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Workplace Creativity:
Psychological, Environmental,
and Organizational Strategies

Thomas E. Backer
*Human Interaction Research
Institute
Los Angeles, CA*

"Innovation in America," the 1989 special issue of *Business Week* devoted to creativity in the workplace, was the largest editorial effort in that magazine's history. Labich (1988) recently stated

Correspondence and requests for reprint should be sent to Thomas E. Backer, Human Interaction Research Institute, 1849 Sawtelle Blvd., Suite 102, Los Angeles, CA 90025.

in another major chronicle of American business that:

Innovating—creating new products, new services, new ways of turning goods more cheaply—has become the most urgent concern of corporations everywhere. That is partly because restructuring has left many companies with a few core businesses that are solid but slow growing. Innovation is their best bet for revving things up. In addition, technology has forced the pace of change and sharply cut the effective lifetimes of all kinds of products. (p. 51)

Time's June 1990 article on creativity training in American business put it even more succinctly: "In an era of global competition, fresh ideas, have become the most precious raw materials" (Cocks, 1990, p.40). These media statements are dramatic evidence that American employers are increasingly interested in learning how to stimulate creativity in the workplace.

More than half of the Fortune 500 companies provide creativity development training for their key executives, totalling more than 20,000 executives in one recent year. Creativity training programs given by organizations like the Center for Creative Leadership in North Carolina are in great demand. American creativity ex-

perts such as Ned Herrmann and Roger Van Oech have developed creativity training approaches based in specialized theories about the nature of creativity. Other methods are now being developed that bring together creativity development with organizational change and related management sciences approaches (Amabile & Grysiewicz, 1987; Backer, 1986, 1987; Kuhn, 1988).

Some larger American corporations have organizational units devoted to enhancing worker creativity, such as Hallmark Cards' Creative Resources Center. Others are redesigning entire workplaces, such as Hewlett-Packard's "factory of the future" in Puerto Rico, in which employees are selected for their ability to work as part of a creative team. In Los Angeles, a large advertising agency recently spent \$7 million redesigning their corporate headquarters, opening up the space so as to promote better communication and a better environment for creativity. Business school students are starting to receive training on this topic. Ray and Myers' Book, *Creativity in Business* (1986), described their popular Stanford Business School course on creativity. Kao (1989) did the same for his Harvard Business School course in his book *Entrepreneurship, Creativity and Organization*. In short, activities to enhance worker creativity

are emerging at every level of American business.

Three types of interventions employers can make to enhance creativity in the workplace include: *psychological interventions*, which help workers deal with stress, lifestyle management, and other personal and interpersonal factors affecting creativity; *environmental interventions*, which redesign working conditions and set a general atmosphere conducive to creativity; and *organizational interventions*, which provide a management and financial structure to support creative activity. Examples of each intervention from the Hollywood entertainment industry are described later. This is an industry built on creativity, where an entirely new product line must be created every year to fill the distribution pipeline—or every week, in the case of episodic television. It is a highly profitable industry in America and worldwide—one of the few with a favorable balance of trade. Yet, like other businesses, the film and television industry today is facing challenges of increasing competition, globalization of the economy, and rapid changes caused by advancing technology. Methods for enhancing workplace creativity thus are of great interest to Hollywood, as they are to all businesses.

The first example involves a psychological intervention made with a young feature film director I'll call "Rick." Rick came to me as a consulting client last year, about six months before he was to begin directing a theatrical feature film. This was his "big break" as a director; he would be a key creative force in a multimillion dollar project. Rick was scared. He had suffered enormous stress during his last directing assignment, followed by a period of physical and mental exhaustion.

He was concerned about both his health and his creative productivity as he started work on this new film.

Weekly sessions were held for several months to analyze the sources of stress Rick was likely to confront in the months-long process of creating a major motion picture—his own fears and insecurities, working with highly sensitive and sometimes difficult people, and the enormous time and budgetary challenges of film-making, the complexities of the director's job. The sessions examined his personal life, too—his friends, family, and personal relationships. And the review included examining what he was doing to handle stress in his life—his exercise, diet, sleep patterns, supportive relationships, and many other factors. What emerged from this process was a "master plan" for Rick's personal stress management during the seven to eight months of the film-making process, centered on the 11 weeks of actual filming. Stress management exercises, a physical conditioning program, a set of rules for personal relationships, and many other structures were developed so that Rick would be less likely to suffer the ill effects of poorly managed stress. These ill effects often include periods of diminished creativity, physical illness, and emotional upheavals that can be devastating to a creative project, especially when the person involved is in a key role.

Rick made it through his film's production process, and the film was highly successful at the box office. He showed great courage in facing some highly personal issues that were affecting his creativity, and then developing a practical plan for dealing with them. The result, he reported, was the highest level of creative productivity he had ever experienced.

Attention to stress management and other personal factors businesses are often loathe to get involved with has extraordinary payoff, in much the same way that helping workers deal with an alcohol or drug abuse problem can enable them to return to productive work. The delicate balance of creativity is profoundly affected by a person's physiological and psychological stress level; stress can't be eliminated, but its harmful by-products can be reduced (Backer, 1983a, 1983b). Through training, in-house counseling by managers and human resources professionals, and specialized outside consultation, employers can assist their key creative people.

A second example describes an environmental intervention. This example comes from a book the writer is currently working on, entitled *Temporary Universe*. The book is a case study of the making of a feature film, concentrating on the dynamics of the creative process and how a "temporary system" comes together to make this particular type of creative product. Initial development of the script, assemblage of the creative, financial and production "package" for the film, and many other steps over almost two years prior to commencement of production have already been studied, while they were happening. Principles for managing individual and group creativity will be illuminated in this case study—how to engineer the work environment to stimulate creative flow, managing the stresses of creative work, and dealing with the special challenges of creativity in a temporary system. Using feature film-making as an example will make it easier to learn about creative productivity in temporary systems, not only because of the glamour of Hollywood, but also because there is

such a long tradition of temporary systems in show business, where nearly everything is "project work."

An increasing number of American workplaces are turning to temporary systems, because they help business to succeed in an economy that requires resiliency and flexibility in response to constant change. Organizing for innovation means flattening the hierarchy, giving more responsibility to workers at lower levels, and replacing discipline-oriented departments with "ad hoc mission-team groups." Robert L. Callahan, president of Ingersoll Engineers, put it this way in the "Innovations in America" issue of *Business Week* (p. 37): "Forget the organizational structure we've used for 300 years. Simply put together people who can get the job done, regardless of their function." Motorola, Hewlett-Packard, Deere, Caterpillar, and Carrier are among the American corporations now experimenting with such approaches. There are already examples of success. Perkin-Elmer Corporation, for instance, found that setting up a team with professionals from different disciplines helped cut by half the number of engineering changes required to produce a new product, and cut ultimate manufacturing costs by 55%.

There is, however, still much resistance to temporary systems and team management approaches in America. These methods run against management traditions of hierarchical authority, and cost accounting is harder because financial boundary lines get crossed. Also temporary systems require new and different management skills. Thus, these approaches are still on the frontier of American management in the 1990s.

The third intervention concerns organizational support for creativity, and comes from observations (e.g., Knowlton, 1989) of the Walt Disney Company—which has recently become one of the most successful companies in America. Disney's annual revenues have increased an average of 23% since 1984, and its net income by 50%. Disney provides some significant structural supports for creativity, beginning with its CEO, Michael Eisner, who is an "idea man" rather than a lawyer or financial expert. The management team Eisner heads operates on the basic assumption that creative ideas are the essential raw material for corporate growth, so one of the responsibilities of management is to provide structure that supports creativity.

Every creative project in the Disney media empire begins with a planning process that involves a "financial box," with reasonable risk and cost as the walls. A six-person strategic planning group considers each creative project idea, using a process called "truth seeking" to challenge financial assumptions and predict expected financial success. Creative and financial managers jointly draw up a budget and schedule. Then top management makes a rapid decision on whether to proceed with the given project. Tight financial supervision like this might stifle creativity, so some safeguards are built in. For instance, when the movie *Who Framed Roger Rabbit?* began to exceed its budget, Eisner immediately called his team together to reassess the project. After weighing potential risks and benefits, he decided to "enlarge the budgetary box." The film ended up costing \$40 million to make, but was also critically acclaimed for its extraordinary blend of live action and anima-

tion—and it was the highest-grossing film of 1988.

By engineering a systematic process in which "art and commerce" are blended, and by having a creative rather than a financial person at the helm, there is a highly effective set of checks and balances to help keep both creative and financial processes in line. This organizational structure supports creativity, but with well-defined limits since the creative activity is happening in a profit-making environment. Many other businesses with creative product lines simply do not systematize the decision-making process as completely and as openly, resulting with the deterioration in the quality of decision-making. Such organizational supports of creativity could very well be combined with environmental and psychological ones in a *systems* approach designed to maximize the creative powers of a workforce.

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