CREATIVITY, CREATIONS AND INNOVATIONS IN THE MANAGEMENT OF SMALL AND MEDIUM-SIZED BUSINESS

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Creativity is a process of development and expression of new ideas interwoven in the company mission and vision to lead not only to financial success but also to real loyalty and involvement of the employees with the company problems and achievements. The main objective of this paper is through the research among contemporary managers and entrepreneurs, representatives of small and medium-sized business in the region of Blagoevgrad to prove that creativity skills are deployed in each person, to identify the specific characteristics of the creative thinking of the manager and the tools that stimulate them to increase competitiveness in the context of the sustainable development of the small and medium business in international and domestic tourism market.

The main result to be achieved is evidence that when there is adequate (positive) self-evaluation, intrinsic motivation or chiefly necessity of creativity manifestation, emotivity in the sense of creative enthusiasm, personal professional effectiveness and appropriate situational factors, the modern manager is able to model conditions for the manifestation of creativity (creative self-expression), both in themselves and in their subordinates. This in turn leads to increased competitiveness and intensive implementation of innovations in the company management and operation. The main research methods used in the study are literature review on the subject, survey, analysis of processes, intuitive and systematic approach, systematic observation, data classification and interpretation.

Keywords: creativity, management, competitiveness, manager, creation, innovations.

Introduction. The word “creative” and its derivative “creativity” have recently been heard almost everywhere. In professional regard there is even a position of “creative director” and “creative manager”. In terms of modern education, (starting from the kinder garden and school and ending at the university and the various self-development courses), there are requirements for personal creativity development in the trainees. But not every person can answer the question “What is creativity?” This neologism is based on the English verb “to create”, which in Bulgarian means “to make, to produce, to invent”. This leads to the confusion of most people, including
researchers, and to the equation between creativity and creative abilities and people make the conclusion that creative abilities and inspiration are needed to build something creative. As a matter of fact, the concept about creativity (available in other languages as a term, e.g. Fr. Creation, Eg creativity, It. creazione) means making and has a complex character. It is believed to have originated more than 50,000 years ago as an innate talent of Homo Sapiens, or the so-called "modern man".

In the psychology literature creativity is most frequently defined as a system of creative abilities, predisposition and inclination of the person or group to creativity. Many psychologists view creativity as a process by which popular cognitive and knowledge models are transformed and occur in new forms, acquire different application and foster the success in the business environment. This success is guaranteed by building, maintaining and stimulating creative staff in a controlled creative environment; inspiring the manifestation of creative thinking; generation, development, analysis and application of creative innovative ideas and solutions in practice; stimulation of "the cognitive quartet of creativity (D Десев, 2011, p. 242)" (perception, memory, thinking and imagination) without which creative thinking and creativity are impossible.

**Literature review for terminology.** The problem of creativity, the place of the creation and creative person can be traced back to the ancient times. It was mentioned about creative activity yet in the works written by the ancient Greek philosophers Plato and Aristotle and later Descartes and Leibniz laid emphasis on the need of research on the creative activity. The psychologists D. Gilford, M. Gilchrist, S. Burt, Bogoyavlenskaya, A. Look and others create tests and methods examining particular aspects of the intellect structure, the creative abilities and creative thinking.

Creativity is difficult and complex study material for which there is still no clear generally accepted definition, as evidenced by the wide variety of definitions used or proposed in the literature. In terms of creative personality most researchers-psychologists are united around the idea that the problem can be investigated only on the basis of the personality psychology as a complex and dynamic specific structural system determined by biological and special factors (including situational). In recent years a lot of books on creativity and creation have been published, but also on the brain and its work. We will focus on the most popular and useful for the modern manager. These include books by Edward de Bono – the author of the unique papers and methodologies in the field of creative thinking, the creator of the term and the concept of lateral thinking (De Bono, 1992, 1999, 2007, 2008, etc.), who wrote a number of books, including the extremely popular "The Six Thinking Hats" (De Bono, 1985). His concepts are the driving force in the modern management of innovations, leadership, creativity and problem solving. The other author that needs to be noted in relation to creativity is T. Buzan (2003) – the author of the
methodology of remembering, creation and thought organization called “mind maps”, known to any researcher of creativity.

One of the most used definitions of creativity was given by Leonard (1999) as a process of development and expression of new ideas that could be useful (Leonard, 1999). The problem for the creative person is placed in the center of psychological analysis of the creativity because according to G. Piryov D. (1981) "creation is a specific human activity in which the person is most completely manifested and formed". The scientists A. Look, M. Gilchrist, L. Abalkin, V. Alexandrov, D. Guilford, S. Burt and others have created and probed tests and methods that examine certain aspects of the intellect structure, creative abilities, creative thinking and facilitate observation and studies of creativity.

The importance of the creativity quality has long been obvious to the advertising industry and this is recognized both by businessmen and marketers. But on the other hand a number of myths about creativity and creative thinking have appeared that are successfully refuted by A. Zhelevich (2013) in his book "A New Philosophy of Prosperity. Basic Principles for Success, Harmony and Happiness".

**Methodology.** Laying emphasis on the problems about creativity, creative thinking, stimulating the creative process in the modern business and management practices of the modern manager is a significant moment for the management prosperity. The problems are interesting to observe the development of the modern managers’ practice – representatives of small and medium business in the field of construction and hotel industry.

The study was inspired to some extent by the claims of Michael Ray, a Stanford professor and lecturer in the course on creativity saying that everyone has creative abilities. He believes that when people cannot "switch on" their creative thinking, this does not mean that it doesn’t exist but rather that it is depressed by what he calls "the voice of inner judgment" ([http://biservalov.net/private/kakvo-e-kreativnost](http://biservalov.net/private/kakvo-e-kreativnost)). This "voice" is also to blame for the poor self-evaluation and in our opinion – for the reluctance to take on responsibilities and risks, inability to perceive problems from a different perspective.

It is therefore important for people, from their earliest childhood, to develop creative thinking and creative abilities, to remove the ultimate self-censure and the fear of being different from the general mass. In fact, the presence of all these qualities gives an indication of leadership behavior and the development of managerial ambitions still in school and university years, making the young person professional awareness and growth much easier.

The methodological aspects of this study are related to the study of the creativity of modern managers, representatives of small and medium business in several locations of Blagoevgrad region (Razlog, Bansko, Banya, Gorno Draglishte, Dolno Draglishte, Bachevo, Ognyanovo), the identification of specific characteristics of the
management creative thinking and the tools that stimulate them in order to increase competitiveness in the context of the sustainable development of the small and medium business in the international and domestic tourism market.

In order to achieve the set objective of the study, a number of scientific methods are employed, such as: literature review, survey, process analysis, intuitive and systematic approach, systematic observation, data classification and interpretation. The employed methodology for the creativity evaluation of modern managers considers the capabilities and limitations of the survey as a tool for collecting primary data. In this connection it is necessary that we consider the following features:

1. Respondents express their personal opinion and accounts on the treated aspects of creativity based on their life and professional experience;

2. Some deviations of the recorded data from the actual state are possible for various reasons. The sources of such errors are related to perceived uncertainty of some respondents, lack of information and difficulties in assessing a certain indicator.

This methodology, being applied to the concrete study of creativity and its changes in the professional activity of the modern manager running small or medium business in the region of Blagoevgrad and the impact on the competitiveness and the innovation introduction, leads to particular inferences fostering the management. The research interpretation is based on the results achieved through a direct individual study.

The survey was conducted between September 30, 2010 and August 30, 2012 in 7 settlements among respondents being young entrepreneurs and managers in small and medium tourism businesses in the region (hotels and guest houses – Fig. 1).

![Fig. 1. Distribution of respondents, representatives of small and medium business in the region of Blagoevgrad by settlements](image)

The processing of data and the drawn conclusions are based on the idea to facilitate the process of understanding and use of the creativity concept in management and the personal creativity in the management practice that should be followed to improve the competitiveness of the small and medium businesses in Blagoevgrad region.
4. Main results

It is good to distinguish between creativity, creations and innovations in modern management, although success will undoubtedly be guaranteed in the presence of all identified, cared for, nurtured, developed and kept in every employee of the company.

Through creative thinking new ideas and effective solutions to the problems arising in practice are developed, manager’s attention, interest and innovativeness are stimulated. Edward de Bono, who coined the term and the concept of creative thinking [Little purple book on Lateral Thinking, (2010)] defines this type of thinking as “a method of creative thinking step by step with developed practical techniques which may be used deliberately” (De Bono, 2009, p 12).

According to De Bono, creative thinking is characterized by skills for: smooth development of thought, flexibility, originality; development in detail, brainstorming, associative and metaphorical thinking, modification, ability to determine the characteristic properties, figurative thinking and discovering relationships and dependencies. The creative thinking described by the Maltese psychologist analyzes the problem and generates possible solutions. The next stage is the implementation of choice and use of subjectively (or ideally, objectively) the best one of these solutions. The cycle ends with an evaluation of the decision effectiveness.

Here we should note one of the most important features for the presence of creative thinking, namely the combination of two ideas that have not been combined before. “Creativity is the deliberate or accidental merging of previously not combined ideas – ideas that are not normally cumulative. If there is a problem, our task is to find a suitable different idea – a "provocation" or "incentive" to combine with the problem” (De Bono, 2010, p. 23) (Fig. 1).

![Fig. 2. Creative thinking](image)

Furthermore, the Stanford Professor M. Ray agrees that creativity is not expressed in the great "wow-moments" giving birth to best ideas but it is a way of life. In other words, creativity is the result of undertaken work and efforts to achieve
the set goals and ambitions and to constantly maintain the "spirit of creativity". The knack of creativity is something that is found in the person, stimulates human development; it is built and developed throughout personal and professional life of people. Moreover, during life, one is forced to express and develop their creativity even in the most ordinary everyday communication both in their professional and personal environment – they express and defend ideas, give recommendations and advice, create texts (even those in business and personal letters, etc.).

In other words, human creativity is not being built by the few "wow-moments" but by developing our own style of thinking and behavior, forming ideas and perceptions of the around world, building self-evaluation and opportunities to create adequate estimates based on observations and analysis of others’ behavior, etc. In fact, we'll go even further into the allegations and say that in professional plan it is the creativity and the drive to leadership that create successful, enthusiastic and motivated employees who are loyal to the company and the ideas it professes. From this point of view, managers must be firmly convinced that employees are competent and enthusiastic about work and the realized services. (Filipova, 2008). Such an attitude inevitably leads to the development of creativity and adequate confidence in the company employees and appears to be the guarantee for the achievement of company goals and feeling of corporate culture as deeply personal. This, in turn, leads to the courage to propose and induct innovations in work and again, as a final result, better achievements for the employees and the company. However, here we should make a distinction between creativity and innovations, with which quite contemporary authors have already agreed.

*Creativity* is the process of development and expression of new ideas that could be useful (Leonard, 1999), whereas *innovations* is the introduction of new or significantly improved product (good or service, process or idea, a new marketing method or a new organizational method in business practices, a new organization at work or relations with external organizations ([http://www.innosupport.net/index.php?id=2098&L=3](http://www.innosupport.net/index.php?id=2098&L=3)). All the above mentioned proves that the creative process extends over time and is characterized by a high degree of adaptability, originality and subsequent realization generating something new and the result is a useful product (service, concept, etc.). In this sense it does not matter whether creativity is an individual or group manifestation.

The theory of M. Ray has been used to accomplish the aims of the current study claiming that creative thinking has five characteristics and four tools which stimulates it (*Table 1*).
Table 1. Characteristics of creative thinking and its stimulating tools

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<th>Characteristics of creative thinking</th>
<th>Tools that stimulate creative thinking</th>
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<tr>
<td>1. intuition;</td>
<td>1. belief in creative abilities;</td>
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<td>2. will;</td>
<td>2. lack of evaluation;</td>
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<tr>
<td>3. pleasure;</td>
<td>3. precise observations;</td>
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<td>4. power;</td>
<td>4. impertinent questions.</td>
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<td>5. compassion.</td>
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In this study the characteristics of creative thinking are in the basis of enhancing competitiveness and inducting innovative ideas and are distributed as a choice on the part of the managers – entrepreneurs representing small and medium businesses in seven settlements in the region of Blagoevgrad.

![Graph showing distribution of creative thinking characteristics](image)

Fig. 3. Distribution of creative thinking characteristics

The graph shows that modern managers – representatives of small and medium businesses account for the highest per cent – 86.8% as will being the strongest characteristic of their creative thinking and power being the weakest with 21.05%. An interesting result is that almost half of the respondents, 47.3%, believe that without feeling pleasure the manifestation of creative thinking is not possible. In fact, a large number of the managers have concluded that pleasure and satisfaction with their management work directly affects their personal creativity and their abilities to create and keep a creative atmosphere as well as to stimulate the creativity of their subordinates.

As for the tools that stimulate creative thinking, they are distributed as follows:
The graph clearly reveals that the overwhelming majority of managers put forward the belief in creativity – 92.1% as an important factor for the manifestation of creativity. The per cent of precise observations is also high – 86.8 %, because according to managers it is observation that often can "launch" creative thinking. The lack of evaluation – 63.1% is seen as an important tool, in practical terms it is expressed in the adoption of different perspectives and “leaving” managers’ “comfort zone”. The per cent of using impertinent questions – 42.1% is also high enough. It is interesting that it becomes clear in the discussions that impertinent questions are used equally in dealing with subordinates as well as with colleagues, even in some cases with superiors. Finally, almost all respondents come to the thought that the lack of creative thinking is directly related to the introduction of innovations in the company business, which in turn hinders the implementation of the company objective to enhance competitiveness.

Based on the constant attempts in the management practice for reforming, transforming and inducting innovative projects whose primary purpose is that the modern business should meet the dynamic and rapidly changing necessities, needs and expectations of present consumer, during the study and the numerous conducted interviews with managers it became clear that it is necessary that more features and appropriate tools should be added to the above mentioned. Thus a second part of the study has appeared, in which managers ranked additional features and associated tools to ensure increased competitiveness of their companies.

In fact, the second part of the study proved the validity of the thesis that creativity can be understood as "a system of creative abilities, a set of mental and personal qualities that foster the formulation of new ideas and the discovery of important relationships between objects, events and new ways of solving problems and tasks posed in the theory and practice"(Д Десев, 2011, p. 78).

Creativity is characterized by a specific relationship between personality and surrounding reality in which it, in its own way, reflects the impact of reality. Therefore, the occurrence of additional characteristics of creative thinking is understandable in the modern management practice.
Fig. 5. **Additional characteristics of creative thinking**

Slightly more than half of the executives surveyed – 55.2% say they would show creativity only when necessary, otherwise the routine is sufficient. 76.3% of the respondents believe that creative thinking is primarily a manifestation of inner need. This high percentage is understandable because, as we know, the need of creativity is in the basis of creativity. Or as Vygotsky says: "Feeling and thought move human creativity" (V Виготский, 1982, p. 33).

Quoting T. Ribo, Vygotsky adds that "any dominant thought is supported by need, strive or desire, i.e. affective (emotional) element" (Vygotsky, 1982, p 33), which in turn explains the high percentage – 97.3% of respondents defining desire as a primary condition for the manifestation of creativity. In other words, it is necessary that there be an intersection of need and creativity for the provision, stimulation and development of creative activity. And it is required that managers and their staff have a combinatorial and flexible mind, imagination, lack of fear of expressing a different from the conventional perspective and constant focus on creativity and creation. In other words, modern managers through their inner personality seek productivity, flexibility, originality, innovation, creativity and stimulates the birth of new ideas in their management practice. At the same time managers should create appropriate environment for the occurrence of similar qualities in their subordinates. And this is important because the classic theoretical model of creativity as a system, discussed in the English literature (Newell, Shaw, Simon, 1958) defines the system components in the sequence of "creative environment – creative individual – creative process – creative product". Of course, it is possible to achieve if creativity become possible as a process, ability and attitude through the use of appropriate tools corresponding to the clarified additional characteristics (Fig. 6).
Fig. 6. Additional tools stimulating creative thinking

Considered as a subject of creative thinking and activity, an individual uses elements of the past and present internalized in their personal experience, knowledge and competences performing a continuous process of connection, synthesis, transformation, combination, and integration and as a result a new original product is created. In other words, the creative abilities and creativity occur as a system of cognitive and personality qualities that are conducive to the formulation of new, original ideas, detection of important relationships between objects and events, finding new ways and opportunities for solving problems arising in practice (Awang, Ramly, 2008). In this sense, the absolute result of 100% of respondents becomes understandable proving that situational factors are definitely a tool stimulating creative thinking. In other words, the environment with its various elements and factors is an essential component of creation and the manifestation of creativity. The specific environmental conditions affect directly and indirectly human motivation for creative activity and the quantity and quality characteristics of the products of this activity. This also explains the high percentage – 84% of strong inner motivation. Most managers believe that without it one can speak neither of professional development, nor of company competitiveness increase. The percentage of the ambition to achieve the desired state is also high – 67%, nevertheless it comes to attaining goals, acquiring an object, giving birth to a subconscious idea or concept, etc. Finally, 53% of respondents put forward the actual creative thinking. Here we must agree with J. Seaman and D. Kenrick (1994) that thinking as a process still can be classified according to the degree of novelty, originality and independence. Categories reflecting this diversity are classified as follows: conventionally or traditionally and productive or inventive and creative, which is characterized by creating something new, original compared to the past experience of the individual (Seaman, Kenrick, 1994, p.274-297).

Thus, first of all, the basis of individual creativity is found in the uniqueness of each person who can achieve the construction and/or development of new associations, ideas and more based on their thoughts, ideas, feelings and resources.
And this, in turn, leads to adequate self-evaluation and realization of all important personal plans of life. Of course, the self-evaluation is also built on what social experiences an individual has received, in what social environment they have lived and developed, to what extent their initiatives and ideas have been accepted, rejected or supported. If people have experience to support their ideas and the acquired adequate confidence, they are able to trust and rely on their own feelings, thoughts, ideas and associations. In other words, based on gained experience, existing knowledge and implemented practices, the individual is able to develop new ideas, new associations or build on the old through innovative ideas. This process occurs not only personally but also professionally and is expressed in stimulating the creativity of each employee. In turn, the development of creative employees also leads, in our opinion, to the increase of the so-called intellectual capital of the company, which in recent years has been presented as "a new theory but in practice it has existed for nearly a decade in the form of common sense" (Dimitrov, 2007, p. 18), and the human capital, which incorporates both creativity and innovativeness of the organization" (Dimitrov, 2011).

Conclusion

From all the aforesaid it is clear that there are creativity skills in every person. There should only be an adequate (meaning positive) self-evaluation, intrinsic motivation or rather a need of the manifestation of creativity (personal interest), emotionality (in the sense of creative enthusiasm), personal and professional effectiveness and appropriate situational factors that the modern manager is able to model. Here the emphasis can be put on the fact that an individual is creative mostly when there is some personal interest and an opportunity for developing some kind of an innovative solution knowing clearly that he/she can do it, (i.e., they have the needed potential, self-confidence and desire to do so).

According to Csíkszentmihályi, people are in a streaming mental state (http://en.wikipedia.org/wiki/Flow_%28psychology%29) with full motivation of consciousness. In professional plan it is then when the employee feels complete and full of energy during the accomplishment of tasks (http://en.wikipedia.org/wiki/Flow_%28psychology%29). Here we can mention the so-called effect of "infection." When the manager likes what he does and the way he does it, he is certainly creative. Being in this state, he is able to create the necessary conditions for his employees for the manifestation of individual and group creativity, or in some way to "infect" them with his own creativity. We cannot expect form an uncreative manager to stimulate, build and create conditions for the manifestation of creativity. A number of psychological pieces of research have shown that discovering new things stimulates the pleasure brain center. Thus creative activity is associated with something pleasant, with a sense of freedom, going out of the traditional boundaries achieving better results, independence and achieving the set goals and
hence – greater self-confidence, increased self-evaluation of the manager and respectively – the employee. Once having experienced this "situation of success", the employees naturally seeks another identical experience and in this way they unconsciously develop their creativity. This, in turn, closes the cycle and even makes it spiral, i.e. every manifestation of creativity stimulates the strive for a new one, even better.

It is undisputed that creative people are useful for group creativity. Considering them from the point of view of infection, their utility is getting higher. However, here we need to make a distinction. We can talk about two concepts: "creative group" (or "creative team") and "group of creative people". In both cases the role and work of the manager is different. First, we should note that the "creative team" does not mean that all team members are necessarily creative people. In fact, paradoxical as it may sound, there can be no creative person in the team and yet the team can generate "group creativity". This can happen due to the large number of individual creative resources which multiply, influence one-another and stimulate the creative process. Therefore, when building a team, the manager must take into account not only the individual characteristics of each employee, but also how these features will combine and mutate on the basis of situational and other influences they will be subjected to at work. In other words, "the more different the team composition is, the more different views, opinions and approaches are applied" (Leonard, Swap, 1999).

Besides, it is believed that teams can be easily stimulated to manifest creativity than the employees in individual terms. We believe that special attention should be paid to group creativity because the so-called "social forces" work for its provision (Stankova, 2011), and "social forces include the structure, the dynamics of social groups and the related problems" (Stankova, 2004, p. 34).

On the other hand, the manager must provide the necessary conditions for the development of individual creativity of each employee. Moreover, the team consisting of creative employees is much more highly effective than any other. Besides, the talented employees can often be identified through the acts of creativity, which is vital for the organization prosperity (Usheva, 2010). And by creating conditions and prerequisites for the stimulation and manifestation of individual creativity, such talented employees can be motivated to remain in the company and to ensure their company loyalty.

Modern managers are responsible for planning, organization, implementation and control of the creative process and the manifestations of creativity among the employees, the team, the selection and recruitment of employees and their distribution in groups, improvement of the emotional background, physical and psychosocial working environment, providing opportunities, tools and techniques to achieve company goals and simulation of the creative charge of the organization. In this way, the managers figuratively "must rebuild the ship at sea" – that is, to be
innovative while maintaining the routine operations of the working entity (Usheva, 2011).

In other words, in order to ensure personal and/or group creativity in the company, the management should provide employees with creative environment in which creativity is generated, developed and implemented. Certain conditions must be available for the employees to be creative and to generate creativity. Every employee must be able to freely express their thoughts even if this does not meet the generally accepted standards of thinking and company policy. Employees must be convinced that their ideas will be heard and will not be rejected with contempt. In other words, there must be protection and adequate support for the manager and/or management team. It also means providing opportunities for employees’ innovative to be fully developed and applied (in production, for example). And last but not least, all individual abilities and needs of each employee’s creativity should be taken into account.

Creative environment is based on a combination of knowledge of individuals with open (often unconventional) thinking the inspiration of whom comes from many different interactions (including situational factors) on the ground of personal and professional interests. The presence of creative environment provides strengthening staff’s self-esteem and self-evaluation, creates prerequisites for development of the necessary mindset and associations leading to the development of new ideas that can be applied in practice. Of great important is the establishment of such a creative environment for management teams in the situations of making decisions about the level of the actual business planning, including "three levels of the planning horizon, usually defined as strategic planning, capital budgeting and operational budgeting" (Stoilova, 2013 , p. 121). The creative environment will undoubtedly help mostly strategic planning, which "has more descriptive than specific quantitative nature" (Stoilova, 2013, p. 122) but creative ideas woven into the company mission, vision, etc. will not only lead to financial success but also to real loyalty and involvement of employees with company problems and achievements. For example, a goal as "high quality output", "high level of service and customer satisfaction", etc. supported or rather "visualized" through a creative concept of the organizational long-term orientation especially when it is about adapting the organizational resources to the market opportunities in the long run.

And last but not least the modern manager must remember that creativity and innovation are not only closely related but innovations use creativity to bring creative ideas to use in the form of products or applications. Although here is the specific that all innovations start out as creative solutions but not all creative solutions become necessarily innovations. However, when this happens, it leads to increased company innovation activity and ensures efficiency and new markets.
For employees, the creation of conditions for the manifestation of creativity is not only a way to overcome stereotypical reproductive methods of work but also a way to achieve a high level of performance and overall professional activity as well as individual comprehensive and thorough development leading to their greater personal and professional fulfillment.

Bibliography


