

Unit BR3: Innovation and Creativity in Business

Unit code: K/503/7269

QCF level: 6

Credit value: 15

Aim

This unit aims to give learners an understanding of the importance to organisations of creativity and innovation. The unit also gives learners the skills to overcome barriers and influence others to support innovation in business.

Unit abstract

Innovation is becoming essential to growth and prosperity of business organisations and countries. In this unit, learners start by exploring the need for business organisations to continuously innovate in order to maintain competitive advantage and the impact of innovation on national economies. Learners study the work of theorists seeking to understand the processes of creativity in individuals. They then experiment with using some of the many techniques designed to encourage creativity and innovation in individuals and groups.

Learners will examine the theoretical approaches to the fostering or conversely the stifling of innovation in organisations. This includes exploration of types of motivation, culture, climate, leadership and innovation management processes found in organisations.

Learners will plan the development and implementation of an innovative idea of their own and in doing so apply some of the theory from this unit. In the final learning outcome, learners identify and plan to overcome barriers to the implementation of their innovative idea. This includes examination of internal barriers such as culture and resistance to change, as well as external barriers such as the market, legislative framework and infrastructure issues.

Overall, the unit examines innovation in business from viewpoints of individual creativity in individuals through to the drivers and actions of organisations and national government. It links theory with practical application.

Learning outcomes

On successful completion of this unit a learner will:

- 1 understand the importance of innovation to business
- 2 understand how creativity can be fostered
- 3 understand how innovation can be fostered in an organisation
- 4 be able to influence others to effect innovative change in an organisation
- 5 be able to plan to overcome barriers to implementation of creative and innovative ideas in an organisation.

Unit content

1 Understand the importance of innovation to business

Innovation in engineering: definitions of innovation; formats of innovation; level of change; innovation space mapping

Importance to organisations: increasingly competitive trading environment; building and maintaining competitive advantage; types of competitive advantage

Support for innovation: government policies supporting innovation

2 Understand how creativity can be fostered

Key theoretical concepts: comparison of approaches; forms of creativity; creative process; personality traits for innovation

Creativity tools and techniques: positive; negative; interesting (PNI); mind mapping; visioning; fishbone diagram; problem-solving techniques

Analytical tools: SWOT (strengths, weaknesses, opportunities and threats); cost/benefit analysis; Pareto analysis; risk analysis; value

Evaluation: criticisms of theoretical concepts and tools and techniques

3 Understand how innovation can be fostered in an organisation

Fostering innovation in organisations: theoretical approaches; culture and climate encouraging innovation; intrinsic versus extrinsic motivation; impact of type of tasks

Leadership: climate; reward; work roles to support innovation

Innovation strategies: pioneering versus following; leapfrog; speed to market; perfection; market hedge; product hedge; outsource and alliance; innovation protection strategies

Organisational processes: innovation strategies; innovation process management development and models

4 Be able to influence others to effect innovative change in an organisation

Plan creative idea: identify problem/opportunity; human resource, physical and technical requirements; working environment; idea generation

Rationale for stakeholders: identification of stakeholders; analysis of stakeholder viewpoints and importance; benefits of innovative idea

Communicate/evaluate idea: segmentation and targeting of stakeholders; communications mix; media selection; stakeholder group interaction; evaluation and selection processes; financial measures; market factors

5 Be able to plan to overcome barriers to implementation of creative and innovative ideas in an organisation

Internal/external barriers to innovation: organisational culture; organisational climate; resistance to change; types of resistance to change; legislation; infrastructure; lack of government support; market reaction

Overcoming barriers: participation; education; involvement; communication; staff selection and rewards; relocation; lobbying; adaptation

Evaluation /increasing success: measures of success; factors enhancing success rates; causes of failures

Learning outcomes and assessment criteria

Learning outcomes On successful completion of this unit a learner will:	Assessment criteria for pass The learner can:
LO1 Understand the importance of innovation to business	1.1 Explain the value of innovation to organisations 1.2 Evaluate support for a recent innovation in a selected organisation
LO2 Understand how creativity can be fostered	2.1 Analyse key theoretical concepts about creativity in individuals 2.2 Use analytical tools to identify potential creative ideas 2.3 Critically evaluate key theoretical concepts about creativity
LO3 Understand how innovation can be fostered in an organisation	3.1 Analyse how to lead others in an organisation to positively embrace innovation 3.2 Critically evaluate current processes for managing innovation within a selected organisation
LO4 Be able to influence others to effect innovative change in an organisation	4.1 Plan a creative idea to effect innovative change in an organisation 4.2 Produce an appropriate rationale to persuade stakeholders of an organisation of the benefits of a creative idea 4.3 Communicate the idea to effect innovative change in an organisation to stakeholders 4.4 Critically evaluate the idea and its prospects of success
LO5 Be able to plan to overcome barriers to implementation of creative and innovative ideas in an organisation	5.1 Assess the barriers to the implementation of a creative and innovative idea in a selected organisation 5.2 Plan a strategy to overcome identified barriers to the implementation of a creative and innovative idea in an organisation 5.3 Evaluate the extent to which the plan will increase the likelihood of success of an innovation within an organisation

Guidance

The content of this unit has been mapped against the Engineering Council's current Learning Outcomes for IEng Accreditation. The completion of the learning outcomes for this unit will contribute knowledge, understanding and skills towards the evidence requirements for IEng Registration.

See *Annexe B* for summary of mapping information for IEng Accreditation.

Essential requirements

There are no special resources needed for this unit.

Delivery

This unit draws from a variety of disciplines and a variety of learning methods could be used. A range of recent work of theorists on innovation is included and this contextualised into the business studies world through drawing on established principles from marketing, economics, finance and management.

As consumers and users of services, learners will be familiar with the results of innovations, eg social media, and case studies of how these organisations innovate would be valuable in bringing this unit to life.

Learners with experience of working in innovative or traditional organisations or that fall somewhere between these two opposites, could be encouraged to use and share their experiences in group discussions and in their assessed work.

Learning outcome 1 sets the context and enables learners to explore why innovation is regarded as so important at both organisational and national level. It would be beneficial for learners to be exposed to a wide variety of current material from the business world through reading 'quality newspapers' and journals. Learners could collect key statistics on innovations over a recent time period and then share them with fellow learners. It would also be useful for learners to hear the views of those involved in government or in running businesses on government support for innovation in business.

In learning outcome 2, learners study the work of theorists investigating the somewhat mysterious processes of creativity in individuals. Traditional styles of delivery such as lectures and reading can be used for this content. This learning outcome also includes a practical element whereby learners can experiment with using different techniques for developing creative ideas. The well-known methods given in the unit content can be used, however other less well-known methods could be tested by learners instead or as well as the methods given. Learners could be given problems relevant to their own lives. Books or websites based on developing creative thinking could also provide suitable exercises. A technique sometimes used is for learners to keep an innovation or creativity log throughout their programme of study.

Learning outcome 3 is about the theory relating to how innovation can be fostered or discouraged by the way the organisation is managed. The theory could be taught through lectures or through learners reading selected materials. The theory could be further explored through applying it to organisations with which learners are familiar and to case study material.

Learning outcome 4 is less abstract and more practical and learners will be applying the theory learnt in the other learning outcomes and also revisiting learning from other units in the programme. Learners should have already studied stakeholders, marketing communications and project evaluation techniques so for these areas teaching should complement what has gone before and help learners to relate it to the management of the development of an innovative idea. Some techniques, such as the bubble diagrams, are specific to this unit but the factors used within it are common to many business studies units. Learners could be given opportunities to practise using all the techniques in small groups, using a case study or a hypothetical idea for the development of a service in their own institution.

Learning outcome 5 is practical rather than theoretical and focuses on the implementation of an innovative idea. Much of the content follows on from the theoretical content from the other learning outcomes although some content relates to resistance to change which learners may need to explore through lectures or reading before practising application of the principles to case studies. Analysis of a current campaign which supports a controversial change could provide an interesting way of delivering this part of the programme.

Assessment

Assessment for this unit could be in the form of one large assignment covering all criteria or it could be split into two or perhaps three assessments. It is envisaged that learning outcomes 4 and 5 would be assessed together and linked to learning outcome two. The theme of this assignment would be the development and planning for the introduction of an innovative idea. Learning outcomes 1 and 3 could be linked into an assignment based on a study of an organisation.

In designing the assessments, consideration should be given to ensuring these learners can adequately research the organisation used for many of the learning outcomes, especially 4 and 5. Learners will need to be able to fully understand factors in the internal operations of the business and its external environment. Learners who are in employment may have access to this information through their work roles. For other learners, assessments for this unit could be based on a period of work experience, or from an in-depth study of an organisation. Case-study material could be provided and then supplemented by learners' own research. The learning institution could provide a context for an assessment whereby learners plan innovative ideas for tackling current challenges faced by different sections of the organisation. In this case, it is recommended that a different organisation is used for the other assignment in the unit so that learners have exposure to innovation in a commercial environment. It is unlikely that a fictitious context could provide enough detail to enable the learners to cover the criteria.

There is a need to ensure that the assessment programme includes opportunities for learners to use the analytical tools and it may be that this is better done in groups. If group work is used for any of the criteria it is necessary to ensure that the guidance on the use of group work is followed. Evidence should be produced identifying that each learner has achieved each assessment criterion. Assessment outcomes for most of the assessment criteria are likely to be in the form of reports, plans and presentations.

Resources

Books

Ahmed P K and Shepherd C D – *Innovation Management: Context, Strategies, Systems and Processes* (Financial Times/Prentice Hall, 2010) ISBN 978-0273683766

Drucker P F – *Innovation and Entrepreneurship* (Butterworth-Heinemann, 2007) ISBN 978-0750685085

Hammer M and Champy J – *Reengineering the Corporation: A Manifesto for Business Revolution* (Harper Paperbacks, 2004) ISBN 978-0060559533

Jones T – *Innovating at the Edge: How Organizations Evolve and Embed Innovation Capability* (Butterworth-Heinemann, 2002) ISBN 978-0750655194

Kotler P, Armstrong G, Wong G and Saunders J – *Principles of Marketing, 5th Edition* (Financial Times/Prentice Hall, 2008) ISBN 978-0273711568

Tidd J and Bessant J – *Managing Innovation: Integrating Technological, Market and Organizational Change*, 4th Edition (John Wiley and Sons, 2009) ISBN 978-0470998106

Journals/newspaper

British Journal of Management (John Wiley and Sons)

Harvard Business Review (Harvard Business Publishing)

Journal of Product Innovation Management (John Wiley and Sons)

Financial Times (The Financial Times Ltd)

Websites

www.cambridgeaudits.com

Cambridge Strategy Audits offers scoreable company self-audits on innovation and related topics

www.enchantedmind.com

A non-profit educational institution offering research findings in areas of creative leadership

www.haygroup.com/uk

The Hay Group website provides materials on the business climate and encouraging innovation

www.managers.org.uk

Chartered Management Institute – searchable database which members can use to access journal articles and other publications