness, though difficult to measure, are quantifiable. The influence and management of creativity is somewhat more subjective. "We must be clear about what the creative process is, both in the human mind and in the organization, and we must isolate the factors that operate to destroy and suppress it. Then we will know what barriers to remove, what toxic conditions to change, and what kind of climate to establish for the development of a value system that fosters creativity" (Albrecht, 1987, p. 15). The discussion of what makes a company "creative" follows in Chapter V.

CHAPTER V

CREATIVITY IN CORPORATIONS

Research has shown that the traditional organization, like our educational system, is characterized by conformity, thereby fostering an environment which is not conducive to creative behavior. A cross-national study by Torrence, et al. in 1964 found that our educational system encourages and rewards the conforming, non-creative child while punishing the child who is "courageous in his convictions, the intuitive thinker, the good guesser, the emotionally sensitive person, and the one who is unwilling to accept something on mere say so without explanation of the evidence" (Stein, 1974).

Two important implications stem from this study. First, conformity is in conflict with creativity. Second, our educational system, including university level, despite overt goals, positively reinforces conforming behavior and negatively reinforces creative behavior. With creative behavior punished in the developmental years, can it be revived in the later years when it is needed in the workplace?

In 1958 the Foundation for Research on Human Behavior, published data gathered by polling a number of business people and social scientists. Among the findings in "Creativity and Conformity" was the statement that the natural

tendencies to yield to group pressure of conformity and status quo was not necessarily a bad element in that it allowed an organization to run smoothly. Creative individuals were viewed as someone who resisted the conforming pressures of the organization. These non-conformists were seen as vital to introducing original ideas to the group because of their ability to see things differently. "The participants in the study also recognized that much creative talent was lying dormant in the organization due to the powerful forces of conformity. Finally, they concluded that both creativity and conformity are needed in an organization, but are somewhat in opposition. Conformity implies stability, and creativity suggests change. The organizational challenge lies in finding the right balance" (Mazur, 1989). A comprehensive list of characteristics of the creative organization is articulated by Steiner (1965) and summarized in Table 5-1. The elements within the list suggest that the environment of the creative organization allows for personal freedom and flexibility. The organizational structure of the creative enterprise tends to be less hierarchical with informal flows of ideas, open channels of communication and shared information. The individuals in the firm are heterogeneous, allowing for the mixing of different personalities and cognitive styles. The reward system is based on merit, not on tenure. Creativity is valued and the organization is committed to it through its incentive structures. The climate encourages free expression of ideas and allows failure. Managers are coaches, providing leadership and vision instead of command and control. The creative

organization is more responsive to change than its less creative counterparts.

Drennan's 12 key causal factors that shape a corporate culture from Chapter IV

were used to demonstrate examples of creative corporate cultures. Amabile

(1983) states that a

Table 5-1 Characteristics of a Creative Organization (Source: Steiner 1965)

Has idea men
Open Channels of Communication
Ad Hoc devices
      Suggestion Systems
      Brain-storming
      Idea units absolved of other responsibility
Encourages contact with outside sources
Heterogeneous personnel policy
Includes marginal and unusual types
Assigns non-specialists to problems
Allows eccentricity
Has an objective, fact-founded approach
Ideas are evaluated on their merits, not on originator's status
Ad Hoc approaches:
      Anonymous communications
      Blind votes
Selects and promotes on merit only
Lack of financial, material, commitment to products, policies
Invests in basic research; flexible, long-range planning
Experiments with new ideas rather than prejudging on "rational" grounds
Everything gets a chance
More decentralized and diversified
Administrative slack; time to absorb errors
Risk-taking ethos... tolerates and even expects taking chances
Not run as a "tight ship"
Employees have fun
Allows freedom to choose and pursue problems
Freedom to discuss ideas
Organizationally autonomous
Original and different objectives
Security of routine...allows innovative "Philistines" a secure environment to allow creators to roam
Has separate units or occasions for generating vs. evaluating ideas
Separates creative from productive functions

product or response will be judged creative by appropriate experts to the extent it is novel and appropriate, useful, correct or valuable to the task at hand. Therefore all of the examples cited in this chapter were selected for this thesis because they were applauded for creativity and innovation by external documented evidence, and arguably reflected one of the causal factors listed by Drennan. An analysis of those entities follows with a summary of those examples is listed in Table 5-2.

Table 5-2. Creative Implementation(s).

Causal Factor	Company Cited	Creative Implementation(s)
Influence of a Dominant Leader	General Electric	Work-Out Program, Jack Welch
Company History or Tradition	IBM	Wild Ducks Patents
Technology, Products or Services	Polaroid	The Dysfunctional Family
The Industry and Its Competition	Southwest Airlines	Company Credo; Frequent Flyer Program
Customers	Digital Equipment	The Healing Forest
Company Expectations	Saturn	"Clean Sheet Approach"
Information and Control Systems	Polaris	Parallel Work Team
Legislative and Company Environment	Bell Atlantic	Zero Defects - Zero Cycle Time
Policies and Procedures	3M	Genesis Grants; Verbal Project Plans
Rewards and Measurements	Starbucks	Beanstock Program
Organization and Resources	Intel	Skunkworks - Management Councils
Goals, Values and Beliefs	Pillsbury	Corporate Value and Mission Statement Process

Influence Of A Dominant Leader

It was virtually impossible to find someone who could be categorized as dominant and creative simultaneously. Jack Welch however, CEO of General Electric, was a name consistently associated with inspired leadership, creativity and innovation. Since 1981, the "maverick" chairman has been systematically breaking up and decentralizing his 150 businesses to increase corporate responsiveness to competitiveness and making the firm more entrepreneurial (Fombrun, 1992). Welch's pet project is called "Work-Out." This systematic program brings together management employees in each of GE's 14 business units to agree on lists of unnecessary meetings, reports, approvals and tasks. The management team then pledges to eliminate the unnecessary work. Welch explained in *Harvard Business Review*:

"The ultimate objective of Work-Out is so clear. We want 300,000 people with different career objectives, different family aspirations, and different financial goals to share directly in this company's vision, the information, the decision-making process, and the rewards. We want to build a more stimulating environment, a more creative environment, a freer work atmosphere, with incentives tied directly to what people do" (Tichy and Charan, 1989, p. 116).

His drive to downsize and de-layer is targeted not primarily at cutting costs, but "at liberating, facilitating, and unleashing the human energy and initiative of our people." The restructuring has the primary intent to remove "all of the dampers, valves and baffles that have stifled human creativity" ("Managing for the Nineties," 1988).

Company History or Tradition

Thomas Watson, Jr., preserved and carried forward the major missions and ideologies of the company that his father had played a key role in founding (Trice and Beyer, 1993). He institutionalized "constructive rebellion" as a virtue within IBM. He drew upon a story from the Danish philosopher Soren Kierkegaard, about a man who liked to watch great flocks of wild ducks fly south each fall. Out of charity, he began to feed the ducks, and after a year or two, some of the ducks no longer bothered to fly south and eventually grew so fat and lazy that they had difficulty in flying at all. Watson's point was that you can tame wild ducks, but you cannot make tame ducks wild. "One might also add that the duck who is tamed will never go anywhere anymore. We are convinced that any business needs its wild ducks. And in IBM we try not to tame them" (Sathe, 1985, p. 391).

The Wild Duck Program has a stated purpose: "to foster entrepreneurship by making room within the corporation for the kind of creativity, independence, and risk-taking associated with being an entrepreneur" (Dearlove, 1990 p. 12). An individual (Wild Duck) can submit a proposal for a project he or she would like to work on for one to four months. An individual with an idea, but without the skills, interest or time to pursue that idea (Domestic Duck) can also submit a proposal to the "Gaming Commission." If accepted, the proposal obtains formal sponsorship and necessary resources to complete the task.

Instead of being viewed as an activity to be appraised, this intrapreneurship is seen as a partnership between the Wild Ducks and the corporation. The project is noted in the Wild Duck's performance plan, but there is no fear having this inherently risky activity reflect on one's performance review in case of failure. "In an era of decreasing resources, it provides an opportunity not simply to retain, but more importantly to set free creative people to undertake innovative solutions to tomorrow's problems" (Dearlove, 1990 p.13).

Technology, Products or Services

Ed Land, founder and president of Polaroid for decades, had one plaque on his wall. It read: "A mistake is an event, the full benefit of which has not yet been turned to your advantage" (Senge, 1990, p. 154). Instant cameras have been

an established product. In 1981, Sony introduced the electronic Mavica camera to record a still picture on a magnetic disk that is placed on your television set for viewing. The following year, Eastman Kodak came out with its own electronic camera. "Sometime soon camera markets may merge and Polaroid and Sony may be rivals. Without the right data about the potential of rival technologies, they (Polaroid) don't have a chance" (Foster, 1986, p. 156).

Senior management at Polaroid took a two pronged attack to study their market, their competition, and their own internal resources. In 1992, Suzanne Merritt was hired at a "senior creatologist", charged with helping executives to maximize their creativity to solve problems" (Nelson, 1994). She runs a virtual kindergarten for executives called a "creativity lab," drawing ideas on construction paper, playing word association games, and using free association with various images to stimulate creative solutions.

In the second prong of their competitive plan, Polaroid hired Catherine Seo, a social worker trained in working with dysfunctional families. In a 1994 interview, she stated, "Our Vice-Chairman was worried that we were losing our edge as a company. Divisions were fighting over turf and resources. Rather than hiring an organizational consultant like traditional managers, he took a different approach. He believed we were behaving like a dysfunctional family, and he

hired me to head up the Innovation Task Force Team here at Polaroid" (Seo, 1994).

The net result of this innovative thinking is the portrayal of a success story, focusing on the customer, easily implementing change, becoming increasingly competitive, and intertwining operations with corporate values (Ghormley, 1995).

The Industry and Its Competition

Southwest Airlines is soaring as many other airlines falter. It has maintained a profitable business picture throughout a period when many airlines have either lost money or gone out of business. It focuses on a simple strategy: (a) short hauls, (b) frequent flights, (c) on-time arrivals and (d) low fares (Price Waterhouse, 1995). The culture at Southwest encourages new thinking. "The casual dress code and atmosphere represent an invitation not to be lax but to think freely and creatively. People work hard but have fun, and this combination is understood by all to encourage innovation" (p.158).

The company credo greets visitors on a sign 15 feet high in the lobby:

Our people transformed an idea into a legend. That legend will continue to grow only so long as it is nourished by our people's indomitable spirit, boundless energy, immense goodwill, and burning desire to succeed.

An example of their innovation is found in their frequent flyer program. The record keeping, monthly statements, and customer support personnel that most airlines use to support this program have extremely high costs. Thousands of records are kept for infrequent fliers, awards and ticketing processes are complex and costly. This directly impacts the profitability of the airline. At Southwest, when you sign up for their frequent flier program, you are given a card with 16 empty squares. The clerk stamps the first square and hands it back to you. It is your task to carry the card with you on the next 15 flights. When you get all sixteen squares stamped, you get a free ticket at the counter. No bookkeeping, no mailing costs, no administration costs and, if you lose your card, too bad. The airline saves that money and passes it along in the form of lower fares.

"A new organizational structure is fine. New technology may help you leapfrog competitors - until they leapfrog you and the cycle begins again. But nothing can match an organization filled with highly motivated, highly creative people. This is an unassailable advantage, as Herb Kelleher and the people of Southwest Airlines have learned" (p. 155).

Customers

Digital Equipment, like many other high tech companies, is snowed under by massive cutbacks and layoffs, financial losses and declining sales. In the computer industry, where quality and price distinctions among hardware products have blurred with improved technology, customer support has become increasingly important. The dilemma for Digital was to maintain a high level of customer satisfaction at their Customer Support Centers in the midst of a company restructuring.

Wayne Records was appointed to run the Customer Support Centers, where employees solve customer's hardware and software problems via telephone, 24 hours a day, seven days per week. Customer feedback on performance at the Response Center pointed to mediocrity at best. Records found "a lack of trust, a lack of leadership, a high degree of management turnover and a low degree of self-esteem" (The Healing Forest, 1991). The management turnover had led to an environment that was risk-adversant and focused on survival rather than customer satisfaction. Performance was not meeting the customers' needs and the service became known as 1-800-"DEC-HOLD."

Rather than embarking on the textbook venue of re-engineering or re-organization, Records (The Healing Forest, 1994) borrowed from the teachings of a Mohican elder, who told him about the four principles of cultural change:

- In a dying forest, if a single tree is removed and nursed back to health, then returned to the forest, the tree will die. Just as individual trees cannot heal an entire forest, individuals cannot change a corporation.

- No Vision, no development - every tribe or organization needs a vision, and everyone must share that same vision.

- All change comes from within - outside factors cannot force change.

- A "great learning" must occur - all parts of the organization must come to the same conclusion about change. There must be a collective shift in beliefs to adopt a new vision.

Records began a series of teambuilding and communications sessions that transcended all employment levels. Recommendations for improvements were solicited and implemented throughout the organization. The educational process of the Healing Forest implies that problems belong to the organization, not to the individual. "The non-threatening concept included idea people called 'fire starters,' the Medicine Wheel which portrays the organization as a community rather than as a hierarchy where everyone is separated into a different box — where everyone has 'it's not my job' mentality" (Day, 1993).

The results of this intervention were increased customer satisfaction, higher employee morale and lower operational costs. Within one year, customer

scores improved by 10%, average telephone holding times went from 8 minutes to 30 seconds, and customer problem resolutions within two hours went from less than 18% to more than 75%. Records wants to create a customer support system in which employees go beyond answering customer's questions to anticipating their problems and suggesting broader solutions.

The thrust to improve customer satisfaction and reduce costs are not new to the corporate environment. The success of the Healing Forest program, which continues today, is the use of metaphor, Native American teachings, and employee empowerment that has differentiated the Customer Service environment.

Company Expectations

Perhaps as a premonition to the coming of the Saturn project, Ross Perot, from his perspective as a General Motors board member, stated "The GM system is like a blanket of fog that keeps people from doing what they know needs to be done. We've got to throw away Sloan's book (*My Years with General Motors*). We still believe we can find the right page and paragraph to give us the answer to any question we have today. We've got to nuke the GM system." (Kriegel, 1991, p. 117).

Using a "clean-sheet approach," GM management chose a rural area in Tennessee as the site of their new venture. The first president of the Saturn Corporation, William E. Hogland, set forth a distinctive ideology: "More than anything else, Saturn is an experiment in people-management — in total participation, contribution and commitment of every person involved: every Saturn manager, machine operator, skilled tradesperson, secretary and maintenance person is going to be a decision maker" (Trice and Beyer, 1993, p.416).

At Saturn, the training strategy is to "extensively train core team members and use them to train teammates"(Moskal, 1989, p. 30). This extensive training consists of 300 to 600 hours of training on "statistical process control, quality, stress management, general technical knowledge, computer integrated manufacturing, and health and safety. The training also includes lessons in team concepts and leadership" (Trice and Beyer, 1993, p. 420). There are no time clocks, work teams participate in the selection of their co-workers and their team leaders, and peer pressure ensures worker performance. The replacement, rather than the recall, of almost 2,000 cars with bad coolant "was intended to send a message that Saturn would stand behind the quality of its cars in a way that U.S. automakers had never done before" (ibid. p. 420).

Information and Control Systems

After investigating quite a number of traditional approaches to software development, E. Hillary Buckman, the MIS director at Polaris, decided to "break the rules" (Stuart, 1995). The company, founded in 1986, had seen a quadrupling of its computer repair business, and its own Information Technology infrastructure needed significant improvement.

Ms. Buckman estimated that the traditional route of buying off-the-shelf software, with an estimated price tag of $300,000, would take at least 18 months to implement. Additional hidden costs were found in changes required in business practices to match vendor's terms and conditions, as well as training and maintenance costs. Instead of taking the traditional, expensive but low risk approach, she formed a team of specialists to develop the system in-house.

The creative approach used by Ms. Buckman focused not on technical superiority, but rather on achieving the perfect mix of personalities and skills in creating the development team. "When making hiring decisions, the proper mind-set — highly motivated, hard-working, cooperative — may outweigh previous experience with similar hardware or software environments" (p. 28). She focused on selecting team members from diverse personal and professional backgrounds to provide broader opportunities for innovative problem solving. While promoting diversity in members, she maintained focus on the end result

making sure that everyone understood that rewards like bonuses or promotions depend on the whole team's success rather than on individual achievements. Ms. Buckman's solution cost less than $100,000, took only five months to fully implement and virtually eliminated the need for additional training or vendor-driven business practice changes. The unique methodology used she dubbed a "parallel work team," and the results were impressive enough to earn her a story in "CIO Magazine," which honors executives who craft innovative information technology solutions.

Legislative and Company Environment

Following the judicial decree in 1984, the Bell System has rapidly changed from a regulated monopoly to a dynamic and competitive collection of eight rival firms — each one a telecommunications powerhouse in itself. Each is redefining its mission, exploring new product offerings and technologies, and expanding in foreign markets. "To achieve strategic change, however, requires a new mix of skills, a new operating structure, new goals and a new culture; for some time now the baby Bells and AT&T have been actively redeveloping training programs, revisiting structures, and invoking new cultural norms in order to increase their competitiveness in the global telecommunications marketplace" (Fombrun, 1992, p. 10).

Bell Atlantic is one of those baby Bells, used to operating in a monopolistic world, free from competition. Accordingly, it responded to customer's requests on its own timetable without much regard for the quality of service provided. One of its principal businesses, making up about 20 percent of its revenues and half of its corporate profits, is carrier access services (CAS). New companies began gobbling up BA's customer base, providing fiber optic services and quick response times. A new manager, Regis Filtz, was appointed to head up the CAS operation in late 1990. He immediately recognized the problem and threw out the challenge - zero defects with zero cycle time. Filtz reported in Hammer and Champy's Re-engineering the Corporation, "We made the goal ambitious for three reasons: First, it's what our customers said they wanted in the long term. Second, meeting it would force a substantive change in the existing process, not just a fix. Third, we figured that zero cycle time was a level of performance that our customers could never beat" (p. 194).

The process was one of brainstorming, empowerment, cultural changes from compliance to commitment, and a goal that seemed unobtainable now within their grasp. In certain high volume locations, connections that used to take up to four months to make are made within minutes. Labor costs dropped from $88 million annually to $6 million. And, most importantly, they are retaining their customer base and recapturing some they had lost.

Policies and Procedures

The 3M Corporation of St. Paul Minnesota maintains over 60,000 products that serve a plethora of industries, and will add another 200 annually to that base. These innovators are nurtured carefully by a series of policies that encourage people to be creative. "Their hands-off policy raises innovators like athletes instead of force-feeding them like chickens" (Coronto, 1991). The primary goal set for this focus stipulates that 25 percent of sales in every business unit must come from products introduced within the past five years. An extensive in-house educational program requires everyone to attend at least 40 hours of formal classwork per year.

The company has a formal program to formally encourage risk taking. Employees are encouraged to spend 15 percent of their time working on any project they think might eventually have some value to the company. If the project is product related, it can be funded by any division manager through the "Genesis Fund" which allows corporate funds up to $50,000. The first draft of a new project plan to get the grant is "a coherent sentence." One shining example of a product that emerged from this 15 percent time activity is the Post-it note.

Projects are managed by cross-functional teams led by a volunteer that believes strongly in the project. There is also an almost paternal tolerance for failure. According to David P. Sorensen, 3M's Executive Director of corporate

technical planning, "Unless they know their jobs aren't in jeopardy, would-be innovators naturally would want to play it safe" (Coronato). In an address to a NASA Symposium on Productivity and Quality, Lewis Lehr, former chairman talked about the environment at his company. Beyond promotions and salary increases, he believed that the freedom to create may be the most powerful incentive of all. He borrowed a metaphor from Tracy Kidder, author of *The Soul of a New Machine* which follows the development of a new computer at Data General. At one point Kidder asks one of the engineers what's in it for his team. "It's a lot like pinball." the engineer replied, "If you win, you get to do it again." (Lehr, 1984).

Rewards and Measurements Systems

One of the largest challenges facing the service industry retailers is turnover of its employees. In an industry where turnovers of 300% are not uncommon, Starbucks Coffee, a $2.1 billion chain, has maintained a loyal staff with a turnover of less than 60% annually (Shaw, 1995). The founder and CEO, Howard Schultz, grew up in a federally subsidized housing project in Brooklyn where his father made a meager living. Schultz promised that if he ever owned a company, he would treat his employees better than the way he saw his father treated.

Starbucks is a well-recognized exception to the inconsistent quality of service offered by American business, and was awarded the accolade of "Best Service in New York" by *New York* magazine. To assure consistency of service, every employee receives 24 hours of classroom training about coffee and coffee service before they step behind the service counter. With more than 10,000, mostly part-time employees, Starbucks offers benefits widely regarded as some of the most generous in private enterprise (p. 70). Stock options, known as the "Bean Stock Program" are available to all employees who complete one year of service and work an average of at least 20 hours a week. Additionally, all part-time employees receive health benefits. The stability of his employees which leads to the consistency of quality service is a key element of Schultz's success, "combining the training with ownership and health benefits so that the people behind the counter have both a philosophical and financial commitment to the outcome of their actions. In this way we feel that the value system and the guiding principles of our company have been embraced by our people" (p. 74).

In 1994, Schultz was awarded "Entrepreneur of the Year" by both *Inc.* and *BusinessWeek* magazines. *Fortune* designated Starbucks one of America's fastest-growing companies. Schultz never forgot his past and was determined to provide respect and dignity for his employees. He is confident he can maintain the phenomenal growth rate and market share. "It is our goal to be the most recognized and respected brand of coffee in the world by the end of the

decade...but we will do it in such a way that is compatible with our value system and guiding principles" (p. 74).

Organization and Resources

Intel provides an interesting example of creative management of organization and resources. "For success it had to attract and hold both the wild-eyed, bushy-haired young geniuses that came directly from Ph.D. programs as well as the straight-laced, crewcut, experienced leaders of manufacturing- and get these two radically different types to work closely together in development" (Quinn, 1993 p. 272).

To attain that environment, "skunkworks" teams are formed in all design efforts. A conscious effort is made to insure diversity between engineering, manufacturing and marketing members. All of the bureaucracy is removed, and everyone, including the co-founders of the company, work in chest-high cubicles. There are no reserved parking places. Staff functions like the creation of policies, operating procedures and compensation plans, are handled by "councils" of line managers, where everyone, regardless of age or title, is treated as an equal.

Engineers are allowed to spend up to $250,000 for equipment without higher approval, provided that their budget allowed for the expenditure.

Performance measurement is accomplished by having individuals write down what they are going to achieve, getting their boss's agreement, and having their progress monitored by their peers as well as their boss. There are no formal organization charts. Teams, as well as physical and capital resources, are assembled in a true *ad hocracy* environment. Intel today dominates the microchip industry, and has been a leader for a number of years in that fiercely competitive marketplace.

Goals, Values and Beliefs

Pillsbury Corporation almost tripled in size during the 1980's, but the growth had taken its toll on the constituents. The quick fix style became management by crisis (Covey 1990). The executives woke up one day with "the uneasy feeling that our concern with financial goals had come at the expense of helping our people adapt to the dramatic growth of the company. We decided there had to be some statement, a public declaration of what Pillsbury should stand for. It would have to be simple, short, give people permission to dream dreams, take risks, think creatively and signal a change in our culture from conservative, cumbersome, and bureaucratic to people-oriented, innovative, and supportive of individual initiative" (p. 288).

It took Pillsbury over a full year to develop their one page document that included their corporate constitution, their mission and their values' statements.

Over two hundred top managers were involved and participation was encouraged at all levels throughout the corporation. The vice president of human resources reports that there is now a sense of ownership throughout the corporation for the mission and values. "We are more effective in our management of people because of the principles inherent in our mission and values. There is a spirit of optimism and excitement about the future" (p. 289).

Conclusion

While some of the examples noted above may emanate from companies that are clearly under duress in the current environment, it is clear that they offer examples of creative episodes that exemplify creative and innovative behavior. There are fashions and trends in the study of creativity. You can make a company a fertile ground for creativity and innovation by creating a focus on a structure and mindset that truly rewards innovative behavior and accepts that failure is at times part of the process.

Amabile's definition of creativity includes heuristic characteristics. The creative approaches to management outlined in the section demonstrate those characteristics. There can be no direct correlation between a stock-option program and a better cup of coffee at Starbucks, or between a corporate constitution and a better cake mix at Pillsbury. These companies were cited because their management created the environment that fosters creativity, with many of the elements listed in Table 5-1. The key to facilitating creativity is to

foster those same elements throughout the corporate environment. The next

chapter will review some tools and methods discovered to assist in that effort.

CHAPTER VI

FACILITATING CREATIVITY

Introduction

With the globalization of competition and the increasing rate of change

described earlier by Ackoff (1981), organizations are questioning whether their

products or services are sufficiently innovative to meet the needs of the changing

environment. As pointed out in Chapter III, many companies have concluded

that faster and smarter technology is not enough. The creativity of the human

being must be enhanced as well. The premise of this thesis is that a focus on

enhancing creativity in the corporate culture can make a significant contribution

toward re-energizing the enterprise's competitive posture.

A number of instruments, methodologies and intervention groups were

uncovered as a result of the research compiled to support this premise. Although

most of these intervention tools could be used in more than one stage of

organizational change, this chapter will relate those components that are

especially relevant in terms of the Beckhard Change Management Process as

more tools than theories. Combined with the research from Chapter IV, both a

theoretical and a practical level is presented to embellish creativity in corporate

culture. The basic model (Figure 6-1) will be augmented at each stage by the

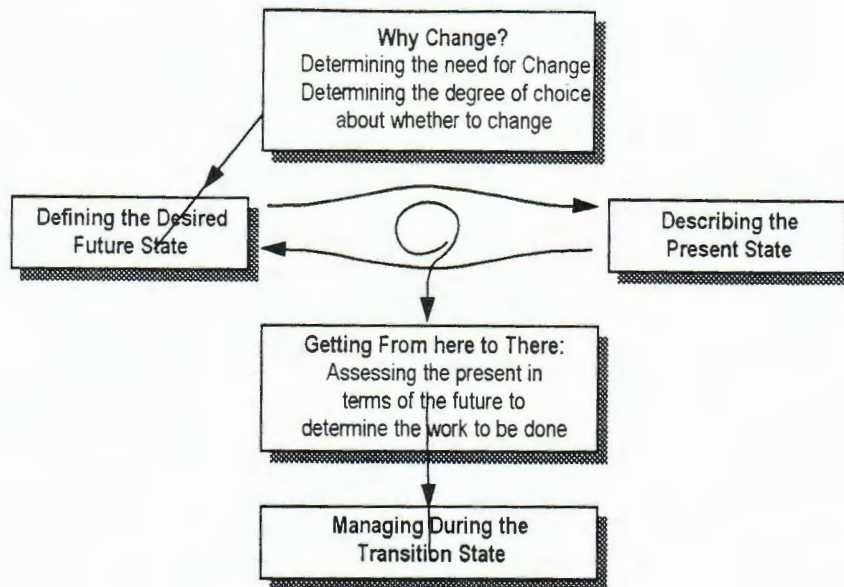tools developed in this chapter, resulting in a visual "creativity interventionists tool kit."

Figure 6-1: Basic Transition Model (Beckhard, 1987)

Why Change?

As demonstrated in the previous chapters, changing corporate culture is not an easy task. Creating a powerful mandate for change requires determination, passion and creativity (Price Waterhouse, 1995). There is little motivation in most organizations to enter into programs that will change jobs and lives. Many companies are forced to change as a matter of survival after a large loss in profits, a change in government regulations or corporate merger or

takeover. If the company is not in crisis, the case for change will be more difficult. Price Waterhouse (1995, p.29) states:

> *There is a demanding preliminary phase in successful change processes that we call building the case for change. It is less a doing than a conceptual challenge and a dialogue requiring some of your hardest won management skills. In this phase, you form and share your vision with all stakeholders inside and outside of your organization; you demonstrate to all concerned the good sense, even the power of that vision; and you invite them to participate in concrete, creative ways.*

Multiple ways of building a case for change were discovered in the course of compiling this thesis. Some creative ways of building a case for change included literature, activities and consultancies, and are outlined below.

"If It Ain't Broke, Break It!" by Robert Kreigel (1991) is an easy reading book focused on "Unconventional Wisdom" and "Break It Thinking." "People intuitively understand that they need to try something new, to take a bold step. They know they must break out of their old way of thinking and responding" (p. 272). While the entire book takes a creative look at the mandate for change, his chapter entitled "Sacred Cows Make the Best Burgers" drives home the case for change. He points out that those sacred cows, the systems, strategies, policies, procedures and routines that have been standard operating procedure, "stifle our creativity and weaken our competitive advantage" (p. 114). This book, a primer in encouraging change and invoking creative thought, is one of the tools that could be incorporated into the movement toward the creative corporation.

Perhaps a more traditional literary approach to the "Why Change?" question comes in Foster's first chapter in Innovation (1986). He gives compelling examples in "Why Leaders Become Losers" of the danger of not embracing change. Successful companies "know when and how to turn their backs on past successes and to attack both the competition - and themselves, if necessary" (p. 16). The recurring message in this work is that the key to success lies in constant innovation, especially at top level management.

Dauw and Fredian (1971) state: "Increased profits have been the most outstanding, consistent benefits of training programs in applied imagination" (p.36). Examples they use include Sylvania Electric, Sikorsky Aircraft and the U.S. Government. Research of current periodicals should reveal compelling arguments for creativity and innovation that indicate that creative approaches translate into financial gain. If all else fails, increased profits through creativity should spark interest in the management ranks of American businesses.

The Center for Creative Leadership (CCL), with assistance from Dr. Teresa Amabile, has undertaken a number of assessments of creativity in corporate cultures. Dr. Amabile provided the theoretical and empirical expertise while the CCL provided the client interface and the organizational intervention expertise. While in the initial stage, *Why Change?*, a tool for clarifying the need

has been developed by CCL. Questions that they have developed from their previous interventions include:

- Why do we need increased creativity? How will an increase in creativity help us reach our goals?

- Why do we need to work on our climate? How will an improved climate for creativity help us reach our goals? What is our understanding of what the climate is?

- How important is increasing our climate for creativity right now? Are there other more important issues we need to be working on?

- We know that to do an assessment is to intervene. Are we ready to commit now to taking action based on the assessment results?

- Who are the major stakeholders in this assessment? Are the proper people involved in the decision to go ahead? (Burnside, 1990, p. 265)

While creativity has been documented as a desirable and profitable trait of a corporate culture throughout this work, moving the existing organization toward a more creative culture may require creativity itself. Two cases of creativity in assessing the present state outline below involved videotaping and role playing. Properly communicated, these activities helped build the case for change. Outside of involuntary reasons for change like mergers and takeovers or governmental regulations, some aides for answering the question "*Why Change?*" are depicted in Figure 6-2.
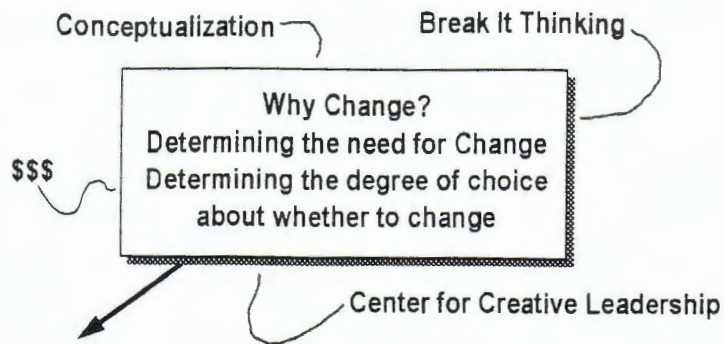
Conceptualization

Break It Thinking

Why Change?
Determining the need for Change
Determining the degree of choice
about whether to change

$$$

Center for Creative Leadership

Figure 6-2: Why Change? - Base Model by Beckhard (1987)

Defining the Desired Future State

Prince (1970, p. 101) articulates the fundamental premise necessity for the success of defining the future state: "It is important to cultivate the attitude that anything is possible." Supporting Beckhard's premise that the desired state should be defined before the present state is assessed, Prince notes two limitations about typical attempts at problem solving. First, people tend to think in terms of things they know, staying in old paths that invite mediocrity. By improving on the known state, people tend to embellish known solutions rather than speculate in entirely new directions. Second, people tend to stick with the familiar rather than risk discomfort and failure.

This familiar concept is outlined in Chapter IV, but Prince is referenced here because he has taken theory to action. Prince is one of the founders of Synetics, Inc., a company devoted to invention, research into the inventive

process, and teaching. Synetics has formalized the processes often associated with the ideation stage used in defining the desired future state. Synetics is one of the consulting firms that are available as a tool to lead the definition of the desired future state.

One popular and widely accepted process that should be incorporated into the definition of the future state is brainstorming. Alex Osborn is generally credited with the origination of brainstorming (Davis, 1983), and his widely accepted and almost self-evident notion is that criticism interferes with idea production. Thus in a brainstorming session, judgment is deferred during ideation, producing a creative atmosphere of positive attitudes and psychological safety. Davis (p. 90-91) outlines the four basic rules of brainstorming: Criticism is ruled out; freewheeling is welcomed; quantity is wanted and combination and improvements are sought. There are many references to the Osborn process, but the implementation is always the same. Thorne (1992) suggests that a variation, brainwriting, a written form of brainstorming, better encourages people to build on the ideas of others.

Another tool in the ideation stage is metaphorical thinking. Crawford's theory of creativity (1978) is that all creative thinking involves either (1) modifying important attributes of a product or process, or (2) transferring attributes from one situation to a new situation. The second half of his formula refers to metaphorical thinking (Davis 1983). In addition to an entire chapter

devoted to metaphorical thinking in Davis, examples and exercises for practicing metaphorical thinking appear in Stanish's (1977) *Sunflowering* and Gordon's (1974) *Making it Strange*.

Gordon has utilized his publications on creativity, acting as a consultant and a trainer of creative thinking groups. Some of the results of his work includes Pringles Potato Chips, the trash compactor, disposable diapers, an accelerated wound-healing system and Sunoco's dial-your-own octane gasoline pump.

Edward de Bono is credited with originating the term "lateral thinking" and has written several books illustrating its nature and application. In introducing the concept in *Lateral Thinking for Management*, de Bono (1971) writes: "The first step is to understand the process involved in creativity. The second step is to escape from attitudes which inhibit these processes and to use methods for encouraging them. This is the purpose of lateral thinking, which can be learned as a skill and then used in a deliberate manner in order to achieve creativity. Creativity is not only concerned with generating new ideas but with escaping from old ones" (p. 1-2). He positions this and several of his other works as "a practical handbook(s) for the development of skill in lateral thinking so that it can become a routine part of the thinking process" (p. 223).

Another creative technique that can be incorporated in building the ideal state is guided imagery, also known as visualization. By forming compelling, positive images in the mind, a person overcomes the blocks that have plagued every generation-anxiety and self doubt (Yepsen 1987). The process asks listeners to relax, shut their eyes and visualize the substance of some colorful narrations. Boldt (1992) utilizes a seven step process to transform visualization from its subconscious, sometimes destructive state to a positive image of success. The process is guided, not mandated, and the flow of positive imagery and absence of obstacles creates a powerful positive scenario that can be the ideal state desired. Additional tools for this process include *Creative Visualization* (Gawain, 1982), *Directing the Movies of Your Mind* (Bry, 1978) and *Imaginology* (Cooley, 1984).

The corporate world has begun to embrace these creativity techniques, despite the previously discussed attitudes against change. In an article entitled "New Age Dawns in the Boardroom" (London Financial Times, 1 January 1995), one manager noted "These ideas are often shunned over here [the UK] because of the belief that touchy-feely stuff has no place in the macho boardroom." Yet, at structured retreat designed to promote creativity held at a division of Cadbury, the famous British confectionery, the results were very positive. Activities included meditation, affirmations, visualization, the American Indian Medicine Wheel (also used at Digital's Healing Forest Project) and work with crystals. According to the article, even the most "hard-bitten managers" were

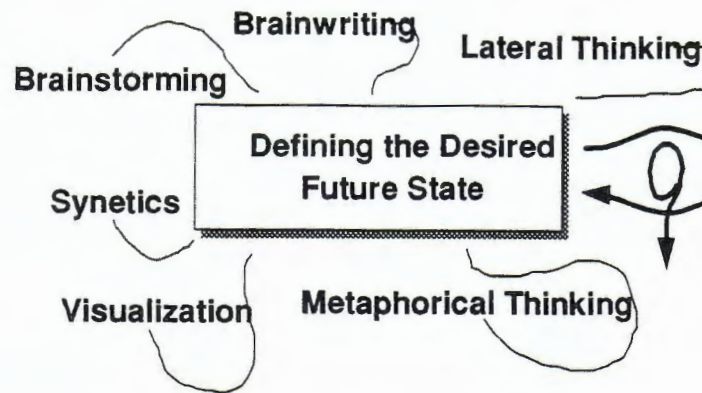able to "get out of a logical way of thinking and into a deep part of the mind which deals with images."

Figure 6-3: Defining the Future State.

This section, as depicted in figure 6.3, deals with the stage that calls for the traditional use of imagination and creativity. By forgetting about the present situation and utilizing the techniques outlined in this section (Figure 6-2), attention can be focused on the long-term strategy rather than the "quick-fix" mentality of responding to immediate problems.

Assessing the Present State

In a case study outlined by Price Waterhouse (1995), their client's internal change sponsor was unable to create any momentum or generate any enthusiasm over his goal of changing the procurement process in a large restaurant chain. In order to gain the attention of senior management, they decided to make a home-made video to document the inefficiencies of the

current process and the fundamental need for change. Their crude but effective video covered the entire supply chain process from the planting of lettuce in the fields to the addition of that lettuce on a customer's cheeseburger. A copy of the video, illustrating the clumsy current process, was sent to each senior executive. The impact was impressive and the tactic unconventional. The project, once on the verge of being scrapped due to complacency, became a priority for the company and a major project for Price Waterhouse.

In the case of the "Healing Forest" project at Digital, the fundamental case for changing was built from within the ranks. Wayne Records (personal communication, July, 1994), change manager, described the dilemma : "Intuitively it was obvious that we needed to change, but no one seemed to know how or toward what vision. Many people wanted to go back to the old days, yet they really knew that we must move forward." To generate enthusiasm and understanding, the program held a series of role playing sessions in which employees and managers traded roles, and both levels took turns playing the customer. The ultimate outcome was a total "buy-in" toward changing the culture toward risk-taking and empowerment. Without the role playing process, a fundamental roadblock to creativity, lack of trust, would have never been surfaced.

The Center for Creative Leadership, working with Dr. Amabile, developed a 96 item instrument named the "Work Environment Inventory"

(WEI) (Burnside, 1990). The instrument integrated twenty factors, ten of which stimulated creativity and ten which were obstacles from the basic research published by Amabile and Gryskiewicz (1987). The uniqueness of this instrument is that it measures the environment for its creativity, not just the generic condition as many of the instruments mentioned in Chapter IV of this document. It gives empirical data based on reliable scales that have been validated in several ways. Over 2000 respondents from 10 organizations formed the basis for the empirical work with additional empirical research since then.

Another assessment of the present state with a focus on creativity is provided in the form of a "Health Assessment" (Albrecht, 1987). Simply put, they ask two basic questions to which they expect honest and objective answers:

- How appropriate is the current culture to the success of the organization in its operating environment?
- How appropriate is the culture to the well-being of the people of the organization? (p. 55).

They provide a framework to analyze the specifics of the culture along the five dimensions of authority, values, norms, rewards, and sanctions. Cultural malfunctions and change methodologies are also discussed.

A more generic yet comprehensive checklist for organizing and implementing an Organizational Design Change effort has been developed by

Wendell French (1994). The nine page document lists the players, dimensions and variables that must be "planned and managed in a simultaneous, congruent manner" (p. 484). The document includes players like unions and consultants, dimensions like individual counseling and conflict resolution and variables such as system relationships and dysfunctional aspects of the emerging culture.

By using the tool outlined here (Figure 6-4) to develop a prescriptive picture of the organizations present state, and comparing it to the work above in defining the future state, a basis is developed for what needs changing and what does not.
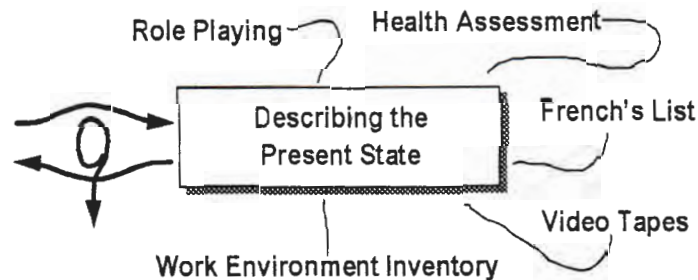

Figure 6-4: Assessing the Present State.

Getting From Here to There

In 1992 Polaroid formed a task force sponsored by senior management to move creativity and innovation out of the R&D facility and transplant it

throughout the corporation. The "Innovation Task Force" was comprised of four full-time employees and a multitude of part-time and some-time contributors. Twelve months of research included an evaluation of 255 articles and books, benchmarking against industry leaders in a variety of aspects, interviews with customers and competitors, and internal auditing of the climate for internal change at Polaroid. The results were published in an internal document which made specific recommendations to management. The first step in meeting the challenge of creativity and innovation, or "Getting from Here to There," for any corporation, is to ask for it (Eidson, 1993, Pp. 6-16). Although the document is specific to Polaroid, the generic recommendations, summarized below, are relevant to all corporations:

- Ask Employees for Innovation and Give Them a Vision to Follow.

- To Find a Brilliant Idea, Plan to Generate a Lot of Bad-to-Good Ideas.

- Make Your Company an Innovative Place to Work.

- Choose the Mix of Innovation According to the Demands of the Industry, not Your Company.

- Consider Alternatives to In-House Research and Development. Find Ways to "Force the Market Into Every Nook and Cranny of Your Company."

The last line of the report is especially insightful: "The bad news is that a company that fails to innovate goes out of business. The good news is that a creative, innovative company is a more enjoyable, exciting and profitable place to work" (p. 17).
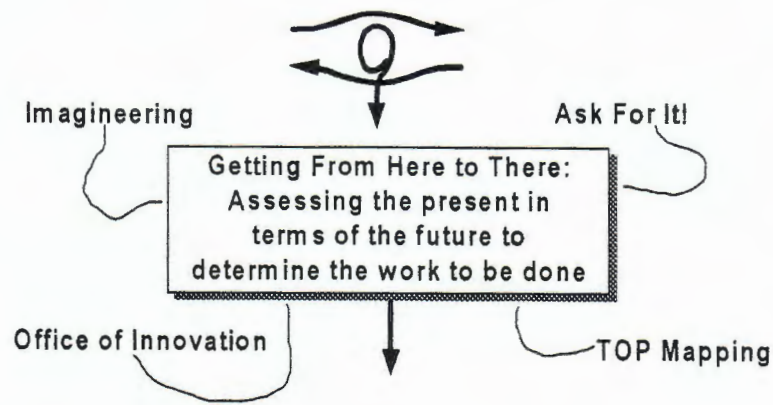
Similar structures have been formalized in a variety of ways at a number

of companies (Rosenfeld and Servo, 1990). A system that provides a mechanism

for drawing together a cast of informal players around ideas and creativity have

been called the Office of Innovation, The New Idea Process, Discovery, or the

Aviary. The have been implemented at large companies including Eastman

Kodak, Union Carbide, Amoco Chemical, Bell Canada and many others. The

point is that first you must ask for creativity within your organization, then

provide "a conduit for ideas to flow freely throughout an organization (p. 256).

The use of uninhibited imagination used in the process of *Defining the*

Future State becomes a challenge in this state. Osborn (1953) defines this process

as "imagineering," in which, after letting your imagination dominate, you

engineer the concept down to earth. He offers a number of discussion topics and

exercises in his work *Applied Imagination*, that, in spite of its publication more

than forty years ago, are still very relevant today.

Between an idea and its implementation there usually lies and enormous

amount of effort, cost, and commitment. Communication gaps between

functional departments and between companies and their vendors and

customers often prevent the interaction needed. The Geneva Office of Digital

Equipment developed a methodology called "TOP Mapping" which uses maps

as visual representations. The maps provide metaphors to describe the current

and ideal situations, with swamps (lost information) resulting if a road (information channel) does not have a bridge between two islands (functional units). The methodology provides a common, untechnical language and a graphical depiction to help implement change (TOP Mapping Guide, 1987).

Imagineering
Ask For It!

Getting From Here to There:
Assessing the present in
terms of the future to
determine the work to be done

Office of Innovation
TOP Mapping

Figure 6-5: Getting from Here to There.

Once the process has begun, the systematic approach to transition management requires the commitment of the people needed to direct, manage and participate in complex change. The tools presented here (Figure 6-5) offer ways of obtaining that participation and commitment.

Managing During the Transition State

There are a number of publications that deal with managing during transition periods. Those dealing with radical cultural change have some common themes. First, there must be a compelling and clear reason to change

(Thorne, 1992) and second there must be a high degree of trust within the organization (Senge, 1990). During the transition, honest, open and frequent communications and institutionalizing empowerment are critical factors (Price Waterhouse, 1995). *Better Change* takes management step by step through these two processes.

In an entire section titled "Communication Honestly" (Pp. 69-89), the Price Waterhouse work addresses the building and tending of a communications network that supports large scale change. The creative use of the grapevine, looking for nonverbal clues and listening are among the items listed on a three page checklist.

The Price Waterhouse work is referenced again for empowerment in that it presents a cookbook-like approach to one of the largest anxiety-provoking terms associated with change management (Covey, 1990). The section on empowerment includes definitions, limitations, and an explanation of the differences between communication and empowerment complete with a user-friendly checklist. Covey's work, *Principle Centered Leadership (1990)* provides a good foundation for understanding this fundamental idea.

Several books that may be of value in managing through the transition are available. Bridges (1980) deals sensitively with the issues of organizational culture change. He provides a number of suggestions for action and dealing

with the anxiety and resistance that accompany cultural change. Woodward and

Buchholz (1987) present a book that is designed for management of the change

process. In *Aftershock,* they provide a set of strategies and skills the change-

makers can use to manage the process, Minimizing "human breakage" while

maximizing new opportunities for people and organizations. To demonstrate

the reactions to change: disengagement, disidentification, disorientation and

disenchantment, case studies are presented.

Tom Peters provides a lengthily recipe for managing a changing corporate

culture. In *Thriving on Chaos: Handbook for a Management Revolution* (1988) he

offers advice including supporting failures, reward defiance and knock down all

obstacles. Borrowing from the competition, eliminating the not-invented-here

syndrome, and support creative zealots are other strategies. His basic premise is

that creativity within the corporation must become a way of life, not just for now

but forever (Thorne, 1992).

The Albrecht work (1987) provides a series of suggestions for training for

creativity, including cross-functional from unaffected areas teams for specific

problem solving, using outsiders (vendors and customers) on task forces, and

team building activities to promote trust and communication. They caution that

there is little "documented proof" that creativity training has benefits, yet point

to the post-course evaluations as being overwhelmingly positive. They provide

in Chapter 16 a "Who's Who in Creativity Training" that is a good pointer toward outside creativity consultants.

Thorne (1992, Pp. 252-253) offers four particular concerns in reaching for a more creative culture and offers a number of determinations to be made, and questions to be asked and answered during the transition phase:

- Define the targets sought within the dimension of motivation and identity. What behaviors are to be changed, by how much, and to what end?

- Clarify the reward systems, financial and non-financial, and calibrate where they reinforce the existing practices. What changes can be made?

- Examine the prevailing behavior of senior staff, the role models, the heroes, the people of the past and present who are seen as the ones who were successful. What are their characteristics? Are there new or potential heroes which more closely represent the ideas and values of the new culture? How can they be made to take the place of the old?

- Explore the rituals, the routine acceptance of behavior that mark important events. Which events have the greatest symbolism? How can these be changed?

The creativogenic culture needs to be open. This means that: keeping everyone in the picture is more important than keeping confidences; that there should be few profit centers, not many; that rewards should go to the generalists rather than specialists, and that wild parties and open doors are more in evidence than not.

Figure 6-6: Managing During the Transition State.

The tools and methods used in this section (Figure 6-6) are certainly an oversimplification of what is a very complex and ongoing process. Returning to the work of Beckhard and Harris (1987, p.115), their advice on managing complexity in organization transitions holds true, and is exacerbated when the mission is centered on creating a creative corporation:

To "keep the course," several essentials must be provided:

- a clear destination, or vision

- landmarks, or intermediate checkpoints

- accurate, detailed maps or scenarios

- a clear knowledge of the condition and capacity of the "boat" or the organization

- the ability to get the best performance out of the boat or organization

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The nautical metaphor used here can be expanded to liken the journey to the destination of the desired future state and the trouble waters that the organization may well endure during that journey.

Conceptualization   Break It Thinking

$$$
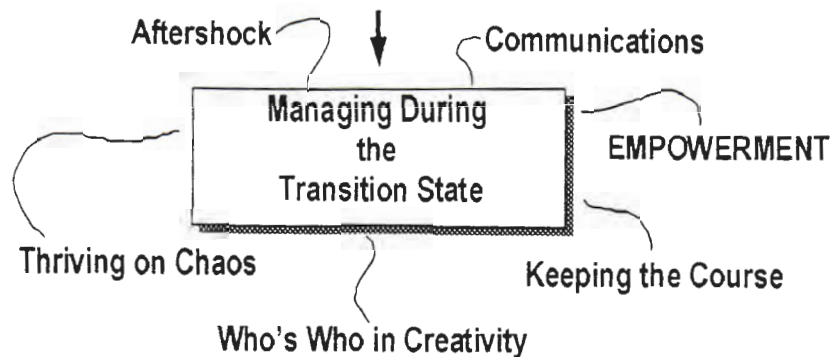
Why Change?
Determining the need for Change
Determining the degree of choice
about whether to change

Center for Creative Leadership

Brainwriting   Lateral Thinking
Brainstorming
Synetics
Visualization
Metaphorical Thinking
Office of Innovation
Imagineering

Defining the Desired Future State

Describing the Present State

Role Playing   Health Assessment
French's List
Video Tapes
Work Environment Inventory

Getting From here to There:
Assessing the present in terms of the future to determine the work to be done

Ask For It!
TOP Mapping

Aftershock
Thriving on Chaos

Managing During the Transition State

Communications
EMPOWERMENT

Who's Who in Creativity   Keeping the Course

Figure 6-7: The Messy Course of Creativity- Base Model by Beckhard (1987) with Facilitative Tools from this Chapter

Conclusion

As Beckhard (1987) points out: "Successful intervention in a large system is becoming more of a science than an art, but it is still not a cookbook process, nor is it likely to be. However, the utilization of systematic procedures and technologies in the planning and management of large systems change can only

be of help" (p. 117). While the exploration of available data for this thesis has been put in the systematic model developed by Beckhard, the summary of the tools and methodologies discussed in this chapter (Figure 6-1) demonstrate Tom Peters' (1986) point that "The course of innovation will always be messy, sloppy, and unpredictable and this is an important point. It's important because we must learn to design organizations that take into account, explicitly, the unavoidable sloppiness of the process and take advantage of it rather than attempt to fight it" (1986, p. 477). Improving corporate climates for creativity is an important goal for our times. To achieve it, managers' awareness of the role of culture in the organization might be raised, and their skills for managing that culture be developed (West and Farr, 1990). As a result of working toward these goals, managers can create healthier organizations, contributing to the positive development of humankind.

As for the transformational leaders ready to embark on the crusade of cultural change toward a more creative corporation, the emerging ground swell of momentum must be tempered by the wisdom of one of the outstanding figures of the Renaissance who in 1532 wrote:

> *"There is no more delicate matter to take in hand, nor more dangerous to conduct, nor more doubtful in its success, than to set up as a leader in the introduction of changes. For he who innovates will have as his enemies all those who are well off under the existing order of things and only lukewarm supporters in those who might be better off under the new. This lukewarm temper arises partly from the fear of adversaries who have the laws on their side, and partly from the incredulity of mankind who will never admit the merit of anything new, until they have seen it proved by the event."*

- Niccolo Machiavelli, *The Prince*

CHAPTER VII

SUMMARY AND CONCLUSIONS

In Chapter I, the main tenets of this thesis stated that a conscious focus by management on corporate culture, specifically focusing on embracing and enhancing creativity, can make a significant contribution toward re-energizing their enterprise's competitive posture. In order to substantiate that position, it has been demonstrated throughout this document that illustrate that:

1. All corporate entities develop and maintain a unique culture, not always consciously.
2. The corporate culture can be observed and managed, but critical thinking must be employed when choosing a model for intervention.
3. Certain characteristics of some corporations have been deemed creative by outside sources, and can be linked to a key causal factor that is manageable.
4. Tools are available that can help management foster creativity in their enterprise.

A brief recapitulation of each of these premises is now in order.

Development of Unique Corporate Cultures

A strong belief that corporate cultures exist was demonstrated by the plethora of material available on the topic itself. Anthropological methods used to study cultures demonstrate that each culture is a mosaic, a blend of experiences, basic assumptions, values and behaviors. The seventy-three

elements of organizational culture provided by Ott (1989)(see Table 2-1) illustrates just one way in which one culture differentiates itself from another. While researching the literature on corporate culture, a wide range of material was also discovered about subcultures, countercultures, and subordinate and predominant cultures. As Trice and Beyer (1993) state, "Although organizations have distinctive cultures, it would be a mistake to think that any particular organization has only a single homogeneous culture. As various scholars have observed, most organizations have multiple cultures"(p.174). While the existence of these potentially diverse subcultures is acknowledged, this thesis chose to deal with culture as the overarching elements present in an organization that are embraced by practically everyone it that domain.

The Use of Critical Thinking

The vast amount of data available regarding corporate culture and its management was accompanied by a diversity of viewpoints of the authors. As pointed out in Chapter III on Context, it is important to understand whether the data being reviewed addresses "the forest or the trees." It is just as important to ascertain whether the author of that data is a botanist or a real estate developer. As Richard Paul (1992) points out, "...we confound fact and opinion, data with interpretation, evidence and conclusion, information and knowledge" (p.xii). For the extremes, we revisit one point of view presented by Joanne Martin (1985) stating, "Even if culture ... could be managed, it should not be, particularly if it were being managed in the name of productivity or the almighty dollar" (p.95). The other side of the spectrum might include an enterprising outside consultant who adapts the Corkscrew Model seen in Chapter 3 to look like:

1. Do something
2. Get paid

3. Recommend doing something else with the same
   group
4. Get paid

As Beckhard (1987) points out, this type of implementation is a danger for those in management who are looking for the "quick fix" to the problem. The frame of reference must be a key element before utilizing someone's process or procedure.

Causal Factors in Creative Cultures

Drennan's (1992) 12 key causal factors shaping corporate culture were not focused on creativity. Each of the elements, however, was arguably discrete enough to provide a management tool with which to examine corporate culture and implement change. Complemented by the anthropological approach to studying culture, these became useful tools. It helped me understand that the nature of changing a culture was not as easy as changing the artifacts like dress code and extrinsic rewards. The true challenge that I observed, especially in selecting "creative companies" for Chapter V, was getting down below the behaviors and focusing on the level of beliefs, values and assumptions.

These discrete elements, accompanied by some of the questions presented by Drennan, helped in the selection process, filtering out those that had "changed the rules" from those who had "changed the principles." The conviction that organizational culture is a socially constructed concept (Ott 1989) supports the idea that culture can be managed, and the examples from Chapter V demonstrate that creativity can be an element of that culture.

Arguably some of the companies cited may have experienced only a brief creative episode, but I believe a company can be considered if it lives in a series of creative episodes.

Available Tools

As with any tool, care must be taken in its utilization. It is also best used with proper training or by hiring a skilled craftsworker. Any and all of the tools cited in Chapter VI can be misused or abused without intention if the user is untrained or the purpose of its use is unclear. Chapter VI was provided as a kind of "tool kit" for the manager and is certainly not all-encompassing. Each of the tools cited, however, seemed to be of high quality and fit most appropriately where indicated in the Transition Planning Model.

Some of the tools presented, primarily the popular literary works, were theoretical and could be best used in laying the foundation for change. With the rate of change increasing steadily and competition and globalization escalating, I imagine the bookshelves will be well stocked with books on the theory of enhancing creativity in years to come. I believe the critical step, however, is getting to the implementation phase where fewer tools exist and much is yet to be learned.

Conclusion

The recency of most of the literature cited in this work was not because the search for more historical perspectives on the creative corporate culture were not relevant. They simply did not exist in any abundance. While there are certain theoretical works that have hit the best seller list (Von Oech, 1983, Kreigel, 1991) the literature on the implementation phase remains the road less traveled.

Whether the motivation is preservation or profit, companies must continually innovate to remain viable in todays marketplace. The best way to facilitate that innovation is to encourage a corporate culture that is creative, takes risks, empowers its employees and runs by principles instead of rules. The management of the company is responsible for fostering that environment and must play a fundamental role in embracing creativity at every level and at every possible opportunity.

Creativity and profitability can co-exist as demonstrated by the companies cited in Chapter V. We have seen the amazing change in the rate of change. It is evident that creativity within the corporate culture must become a core competency for the leading enterprises of the year 2000 and beyond.

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