

# Creating a Transparent Organization: Structuring a Positive Climate For the Development of Creativity in the Workplace

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As individuals enter this world at birth and begin their development, they are taught about the “boxes” which are the traditional ways we define and act on our environments. We are shaped into accepting grass as green and cows as brown. At home, the parents’ word is inviolate; in school, we learn that the teacher’s approach to solving a problem is the only acceptable approach; and, as we enter the workforce, that the boss is “always right.” These become conceptual “boxes” which define boundaries of acceptable alternatives and limit our creative approaches in acting on our environment. These “boxes” are the focal point of this article. What are the conventional barriers encountered in the work environment and how do we “break-out-of-the-box” to find more creative solutions to organizational problems? The authors would like to share the observations of a combined 70 years of consultation with organizations and input from tens of thousands of worldwide employees.

Conventional approaches to solving problems have looked at processes, materials, and people as potential causes of problems in the workplace. The traditional management hierarchy is multilayered with “top-down” communication to the workforce. When problems arise, solutions are offered from the upper layer of management and pushed down to the lower levels for implementation with expectations of immediate remediation. Results of change are monitored and subsequent corrections are made based upon feedback concerning the change. As one would suspect, the quality of the upper-management leadership is critical to fostering creative solutions to problems in the workplace and allowing employees to “break-out-of-the-box” as contributors to this creativity.

So where does this system fail? The traditional approach creates numerous shortcomings which restrict employee creativity and develop “in-the-box” solutions. The controlling, upper management decision-making frequently fails to include those who are closest to the problem. Under time constraints, pressure builds for a quick solution. As pressure builds, people are blamed rather than problems being fixed. As tempers flare, trust declines and people become closed and guarded. Even in a less pressured environment, people are reluctant to offer newer creative ideas because the ideas are disre-

garded, devalued, taken by management with no recognition to the originator, or used to increase base-line work expectations for the hourly work force. So the organization continues to deal with problems in its usual “in the box” solutions (Drucker, 2002).

Obviously more constructive ways to solve organizational problems must exist. How do we “break-out-of-the-box”? The key is in selecting the right people; providing them with "out-of-the-box" training; and placing them into an organization which utilizes transparent, trusting procedures that take advantage of the multiple talents and viewpoints which exist in that organization. Personality variables which are conducive to embracing new ideas (e.g., Openness to Experience) are an asset but must be supported by other individuals who are anchored in organizational requirements (e.g., Conscientiousness). The chemistry of a work team which encourages innovative approaches with an eye to the immovable limits of the organization is a vital part of getting “out of the box.”

Attempts to include diverse viewpoints in the workplace are not new. In the 1970s, companies implemented Quality Circles and in the 1990s Kaizan was a popular process to include a broad array of people who had knowledge of a problem in the solution process. In all these approaches, individual ideas were equally valued and considered, and broad changes were considered and evaluated. Other approaches encouraged less drastic change, with approaches such as Appreciative Inquiry, suggesting that problems be solved by evaluating what was still working well in an organization and building on those positive components (Cooperrider & Srivastva, 1991).

The constructive, creative organizations of today have created a workforce with intentional diversity of personality, skills, and viewpoints. The organization fosters a sense of worker ownership in the company and creates a strong sense of worker trust as the organization responds consistently and positively to the efforts and inputs of its personnel. “Problems” are replaced with “improvement opportunities” and calmness and long-term perspective prevails in the face of pressure. In turn, the people in such an organization feel comfortable in suggesting unconventional solutions to the daily problems of the organization. These organizations possess true transparency throughout their structures, facilitating employee understanding of the decision processes utilized, and encouraging employee participation far beyond the basic job requirements for which each person was hired.

While in theory this supportive environment could and should occur with more frequency, organizational barriers to a creative atmosphere continue to exist. Demands for immediate profitability; mergers which adversely alter existing company plans, policies, and procedures; resistance to changing

work standards; and the cost of training are just a few of the many variables which deter the creative process in organizations. Nonetheless, to constructively meet the demands of an ever-changing international market, organizations must “break-out-of-the-box” to adapt and survive.

The leader interested in fostering a transparent culture that encourages innovation and openness must create an emotional climate conducive to its development — and this falls squarely within the leader's role as a people developer.

Such a leader has certain identifiable and observable characteristics — behaviors that are the norm for this leader, not the exception. This leader is concerned with the positive self-esteem of employees. Will Shutz (1996) stated positive self-esteem is a feeling about oneself, a feeling that helps one feel alive, significant, competent, self-aware, self-empowered, smart, encouraged and free to think. In other words, one feels comfortable to think “outside of the box.” When employees have these positive self-esteem feelings, an organization is characterized by a climate of:

Openness	Appreciation	Self-determination
Freedom	Recognition	Participation
Experimentation	Freedom from Fear	Self-confidence

A leader of this caliber is very aware that “tough” or authoritarian leadership creates many problems. Chief among the problems is a restricted climate which abnegates creative endeavors on the part of subordinates (Cangemi, Kowalski, Miller, & Holloper, 2005). This climate encourages employees to search for safety from the leader and to stay “within the box.” Virtually no decision is made without the leader’s tacit or implied approval — or a “sense” by the employee that the decision to be made will meet with the leader’s approval and hence be a “safe” decision. Employees actually will make every effort to search out the leader's body language; no chance can be taken in disappointing the leader, because retribution for a disapproved idea is an ominous psychological threat for many associates (Policy, 2005). The employees fear the leader becoming angry, belittling them with sarcasm and subtle threats. In fact, many people fear these attacks on their self-esteem even more than actual termination from their job! It would be better to lose a job than remain in an environment that is oppressive, gloomy, depressing and debilitating (Cangemi & Parsons, 2005). Indeed, the creative-minded leader likely has given much consideration to the consequences, intended and unintended, of negative behaviors toward the employees (Northouse, 2001; Ellis, 1978). Given the preceding information, it is

reasonable to assume that the level of one's self-esteem has a direct affect on one's behavior (Shutz, 1996) and desire to "break-out-of-the-box."

A good example of considering the consequences of one's behavior is the discussion one of the authors had with the third-ranking leader in an industry with 110,000 employees worldwide. It was observed that a recently hired CEO was dictatorial and autocratic, yet the attitudes in many of the company's production facilities in the United States were unusually positive. The third-ranking executive was questioned how such positive attitudes were possible, given the new leader's "tough" leadership style. The response was, while the CEO was a difficult person with whom to work, the third in command absorbed the brunt of the CEO's punishment and chose to keep it to himself, at the same time treating the leaders in the plants reporting to him with dignity and respect. This absorbing of the negative impact of his superior without passing it through to subordinates encouraged innovative behavior by his people. The third-ranking leader had the insight to protect his employees from the CEO.

## **The Psychological Contract: helping employees to "break-out-of-the-box"**

The concept of the psychological contract was first introduced by Chris Argyris of Harvard University (Argyris, 1960). The psychological contract in the workplace implies unwritten expectations that employees have prior to employment and, likewise, expectations the company/organization has of its employees after they are hired. These expectations can have a powerful effect on the productivity of employees; however, they are seldom explicitly verbalized and almost never put in written form.

## **Committing the Psychological Contract to Writing: Case One**

In the cumulative, 70-year careers of the authors — careers during which they were exposed to hundreds of organizations — it appears that the concept of a psychological contract has been a unknown concept to both employees and organizations (Cangemi, Miller, & Burga, 2001). One of the authors, as a consultant, visited a facility of approximately 200 employees in the North Central part of the United States. He suggested to the organization's leadership that they conduct an procedure in which the management and employees would commit their unspoken workplace expectations to writing. The facility's leader decided to give it a try. The results were the development of a set of expecta-

tions by management and employees which were then reflected in signs which were printed and posted in key areas. Additionally, a handout was developed and distributed to each employee. The signs (and the handout) read as follows:

EMPLOYEES CAN EXPECT FROM THE COMPANY	THE COMPANY EXPECTS FROM EMPLOYEES
Understanding	Trust
Respect	Honesty
Civility	Loyalty
Appreciation	Strong Work Ethic
Trust	Commitment
Loyalty	Reliability
Praise	Approachability
An Amicable Workplace	Listens
Equal Opportunity	Integrity
Acceptance	Contributions
A Future	Innovations
Fairness	Creativity
Enjoyment	Cooperation with Others
Recognition	Communicative
Satisfaction	

After the psychological contracts of labor and management were committed to writing, a further series of meetings were held to develop a set of core values, by which both the employees and the leadership were to abide. The results are below.

**Our Definition of Leadership:**

Showing a greater genuine concern for others than for ourselves as we obtain our goals.  
We believe we get back what we give.

**Our Definition of Teamwork:**

A team is not a team until each member of the group is aware of how his or her behavior affects the entire team.

## Our Core Values:

We will support each other.

We will be punctual.

We will be prepared for what we do.

We will follow through on what we say  
we're going to do.

We will be accountable for our actions  
or lack thereof.

We will be friendly to each other and to others.

We will allow others to give us feedback —  
both positive and negative.

We will guard against taking things personally.

We will be careful what we say and how we say it.

We will be open and honest with each other.

We will respect each other.

We must know where each other is coming from.

We must laugh — especially at ourselves.

We will do what we know to be right.

We will not let a team member get  
caught blind-sided.

We will praise what we want to see more often.

We will look for things to praise and to celebrate.

We will be considerate of each other's feelings.

We will learn to disagree without  
being disagreeable.

We will be attentive and compassionate  
to the needs of others.

This facility, which had been considered for closing, financially recovered and became a significant producer in the market of its product. The creative intuition of the leader made this production facility a vital component in its corporation. To move from a potential closing to becoming a significant contributor to its parent corporation never could have been accomplished without the creative climate created by the leadership. In reality, it was the creative initiative that brought about the successful turnaround.

## Committing the Psychological Contract to Writing: Case Two

On the advice of the same consultant, the same procedure was developed in a facility in 2001 in the Southern part of the United States. The results of this procedure are evident in the following release from the company's international corporate headquarters in Sweden:

This plant in the USA has undergone some dramatic changes in recent years. Everything is being done more efficiently and at lower cost than before. What is more, the company is now setting its sights on new and daring targets... The dramatic transformation that has taken place at the plant since 2000 are: costs cut by 25 percent, productivity improved by 15 percent, and production increased by more than 50 percent, inventories lower by 40 percent... This has been a challenging but necessary process, and it wouldn't have been possible without the wholehearted support and commitment of all our employees... The level of confidence is in fact so high, other targets are also being set... Within the next three years we are planning to win the prestigious North American Best Plants Award, which is presented by the business magazine Industry Week.

How did all of this happen? Again, with the plant's leadership commitment to creative change, the following psychological contract was developed and posted for the employees:

## WHAT YOU CAN EXPECT FROM US AS LEADERS

**A Safe Place to Work:** We believe everyone has a right to work in a safe environment, free of hazards and unsafe conditions. If there is an issue you believe is unsafe, bring it to the leader's attention so it can be investigated and fixed.

**Trust and Respect:** We will respect you and trust that you will always want to do the right thing. We will create a culture where everyone mutually respects each other.

**Openness and Honesty:** We will be open and honest and strive to communicate effectively, whether it is good news or bad news. We believe bad news does not get better with age and everyone wants to hear good news right away.

**Coaching and Mentoring:** We will approach each situation as your coach and mentor, not as your boss. We want to empower individuals and teams to make decisions and help them in running their business.

**Input into Decisions:** We will value your input into decisions that affect you, looking for your wisdom and experience to help the organization get better.

**Teamwork:** We will promote working together in the spirit of teamwork. We believe the best organizations are the ones that empower people to work together, creating a synergy that overcomes adversity.

**Study the Losses:** Every organization suffers setbacks. We will create an environment

that allows failure to occur, as long as we study the reasons why in order to get better. Success comes with repeated effort that is not afraid of failure.

**Celebrate the Wins:** We will take the time to publicly celebrate when individuals, teams or the company does well. We understand people want to be recognized when they do a good job. We want to catch people doing things right. As such, we believe everyone wants to be on a winning team.

**Fairness and Consistency:** We will always make decisions with the intent to be fair to everyone and consistent so as not to play favorites. If something seems unfair, challenge us to explain why we believe it is fair. If it ends up not being fair, we will take actions to correct the problem as best as possible.

**Seek to Understand:** We will always seek first to understand, then to be understood in communicating with everyone. We will ask questions to understand what is on your mind. Challenge us to make sure we understand your position on an issue, so that we may represent your needs going forward.

**Open to Feedback:** We will always be open to receiving honest feedback. We cannot address a problem if we do not know about it. Don't be afraid to give us constructive feedback on how to improve. And remember, even leaders like to be praised when they deserve it.

**Balance the Needs:** We will represent everyone's needs when we make decisions that affect them. We will always make decisions that balance the needs of the people with the needs of the business. To be a successful organization, we must find ways to create a desirable win-win situation, as that is truly the best way for all stakeholders.

**Continuous Improvement:** We will lead the organization to continuously improve. If we are not getting better everyday, then we are falling behind the competition. We will create an environment of learning, where everyone has the opportunity to improve and advance their skill sets.

**Work Hard, Play Hard and Have Fun:** We believe that it is important to work hard while having fun. It's okay to have fun at work while getting the job done. Our work can get boring and monotonous, so we need to create an environment where it can be enjoyable to come to work every day.

## LEADERSHIP'S EXPECTATIONS OF EMPLOYEES

**Be Here Every Day:** We have hired you because we need you. Your attendance is crucial if we are to meet our commitments to our customers.

**Be Here on Time:** To be as efficient as possible, it is necessary that we start the day as efficiently as possible.

**Be Friendly:** Smiling is contagious. So is frowning. Put on a happy face.

**Be Polite:** The positive way to handle an issue is the polite way.

**Be Prepared:** Know and understand your work instructions to maximize the quality of your work.

**Be a Listener:** Understand the complete context of what is said. If you don't understand, ask questions.

**Be a Doer:** Utilize your time in a productive manner.

**Be a Worker:** Be efficient at your job. Always ask yourself, "What can I do to help myself?"

**Be a Positive Risk Taker:** Anything worth doing involves risk. Do the right thing.

**Be a Success:** When the team succeeds, we all succeed. If you practice these expectations, you will succeed.

**Be a Team Player:** "We" comes before "me." Put selfish things aside and do what's best for the team.

**Be Willing to Help Others:** The ultimate team player will always lend a helping hand.

**Be Willing to Accept Change:** Change is inevitable. Those of us who adapt to change the quickest will be the most successful.

## **A Further Observation**

Dr. Robert Angelioz of Nacogdoches State University in Texas provided yet another contribution to the understanding of the creation of an inspiring work environment. His research found a minimum of 80 percent of the behavior within an organization must be a positive experience for associates in order to free them to think, to contribute, to experiment, to create — in essence, to “break-out-of-the-box.” If the negative experiences exceed 20 percent of the associates’ work experiences, they will not find the work environment quite as fulfilling, and the creative returns will diminish as the negative experiences increase. (R. Angelioz, personal communication, June 12, 2002). These employees choose to remain “in the box,” with little innovation and little job fulfillment. Combining Angelioz’ observations and the profound need for associates to feel important, it seems clear creating an “out-of-the-box” environment that encourages creativity must first satisfy a basic human need...the need to be valued. An important key to this development is an essentially positive environment (Dinkmeyer & Losoncy, 1980).

The psychological contracts presented in this article give credibility to the idea that a creative environment can be fostered by identifying the psychological expectations of both employees and management, committing them to writing, and then living up to the agreed-upon provisions of the contracts. The results, as depicted in the two cases presented in this article, suggest an “out-of-the-box,” creative environment can be successfully brought into the workplace.

## **What Employers Want from Work**

Bill Hewlett, the co-founder of Hewlett-Packard, has stated, “Men and women want to do a good job, a creative job, and if they are provided the proper environment, they will do so” (Nelson, 1996).

Developing a climate that encourages freedom, creativity, and a “breaking-out-of-the-box” attitude requires some knowledge of the psychological needs of employees. A survey of more than 40,000 industrial employees is frequently cited to give some understanding of employee needs. The employees consistently ranked the following top three needs, in order of preference (Nelson, 1996; Miller & Cangemi, 2000).

1. Full appreciation for work done
2. Feeling “in” on things
3. Sympathetic help with personal matters

When one observes these three preferences as one psychological unit (Cangemi, 2005), it becomes apparent there is a great need for the development of a climate conducive to freedom and creativity — a climate that satisfies the need to feel significant (Dinkmeyer & Losoncy, 1980), the need to be important, the need to “be somebody.” These needs are in line with the teachings of the psychiatrist Alfred Adler (1965), who stated “life is a search for significance — all human beings have a need to feel significant.”

When the basic emotional needs of employees are understood by their leaders — essentially the need to be valued and treated with dignity, trust and respect — the verbalization and commitment to writing of the psychological contracts of both parties seems to offer a strong, solid foundation in the workplace for the development of an emotional climate conducive to generating creative, “out-of-the-box” thought and action. It follows that if employees feel important, are appreciated, are made to feel they are a vital part of the organization, and feel that their leaders are concerned about their personal welfare, then the seeds for developing an open, creative workplace will have been sown, encouraging employees to be “out-of-the-box” in the thinking and contributions.

## **Conclusions**

There is no doubt freedom of thought can be fostered in the workplace. However, certain behaviors must precede any attempts to create a fulfilling, stimulating, and freedom-to-think, creative work environment. Formulation and fulfillment of a psychological contract, especially on the part of the organization's leaders — but also including employees — seems to be an effective process for the development of an open, healthy climate which is encouraging and conducive to the development of creativity. In the larger view of the organization, such freedom which comes from clear understanding and expression of expectations within the company significantly increases its transparency. With increased clarity of understanding of the work environment and supportive leadership, employees will go beyond the job minimums and offer creative, “out-of-the-box” contributions.

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