

Work Environment for Innovation and creativity in Nepalese Organization

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Abstract : *This paper examines the work environment for innovation and creativity. This paper examines the relationships between the work environment and creativity in the business enterprises of sectors such as Finance and Banking, Manufacturing, Trading, Education and Hotel in Nepal. The survey was conducted in the month of November 2008 in Kathmandu vally. The data analysis has been focused on self-administered questionnaires. Of the 112 questionnaires distributed to the respondent-employees, 86 responses have been usable making the response rate of 77 per cent. The study concludes that freedom or autonomy impacts positively to innovation and creativity. As well as sufficient resources helps to grow innovation & creativity*

I. INTRODUCTION

Innovation and creativity have become vital competences to business performance and firms' long-term prosperity. Macroscopically, they contribute to employment, productivity growth and economic development (Tidd, et al., 1997; European Commission, 1996). Today's organizations and firms' have to deal with changeable environments and the need to respond to challenges from new competitors, new partners, new products and new technologies to remain competitive. An organizations' capacity to swiftly produce, assimilate and explore successfully innovations in the economic and social domains, is an important source of competitive advantage. This, together with high-added value factors like emergent technologies or fast new product development ensures sustainable competitively in the long run (Kao, 1997; Fong, 2003). One can say that being competitive is being able to concentrate on good, innovative products and processes. This means: (i) doing what others do not know how to do (be it cheaper, better, different); (ii) absorbing rapidly useful innovations generated by others; (iii) showing to potential consumers the benefits of one's products, and; (iv) trying to anticipate future tendencies (Castro, 2002, cited in Marques, 2004).

The dimension called 'autonomy/freedom' represents a sense of ownership and

control over one's own work and ideas (Amabile et al., 1996). Bureaucracy does not weigh on the shoulders of individuals, dictating the manner in which they must do their job. In a work environment that fosters creativity, people can readily contact experienced people to discuss problems and alternatives. People feel free to be who they are and are encouraged to use their own initiative. This implies that individuals are not apprehensive about venturing outside established boundaries and taking risks. This paper examines the influencing capacity of freedom and resources to innovation and creativity.

The next section discusses the review of literature. The methodology of the study adopted is discussed in the third section. In fourth section presents the empirical results and the last section contains the conclusions from the study.

II. REVIEW OF LITERATURE

Creativity lies at the heart of successful companies. Nonaka and Takeuchi (1995) suggested that businesses distinguish themselves through their capacity for continuous innovation. Without a continuous level of innovation, many of them would simply cease to exist. Couger (1995) identified creativity is present at every stage of the process culminating in innovative products or services. Ciardi (1956), Couger (1995) and Koestler (1960) defined creativity as the imaginatively gifted recombination of known elements into something new. Kao (1996) explained that creativity adds value to knowledge and progressively makes it more useful. Hence, Handy (1996) focused that creativity is a by-product of the knowledge economy, where knowledge is the key resource. Knowledge needs creativity. Fostering creativity is therefore a critical aspect of effective management. Creativity is hindered far more often than it is aided and abetted (Robinson and Stern, 1997; Amabile, 1998). This makes it essential to understand how to nurture creativity. Different managerial practices influence the work environment, which is the major factor fostering creativity within business organizations (Bharadwaj and Menon, 2000; Couger, 1995; Robinson and Stern, 1997; Sweetman, 2001). Furthermore, authors have recognized the need for more research on the creativity work environment (Montuori, 1998; Pearson and Chatterjee, 1997; Tesluk et al. 1997). This study expands on this line of thinking on the organizational environment and creativity.

The two main resources that affect creativity are time and money. Managers need to allot these resources carefully. Like matching people with the right assignments, deciding how much time and money to give to a team or project is a sophisticated judgment call that can either support or kill creativity. Considering time; under some circumstances, time pressure can heighten creativity. Say, for instance, that a competitor is about to launch a great product at a lower price than your offering or that society faces a serious problem and desperately needs a solution – such as an AIDS vaccine. In such situations, both the time crunch and the importance of the work legitimately make people feel that they must rush. Indeed, cases like these would be appropriate to increase intrinsic motivation by increasing the sense of challenge. Organizations routinely kill creativity with fake deadlines or impossibly tight ones.

Focusing on the organizational culture or climate that encourages or kills creativity, there will be things that happen either formally or informally and either of these may in turn help or hinder; there may also be things that the organization does not affect the quality of problem solving. Environmental factors are conducive to creative thinking. The freedom to do things differently, an environment that encourages risk taking, self-initiated projects, provides help, time for developing ideas, individual efforts; an optimal amount of work pressure, a no punitive environment, a low level of supervision, resources and realistic work goals; shared responsibilities, timely feedback, confidence in and respect for co-workers, and shared decision-making (participation); interaction with others outside the work group; and open expression of ideas, particularly of-the-wall ideas etc. are those factors which will increase individual motivation and the happiness of enjoying your work, essential elements for creative and innovative work.

When it comes to granting freedom, the key to creativity is giving people autonomy concerning the means that is, concerning the process but not necessarily the ends. People will be more creative, in other words, if you give them freedom to decide how to climb a particular mountain. You needn't let them choose which mountain to climb. In fact, clearly specified strategic goals often enhance people's creativity.

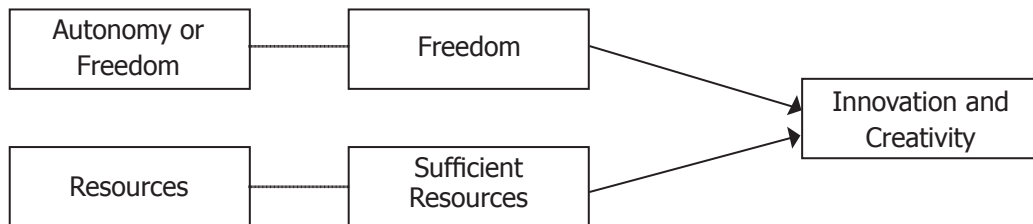
The dimension called 'autonomy/freedom' represents a sense of ownership and control over one's own work and ideas (Amabile et al., 1996). Bureaucracy does not weigh on the shoulders of individuals, dictating the manner in which they must do their job. In a work environment that fosters creativity, people can readily contact experienced people to discuss problems and alternatives. People feel free to be who they are and are encouraged to use their own initiative. This implies that individuals are not apprehensive about venturing outside established boundaries and taking risks.

Several researchers have concluded that creativity is fostered when individuals and teams have relatively high autonomy in the day-to-day conduct of the work and a sense of ownership and control over their own work and their own ideas (Bailyn, 1985; King and West, 1985; Paolillo and Brown, 1978; Pelz and Andrews, 1966; West, 1986). Studies of creativity have revealed that individuals produce more creative work when they perceive themselves to have choice in how to go about accomplishing the tasks that they are given (e.g. Amabile and Gitomer, 1984).

A number of researchers have suggested that resource allocation to projects is directly related to the projects' creativity levels (Cohen and Levinthal, 1990; Damanpour, 1991; Delbecq and Mills, 1985; Farr and Ford, 1990; Kanter, 1983; Payne, 1990; Tushman and Nolson, 1990). Aside from the obvious practical limitations that extreme resource restrictions place on what people can accomplish in their work, perceptions of the adequacy of resources may affect people psychologically by leading to beliefs about the intrinsic value of the projects that they have undertaken.

III. RESEARCH METHODOLOGY

FrameworkSufficient Resources



Basically, it is a descriptive study having the features of survey research. It has included employees of executive, officer and non-officer levels in Nepalese banks as the respondents of the study. For collecting primary data, a survey technique has been adopted.

Suitable techniques and tools including various statistical tools were employed for the study. The Statistical Package for Social Science (SPSS-13) as well as descriptive tools has been used to tabulate data. The following section contains the discussion on the study design, data sources, description of research instruments, and the data collection and analysis methods. The data research methodology followed in the present research has been detailed below.

To ensure full coverage of potential respondents, a current list of employees was obtained from the Human Resources Division as a guide when distributing the questionnaires. This ensures the coverage of all officers from different grades in the sample organizations. The respondents' job title included: general manager/director/CEO, assistant director, assistant manager, engineer, information system officer, assistant administration officer, technical officer, assistant information officer, legal officer, accountant and internal auditor. All respondents in the corporate office, central offices and branch offices were handed over questionnaires personally to ensure high response rate.

IV. PRESENTATION AND ANALYSIS OF DATA

Bank staffs' perception on work environment for innovation and creativity

To examine the respondents' general perception on work environment for innovation and creativity, they were asked a total of eight questions.

Autonomy or Freedom

All the respondents were asked whether they feel free to express ideas, maximizing skills, freedom in company and got freedom to conduct their work effectively. The details of respondents are presented in Table 1.

Table 1 : Autonomy or Freedom

This table reports the responses on the given statements

Statements	Percentage of respondents*		
	Yes	No	Don't no
Do you feel free to express your ideas to your boss?	80	15	5
Do you feel you are maximising your skills and knowledge in your work?	47	44	9
Is there a lot of freedom in company?	38	44	18
Do people in your work unit have the freedom they need to conduct their work effectively?	57	24	19

* These estimates are based on 86 responses.

Source: Survey 2008

The majority of the respondents (80 per cent) felt that free to express their ideas to their boss. More of them near to half of the respondents (47 per cent) opined that they are maximizing their skills and knowledge in their work. As well as more than half respondents (57 per cent) said that they have the freedom they need to conduct their work effectively while near to half of the respondents (44 per cent) opined that they don't have a lot of freedom in company.

Sufficient Resources

The respondents were asked whether the information readily available, appropriate levels of funding, access to the tools and equipment and access the professional advice. The details of respondents are presented in Table 2.

Table 2 : Sufficient Resources

This table reports the responses on the given statements

Statements	Percentage of respondents*		
	Yes	No	Don't no
Is information about different company projects readily available to all employees?	19	71	10
Are appropriate levels of funding directed towards creative solutions to important problems?	26	43	31
Do people in your work unit have access to the tools and equipment needed to do their job effectively?	62	26	12
Do people in your work unit have access to the professional advice they need to do their job effectively?	48	31	21

* These estimates are based on 86 responses.

Source: Survey 2008

Many more than half respondents (71 per cent) opined that they don't have full information about different company projects available to all employees. As well as near to half respondents (43 per cent) said that they do not have appropriate levels of funding directed towards creative solutions to important problems. While more than half respondent (62 per cent) thought that people in their work unit have access to the tools and equipment needed to do their job effectively, as well as near to half respondents (48 per cent) said people in their work unit have access for the professional advice they need to do their job effectively.

V. CONCLUSION

The bank employees believe that sufficient information, fund, tools and equipment and professional advice are most essential for innovation and creativity. Similarly, Cohen et al. (1990) emphasized that resource allocation to projects is directly related to the projects' creativity levels.

Bank employees feel free to express their ideas to their boss, and lot of freedom in company. Several researchers have concluded that creativity is fostered when individuals and teams have relatively high autonomy in the day-to-day conduct of the work and a sense of ownership and control over their own work and their own ideas. Likewise, Amabile and Gitomer (1984) focused that individuals produce more creative work when they perceive themselves to have choice in how to go about accomplishing the tasks that they are given.

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