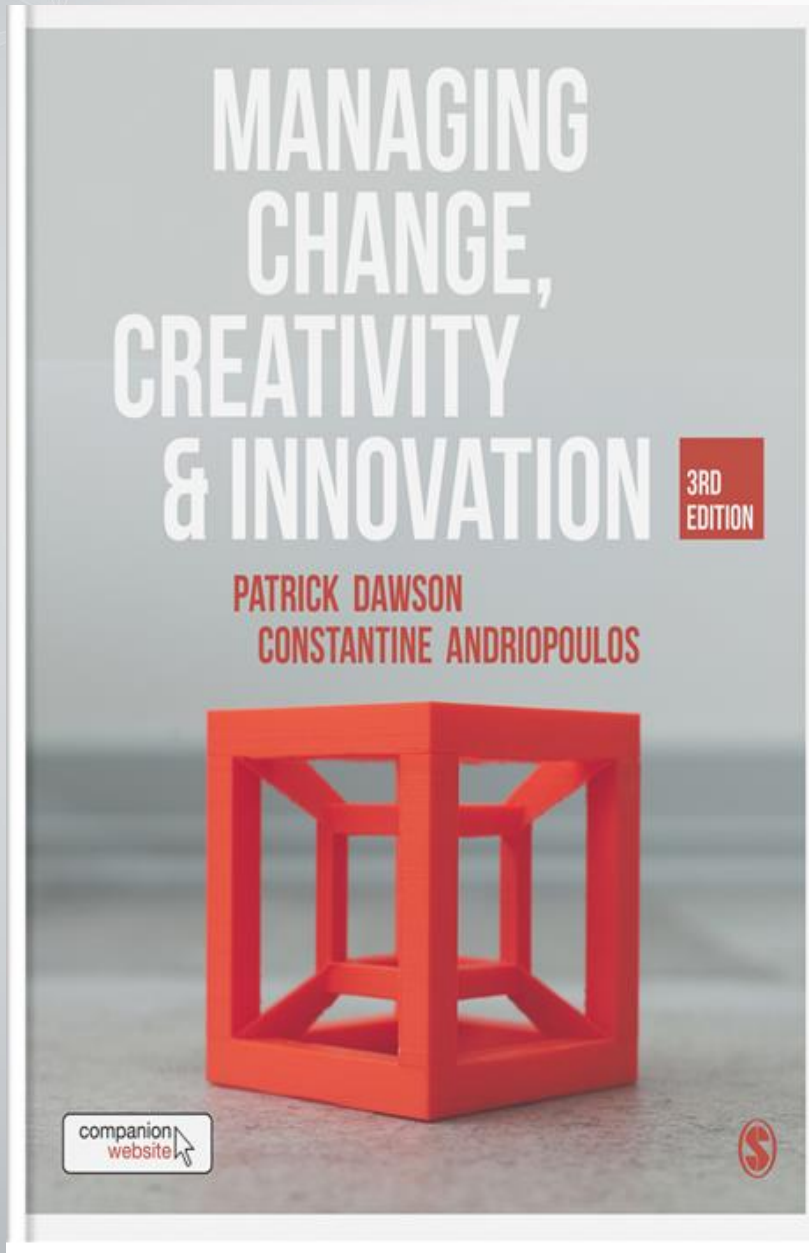




AUM

American University Of The Middle East

SFT 220
Creativity Innovation
& Change



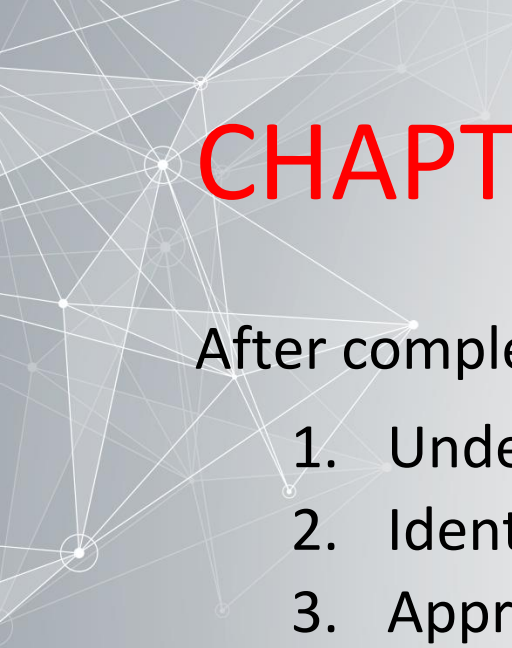
Managing Change, Creativity & Innovation

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SAGE Publishing



Chapter 2

The Process of Change, Creativity, and Innovation

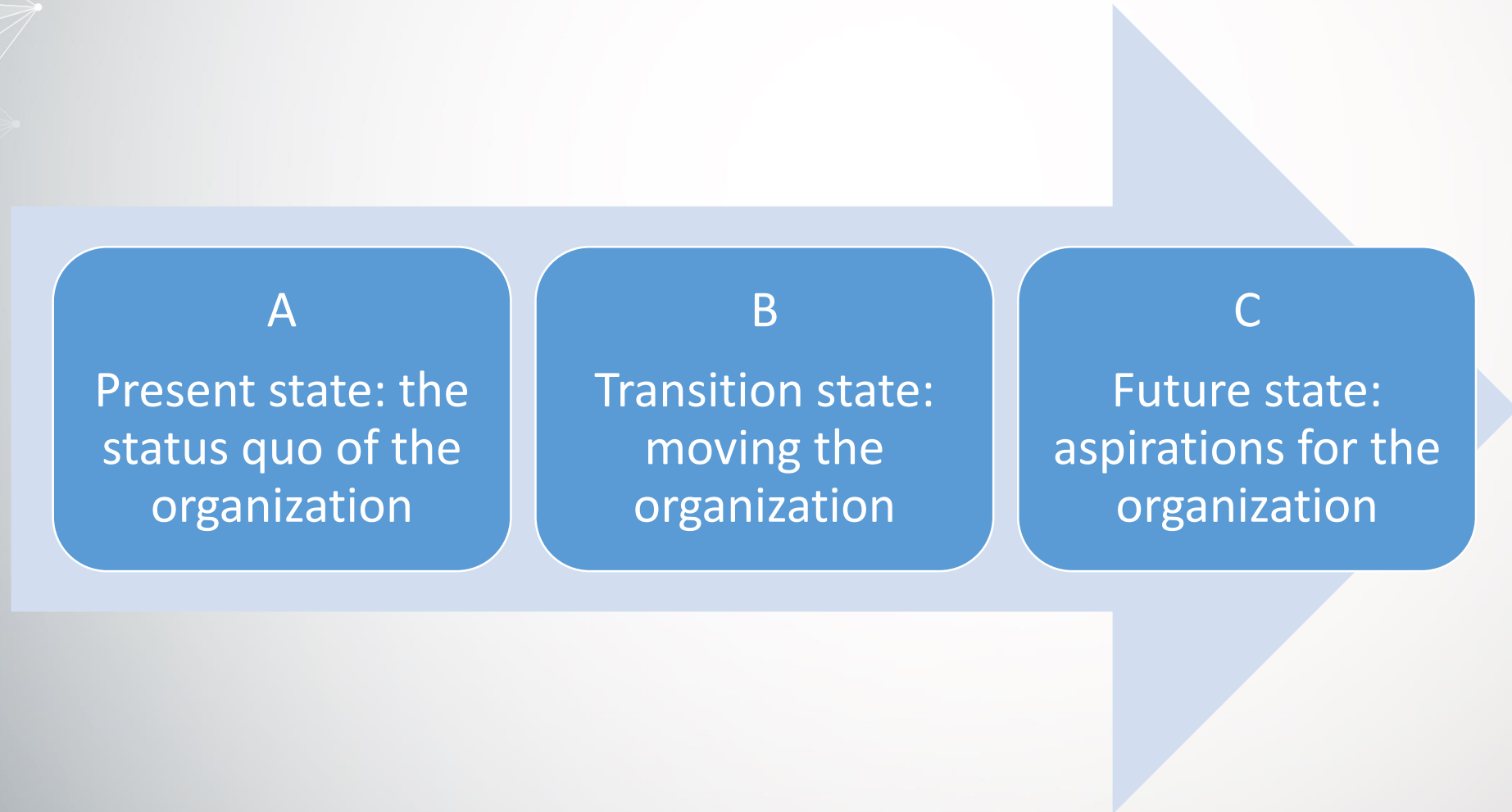


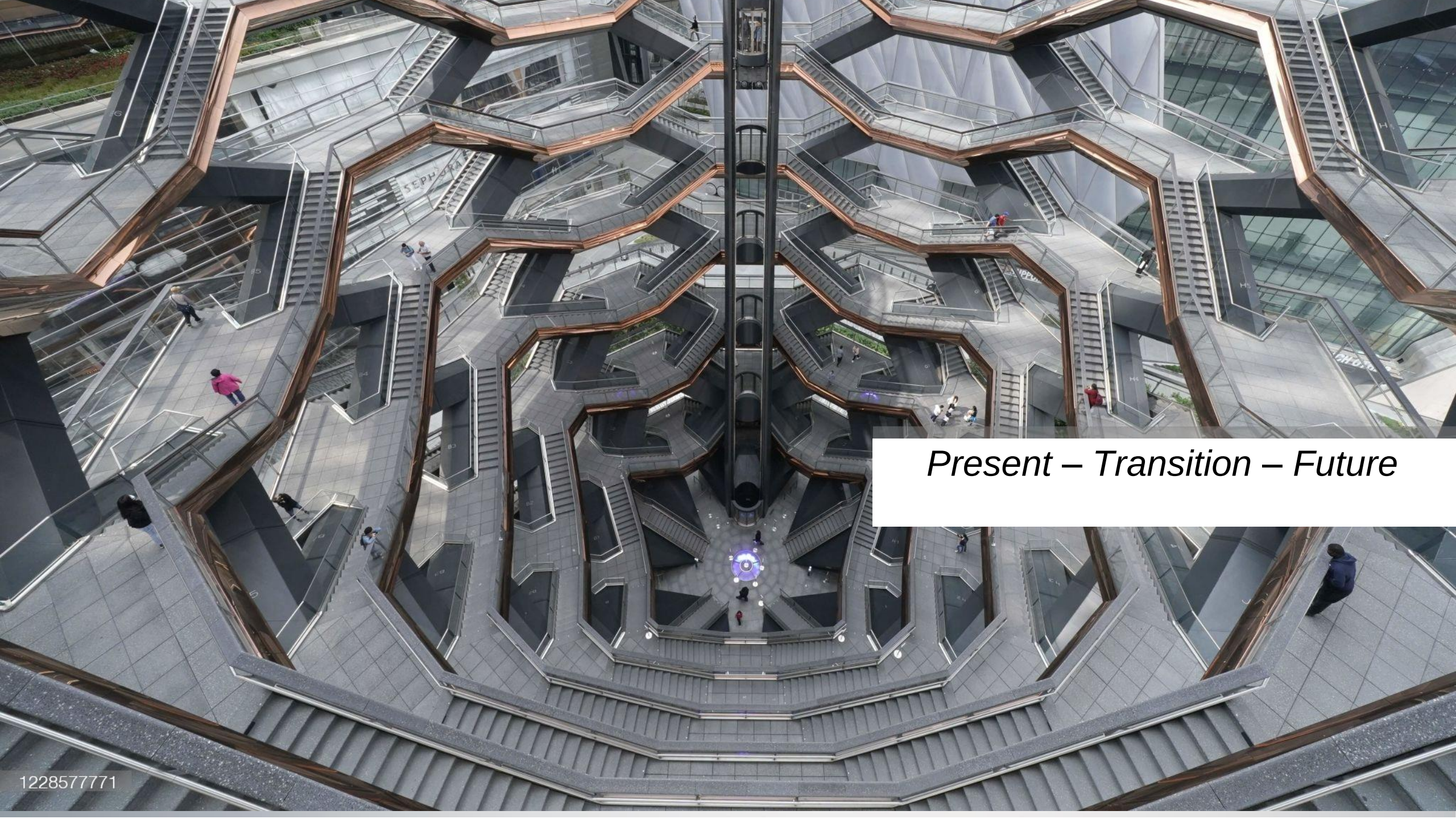
CHAPTER 2 OBJECTIVES

After completing this chapter, you should be able to:

1. Understand the concepts of change, creativity, and innovation.
2. Identify the key dimensions and triggers to organizational change.
3. Appreciate the debates around creative process and creative thinking.
4. Gain greater awareness of the key theories, concepts, and models of innovation.

MOVEMENT FROM CURRENT STATE TO DESIRED FUTURE STATE





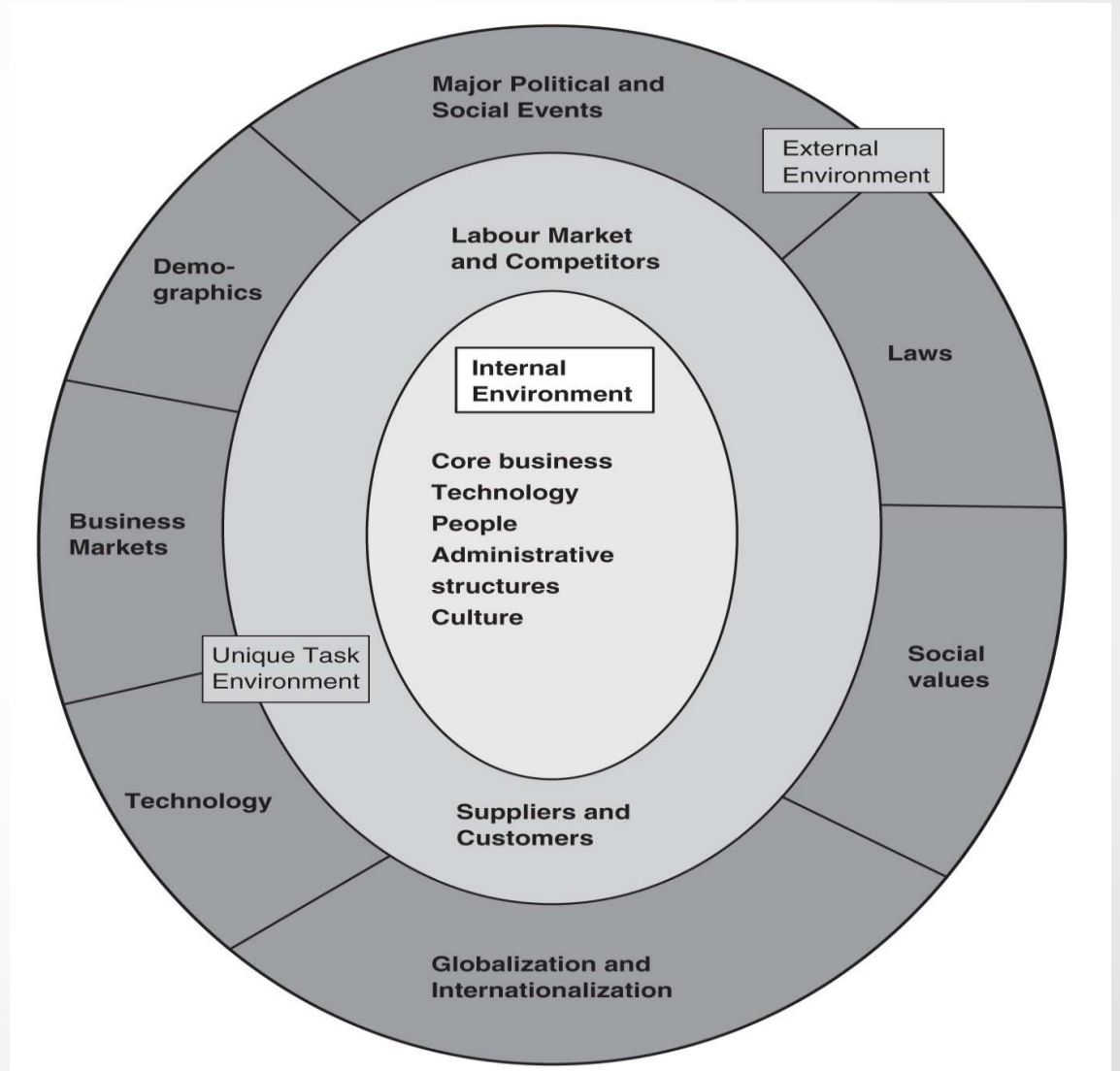
Present – Transition – Future

DEFINING CHANGE



*Organizational change is the **movement** over time from an **ongoing present** to an emerging and **uncertain future** that is sometimes planned and managed with the intention of securing anticipated objectives and sometimes unplanned for and unforeseen.*

External and internal triggers and drivers of change



WHAT TO REMEMBER ABOUT CHANGE

- Change is a complex process, impossible to fully control or predict.
- Uncertainty of change makes people rely on what they already know.
- Organizational change is often characterized as a movement from a present to a future (desired) state.

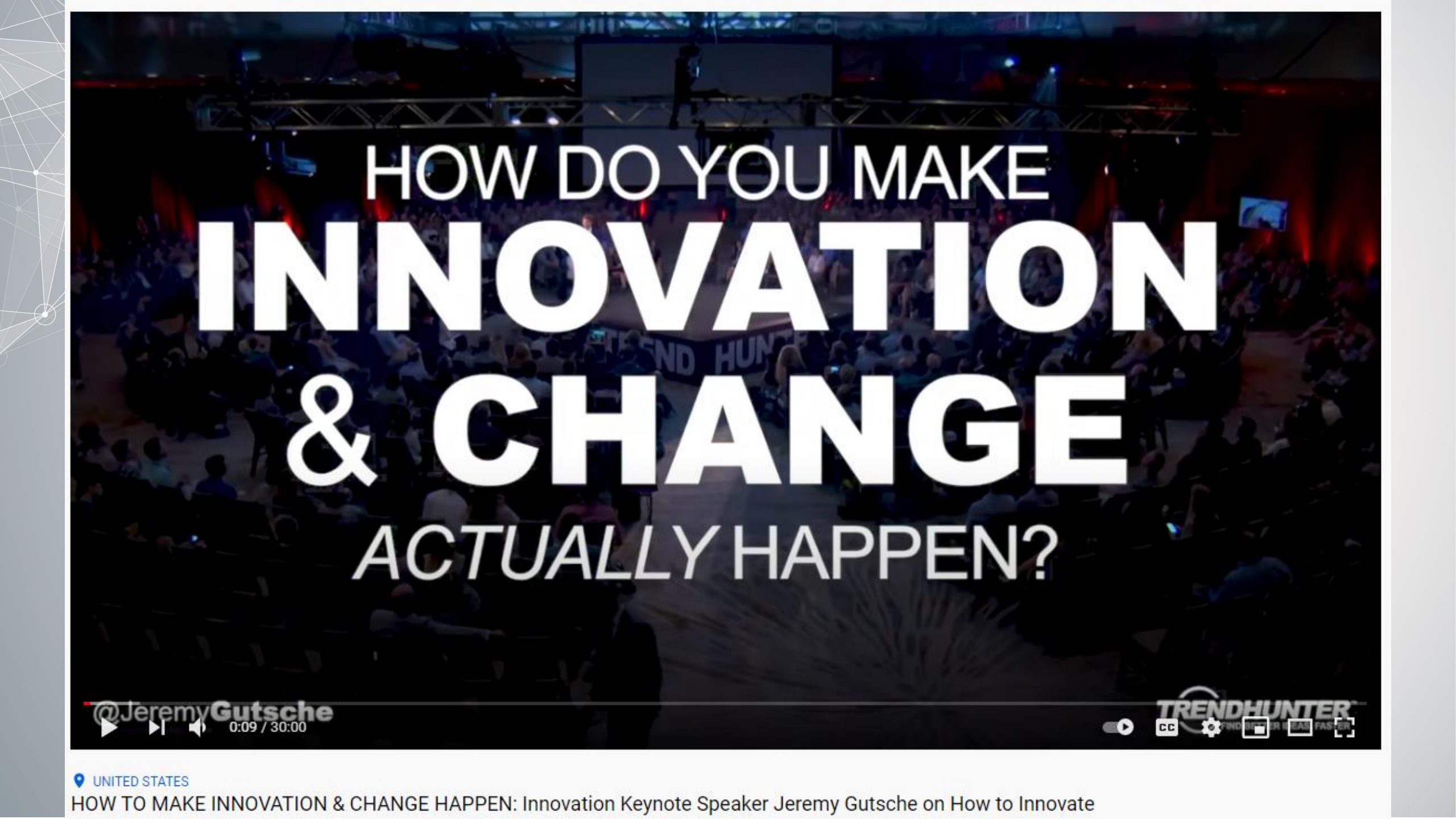




MANAGING FROM PRESENT TO DESIRED STATE

Questions we address over the coming weeks in the course:

- How to communicate and lead change?
- How to make sense of resistance and motivate people?
- How to control and minimize the disruptive aspects of change during implementation?
- How to shape the political dynamics of change so that power centres develop that support the change rather than block it?
- How to reach desired state over time?



HOW DO YOU MAKE **INNOVATION** & **CHANGE** ACTUALLY HAPPEN?

@JeremyGutsche 0:09 / 30:00



UNITED STATES

HOW TO MAKE INNOVATION & CHANGE HAPPEN: Innovation Keynote Speaker Jeremy Gutsche on How to Innovate



CREATIVITY

DEFINING CREATIVITY

A woman with long brown hair, wearing a light blue t-shirt and dark blue jeans, stands in the center of a large, industrial-style brick hall. She is surrounded by numerous colorful balloons in shades of red, orange, yellow, green, blue, purple, and pink. The balloons are tied to the floor with thin strings. The hall has high ceilings with exposed brick walls and a large red door in the background. Professional stage lighting and speakers are visible on the ceiling.

Creativity is the process through which new and useful ideas are generated.



SOME MYTHS ABOUT CREATIVITY

- The smarter you are, the more creative you are.
- Creativity is magical and extra-terrestrial.
- Creativity derives from eccentric personalities.
- Creativity exists in solely the arts.
- Coming up with new ideas is the most difficult part of creativity.
- The creative act is essentially effortless.
- Creative output is always good.

5 Stages of the Creative Process

Incubation



- explore
- experiment
- synthesize

Evaluation



- Reflect
- Criticize
- Assess



Preparation

- research
- Consume
- Immerse
- gather

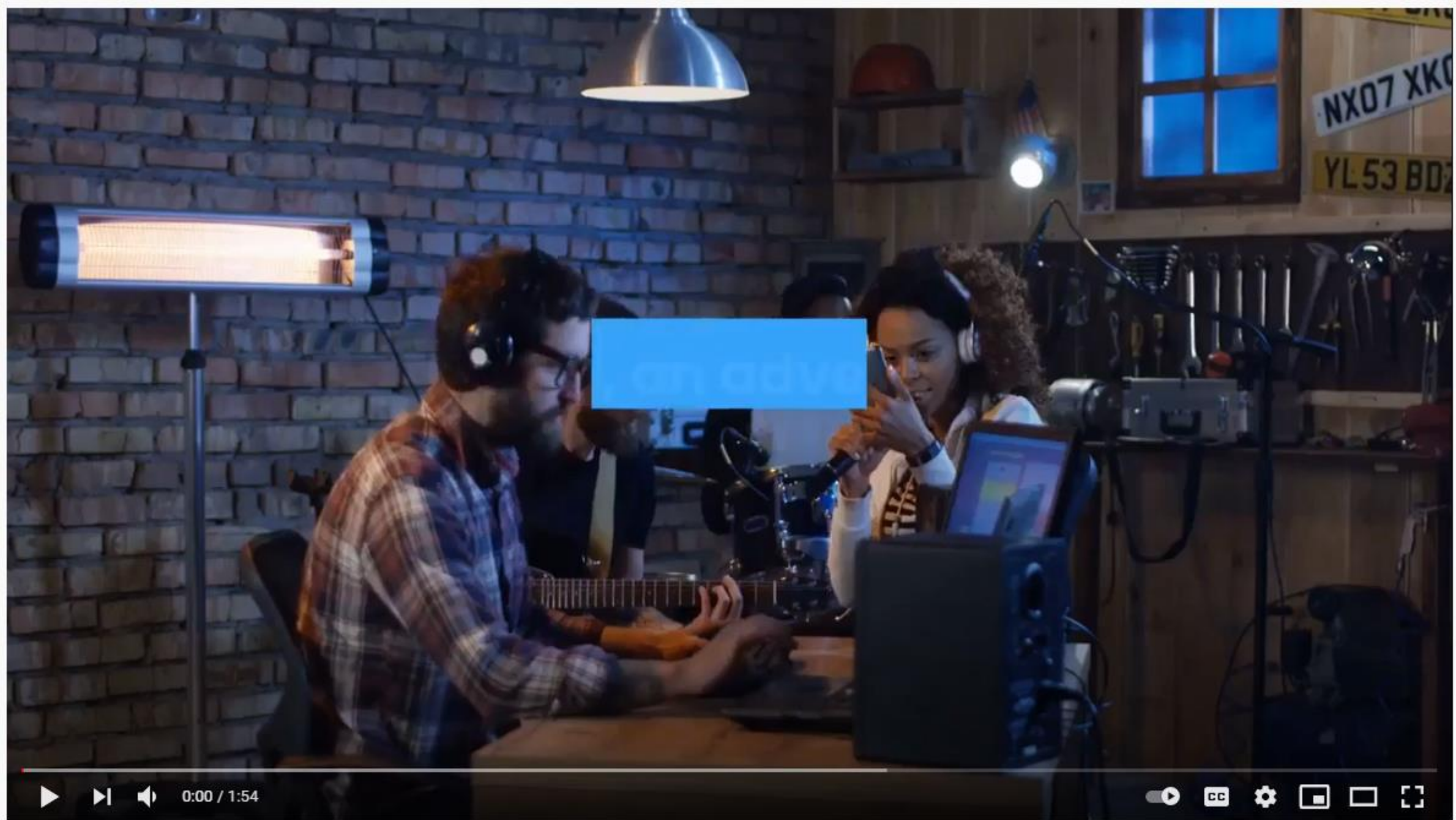
Illumination



Aha!

Implementation

- work
- work
- work



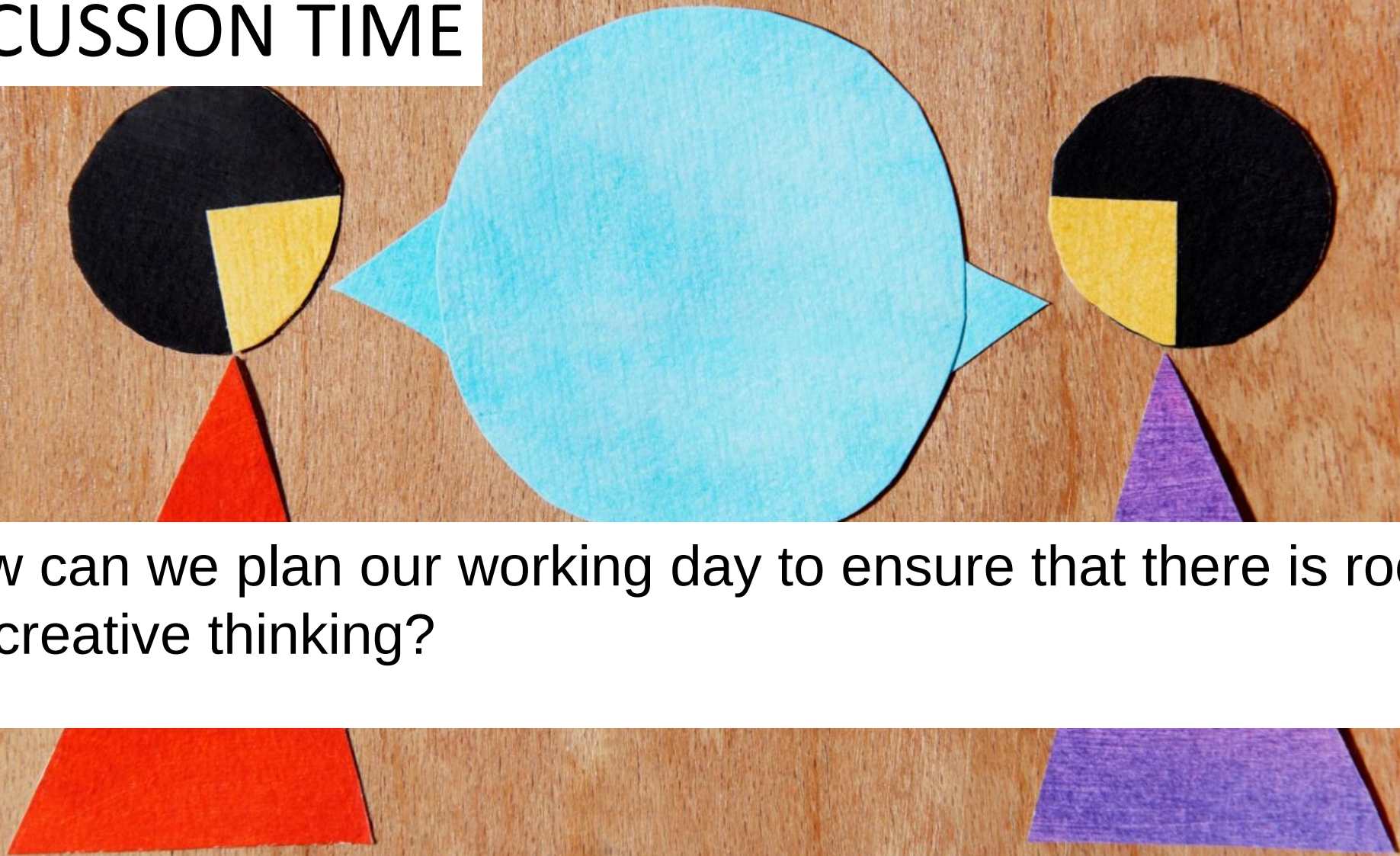
The 5 Stages of the Creative Process



CREATIVE THINKING?

- Freeing oneself from conventional thinking.
- Unconventional thinking (novelty) may question dominant views.
- Rooted in reality not purely imaginary.
- Part of play and humour in 'open' rather than 'closed' modes.
- Often challenges preconceptions (individual and group level).

DISCUSSION TIME



- How can we plan our working day to ensure that there is room for creative thinking?

DISCUSSION TIME

- 
- An illustration on a wooden background showing two stylized figures. The figure on the left has a black circular head with a yellow wedge-shaped section, a red triangular body, and a large light blue speech bubble. The figure on the right has a black circular head with a yellow wedge-shaped section, a purple triangular body, and a smaller light blue speech bubble pointing towards the first figure. Both heads have a yellow section that is a quarter of the circle.
- Do you feel that old experiences can ignite new ideas or block creative thinking?



Quick Break for Commercials



0:01 / 3:00





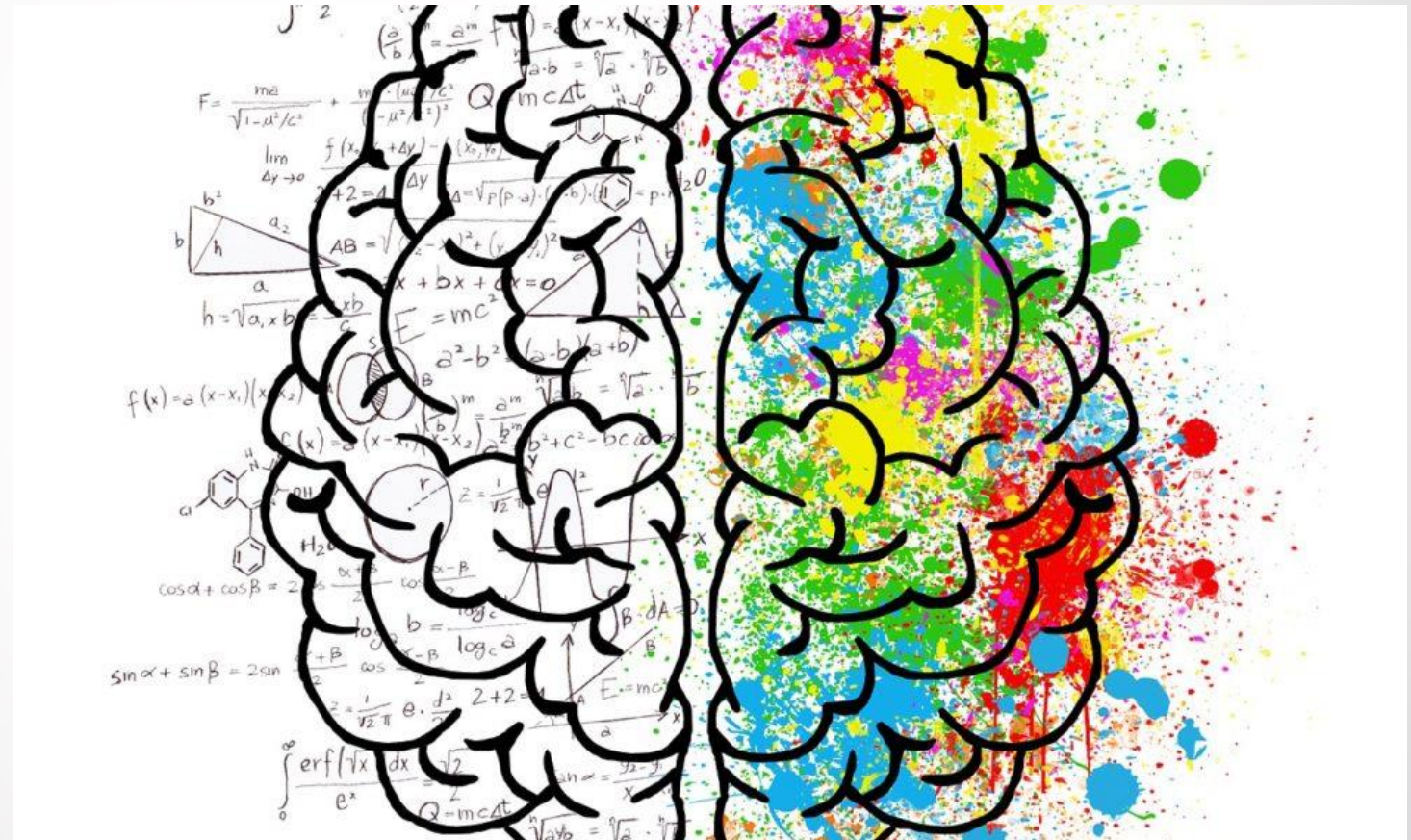
CREATIVITY VS. INNOVATION

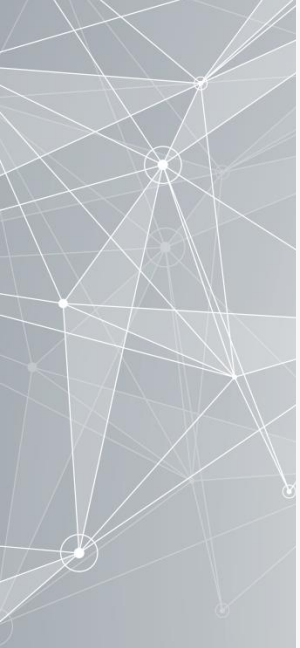
CREATIVITY AND INNOVATION

- Creativity *“is a starting point for innovation; the first is a necessary but not sufficient condition for the second”*.
 - (Amabile et al. 1996: 1155).
- Innovation is *“the successful exploitation of new ideas’ and is ‘the process of translating ideas into useful – and used – new products, processes and services’*
 - (Bessant and Tidd 2007: 29).

CREATIVITY AND INNOVATION

Creativity comes first and provides the incentive for many forms of innovation.



A decorative graphic in the top-left corner of the slide, consisting of a network of white lines connecting various circular nodes of different sizes, set against a light gray background.

A Brief History of Communication

⏮ ⏪ ⏩ ⏭ 🔊 0:01 / 1:48

CC ⚙️ 📺 🖥️ 🗉

THE PROCESS OF INNOVATION

- *Innovation is the multi-stage process whereby organizations transform ideas into new/improved products, service or processes, in order to advance, compete and differentiate themselves successfully in (the) marketplace. (Source: Baregheh et al., 2009: 1334)*

FIRE

WHEEL

COMPASS

AUTOMOBILE

STEAM
ENGINE

COMBASTION
ENGINE

CONCRETE

PETROL

PENNICILLIN

RAILWAYS

NAIL

OPTICAL
LENCEs

LIGHT
BULB

A decorative graphic in the top-left corner consisting of a network of white dots connected by thin white lines, resembling a molecular or neural network structure.

THE PROCESS OF INNOVATION

- *Innovation involves the utilization of ideas in solving problems, developing processes and improving the way we do things in creating new products, services, and organizations. (Source: Dawson and Andriopoulos, 2014: 10)*

PAPER

BATTERY

MORSE

TELEGRAPH

X-RAY

PRINTING
PRESS

TV

CAMERA

RADIO

TRANSISTOR

ANTIBIOTICS

REFRIGIRATOR

COMPUTER

PLAY TIME



- How many innovations can you see in this picture?

A decorative graphic in the top-left corner consisting of a network of white lines connecting small white circular nodes, resembling a molecular or digital structure.

THE PROCESS OF INNOVATION

- **Search and assessment:** scan environment to identify changes (especially those that may pose threats or offer opportunities).
- **Selection:** choose an innovation.
- **Implementation:** developing a strategy to make it happen (resolve problems as they occur).
- **Capture:** ensuring a gain in achievable benefits from the innovation i.e. focus on the wider value of innovation for company (profit motive) or people (social, well-being focus).

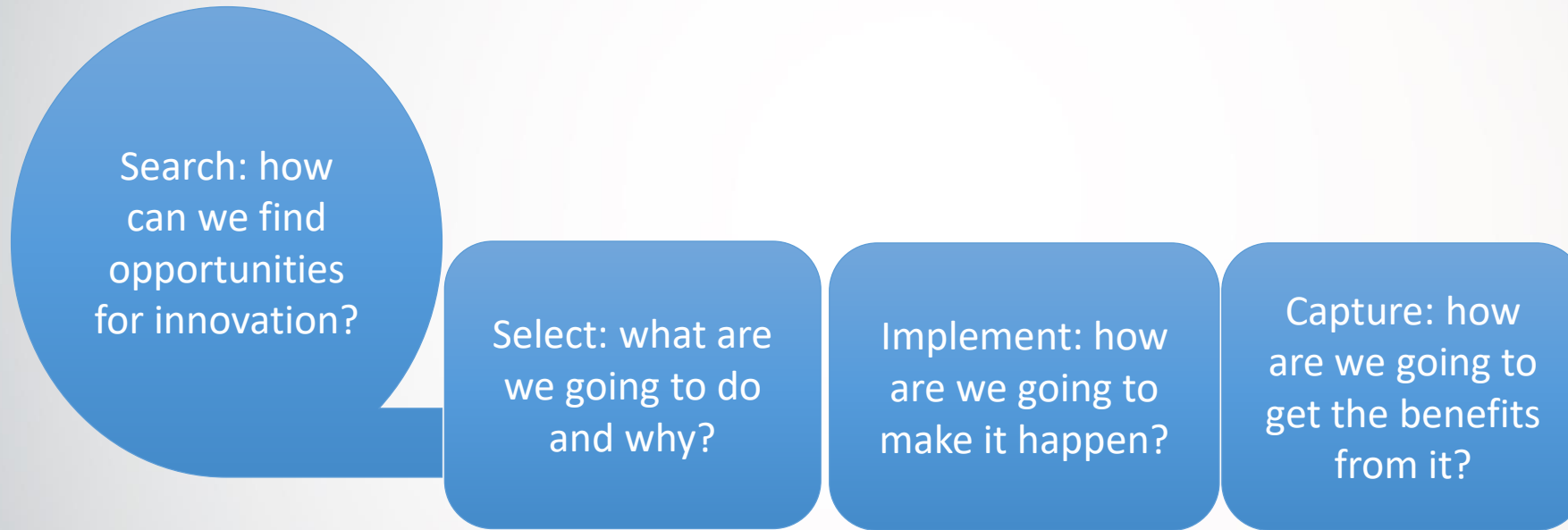


Figure 2.6 A process model of innovation (Source: Tidd, J. and Bessant, J. 2013. *Managing Innovation: Integrating Technological, Market and Organizational Change*. Chichester: John Wiley & Sons, p.89. © John Wiley & Sons)

LEVELS OF INNOVATION

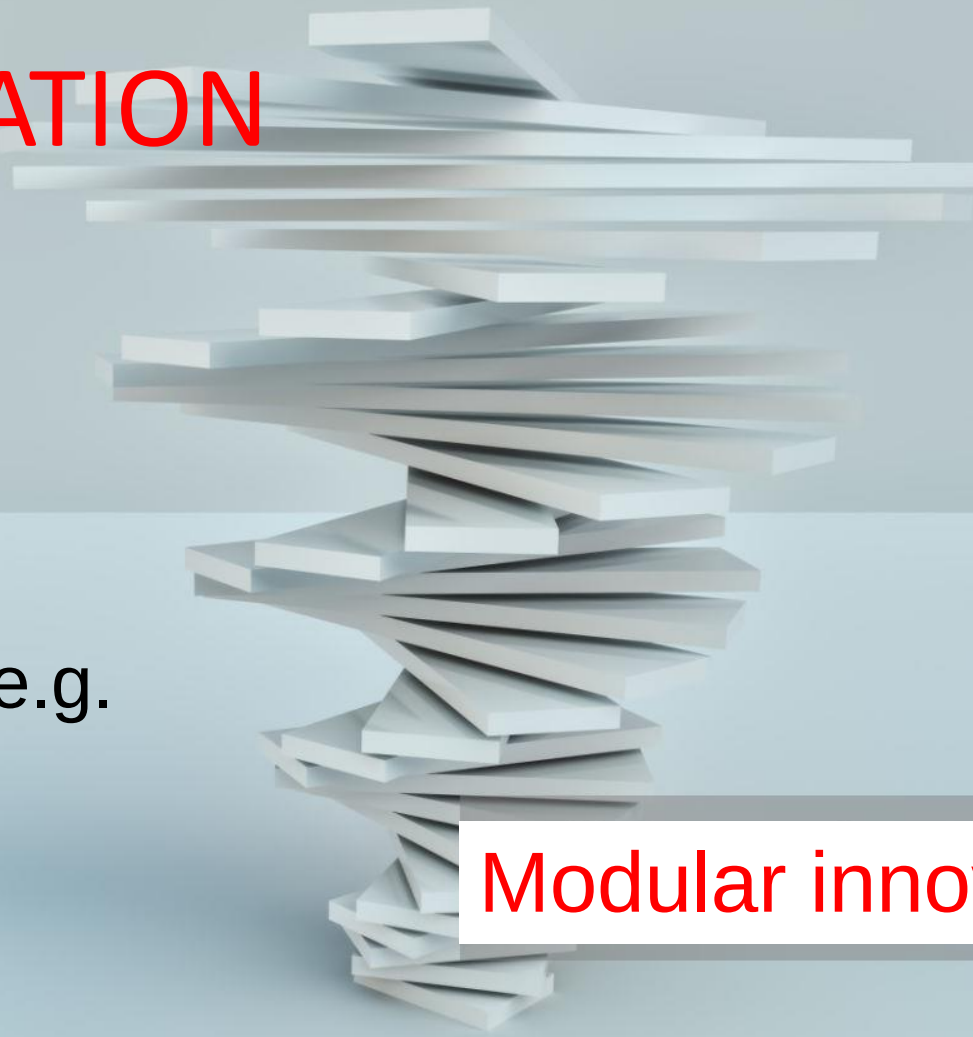
small changes, refinements,
and modifications to existing
products, e.g. picture quality,
hi-fi sound.



Incremental innovations

LEVELS OF INNOVATION

middle-range innovations e.g.
transition from black-and-
white to colour television,
digital sound systems.



Modular innovations

LEVELS OF INNOVATION

new knowledge, exploit
uncharted opportunities e.g.
telephone, steam engine,
motor car, internet.



Radical innovations

Most Change

Zones of Innovation

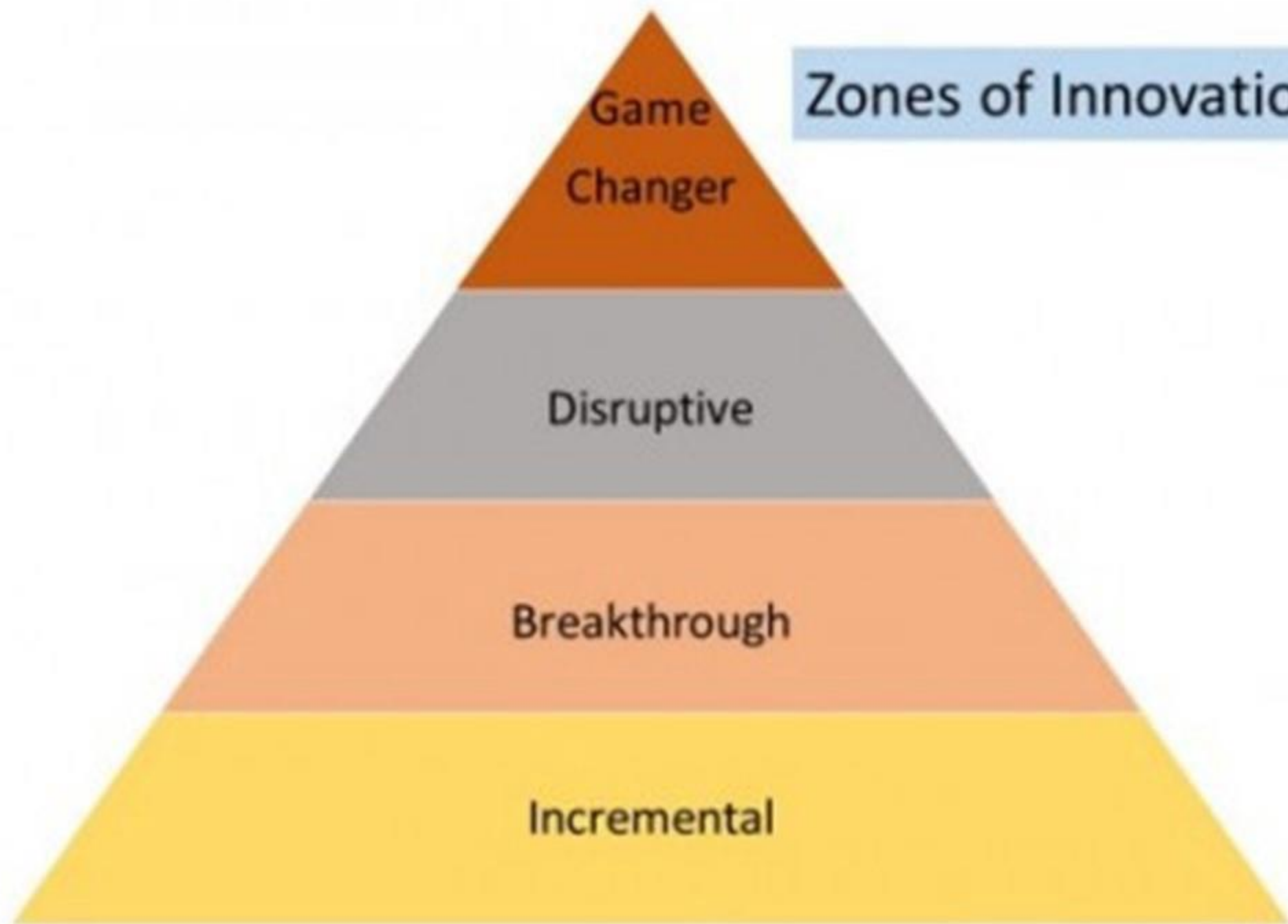
Game
Changer

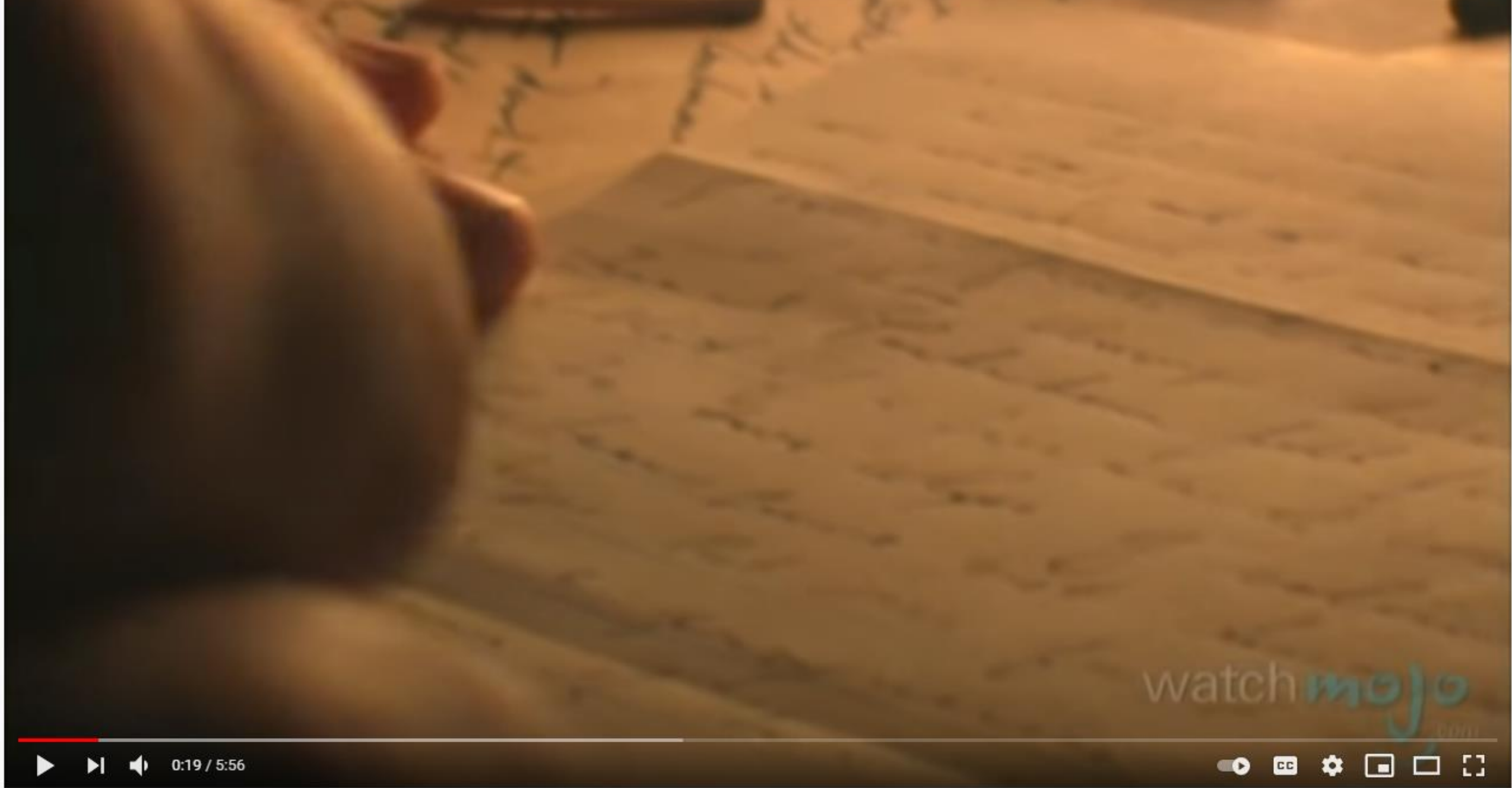
Disruptive

Breakthrough

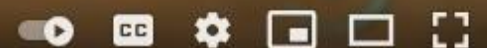
Incremental

Least Change



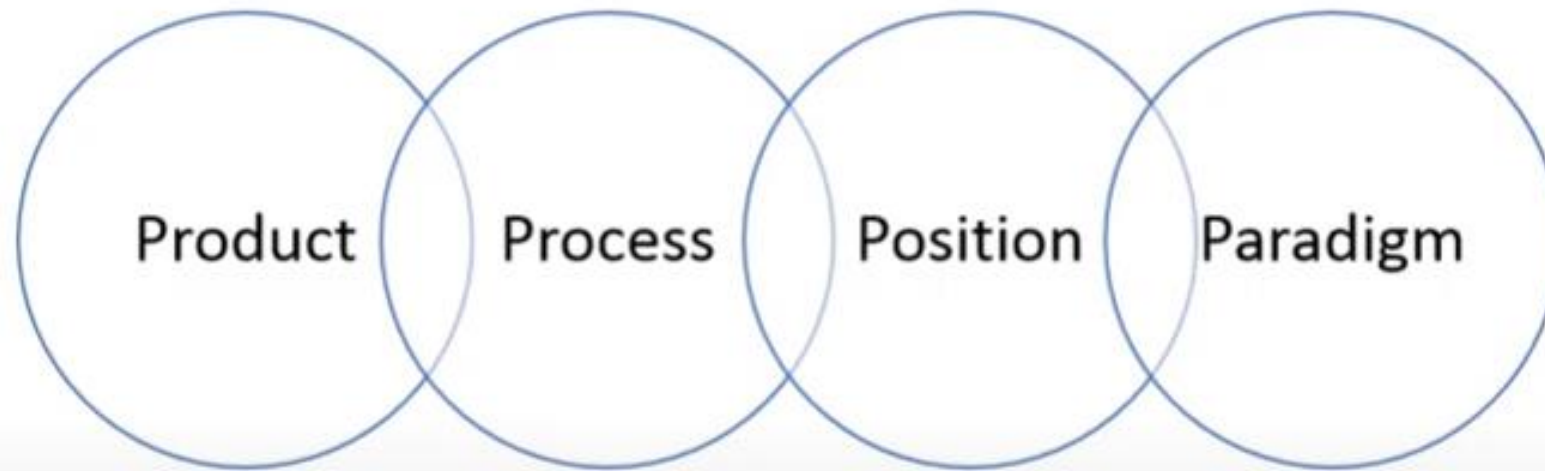


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Top 10 Inventions of All Time

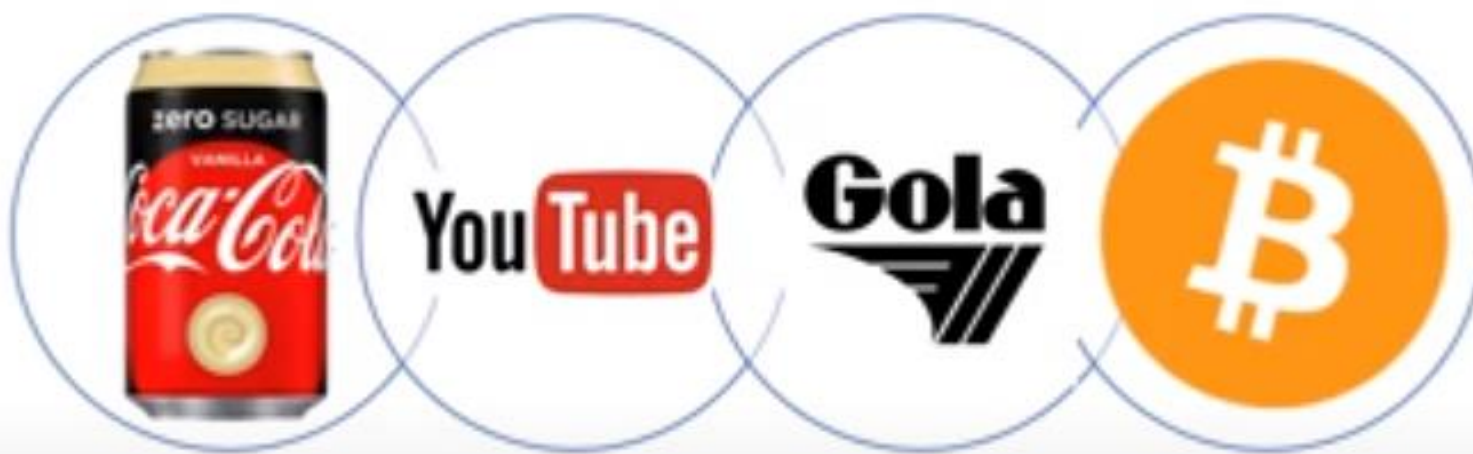
THE 4Ps OF INNOVATION





THE 4Ps OF INNOVATION

- **Product:** iPhone and flat-screen televisions.
- **Process:** supply chain integration, cellular work arrangements, continuous flow assembly line.
- **Paradigm:** reframing e.g. air flight expensive way to travel until challenged with the emergence of low-cost airlines.
- **Position or market:** repositioning e.g. Lucozade as a health drink (for sporting activities) rather than as a medicinal drink (for sick children).



3:11 / 4:22



What are the 4P's of Innovation

A decorative graphic in the top-left corner consisting of a network of white lines connecting small white circular nodes, resembling a molecular or web structure.

MANAGEMENT, SERVICE & OPEN INNOVATIONS

- **Management:** e.g. JIT, BPR, TQM generally linked to process innovations.
- **Service:** e.g. Hotmail offered the first free web-based email service.
- **Open innovation:** shift from closed models (internal control focus) e.g. NPD cycles that operate within organizations towards open approaches that tap into wider knowledge networks that may include strategic alliances, customers, competitors, and the wider public.



Let's see an example of
an innovative company

A decorative graphic in the top-left corner consisting of a network of white lines connecting various sized white dots on a light gray background.

P&G'S CONNECT + DEVELOP

- Innovation beyond normal areas of expertise
- Access to a wider range of innovative ideas
- Reduces risks by transforming potential competitors into collaborators
- Provides faster returns (monetisation of value) through the manufacture, marketing, and distribution of new products

www.pgconnectdevelop.com.



0:09 / 4:27





Social Innovations



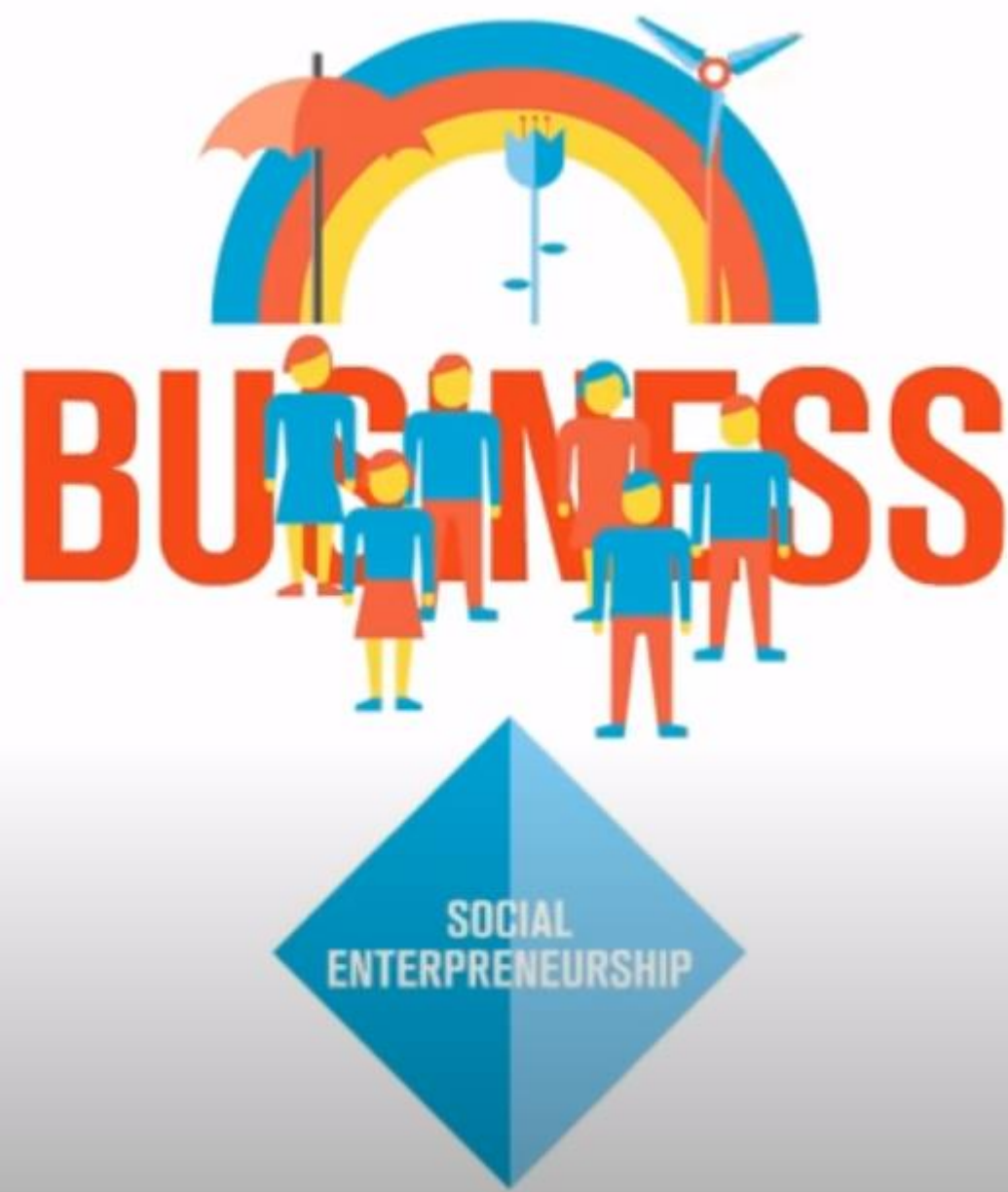
THE RISE OF SOCIAL INNOVATIONS

- Social innovations seek to provide socially useful solutions to ongoing problems
- Social entrepreneurs seek innovations that can make a social difference, are socially valuable
- Social business pays no dividends, sells products at prices that make it self-sustaining. Any profit stays in the business – to finance expansion, to create new products or services, and to do more good for the world (Muhammad Yunus, 2007)



0:09 / 2:29





What is social entrepreneurship?

DISCUSSION TIME



- Let's discuss some everyday problems?
- How could social innovation find solutions?





THREE TECHNOLOGY DRIVEN INNOVATION ROADS

- Improve existing products for high-margin customers.
- Introduce cheap alternative products to customers at the low end of the market, especially if they feel that they are paying more than they need.
- Create a new market for non-consumers who are not currently in the market at all (Christensen et al, 2004).



0:04 / 2:03



The Explainer: How to Be a Disruptor



DISRUPT OR SUSTAIN?

Disruptions often ignored or disparaged:

- Products seen to be inferior, clumsy, of poorer quality with limited functionality.
- Sony's (1960s) transistor radios – portable but poor sound (replaced vacuum tubes).

Innovators dilemma:

- Often financially unattractive so opt for strategies that sustain innovations that support existing business model and reaffirm dominant market position

-THE- INNOVATOR'S DILEMMA

By

CLAYTON
CHRISTENSEN

BS BOARDSTUDIOS



0:05 / 4:17



DISRUPTIVE INNOVATIONS

Discontinuous innovation refers to breaks in established patterns that occur outside of the established rules of the game. Triggers:

- Technology.
- New markets.
- Regulatory change.
- Unforeseen world events.
- War and political change.

For example refrigeration systems developed in the 1870s destroyed ice-harvesting industry.





KEY TAKE AWAYS

A decorative graphic in the top-left corner consisting of a network of white lines and dots on a light blue background, resembling a molecular or neural network structure.

KEY TAKE AWAYS

1. Change is represented as movement from a current position to a future desired state.
2. The punctuated equilibrium model views incremental change being punctuated by more radical adjustments.
3. Disruptive innovations disrupt existing markets and value networks displacing established technologies and creating new markets.



SUMMARY OF DEFINITIONS

- Organizational change is the movement over time from existing ways of doing things to alternative and new ways of operating. It is sometimes planned and managed with the intention of securing anticipated objectives and sometimes unplanned for and unforeseen.
- Creativity is the process through which new and useful ideas are generated.
- Innovation involves the utilization of ideas in solving problems, developing processes and improving the way we do things in creating new products, services, and organizations.



RECOMMENDED READING

Change

- Boje, D.M., Burnes, B. and Hassard, J. (eds) (2012) *The Routledge Companion to Organizational Change*. London: Routledge.
- Senior, B., & Swailes, S. (2016). *Organizational Change* (5th ed.). Harlow: Pearson.

Creativity

- Amabile, T.M. (1989) *Growing Up Creative*. New York: Crown Publishing Group.
- Townley, B. and Beech, N. (eds) (2010) *Managing Creativity: Exploring the Paradox*. Cambridge: Cambridge University Press.

Innovation

- Bessant, J., & Tidd, J. (2015). *Innovation and Entrepreneurship* (3rd ed.). Chichester: John Wiley & Sons.