

## Fostering Learning and Creative Thinking in Small Businesses

Safal Batra<sup>1</sup>

This article reports the five most recurring themes that enabled learning and creative thinking among employees of small businesses in India. Field discussions were carried out with owners of small businesses in the manufacturing sector, and subsequently with some academics. The primary purpose was to understand how small businesses innovate. During discussions, fostering an environment of learning and creative thinking emerged as a crucial antecedent of organizational innovations. Common and recurring factors that led to successful learning and creative thinking were recorded. The five factors which enabled learning and creative thinking in small businesses are: maintaining a balance between freedom and deadlines; providing adequate resources; encouraging skill specialization; allowing freedom of expression; and setting high expectations. Managers and entrepreneurs who are interested in acquiring sustainable competitive advantage need to foster a spirit of learning and creative thinking among their employees. This can be accomplished by building a culture amenable to learning and creativity. While a lot has been said about learning and creativity in large firms, little is known about these aspects of organizational culture in small businesses. This study, by synthesizing inputs from owners of small businesses, tries to extend the existing knowledge on learning and creativity.

During my discussions with various small business owners, I presented a question to them - what enabled learning and creative thinking in their organizations? The entire set of discussions, and its analysis thereof, led to the emergence of following five key factors:

- Striking a balance between autonomy and deadlines: If the employees are not provided adequate freedom to take decisions on their own, they will not be motivated enough to take ownership of the project assigned to them (Amabile and Khaire, 2008). Too much of autonomy is equally dangerous, for the project may go on endlessly without any integration between several teams working on the project. Especially for small businesses, given the scarcity of resources and competitive environment that they operate in, it's all the more important to ensure the right balance.
- Providing adequate resources: Nothing can be achieved without adequate resources. An organization must strategically plan its resources in order to prioritize multiple innovation projects. In order to ensure appropriate and unbiased allocation of resources
  - a. Make a complete list of potential projects
  - b. Undertake a thorough analysis of resource requirements of each project.
  - c. Make an estimate of the current resources that organization has. Don't count on resources that you expect to materialize in future.
  - d. Map the resources with projects. Avoid entering into projects for which you cannot allocate resources. For learning and creativity to happen, you need to invest more resources in one project rather than investing in too many projects.
- Encouraging skill specialization: It's imperative that each employee be good at one thing. They can be trained to do multi-tasking to enhance skill set and to keep them motivated, but nothing can be a substitute for specialization.

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<sup>1</sup> Assistant Professor, IMT, Ghaziabad

- a. Creative ideas can ensue only if each employee devotes at least three fourth of his/her time only on their specialized tasks.
  - b. If everyone tries to do everything, it's difficult to build expertise, and in turn, fostering learning and creativity.
  - c. Every individual in the team must be abreast with latest developments in his or her core skill.
  - d. A small part of the workplace time can be left completely free for every individual for R&D and furthering their skills.
- Allowing freedom of expression: Creativity cannot happen with one person. Always remember, idea belongs to one person, but outcome doesn't. It is a team effort. Accordingly, successful creativity happens when a team is created that comprises of members with complementary skills. Further, the team members should feel empowered enough to talk to each other directly without any fear of hierarchy (O'Shea and Buckley, 2007).
    - a. Small non-financial incentives are enough to encourage people to come up with new ideas. These include announcing performers of the month.
    - b. Appreciate new ideas. Hold small idea contests. You will be amazed by the results. Remember, you don't need radical ideas all the time. Many incremental ideas together result in radical changes.
    - c. Foster informal communication. Don't try to curb employee communication. Ideas develop through cross-functional sharing of knowledge.
    - d. Emphasize the value and benefits of knowledge sharing for individual as well as team learning (Yang, 2009)
  - Setting high expectations: As a leader of the team, you need to ensure that the expectations from the team are high. If the objectives set are easily achievable, teams may achieve the same without any new learning and creative efforts. Only if the objectives are difficult will the teams think of creative solutions, and in turn generate new knowledge. At the same time, the objectives shouldn't be so difficult that they cannot be achieved. That situation may lead to loss of interest.
    - a. Ensure that the targets set on teams are measurable.
    - b. If possible, link incentives with objectives (Locke, 2004).

In sum, innovation can happen in organizations only if there is sufficient commitment to learning and flow of creative ideas from the employees. For that to happen, leaders can play a very crucial role (Amy, 2008), by ensuring that a culture is set which allows freedom of speech, balanced autonomy, unbiased allocation of resources, appropriate target setting, and skill specialization.

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