Design of Corporate Creativity

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Executive Summary

Globalization has created immense competitive pressures on corporates. In order to survive and prosper, organizations in the Third World need to redesign themselves for corporate creativity, i.e., for high rates of sustained and successful technological as well as non-technological innovations. This paper provides several examples of how deregulation of the West’s airlines industry in the decade of the 1980s stimulated its corporate creativity. It then reviews the literature on the organizational design for corporate creativity to derive a model of the corporate’s organizational design requirements for copious and successful innovations. The model proposes that, for superior corporate creativity in a regime of intensifying environmental pressures, the organization needs to choose the following: i) innovation-friendly business strategies; ii) organizational structure; iii) top management style; iv) middle management practices; and v) effective modes of managing innovations. These choices would lead to innovational success, which, in turn, would confer competitive excellence on the organization.

This paper reports a test of the model through questionnaire-based data on 65 Indian corporates collected from late 1999 to early 2003. Data were gathered from an average of five top and senior level executives from each corporate on 6-point scales, and each scale was anchored by a statement at each extreme. All the responses from each organization were averaged for each rated scale and converted into a percentage score for the organization. The scales were grouped for aggregation into: i) environmental pressure; ii) innovations-supportive strategic management; iii) innovations-supportive top management style; iv) innovations-supportive organizational structure; v) innovations-supportive managerial practices and culture; vi) effective management of innovations; vii) corporate innovative success; and viii) corporate competitive excellence.

The data were secured for the situation ‘now’ and three years earlier and this enabled the computing of changes in each study variable. The data indicated that change in effective management of innovations was the strongest predictor of change in innovational success which, in turn, was the greatest predictor of change in competitive corporate excellence. In order to identify the major strategic choices in the face of high versus low environmental pressure, cluster analysis was performed on the data from the 30 highest scoring corporates on environmental pressure and the 30 lowest scoring corporates on environmental pressure. It revealed that, regardless of environmental pressure, organizations that chose to adopt an organizational design compatible with high corporate creativity outscored those organizations that did not choose such a design in terms of both innovative success and competitive excellence.

The data also indicated that organizational design for corporate creativity may yield far better performance when change in environmental pressure is modest than when it is large. The reason may lie in differential rates of the diffusion of innovations in high versus low pressure environments. High pressure environments may induce a more rapid diffusion of innovations. The faster the institutionalization of innovations in an industry, the lower, or less durable, may be the competitive advantage conferred on the innovating organization. This paper strongly recommends the following:

- Managers should redesign their organizations for higher corporate creativity.
- The core curriculum of MBA programmes needs to incorporate values, competencies, and management concepts that can nurture organizational creativity.

Specifically, this paper provides suggestions to practising managers for enhancing corporate creativity which are as follows:

- Conduct a diagnosis of the design of your organization and identify the items where the gaps with the model are large.
- Form a cross-functional team to tackle each major gap area.
- Review the recommendations of the team and identify action points for implementation.
- Institutionalize a culture of brainstorming for novel and effective solutions and a number of specific innovation-friendly practices.

KEY WORDS

Organizational Design
Corporate Creativity
Innovativeness
Competitive Excellence
Liberalizing Economies
Management of Changes and Innovations
G lobalization has brought many benefits of trade and foreign investment opportunities to emerging economies like India. But, it poses a stark choice to their corporates: compete or perish. Nurtured as they were during decades of a sheltered economy, having to operate in a competitive environment can extract heavy costs in terms of corporate failures, loss of market shares, and downsizing. The costs can be especially heavy in those countries in which productivity, efficiency, product/service quality, customer service and so forth vis-à-vis global standards are abysmal. For instance, one estimate is that manufacturing productivity in India averages to about a tenth of the world (Sharma, Nair and Sunny, 2000). Not only do emerging economies lag far behind the developed economies in overall competitiveness but they also lag far behind on several dimensions of corporate management (Sharma, Nair and Sunny, 2000). A liberalized and globalized economy does instigate corporates to streamline operations, improve marketing, build up competitive skills, automate, imitate management practices in the developed economies, and so forth; but, the pace may be too slow to ward off large-scale failure (Khandwalla, 2002). Relatively rapid rates of innovation in technical as well as in operating areas — corporate creativity — may be required to catch up with and surpass the Joneses. For many corporates in emerging economies, ‘innovate or perish’ may be equivalent to ‘compete or perish.’ The Box shows how corporate creativity bailed out a number of Western airlines that had been laid low by the blasts of competition following the deregulation of the Western airlines industry in the late 1970s and early 1980s.

Designing innovative organizations is difficult, especially in emerging economies in which traditionally

Box: Corporate Creativity in the Western Airlines Industry

**R&D and innovations** are strongly associated in the minds of many managers. But, R&D is not the only source of innovation, and in many industries, like the airlines industry, it is not even a significant source of innovation. Innovations can occur in any activity, function, area or level of the organization. How non-R&D-based corporate creativity can galvanize organizations facing intense competitive pressures following industry deregulation is illustrated by four Western airlines:

**Aer Lingus**: The Irish national airline leveraged its computerization skills in designing a turnkey reservations system for a West Asian airline; it leveraged its skills in overhauling aircraft engines by setting up a plant to offer overhauling services to other airlines at the relatively cheaper Irish rates; and it leveraged its personnel management competencies to equip and operate a hospital in Iraq and nursing homes in Britain (Arbouse, 1986; Kennedy, 1988).

**American Airlines**: A pioneer of the frequent flier programme, this airline provided innovative services to passengers like the repairing of damaged luggage at the air terminal itself. It also pioneered the hub-and-spokes routing system. It developed the world’s then largest computerized reservation system called SABRE. It was also innovative in the area of personnel management. The CEO conducted question-answer sessions with employees throughout the routes, and what is more, provided rewards for good suggestions like travel passes. The company introduced a novel dual wage structure in which it guaranteed to unions lifetime employment and no wage cuts vis-à-vis existing employees in lieu of the right to hire new pilots, flight attendants, and mechanics for rates as much as over 50 per cent below existing pay-scales. The company created a profit-sharing plan for all employees which in 1988 yielded an average of $2,000 to every employee. It invited workers and their families to feasts at which new dinners for the passengers were tried out (Horn, 1990; Woodbury, 1989).

**British Air**: Ill-reputed as an airline of last choice, the government-owned British Air sought to change the work culture innovatively (Goodstein and Warner, 1991; Leahey, 1990). The entire frontline staff of about 40,000 was put through a two-day long programme called Putting People First that emphasized good interpersonal relations. So effective was this move that the employees became much more sensitive to the importance of good relations both among themselves and also with customers. Several cross-functional teams were formed to accelerate various aspects of the change process such as a team for designing MIS support for the change effort, another to refurbish livery, etc. Surveys were conducted and the results were fed back to the staff to stimulate changes and innovations. The staff in the human resources management area were trained to perform change agent roles and assist managers in bringing about changes and innovations. A novel system was devised to provide emotional support to those who were stressed by providing high quality service in a very demanding environment. Another system provided peer group support to people who had undergone Managing People First Programme. As a customer relations management initiative, multilingual troubleshooters were stationed at Heathrow Airport to welcome and assist non-English speaking passengers arriving for the first time in the UK. Later, a worldwide programme was launched on leadership to strengthen customer relations.

**Scandinavian Airlines**: As part of an effort to change the customer-unfriendly culture in this government-owned airline, the company put through its entire frontline staff through “Learning to Smile” seminars and transferred its sales offices to the business area of a city. The airline offered a integrated ticket-transit-hotel package involving door-to-door service to its full-fare passengers. The company partnered the Danish Civil Aviation Authority for redesigning the unpopular Kastrup Airport in Copenhagen. To instil greater profit consciousness, even particular air routes were turned into profit centres, with autonomy to the in-charge to recruit the crew for flights, lease planes, etc. (Carlzon and Nelson, 1988; Lefebre, Jorgensen and Staniforth, 1988).

All four airlines suffered heavily when the airlines industry was deregulated in the late seventies and early eighties. But thanks in part to corporate creativity, all four came out with flying colours. Aer Lingus, which lost IR £11 million in 1981-82 earned IR £20 million in 1984-85. American Airlines converted a US $76 million loss in 1980 into a profit of US $339 million in 1984. British Air won the best airline of the year award several times in the eighties, and turned around from a loss of 545 million sterling in 1982 to a profit of 216 million sterling in 1984. Scandinavian Airlines recovered from a loss of SK 63 million in 1980 to a profit of SK 448 million in 1982, with sharply rising profitability during the next few years. Government ownership did not prevent Aer Lingus, British Air or Scandinavian Airlines from resorting to corporate creativity.
there is heavy reliance on centralized control and command structures and the management style is authoritarian and paternalistic rather than participative and professionalist (Oh, 1991; Virmani and Guptan, 1991). Even where the management is professionalist, the design is frequently incompatible with high rates of innovation. This is because professionalist management emphasizes systematic, procedure-bound management by specialists, incompatible with the high degree of flexibility and improvisation needed at all levels and in all functions for rapid rates of organizational and technical innovation (Quinn, 1985).

Firms in emerging Third World economies may have to pursue different innovation strategies for different objectives. New products may have to be developed in order to reach new markets or simply to offset competition in existing markets. Improving production or operations-related routines through innovation may provide them with cost advantages over competitors. Innovative organizational redesigning may be required to increase managerial productivity. The production or operations-related strategy may have to be reinvented to increase production flexibility, reduce lead times, improve working conditions or reduce staff costs. Similarly, product strategy may have to be reinvented to improve product quality, replace obsolete products or extend the product range. Marketing strategy may have to be reinvented to open new domestic or foreign markets or protect existing market shares. Since there are so many strands of corporate creativity, corporates would need to integrate them for optimal effects.

The purpose of this paper is to outline the organizational design requirements for copious and successful innovations in corporates, report data on 65 Indian companies, identify empirically the choices in organizational design in operating environments that have become a lot tougher to operate in, and try and answer whether innovational success is associated with competitive corporate excellence.

ORGANIZATIONAL DESIGN FOR CORPORATE CREATIVITY: LITERATURE REVIEW

Pioneering Insights

Although there has been substantial research on the management of innovations (Khandwalla, 2003), there is as yet only modest research on what sort of organizational design yields a stream of successful technical and organizational innovations. An early but influential British study tried to find out why in the post-World War two era some new companies in the electronics industry could innovate quite successfully while some older companies in the same industry that had been highly successful during the war failed to be innovative after the war was over (Burns and Stalker, 1961). Based on a study of 20 companies, the researchers concluded that the style of management was the decisive factor. In the older companies, successful implementation of the management tended to be ‘mechanistic,’ that is, it valued hierarchy and fairly rigid functional jurisdictions, and discouraged lateral communications. Since upward mobility of the staff was only within functional departments, departmental loyalties were fierce and inter-departmental disputes were usually pushed upwards to top management for resolution. This, of course, caused interminable delays fatal to successful implementation of innovations requiring inter-departmental collaboration. The style that was suitable to innovativeness was the one the researchers labelled as ‘organic,’ in which there was not only extensive decentralization and much freer flow of lateral and vertical communication, but getting results was stressed over following the laid down rules and procedures, improvisation was encouraged, decisions emerged through the interaction of all the stakeholders in the decision, and experts on the subject had greater say in the making of a decision than the person formally designated as in-charge. Indeed, a CEO of one of the companies with such a management culture thought that having an organization chart was dangerous since it prevented people from interacting freely for solving organizational problems.

Another idea that was influential was that, to be innovative, the organization should be ambidextrous, that is, be effective both at generating creative ideas and at implementing selected ideas effectively (Steiner, 1965). The organization needs to have a free-wheeling, ‘boundaryless’ brainstorming culture to generate creative ideas, as in a creative ad agency or R&D lab, and for effective implementation, a professionalist culture with strong systems of planning, control, coordination, evaluation of proposals, rewards and incentives for superior performance, performance review for course correction, cross-functional teams for better coordination, and so forth. It is frequently difficult for organizations to change gears between the phases of ‘invention’ (creative
ideation) and ‘innovation’ (effective implementation of a creative idea), and some organizations try to separate the two wings entirely — one portion to ideate creatively, another to innovate successfully (Kimberly, 1981).

A third influential idea concerning organizational design for innovativeness was that the organizational design for breakthrough innovations may differ from the design for numerous incremental innovations throughout the organization — what the Japanese call *kaizen* (Gluck, 1985; McMillan, 1984). Breakthrough innovations need ‘skunk works’ — teams of bright, creative individuals fanatically pursuing breakthrough innovations despite modest resources, epitomized by Steve Job’s Apple Computers. The organization is small or broken up into relatively small teams. Each team is headed by an innovation champion. There is usually considerable disrespect for systems, procedures, budgetary discipline, and the like. The organization perpetually operates in a fire-fighting mode, and tinkering, improvisation, and trying out odd approaches is part of the organizational culture. In contrast to this ‘gung-ho’ management culture is the cozy, ‘clan’ culture of the *kaizen*, with consensual, participative decision-making, lifetime learning, a culture of continuous improvements, paternalism, job security, collaborative rather than adversarial relations with internal and external stakeholders, bonus to everyone (though tied to corporate performance), etc. In its heyday in Japan, this management culture yielded excellent results: during 1967-1987, Japan’s manufacturing productivity grew two to three times faster than that of the US and other leading Western nations, and in 1988, five Japanese corporations scored in the world’s ten top corporations in terms of securing US patents (Quinn and Rivoli, 1991). The Japanese corporations appeared to convert R&D-based ideas into successful products faster than their US counterparts, although they did not match the Americans in breakthrough inventions.

A fourth key idea was that of innovation-powered competitive strategy. There has been considerable literature on competitive strategy and, generally, the focus has been on product differentiation, niche, and cost-based competitive strategies (Porter, 1980). Peter Drucker, however, identified several innovation-based competitive strategies (1985). The organization competes on the basis of either innovating for a first mover advantage — the breakthrough new product or process — or on the basis of creatively adapting an innovation for a use not contemplated by the original invention such as adapting a computer designed to process research data for use in processing accounting data or on the basis of innovating a product specifically for a neglected niche.

**Indian Studies on Organizational Design for Innovativeness**

Several Indian studies have shed further light on the organizational design needed for innovativeness. Khandwalla’s (1985) study of policy frameworks used by a sample of 75 companies yielded one that he labelled as ‘pioneering-innovative.’ This consisted of a group of policies that favoured pioneering of novel, technologically sophisticated, high quality products in the Indian market, emphasis on innovation and experimentation in all the operations of the organization, entrepreneurial risk taking, operating flexibility, and hiring of creative youngsters with considerable operating responsibility and autonomy. On an average, the group of companies using this policy cluster grew 50 per cent faster than the group of companies that were traditionally managed and also averaged better profitability. In another study of 90 Indian corporates, Khandwalla (1995) identified three top management styles that had the largest correlations with the organization’s rated innovativeness:

- the entrepreneurial style of pursuing big but risky growth opportunities
- the organic style that emphasizes improvisation and operating flexibility discussed earlier
- the participative decision-making style.

These three styles had the largest number of significant correlations with organizational mechanisms for generating innovative ideas. However, the styles with the largest number of significant correlations with organizational aids for implementing innovations and changes were the bureaucratic and the altruistic styles of management that stressed accountability, the following of rules and regulations, and business ethics. Besides, the styles with the largest number of significant correlations with stabilizers of changes were the altruistic, the bureaucratic, and the participative styles (Khandwalla, 1995). Thus, for the organization to be successfully innovative, it may not be enough to have an entrepreneurial and organic style of management; it may also be necessary for the management to emphasize widespread participation in implementing innovative initiatives, accountability for performance, and also norms, values, and ethics to generate trust and commit-
ment of the stakeholders in the bonafides of the management and its innovative initiatives.

Manimala’s study of 167 entrepreneurial case studies showed sharp differences between what he called ‘PI’ or pioneering-innovative entrepreneurs and ordinary entrepreneurs (1999). The PI entrepreneurs opted for markets or market segments where they could have first mover advantage. They utilized powerful learning strategies such as going in for pilot projects before scaling up, doing in-house R&D, the entrepreneur personally mastering the entire process of operating in a new market or market segment before product launch, induction of experts on the board, extensive networking, entering into joint ventures only after a good deal of homework, and capability development. They also increasingly professionalized their management as their units grew larger, contributed to social causes (altruism), and emphasized product quality and customer service. Comparable were the findings from a study of Indian impact making entrepreneurs (Jain and Ansari, 1988).

Jacob’s study of four pairs of Indian organizations indicates that organizational design for innovativeness is a strategic choice of the management (1998). Each pair shared the same industry or activity or parent organization, and yet one in the pair displayed relatively high innovativeness (corporate creativity) while the other one displayed a distinctly lower innovativeness. A striking difference was within a pair of advertising organizations, both based in Ahmedabad. Mudra Communications was set up in 1980 by the Reliance business group; Bidhan Advertising, started a decade earlier, was a proprietorship. Mudra was highly entrepreneurial; Bidhan found a niche early in its life and stuck to it tenaciously. By 1988, Mudra already had a diversified portfolio of activities — nurturing of small clients that Mudra tried to help grow fast, an example being Pioma Industries, the producer of Rasna line of drinks; market research and advertising support functions; production of videos; a distribution house; and fashion and textile design. In another decade, Mudra added many more activities, such as value-adding information for clients; outdoor media work; public relations assignments; product designing; promotions, exhibitions, roadshows, and event management; creation of websites for clients; graphics; sponsored television programmes; creation of corporate brands, etc. All these diversifications catapulted Mudra into one of the four largest communications companies in India. In contrast, Bidhan stuck primarily to producing more or less conventional advertising copy for less than a score of loyal clients; 20 years after its founding, it had notched up barely 2 per cent of Mudra’s revenues. Mudra won innumerable awards for communications excellence and creativity; Bidhan simply never entered that race. Organizationally, Mudra was highly divisionalized, had a flat structure, and was regionally decentralized; Bidhan was run as a tight ship, with the proprietor insisting on overseeing every account personally. Mudra aggressively hired creative, dynamic young-sters, many from India’s premier management schools, and gave them autonomy in pursuing challenging assignments; Bidhan had no such policy. Mudra entered into a collaboration with a major American media company; Bidhan never pursued this route. Mudra blended professional management into its entrepreneur-ship. For example, it carefully studied the long-term prospects of targeted industries, developed high quality communications products based on market research for presentation to actual or potential sophisticated clients looking for quality, and custom-tailored communications services. It targeted not industry leaders but the relatively under-serviced segment of smaller but dynamically managed companies hungry for growth. Mudra also fully computerized its operations and hired a doctorate holder to head the IT function. Mudra’s CEO travelled incessantly, practising ‘management by moving around’ (Peters and Waterman, 1982); he liked to play the roles of a mentor, coach, and motivator. Bidhan’s CEO primarily played the role of a controller. Mudra developed an internal work climate favouring creativity and innovation. A survey showed that its score on this dimension was 35 versus 16 for Bidhan. Mudra also displayed an altruistic and visionary streak — it set up a pioneering institute of communications to train communications professionals, not just for itself, but for the entire industry. Bidhan stayed away from any such entrepreneurship, strategizing, professional management or altruism.

Evidence from Some American Studies

An American study on 141 pairs of projects conducted by Teresa Amabile and associates also provides interesting insights (Amabile et al., 1995). In each pair, one project was judged to be high on creativity while the other was judged to be low on creativity. The ‘creative’ projects significantly outscored the ‘uncreative’ projects.
on six aspects of workplace practices: greater challenge provided in work, greater encouragement to creativity, greater work group support to individuals, greater sense of autonomy as well as of ownership, and greater encouragement provided by superiors to subordinates. In another study, it was found that when people jointly identified work-related problems, there was not only greater feeling of participation but the solutions individuals found to problems tended to be more creative (Plunkett, 1990).

Implications for Organizational Design

It is clear that the organizational design that facilitates creativity and innovation is quite complex. Indeed, Service and Boockholdt (1998) surveyed the literature on organizational innovations and identified eight broad factors that affect innovativeness. The sort of environment the organization operates in and the way the organization strategically and otherwise responds to it is the first factor. The other factors are:

• The kind of management the organization has — management style — and the quality of management.
• The structure of the organization and the control system.
• The organization’s human resource management system.
• The existence of key innovation promoters and change agents and the roles they play. Syrett and Lammiman (2002) have identified from case studies five key roles in successful corporate innovation, especially during the critical ideas development process. These are:
  ➢ ‘sparks,’ the bright ideas persons;
  ➢ the ‘sponsors,’ the senior level promoters of particular innovations in the organization;
  ➢ the ‘shapers’, often teams, who actually flesh out an innovative idea into a feasible project, complete with assumptions, objectives, and the means needed for execution;
  ➢ the ‘sounding boards’, often mentors, usually outside the innovation project, who are roped in to advise on the practicalities;
  ➢ ‘specialists,’ who provide highly specialized advice on the technical aspects of the innovation project.
• The organization’s culture and work climate.
• The nature of the innovations — management related versus technical, incremental versus breakthrough.
• The organization’s marketing and customer response system.

Obviously, having to attend to so many factors can make the job of designing an innovative organization quite difficult, especially if there is lack of clarity on how these factors are to be utilized. More specific guidelines are needed on how to proceed. We now turn to this task.

A MODEL OF CORPORATE CREATIVITY

Organization theory offers several approaches for building models of the structure and functioning of organizations (Child and Kieser, 1981; Khandwalla, 1977; Pfeffer, 1982). Three approaches are especially useful for building a model of organizational design for sustained and successful innovativeness. Contingency theory eschews all universally best designs and argues that, for the organization to be able to survive, its structure and functioning must be adapted to such features of its operating context as the environment it operates in, the nature of its industry or domain, its size, its technology, etc. (Thompson, 1967; Donaldson, 2001). The strategic choice perspective argues that, in any context, organizations can adopt a variety of designs depending upon the strategic choices they make (Child, 1972; Hrebiniak and Joyce, 1985). Especially important may be such strategic choices as diversification, internationalization of operations, the core values, the core philosophy of the management, the vision of the future, key elements of the competitive strategy, etc. The synergy perspective argues that, for superior performance, the various elements of organizational design such as the organization’s strategy, structure, management style, key management functions, decision-making and other processes, and the capabilities of its human resources must be properly aligned, i.e., must support each other rather than work at cross purposes (Khandwalla, 1973; Miller and Friesen, 1984). Drawing on the literature survey summarized earlier and the tenets of these three approaches, the following model of organizational design for corporate creativity (i.e., sustained and successful innovativeness) is proposed for the corporates of emerging economies undergoing liberalization and globalization:

• As emerging market economies grow more competitive, turbulent, and customer-focused, the greater is the pressure on the organizations to adapt
in various ways, including by modifying business strategy, management style, organizational structure, management practices, and effective modes of managing innovations/changes. This is because customary ways of operating do not work well enough and the shelf life of market offerings keeps getting shortened. These pressures are likely to induce decision-makers to search for means for meeting these pressures.

- In spite of the environment becoming more competitive, turbulent, and exacting, some organizations choose to change their design in innovation-congruent directions, while others choose not to change in this fashion or to a much lesser extent. This is because the ‘prospector’ types of management would tend to see more opportunities than threats through change and innovation while managements with more conservative mindsets may prefer a wait-and-watch attitude or see more threats than opportunities from change and innovation (Miles and Snow, 1978).

- Organizations that do adopt an innovation-friendly organization design tend to display substantial corporate creativity, i.e., they tend to be copiously and successfully innovative. Innovating successfully is a form of learning and once a facilitative organizational design is adopted and the process of innovating successfully is mastered, the management would feel encouraged to try out many more innovations and changes required to operate in a turbulent, competitive, and demanding environment.

- Organizations that are copiously and successfully innovative tend to have a strong competitive advantage as evidenced by an above average performance on a variety of effectiveness indicators. This is because there is a time lag between a successful innovation in an organization and its diffusion among its rivals, so that the more numerous the successful innovations, the larger overall would be the performance advantage of the innovating organization. Figure 1 summarizes the above model.

A Test of the Model

Data were secured from a fairly wide spectrum of 65 Indian corporates for the period late 1999 to early 2003. Table 1 provides the sample characteristics. The data were secured through a questionnaire completed anony-

Figure 1: Model of Organizational Design for Corporate Creativity

- Liberalization and globalization of an emerging economy
- Increasingly turbulent, competitive, exacting operating environment
- Strategic choice by corporates
  - Adopt a corporate creativity-compatible organizational design
  - Status quo in organizational design
- Innovation-inducing business strategy
- Innovation-inducing management style
- Innovation-inducing organizational structure
- Innovation-inducing management practices
- More effective management of innovations
- Record of a stream of successful technical and management-related innovations
- Sustained competitive advantage

uously by an average of five top and senior level executives. No unit was included without at least two respondents from it. The data were gathered for feedback to participants in management creativity workshops coordinated by the senior author and the data were obtained from the participant and his/her colleagues, superiors (if any), and subordinates.

In the questionnaire, the data were gathered through ratings by participants on a number of 6-point scales, anchored by a statement at each extreme. All the responses from each organization were averaged and converted into percentage scores for the organization. For this purpose, for each scale, the rating of 1 meant 0 per cent, 2 meant 20 per cent, 3 meant 40 per cent, 4 meant 60 per cent, 5 meant 80 per cent, and 6 meant 100 per cent. The following variables were measured:

- **Environmental pressure**: Four scales were aggregated to measure this variable. The first scale measured how turbulent the product market environment of the corporate was in terms of having to
cope with unexpected changes in the organization’s output markets. The second scale measured the turbulence in the organization’s input markets which involved having to cope with unexpected changes in the prices and availability of key inputs like power/fuel, components, raw materials, equipment, human resources, funds, etc. The third scale measured the sophistication of the organization’s clients/customers and how demanding they were in terms of quality, price, delivery, etc. The fourth scale measured the vulnerability of the organization to competitive pressures or other hostile acts of outside forces. High aggregated scores for the four scales reflected high environmental pressure on the organization while low aggregated scores represented low environmental pressure.

- **Innovations-supportive strategic management**: Scores on six scales were aggregated to measure innovations-supportive strategic management. The higher the score, the more innovations-conducive the organization’s strategic management was. The first scale measured the management’s desire to position the organization as a unique one in its industry in the way it operated. The second scale measured the management’s commitment to diversify the organization’s products/activities and enter new markets. The third scale measured the management’s commitment to offer customized products/services. The fourth scale measured the management’s preference for pioneering new or novel products/services, i.e., for the organization being the first in the market to offer new products/services. The fifth scale measured the management’s priority to product differentiation and superior quality offerings. The sixth scale measured the management’s preference for sophisticated, ‘high tech’ technologies, products or services.

- **Innovations-supportive top management style**: Aggregated scores on eight scales measured the extent of this variable. The first scale measured the management’s preference for calculated risk taking and entrepreneurship. The second scale measured the management’s emphasis on getting results through operating flexibility, operating autonomy for managers but with accountability for results, and interactive evolving of decisions. The third scale measured the management’s rewarding of successful innovation, creativity, resourcefulness, experimentation, and improvisation. The fourth scale measured the aggressiveness with which the management scanned the national and international environment for opportunities even if these did not relate directly to the organization’s current priorities. The fifth scale measured the interactivity of the top managers with customers, suppliers, and competitors for securing or testing out ideas, suggestions, and possible joint ventures. The sixth scale measured the management’s preference for commissioning periodically professional market surveys, SWOT-diagnostic studies, re-organization studies, morale surveys, customer satisfaction surveys, etc., to identify new opportunities and areas of innovation and improvement. The seventh scale measured the top management’s emphasis on business ethics and corporate social responsibility. The eighth scale measured the top management’s commitment to participative and consultative decision-making.

- **Innovations-supportive organizational structure**: Aggregated scores of four scales measured the extent of innovations-supportive organizational structure. The first scale measured the extent of administrative flexibility as evidenced by changes of roles, creation of new sections and disbanding of old sections, and inter-departmental transfers of
people. The second scale measured the flatness of the managerial hierarchy. The third scale measured the extent of decentralization of operating decisions from the top to lower levels in the organization. The fourth scale measured the extent to which the organization resembled a matrix structure with specialist staff belonging to functional departments also assigned to project teams, divisions, etc., i.e., having dual responsibility.

- **Innovations-supportive practices and culture**: The score on eight scales were aggregated to measure this variable. The first scale was the extent of usage of multi-disciplinary project teams and task forces for probing problem areas in operations and for developing fresh but workable options and opportunities. The second scale measured the emphasis at work on professional norms and peer group pressure. The third scale measured the extent to which the management disseminated to the rank-and-file the challenges faced by the organization and invited suggestions for meeting these challenges. The fourth scale measured the management’s encouragement to the employees to form quality circles and the like. The fifth scale measured the involvement of the staff during target setting exercises and the eliciting of their views and ideas. The sixth scale measured the encouragement by the management to the employees to resolve their personal differences with each other directly rather than by the intervention of their bosses. The seventh scale measured the emphasis on learning and skills enhancement through planned human resource development. The eighth scale measured the management’s priority to recruiting bright, innovative young professionals and giving them challenging assignments.

- **Effective management of innovations**: Ratings on 13 scales were aggregated to secure the score for this variable. The scales sought to measure various processes involved in conceiving and implementing innovations effectively. Seven scales measured processes for generating/facilitating innovative ideas and approaches. The first of these measured the usage of group or team brainstorming for generating fresh ideas concerning key operating issues. The second measured the management’s encouragement to managers and technical staff to participate in seminars and conferences and to their visits to leading organizations to pick up ideas for innovations. The third measured the use of benchmarking for generating potential innovations. The fourth measured the latitude to bend or bypass rules that obstruct conceiving of desirable innovations and changes. The fifth measured the use of an effective system for rewarding the creative ideas of employees. The sixth measured the extent to which the management forced the pace of innovations such as through ‘stretch’ targets for percentage sales from new products, percentage increase in productivity, percentage decrease in costs, and the targets for securing patents or innovation awards. The seventh measured the management’s commitment to intrapreneurship (internal entrepreneurship).

The remaining six scales measured planning, implementation, monitoring, and post-implementation modification of innovations. The first measured the organization’s commitment to formal R & D. The second measured the organization’s recourse to technical collaboration ventures to procure and develop innovative products and processes. The third measured the extent of careful planning, phasing, and reviewing of innovations. The fourth measured the usage of special cross-functional teams for implementing innovations. The fifth measured the top management’s involvement in monitoring the progress of innovations. The sixth measured the usage of post-implementation reviews of innovations for making suitable modifications.

- **Corporate innovational success (corporate creativity)**: Scores on five scales were aggregated to derive the score for this variable. The first scale measured how excellent the organization’s image was of being an innovative organization. The second scale measured the extent to which current revenues were derived from product innovations during the past three years. The third scale measured the record of the organization for successfully implementing a stream of technological process innovations during the previous three years. The fourth scale measured the organization’s record for successfully implementing operations-related innovations (such as BPR, TQM, QC, etc.) during the previous three years. The fifth scale measured the organization’s record of successfully implementing innovations in strategy, structure, management systems and prac-
- **Competitive excellence**: Ratings on twelve scales were aggregated to derive the score for this variable. Each scale measured the relative performance of the organization vis-à-vis the best performers in the organization’s relevant sector, industry or line of business in India. The 12 performance indicators were: level of profitability, growth rate of sales, morale of employees, financial strength of the organization, public image and goodwill, adaptability (ability to diversify successfully, quickly changing strategies, seizing opportunities, etc.), stability in the level of performance from one year to another, operating efficiency, innovativeness, impact on industry/sector (through impact-making new products, technologies, activities, etc.), corporate social responsibility, and business ethics.

For each scale used in the above eight variables, two ratings pertaining to the current situation and the situation three years earlier were obtained from each respondent. Subtracting the ‘past’ score from the ‘present’ score yielded the direction and magnitude of change. By averaging the scores of the changes for the scales constituting a variable, it was possible to derive the change score for the variable. Since the ratings were converted into percentages, the change scores were in percentage points. For example, if five respondents rated an organization on all the scales utilized in this study, and after conversion into percentages the ‘present’ scores for the four scales constituting environmental pressure were, respectively, 80 per cent, 75 per cent, 68 per cent, and 52 per cent, and similarly calculated ‘past’ scores (in percentage points) were 58 per cent, 62 per cent, 65 per cent, and 57 per cent, the ‘change’ scores, in percentage points would be 22, 13, 3, and −5, and the score for the variable would be 33/4 or 8.25. When we work with the first differences of scores, as we have in this paper, it is easier to see how the corporate universe is changing and also the causal connections between various dimensions of this universe.

Table 2 shows the basic statistics of the foregoing eight ‘change’ variables for the sample of 65 Indian corporates — average, standard deviation as a measure of the variability of the scores in the sample, Cronbach’s alpha, a measure of reliability, and (product moment) correlations between the variables.

### Data Analysis

Table 2 reveals that over the previous three-year period, the largest average change of 20.1 percentage points (43.5% over the base score) was in environmental pressure. But, this was closely matched by changes in innovations-supportive strategic management, corporate innovational success, and innovations-supportive management practices and culture, and to a lesser extent by changes in innovations-supportive top management style, innovations-supportive organizational structure, and effective management of innovations. Thus, for the sample as a whole, as contingency theory would predict, the changes in organizational variables were in the direction required by the change in the corporate operating environment in India. Interestingly, however, the

<table>
<thead>
<tr>
<th>Change Variables</th>
<th>Average (in percentage points)</th>
<th>Std. Dev.</th>
<th>Reliability (Cronbach’s Alpha)</th>
<th>Product Moment Correlations with</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Change in environmental pressure (CEP)</td>
<td>20.1</td>
<td>12.7</td>
<td>0.78</td>
</tr>
<tr>
<td>2</td>
<td>Change in innovations-supportive strategic management (CSM)</td>
<td>18.8</td>
<td>13.2</td>
<td>0.76</td>
</tr>
<tr>
<td>3</td>
<td>Change in innovations-supportive top management style (CMS)</td>
<td>15.4</td>
<td>11.5</td>
<td>0.80</td>
</tr>
<tr>
<td>4</td>
<td>Change in innovations-supportive organizational structure (COS)</td>
<td>14.9</td>
<td>15.0</td>
<td>0.80</td>
</tr>
<tr>
<td>5</td>
<td>Change in innovations-supportive management practices and culture (CMP)</td>
<td>17.0</td>
<td>12.6</td>
<td>0.87</td>
</tr>
<tr>
<td>6</td>
<td>Change in effective management of innovation (CMI)</td>
<td>14.6</td>
<td>12.2</td>
<td>0.90</td>
</tr>
<tr>
<td>7</td>
<td>Change in corporate innovational success (CIS)</td>
<td>17.9</td>
<td>12.9</td>
<td>0.90</td>
</tr>
<tr>
<td>8</td>
<td>Change in corporate competitive excellence (CCE)</td>
<td>8.4</td>
<td>10.2</td>
<td>0.94</td>
</tr>
</tbody>
</table>

* Statistically significant at 95 per cent confidence level (2-tailed).
** Statistically significant at 99 per cent confidence level (2-tailed).
correlations of change in environmental pressure with the organizational change variables were all insignificant suggesting that some organizations responded vigorously to the change in the operating environment while others preferred the status quo. This is also supported by the sizeable standard deviations (in relation to the average scores) of the organizational change variables. On the whole, however, the corporate India represented in this sample appears to have neutralized substantially the increased environmental pressures by adopting innovation-friendly strategies, management styles, structures, and practices, and as a consequence, its competitive excellence increased, although only modestly (by an average of 8.4 percentage points).

The correlations also tell an interesting story. Changes in strategic management, top management style, management practices and culture, and the management of innovations covaried strongly indeed, the average correlation between them being 0.73. Their correlations with changes in organizational structure are distinctly smaller averaging only 0.34. Thus, the corporates in the sample may not have gone far enough vis-à-vis such dimensions of an innovation-friendly organization structure as administrative flexibility, flatness, decentralization, and dual responsibility (matrix structure).

The correlations of all five organizational change variables (strategy, style, structure, practices and culture, and management of innovation) with change in corporate innovational success (corporate creativity) are positive and statistically significant. Here again, however, the correlations of change in strategy, style, practices, and innovation management with change in corporate creativity are rather large, all exceeding 0.70, while the correlation of structural change with change in corporate creativity is much smaller at 0.38. This suggests that organizational structure, or at least its dimensions measured in this study, plays a much smaller role in how successfully innovative an organization turns out to be in a liberalizing economic regime.

The correlation of change in environmental pressure with change in competitive corporate excellence is negative (though not at a statistically significant level). This is, of course, what we may expect — unless counteracted by vigorous management action, a more difficult operating environment will lead to decline in corporate performance. On the other hand, the correlations of all the organizational change variables — strategy, style, structure, culture, and innovation management — with change in corporate excellence are positive and statistically significant, although the sizes hover around 0.4.

Finally, there is a strong correlation of .63 between change in corporate innovational success and change in competitive corporate excellence. Thus, innovative organizations in the context of liberalizing emerging economies are likely to yield a sizeable relative performance bonus. Thus, learning how to innovate profusely and successfully may be a very significant competitive advantage.

The pattern of correlations suggests that when operating contexts get more trying, as they do in liberalizing economies, certain sorts of changes in business strategy, top management style, organizational structure, management practices and culture, and the way innovations and changes are managed can substantially increase the organization’s track record of corporate creativity, and this, in turn, can significantly improve the competitive performance of the organization along a wide range of indicators. In order to assess the extent of improvement, two regressions were run. The first was of change in corporate innovational success with change in environmental pressure and the five organizational change variables, while the second was of change in competitive corporate excellence with change in corporate innovational success as well as change in environmental pressure and the five organizational change variables. Table 3 summarizes the results.

Nearly three-quarters of the variation in change in corporate innovational success is explained by the five organizational change variables and change in environmental pressure. The greatest predictor of change in corporate innovational success is change in the effective management of innovations, with change in management practices and change in strategic management being independent auxiliary predictors. Nearly half of the variation in change in competitive corporate excellence is explained by the remaining seven variables, by far the greatest predictor being change in corporate innovational success. The data indicate that the organizational design for successful innovativeness sketched out in this paper does yield results in terms of corporate creativity, and corporate creativity, in turn, yields competitive excellence.

Corporate Creativity as Strategic Choice

We noted in Table 2 that change in environmental pressure...
pressure was uncorrelated with the organizational change variables as well as with change in innovational success and change in competitive excellence, despite the overall pattern of change in organizational change variables being compatible with the change in environmental pressure. One possibility, therefore, is that some organizations responded to heightened environmental pressures by reinventing themselves, i.e., by adopting an innovations-friendly organizational design, while the others resisted internal change. To probe this possibility further, those 30 (out of 65) corporates scoring highest on change in environmental pressure were separated out and their organizational changes, change in innovational success, and change in competitive excellence scores were subjected to a (k-means based) cluster analysis. Such a cluster analysis can yield distinctive profiles in this case of organizational design. In view of the smallness of the number of corporates in this group, only a 2-cluster solution was sought. The two clusters or organizational profiles are shown in Table 4.

Only about one in three corporates experiencing sharp increase in environmental pressures adopted a creativogenic organizational design (see Profile 2 in Table 4). Roughly two out of three chose to make only very modest changes (Profile 1 in Table 4). For those that did adopt a creativogenic organizational design, their overall innovational success rate change was 260 per cent higher and their competitive performance change was nearly 40 per cent higher than those that did not.

Even more intriguing were the strategic choices in the 30 relatively low change in environmental pressure corporates. While the lowest change in environmental pressure score in the ‘high’ change group of corporates was 21 percentage points, the highest change in environmental pressure score for the ‘low’ change group was 17 percentage points. The ‘low’ group of 30 corporates, too, was subjected to a similar cluster analysis. Table 5 shows two contrasting profiles.

The Profile 2 organizations adopted a creativogenic organizational design despite a relatively low change in environmental pressures and thereby gained handsomely: around 280 per cent improvement in innovational success as well as in competitive excellence compared to the resisters! Thus, investing in an organizational design that yields corporate creativity works well when the environment gets tougher and works even better when the change in pressure is small. It would seem that corporate creativity is not so much a strategic choice as it is a strategic necessity for competitive excellence in liberalizing economies.

**DISCUSSION AND IMPLICATIONS**

There is very little large sample research to buttress corporate creativity’s effectiveness in the context of emerging market economies, and even in Western re-

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**Table 4: Two Profiles among Corporates Experiencing High Change in Environmental Pressure**

<table>
<thead>
<tr>
<th>Corporate Profile 1</th>
<th>Corporate Profile 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in strategic management (score in percentage points)</td>
<td>Change in strategic management (score in percentage points)</td>
</tr>
<tr>
<td>12.6</td>
<td>31.2</td>
</tr>
<tr>
<td>Change in top management style</td>
<td>Change in top management style</td>
</tr>
<tr>
<td>9.6</td>
<td>27.0</td>
</tr>
<tr>
<td>Change in organizational structure</td>
<td>Change in organizational structure</td>
</tr>
<tr>
<td>11.9</td>
<td>18.6</td>
</tr>
<tr>
<td>Change in management practices and culture</td>
<td>Change in management practices and culture</td>
</tr>
<tr>
<td>10.9</td>
<td>28.9</td>
</tr>
<tr>
<td>Change in effective management of innovations</td>
<td>Change in effective management of innovations</td>
</tr>
<tr>
<td>8.4</td>
<td>28.3</td>
</tr>
<tr>
<td>Change in innovational success</td>
<td>Change in innovational success</td>
</tr>
<tr>
<td>10.9</td>
<td>29.0</td>
</tr>
<tr>
<td>Change in corporate competitive excellence</td>
<td>Change in corporate competitive excellence</td>
</tr>
<tr>
<td>5.2</td>
<td>7.1</td>
</tr>
</tbody>
</table>

*Sample of 30 Indian corporates scoring highest on change in environmental pressure.*
search, such evidence so far is still quite modest. Thus, this study fills an important lacuna. But, the study is based on subjective perceptions of top and senior level managers and its findings must be considered as provisional. The study, however, does get indirect support from the literature on turnarounds. In one international study of 120 cases, it was found that those turnarounds that used innovative means averaged 50 per cent faster post-turnaround growth in sales and profits than the conventionally effected turnarounds (Khandwalla, 2001).

The study presents fairly strong evidence that redesigning organizations for corporate creativity, both technical as well as non-technical, can provide a powerful edge to organizations regardless of the pressures of their operating environments. It is noteworthy that only one in three corporates in environments that had got a lot tougher and a minority of corporates in environments that had not changed much had learnt how to adopt creativogenic organizational designs. As environmental pressures mount through further liberalization and global competition, the non-adopters could suffer gravely.

The data indicate that organizational design for corporate creativity, while beneficial regardless of the magnitude of change in environmental pressures, yields far better results when environmental change is modest than when it is large. This seems an interesting anomaly. The reason may lie in differential rates of the diffusion of innovations in high versus low pressure environments. In environments that have grown a lot tougher and more competitive, technical and management-related innovations may diffuse much more rapidly because the management needs to be far more alert to innovations and changes in the industry. The faster the institutionalization of innovations in an industry, the lower, or less durable, may be the competitive advantage conferred on the pioneering organization. The IT, telecom, and FMCG industries in India probably exemplify this. This may also be a reason why, even in industries that have grown fiercely competitive, several enterprises may choose to avoid going in for rapid rates of innovation. Their managements may perceive that innovations and changes that spring from large R&D expenditures or from resources absorbing management-related innovations like greater computerization, HRD, TQM, BPR and so forth may not give commensurate returns, since others, too, would follow suit quickly and erode their competitive advantage. On the other hand, when environmental pressures are growing at a modest rate, managements may be less responsive to changes and innovations of rivals, and thus the few entrepreneurial, ‘prospector’ types (Miles and Snow, 1978) that do go for rapid rates of innovation may retain competitive advantage from these innovations much longer.

There may also be greater cultural resistance to redesigning organizations for corporate creativity in emerging economies. Redesigning organizations to facilitate corporate creativity is not easy in cultures that are traditional and authoritarian. The more superficial aspects of innovation — adoption of some alien professional management tools like planning, budgeting, quality control and so forth — may be relatively easy, but the more basic innovations such as in the process of problem-solving and decision-making, in conflict resolution, in delegating meaningfully, in team functioning, in human resource development, in customer orientation, in participative brainstorming and so forth that involve major mindset shifts and behavioural changes, may be quite difficult (Kiggundu, Jorgensen and Hafsi, 1983; Jaeger, 1990). Thus, despite the widespread popularity of the rhetoric of innovation and change in emerging economies, the reality may be considerably less optimistic. To cope effectively in the new era of liberalization, global competition and global opportunities may well require the emplacement of a new breed of managers in strategic positions. These need to be generally younger, better educated, more receptive to change, more innovative and entrepreneurial, and more

### Table 5: Two Profiles among Corporates Experiencing Relatively Low Change in Environmental Pressure*

<table>
<thead>
<tr>
<th></th>
<th>Corporate Profile 1</th>
<th>Corporate Profile 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>(score in percentage points)</td>
<td>(17 corporates)</td>
<td>(13 corporates)</td>
</tr>
<tr>
<td>Change in strategic management</td>
<td>11.9</td>
<td>27.5</td>
</tr>
<tr>
<td>Change in top management style</td>
<td>7.9</td>
<td>26.5</td>
</tr>
<tr>
<td>Change in organizational structure</td>
<td>8.2</td>
<td>27.8</td>
</tr>
<tr>
<td>Change in management practices and culture</td>
<td>8.1</td>
<td>29.6</td>
</tr>
<tr>
<td>Change in effective management of innovations</td>
<td>9.5</td>
<td>22.8</td>
</tr>
<tr>
<td>Change in innovative success</td>
<td>10.8</td>
<td>30.7</td>
</tr>
<tr>
<td>Change in corporate competitive excellence</td>
<td>6.4</td>
<td>18.1</td>
</tr>
</tbody>
</table>

*Sample of 30 Indian corporates scoring lowest on change in environmental pressure.
inclined to take calculated risks with an eye on the global positioning of their organizations and global standards of operating excellence. Ways need to be thought of engineering palace revolutions in conservative corporates whereby the old guard is replaced or neutralized by a new, more dynamic guard. Even legal requirements could be considered whereby the top managements of persistently under-performing organizations need to step down compulsorily and be replaced by more dynamic top managements. At the least, conservative managements may be well-advised to identify bright change agents in the lower rungs of the organization for fast tracking so that in a few years they come to occupy powerful positions.

There is also an implication for management education. Corporate creativity does not figure in the core curriculum of most MBA programmes. The concept of professional management needs to incorporate dynamic, entrepreneurial, innovations-oriented management, much as in the best programmes, business ethics and corporate social responsibility have been incorporated into the core of the curriculum. Similarly, the values, competencies, and management concepts that can nurture organizational creativity need to be made an integral part of in-company training programmes.

If corporates from India and other emerging market economies have to catch up quickly with world standards in the quality of products, productivity, customer service, etc. they will have to go beyond mere imitation to innovation. Seldom can alien innovations, particularly management-related innovations, be absorbed in a culture without significant modifications. Hence, social mechanisms need to be thought of for fostering corporate creativity. Industry associations can play a major part in disseminating a better understanding of what is needed to be done to create innovative organizations. Corporates could be required to report their technical as well as non-technical innovations in their annual reports. Major awards could be created for the most innovative corporates and managers. A central agency could pool corporate innovations and disseminate these widely. Schools could be set up to train agents of change and innovation. Creativity training could be imparted more widely not only in corporates but also in schools and colleges.

Corporate creativity is a part of the wider movement of human creative striving that has transformed how we live. This movement has yielded many great ‘goods’ but also some fearsome ‘bads.’ In management, we need to understand corporate creativity better, utilize it, and channel it in constructive rather than destructive pursuits.

Finally, some practical tips to managers seeking to enhance corporate creativity:

- Conduct a diagnosis of the design of your organization. How conducive are the present business strategy, top management style, organizational structure, management processes and culture, and the management of innovations to corporate creativity? A diagnostic instrument is available (Khandwalla, 2003) that can provide a fairly detailed information on where your organization stands against a benchmark of a few highly innovative and successful corporates. Identify the items where the gaps are the largest.
- Form a cross-functional team to tackle each major gap area, with a mandate to find effective and innovative ways of closing the gap. The teams may initially need some training in creative problem-solving in an organizational context.
- After reviewing participatively the recommendations of the cross-functional teams, identify consensually the most productive action points for quick implementation. This can build up momentum for innovation and change.
- Seek to instil into the organization a culture of brainstorming for novel but effective solutions; of seeking continuously and widely, both within the organization and outside, new growth areas; of developing innovative ideas in-house rather than merely borrowing solutions from outside; of looking for new markets and new applications of old products/services; of tailor-making new products/services for neglected niches; of starting small in novel ventures, learning the ropes fast, and then aiming for fast growth; of seeking technical/financial collaborations for ventures after building up some in-house expertise; of inducting young, innovative MBAs and other professionals and giving them autonomy and challenging assignments; of identifying and grooming change agents and intrapreneurs; of rewarding innovators even if they fail for reasons beyond their control; of ensuring that innovations in any part of the organization are made known to all the other parts; of building up a network of informative contacts for ideas and
suggestions; of turning customers into partners in identifying and testing out novel, high potential products/services; of seeking high potential but risky ventures but then working hard to reduce the risks before implementation; of using cross-functional teams for diagnosing problem areas and also for executing innovations; and of sharing corporate problems with the stakeholders and encouraging two-way vertical, horizontal, and diagonal communications.

REFERENCES


Pradip N Khandwalla retired as Professor of Organizational Behaviour from Indian Institute of Management, Ahmedabad in 2002. He has published a dozen books on organization theory and design of organizations, turnaround management, creativity and its management, public sector management, styles of management, etc., and nearly 80 papers in refereed journals and scholarly anthologies. He is now a management consultant and serves on several corporate boards, institutional governing councils, and government bodies.

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Be not too tame neither, but let your own discretion be your tutor: suit the action to the word, the word to the action; with this special observance, that you o’erstep nor the modesty of nature; for anything so overdone is from the purpose of playing, whose end, both at the first and now, was and is, to hold, as ‘twere, the mirror up to nature.

* William Shakespeare

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