Creativity, Innovation and Entrepreneurship

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Over the past few years the relationship between creativity and economic development has received increasing interest from a number of different fields of study, in parallel with increasing recognition of the role and importance of creative activities. Since the 1990s, creativity and innovation have achieved acceptance in the fields of business and management in the form of acknowledgement that new markets, or even market growth, may only be attained via creative and innovative solutions. Studies of entrepreneurs and entrepreneurship and growth have become the prime catalysts for the identification and promotion of innovative knowledge industries, whose economic importance has become increasingly significant. Thus, in order to fully appreciate the role of creativity and innovation, it is first vital to understand the nature of entrepreneurship and, specifically, the creativity required to identify and exploit opportunities, and to acquire the necessary resources.

Creativity defined

In the past, the act of being creative meant to “unleash, harness, and empower potential from whatever source” (Landry, 2005, p. 53). The traditional view also states that “the artist is a channel for a superior power, creativity a gift from the gods, and the imagination a divine spark” (Throsby, 2001, p. 94). To borrow an overview from Hisrich, Peters and Shepherd (2005, p. 8), the “ability to innovate and create can be observed throughout history; although the fundamental tools may have changed the ability has been present in every civilization”.

Today, creativity is defined as “…the ability or quality displayed when solving hitherto unsolved problems, when developing original and novel solutions to problems others have solved differently, or when developing original and novel… products” (Parkhurst, 1999, p. 18). This could, for example, mean new
processes to help us do something better, or ideas for new ways to use existing products. It could also mean new services to supply to new or existing customers and, of course, it can mean new ways of thinking about things, encompassing.

| Flexibility: Willing to look at an issue from many angles, not set in our ways |
| Originality: Attempts to find non-typical responses to problems |
| No-judgment: Not rejecting a potential solution without giving it appropriate consideration |

This shift in theory leads to a move away from Feldman’s (1979, p. 660) elitist view that creativity is only for the gifted.

The elitist view sees creativity as an individual spiritual experience; an innate ability that cannot be harnessed. In the developmental view, creativity is in us all, not a select few, and is more a problem-solving process that can be learned, practised and applied by anyone.

Instead, creativity is seen as a process, not an event, and as something that can be harnessed and supported. Creativity is not a minority phenomenon, but can be developed in anyone, as it involves engaging in a problem-solving process more than expressing innate, special ability. In other words, it may be out of the ordinary but it can be learned, practised and applied by anyone. Thus what was once considered the work of the artist-genius became democratised. Today, we all aspire to be creative in some respect. Even so, the value of individual skill and talent in innovation must still be recognized, and should be cultivated more intensely than ever before.

Edward de Bono (2008), a theorist of creativity, noted that the process of creativity does not just happen in a flash of inspiration. Individuals, entrepreneurs, teams and business don’t just sit waiting for the “lightbulb moment”; instead, he argues that they approach their problem systematically. He developed “The Six Thinking Hats” technique to aid this process. The basic premise is for an individual or project team to learn how to separate thinking into six clear functions and roles by “wearing one hat at a time” when considering a problem. Each role is identified with a symbolic thinking hat in a different colour. By mentally wearing and switching hats, teams can easily focus or redirect their thoughts, conversation, or meeting. At any one time, everyone will wear the same colour of hat, or in other words, everyone will look at the problem at hand from only one perspective, which at any given time is the perspective indicated by the hat being worn (see Figure 3.1).

For example, the blue hat differs from the thinking represented by the other hats because it is involved with directing the thinking process itself. The blue hat is used whenever the next hat is to be used. Usually, this hat will be used in the following types of circumstances:
1 **At the outset of a discussion**  
*Let’s decide what we want to think about and which hats will we use?*

2 **At a midpoint to restate the thinking goal**  
*I think we are getting away from what we want to talk about. Can someone redirect the conversation?*

3 **At the end, to summarise what thinking has been done**  
*Think of one sentence to sum up today’s activities*

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**Figure 3.1:** De Bono’s Six Thinking Hats (2008)  
*Adapted from: De Bono, E. (2008), Six Frames For Thinking about Information. London: Vermilion.*

<table>
<thead>
<tr>
<th>Hat</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>The White Hat calls for information known or needed. “The facts, just the facts.”</td>
</tr>
<tr>
<td>Yellow</td>
<td>The Yellow Hat symbolizes brightness and optimism. Under this hat you explore the positives and probe for value and benefit.</td>
</tr>
<tr>
<td>Black</td>
<td>The Black Hat is judgement – the devil’s advocate or why something may not work. Spot the difficulties or dangers; where things might go wrong. Probably the most powerful and useful of the Hats, but a problem if overused.</td>
</tr>
<tr>
<td>Red</td>
<td>The Red Hat signifies feelings, hunches and intuition. When using this hat you can express emotions and feelings and share likes, dislikes, loves and hates.</td>
</tr>
<tr>
<td>Green</td>
<td>The Green Hat focuses on creativity; the possibilities, alternatives and new ideas. It’s an opportunity to express new concepts and new perceptions.</td>
</tr>
<tr>
<td>Blue</td>
<td>The Blue Hat is used to manage the thinking process. It’s the control mechanism that ensures the Six Thinking Hats® guidelines are observed.</td>
</tr>
</tbody>
</table>

The hats themselves can be used singly at any point in thinking, but the blue hat facilitates the discussion. The rest of the hats are used to direct and switch thinking. They are used to question in different ways, as De Bono explains:

**Design sequence example**

For example, the yellow hat (representing sunny optimism) followed by the black hat (caution), may be used to assess a new idea. The black hat (caution) followed by the green hat (new ideas) may also be used to improve a design. Also, the red and white hats are best for comparing facts and opinion, and the black, yellow and green are best used when comparing and synthesising ideas.

*Adapted from: De Bono, E. (2008), Six Frames For Thinking about Information. London: Vermilion.*
De Bono’s ‘Six Thinking Hats’ technique has had a wide range of applications in industry, from management training to new product development stages, and has become a highly regarded creative problem solving activity. It helps teams to generate knowledge and awareness of a certain problem area, and also encourages them to learn more about the problem as a team, as well as assisting them in researching possible solutions and incubating their ideas in moments of reflection by asking questions at each stage (see Figure 3.2).

How creative thought can turn into innovation

Over recent years there has been fierce debate over the concept of creativity, along with considerable discussion of how creative thought can be transformed into creative action and innovation. Fox (2002) suggests that creativity can change the way we do things in modern times. In understanding how this can happen, a clear understanding of what it means to innovate is required (Goffin and Mitchell, 2005). To innovate, according to the New Oxford Dictionary (2004, p. 942), means to be able to: “Make changes in something established, especially by introducing new methods, ideas, or products”. According to the UK government, “innovation is the process by which new ideas are successfully exploited to create economic, social and environmental value” (BIS 2011, p.7).

In the mid-twentieth century, economist Joseph Schumpeter (1950) pioneered the categorization of innovation as the creation of something ‘new’ that creates and adds value for those who interact with, or consume, it. Something ‘new’ can also mean the updating of something which already exists in order to take advantage of a specific segment or a newly-identified or emerging market.

Ultimately, innovation can be divided into two categories: functional, and design-driven. The former category includes products’ functional elements: does it work? Does it meet customer needs? For example, the Apple iPhone operating system is part of the functional design of the device, while the easy-to-use form is a remnant of the design element. Design-driven innovations focus on the symbolic nature of the product. Certain important questions are inherent in the design: what does it mean to the consumer? How do they feel when they use the product? Ultimately, innovation must add value in the key consumer areas of price, quality, and functionality, but it also has to fulfil a number of intangible requirements.

Another seminal theorist in the field, Christensen (1997), identified two types of innovations: disruptive innovations and sustaining innovations. The former involve a new value proposition by which new markets are created. In such instances, individuals or business organizations seize upon basic inventions and transform them into economic innovations, thereby disequilibrating and