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Thesis: Designing a continuously creative organisation

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PLEASE NOTE

The greatest amount of care has been taken while scanning this thesis,

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I certify that this thesis does not incorporate any material previously submitted for a degree or diploma in any university; and that it does not contain any material previously published or written by any other person except where due references are made in the text.

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# Table of contents

Acknowledgements ................................................................................. 10
Abstract ................................................................................................. 11
Chapter One: Introduction ..................................................................... 13
  1.1 Personal motivations ..................................................................... 15
  1.2 Some starting assumptions ................................................................. 16
  1.3 Defining the topic .......................................................................... 18
    1.3.1 Design, continuous and organisation ........................................... 18
    1.3.2 Defining creativity ..................................................................... 19
  1.4 The importance of organisational creativity ........................................... 21
  1.5 Where is my work located? ................................................................. 23
  1.6 How I have structured my thesis ......................................................... 24
  1.7 Conclusion ....................................................................................... 26
Chapter Two: Research design ................................................................. 27
  2.1 Influences on my research design ....................................................... 28
  2.2 The nature of my research ................................................................. 29
  2.3 A grounded theory research approach ................................................. 30
  2.4 The mechanics of my research ............................................................ 32
  2.5 Three case studies and two comparison studies ..................................... 34
  2.6 The research rationale .................................................................... 35
    2.6.1 Case study 1: The Four Corners unit ........................................... 35
    2.6.2 Case study 2: The advertising industry ......................................... 37
    2.6.3 Case study 3: The 3M organisation ............................................. 37
    2.6.4 Comparison study 1: A range of non-profit organisations .......... 38
    2.6.5 Comparison study 2: A range of profit organisations ................. 37
  2.7 Ethical considerations .................................................................... 39
    2.7.1 The confidentiality of the information .......................................... 39
    2.7.2 Competitive information ............................................................. 39
    2.7.3 Potential conflicts of interest ....................................................... 39
  2.8 The strengths and weaknesses of the research design ......................... 39
    2.8.1 Research strengths: ................................................................. 40
    2.8.2 Weaknesses with the research design: ......................................... 40
Chapter Three: Literature review ............................................................. 41
  3.1 Introduction ..................................................................................... 43
  3.2 The creative person ....................................................................... 44
  3.3 The creative process ...................................................................... 48
  3.4 Creative product ............................................................................. 51
  3.5 A creative environment .................................................................. 52
  3.6 Creative groups or teams ................................................................. 56
  3.7 The influence of structure on organisational creativity ....................... 57
  3.8 The need for experiments, failure and focus ....................................... 60
  3.9 Creativity in business strategy ........................................................... 61
  3.10 Creative leadership ...................................................................... 62
Appendix E: The scale and scope of 3M ................................................................. 300
List of tables:

2.1 A summary of the number of interviews per study........................................ 34
4.1 A summary of findings on creative product............................................. 100
5.1 A summary of findings on creative responsibility................................... 132
6.1 A summary of findings on creative processes....................................... 171
7.1 A summary of findings on creative environment..................................... 205
8.1 Linking an ideal environment to leadership actions................................. 228
8.2 A summary of findings on leadership.................................................... 229
9.1 A comparison of the Four P’s and a new model of organisational creativity.... 244
9.2 A comparison between profit and non-profit sectors................................ 251
List of figures:

3.1 Rhodes’ Four P’s creativity model.................................................. 43
4.1 Why creativity is so important...................................................... 81
4.2 The current ideas mindset among profit leaders............................ 88
4.3 The different types of creative product......................................... 90
4.4 The ideas exchange dynamic....................................................... 95
4.5 The current and future ideas focus............................................... 105
5.1 The creative individual, team and ideas mindset............................ 114
5.2 An ideas mindset........................................................................... 115
5.3 The different organising principles used to develop a creative product(s)... 123
5.4 The relationship between creative people and organising principle...... 124
5.5 The tentative new 5 P’s model of organisational creativity............... 124
5.6 The relationship between organising principle and creative product..... 132
6.1 The different creative processes used in organisations.................. 143
6.2 The three structured creative processes....................................... 145
6.3 Designing a better suggestion box system.................................... 149
6.4 Diversity vs. type of interaction.................................................. 158
6.5 Types of interactions..................................................................... 158
7.1 The two approaches to designing a more creative environment........ 183
7.2 The two approaches (expanded model)......................................... 184
7.3 An ideal creative environment...................................................... 184
7.4 The ‘yin and yang’ qualities of a creative environment.................. 185
8.1 The twin leadership roles............................................................. 215
8.2 The two idea leadership models.................................................. 216
8.3 The leadership twin role: To remove barriers and build an ideal environment. 229
8.4 The tentative new 6 elements organisational creativity model........ 231
9.1 A new, expanded model of organisational creativity..................... 242
9.2 The elements of an organisational ideas capability........................ 243
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Abstract

Organisational creativity is a small but emerging field of study. It is located within the field of innovation, which sits within organisational change (Woodman, Sawyer & Griffin 1993).

Some recent literature and my research confirm that organisational creativity is of growing interest to leaders. This is due to an anticipated move into the information age, and the growth of the new economy. For some leaders it also represents a new post-cost-cutting strategy to ensure organisational growth and sustainability.

I have used a grounded theory approach to explore organisational creativity. My research consists of 88 in-depth interviews with leaders from both the profit (64%) and non-profit (34%) sectors. It includes three case studies -- the Four Corners unit at the ABC, the advertising industry and 3M. My research also includes two comparison studies, between a range of profit and non-profit organisations, most of which are renowned for creativity.

The core question I have attempted to answer is “how can organisations become more creative?” My research and literature journey has used as a starting point the widely accepted four P’s model of creativity (product, process, people and press-environment), developed by Rhodes (1961) to address this question. My findings confirm that a continuously creative organisation requires the design and building of an ideas capability. This entails an expanded definition of each of the four P’s:

<table>
<thead>
<tr>
<th>From</th>
<th>To</th>
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<tbody>
<tr>
<td>A creative product</td>
<td>A stream of ideas;</td>
</tr>
<tr>
<td>Individual creative process</td>
<td>Organisational creative processes;</td>
</tr>
<tr>
<td>Creative people</td>
<td>Collective ideas mindset; and</td>
</tr>
<tr>
<td>Creative environment</td>
<td>An open environment operating at the edge of chaos</td>
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In addition to these expanded definitions of the four P’s, an ideas capability requires another “P,” the organising principle of creativity. My research has identified three such organising principles in organisations — a single creativity centre, multiple creativity centres and a universal responsibility.

The sixth and last element of an ideas capability is the development of idea leader(s). An idea leader can be the organisational leader but it can also be anyone in the organisation who creates, or has great passion for, an idea.
A continuously creative organisation is based on these six elements which together form a dynamic, integrated ideas capability. This approach adds to, and builds on, other recent models of organisational creativity (see Amabile, 1997; Csikszentmihalyi, 1988; Woodman Sawyer & Griffin 1993).
Chapter One: Introduction
Organisations are too often prisons for the human soul.

Charles Handy (1997, p. xii)
1.1 Personal motivations
My work offers an alternative vision of what life could be like in a continuously creative organisation.

My motivations for undertaking this research are twofold. I genuinely believe the journey to design a more creative and productive organisation is an important and rewarding one. Imagine the impact (competitively, socially and financially) of an organisation that could harness the creative potential of all of its employees.

To put this into context, Barron (1988, pp. 95-97) makes the point that Western societies waste creative talents in the following four ways:
  a. Creative potential is not identified systematically nor nurtured responsibly.
  b. Established organisations in government, industry and education do not consider creativity as a value.
  c. There is at present no national or international recognition that creativity is itself a product.
  d. There are no centres in existence for research on creativity, certainly none at the national level.

My second motivation is that the concept of a creative organisation is relatively new and hence provides a clear research opportunity. According to Ford and Gioia (1995b, p. 3):

*We do not have a clear conception of just what constitutes creativity in organisations.*

They propose a number of reasons to explain this situation (ibid., pp. 5-7):
- Most of the work on creativity has only minimal value to people seeking creative solutions to real-life organisational problems.
- Researchers have not taken up the challenge in large numbers; and
- Most of the research on creativity has come from non-organisational domains e.g. science or the arts.

Ford and Gioia (ibid., pp. 7-8) also remind us that organisational contexts impose a special set of conditions on creativity. These include:
- the interaction patterns among employees
- the degree of trust among team members
- the design of incentive, appraisal and reward systems
- political issues
- the availability of resources
- the history and culture of the organisation
- internally versus customer-driven philosophies.

*All of these topics are key to understanding creativity in organisations, yet none of them has been studied adequately with a focus on their implications for creativity* (ibid., pp. 7-8).
My thesis is also written from a practising management perspective. I have worked in organisations such as American Express and Citibank for over 10 years and for the past four years have run an “idea business”. I am interested, therefore, in developing a rigorous theory that works in the real organisational world.

My experience in private enterprise has shaped my belief that designing a continuously creative organisation must produce results for each (perhaps all) the stakeholders. Hence I am interested in organisational designs that are accessible, useful and lead to action.

But it is often not enough to demonstrate that a creative action can obtain results. Existing organisational processes, practices and routines are powerful forces for inertia. Hence creative organisational acts must soar over another bar. They must ideally be superior to the status quo. Ford (1995c, p. 335) calls this “the competitive advantage principle of creativity”.

1.2 Some starting assumptions
One of my starting assumptions is that everyone within the organisation (and perhaps more provocatively the organisation itself) has the potential to be more creative (see De Bono 1992a, Cohen 2000).

> Every human being has this creative urge as his or her birthright. It can be squelched and corrupted, but it cannot be completely extinguished.

Perhaps the lesson is not that people in organisations are not creative but that they do not have the opportunity to express their creativity. MacMillan and McGrath (1997, p. 145) observe:

> Virtually every company we have ever worked with has within it scores of people of considerable creativity and imagination. Unfortunately, all too often, the company never benefits because that talent isn’t appropriately focussed.

My second assumption is that if organisations are comprised of people, perhaps the organisation itself can be considered a living, creative entity. Arie De Geus (1997) in a study of organisations that had been in existence for over 100 years, started to refer to them as living companies.

> Living companies have a personality that allows them to evolve harmoniously. They know who they are, understand how they fit into the world, value new ideas and new people, and husband their money in a way that allows them to govern their future (ibid., p. 52).

The idea that an organisation or a team is a living entity is underscored by Peter M. Senge (1990, pp. 9-10) who highlights a team’s ability to learn:
How can a team of committed managers with individual IQ's above 120 have a collective IQ of 63. The discipline of team learning confronts this paradox. We know that teams can learn; in sports, in business, there are striking examples where the intelligence of the team exceeds the intelligence of the individuals in the team, and where teams develop extraordinary capacities for coordinated action.

If teams or organisations can learn, why not create? Or design ideas that are more powerful than any one individual could create?

Perhaps the question is less whether organisations can be considered living but what metaphor we use to describe the organisation. As Gareth Morgan (1986) reminds us, our view of reality is often dictated by the choice of metaphor. The dominant metaphor in society is the "organisation as machine" metaphor (ibid., p. 20). However, even being open to the possibility of alternative metaphors can provide new insights and perspectives. For example, the "organisation as brain" metaphor (ibid., pp. 77-109) provides a fresh, new way of exploring organisations.

My third starting point is that every organisation (both profit and non-profit), regardless of its size and past success, can benefit from being continuously creative, and that this capability can be acquired. But it is not creativity just for the sake of it. It is a means to an end. The end is to create value for the organisation's stakeholders.

James Brian Quinn (1992, p. 307) presents an alternative view when he argues:

For every successful innovative organisation in most industries, five or six truly competent, professional organisations can thrive. It is reliability and the quality of perfection we seek in most of our services (banks, airlines, post offices) and not creativity.

I agree to some extent with Quinn's basic proposition. An organisation should not attempt more creativity if its basic product or service is not being consistently delivered according to the customer's requirements. His view of creativity is restricted, however, to the end product (i.e. the service provided). This is a limited view as it does not consider such things as the actual or potential creativity in sending out invoices, recognising people, making presentations, office layout. In my research, for example, a better car parking system was mentioned by a few interviewees as being an ideal place to start harnessing the creative energy of the organisation.

My fourth assumption is that the new theories of chaos and complexity will provide a new, challenging and rewarding framework for understanding organisational creativity. As Margaret Wheatley (1992, p. 50) sums it up nicely:

I believe that we have only just begun the process of discovering and inventing the new organisational forms that will inhabit the twenty first century. To be responsible inventors and discoverers, though, we need the courage to let go of the old-world, to
relinquish most of what we have cherished, to abandon our interpretations about what works and doesn’t work.

Perhaps the notion of a continuously creative organisation requires letting go of traditional organisational theory and accepting the challenge of viewing the world through new eyes.

1.3 Defining the topic

I believe it is beneficial to discuss each of the elements of my thesis topic (i.e. designing a continuously creative organisation) in turn, then to consider the meaning of the topic as a whole.

1.3.1 Design, continuous and organisation

According to the Macquarie Dictionary (1985, p. 119) one of the meanings of the word design is “a plan, purpose or intention”. This is how I am using the word. My intention is to design a continuously creative organisation. Implicit in this definition is the notion that a creative capability can be designed through deliberate effort rather than waiting for creativity to magically happen.

I am using the word “design” in its broadest meaning. It is meant to convey the journey towards a more desired state. It is also active. Edward De Bono (1992a, p. 64) makes the point:

\[
\text{Like action, design always has a purpose. With action we set out to achieve something. With design we set out to achieve something. We can design a concept. We can design an idea, which is to say we design a way of putting that concept into action.}
\]

I believe the most interesting component of my topic is the word “continuously”. By “continuously”, I mean “day in, day out” creativity, the very opposite of a “once-off” creative event. It seems to me that most organisations could be creative for a limited time or in a specific function but I am interested in how the total organisation could sustain a consistent and constant level of creativity.

I am interested in exploring how an organisation could incorporate creativity in all its activities. Conceptually it is similar in spirit to the Japanese principle of “kaizen” which means continuous improvement (Johansson & Nonaka, 1996) and Peter Drucker’s (1986) notion of systematic innovation and also Tom Peters’ (1987) prescriptions for creating a corporate capability for innovation.

The word “continuously” also implies that this is a journey not a destination. In a sense you never “arrive”.

Now I turn to the word “organisation”. According to Robbins and Barnwell (1994, pp. 4-5) an organisation has a number of distinguishing elements:

- it is consciously co-ordinated
- it is a social entity
- it has a relatively identifiable boundary
- there is some continuous bond
- it exists to achieve something.

An important aspect of this definition is that it includes all (profit and non-profit) organisations, not just business organisations. However, I exclude organisations such as a family.

1.3.2 Defining creativity

It is appropriate now to present and highlight some existing definitions of individual and organisational creativity.

Some of the leaders in the field have defined individual creativity as follows:


   *I define creativity, as a context specific, subjective judgement of the novelty and value of an outcome of an individual's or a collective's behavior.*

   The important aspect of Ford's definition for my work is that the outcome can be produced not only by an individual but also by a "collective", i.e. an organisation.

b. Amabile (1996a, p. 35):

   *A product or response will be judged creative to the extent that (a) it is both a novel and appropriate, useful, correct or valuable response to the task at hand, and (b) the task is heuristic rather than algorithmic, i.e. the path to the solution is not straightforward.*

   The important part of Amabile's definition is her insistence that a creative product needs to be both original and useful. This would seem to be particularly important in an organisational context.

c. Gardner (1993b, p. 35) demonstrates a more person-based approach:

   *The creative individual is a person who regularly solves problems, fashions products, or defines new questions in a domain in a way that is initially considered novel but that ultimately becomes accepted in a particular cultural setting.*

   The important element in Gardner's definition for my work is the proposition that creative individuals regularly exhibit their creativity. This proposition is vital for my work as it suggests that a continuously creative organisation is indeed possible.
A definition of a creative organisation is also not easy to find. Woodman (1995, p. 61) covers most of the elements of the previous three definitions and applies them to an organisation when he notes:

Organisational creativity can be defined as the creation of a valuable, useful new product, service, idea, procedure or process by individuals working within a complex social organisation.

I agree with the first part of Woodman’s definition but not the second. Limiting the definition to individuals ignores any collective sense of creativity, such as in a new product development team. As a starting point, therefore, I would add the team element and the notion that creativity should be a continuous process to Woodman’s definition. This gives a working definition of organisational creativity as follows:

Organisational creativity can be defined as the continuous creation of valuable, useful new products, services, ideas, procedures or processes by individuals (or teams) working within a complex social organisation.

There are a number of features of this definition:

a. The emphasis is on continually developing new creative products rather than it being a “once-off” event.

b. This definition adopts the proposition put forward by Amabile (1996a) that the final decision on whether something is creative or not ultimately depends on the end product.

c. To be considered creative, a new “product, service, idea, procedure or process” has also to be useful and valuable (ibid., p. 35). This is a more stringent definition than simply being new.

d. The definition does not make a distinction between profit and non-profit organisational creativity, although Light (1998, p. xv), warns:

Whereas in the private sector an innovation merely needs to be profitable to be worth doing, in the public sector innovation must be about doing something worthwhile.

Robinson and Stern (1997, p. 11) present another perspective on organisational creativity:

A company is creative when its employees do something new and potentially useful without being directly shown or taught.

My working definition is similar to this, with the emphasis on newness and potential utility but does not share their insistence on not being shown or taught. I believe that my
definition is a broader one that encapsulates (at least at this stage) the possibility that creativity can be either a deliberate or an unplanned process or act.

1.4 The importance of organisational creativity
I believe that every organisation can benefit from enhancing its creative and innovation performance. The interdependence between creativity and innovation is discussed in the next section, but for the time being I am using the terms interchangeably.

The importance of innovation is borne out by a recent report into management in Australia (Karpin, 1995). The report identifies the main gaps in large organisations as: entrepreneurship, global orientation, soft skills, strategic skills and management development.

*Australian managers in large enterprises need to be more pro-active in creating opportunities and more outwardly focussed in their thinking* (ibid., p. 7).

For management providers it is a similar scenario:

*An over emphasis on the more analytical areas of business has precluded the development of integrative, strategic skills and also the soft or people skills necessary to succeed in modern business* (ibid., p. 9).

In another study on innovation by the Business Council of Australia, Carnegie and Butlin (1993, p. ix) reported as one of their four major findings:

*Innovation is an imperative for the international competitiveness of Australian enterprises in 1993 and beyond. The experience of a group of leading enterprises shows the importance of profitably finding new ways to deliver value for demanding customers in an open Australian economy."

The importance of innovation is rarely challenged. However a more recent report by Marceau and Manley (1999) commissioned by the Australian Business Foundation (a private sector think-tank) found that the innovation performance of the Australian manufacturing sector has been slipping when compared to other OECD countries. The areas of decline in the past five years have been:

- The proportion of manufacturing businesses undertaking technological innovation fell 6% from 32% to 26% from 1994 to 1997.
- Business research and development expenditure decreased 18% between 1996 to 1998. This is the first drop in this type of expenditure since the mid 1970’s.
- The number of people working on R&D has decreased 9.5% from 1995 to 1998.
- Training hours per employee fell 17% between 1990 and 1996.
A 1998 global survey on innovation also suggested that Australian senior executives were falling behind relative to their international counterparts. The survey of 650 executives (50 in Australia) found:

*Executives now realize that downsizing and re-engineering will no longer create significant additional shareholder value. Most companies have now explicitly built their business strategies on revenue and profit growth, created through the capability to innovate throughout the organisation. Our concern is that a disproportionate number of Australian companies seem to run a high risk of failing this innovation challenge* (Little, 1998, p. 2).

The main reasons for the author's pessimism for Australia include:

- There is a focus on streamlining existing businesses and not on creating new ways of conducting business.
- There is little urgency or passion around the need to innovate.
- This is driven by a false belief that Australian companies are on a par with similar companies in regard to their innovation performance.
- Innovation is generally considered only when there is a threat rather than as an opportunity.
- Australian executives measure and track innovation less than all other regions and countries with the exception of Korea. (Ibid. pp. 3-4).

Another survey conducted by AC Nielsen (2000), among 1105 Australian employers for the Commonwealth Government found that amongst new graduates, creativity and flair, oral business communications and problem solving were the skills showing the greatest shortfalls.

It is not all bad news however. There appears to be a growing interest in ideas and innovation in Australia. In February, 2000, more than 500 participants assembled for a national innovation summit which was a joint business and government initiative. The final report of the summit highlighted three areas of neglect. They are, engendering a broad understanding and support for the value of innovation, building a world-class research base and improving the ability of commercialising ideas (see Miles, 2000).

Numerous other writers have also highlighted the importance of organisational creativity generally. For example:

Kao (1996) has suggested that this is the "age of creativity;" and Coy (2000) calls today's market-place, "the creative economy". De Bono (1992b) believes that companies must move beyond competing to the creation of value monopolies, which are driven by concepts, hence the need for serious creativity. Kanter (1995, p. 59) urges companies to become world-class by concentrating on "the three C's -- concepts, competence, and connections which they continually nurture and replenish."
Creativity is also important because we have entered the information and knowledge age (Gates, 1999). Gates believes that how a company gathers, manages and uses information will determine whether they win or lose in this new era. Stewart (1997, p. x) makes a similar point:

*Intellectual capital is intangible. It is the knowledge of a workforce, the training and intuition of a team of chemists who discover a billion dollar drug or the know-how of workman who comes up with a thousand different ways to improve the efficiency of a factory.*

The emergence of the Internet and the new economy is also having an effect on organisational creativity, as is increasing customer expectations or what McKenna (1997) calls the “age of the never satisfied customer”.

The importance of innovation is not a recent idea. Indeed, over 27 years ago Drucker (1974, p. 57) stated:

*Because its purpose is to create a customer, the business enterprise has two -- and only these two--basic functions: marketing and innovation. Marketing and innovation produce results; all the rest are costs.*

Perhaps the last word should go to Hamel (1999, p. 83) who predicts:

*We are at the dawn of a new industrial order. We are leaving behind a world in which scale, efficiency, and replication were everything. We are taking our first tentative steps into a world where imagination, experimentation, and agility are, if not everything, at least the essential catalysts for wealth creation.*

**1.5 Where is my work located?**

Organisational creativity does not fit into a neat box. It is influenced by a large number of diverse influences. Proctor (1999), in a survey of 36 online marketing and management journals, found 29 articles, which included creativity as a key word. He noted that creativity appeared alongside innovation, management, entrepreneurs, decision making, corporate culture, control, chaos, new product development, problem solving and organisational change. By far the largest association, however, was with innovation (10 articles).

I believe my work fits within the more accepted field of innovation, which in turn fits within the field of organisational change. This is consistent with Woodman, Sawyer and Griffin (1993, p. 293) who locate organisational creativity as follows:

*We frame the definition of organizational creativity as a subset of the broader domain of innovation. Innovation is then characterized to be a subset of an even broader construct of organizational change.*
To-date I have used the terms creativity and innovation interchangeably. However, as Couger (1995, p. 18) notes:

*Although the terms creativity and innovation are often used interchangeably they should not be. Creativity is a much broader concept. Innovation is the more restricted process of turning an idea into a product or service.*

My work will adopt the distinction between creativity and innovation put forward by Amabile (1996a, p. 230):

*In this research we define creativity as the production of novel and appropriate ideas by individuals or small groups of individuals working closely together. We define innovation as the successful implementation of creative ideas by the organisation.*

I suspect that we are talking about a difference in emphasis. Creativity places more value on the novel aspects, innovation the usefulness or utility of the idea. Creativity for creativity’s sake has little value. It is only when it is brought to the market place (i.e. innovation) that it has real value. The reverse is also true. Bringing to the market-place ideas that lack novelty and usefulness (i.e. creativity) has limited value.

I suspect that the use of the word “innovation” is more acceptable, more logical, more rational and suggests greater control to most people in business than creativity with its fuzzy, mysterious air (James, 2000).

Whilst the concepts of creativity and innovation can be thought of as close cousins there are differences. According to King (1995, pp. 83-84) they differ in three ways:

a. They differ in the type of novelty required. Creativity requires that the product be novel to the creator; innovation requires that the product be novel to its organisational setting.

b. Innovation is essentially public; creativity may be public but does not have to be.

c. Creativity is seen principally as a cognitive process, although the importance of motivational and emotional factors is increasingly recognised. Innovation is a social process; it does not presuppose the involvement of any specific mental attributes or activities.

1.6 How I have structured my thesis

For collecting relevant data I conducted three in-depth case studies and two broader surveys of profit and non-profit organisations (see explanation in Chapter 2). However, I have structured the thesis around the research questions. I began with drawing on all the relevant data, and this process has led to the following set of chapters associated with specific research questions:
Chapter 2. Research design

Chapter 3. Literature review

Chapter 4. Defining a creative product
  Q. What is organisational creativity?

Chapter 5. Building a "collective" ideas mindset.
  Q. Is creativity in an organisation the domain of a select few or the responsibility of everyone?

Chapter 6. Designing creative organisational processes.
  Q. Can ideas be managed or do they spontaneously and unexpectedly emerge?

Chapter 7. Building and nurturing a creative environment.
  Q. What is a creative environment? How can it be enhanced and sustained?

Chapter 8. The role of leadership.
  Q. What specific actions can leaders take to enhance an organisation’s creativity?

Chapter 9. Conclusion

Chapters 4 to 7 and the corresponding key questions roughly coincide with the four P’s model of creativity first articulated by Rhodes (1961). This model adds a fourth ‘P’ press (or the environment) to the more traditional emphasis on the creative product, person and process. In addition to covering each of the four P’s, I have included a separate chapter on the important role of leadership.

This structure provides a simple road map to discuss my research results. I am conscious, however, that the four P’s are interdependent. As Couger (1995, p. 3) notes:

*The four P’s model clearly shows that creativity is a dynamic phenomenon comprised of four highly interactive components.*

Another pitfall of this approach is that in the focus on the individual elements (e.g. the creative product) the importance of the connections between them can sometimes be lost. As Wheatley (1992, p. 39) comments:

*I have changed what I pay attention to in an organization. Now I look carefully at how a workplace organizes its relationships; not its tasks, functions and hierarchies, but the patterns of relationships and the capacities available to form them.*

My challenge, therefore, is to focus on the major individual elements of organisational creativity while also highlighting the interdependencies and relationships between them.
1.7 Conclusion
Designing a continuously creative organisation is an exciting research topic which, I believe, will be of increasing importance to most organisations in the future.

This thesis brings together a number of elements. They include my working experience in large (profit-based) organisations, a belief in human potential, my love of new ideas, concepts and models, and a willingness to make all this accessible to a broad audience.

This thesis makes an original contribution in a number of ways:

a. It adds to the small but growing body of knowledge about organisational creativity.

b. The research explores, compares and contrasts creativity between the profit and non-profit sectors.

c. It extends and builds on the recent trend of applying chaos and complexity theory to organisations (e.g. Stacey, 1996; Wheatley, 1992).

d. Most scholars in this area have tended to focus on one of the 4 P’s in exploring organisational creativity, i.e. creative people, processes, products and/or press (the environment). My work aims to develop a more integrated, holistic and dynamic view of creativity (see Csikszentmihalyi 1988, Woodman et al., 1993).

e. It draws greater attention to the idea capability of the organisation rather than the latest creative product.

f. It provides an accessible, practical and integrated way for organisations to build this capability.
Chapter Two: Research design
2.1 Influences on my research design

The central question my research aims to answer is, "how can an organisation become more creative?" For most people, this equates to business creativity only. But my research design includes 88 in-depth interviews with leaders from both the profit (64%) and non-profit (34%) sectors. It does not however, include leaders from the government or public service sector.

I have included non-profit organisations for a number of reasons:

- I want my work (perhaps ambitiously) to be relevant to any organisation regardless of its size, ownership or type of product or service.
- The non-profit sector constitutes a significant part of every Western society. In fact, according to Drucker (1990) the non-profit sector is America's largest employer.
- There appears to be a gap in the literature. For example, Professor Amabile, who is a leader in the field of organisational creativity, confirmed to me (via email) that all her work is in the profit sector.
- There is a growing trend to forge alliances between the profit and non-profit sectors. For example, the growth of cause-related programs, started (in the United States) by American Express in 1982 (Andreasen, 1996).
- The non-profit sector was completely outside my life experience. My work experience has been in marketing roles with organisations such as American Express and Citibank. Researching organisations that were unfamiliar and slightly uncomfortable for me would allow me to create new patterns and see things with fresh eyes. Kanter (1996, p. 98) calls this "kaleidoscopic thinking".
- There is some emerging evidence that profit companies are turning toward non-profit ones in order to develop new innovative skills and capabilities (see Kanter 1999). This is quite different from the traditional view that non-profit organisations should adopt more of a business mindset (Ryan, 1999).
- Another recent development with profit organisations is the development of a "stakeholder culture" (Handy, 1994). This concept suggests that managers and leaders acknowledge that a business has responsibility not only to shareholders but to society as well. Again, non-profit organisations, which are used to dealing with multiple stakeholders, might be able to help their profit cousins.

Another influence on my research has been my role as a teacher and business consultant. I have been employed for the past four years as a part-time lecturer at the University of Technology, Sydney. During the last year I have taught a subject that I developed, called "Marketing Creativity", at a postgraduate level. This class has enabled me to discuss and refine some of my ideas and theories flowing from the research. I have not formally included students' feedback in my findings but it has helped me enormously.

I also run an Ideas business. This has meant that over the past three years I have conducted creative thinking seminars and facilitated workshops for organisations such as American Express, AC Nielson, Coca-Cola, The Commonwealth Bank, Roche
Pharmaceuticals and Hewlett-Packard. I have not formally included their reactions and feedback in my research but they have provided me with a real-world edge to my work.

2.2 The nature of my research
I believe that the nature of my topic lends itself to a qualitative research approach. With qualitative research I have been able to explore more deeply the fuzzy, often illogical, discontinuous creative areas which might not be open to quantitative approaches.

In a majority of cases my research consisted of face-to-face interviews with senior managers and leaders of a range of organisations. They were sometimes at the interviewee’s place of work but usually at some other more informal setting. For example, nearly all the Four Corners interviews were conducted at the staff canteen. I tended to encourage this approach as I felt it contributed to a more relaxed dialogue.

There were two significant features of my research. Neither of these, I believe, would have been available if I had chosen a quantitative research approach.

The first aspect of my research was the outstanding access I obtained to senior people in organisations. In fact, 38% of my interviews were with people who described themselves as CEO, Managing Director, Dean, or Principal of their organisation. For example, interviewees include the CEO of McDonalds in Australia, Clemenger BBDO (the second largest advertising agency in Australia), the Chief Operating Officer of Telstra and the General Managers of David Jones, 3M, CSIRO, Westpac and Bankers Trust.

Some of the reasons for this access to senior people include:
- The subject matter itself. The Westpac General Manager, Peter Maher, for instance, talked of his lifelong interest in creativity.
- Interviewees talked about the future importance of creativity and innovation.
- The uniqueness of the research. Interviewees mentioned that they had never come across anything quite like my thesis topic.
- A number of the interviewees worked in marketing and advertising which frequently relies on ideas and insights to gain advantage in the market-place.
- Other leaders mentioned that they were not very creative themselves but were interested in talking with me about how to improve their own and their team’s creative performance.

The second feature of my research was how freely such busy people gave of their time. In many cases, after scheduling only half an hour, the interviewee was still in animated discussion one hour later. A common response was “Look at the time. Have I been talking that long? I don’t know if I’ve been very helpful?”

For some interviewees talking about creativity (theirs and others) was a liberating, fun and challenging experience. One person (a television reporter) mentioned to me that he had always wanted to talk about creativity with someone but never had the confidence. To
him, creativity was almost a mystical experience. People lost track of time as they “let loose” with a stream of consciousness.

The second part of the response, “I don’t know if I have been very helpful” reflected for me the open nature of the questions, interviewees’ creative insecurities, and the need in many people to provide a single, correct answer.

My research was able to elicit from people their honest, sometimes emotional feedback that also tapped into almost unconscious views on creativity. This, I believe, was only because of the qualitative nature of my research. Cant (1997, p. 23) echoes my findings with her observation:

*Qualitative research as we noted earlier, is a more appropriate method to explore how people think, talk, feel and interact.*

My interviews were not entirely free-flowing. I used a guide (refer to Appendix A) to provide a basic structure for the discussion. The emphasis changed over time, and in some cases (when the interviewee was particularly involved or passionate about something) I did not ask all the questions in the guide. I tried, however, to maintain a balance between exploring specific areas and allowing the person to tell their story.

The use of the guide had a number of benefits:
- It provided a prompt for me.
- It allowed some comparison of answers across interviewees and over time.
- It encouraged a more comprehensive, detailed and time-efficient response from interviewees.
- The questions were open-ended. This encouraged interviewees to talk freely and openly about their own (or their team’s) creative experiences.

### 2.3 A grounded theory research approach

I adopted a grounded theory approach. It is a particular style of qualitative analysis. At its heart:

Grounded theory is designed especially for generating and testing theory (Strauss, 1987, p. xi).

A more comprehensive description is as follows:

_Grounded theory is a detailed grounding by systematically and intensively analysing data, often sentence by sentence, or phrase by phrase of the field note, interview, or other document; by constant comparison, data are extensively collected and coded, thus producing a well constructed theory... The focus of analysis is not merely on collecting or ordering a mass of data, but on organising many ideas which have emerged from analysis of the data_ (ibid., p 22).
A more succinct description is provided by Llewellyn (1997, p. 27):

*Grounded theory is about building effective theories. It is about theorising from data gathered in the course of doing research.*

According to Strauss (1987, pp. 6-9) there are a number of assumptions underlying the grounded theory approach:

a. Theory at various levels of generality is indispensable for a deeper knowledge of social phenomena.

b. The theory should be developed in an intimate relationship with the data.

c. Social phenomena are complex. That is why grounded theory emphasises the need for developing many concepts and their linkages.

d. There is no one "right" research path. Grounded theory provides guidelines only.

e. The research should be understood and analysed as work, i.e. it takes organisation, planning and resources, and hence should be treated as one treats work.

There are a number of reasons why grounded theory provided the ideal research vehicle for my topic:

- By studying a number of organisations (profit and non-profit) and making constant comparisons I felt that my research (and any subsequent theories flowing from the research) would have more validity across all sectors.
- The grounded theory approach provided me with an important incubation period for new ideas to emerge (see Arieti, 1976).
- The four-year research process allowed me a greater level of diverse input and ongoing interactions. After every case study or comparison study I wrote a detailed report of my findings. I then sent a copy both to my supervisor and to a number of interviewees asking them for their feedback. In this way the final product was broader and richer.
- The simple process of writing up the case and comparison studies and the final thesis forced me to reflect in a deeper manner upon the data.
- The grounded theory approach also allowed my initial questions and raw ideas to evolve (see appendix B for an outline of how my specific research questions evolved).

The grounded theory approach encouraged me to record my thoughts and ideas in my research journey. The writings are unfurmed, open-ended, discontinuous and yet sometimes formed the basis of more developed theories (appendix C outlines a typical example).

I also benefited from the interactive process between my literature review, research and final report. The literature provided a point of departure and comparison between my findings and those of others.
2.4 The mechanics of my research

I completed 88 semi-structured interviews with senior managers in a range of profit and non-profit organisations (a full list of the interviewees, their positions, and the dates of the interviews is provided in appendix D).

There were 76 initial and 12 follow-up interviews. The initial interviews were typically 45 minutes to an hour. The follow-up interviews tended to be 15 minutes to half an hour. The number of interviews does not include any subsequent phone calls or emails. For example, on the 12/7/00 I had a brief conversation with John Maclay, General Manager, 3M, to discuss his experiences with suggestion box schemes.

- 81% of the interviews were face-to-face; the remaining 18% were over the phone and one replied in writing.

- 66% of the respondents worked in the profit sector; the remaining 34% respondents were in the non-profit sector (this includes semi-government authorities).

- 71% of the respondents were male, 29% female.

- 55% of respondents were from small organisations (fewer than 50 employees), 23% were from medium sized organisations (51-500 employees) and 22% from large organisations (500 plus employees).

- 69% of respondents were from Australian-owned organisations, 31% were from foreign owned organisations.

- 41% of the respondents were reporters, producers, brand or product manager equivalent, 21% were functional (e.g. marketing director) or general managers and 38% held managing director, principal, dean, chairman or CEO-equivalent roles.

- The industries covered in my research included media, advertising, fast-food, broadcasting, banking, market-research, telecommunications, fast-moving packaged goods, durable consumer goods, education, entertainment, retail, software, computer, legal, publishing, pharmaceutical, law enforcement, medical research.

I approached the senior managers (by phone, fax, mail and email) in the following manner:
- Introduced myself and mentioned other interviewees where appropriate
- Discussed the thesis topic and purpose of the research
- Emphasised the confidentiality of the information.

At the end of each interview I thanked the person for their time. I asked whether they would be interested in receiving a copy of the case study and whether I could contact them again if I needed to clarify anything or would like them to participate in a further discussion. I also asked them for the names of any other people who might be interested in participating in my research. Often they would spontaneously mention that my work
would be of interest to a particular colleague or peer. They would then pass on the contact
details to me, suggesting when I contacted the other person to mention their name.

I took notes throughout the interviews (some were also taped) and recorded the
comments of the interviewees in their own words. The interviews were then typed and
analysed by me. Although this was time consuming it allowed for more reflection of the
interviewee’s responses.

Consistent with the grounded theory approach I tried to let the interviewee’s own words
guide the development of my theories (Silverman 2000). In otherwords I wanted new
concepts and ideas to emerge from the data rather than trying to sort the data into my
existing models and beliefs. I thought that by using the interviewee’s own words in the
form of quotes would more accurately illustrate a concept, give the research more
authenticity and the thesis more of an unexpected, emergent flavour.

The sorting, selection and interpretation of the quotes was a thorough and time consuming
process. After each case study and comparison study I wrote a report which tried to
summarise my findings. This process consisted of reviewing each of the interviews,
looking for common words, phrases, patterns and themes across the group. As a “rule of
thumb” I tended to concentrate on those themes that were mentioned by at least three
interviewees. This was an attempt to reduce my bias in the analysis of the results. These
common expressions and ideas were then collated and an initial, working heading or
question was discussed in the report e.g. in the advertising report I posed the question,
What is a creative environment? I then organised all the interviewees responses to that
question in that section and discussed some initial findings. At this stage the quotes were
included in the body of the report not as headings in themselves.

After the completion of all my case and comparison studies I placed all the relevant
sections from the reports into chapters headed creative product, person, process,
environment and leadership. I then reread all 88 interviews and followed a similar process.
For example, any mention of the word leadership went straight into the emerging
leadership chapter. The quotes in each chapter were then reread and sorted into similar
themes. I then selected one or more quotes from the total collection which I thought best
represented the emerging theory. For example, on page 218 I used the following two
quotes:

Leadership is about providing inspiration. How? By example, by your
commitment, energy, curiosity, drive, resilience, ethics and professionalism.
Professor Sharon Bell, Dean, Faculty of Creative Arts, University of Wollongong.

The leader’s role is to inspire people. In an artistic community leadership is vital.
Artistic performers are more sensitive and the end product is more subjective, it
depends on taste and judgement.
Helen O’Neill, Director of Marketing and Communication, The Australian Opera
Company.
These two quotes captured for me perfectly the importance of leadership in creativity and highlighted one approach to leadership that I called the ‘leader as ideas hub’ model. The other reason for using these quotes was to illustrate the richness of language that I found in the non-profit sector.

2.5 Three case studies and two comparison studies
The 88 interviews involved three case studies: The Four Corners unit (at the ABC), the advertising industry and 3M, and two comparison studies (a range of non-profit and profit organisations).

A summary of the number of interviews per study is set out in Table 2.1:

<table>
<thead>
<tr>
<th>Table 2.1</th>
<th>Number of Initial Interviews</th>
<th>Number of Follow-up Interviews</th>
<th>Total Interviews</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Case Studies</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Four Corners</td>
<td>17</td>
<td>2</td>
<td>19</td>
</tr>
<tr>
<td>2. Advertising Industry</td>
<td>30</td>
<td>6</td>
<td>36</td>
</tr>
<tr>
<td>3. 3M</td>
<td>3</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td><strong>Comparison Studies</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Range of non-profit</td>
<td>10</td>
<td>1</td>
<td>11</td>
</tr>
<tr>
<td>4. Range of profit</td>
<td>16</td>
<td>1</td>
<td>17</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>76</td>
<td>12</td>
<td>88</td>
</tr>
</tbody>
</table>
Consistent with the grounded theory approach, after each study I wrote a detailed report of my findings and sent it to my supervisor, selected interviewees and to those who had requested a copy for their comments.

The reports were written up on the following dates:

Four Corners (a current affairs television program) 12/6/98
The advertising industry 14/10/98
The 3M organisation 19/8/99
A range of non-profit organisations 16/9/99
A range of profit organisations 11/11/99

In follow-up interviews, I asked the interviewees to comment on whether I had captured the essence of our conversation, their organisation (or industry) and how the report could be enhanced. In particular, I was interested in which areas of the report they found surprising, challenging or providing a new insight.

In addition, I wrote a report on 20/1/99 comparing and contrasting the advertising industry and the Four Corners unit and a report on 16/11/99 comparing and contrasting the profit and non-profit organisations in my study. Whilst these reports were for my own benefit I gave a copy to my supervisor, asking him for his comments. I also gave a copy of the advertising industry comparison to the Four Corners executive producer and conducted a follow-up interview with him about his impressions.

These reports helped my research process in a number of ways. They provided a research discipline and created a feedback loop in which to stimulate and incorporate any comments or observations from respondents in the follow-up interviews. In addition, it allowed me to compare and contrast different organisations and allowed me to refine and test my ideas and theories as they emerged.

2.6 The research rationale

I outline below my research rationale for each of the case and comparison studies:

2.6.1 Case study 1: The Four Corners unit

Four Corners is a television current affairs program presented by the Australian Broadcasting Corporation (ABC). The program began in 1961 and is the second longest running current affairs program in the world (after the UK Panorama program on the BBC). The 45-minute program appears once a week on a Monday night at 8.30pm. It usually rates between 10-15 points.

I was curious to find out how this organisation could consistently produce award-winning current affairs programs week in, week out, for over 39 years. The essence of the program is that reporters have to find an idea, build a team (consisting of a reporter, producer,
editor and camera crew) and transform the idea into an entertaining, interesting program that can hold attention of viewers for 45 minutes.

All members of the program team work on the fifth floor at ABC TV’s head office at Gore Hill in Sydney, NSW. As at the end of 1997, there were 33 people working on the program (one third female, two-thirds male) of whom I initially interviewed seventeen and conducted two follow-up interviews (a full list of the interviewees, their positions and the dates of the interviews is included in appendix D). The roles of the people working on the program were as follows: one executive producer and a deputy executive producer, seven reporters, three editors, six producers, three camera crew, three researchers, and the remainder were in various administration positions.

It is important to place the Four Corners program into context within the ABC. The ABC is a national broadcaster funded by, and accountable to, the Australian Federal Parliament. The functions of the Corporation are set out in Section 6 of the ABC Act, 1983.

According to the 1995 ABC Editorial Policies booklet, the ABC has three broad functions:

a) To provide quality, impartial and comprehensive news, information and other services.
b) To provide a diverse range of programming
c) To defend and promote the vitality of Australian culture and expression.

The ABC is going through significant change. This is due to a number of factors:

- A change of Federal Government in March 1996. In its first budget, the new government cut ABC funding by $55 million. This led to significant cost-saving measures, including reducing the number of employees by over 1000. It must be said that Four Corners, as a flagship program, was largely quarantined from these measures, but the staff on the program were not immune to the effect of such a reduction in people on morale.

- The ABC is also under considerable political pressure from the Federal Government with charges that it is not balanced in its coverage.

- Changes in technologies are occurring, particularly the shift from analog to digital and the growth of the Internet.

- The appointment has occurred of a new chairman and managing director of the ABC. Both are considered as more sympathetic to the incumbent, conservative Commonwealth Government.
2.6.2 Case study 2: The advertising industry
The advertising industry was my second case study. I conducted 30 initial and six follow-up interviews (a full list of the interviewees, their positions, and the dates of the interviews is included in appendix D).

The advertising industry was selected for a number of reasons:
- Commercial creativity is its "reason for being."
- The industry profit motives provided a good comparison with the non-profit, Four Corners program team.
- I could examine a number of different organisations within the same industry, thus giving my research greater breadth.
- The advertising industry is facing a number of changes, e.g. a shift in remuneration structure from media commission to fee-based systems, introduced in February 1997 (Lloyd, 2000), and it is facing greater competition, e.g. from management consultants and the new online agencies.

The advertising agencies covered in my research included some of the largest and internationally owned companies (e.g. George Patterson Bates, Clemenger BBDO, Lintas and Leo Burnett). I also included, by way of comparison, many smaller, locally-owned organisations employing less than 10 people.

2.6.3 Case study 3: The 3M organisation
One of the most important parts of the flow of my research journey was that I interviewed the managers from 3M in stage three. I fought the temptation to interview them first because they are well covered in the literature (Collins & Porras, 1994).

By interviewing the 3M managers, after studying the Four Corners unit and the advertising industry, I had a broader perspective and could uncover something fresh about a creative organisation not revealed by the literature. 3M also provided a useful comparison with the two previous case studies because of its size (compared with Four Corners) and because it was part of a large multinational (a full list of the managers interviewed is included in appendix D).

The senior people at 3M whom I interviewed and their tenure is set out below. I conducted follow-up interviews with the first two managers listed.
- John Maclay, General Manager, Industrial Markets, 21 years with 3M.
- Dr Mel Leitheiser, Technical Director, 24 years with 3M.
- Peter Gregory, Marketing Services Manager, 25 years with 3M.

Although it can be risky to draw definitive conclusions about 3M on the basis of five interviews, I believe my sample is useful because:

- Together the interviewees represent 70 years of lived 3M experience;
- They were all senior managers with international experience;
The follow-up interviews gave me an opportunity to explore some of the issues raised in my initial report in greater depth.

2.6.4 Comparison study 1: A range of non-profit organisations

I have long admired the enormous contribution the non-profit sector makes to society and wondered how these bodies could consistently achieve difficult goals with their limited resources (which almost by definition require creativity).

The Four Corners study gave me some insights into a creative organisation. Rather than do another in-depth case study I felt it would be more productive to explore a range of non-profit organisations to provide my sample with greater breadth. To that end, I conducted 10 initial and one follow-up interview with non-profit leaders (a full list of the interviewees, their positions and the dates of the interviews is included in appendix D).

In particular, I wanted to research a number of organisations that had a reputation for creativity and innovation. For example, in my sample I interviewed leaders of The Australian Opera Company, The Sydney Dance Company, the Faculty of Creative Arts at the University of Wollongong and the Commonwealth Scientific Industry Research Organisation (one of the world’s largest and most diverse scientific research institutions). I also examined a number of different and unexpected organisations: The NSW Police, the Sydney Children’s Hospital and the Children’s Medical Research Institute.

The non-profit sector is also facing a rapidly changing external environment characterised by:

- pressure on funding, particularly from state and federal governments
- greater scrutiny on the use of the funds
- more competition with other non-profit organisations.

2.6.5 Comparison study 2: A range of profit organisations

After completing a comparison study of non-profit organisations, I was keen to research an equally diverse range of profit organisations. This would allow me to compare and contrast within that range and between the profit and non-profit sector.

As with the other studies I was fortunate to gain access to a number of senior managers e.g. Charlie Bell, the CEO of McDonalds in Australia. Because I wanted my work to be relevant to any organisation I deliberately interviewed leaders from different sized organisations and a diverse range of industries, e.g. media, pharmaceutical, legal, information software, packaged goods, banking, retail, fast-food and telecommunication. The 17 interviews (16 initial and one follow-up) also included leaders from Australian owned companies and from multinationals (a full list of the interviewees, their positions, and the dates of the interviews and their positions, is included in appendix D).

The sample included people well known for their creativity e.g. Steve Vizard (from Artists Services) and Rob Sitch (from Working Dog).
2.7 Ethical considerations

There are a number of ethical considerations in my research. These include:

- The confidentiality of the information.
- The need to protect competitive information
- Potential conflicts of interest.

2.7.1 The confidentiality of the information
I assured interviewees that the information was completely confidential and that I would not release any information without their prior written consent.

2.7.2 Competitive information
Interviewees were naturally concerned that their responses should not be made available to their competitors. After each stage in my research process I wrote up a case study, gave a number of interviewees a copy of the report and requested feedback. To ensure that the competitive nature of the information was protected I disguised the source of the quote. In this way neither individual interviewee nor individual organisation could be directly identified.

2.7.3 Potential conflicts of interest
My first case study was the Four Corners program. At the time of conducting my research my wife was employed as a reporter on the program (today she is still employed at the ABC but works on a different program). I did not formally interview my wife and did not discuss with her any specific responses from particular interviewees (nor did I discuss any specific responses with anyone else). This particular issue was raised by a few of the interviewees.

It is only through my wife’s work that I became familiar with the program (and with some of her colleagues) and became intrigued by how the organisation works. The benefit of this situation was that I obtained access to a number of people working on the program. The disadvantage was that it discouraged some people from talking to me or from being as open as they might otherwise have been.

2.8 The strengths and weaknesses of the research design
As an over-all comment I believe that my research design proved an appropriate and effective way to explore the nature of organisational creativity. The use of semi-structured, in-depth interviews allowed me to discuss the fuzzy and unpredictable nature of creativity in a deeper and more insightful manner. The use of the grounded theory approach also encouraged the emergent nature of the research findings. Another feature of the qualitative approach was that I visited many different organisational settings and viewed for myself the different types and importance of interactions for creativity. I still
can remember my first (negative) impressions of the physical surroundings of the Four Corners unit. I eventually realised that the physical place can impact on the creativity of the team or organisation. These observations and insights I do not believe would have been possible had I followed the more traditional (in business) quantifiable research pathway. As with all research however, there are certain strengths and weaknesses. I have tried to identify these so as to provide a context for my research findings.

2.8.1 Research strengths:
- The widespread access to senior managers and leaders and the generous amount of time they made available to discuss creativity in their organisation.
- The leaders themselves formed a cohort of sorts, which enabled me to compare organisations.
- The inclusion of both profit and non-profit organisations was a unique feature of my research as most creativity research has been with profit companies. In addition the inclusion of the non-profit organisations was completely outside my life experiences and provided a rich comparison and contrast.
- The research design included depth (the three case studies) and breadth (the two comparison studies).
- After each case and comparison study I wrote quite a detailed report. This forced me to organise my thoughts, and provided a source of feedback from my supervisor and perhaps more importantly from the interviewees themselves. Their feedback helped to refine and polish my ideas.
- The Four Corners unit at the ABC proved an ideal place to start my research journey. The traditional route would have been to start with 3M and/or the advertising industry because of their reputation for creativity. But an in-depth study of the Four Corners unit gave me a completely new perspective to study other organisations.
- In all, I interviewed leaders from 56 different organisations and from a diverse range of industries.
- Included in the sample were individuals, organisations and industries renowned for their creativity.

2.8.2 Weaknesses with the research design:
- The qualitative nature of my research allowed me to explore deeply the nature of creativity in a certain organisation. Out of this exploration some new findings, insights and concepts emerged. These represent works-in-progress rather than universal principles and should be critically applied to another specific organisation.
- The research reflects what I found at a point in time of the organisation. Caution should be used when applying these results to a situation today. Organisations change and evolve. The ABC, for example, appears to be a less harmonious organisation today (June 2001) than when I wrote my report on the Four Corners unit (June 1998).
- All interviewees were from Sydney and Melbourne. By only concentrating on these two cities there may be some geographical factor that I have neglected which could impact the creativity of particular organisations.
- With my comparison studies I have usually only interviewed one leader hence my view of that organisation is through their eyes-only.
Chapter Three: Literature review
Business begins with an idea. And as never before, its growth, stability and ultimate success depend upon innovation and a continuing flow of imaginative thought.

3.1 Introduction
My literature review and research chapters will ostensibly follow the four P’s model of creativity (see Figure 3.1 below).

Figure 3.1 Rhodes’ Four P’s creativity model

This model was first articulated by Rhodes (1961). It has become probably the most accepted model of creativity among researchers in this emerging academic discipline (Rickards, 1999, p. 32):

In the 1950’s a young educational researcher, Mel Rhodes, set out to find a definition of creativity. He collected forty definitions and analysed their contents. From this he concluded that they derived from four overlapping strands which he labelled the person, the process, the product and the press (or the environment). This made up the 4P’s model of creativity.

According to Couger (1995, p. 3) the four P’s model has several advantages over others, for addressing creativity:
- It is simple and widely accepted
- It allows for the measurement of the individual elements
- It can be applied at a functional or organisational level
- It draws attention to the individual elements and the interactions between them.
The four P’s model has its limitations, however. It can lead to a concentration on one of the elements at the expense of the others. Amabile (1996a, p. 4) notes that most of the major emphasis in creativity research has been on the creative person. In concentrating on the four individual elements there can be a tendency to forget the whole. Indeed, Rhodes (1987, p. 218) became concerned about this, commenting:

*Each strand has unique identity academically, but only in unity do the four strands operate functionally.*

In addition, the four P’s model is rather static in nature and tends to concentrate on the individual elements rather than the relationship between them. That said, the four P’s model provides a useful framework in which to organise my literature review. I will explore each of the four P’s in turn, then discuss other attempts to develop a more holistic model of organisational creativity.

In addition, I will discuss some of the other theories that have influenced my work, e.g. systems thinking, chaos and complexity, fuzzy thinking and using different metaphors. These ideas and concepts have provided me with a rich, new prism through which to view organisations.

### 3.2 The creative person

A fruitful place to start is the work of Gardner (1993a). He postulates a number of different yet complementary types of intelligence. He describes seven in detail -- linguistic, logical-mathematical, musical, spatial, bodily-kinesthetic and two forms of personal intelligence; one inner-directed, one outer-directed.

Gardner notes, however:

*A second cognitive capacity that may elude our theory of intelligences is that of originality or novelty -- the skill of fashioning an unfamiliar and yet worthy product within a particular realm, be it an innovative story or dance, the solution of a personal conflict or a mathematical paradox* (ibid., p. 288).

Perhaps this gap prompted Gardner (1993b) to study creativity in greater depth. He studied the lives of seven creative leaders of the early 20th century, Sigmund Freud, Albert Einstein, Pablo Picasso, Igor Stravinsky, T.S. Eliot, Martha Graham and Mahatma Gandhi.

His principal findings were as follows:

a) Creative people can combine the most advanced understandings achieved in a domain yet can still retain a childlike wonder.

b) A period of at least 10 years work in a domain is needed before a significant breakthrough can be attained. (By way of contrast, Kuhn (1970, p. 90) noted: “Almost always the men who achieve these fundamental inventions of a new
paradigm have been either very young or very new to the field whose paradigm they change.")
c) Creators display from their earliest days an interest in exploring and tinkering.
d) Most creative breakthroughs occur within some specific domain or discipline rather than across domains.
e) At breakthrough times in their careers creative people have developed a special relationship with a colleague when support and encouragement are most needed.

Donovan (1997, p. 40) takes exception to some of Gardner’s conclusions:

There has been a tendency, among American psychologists in particular, to treat creativity and intelligence as separate phenomena, and even to contrast creativity and intelligence. What should be contrasted is human creativity as an expression of intelligence and the type of linear, analytical reasoning that has been for a long time widely assumed to be the essence of intelligence. If creative insight is not an expression of intelligence, it is difficult to know what else it may be.

Donovan develops an argument for a post-analytical mode of intelligence that is oriented towards a process view of events, to subtle connections that can accommodate paradox, circular causation and complex logic. He calls this creative intelligence, the capacity to see what is not there, to hear what is not said, to sense what is absent. Cohen (2000) has also suggested that our creative intelligence can grow even as we age.

Sternberg (1988) also believes that creativity is not separate from intelligence but can be best understood by analysing where three psychological attributes – intelligence, cognitive style and personality/motivation, intersect. Torrance (1988, p. 72) in a similar vein, suggests the concept of the suprarational which goes beyond the rational and is outside the province of reason. Torrance suggests the following abilities as evidence of this suprarational:

- The ability to perform miracles i.e. beyond logical expectations
- Empathy and super-awareness of the needs of others
- Charisma
- The ability to solve conflicts for which there are no logical solutions.
- A sense of the future.

Fabian (1990, p. 39) uses the expression “arational” to describe an alternative to the more conventional “rational” approach. This arational approach places more importance on using intuition and non-verbal cues. It is comfortable with approximation and seeks to expand rather than reduce.

Perhaps the “suprarational” and the “arational” are another way of describing intuition. Ray and Myers (1989, pp. 162-170) have made some observations on intuition in business:
- It is a gift that must be developed
- It complements reason
- It is unemotional
- Intuition demands action
- It is mistake-free

Indeed Branson (1998) the founder of the Virgin group of companies, relies on intuition extensively. He notes:

_In the same way I tend to make up my mind about people after 30 seconds of meeting them, I also make up my mind about whether a business proposal excites me within about 30 seconds of looking at it. I rely far more on gut instincts than researching huge amounts of statistics_ (ibid., p. 193).

Another writer who believes in our inherent creativity is Nachmanovitch (1990), a musician who gives improvised solo concerts on violin and viola. He notes:

_Creative inspiration is not the property of certain people like professional artists. To give away our creative ability to professional artists is like giving away our healing ability to doctors. But the real healing, the real creativity, is done by us, and we abrogate that power at our peril_ (ibid., p. 183).

Nachmanovitch outlines a number of salient points about creativity:

a) The raw material of creativity emerges from the unconscious.
b) Creativity is the harmony of opposite tensions: reason and intuition.
c) Creativity involves play and practice. It requires disappearing in the moment, making mistakes, suspending judgement, patience, trusting yourself and others, playing together, using your intuition and reducing procrastination.

The importance of emotions and their interdependence with reason is the central proposition of writers such as Damasio (1994; 1999) and Goleman (1996). The latter has developed the notion of Emotional Intelligence (EQ) which consists of five competencies - self-awareness, self-regulation, motivation, social competence and social skills. Goleman’s theory is that we have two minds -- the emotional and the rational, which for the most part operate in tight harmony. They operate semi-independently but are interconnected and inform one another. How we do at life, therefore, according to Goleman (ibid., p. 28), is a function of our IQ (rational mind) and our EQ (emotional mind).

In a later book, Goleman (1998) applies the notion of EQ to more applied organisational and business settings with apparent success. Perhaps creativity also involves the interaction between the rational and emotional minds? Damasio (1994) suggests a similar approach to Goleman, with his proposition that human reason depends on several brain systems that operate in concert (i.e. a high-level and a low-level system).
In discussing creativity one often hears the expressions “left brain” and “right brain”. According to this model there are twin brains with different specialisations (Alder, 1993). The left side of the brain is concerned with language, analysis, literal and linear thoughts, mathematics and movement on the right side of the body. The right side of the brain is the seat of non-verbal, holistic, spatial, musical, imaginative, spiritual, dreams and movement on the left side of the body.

This has led to a debate as to which brain is the most important. However, as Buzan (1988) notes, the argument is a non-productive one as it will depend on the situation, and both sides of the brain are needed for creativity:

*The two halves of the brain are biologically similar and can more realistically be thought of as two identical brains working in harmony rather than a brain divided in two* (ibid., p. 22).

Langer (1989, pp. 115-116) quotes French mathematician Poincaré to reinforce this point:

*It is by logic that we prove. It is by intuition that we discover.*

Lundberg (1995) argues that creativity training should concentrate on areas that a person does well, and since a majority of people (in business anyway) are better at using their left brain he suggests that more creativity training should be “grounded” in typical left brain language and examples.

Ramachandran (1998, p.10) makes the telling observation (when referring to the left and right brain):

*These anatomical facts have been known for a long time, but we still have no clear idea how the brain works.*

The left brain verses right brain debate is similar to the concepts of divergent and convergent thinking. Problem solving usually involves two aspects, the generation of alternatives (divergent thinking) and the evaluation and selection amongst these alternatives (convergent thinking). Most IQ tests currently measure only the latter thinking skills (Gardner, 1993b, p. 20). Although divergent tests have been developed (for example, how many uses can you think of for a paper clip?) there is no proof that they can predict subsequent creative achievements.

Another characteristic that may influence an individual’s creativity is his/her creative expectations and emotions. Ford (1995, p. 24), in a summary of the available empirical research, indicates that individuals with a strong creative self image, who have self confidence and are tolerant of ambiguity, are more likely to display creative acts.
In a description that I particularly like for its completeness, Barron (1988, p. 95) suggests the ingredients of a creative person as follows:

*Openness to new ways of seeing, intuition, alertness to opportunity, a liking for complexity as a challenge to find simplicity, independence of judgement that questions assumptions, willingness to take risks, unconventional thought that allows odd connections to be made, keen attention, and a drive to find pattern and meaning—these coupled with the motive and courage to create, give us a picture of the creative self.*

There is no escaping the fact that creativity depends upon people. And an organisation that treats people as “bits or pieces” in a large machine will find it difficult to release the innate creativity within all of us. Whyte (1994, p. 7) summarises this beautifully when he writes:

*Adaptability and native creativity on the part of the workforce come through the door only with their passions. Their passions come only with their souls. Their souls love the hidden springs boiling and welling at the centre of existence more than they love the company.*

### 3.3 The creative process

The most widely accepted theory on the creative process of individuals was developed by Wallas (1926). He believed that the creative process consisted of four stages:

- Preparation
- Incubation
- Illumination (i.e. the “eureka” effect)
- Verification.

Physicist Gell-Mann (1995, p. 264) recounts the story of a small group of physicists, biologists, painters and poets who assembled in Aspen to discuss the experience of getting ideas:

*First we had worked for days, or weeks or months, filling our minds with the difficulties of the problem in question and trying to overcome them (preparation). Second, there had come a time when further conscious thought was useless, even though we continued to carry the problem around with us (incubation). Third, suddenly, while we were cycling or shaving or cooking the crucial idea had come. We were shaken loose from the rut we were in. We were all impressed by the congruence of our stories.*

Wallas’s model has been criticised because it ignores any environmental or situational influences and the stages are too linear in nature and not as distinct as the model would suggest. Still, it has stood the test of time and become the basis for other approaches. Another criticism of this model by Rickards (1996) is that it implies that creativity is at the
front end and that non-creative implementation is at the back end. In organisations this often means that ideas are created initially by a specific department (e.g. research and development) and then passed over to another department to implement. But as Rickards (ibid., p. 24) points out:

_In the new paradigm, ideas and actions occur and interact as long as innovation is pursued. Creativity occurs as long as action continues._

Osborne (1953) expanded Wallas’s four stages to seven -- orientation, preparation, analysis, ideation, incubation, synthesis and evaluation. Within the last decade Cougar (1995) designed a Creative Problem Solving Model (CPS) which updates Wallas’ original model and makes it more practical. The new model consists of five stages -- problem definition/opportunity delineation, gathering information, generating ideas, idea evaluation and prioritisation and implementation. Russel and Evans (1992, pp. 40-59) have suggested five phases -- preparation, frustration, incubation, insight and working out. Reiman (1998, p. 63) has also suggested four stages similar to but different from those of Wallas -- investigation, incubation, illumination and illustration.

Other writers have also developed theories or models on how the individual creative process unfolds. Perhaps the most important of these are Koestler, De Bono and Csikszentmihalyi.

Koestler (1964) invented the term “bisociation” to explain that the creative act always operates on two planes, unlike our conventional thinking which operates on a single plane. This was his way of explaining the process where two often unrelated ideas or frames of reference are combined to form something new.

Koestler believed that the “unconscious” was the ultimate “matchmaker” in bringing together previously unrelated ideas because of its:
- Greater freedom and fluency
- Indifference towards logic and rules of grammar
- Non-verbal, visionary powers
- Ability to create unusual analogies.

He believed that the act of discovery has a disruptive and a constructive aspect. It must disrupt rigid patterns of mental organisation to achieve the new synthesis.

Koestler summarised the creative process as follows:

_Ordered, disciplined thought is a skill governed by set rules of the game, some of which are explicitly stated, others implied and hidden in the code. The creative act, insofar as it depends on unconscious resources, presupposes a relaxing of the controls and a regression to modes of ideation which are indifferent to the rules of verbal logic, unperturbed by contradiction, untouched by the dogmas and taboos of so-called common sense_ (ibid., p. 178).
Another person who has made a significant contribution to creativity is De Bono, the inventor of the concept of lateral thinking (1969). It is interesting how similar De Bono’s ideas are to those of Koestler -- although to my knowledge De Bono has never acknowledged a link or influence.

De Bono’s (1990a, pp. 42-144) contribution is important because he presents another model of how individual creativity works. The thrust of his model is that the perceptual part of our brain (as opposed to the processing part) acts as a self-organising information patterning system. This pattern making system is based on experience, emotions, framework, point of view and context, and is an essential and natural part of our daily lives (e.g. driving to work, playing golf). It means, however, that we are only too ready to see the world in terms of our existing patterns.

Creativity, or lateral thinking, aims to cross over to another path or to change concepts and perceptions by moving laterally across an existing pattern. Thus every valuable creative idea must be logical in hindsight (otherwise we could not appreciate its value). Because it can now be valued by our system of logic we falsely believe that improving our logic will lead to more creativity.

To cut across asymmetric patterns requires provocation and movement. Provocation is designed to disturb the system, to get the mind out of an established track and to provide a stepping stone so that movement rather than judgement can shift us to another track. Rickards (1997) has also raised the importance of escaping from the prevailing mindset or what he calls “stuckness.”

In the history of creativity, provocation has been provided by chance, accident, or a confluence of circumstances. But according to De Bono, provocations can be used by anyone, at any time, at any place. It is important to remove organisational inhibitions, judgements, structures, etc., to encourage employees to play with new ideas or express new ways of doing things. But it is not enough, as the brain is not designed to be creative. Creativity training and motivation are also required.

De Bono suspects that some unconscious reorganisation of information and experience does take place once contexts are fed into the mind. The message seems to be that deliberate creative training can co-exist with (and complement) the more unconscious processes advocated by writers such as Koestler.

In his later works, De Bono applied his ideas specifically to organisations, to creating new ideas (1992a) management (1990b) and the development of strategy (1992).

Perhaps De Bono’s model of perception, based on the behaviour of a self-organising patterning system, can be as valid for an organisation as it is for an individual? It often seems that organisations suffer from the same blind spots as individuals; e.g. IBM in the 1980s still clung to mainframes without seeing the potential of the PC. Hamel and
Prahalad (1994), for example, discuss the difficulties of escaping managerial frames in times of great change.

The other important aspect of De Bono’s work is his idea that the mind self-organises incoming information. The notion of self-organisation has only recently been discovered by scientists, and “examples of self-organisation have been found in astronomy, physics, chemistry and biology” (Davies, 1995, p. 73). I will develop this concept further when I discuss chaos and complexity theories but there appears to me to be a link between individual creativity and creativity in organisations. Are they the same phenomena?

Other writers have extended De Bono’s ideas (Hewitt-Gleeson, 1991) or have developed their own creative thinking tools and techniques for individuals; for example, Adair (1990), Higgins (1994), Leboeuf (1990), Michalko (1991; 1998), Parv (1995), Van Gundy (1992) and Wycoff (1991). While their tools can be useful, they offer a tool kit approach to creativity rather than a rigorous system (Basadur, 1995, provides an exception). Also, according to Hauschildt (1996), these approaches ignore the potential problem of information overload.

Csikszentmihalyi (1996) is another who has made an important contribution to understanding the mystery of the creative process with his notion of “flow” experiences. He noticed that artists became totally absorbed in the process of painting and called these “flow” experiences. The characteristic dimensions of the flow experience include:

- Clear goals
- Personal skills well suited to given challenges
- Merging of action and awareness
- Concentration on the task at hand
- A sense of potential control
- Loss of self consciousness
- Altered sense of time
- The activity becoming worth doing for its own sake.

“Flow” appears to be a phenomenon everyone feels in the same way regardless of age, gender, cultural background or social class. This is an important discovery because it goes to the heart of whether we can all experience creativity in our lives.

3.4 Creative product
According to Ford (1995a, p. 19) the essence of the creative product approach can be set out as follows:

*Creativity refers to an outcome produced by an actor. This means that the jury has to have something to see, touch or hear in order to make a judgement as to its novelty and value.*
The logic behind this approach is that for a person, group or organisation to be considered creative it must produce a creative product(s). Thus, the primary focus is on the outcome rather than the person, process or environment.

This product orientation is the one I have adopted in my working definition of organisational creativity (see Chapter 1). I have adopted this position because my research (and thesis) deals with organisations which, for the most part, exist to produce some form of product or service for one or more stakeholders. To some extent, therefore, I am judging the creativity of the organisation by the creativity of its end product rather than the internal creative processes or the number of creative people. To do otherwise might limit my enquiry to only those areas that might contain a large concentration of creative people, e.g. the research and development or marketing department. As Amabile (1996a, p. 33) summarises:

Thus, the definition that is most likely to be useful for empirical research is one grounded in an examination of products.

Implicit in this approach is the notion that what constitutes a creative product has a broad meaning. However, there is a tendency to think of the product of creative or innovative endeavours as being a new product (or service) or a new advertisement. Higgins (1995) for example, describes four innovative products — product, process, marketing and management. Yet as Kanter (1983, p. 20) explains:

Innovation refers to the process of bringing any new, problem solving idea into use. Ideas for reorganizing, cutting costs, putting in new budgeting systems, improving communication, or assembling products in teams are also innovations.

Another often subconscious association with a creative product is that it must be a dramatic, discontinuous leap, the new “big idea” in effect. However, there can be a continuum of creativity ranging from the small to the completely new. This is what Arieti (1976, p. 10) calls ordinary creativity rather than great creativity, which is the province of very few individuals like Mozart. Amabile (1996a) describes the small, everyday creative products as representing the “garden variety” type of creativity.

Ellyard (1998) also draws attention to the difference between problem-centred creativity (i.e. repairing the old) and creating the new. In his opinion, most innovations are of the former type.

Even pioneering writers such as Maslow (1968) had to overcome their own narrow expectations as to who and what constituted creativity. He described the life of an uneducated, poor, full-time housewife as follows:

She was in all these areas (of housework) original, novel, ingenious, unexpected and inventive. I just had to call her creative. I learned from her and others like her that a first rate soup is more creative than a second-rate painting, and that generally,
cooking or parenthood or making a home could be creative while poetry need not be; it could be uncreative (ibid., p. 136).

Pinker (1997) had a similar insight:

All of us are creative. Every time we stick a handy object under the leg of a wobbly table or think up a new way to bribe a child into his pyjamas, we have used our faculties to create a novel outcome.

Reinforcing the breadth of what constitutes a creative product, Maslow (op. cit., p. 136) argues, in an insight important to my work:

From another man I learned that constructing a business organisation could be a creativity activity.

In fact, Collins (1997) suggests that developing entirely new ways of organising human effort (i.e. what he calls a 'perpetual-innovation machine') is of much greater importance than the invention of any one single product. He cites, for example, Edison, Ford and Disney as three people whose greatest inventions were the modern research-and-development laboratory, the assembly line and the Disney creative department respectively.

An emphasis on the creative product has another implication. McFadzean (1998), in a major contribution, suggests that different creativity techniques can be used depending upon the type of creativity required. She uses the classifications of paradigm preserving, paradigm stretching and paradigm breaking to distinguish between different creative problem-solving techniques. She argues, for example, that brainstorming is a good example of a paradigm preserving technique. Yet organisations such as IDEO Product Development, which is the largest new product design company in the United States, use brainstorming techniques almost exclusively (Sutton & Kelley, 1997). Their brainstorming sessions follow five rules: defer judgement, build on the ideas of others, one conversation at a time, stay focused on the topic and encourage wild ideas.

Satzinger, Garfield and Nagasundaram (1999) suggest, however, that rather than the type of creativity tool employed, the biggest influence on group creativity is the type of ideas provided as stimulation. The group, as a general rule, will tend to follow the preceding ideas. If the preceding idea is a paradigm-preserving one then subsequent ideas will be likewise.

3.5 A creative environment
The person who has done more to advance our understanding of creativity in organisation is Amabile. She was perhaps the first person to draw attention to the relationship between motivation, the environment and creativity.

Amabile outlines two forms of motivation -- intrinsic or extrinsic (1996a, p. 115):
Intrinsic is any motivation that arises from the individual's positive reaction to qualities of the task itself; this reaction can be experienced as interest, involvement, curiosity, satisfaction or positive challenge. Or extrinsic which is any motivation that arises from sources outside of the task itself; these sources include expected evaluation, contracted for reward, external directives etc.

In her earlier work (1983) Amabile considered that intrinsic motivation was conducive to creativity, whereas extrinsic was detrimental. However, in her later work (1996) she established that some extrinsic motivators -- such as constructive feedback and clearly defined project goals can have a synergistic effect when combined with intrinsic motivators, particularly when intrinsic motivation is already high. There is some evidence, however, that the relationships between intrinsic and extrinsic motivation and creativity do vary across cultures (see Eisenberg, 1999).

Amabile (1998) proposed a model of individual (or small team) creativity that consists of three components. These are a person’s expertise, their creative thinking skills and motivation. She believed that managers can influence all three elements but the first two are more difficult and time consuming. However, affecting the intrinsic motivation of an individual or a team will yield more immediate results. Amabile suggests six management practices that can influence the level of intrinsic motivation -- providing challenges, greater freedom, adequate resources, support, encouragement, and paying attention to team design.

Kanter is another who has made a significant contribution to our understanding of creativity and innovation in organisations. In her classic study of 115 innovations (1983) she found that entrepreneurial spirit was more likely in organisations that approached problems in an integrative manner. This involved the ability to move beyond received wisdom, combine ideas, embrace change, test limits and to see problems as wholes relating to larger wholes.

She contrasted this attitude with what she called “segmentalism”, which involved the compartmentalisation of actions, events, problems and structures. This means that problems were viewed as narrowly as possible, independent of the context and of any other connections to other problems.

In a later work, Kanter (1996) expanded on the nature of innovation. She suggested the following characteristics of innovation:- it is uncertain, knowledge-intensive, controversial, and crosses boundaries. Moreover, it is

...most likely to flourish where conditions allow flexibility, quick action, intensive care, coalition formation and connectedness. It is most likely to grow in organizations that have integrative structures and cultures emphasizing diversity, multiple structural linkages both inside and outside the organization, intersecting
territories, collective pride and faith in people's talents, collaboration and teamwork  
(ibid., p. 95).

Quinn (1992, pp. 300-301) has also described the characteristics of successful,  
continuously innovative, organisations. I particularly like this list because of Quinn's use  
of the word "continuous".
- Need-oriented, i.e. 70% of major successful innovations on average are driven by a  
recognisable market need rather than a new concept, technology, or technique seeking  
a need.
- Probabilistic, i.e. no one can tell in advance what will work, how it will work, when it  
will work etc. Hence the need for fast, responsive systems connected to the market  
place.
- Complex, i.e. the need to bring together groups of experts for short periods of intense  
interactions and communication.
- Time consuming, i.e. because of the unpredictability of the interactions it is difficult to  
meet rigid timetables.
- Progress is often non-linear in nature with spurts, delays, resistance and setbacks.
- What relies on intuition and uncodified knowledge.
- Continuous innovation needs fanatics or champions to push the project forward.

In discussing this list, Ford (1995a, pp. 34-35) summarised the supporting empirical  
research to determine eight opportunities that encourage the occurrence of creative acts in  
an organisation. They are:
  - Effective leadership and mentoring.
  - Discretion, i.e. choice over work methods.
  - Effective communication networks.
  - Change-oriented management.
  - Nurturing of an appropriate organisational culture.
  - An effective reward system.
  - Adequate resources
  - Directions to be creative.

Because my research design included the study of non-profit organisations, I found Light's  
(1998) study of innovation amongst 26 non-profit and government organisations helpful.  
He found that the following practices led to greater innovation -- the ability to stay thin,  
create room to experiment, push authority downward, maximise diversity, create a  
market-place for ideas, and lower the barriers to internal collaboration.

Robinson and Stern (1997, p.12) also make an important contribution to the  
understanding of creativity in organisations with their insight:

Nobody can predict who will be involved in them (creative acts), what they will be,  
when they will occur, or how they will occur

They do, however, suggest six actions to increase the probability of a creative act  
occurring. They are:
- alignment to the company's key goals
- self-initiated activity — employees can select a problem they are interested in solving
- unofficial activity
- serendipity
- diverse stimuli
- greater communication.

Similarly, Zien and Buckler (1997) found that a mature organisation had a better chance of keeping the innovative spirit alive if it continued to identify itself as an innovative company, experimented, ensured regular contact between marketing and technical people, was customer focused, engaged the entire organisation, told powerful stories about important values and encouraged individual creativity and passion.

### 3.6 Creative groups or teams

*None of us is as smart as all of us.*

A relatively recent theme in the literature is the idea that creativity in organisations emerges not from the lone genius but from the creative efforts of a team. Baden-Fuller and Stopford (1992) describe the concept of an entrepreneurial organisation. Chief among the features of such an organisation is the emphasis on teamwork in all parts of the organisation. The authors observe:

*The startling feature of the entrepreneurial organisation is the frequency with which effective teamwork is used across functions, across geography and across hierarchy* (ibid., p. 96).

But why are teams important in organisations today? Lipman-Blumen and Leavitt (1999, pp. 20-22) suggest that “hot groups” are an ideal way for organisations to cope with a rapidly changing environment. Teams can sometimes be more proactive and innovative than individuals. They are also an effective mechanism for collaboration and provide greater meaning and satisfaction for group members. Gouillart and Kelly (1995) suggest that ad hoc teams enable organisations to design independent functions at the same time as encouraging greater connectedness.

Graham and LeBaron (1994, p.xii) suggest that cross-functional teams are at the forefront of a horizontal revolution:

*In this new culture of trust and open communication, people working interdependently in cross-functional teams are able to generate creativity, improvement, and innovation beyond the total of their individual capacities.*
The importance of teams as the basic unit of creativity is also highlighted by West (1995). He suggests (pp. 72-77) that for teams to become more creative they need to:

- Build a vision, which is clear, shared and evolving.
- Involve all members in the decision making
- Ensure the group interacts frequently
- Ensure team members feel safe from ridicule and attack.
- Develop a high task orientation through a climate of co-operation and trust and
- Tolerate minority views and take time to reflect.

Bennis (1997, pp. 196-218) outlines a number of lessons from what he calls "great groups". These lessons are drawn from a study of creative collaboration amongst seven diverse groups. Some of the lessons are:

- Every great group has a strong leader.
- Great groups are full of talented people who can work together.
- Every great group is an island -- but an island with a bridge to the mainland.
- Great groups see themselves as winning underdogs and on a mission from ‘God’.
- People in great groups have blinkers on and are optimistic not realistic.
- The leaders of great groups give them what they need and free them from the rest.

But why are some teams more creative than the sum of the creativity of individual members? On one level, a team often has more resources and political influence and group members can motivate each other. Although these factors are important, perhaps the greatest team creativity is due to what Hirshberg (1998, p. 33) calls "creative abrasion". Hirshberg adapts Koestler’s (1964) bisociative thinking (i.e. the process where two often-unrelated ideas or frames of reference are combined to form something new) to the group dynamic. Hirshberg believes that creative collaboration can occur when conflicting cultural and disciplinary viewpoints can be retained without one single view dominating. In this way, a new synthesis can emerge out of the different frames of reference.

This is exciting for my work because Hirshberg has adapted a creative process of the individual to the collective. Perhaps the theories on individual creativity -- Wallas (1926), De Bono (1990c) -- can also be effectively applied to the team and to the entire organisation.

Leonard and Straus (1997) also take up the notion of creative abrasion among group members’ thinking styles. They specifically highlight the importance of creating whole brain teams (ibid., p.113). By this they mean that the team should contain an equal balance of people with a preferred left brain and right brain thinking style.

Kanter (1984, p. 167) sees another advantage in drawing team members from a variety of sources and areas:
Innovating companies seem to deliberately create a market-place of ideas, recognizing that a multiplicity of points of view need to be brought to bear on a problem.

Peters (1987, pp. 262-264) also suggests that teams should incorporate multi-functional involvement, with team members who are full time, work together, communicate regularly and involve outsiders.

Schrage (1999) introduces a note of caution to the conventional logic on creative team formation. His proposition, from studying prototype development at Microsoft, Ikea, Merrill Lynch and Daimler-Chrysler, is that innovative prototypes generate innovative teams rather than the reverse (i.e. innovative teams generating innovative prototypes).

With the emphasis on the team, have we gone too far? Perhaps there is still a need for a creative individual within an organisation or what Pinchet and Pellman (1999) call ‘the intrapreneur’ to create the initial idea or to build the first prototype. Then the group or team is formed to help navigate the idea through the organisation. Collins and Porras (1994) provide evidence for this approach with the study of 3M, where individual initiative is encouraged by such factors as the 15% rule (ibid., p. 156) whereby technical staff members can pursue their own interests for 15% of their time at work.

Other writers have also discussed the importance of harnessing the creativity, passion and curiosity of the individual. Ghoshal and Bartlett (1997), for example, call for a return to individual initiative at all levels of the company. Hamel (2000a) encourages the rise of activists to stimulate and lead organisational change, and Kanter (1983) pleads for a recognition and release of the ‘corporate entrepreneurs’ that lie dormant within American business.

Perhaps we have moved to a new organisational model where teams and the individuals are independent yet interdependent. In a similar vein, Quinn, Baruch and Zien (1997) highlight the importance of individuals and small teams acting independently within an organisation. In an interesting paradox they call this process “independent collaboration.” The pervasiveness of organisations becomes the new context within which individual creativity can be expressed. Handy (1999) calls these people the ‘new alchemists’ because of their ability to create something out of nothing. As Leinberger and Tucker (1991, p. 228) note:

That theme, voiced over and over in our interviews, is the astonishing degree to which the artist, however vaguely conceived, functions as the overriding occupational model for members of the generation, even for those whose work bears little resemblance to artistic endeavor.

3.7 The influence of structure on organisational creativity
The influence of the environment on organisational structure and market place performance is well established. Lawrence and Lorsch (1969) for example, found that
most successful organisations operating in a diverse and dynamic environment had structures that were highly differentiated and highly integrated.

Yet according to Damanpour (1995, p. 129):

Most research on creativity fails to recognize the importance of distinguishing between different organisational contexts when studying determinants of creativity and innovation. For instance, members of organizations that employ complex, intensive, or customized technologies that operate in very competitive environments must engage continually in the generation of new ideas and creative problem solving. Consequently, such organizations require both a flexible structure and a climate conducive to innovation; self and peer controls replace hierarchical control.

Some writers have mentioned the impact of an organisational structure on creativity. Woodman (1995, p. 64) for example, notes:

In general, adaptive organisational forms (e.g. matrix, networks, collateral or parallel structures) increase the odds for creativity. Bureaucratic, mechanistic, or rigid structures decrease the probability of organisational creativity.

Other writers are starting to suggest new organisational designs, other than the pyramid, to embrace the need for greater flexibility, adaptiveness and creativity. Among these are:

- Handy (1990) with his notion of a “shamrock and federal organisation”
- Quinn, Anderson and Finkelstein (1996) outline a “spider’s web” framework for the managing of professional intellect
- Semler (1993) describes the use of concentric circles and self-governing teams.

Significantly, these designs have not met with universal acclaim nor have they been designed with creativity specifically in mind.

An organisation’s environment not only influences its design and structure but it is also itself a source of creativity. As McMaster (1996, p. 128) explains:

Innovation and creativity occur where information (e.g. a customer suggestion) from the chaotic world meets the structured information of the internal world. Creativity is the process of making new meanings in the combining of these two domains.

Csikszentmihalyi and Sawyer (1995) stress that the challenge for organisations is to create corporate cultures that direct internal creativity (i.e. technology, structures, staff, individuals) towards external creativity (which includes customers, competitors, suppliers, government) resulting in increased market share and customer satisfaction. They explain that creativity at the internal level is no guarantee of business success, but it is a prerequisite.
According to other writers, the importance of the formal structure in an organisation may be overrated. Pascale and Athos (1982) in a comparison of American and Japanese firms, found that the real differences between organisations in the two countries were in the soft ‘S’s (i.e. skills, staff, superordinate goals and style) rather than the hard ‘S’s (i.e. structure, strategy and systems).

Ekvall (1997) suggests that structures, systems and procedures impede high level creativity but allow adaptive creativity (i.e. a problem solving style that stays within the existing paradigm). Stacey (1996) also suggests that every organisation has a shadow network that exists and complements the legitimate network, while Schein (1992) makes the point that structures are a clear, visible artifact but often are a poor clue to the underlying organisational culture.

3.8 The need for experiments, failure and focus

Baden-Fuller and Stopford (1992, pp. 101-105) suggest that in mature businesses, in particular, there is a constant need for experimenting and learning. This point is reinforced by Simonton (1995, pp. 90-91) who makes the common-sense observation that the most successful creators tend to be those with the most failures. Creativity is a consequence of sheer productivity. The implications for managers are that they must continue to take risks, experiment and learn from their successes and failures.

It is interesting that some functions, like marketing, have found ways to address the need to continually experiment with the need for a continuity of purpose by the use of test markets and test mailings. In these circumstances, marketers can continue with the “tried and true” while experimenting and occasionally failing in a test market (see Kotler, 1997, pp. 330-331).

Ford and Gioia (1995a, pp. 360-361) suggest that enhancing creative beliefs can be accomplished by a “small win” strategy. By encouraging the use of creativity tools and techniques on smaller projects or problems, employees (and employers) can gain in confidence and sometimes cause large changes in the organisation. This may be due to the “butterfly effect” defined as sensitive dependence on initial conditions (Gleick, 1988, pp. 9-31).

The entire idea of embracing failure is a scary proposition for most managers, yet for creativity to flourish sometimes it is exactly what is required. Creativity involves breaking patterns, which is often at odds with the need for efficiency or maintaining established patterns and rules. Yet as Hamel (1996, p.69-70) reminds us, there is a growing success of those organisations that break the rules:

What good will it do to work harder to follow the rules when some companies are rewriting them? IKEA, The Body Shop, Dell Computers, Swatch, Southwest Airlines and many more are the rule breakers.
Another theme stressed by Gioia (1995, p. 326) is the need for focus. Creativity in organisations is better thought of as a “directed” process towards some problem or opportunity rather than an undirected one. The importance of focus in business and marketing generally is also echoed by Ries and Trout (1986) who based their ideas on studying the history of warfare and particularly the strategies of the Prussian General Karl Von Clausewitz.

3.9 Creativity in business strategy
The importance of creative thinking has also been discussed in relation to the development of business strategy. Perhaps the most influential figure here is Porter. His early work (1985) stressed the importance of industry analysis, value chain and the development of a clearly defined generic strategy i.e. low cost or differentiation within a broad or narrow market. It is interesting that in his later work (1996) he placed more importance on creativity and insight to develop strategies.

Porter’s emphasis on analysis, planning and predetermined industry and competitive positions influenced a generation of managers. Yet Mintzberg (1994), for example, observes that not all strategies are deliberate. He notes three different types of strategy among managers – intended strategies, unrealised strategies and emergent strategies, which are a “realized pattern not expressly intended” (ibid., p. 25).

According to Mintzberg (1994, p.299) another problem of the Porter approach is:

*Planning by its very nature means defining and preserving categories. Creativity, by its very nature, creates categories, or rearranges established ones.*

The result is that strategy devoid of creativity is likely to maintain the status quo. Or, as Hamel (1996) notes, strategy has become for larger companies a calendar-driven, incremental and rote form-filling exercise. This means that those companies following the rules may be vulnerable to those that do not. Roddick (1992, p. 21) for example, states:

*A great advantage I had when I started the Body Shop was that I had never been to business school, as I didn’t know the rules and I didn’t know the risks. As far as I was concerned there were no rules, and so I just went my own merry way working from gut instinct. I honestly believe I would not have succeeded if I had been taught about business.*

Perhaps the great increase in MBA courses and their graduates has paradoxically led to a common, uniform view and language that has decreased organisationally creativity. Dru (1996) also reminds us of the need to disrupt industry conventions as a way of achieving continued success. There is some evidence, however, that a more effective strategic plan depends more on an open mind rather than enhanced creative thinking skills (Riquelme, 2000).
Hamel and Prahalad (1994) have made another important contribution to the literature on strategy with their notion of core competences. Notwithstanding the dryness of the term, they have suggested firms should build and creatively leverage their core competences. A core competence is defined as:

*A bundle of skills and technologies that enables a company to provide a particular benefit to customers. At Sony that benefit is 'pocketability' and the core competence is miniaturization* (ibid., p. 199).

I have in mind the notion that developing a steady flow of new, different and valuable ideas can become a core competence or capability (a more accessible term) of any organisation.

Brown and Eisenhardt (1998) suggest that strategy should operate at the edge of chaos. By this they mean that organisations should have a semicoherent strategic direction but also incorporate an ability to change constantly.

Van Der Heijden (1996) offers another school of thought regarding strategy development. He suggests there are three different approaches, exhibited by the rationalists (e.g. Porter), evolutionists (e.g. Mintzberg) and what he calls “processualists” who fall somewhere between the other two. A process view of strategy relies on strategic conversations (both formal and informal) which take the form of developing different scenarios to encourage differentiation of views while still being able to bring people together (ibid., ix).

What is more important in strategy development -- creativity or analysis? The answer, according to Ohmae (1983, p.35) is that the two complement one another:

*For the strategic mind to work creatively, it needs the stimulus of a good, insightful analysis. In order to conduct a good analysis, it takes a strategic and inquisitive mind to come up with the right questions and phrase them as solution oriented issues.*

**3.10 Creative leadership**

*A leader is by definition, an innovator. He does things other people haven’t done or don’t do. He does things in advance of other people. He makes new things.*


I do not propose in this section to review all the literature on leadership. But if Bennis’ proposition is correct then perhaps leadership and organisational creativity have a symbiotic relationship. In fact, according to Bennis (ibid., pp. 39-41) the basic ingredients of leadership - a guiding vision, passion, integrity, curiosity and daring - appear to be a very good description of a creative leader.

It is appropriate now to address the question, what is a leader? A definition I like for its simplicity and brevity is provided by Rost (1991, p. 102):
Leadership is an influence relationship among leaders and followers who intend real changes that reflect their mutual purposes.

Gardner and Laskin (1996) outline two types of influence that leaders use to mobilise others towards a shared goal or a mutual purpose. They suggest that influence can be direct, through the stories the leader communicates to their various audiences (e.g. Churchill), or indirect, through the ideas the leader develops and the ways in which those ideas are captured in some form of theory or treatise (e.g. Einstein).

Perhaps the leader’s greatest influence is on the culture of an organisation. Schein (1992) highlights six primary mechanisms that leaders use to embed a culture in an organisation:
- What leaders pay attention to, measure and control
- How leaders react to critical incidents
- How leaders allocate scarce resources
- How leaders provide role modeling, teaching and coaching
- How leaders allocate rewards and status
- How leaders select, promote and excommunicate employees.

Albrecht (1987, pp. 32-33) suggests a new form of leadership based on creativity:

We have traditionally defined leadership as the ability to influence people. I believe that we need to move toward an updated concept of leadership, based on the ability to influence ideas.

This begs the question, “What is a creative leader?” Rickards and Moger (1999, p. 11) provide a few clues. They highlight four features of creative leadership:
- Strive for win/win outcomes
- Employ an empowering and motivating leadership style
- Encourage team members to learn and solve problems
- Ensure a proper alignment of individual needs and team tasks.

A similar list is provided by Light (1998, pp. 21-22) who sees leadership in innovative organisations as involving five components, vision, a flexible temperament, communication, durability and innovations skills. Nystrom (1998) considers that a more creative management role is called for if the organisation (and presumably the environment) is changeable, informal, indeterminate and disorderly.

Leonard and Swap (1999, pp. 163-206) stress that a creative leader’s primary role is to design and maintain a supportive, safe psychological environment. To accomplish this they suggest: a certain tolerance for risk-taking, intelligent failures, interactive communication, promoting passion, autonomy; time for personal projects, optimism, encouraging serendipity, and a tolerance of paradoxes.
Effective leaders of innovating groups, according to Quinn et al. (1997, pp. 244-271) display the following behaviours:

- Seek opportunities, have high goals and expect success
- Encourage diversity, constructive confrontation and mutual trust
- Protect flexibility, underground activities and direct access to information
- Encourage multiple self-guided, entrepreneurial teams
- Focus on champions, concepts, customers and competencies.

Goleman (1998a) challenges another leadership myth, i.e. that the person with the highest IQ or best technical skills should be the leader. It is his contention that effective leaders have a high degree of what he calls emotional intelligence --- self-awareness, self-regulation, motivation, empathy and social skills. In a later work, Goleman (2000) outlines the results of a survey of 3871 executives in which he uncovered six leadership styles emphasising a different component of emotional intelligence, i.e. coercive, authoritative, affiliative, democratic, pacesetting and coaching. He suggests that effective leaders have mastery of four or more of the styles and can switch between them when the need arises.

Perhaps Ford (1995a, p. 34) provides the last word in these types of creative leadership ideal lists. In a comprehensive summary of the literature he cites that effective creative leadership is:

Empowerment oriented, supportive, participative, unobtrusive, outcome oriented with clear direction and where the leader serves as a role model.

3.11 Models that attempt to put all the elements together

There have been some recent attempts by some writers to develop a more comprehensive model of organisational creativity. Amabile (1997), for example, has developed a componential theory of organisational creativity and innovation. Her research suggests that individual creativity (comprising expertise, task motivation and creativity skills) leads to organisational innovation. In a circular loop, innovation (consisting of resources, management practices and organisational motivation) impacts on the creativity level of the individual or small team.

The most important feature of the theory is the assertion that the social (i.e. work) environment influences creativity by influencing the individual components. Although the environment can have an impact on any of the components, the impact on task motivation appears to be the most immediate and direct (ibid., p. 52).

Sternberg (1997, p.18) highlights the fact that creativity in organisations is more than just creative thinking. He suggests that an investment must be made in six distinct yet interdependent factors for creativity to emerge. These factors are knowledge, intellectual abilities, thinking styles, motivation, personality and the environment (i.e. one that supports and invests in creativity).
Ford (1999, p. 190) offers a similar approach with his model that suggests creative performance is a function of interpretive, motivation and creative ability processes within a supportive context.

Implicit in Sternberg’s and Ford’s approach is the importance of the links and interdependencies among each of the factors. Woodman, et al. (1993) take this concept further with a systems approach to organisational creativity. This model outline how the inputs (individual, group and organisational characteristics) are transformed (via creative processes and creative situations) to produce an output (creative product).

Csikszentmihalyi (1988) has also developed a systems view of creativity that can easily be adapted for an organisation. Csikszentmihalyi starts in a different place by asking ‘where’ creativity is rather than the more traditional ‘what’ creativity is. He believes that you cannot separate creativity from its historical and social context. His model (ibid., pp. 325-330) involves three interacting and interdependent elements, namely the field (a set of social institutions that select an idea or product); a stable, cultural domain that will preserve and transmit the selected ideas to following generations; and the individual who brings about some form of change in the domain. In an organisational setting creativity emerges from the interactions within and between an employee (the individual) and his/her department or workgroup (the domain) and the set of managers, leaders, customers and other stakeholders (the field).

I believe the systematic approaches of Clay (1994), Woodman et al. (1993) and Csikszentmihalyi (1988) offer a more exciting and dynamic way of understanding organisational creativity. Each model recognises that creativity cannot be studied in isolation; an action in one area of an organisation impacts other areas and the whole is greater than the sum of the individual creative parts. An open system approach also means that the organisation is open to, and reliant on, the environment for ideas, resources and information. As Clegg (1990, p. 51) notes:

*Open systems are inherently adaptive: like biological organisms their adaptive capacity is to be thought of in terms of the processes of differentiation and specialization whereby organisms evolve in changing environments.*

Another advantage of an integrated, systems type approach is that it helps to explain why most “quick fix,” or single creative interventions, often fail, (such as creative thinking training). Tan (1998, p.28) makes the point that most of these interventions are localised at the subsystem level:

*For instance, it will be pointless to train employees to be creative when the organisational culture is hostile to creative people.*

What is needed, according to Tan, is a series of well-planned multiple interventions with an organic implementation process and constant feedback.
3.12 Using different metaphors and applying chaos and complexity theories to organisations

*Why do so many organizations feel dead?*

To answer Wheatley's question requires us to revisit some of our most fundamental views about an organisation. Perhaps if we could use a different metaphor then we could conceive of a more vibrant organisation. Morgan (1986, pp. 12-13) reminds us:

*The use of a metaphor implies a way of thinking and a way of seeing that pervades how we see the world generally. When we say the man is a lion, we use the image of a lion to draw attention to the lion-like aspects of the man. The metaphor frames our understanding of the man in a distinctive yet partial way. In highlighting certain interpretations it tends to force others into the background role.*

The dominant metaphor or world-view is the “organisation as a machine” (see Bohm, 1981; Capra 1983; 1996; Prigogine & Stengers 1984; Wheatley 1992; Zohar 1997). This metaphor has a number of implications. As Hames (1994 p. 80) notes:

*Reflecting the dominant worldview prevalent at the time of their conception, conventional metaphors of organisation tend to be mechanistic, reflecting explicit reductionist, sequential and rational thinking.*

There is no doubt that this approach has had some value, but is it the only way? As scientist Davies (1995, p. 8) observes:

*The scientific paradigm in which all physical phenomena are reduced to the mechanical behaviour of their elementary constituents has proved extremely successful, and has led to many new and important discoveries. Yet there is a growing dissatisfaction with sweeping reductionism, a feeling that the whole is greater than the sum of its parts.*

In the business world some authors are offering a number of alternative metaphors to the “organisation as a machine”. Morgan (1986), for example, explores a number of quite different organisational metaphors — organisms, brains, cultures, political systems, psychic prisons, flux and transformation and instruments of domination.

De Geus (1997) provides one of the most interesting and challenging alternative metaphors. In his study of 40 companies that have been in existence for over 100 years, he found that they had four common traits: conservatism in financing, sensitivity to the world around them, awareness of their identity and a tolerance of new ideas. As a result of his findings, De Geus (ibid., p. 17) started to use “the organisation as a living entity” as his guiding metaphor.
This new metaphor, according to Senge (as cited in De Geus, 1997, pp. 2-4) has a number of implications. A company as a living entity:
- cannot be completely controlled only influenced
- creates its own processes
- evolves naturally
- has a capacity for autonomous action
- can regenerate itself
- learns as an entity.

Thus through the adoption of a new metaphor, an organisation can be seen through new eyes. Chaos, and its more recent cousin complexity theory, potentially offer another rich new prism or paradigm (e.g., Barker, 1992, Kuhn, 1970) with which to view organisations.

Chaos theory (e.g., Gleick 1988; Stewart 1990; Cohen & Stewart 1994; Briggs & Peat 1999) introduced to the world a number of mind-stretching concepts e.g. the butterfly effect (Gleick, pp. 9-31), fractals (ibid., p. 98) and strange attractors (ibid., pp. 119-153), as well as a new language. Perhaps the most startling conclusion was that order could emerge (in certain circumstances) from chaos. Prigogine and Stengers (1984, p. 12), for example, found:

_We now know that far from equilibrium, new types of structures may originate spontaneously. In far-from-equilibrium conditions we have transformation from disorder, from thermal chaos, into order._

Complexity theory (e.g., Lewin 1993; Waldrop 1994; Goodwin 1994; Coveney & Highfield 1995; Davies 1995; Kauffman 1995) built and extended the initial concepts of chaos theory. Complexity theory came to reflect the behaviour of what is called complex, self-organising, adaptive systems (Waldrop, 1994, p. 11).

One the most powerful concepts for my work is the idea of “the edge of chaos”. This is a place-space where order and chaos exist in a kind of dynamic balance. It is where:

_New ideas and innovative genotypes are forever nibbling away at the edges of the status quo, and where even the most entrenched old guard will eventually be overthrown_ (Waldrop, 1994, p. 12).

Another important idea emerging from these new theories is the notion of a fractal. A fractal possesses the property of exact self-similarity (Davies, 1995, pp. 57-61). This concept opens the possibility that the whole can be captured in the parts. In other words, by studying an individual element of a system, you can gain an understanding of the entire system. In a practical sense, this suggests that any individual of an organisation, contains the blueprint of the entire organisation. Hence, exploring the creativity of an individual in the context of the organisation might reveal the nature of creativity of the collective.
Together, chaos and complexity theories provide a more vibrant way of looking at the world. As Davies (1995, p. 2) comments:

For three centuries science has been dominated by the Newtonian and thermodynamic paradigms, which represent the universe either as a sterile machine, or in a state of degeneration and decay. Now there is the new paradigm of the creative universe, which recognizes the progressive, innovative character of physical processes. The new paradigm emphasizes the collective, cooperative and organizational aspects of nature; its perspective is synthetic and holistic rather than analytic and reductionist.

A few writers are starting to apply these new theories to organisational life (e.g., Brown & Eisenhardt, 1998; Denton, 1998; Goldstein, 1994; Kelly, 1994; Kelly & Allison, 1999 Pascale, 1991,1999; Peters, 1987; Stacey 1992; 1996, Wheatley, 1992;).

According to Pascale (1999, p. 85) complexity theory has four principles relevant to organisations. These are:
- Complex adaptive systems are at risk when in equilibrium
- These systems exhibit the capacity of self-organization and emergent complexity
- Complex adaptive systems tend to move toward the edge of chaos when provoked by a complex task
- One cannot direct a living system, only disturb it.

Complexity theory suggests that organisations are better thought of as examples of a non-linear system than a linear one. A non-linear system has a number of properties, according to Goldstein (1994):
- change can be precipitous and revolutionary
- the effect is disproportionate to the cause
- the whole is greater than the sum of the parts
- interaction is multidirectional
- change can have unpredictable outcomes
- when operating at far-from-equilibrium conditions the system can undergo transformation

Such ideas are challenging for managers who still cling to the “organisation as a machine” metaphor which, above all, prizes certainty, efficiency, clarity and continuity. The notion that something is “out of control”, so long feared in management may be entirely necessary for creativity and for progression to a higher state. Perhaps a more sustainable managerial response is to foster disequilibrium in an organisation (Pascale, 1991, p. 108).

McMaster (1996, p. 135) suggests that “discontinuities or disturbances” could be designed into the regular processes of an organisation. Some of these disturbances might be exploration of unrelated companies, academic input from unrelated fields, challenges that cross boundaries, overlapping accountabilities, and visual displays that invite different thinking or new participation.
Leaders of organisations are faced with a dilemma. They have to balance the established, perhaps successful, ways of doing business with the new, the untried, the unknown, and potentially risky path implicit in a more creative approach. Handy (1994, pp. 49-64) relates this dilemma to what he calls the sigmoid curve (or S shaped curve). He believes the secret is to start a new sigmoid curve before the first one falters. Unfortunately, this may mean disturbing successful practices and policies, which may lead to resistance.

3.13 Other theories and concepts that have informed my work

My reason for citing the ideas which follow is that they provide a rich set of alternatives to what Peters and Waterman (1982) have called the “rational model” of management. This model is dominated by a numerate, rational, analytical and detached management style (ibid., pp. 29-54).

The rational model is also consciously or unconsciously predominately “male”. Marshall (1984, p. 30.) suggests:

...feminine characteristics such as emotionality, domesticity and nurturing are perpetually devalued compared with masculine traits of rationality, public action and independence. As a result, the female sex role itself is revealed as a devalued social role.

Sinclair (1998, p. 1) supports this view:

There is a close but obscured connection between constructs of leadership, traditional assumptions of masculinity and a particular expression of male heterosexual identity.

The dominance of reason is not confined just to business organisations. Ritzer (1996) uses the phrase “McDonaldization of society” as a way of dramatising the components of a rational system, i.e. efficiency, predictability, calculability and control, and to highlight some of the irrational consequences of this “rational” system, e.g. an adverse impact on the environment and the dehumanising impact on employees.

I am not suggesting that logic and reason do not have their place. They have helped free people from superstition and dogma. The scientific method has led to enormous advances in science and technology that have benefited humankind. But it has led to a belief that reason alone can solve any problem and to a separation of reason from other aspects of what makes us human. Saul (1992, p. 15) makes this point:

Reason began, abruptly, to separate itself from the more or less recognized human characteristics — spirit, appetite, faith and emotion, but also intuition, will and, most important, experience.
The dominance of reason and logic has also precluded (it seems) a sense of fun, emotion, intuition and imagination in the workplace. Perhaps it is time, as Damasio (1994) and Goleman (1996) suggest, moving to a new synthesis of reason, emotion and creativity. There have been a number of approaches to understanding the non-rational.

3.13.1 Paradox
A paradox, according to Naisbitt (1994, p. 12) is:

A statement or formulation that seems contradictory or absurd but is actually valid or true. A famous paradox in architecture is ‘less is more’, meaning that the less you clutter a building with embellishments, the more elegant it can be.

Naisbitt sees the paradox as an aid to fresh thinking and as a powerful tool for understanding. Reanney (1994, p. 9) believes the special virtue of paradoxes is that they can reconcile opposites:

This implies that a paradox must necessarily transcend logic to blend in understanding items of awareness that reason automatically cancels out. Or to put the same message another way, a paradox must draw on a quality of understanding other than logic since its essence is the contradiction of.

Handy (1990, pp. 17-18) suggests:

Paradoxes are inevitable, endemic and perpetual. The more turbulent the times, the more complex the world, the more the paradoxes.

McKenzie (1996) sees paradox as the next strategic direction, while De Cock and Rickards (1996) believe paradox can provide a new vehicle by which managers can reflect on the linear aspects of most organisational change programs.

3.13.2 Fuzzy thinking
A related concept to paradox is the notion of fuzzy thinking. Fuzzy thinking, according to Kosko (1994) deals with a spectrum of possibilities between 1 and 0, between total truth and total falsehood. In practical terms, it deals with “and” not “or” thinking.

On a more applied level, Collins and Porras (1994) in their study of the successful habits of visionary companies, found that such companies embrace the genius of the ‘and’ and disregard the tyranny of the ‘or’.

3.13.3 Dilemma
A dilemma is a “situation in which a choice has to be made between two equally undesirable alternatives” (The Concise Oxford Dictionary, p. 326). To deal with dilemmas in organisational life, Hampden-Turner (1990) has designed a simple methodology which places one variable on the x axis with another variable on the y axis and then asks respondents to rank where their company sits on a scale from one to ten. He then
compares this position with that of other companies and the ideal position (10/10), to make new synergistic more apparent.

3.13.4 Analogy
An analogy “links two previous unrelated concepts” (Boden, 1994, p. 97). It is widely used in the arts and in advertising. For example, American Express uses a Roman Centurian on its credit and charge cards to illustrate strength and protection.

Analogy can also be used to understand something new by comparing it with something more familiar e.g. “William Harvey’s description of the heart as a pump, changed not only what experiments were done, but how experimental events were perceived” (ibid., p. 99).

3.13.5 Systems thinking
The notion of systems thinking is its emphasis on interconnectedness and nonseparability. According to Mitroff and Linstone (1993, p. 95):

In essence the systems approach postulates that since every problem humans face is complicated, they must be perceived as such, that is, their complexity must be recognised, if they are to be managed properly.

Systems thinking is also concerned with recognising the whole and that this is greater than the sum of the parts (e.g., Flood & Jackson, 1991: McCaughan & Palmer, 1994; Oshry, 1995).

3.13.6 Learning organisations and mental models
Senge (1990) is recognised as one of the leading figure in the development of the concept of the learning organisation. He believes there are five component technologies: systems thinking, personal mastery, mental models, building shared vision and team learning. His work has been instrumental in my belief that if a learning organisation can be designed, why not a creating organisation?

Perhaps learning and creating have a yin and yang quality. An individual, team and organisation must create something new to learn. But learning must take place, to avoid the same things being created over and over. Indeed, Huber (1998) suggests that learning and creativity not only complement one another, but also have a synergistic relationship.

Mental models or mindsets are also an important part of a learning and creative organisation. The dominance of a mindset is graphically illustrated by Argyris (1991) with his theory of single and double-loop learning. I am attracted to his notion of an espoused theory of action (what people say they will do) and their theory-in-use (what they actually do). According to Argyris (ibid., p. 103), most theories-in-use are designed around four basic values, to remain in control, to win, to suppress negative feelings and to be as rational as possible. As a result, most mindsets (i.e. the master program) are profoundly defensive. Argyris (ibid., pp.106-107) suggests that to overcome this defensiveness change
has to start at the top and leaders have to try to change their own master programs to reshape their behaviour to more closely reflect their espoused theory.

The limitations (and strengths) of individual and collective mindsets are mentioned by a few writers, although they use different descriptions. Bolman (1991, p.11), for example, uses the expression “frames.”

*Frames are windows on the world and lenses that bring the world into focus. Frames filter out some things while allowing others to pass through easily. Frames help us to order experience and decide what action to take.*

Bolman makes the observation that frames are tools for action, and every tool has its strengths and limitations. Hence, if we can expand our frames, we can greatly enhance our creativity. Frames sound much like Kuhn’s (1970) notion of paradigms, invoking the difficulties of bringing about a paradigm shift (see also Barker for a more accessible account of paradigms). Hamel & Prahalad (1994) and Grove (1996) also warn of the dangers of a collective managerial frame or mental map that can blind managers to future opportunities and threats because they are focused on what worked successfully in the past.

McGrath & McMillan (2000) have defined what they believe are the characteristics of an entrepreneurial mindset. These are:
- seeking new opportunities
- using enormous discipline
- targeting the best opportunities
- focusing on opportunity
- engaging the energies of everyone in their domain.

This description of an entrepreneurial mindset, whilst relevant to my work, reflects an individual approach rather than the more collective nature of a mindset envisaged by Hamel & Prahalad (1994).

**3.13.7 Triangular thinking**

Keidel (1995) advocates that to see organisational patterns effectively, we should think in triangles (or threes) rather than in twos, which is more traditional. In this approach most organisational issues can be described according to these three criteria - autonomy, control and cooperation. The freshness of this approach is his insight that most of the organisational literature has revolved around two variables - loose/tight, relationship/task, organic/mechanistic. Indeed most of our life’s experiences are described in a binary way - yes/no, pass/fail, right/wrong. By simply adding a third variable (particularly if it is represented visually using a triangle) one can greatly increase one’s range of possibilities.

**3.13.8 Creative tension**

According to Fritz (1991) creative tension is the difference between a vision (result you now want) and the current reality (what you now have). This tension seeks resolution and
generates energy, which is useful in the process of creating options. Collins & Porras (1996) use different terminology to explain how visionary companies create a tension between their current situation and what they call "big hairy audacious goals" (i.e. an envisioned 10 to 30 year future).

3.14 Conclusion

In his book, *The Tom Peters Seminar* (1994, p. 11-12), Peters outlines the audience reaction to a slide he had used at least a hundred times. The slide reads:

> Microsoft's only factory asset is the human imagination.
> Moody (as quoted in Peters, 1994, p. 11).

Having made this point, Peters then asks his audience:

> Does anyone here know what it means to manage the human imagination?
> So far not a single hand has gone up, including mine (ibid., p. 12).

I suspect that if the same question were asked of audiences today the response would be the same. Yet there has been a subtle shift. Increasingly, there is recognition that creativity in organisations is important and a legitimate area of enquiry. The appointment in 1995 of Teresa Amabile, one of the leaders in the field of creativity and innovation, to Harvard Business School as a professor of management was a significant step, as was the commencement of specialist creativity journals such as *Creativity and Innovation Management*, edited by Dr. Tudor Rickards and Ms Susan Roger (Blackwell Publishers).

This greater interest in the area of organisational creativity is also noticeable in the access I gained and the time given to my interviews by senior managers and leaders. Among them there seemed to be an expanding interest, both personally and professionally, in the area. This interest reflects competitive pressures, growing customer expectations, the emergence of new technologies, and demands of employees to be given a chance to contribute their ideas. It could also suggest that some organisations are moving to a new, post cost-cutting era. Perhaps Hamel (2000a) is correct when he predicts:

> For the first time in history we can work backwards from our imagination rather than forward from our past (ibid., p. 10).

But is the question about how to manage imagination the right one? A more appropriate challenge might be, "how do we harness, release or capture the individual and collective imagination in our organisations?"

My literature review, therefore, is aimed at shedding light on this question by drawing from the work of others. It should be noted, however, that I have concentrated on
commercial rather than artistic creativity. To help me structure my review I have used Rhodes’ four P’s model (1961).

My review started with the work of Gardner. I believe his contribution is vital, not only because of his work on examining creative people but because he introduced the concept of multiple intelligence. His work expands the notion of what constitutes intelligence and opens the door to the existence of creative intelligence.

Damasio (1994; 1999) and Goleman (1996) highlight the role of emotions. The latter postulated a theory of emotional intelligence. Whilst controversial it has enhanced our understanding of the relationship between reason and emotion. However, if reason and emotion are interdependent, what role do intuition and imagination play and where do they fit?

In my review of creative processes I discussed in some length the contributions made by Wallas (1926), Koestler (1964), De Bono (1969), and Csikszentmihalyi (1996). Whilst there is no one universally agreed creativity model, in each case the writers developed a more rigorous theory of how individual creativity works. Moreover, there are now attempts to apply these models to teams or groups in an organisational setting (e.g., De Bono, 1990c).

I have adopted a creative product approach to my work. In other words, I explored creativity in organisations by examining the explicit, creative product developed. I am using a broad definition of a creative product to include a new process, idea, product, service or advertisement. A creative product can be large or small, problem-centred or opportunity-focused. This approach is the prevailing one used by a majority of academics and practitioners (e.g., Amabile 1996a). Without preemption my research findings, the creative product approach is also the one used in the advertising industry. If a client was considering a new agency, they would typically be shown examples of the agency’s work (i.e. the creative product), meet the creative team (i.e. creative people) and be shown around the agency (i.e. creative environment). Rarely will an agency discuss its creative process, preferring to highlight the quality of its advertisements and the number of its awards and high profile clients.

The work of Amabile (1996) in outlining the relationship between the environment, intrinsic and extrinsic motivation and creativity has been a major influence on my work. Her research suggests the environment has the most important effect on an individual or group’s motivational state. Hence, leaders can best influence the creativity of their team by paying attention to the environment in which their teams work.

Kanter (1983; 1996) reminds us of the need for innovating organisations to integrate rather than segment their activities. Robinson & Stern (1997) highlight the unplanned nature of most creative acts in organisations. This finding can be interpreted in two ways: creative acts occur naturally, hence the manager has little role, or there are actions
managers and leaders can take to influence the probability that creativity will emerge. My thesis adopts the second interpretation.

In my review of the literature I have adopted a broad definition of a creative environment. In this way my review is not limited to a conventional discussion of culture and structure. For example, in the most recent literature, teams have become the new focus of attention. This attention on the role of creative teams, not just on a few maverick creative geniuses, is a welcome step. However, my concern is that in concentrating on the team, the responsibility for individual creative effort is diminished. Surely we need both.

An organisation's structure reflects and is influenced by its external environment. There is general agreement amongst writers that the pyramid as an organising structural principle is not consistent with the demands of a fast-changing, flexible external environment. It does seem, however, that there is an effort to uncover the next universal structure. I am influenced by the view that there is no one successful approach and that structure is overrated, because of the existence of the informal, shadow structure (see Stacey, 1996) and the importance of other less tangible issues such as levels of trust.

I am captivated by Hamel & Prahalad's (1994) notion that an organisation consists of a portfolio of core competencies and that creativity could become (should become?) the new capability and challenge for the 21st century. As Hamel (2000, p. xii) boldly states:

Indeed, my central argument is that radical innovation is the competitive advantage for the new millennium.

One of the weaknesses of the Rhodes (1961) four P's model in studying organisational creativity is that it does not specifically address the role of leadership. There is widespread literature on the importance of leaders in influencing an organisation's culture (e.g., Schein, 1992). If culture, or the broader term environment, is as important to creativity as Amabile (1996a) suggests, then not explicitly addressing leadership is a major omission of the four P's model. Moreover, I am receptive to Albrecht's (1987) contention that there is a new form of leadership based on the ability not only to influence people but to influence ideas. This is also consistent with Gardner and Laskin's (1996) work which suggests that leaders can affect an employee in intangible (thoughts and feelings) and tangible (behaviour) ways.

I have outlined in this chapter various attempts at developing alternatives to the four P's approach (Amabile, 1997; Clay, 1994; Ford, 1999). Each of these models outlines a more integrated and holistic approach to organisational creativity. They are some of the first conceptual models to tackle this issue. In a sense, they provide a point of departure for my work. I hope to develop a new, rigorous model of a continuously creative organisation by building and extending on these initial attempts and Rhodes four P's model.

To design such a model, I needed to look in "new places", hence my research includes non-profit organisations. This is a gap in the literature, it seems, because of a belief among
many practitioners and academics that creativity and innovation exist in profit organisations. My research suggests that this is not the case.

To design a model for a continuously creative organisation I also had to look at organisations with “new eyes”. I am aware that the work of others can also constrain my view of organisations. As Peters (1994, p. 186) so challengingly states:

*Can you grasp the notion that creating and leveraging knowledge to create value makes sense while simultaneously embracing the idea that there exists an equally important need to forget what you know.*

Or to put it more succinctly:

*Discontinuous change requires discontinuous thinking.*

Handy (1990, p. 19).

In other-words, designing a new type of organisational model, particularly one revolving around creativity, requires many new perspectives. To that end, I have embraced the work of Morgan (1986) and his description of different metaphors and the emerging, new, dynamic science of chaos and complexity theory (e.g., Gleick, 1988; Waldrop, 1994).

Other writers have started to take some of these ideas and apply them to organisations with mixed success (e.g., Brown & Eisenhardt, 1998; Goldstein, 1994; Kelly, 1994; Pascale, 1991; 1999; Stacey, 1992; 1996; Wheatley, 1992). Whatever their shortcomings, they provide a range of alternative prisms through which to view the nature of organisations.

I have outlined a number of other challenging concepts that have informed my work and which I have used in practice. They include thinking in threes, thinking of the parts and the whole and embracing paradoxes, dilemmas and tensions as a source of creativity. One of the most important of these new ideas is the notion of mindsets. Being aware of, and trying to escape from, the prevailing mindset (other writers have used different descriptions, e.g. filters, frames, paradigms) can be a rich source of creativity. This proposition is supported to an extent by Krogh, Erat & Macus (2000), for example, who suggest, in a study comparing two telecommunications firms, that the firm with a rigid, narrow, “dominant logic” tended to be disadvantaged in dynamic external environments.

Designing a continuously creative organisation is both a personal challenge and an organisational imperative. Ridderstrale & Nordstrom (2000, p. 152) have captured the spirit of my quest in their statement:

*By innovation we do not mean a dedicated department, a carefully fenced off group of boffins. We mean total innovation — a frame of mind that applies to everyone at the company, everything, everywhere, and that goes on non-stop. It turns the*
company into an idea and dream factory that competes on imagination, inspiration, ingenuity and initiative.
Chapter Four: Defining a creative product.

Key research question: What is organisational creativity?
In a restless, creative business with an emphasis on experimentation and development, ideas are the lifeblood.

4.1 Introduction

This chapter explores the essence of an organisation’s creative product. It is the first “P” in Rhodes (1961) four P’s model of creativity which I have used as my literature and research, point of departure.

I have elected to commence with the creative product, which is consistent with my end-product orientation. This perspective adopts the view that the final decision on whether something is creative or not ultimately depends on the end product (see Amabile, 1996a).

This chapter highlights three different meanings interviewees used to describe a creative product.

- A specific meaning (e.g. a new product, promotion or advertisement)
- Creative synergy, which involves the coming together of many creative products into one
- Ideas as the creative product.

Another interesting finding is the notion of an idea exchange. In an organisational context, this describes the dynamic interaction between the producer and receiver of a creative product.

4.2 Why organisational creativity is important

Before discussing what interviewees mean by organisational creativity, it is important to place it in some sort of context. Almost without exception they talked about the growing importance of creativity both to the organisation and themselves. On one level, this is to be expected given that many of the organisations I included in my research (e.g. advertising agencies) have a reputation for creativity. Yet interviewees spoke more broadly about the benefits of creativity to organisations and to themselves (see Figure 4.1).
These benefits varied. For some it meant a way of growing revenues, to others differentiating themselves and/or adding value to a stakeholder group. Interviewees equated enhanced creativity with some form of organisational economic return rather than creativity for its own sake. Enhancing the creativity of employees is seen as important but as a means to an end rather than an end in itself.

*Ideas are important, they drive growth. They are the currency of the future.*
  Peter Reynolds, Partner, Integrated Options, Advertising Agency.

*We bring out new products to avoid commodity products, which will mean lower prices -- there is a commercial pay-off.*
  Dr Mel Leitheiser, Technical Director, 3M.

*Creativity and innovation from all our analysis is a recurring theme amongst successful organisations.*
  Phil Ruthven, CEO & Chairman, IBIS Business Information.

The growing importance of creativity was perceived as a direct result of the movement into the information age. Information was seen as a double-edged sword, however. On
one level, it provided the raw material for new ideas, but too much information was seen as detrimental to the development of ideas.

The other driving force for organisational creativity has been the growth of the Internet and the potential opportunities offered by the new economy. The new economy challenged established processes and mindsets, bringing greater freedom to test and experiment. Because there was no dominant model to follow, organisational leaders had to develop their own paths. This meant that leaders could try new things (in fact, they were expected to), take risks and could make mistakes.

*What is exciting is that we are all trying to find our way. There is no set model. We make mistakes. There is no one to follow.*
Nicolle Sheffield, Marketing Manager, Telstra Multimedia Division.

Interviewees also highlighted that the world is moving faster. They felt they are under more pressure and the Internet is collapsing time frames. Hence new ideas had to be tested quickly. The growth of the Internet also meant that everything is changing quickly and unless they are creating, testing and learning from new ideas they would fall behind (both personally and organisationally).

*In this industry there is a shrinking time to market.*
Michael Ossipoff, Marketing Director, Lotus.

*The ideas that really get rewarded are the ones that add to the bottom line that can be implemented within a one-year time frame.*
Deanne Stewart, Advertising Manager, Bankers Trust.

Interviewees not only believed that creativity was important for the organisation as a whole but for some there was a growing expectation that their role as a leader demanded a creative contribution. Clients, customers, peers, the legacy or reputation of the unit, the Internet and subordinates, drove this expectation. Creative expectations were also fuelled by a perception of the industry in which participants worked in. This was particularly true of the advertising industry.

These creative expectations were not static but dynamic in nature. Once the existing expectations are met then new standards are set and become the new benchmark.

*Our customers expect us to develop new products.*
Dr Mel Leitheiser, Technical Director, 3M.

*Our business is generating ideas. We exist to generate ideas. You would expect us to be creative.*
Ian Mactavish, Creative Group Head, George Patterson Bates, Advertising Agency.
It was part of the brand manager’s responsibility to create new product ideas.
Julie Webster, Unilever Brand Manager.

For most interviewees, there was another more personal factor driving creative performance: the desire to create for its own sake. Interviewees believe creativity is important for the organisation or unit’s success. But even if this were not present, it is likely that creativity would still emerge given the almost innate need to express their creativity.

There are some caveats in my research sample. Perhaps it is not surprising that people who work for organisations with a reputation for creativity express a strong personal need to exercise their own creativity. My research sample is also self-selecting, I interviewed people who presumably had some interest in creativity, and this may not reflect the views of the general management population. But the intimate, personal language interviewees used to describe their own creativity suggested that it was part of a broader human condition. For many, their creativity reflected themselves. It also suggests that many of these interviewees are confident of, and accept responsibility for, their own creativity.

People innovate for its own rewards.
John Macklay, General Manager, 3M.

Creativity is an expression of yourself. You can express your inner feelings.
John Bevin, Owner & MD, John Bevin Advertising Agency.

When you create something, after you have gone there is something left behind that didn’t exist before.
John Rayment, Technical Director, Sydney Dance Company.

This need to create has a number of implications. People in organisations need to be given the opportunity to create. Therefore leaders and managers need to encourage greater individual and group creative work. If not, employees may seek opportunities elsewhere. This is particularly important if leaders wish to attract and retain talented people.

Leaders and managers also need to find a balance between being efficient and being creative. Interviewees wanted the opportunity to create, yet sometimes felt constrained by existing practices and processes. The current “way we do things around here” created routine, habits and a comfort zone. Ultimately this led to a powerful sense of inertia in an organisation that was difficult to overcome.

It should be noted, however, that this feeling of constraint occurred less amongst this group than other groups of lower and middle management with whom I have conducted creativity workshops. In my leadership research group, there was a feeling of having greater control and flexibility in their working lives. And because of their senior positions and influence these leaders could find the resources to test their ideas.
4.3 Organisational creativity as a source of energy

*Creativity for me means something that produces action from original thought.*
Graeme Burns, CEO, The Australian Institute of Management.

I found this comment an intriguing one. For me, it means that being able to test the creativity of oneself or others, is a goal in itself. And the developing and testing of a creative product produces a kind of individual and collective creative energy; a creative energy which can gain momentum and develop into a positive reinforcing cycle of change.

As has been discussed, participants felt that creativity has its own rewards. This comment typically referred to the individual's need to create things that were important to them. It was also the case that the collective--the team, unit or the entire organisation - has the same need to create. But they are interested in creating testable things. In an organisational context, they can dream but are interested in dreams that lead to action.

Interviewees used the term "creative energy" to describe this feeling of enriched collective creativity. You could almost feel the pulsating energy when participants described an individual or collective memorable creative moment. It was described as a kind of living energy that ebbed and flowed. But this was seen as fragile, easily disturbed and unpredictable.

*We want clients to feel our creative energy.*
Stan May, Chairman & CEO, Leo Burnett, Advertising Agency.

*Our creative work also comes in flows. It is either not enough or it is too much. It is difficult to predict and plan.*
John Rayment, Technical Director, Sydney Dance Company.

*Creativity in an agency is very volatile. People can lose confidence quickly because the work is very visible. The mood in the place is very important. It can feed on itself. With a good creative product you get a real buzz, everyone is on a real high.*
Jane Caro, Senior Copy-Writer, Saatchi & Saatchi, Advertising Agency.

Organisational creativity or collective creative energy provided the momentum for things to happen. People wanted to test their new idea, product or advertisement. But as often as not, they were actually interested in the ideas, tests and results of their peers. For example, the creative department of an advertising agency or the Four Corners program displayed a collective pride in the final product of the group.

The individual and the group were interested in being tested personally and having their ideas tested. Creativity for them only worked when it could be tested. Hence ideas that could not be put into action remained latent opportunities.
Creativity acts as a kind of energising force in individuals, teams and organisations. It provides the energy for action and change. Participants talked about a positive reinforcing cycle that could be created after a succession of good creative work.

*Doing good creative work encourages other creative work, which leads to a critical mass of creative work, which in turn attracts other creative people to your agency.*
Simon Collins, Principal, Collins & Crew, Advertising Agency.

*The reputation of the program is high which attracts good people who are motivated to maintain the same standards and therefore produce good work.*
Sally Neighbour, Reporter, *Four Corners*, ABC

*You need creative momentum. I divide my people into small teams and give them something small to work on so they can develop some trust and group momentum.*
Shane Cargill, Managing Director, Mothers Art-Film Production.

**4.4 What is organisational creativity?**
This section outlines how interviewees discussed organisational creativity as having to be both valuable and original. I will discuss both in turn.

**4.4.1 Producing something that is valuable**
One of the strongest reactions amongst interviewees is the need for creativity to create value for the organisation. The emphasis is on producing a demonstrable result, such as a new product that solves a customer problem.

Value for most interviewees meant addressing the concerns of shareholders (e.g. growing revenues or cutting costs) and/or solving a customer or employee problem or issue.

Organisational creativity is seen as a particular type of creativity. It is different to artistic creativity even amongst artistic organisations because of its greater emphasis on the outcome. The creative outcome has to meet certain organisational requirements, e.g. timing, resources, budget and customer preferences. By stressing results and outcomes interviewees are reminding their team members (and themselves) that being creative is a means to an end rather than an end in itself. Yet, as has been discussed, for many interviewees simply being given an opportunity to create was an end in itself.

*We are interested in the practical application of creativity. It must be relevant to a customer.*
John Macklay, General Manager, 3M.

*I am not interested in advertising agencies that win awards given to them by their own industry. Or that are ‘arty-farty’; I want them to talk to me about how they can help my business.*
Rob Small, National Marketing Manager, Dell Computers.
Being unique is the key to creativity but it also has to show up in return of shareholders funds, after all, what is a company’s main purpose other than to generate a return to the shareholders better than they would passively obtain?

Phil Ruthven, CEO & Chairman, IBIS Business Information.

The emphasis on results also had implications for the type of people attracted to an organisation. The ideal producer of a creative product is someone who is confident of their creative ability, is robust enough to stand the scrutiny of having their ideas evaluated, and wants to have their ideas tested.

*We require business creativity not indulgent creativity. We want people that want the stimulation of having their ideas expressed, evaluated and tested.*

Stan May, Chairman & CEO, Leo Burnett, Advertising Agency.

*You live and die by the results.*

Peter Gregory, Marketing Services Manager, 3M.

*People are only as good as their last story.*

John Budd, Executive Producer, Four Corners, ABC.

These quotes highlight some other important differences with artistic creativity. Organisational creativity’s primary purpose is to produce a product for some form of commercial gain. Artistic creativity’s primary purpose can be commercial but is just as likely to be purely aesthetic.

Because the creative product in an organisation is judged by peers, clients and the public, bouquets can follow. Just as easily, however, brickbats can befall the creative producer. “People are only as good as their last story” (John Budd, Executive Producer, Four Corners, ABC) is a chilling reminder of the risks, uncertainties and pitfalls the creative producer faces. The producer of an artistic creative product, by comparison, usually does not face the loss of employment for a below-standard product.

Organisational creativity is not easy. Producers of a creative product are under pressure to perform, take risks, face inertia, survive public scrutiny, and sometimes have limited choice, time and resources. They also have to be willing to go outside their own comfort zone.

Yet, interestingly enough, interviewees wanted to continue their creative productions in spite of (perhaps because of?) these pressures. They wanted to test themselves (and the team or unit) and have their performance measured and receive feedback. They found the outcomes and the journey an exciting one. It is also an interesting irony that creativity is perceived to be subjective in the world of arts yet is given such objective treatment in organisations.
4.4.2 Producing something that is original
For most interviewees, originality meant being new and/or different, although the terms were often used interchangeably. “New” and “different” were used in a relative sense. When interviewees talked about “newness”, there appeared to be a continuum of originality, e.g. adding a feature to an existing product, to developing something that is completely unique.

_We are always asking ourselves is this new to the world and is there a competitive advantage? Any new product we have to launch has to have something unique. It must be different but sometimes this is not valued by the customer, this is a real trap._
Dr Mel Leitheiser, Technical Director, 3M.

_Some creative people in advertising agencies rely too much on shock value in their advertising. This shock value while it can be clever, can also be offensive._
Jayne Economos, Group Brand Manager, Nestlé.

However, what emerges from interviewees, in the profit sector in particular, is a feeling of nervousness about being too new and different. They acknowledge that being the same as everyone else and/or doing things the way they have always been done is an unproductive strategy. Yet interviewees are fearful of being too different. The greater the difference or newness the greater the degree of risk both to the organisation and themselves. They want to be first yet it seems they feel more comfortable when others have gone before them and succeeded.

The emphasis on outcomes suggested that creativity might only be tolerated if it produced a result. This highlights an interesting paradox. Leaders wanted the rules to be broken yet did not want to risk failure. They believe creativity is important yet want a certain outcome.

_Clients want to be at the leading edge not the bleeding edge. They often ask who else was using this approach? They felt safer if they were not the first._
Nicolle Sheffield, Marketing Manager, Telstra Multimedia Division.

_Most senior managers are more comfortable if someone else has had the idea in the first place. There is a fear of being different._
Jack Vaughan, Creative Director, The Principals, Advertising Agency.

_Clients are becoming more risk averse — they want safe guaranteed results. Yet for advertising to work, it has to have an edge._
Andrew Thompson, Managing Director, Incognito, Advertising Agency.

This also has implications for the types of creative product considered. Ideas that are perceived to be too different are considered risky; hence there is a bias towards cost saving ideas and problem solving ideas (see Figure 4.2). The potential returns on cost-
saving ideas, for example, are more easily quantified and hence involve less perceived risk. Problem solving ideas are also easier for people in profit organisations to deal with. There is a known problem, and ideas that can solve that problem tend to be well received. This can lead to a perpetuation of incremental ideas and a tendency to stay within existing comfort zones.

Figure 4.2  The current ideas mindset among profit leaders

Idea around business growth seem to be much harder to quantify and accept than cost saving ideas.
Greg Economos, Marketing Manager, Nestlé.

Unfortunately this focus on problem-solving ideas can lead to some other unintended consequences. For example, is the organisation addressing the right problem? Solving problems also means a return to the status quo. But what if competitors are taking advantage of new opportunities? The gap between the players will become larger. Another problem with simply concentrating on problems is that people engage their creativity only when there is a problem. However, applying creative thinking can be (should be) a continuous process.

Problem solving also deals with what exists today. It often does not deal with what could exist. It may mean that real or latent opportunities are not actively explored. Problem solving becomes part of an organisation’s culture and mindset. This mindset becomes difficult to escape from and hence may limit the creativity of an organisation.
Leaders in non-profit organisations, while keen for an outcome, were just as interested in and proud of their originality. Four Corners, for example, wanted ratings and to be the first to break a story. This is not to say non-profit leaders were not interested in outcomes; in fact they were proud of their team’s achievements.

_We are very results oriented. We want to achieve things, we are not afraid of deadlines. In 25 years I have always delivered. My staff is here to deliver results not to work 9 to 5._

John Rayment, Technical Director, Sydney Dance Company.

Leaders in the profit sector tended to use a single financial measure (e.g. sales, market share, costs) to judge whether a creative product worked or not. Because leaders also have quantifiable targets, to launch a completely new creative product runs the risk (if it does not succeed) of it not working thus jeopardising the achievement of their goals. Potential effects include missing out on a bonus, or suffering a demotion.

In the non-profit sector there are multiple measures, and the success or otherwise of a new creative product is more subjective. This may account for the greater emphasis by leaders on originality. Also non-profit leaders seem to be more able to embrace the often inherent tension between competing objectives. Profit leaders, in comparison, tend to be more single-minded about judging the effectiveness of a new creative product.

_We have to balance artistic outcomes with popular outcomes. We need to get the balance right between extending the opera and getting bums on seats._

Helen O’Neill, Director of Marketing & Communications, The Australian Opera Company.

It is noticeable however, that for both profit and non-profit interviewees there is a dramatic impact on creativity when they are in organisations undergoing major changes, restructuring and/or job losses. To try something too new and different and risk failure might mean that their jobs might be put further at risk.

### 4.5 The creative product

Interviewees talked about their (and others) creative products in quite different ways (see Figure 4.3). For some, it had a very specific meaning. It was the creative product developed specifically (and exclusively) by a dedicated, specialist creative department, for example, the advertisement produced by the advertising agency’s creative department.
But for other interviewees, particularly in the non-profit sector, the creative product was seen in a broader way. It could mean the combined, synergistic outcome of a number of creative products, e.g. a performance at the opera, or any new idea in any organisational activity.

The different creative products were not mutually exclusive. A narrowly produced creative product from the creative specialist(s) can co-exist with the product produced by other members of the organisation.

4.5.1 A narrow definition

For most people in the advertising industry, the creative product means the production of advertisements. This has a number of important implications. Because creativity was defined as producing advertisements the creative people were limited to those people who produced the advertisements. Typically this usually meant those people working in the creative department. This created a hierarchy in the agency with the creative people at the top. It also typically meant that only people who were perceived as “creative” could contribute their ideas.

The creative product in advertising was highly visible, expensive and relatively infrequently produced (a single advertisement might take 4-6 weeks to create and
produce). The ads are the agency’s reason for being. They are what the client ultimately pays the agency to produce and what will create and keep the clients.

The process usually started when a client presented the agency with a written brief outlining the objectives of the ad, budget, timing, customer group, etc. The process of developing the advertisement was highly collaborative. An art director and copywriter formed a semi-permanent creative team, for example, to transform the requirements of the brief into an advertisement.

For 3M and most of the interviewees in the profit sector, creativity is limited to the development of new products or services. While important, this mindset limits the opportunities for creative thinking to be applied and restricts it to certain functions e.g. marketing and research and development.

_Ideas at our organisation are limited to new products and investment opportunities._
Patricia McIntyre, Vice President, Bankers Trust.

_Telstra was creative in building a world-class phone network but showed no creativity when it came to addressing customer problems._
Charlie Zoi, Chief Operating Officer, Telstra.

_3M is full of contradiction. We are innovative in using and creating new technologies but are conservative in financing and in dress for example._
Peter Gregory, Marketing Services Manager, 3M.

I believe that 3M and the advertising industry limit their creativity (i.e. to new products and advertisements respectively) for a number of reasons:

- It provides a focus for the organisation
- The organisation develops a core competence (i.e. what we are really good at) in these areas
- The organisation can cope with some chaos, rule breaking and inefficiency in some areas, e.g. new product development, but needs some counterbalancing order in other areas.

There are certain problems with this arrangement, however.

- The people responsible for these functions -- e.g. marketing and/or the creative department -- can become defensive, territorial and feel threatened when other (outside) people contribute their creativity.
- These feelings would certainly be reinforced by the specialised, hierarchical structures that permeate most organisations. Unfortunately this can lead to a mismatch in that good ideas cannot cross or transcend artificial structures.
- The limiting of creativity just to ads or new products has become so ingrained that people are blind to any other possibility.
- It ignores the diverse experiences and perspectives of all organisational members.

4.5.2 As synergy

Some interviewees described a creative product in another, broader way. It was the combined impact of a number of individual creative actions. With this creative product, instead of each person (or small group) working on a small problem, many people’s creative energies are focused on a broader objective that transcends individual responsibilities.

_Every part of the opera must be creative. From the musicians, to the dancers, singers, costume designers and the set producers. All must work together. The sum is greater than the parts._

Helen O’Neill, Director of Marketing & Communications, The Australian Opera Company.

_Four Corners has its own high standards. The program is bigger than any one person. The sum is greater than the parts._

Chris Masters, Reporter, _Four Corners_, ABC.

There is a sense that the total creative product is greater than the sum of the individual creative contributions. It is also difficult to judge any single individual contribution in isolation. The total creative product is a function of every individual creative product and the relationships between them. (If people enjoy an opera was it the story, music, dance or the set? Although the music is the dominant part of the opera, each of the other elements is interdependent and they come together to form a total, coherent creative product.)

The theme in this type of creative product is one of co-creation rather than the solitary efforts of the creative genius. An initial creative spark is necessary but what is far more important is how the creative product comes together from all areas.

For this type of creative product there must be a dynamic tension between the creativity of the individual components and the creativity of the whole. There must be a focus on one single end product. At Four Corners, it is the program, at the Opera Company, it is the actual performance. However, it could also be when the leaders of an organisation want to develop an entirely new product or business that is a departure from the existing business. In these cases, all the individual elements must combine in a synergistic way. These departures, as with any creative product, can be highly risky but very rewarding. 3M, for example, has three different types of new product. The first deals with the upgrading of existing products, the second is the development of new products using an existing 3M technology, and the final type is called Pacing Plus, for new products which could change the basis of competition or reinvent an industry or process. As a result, the Pacing Plus potential new products receive large amounts of management resources and attention.
In another example, Charlie Bell, the CEO of McDonalds in Australia, referred to two
different types of innovation. The first involved smaller changes but the second type
involved the development of a discontinuous leap, which needed creative contributions
from a number of different areas. This quantum leap captured the spirit of creative
synergy.

*McDonalds has two types of innovation. The first type is incremental. This is
where we are constantly trying to do a lot of small things better all the time. The
second type are where we make a quantum leap e.g. the drive-through business
was a significant step for us. The breakfast menu was another.*

### 4.5.3 As ideas

Interviewees in the non-profit sector, tended to have the broadest perspective on the
nature of a creative product. As discussed, in the advertising industry, for example,
creativity was limited to a chosen few (in the creative department) and to the development
of ads.

Non-profit leaders were more confident of, and accepted responsibility for, their own and
the organisation’s creativity. They also talked more readily about applying creativity to
everything they did. This is not to say that this attitude was not found in some profit
companies but it was more prevalent in non-profit organisations.

*Being creative has always been the way we do things at the institute. We were the
first to hold a telethon for example. Our fund raising efforts are as creative as
our scientific research. They complement one another.*

Stephen Ryal, Manager Administration & Community Relations, Children’s
Medical Research Institute.

*Creativity is not something that you turn on and off at a 2-day retreat for
example. Why not make it part of everyone’s, everyday work? It should happen
everywhere rather than at an art gallery, for example.*

John Rayment, Technical Director, The Sydney Dance Company.

The creative product for these interviewees meant new thinking and new ideas. These new
ideas could be applied across the entire organisation. By implication, everyone could
contribute their ideas, on any activity, at any time. This also means that more people
accept and take responsibility for their own creativity.

But the type of creative product was different. As well as ideas for a major new product,
program or advertisement, it could also be defined in terms of the everyday, smaller and
less glamorous, such as an idea for a new invoice design or solving a car parking program.

This type of creative product could be of benefit to people inside the organisation (e.g.
employees) and/or to those outside the organisation, (e.g. customers). For example, how a
team or department was structured or organised was given as an example of a creative
product. In this case the design of one creative product (a new structure) could facilitate the emergence of other new creative products (ideas).

Implicit in this broader view of a creative product is respect for every person’s creative contribution. There is a belief that every role and every department can be creative and that the final product is much better (and bigger) for the involvement of every person.

Interviewees in the profit sector tended to view the development of a new creative product, however narrowly or broadly defined, as a “once-off exercise.” I found this surprising, given that most leaders saw ideas as important. There seemed to be a preoccupation with the latest idea rather than the process of developing a constant flow of new creative products. The non-profit performance-based organisations are the significant exception. The Sydney Dance Company, for example, knew three years in advance when their new show(s) were going to air and could work back from these dates. This forced them to start thinking of the next, new show before the current show was fully developed.

4.6 The ideas exchange
In my case study on the advertising industry, interviewees described the nature of the advertising or communication process. They saw the process as comprising two interconnected parts. The first dealt with the production of the advertisement. The second was a consideration of the receptiveness of the people who are meant to see the advertisement. In other words, people are not a blank sheet eagerly awaiting the next advertisement. They come with their own interests, bias and attention span.

I was particularly attracted to the notion of “the creative exchange” used by one of the interviewees. Although he (Hugh Mackay) used this expression in the context of advertising I believe that this concept can extended to any organisational creative activity.

_The advertising creative act involves two or more parties and involves two processes:
  a. The origination of an idea, concept or thing, and
  b. The creative interpretive process._

_Every person actively filters information for meaning, relevance and benefit. Most people only consider the first part of the creative exchange._
Hugh Mackay, Principal, Mackay Research.

_The creative process in advertising also depends on the receptiveness of the people at the particular time. People are self-selective in what they are interested in._
Hugh Spencer, Strategy Planner, Clemenger BBDO, Advertising Agency.

Similarly, my proposition is that the “ideas exchange” consists of two roles:

- The producer(s) of a creative product
- The receiver(s) of that product.
Both parties voluntarily come together for a mutually beneficial ideas exchange (see Figure 4.4). I have used the broadest definition of a creative product (ideas) and have used ideas exchange rather than creative exchange. For some people, creativity has a narrow, specific meaning, in that the end product (e.g. an advertisement) is developed by a specific department (e.g. the creative department) by people with special, artistic skills. This narrow, often engrained perspective of creativity is one of the reasons that De Bono (1990b), for example, coined the broader, more accessible term, "lateral thinking".

Although the term “exchange” may sound sterile it has some strengths. In fact, some interviewees talked about those rare, uplifting creative moments (or exchanges) when two minds came together almost as one.

**Figure 4.4**  The ideas exchange dynamic *

![Diagram of ideas exchange dynamic]

* Adapted from Lewin, 1993, p. 189

*S sometimes there is a creative moment. This is when two people have a meeting of the minds. This is when there is full focus and attention. It is dialogue but has an edge to it.*

Des Horne, Editor, *Four Corners*, ABC.

This exchange could take the form of an exchange of information, ideas, insights, imagination, energy and emotions. I am using the term exchange also to suggest a certain degree of tension between both roles. It is not necessary for both parties necessarily to be in harmony because out of a tension new, more powerful ideas can often emerge. The
notion of an exchange implies that the creative exchange is transactional but one that is also based on mutual respect and a certain degree of trust. Over time, a series of beneficial creative exchanges may transform into a dynamic, co-creating relationship.

To date, I have concentrated only on the producer of a creative product and the nature of that product itself, i.e. a product should be considered creative in an organisational context if it was valuable and original. However, the concept of an ideas exchange broadens the focus from concentrating only on the producer to also include the receiver. It means that both parties often need to go outside their comfort zones to create the idea and to accept it. In this context, the terms “producer” and “receiver” might be outdated. Perhaps the terms “partners” or “co-creators” might be a better reflection of the nature of the exchange and the equal responsibilities both parties share to create, enhance and implement an idea.

This concept of the creative act suggests that creativity occurs (in an organisational setting) only when an exchange takes place. Thus simply producing a creative product is not enough. The creative product must also be received. It implies that out of this exchange a better creative product can often emerge. It also suggests that to influence creativity in an organisation emphasis can be placed on the producer and/or the receiver and/or the nature of the relationship between them. It also suggests that even if the quality and quantity of creative products were held constant, organisational creativity could be enhanced if the collective receptiveness to creative products were enhanced.

Indeed for some interviewees, receptiveness to ideas was a feature of their responses to questions about creativity. They considered the production of ideas and receptiveness to ideas as being interdependent.

*Our organisation is pretty creative. New ideas are readily accepted. For example, one doctor has formed a clown foundation where they come round to the wards every Thursday. It is great fun, the staff and the children really love it.*
David Loy, Director of Administration, The Sydney Children’s Hospital.

*We have an active ideas search process and we are open and receptive to new ideas from others e.g. customers, inventors.*
Dr Mel Leitheiser, Technical Director, 3M.

I find the idea of an ideas exchange an exciting one. This new perspective has a number of implications:

- Creativity, like beauty, is in the eyes of the beholder. What is very creative to one receiver might be mundane and predictable to another.

- Creativity is intrinsically interwoven with value. But it is value as interpreted by the receiver not the producer. It probably follows that the more useful, interested and emotionally engaged receivers are, the more likely they will accept that something is creative.
- This suggests that the producer of a creative product cannot be too far ahead of the people who judge his/her creativity. History is full of creative people whose talents were not fully appreciated in their own lifetime, e.g. Leonardo da Vinci.

- The ideas exchange also involves a power dynamic. No amount of "pushing" by the originator of an idea will convince the receivers that something is creative if they do not perceive it to be. However, in the advertising industry I noted attempts to push a new advertising concept on an unwilling or skeptical client.

- The new role of leaders and managers is to build an environment that is better at creating and receiving ideas (the roles of organisational leaders are developed in Chapter 8).

- It suggests that both parties need to move outside their comfort zones. The producer has to step outside the tried and true to create new ideas and the receivers must be willing to step outside their comfort zones to consider the possibility of a new path.

Interviewees also talked about the nature of ideas and the need to help the receivers of an idea to move outside of their comfort zone.

_Ideas by definition are not safe. People feel uncomfortable with ideas if they are taken out of their comfort zone. There is no guarantee of success with ideas. There is a fear of being different. Ideas create change._

Jack Vaughan, Creative Director, The Principals, Advertising Agency.

_Ideas are about change and hence are threatening for some people._

George Stent, Principal, Stent Research.

_The 'Jeans for Genes' campaign took us out of our comfort zone. I spent many sleepless nights worrying about whether what we were doing was right._

Stephen Ryall, Manager of Administration & Community Relations, The Children's Medical Research Institute.

The ideas exchange also indicates a huge imbalance in how we recognise creativity. To date, all the resources, rewards and effort have gone to the people who develop creative products. In my view, a similar response should be directed to the receivers of a creative product, or, at the very least, this role should receive greater recognition and legitimacy. In advertising agencies, often there is a clear distinction between the producers of the creative product (the creative department) and the receivers of the creative product (the client). Account service people (disparagingly called 'suits') are the middle people who are charged with selling the advertising concept to a client. In many cases the producers receive all the accolades when it may have been the bravery of the client to accept and fund the campaign which deserves greater credit.
Perhaps a useful starting point with idea receptiveness is to think of it as a universal human condition, i.e. that everyone is capable of (and enjoys) receiving new ideas. As with the ability to create new ideas, this talent varies within the population but with sufficient training, confidence, appropriate tools and encouragement it can be improved.

It is also probably the case that receptiveness is context-specific and can change over time. I may be more open to a new product idea about nappies if my wife is pregnant. Also it might depend on the level of risk both to me personally and to the organisation. I might be more adventurous if I was using someone else’s money, for example.

It might also depend on my environment. If in my unit, team or organisation the people around me were open to new ideas then it might have a positive impact on me. There is also a degree of luck, coincidence and no doubt it also depends on the strength of the idea, and whether or not, the idea directly or indirectly benefits the receiver.

Interviewees suggested a number of ways to increase the receptiveness to a creative product:

- Dress up the idea in “rational clothes”.

_**Clients in particular are suspicious of ideas if they are not given a logical, linear framework.**_
Jack Vaughan, Creative Director, The Principals, Advertising Agency.

- Place the idea in a context.

_**It is important when presenting creativity that it is put in a context, i.e. a strategic framework.**_
Jo Patterson, Managing Director, Patterson and Partners, Advertising Agency.

- Involve the users of the idea early and regularly.

_**With ideas it is important to involve the client early. Ideas can be presented in a rough form so the client can make an early evaluation.**_
Malcolm Auld, Managing Director, Euro Direct Marketing.

- Develop a relationship between the producer and receiver built on mutual trust and respect

_**Good relationships with clients are vital. Most of our clients are bright and have good instincts. They don’t play games. There is a lot of trust and degree of patience. It is not a master-servant relationship.**_
John Bevin, Owner & MD, John Bevin Advertising Agency.

- Recognise and appreciate the role of the receiver in the creative exchange.
The original idea from the advertising agency requires quality input for it to grow.
Lesley Brydon, Executive Director, Australian Federation of Advertisers.

- Engage the creative skills of both the producer and receiver.

The best creative work often happens when the client and the advertising agency write the creative brief together. This leads to a collective ownership and a shared understanding.
Martin Pebble, Brand Manager, Nestlé.

- Reduce the perceived risk by borrowing successful ideas.

The successful 'Race Around the World' program was borrowed from a similar concept in Canada. Most TV concepts in Australia have been borrowed from overseas, for example, 60 Minutes. Why? If it works overseas it is likely to work here and it is safer and has more credibility.
Sue Spencer, Producer, Foreign Correspondent, ABC.

- Have a previous track record of successful ideas.

Whether an idea is accepted also depends on the person's track record, credibility and level of influence.
Peter Gregory, Marketing Services Manager, 3M.

- Establish mutually agreed objectives and criteria for the success or otherwise of an idea.

The client’s need for rationality is also tied to most people’s need to avoid criticism by establishing objective and measurable criteria. Then everyone can see whether you have met the target or not.
Hugh Spencer, Strategy Planner, Clemenger BBDO, Advertising Agency.

- Emotionally engage the receiver.

I am emotionally involved in the school and the students. You have to be engaged in a subject. If you judge a creative product it can be impressive in a technical sense but it may not move you.
Professor Sharon Bell, Dean, Faculty of Creative Arts, University of Wollongong.

- Do not submit just one idea

It is important to offer the client a broad range of options.
Malcolm Auld, Managing Director, Euro Direct Marketing.
- Build a working prototype or allow the receiver to experience the new idea e.g. via storyboards

Recently we had to knock back a new concept from the advertising agency. They did not present the concept in a final presented form, which meant that each one of the client decision-makers had a different impression of the final advertisement.
Jayne Economos, Group Brand Manager, Nestlé.

Other ways to increase receptiveness not specifically suggested by interviewees might include:

- Provide a way to test the idea easily, quickly, cheaply and objectively
- Anticipate any problems in advance of presenting and have a solution
- Persevere

A summary of this chapter appears in table 4.1 below:

<table>
<thead>
<tr>
<th>Traditional perspective</th>
<th>Emerging perspective</th>
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<tbody>
<tr>
<td>Creativity as a thing</td>
<td>and</td>
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<tr>
<td>Problem-solving</td>
<td>and</td>
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<tr>
<td>Creativity as a specific product</td>
<td>and</td>
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<tr>
<td>Creativity as a “Once-off” event</td>
<td>and</td>
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<tr>
<td>Emphasis on the producer</td>
<td>and</td>
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<td></td>
<td>Creativity as an energy flow</td>
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<td>Opportunity creating</td>
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<td>Creativity as synergy</td>
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<td></td>
<td>As a continuous stream of ideas</td>
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<td></td>
<td>Emphasis on the receiver/exchange</td>
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</table>
Emphasis on the final product and Emphasis on building a capability

Note: This summary adopts a “fuzzy thinking” approach (see Kosko, 1994). For a business application of “and” not “or” thinking see Collins and Porras (1994).

4.7 Conclusion
Interviewees tended to use the terms “creativity” and “innovation” interchangeably, although there were subtle differences. For most, the creative process meant developing something new that was at the front end of the innovation process.

*Creativity is thinking of the ideas. Innovation is doing something with the idea.*
John Macklay, General Manager, 3M.

It was noticeable that most interviewees in the profit sector were more comfortable using the word “innovation”. It suggests a more planned, orderly, rational, active process than the softer, artistic, extravagant sounding word “creativity”. The leaders in the non-profit sector did not balk at using the term; in fact, they seemed to rather enjoy it. Innovation for the profit-leaders also implied tangible action rather than the more nebulous creative thinking. As Rob Sitch, a partner in the television Production Company, Working Dog, observed,

*Another overlooked obstacle is that organisations do not appreciate the thinking process. It is not understood nor respected. It is considered not really working. We value the execution rather than the thinking.*

Despite the nervousness amongst the leaders in the profit sector about the term creativity, there is a clear sense that it is growing in importance. They are aware that developing more creative and innovative responses is needed to adapt to changing environmental conditions, particularly the move into the information age and the growth of the new economy (e.g., De Bono, 1992; Godin, 2000; Hamel & Prahalad, 1995; Kao, 1996). It also represents a new strategy for some leaders as they enter a post cost-cutting phase.

It should be noted, however, that most interviewees worked in organisations that had a reputation for creativity. In addition, my sample of leaders is not random. My research is based on people in leadership roles who have some interest in organisational creativity.

Some interviewees described creativity in vibrant, rich, organic terms. To them, it was an energy force that could bring about change. I believe this has been a neglected area in the literature. As mentioned in Chapter 1 some writers (e.g., Woodman, et al., 1993) have positioned creativity within innovation and organisational change. However, they have not made the case that building individual and, more importantly, collective creative energy can be the starting point of any change program (although Kanter, 1983, for example, argues for an American business renaissance through the innovation of employees). Most
change programs have as their starting point the proposition that employees are resistant to change and therefore it must be forced upon them. Creativity, in contrast, is tremendously energising and can lead to change and then more change. Perhaps the unpredictability and emergent quality of creativity does not sit comfortably with current linear change processes. It is noticeable, however, that some recent authors are embracing chaos and complexity to describe an alternative change process (e.g., Goldstein, 1994; Tetenbaum, 1998; Wheatley, 1992).

Interviewees interpreted creativity to mean the production of something that is both valuable and original. This is consistent with the creative product orientation in the literature (see Amabile, 1996a) and my working definition. There are subtle variations, however. Interviewees highlighted that for an idea to be valuable it had to be actionable or testable within shrinking time frames. The growing importance of speed to the market is well covered in the literature (e.g., Davis & Meyer, 1998; Gleick, 1999). But the specific emphasis on action and speed is not covered extensively in the literature on organisational creativity. However, Schrage (1999), for example, highlights the importance of developing initial prototypes quickly to stimulate innovation.

Another difference I found from the literature was the notion that a creative product should be both valuable and original. There is an implicit assumption that these two qualities are needed in equal measure. This is certainly the case in the non-profit sector but in the profit arena value assumed greater significance. It is a paradox that profit leaders wanted to be different but not too different because this involved too much perceived risk. This led to a preference for safer, incremental creative products that reduced costs or resolved existing problems.

I have also highlighted three different meanings that interviewees used to describe a creative product: a specific meaning (e.g. a new product, promotion or advertisement); the notion of a creative synergy, which involves the coming together of many creative products into one; and the broadest definition, the idea as the creative product. Ideally, the three different, creative products should co-exist in any organisation. In the world of software and technology this second type of creative product is called a ‘killer app’ (Downes & Mui, 1998).

These three different meanings for creative products are not specifically covered in the literature. However, Amabile (1996a) and Johnston and Kaplan (1996) have developed a creativity continuum from the lowest, everyday, ‘garden variety’ creative product, to the highest, breakthrough forms of creativity that can transform fields and societies. Arieti (1976, p. 10) also discusses the difference between ordinary and great creativity. In an organisational context, Stafford (1998, p. 161) makes the point:

*Garden-variety creative actions can be found at the foundation of each and every business enterprise.*
What is interesting for me in these three different meanings of a creative product is the different metaphors they imply for organisations. The idea that a creative product (e.g. an advertisement) should be, and can only be, developed by a specialist unit (e.g. the creative department) has its roots in the dominant metaphor of “the organisation as machine” (Morgan, 1986). The belief that any individual can develop ideas in any activity uses a different metaphor, e.g. “the organisation as a living system” (ibid.). In this approach the organisation is an open system that takes information and ideas from the environment in order to grow and adapt. This transformation can take place anywhere in an organisation, not just in a single department.

One of my interesting findings to date is the notion of an ideas exchange. Nearly all the literature on creative intervention strategies (and my initial orientation) has concentrated on the people, processes and environmental conditions needed to enhance the development of creative products (e.g. Ford, 1995). However, an organisation is also made up of people who have to be receptive to creative products otherwise there can be no ideas exchange and hence no creativity. It may indeed be the case that the creativity of the exchange may be more important than the creativity of the producer of a product.

In fact, I am suggesting that an organisation can become substantially more creative simply by improving its idea receptiveness rather than concentrating only on the development of new ideas. Frost (1995, p. 122), for example, also highlights the need for a new creative product to receive help in its passage through the organisation:

For every creative act that produces a technical idea or product, there is likely to be a need for a corresponding creative act that produces a social form or arrangement that enables the technical idea or product to move successfully through the organisation.

I am also proposing that idea receptiveness is a universal human condition, which can be enhanced with effort, training, leadership and a certain amount of self-motivation. There is a lovely reinforcing cycle, however, if both idea development and receptiveness work in tandem. A person, knowing that the environment is receptive, is more likely to develop new and different ideas. This is the justification that creative people in advertising agencies often gave me for preferring a separate department of similar, like-minded, supportive people.

The closest in spirit I can find in the literature to the notion of a “ideas exchange” is Kanter’s (1997, p. 10) notion of “co-development,” and Csikszentmihalyi’s (1988) systems model, where there are producers (i.e. individuals) and receivers (i.e. the field) that interact in a creative exchange within an organisational setting (i.e. the domain). It is similar to Amabile’s (1996a) work on positive and negative environmental influence on creativity but places more emphasis on the receiving role. The concept of an ideas exchange has at its essence a creative collaboration, the importance of which is well covered in the literature (see Gardner, 1993a). The notion of an exchange and ultimately a
potential relationship between a buyer and a seller is also well covered in the marketing literature (e.g. Kotler, 1997).

My work extends Csikszentmihalyi’s systems approach (1988) because I have suggested specific actions to increase the receptiveness of a creative product. Typically these strategies revolve around reducing the perceived risk of receivers and providing ways for them to move out of their comfort zones. Hence, leaders should recognise not only the importance of the ideas exchange in developing new creative products but also the significant roles played by the producer and receiver. The emphasis is on the roles, not the person. A person could be one of the receivers of a creative product at one time, and the producer of another product at another time.

Implicit in the idea of an ideas exchange is the dynamic interaction and tension that exists between the two roles. Out of this dynamic more powerful ideas can often emerge. In the advertising industry, the agency is charged with developing ideas that have to be approved by the client. This is sometimes a source of tension and conflict. The agency claims the client is too conservative, the client on the other hand may entertain more original ideas if they are still relevant. This tension would be more productive if both parties realised that either one can adopt either a producing or receiving role and if they sought a co-creating relationship.

I believe that, in an organisational context, our definition of a creative product has been too narrow and limited to a point in time. A creative product should be considered as any idea that is both valuable and original. It is not limited to once-off, new products or advertisements nor cost-saving or problem-solving ideas. Ideas can be developed for any organisational activity. The ideas can emerge from anyone, at any time, at any place.

The definition of a creative product should also include the process of consistently developing new creative products, such as Thomas Edison’s invention of the first R&D laboratory (see Collins, 1997). For the entire organisation to realise the creative potential of every member, the ultimate aim should be to develop a continuous flow of regular new ideas. Brown and Eisenhardt (1998) with their notion of time-pacing, offer a similar concept.

The aim of a continuously creative organisation is to develop a stream of new ideas in any activity. To do this requires shifting the emphasis from the latest product to the capability (see Hamel & Prahalad, 1994) of the organisation to develop such a stream. With the current focus on results and action this will be a major shift for most leaders (see Figure 4.5 over page).
Figure 4.5  The current and future idea focus

The idea capability of the organisation

Future focus

Current focus

Stream of ideas

Raw ideas  Workable concepts  Ideas being tested  New successful ideas
Chapter Five: Building a collective ideas mindset

Key research question: Is creativity in an organisation the domain of a select few or the responsibility of everyone?
Creativity for us is neither geography (the creative floor) nor exclusivity (you go away, and come back in three weeks when the experts say it’s ready). It’s 45 million, million neurons that co-own the agency in a partnership that defies conventional management thinking.

5.1 Introduction

This is an important chapter that goes to the heart of designing a continuously creative organisation. As Light (1998, p. 29) notes:

Are new ideas the special gift of the few or randomly distributed across the organization? If the former is correct, there is no reason to build an innovating organization at all. All organizations need to do is to find the gifted few in whom creativity resides and give them the resources to get the innovations out. If, however, the answer is the latter, there is every reason to concentrate on allowing new ideas to rise naturally.

This chapter explores the issue of whether creativity is best handled by a select few creative individuals and/or creative teams. It then explores the concept that it may be fruitful to move past the focus on individuals to the development of a collective ideas mindset.

In addition, this chapter outlines three different ways of organising people to produce creative products and the direct and unintended outcomes of each approach. The three different approaches are:

- A single creativity centre
- Multiple creativity centres
- A universal model

The organising principle upon which an organisation develops creativity is suggested as the fifth “P” to Rhodes (1961) four P’s model.

5.2 Individual creative belief systems

In my interviewees there appeared to be three different creative belief systems. There were those (in the minority) that were supremely confident of their creativity which was defined usually in artistic terms. There was another equally small group that was quite insecure about their creativity. And there was the majority, who were reasonably confident of their creative thinking skills.

I next discuss the first two in detail.
5.2.1 “I am creative”
For some interviewees, particularly in the advertising and artistic performance-based organisations, creativity is an innate ability or God-given talent.

_We are artists. You cannot teach creativity._
John Rayment, Technical Director, The Sydney Dance Company.

_I believed in my own artistic ability. My parents and schoolteachers also believed in it as well. The artistic drawing side keeps me motivated. I am not driven by money. The artistic side is part of me, I need to express it._
Wayne Hazell, Creative Director, Integrated Options, Advertising Agency.

To these people, admittedly in the minority, one is either born creative or you are not. It is a special skill few in society possess. These “creative people” often form a separate department and become the creativity centre of an organisation (e.g. the creative department of an advertising agency). For those who see creativity in these terms, the creative process is mysterious and intuitive. It is a skill that cannot be taught. Creativity is largely seen as artistic talent i.e. the ability to draw, paint and write. Those who can do it are extremely confident (and proud) of their creative abilities and are more willing to move outside their comfort zones.

Their creative product tends to be within the narrow definition discussed in Chapter 4 i.e. large-scale, relatively infrequent and public. Their creativity is an extension of themselves and by implication their self-esteem. They are protective (often precious) of their creative product and conscious of peer recognition. Industry rewards can also be important (particularly in the advertising industry).

Such creative people can play an important role in an organisation other than producing the new range of creative products, e.g. challenging the status quo, pushing boundaries, considering new perspectives and asking difficult questions. These small numbers of mavericks are valued because of their seemingly unique creative gifts. They may cause some disruption and chaos but not too much to challenge the efficiency of the entire organisation.

_Out of the 500 people I manage, I have perhaps 3 or 4 people who are truly creative. They are difficult to manage and keep focused. I try and shift these people around so they can work with small groups and the young. I try and expose them to a range of problems outside their particular expertise._
Dr. Dennis Cooper, Divisional MD, CSIRO.

_You still need rule pushers in any organisation i.e. those people who are constantly pushing the boundaries._
Christine Dixon, Deputy Commissioner, NSW Police.
5.2.2 “I am not creative”
Perhaps the starkest difference in attitudes among interviewees in my study is their belief in their own creativity. As described in the previous section, there is a small group with a strong belief in their creativity. There is another small group of individual leaders, however, who feel very vulnerable.

I still don’t think of myself as being creative.
Nicolle Sheffield, Marketing Manager, Multimedia Division, Telstra.

One of the biggest individual barriers for people in advertising is when they say, ‘I am not creative’. I believe we all can be creative. It is a function of intent and effort.
Siimon Reynolds, Creative Director, Virtual Creative Department, Advertising Agency.

The view that to be creative means to be artistic can generate a negative cycle; people who do not believe they are artistic feel they cannot be creative, although in some cases they also have no wish to be creative. This negative cycle can be reinforced by the actions of the special, select few who have artistic gifts. In the advertising industry, for example, the select few relate to and refer to each other as “creatives” first and belonging to an organisation second. Other members of the organisation, e.g. account service are often disparagingly referred to as “suits.” The suits are considered the “straight” ones and not part of the real creative team.

For some interviewees in my survey, this division between creative and non-creative departments seems appropriate. Their mindset appears to be, “I am not creative but I am good at other things” so I will leave the creative production to others. Yet even within this group there is still a desire to be more creative and some believe this could be achieved with sufficient encouragement and training.

I have had no training in creative thinking.
Leanne Sheraton, Product Manager, Nestlé.

I am not encouraged to be creative.
Tiffany Kovan, Brand Manager, Nestlé.

5.3 The team as the new unit of creative action
Although the contribution of creative individuals was important, it was noticeable that there was a shift from the creative individual to the team as the unit of creative action. This shift was apparent in both the profit and non-profit sectors. At Four Corners, for example, a story team consists of a reporter, producer, editor, researcher and camera crew. It is generally believed that a team is the most efficient and creative way an initial idea can become a program and go to air. It becomes part of the culture and the creative process. As a result, the Four Corners staff has an attitude of trying to make the most of working in each team. The team comes together until the program goes on air then
disbands and another team forms. Implicit in this team idea is the belief that each person has unique talents and that everyone contributes to the success of the ultimate program. Recognition tends to be team-based (although the reporter still receives the most kudos or blame) and non-monetary, such as positive feedback from viewers, peers and senior managers.

In the advertising industry there are semi-permanent creative teams (consisting of an art director and a copywriter) and brand teams (consisting of a creative team and representatives from the media department, strategy planner and account service). In fact, advertising agencies occasionally will advertise for and hire established creative teams rather than individuals. As with Four Corners, there is a belief that a team is a better unit to create, enhance and implement an idea.

Many other interviewees highlighted the growing emphasis on teams. Teams can provide greater resources, diversity and skills. They are also a way of escaping the rigidity of the formal organisational structure, particularly if the teams are cross-functional. The other benefit (as with Four Corners and the advertising industry) is the realisation that in many organisations today, a team can achieve more than a single individual. This is quite a shift from the traditional organisational mindset where individuals completed most of the work. Often being assigned to a team is considered an interruption to an individual’s work.

*An individual with a single idea has no great value in itself. It requires a diverse team to bring it to fruition.*
Lesley Brydon, Executive Director, Australian Federation of Advertisers.

*The organisational structure has changed a lot in the last few years. The new CEO has introduced more cross-functional teams to work on specific projects and the team is held accountable for results.*
Tom Hall, General Manager Retail, David Jones.

*An organisation structure built around self managed teams rather than hierarchical structures is a better idea.*
Charlie Zoi, Head of Marketing and Chief Operating Officer, Telstra.

5.4 Two different types of creative team
Interviewees outlined two different types of creative team. The first is how we conventionally think of a team, such as a champion basketball team. The second is a team of creative individuals such as a team of tennis players that would enter a tournament. In this case, there is a combination of individual and doubles matches that are combined to decide the winning team.

5.4.1 The “classic creative team”
In the first type of creative team a number of people come together in a formal or informal way to achieve a common goal. Four Corners and new product development teams found in most organisations are examples of this type of team. The dominant metaphor in use is
the sporting team. It usually involves people from different departments, functions and
levels pooling their labour, time and expertise to achieve a mutually advantageous goal.
Like the sporting team there is a realisation that one person cannot play all positions.

There is also an emphasis on the team’s goals being more important than the individual’s
goals. Hence there is some pressure to conform to the mores of the group.

_There are many different roles e.g. producer, designer, programmers and copy_
_teams. Our work gets done in teams, these are based on projects._
Daniel Petre, Chairman, PBL Online.

_We have pioneered the use of brand teams where account service, creative and_
_media people sit together, there is shared ownership of the brand. We all have_
_different creative strengths, e.g. the manager can creatively lead his/her people._
Stan May, Chairman & CEO, Leo Burnett, Advertising Agency.

The creative energy comes from the diverse nature of the group, the interactions and the
collective motivation and passion for the project. The other source of creativity is from the
changing nature of the teams. Jayne Robinson, one of the researchers at Four Corners, for
example, has worked on 35 different programs with only three being on the same team.
Out of this dynamic creativity can emerge. As Jayne commented:

_Every team is an adventure._

The 3M organisation adds another dimension to this type of team construction by calling
on volunteers to join a team rather than having participation in the team mandated.
Volunteering for a team implies that you are interested in the project and the result. As has
been noted, tapping into people’s passions is an important ingredient of organisational
creativity. As Peter Gregory from 3M explained:

_Most important on the team question is to find as many volunteers as possible. I_
guess this is where 3M has a real edge. New products are important throughout_
_the company and people want to be part of these projects. A team comprised only_
of conscripts will almost certainly fail to produce._

5.4.2 A team of creative individuals
The other type of a team is what I have called a team of creative individuals and is
prevalent in the advertising industry. This team design is where two (occasionally more)
individuals who are confident of their creative abilities voluntarily come together to
enhance their own creativity. It differs from the conventional team in that the individuals
involved do not relegate their goals to the team goals but use the other members of the
team to enhance their own creative performance. The team is of a semi-permanent nature,
there is a high degree of trust and the individuals have complementary skills (e.g. a
copywriter (words) and an art director (pictures)).
Each person in the team plays different roles at different times. There are three main roles—the idea generation role, the sounding board role (to listen and build on the original idea) and the devil’s advocate role (to probe, push and evaluate a number of different concepts). It is the role that is important rather than the person. For example, at one point, the art director can conceive an idea, and have the other person build and extend it. At another time the roles may be reversed. This type of a team is more like a creative partnership which each person believes can create better ideas than they would do by themselves. It is often more motivating, efficient, feels safer and generally more fun.

_We work in teams but they are teams of two individuals. It is two individuals who have chosen to work together. Ideas come in half the time, it is more fun, less stressful. It is synergistic. It is like a good marriage._
Jane Caro, Senior Copy-Writer, Saatchi & Saatchi, Advertising Agency.

_But you need to work in teams. Often someone will come up with the idea but needs another person as a sounding board. This allows you to work on your own within a team. You have to give people freedom and respect their individual style._
Simon Collins, Creative Director, Collins & Partners, Advertising Agency.

### 5.4.3 Creative teams still need a leader

It is a paradox that although teams are seen as growing in importance for creativity to occur in organisations, there still needs to be a leader. This is particularly the case in the classic creative team design. The leader’s role is to motivate, allocate tasks, make decisions and provide the overall direction. Although the team is important it is often the leader whose reputation is either enhanced or damaged by the performance of the team (e.g. at Four Corners it is the reporter). The importance of leadership, particularly the role of idea leader is discussed in Chapter 8.

_Democratic teams do not work. You have to make the program every week and someone has to make the decisions._
Jonathon Holmes, Former Executive Producer, _Four Corners_, ABC.

_Although it is a team effort the director of a new production e.g. Baz Luhrmann ultimately has his reputation on the line._
Helen O’Neill, Director of Marketing & Communication, The Australian Opera Company.

### 5.4.4 The need for a lone creative voice

Some interviewees raised the concern as to whether they are overemphasising the team at the expense of a creative individual. For these people, a team implies a certain degree of conformity, which may preclude the inspired, individual insight. It is also hard to imagine some of the great creative geniuses such as Einstein and Picasso working in a conventional team, yet they sometimes did enjoy working in a creative partnership. Perhaps in organisations today the individual can create the idea but needs (for the most part) a team
to bring the idea to fruition. A certain degree of tension should be tolerated between the creative individual and the team.

*The problem with so much emphasis on teamwork is that we are all concerned with becoming a team player that it encourages conformity. You still need people to move to a different drum.*
Professor Sharon Bell, Dean, Faculty of Creative Arts, University of Wollongong.

*You have to strike a balance between collaboration and individual effort.*
Jack Vaughan, Creative Director, The Principals, Advertising Agency.

### 5.5 An ideas mindset

Until now, my discussion has revolved around the contributions of a select few creative individuals or teams in an organisation. Yet I wondered whether it might be fruitful to develop a collective ideas mindset, that would co-exist with creative individuals and teams (see Figure 5.1). This collective ideas mindset is also consistent with my interest in designing a continuously creative organisation.

![Figure 5.1](image)

It appeared to me that many interviewees in my research had a distinct mindset, and that this mindset, perhaps more than any innate ability, determined their creative performance. It certainly seemed to distinguish this group from other people I have met in my organisational experiences.

I am using mindset in a similar fashion to what Senge (1990) calls “mental models”. These are:
Deeply engrained assumptions, generalizations or even pictures or images that influence how we understand the world and how we take action. Very often we are not consciously aware of our mental models or the effect they have on our behavior (ibid., p. 8).

I found this mindset in leaders across quite different organisations and industries. This led me to the proposition that this mindset could be learned and applied to any individual, group or organisation. The other benefit of this approach is that it shifts the debate from the person (i.e. whether or not they are creative) to the more accessible mindset.

I have coined the expression “ideas mindset” to describe this particular construct. An ideas mindset consists of three independent yet interdependent components, reason, emotion and non-reason (imagination and intuition), that come together to form a coherent whole (see Figure 5.2). For an idea to emerge, there needs to be a relaxing of the rational mind and/or an engagement of emotions and/or intuition/imagination.

I will discuss each in turn.

Figure 5.2  An ideas mindset

\[
\begin{array}{c}
\text{Non-reason} \\
\end{array}
\]

\[
\begin{array}{c}
\text{Reason} \quad \text{Emotion} \\
\end{array}
\]

5.5.1 The separation and dominance of reason
One of the most pervasive themes from interviewees, in the profit sector in particular, is the notion that reason dominates most organisations. At work, there is an expectation and a perceived need to be logical, rational, responsible, objective and analytical. There is also the belief that this way of thinking and behaving is separate from and superior to all other
human dimensions. Further, there is a belief that the higher a person rises in an organisation the greater the need to act (and be seen to be acting) rationally.

*We have a left brain culture. It is linear, rational, governed by profit only. There is a lack of strategic ideas, a lack of diversity and a lack of different perspectives.*
Deanne Stewart, Advertising Manager, Bankers Trust.

*We are trained to rely on precedents and on clarity. This does not lend itself to being creative or looking at new ways of thinking. We tend to rely on the way it has always been done.*
Paul Malliate, Executive Partner, Baker & McKenzie, Solicitors & Attorneys

The concept of always behaving in a rational manner at work is so widespread that it is accepted as a given, a kind of universal truth that cannot be challenged. A rational collective mindset is the context within which participants have to express their creativity. Participants accept and work with the notion that ideas emerged in unexpected and unforeseen ways yet felt that they needed to dress up the process in rational clothes for the idea to be taken seriously. The need to behave and to be seen to behave rationally is tied to feelings of efficiency, order, structure, safety and being financially responsible.

This need for rationality differed, however, between profit and non-profit organisations. One dramatic demonstration of this is the use of language. In most profit organisations, the language used by interviewees reflects this perceived need for rationality and a kind of Darwinian survival of the fittest.

*In business, they try to make creativity more respectable by calling it the R&D department.*
Siimon Reynolds, Creative Director, Virtual Creative Department, Advertising Agency.

*Our creativity is driven by fear and desperation and business-as-usual will not do. The motivation is you either grow or die, like a shark it has to keep moving to survive.*
Peter Wilson, Deputy Editor, The Australian Newspaper.

By comparison, a feature of many leaders of the non-profit sector is the richness, depth and humanness of their language. Some typical comments are set out below:

*I get paid for doing something that I love. We take pleasure in our work. It becomes self-fulfilling. The arts are important, it gives us a sense of who we are.*
John Rayment, Technical Director, The Sydney Dance Company.

*The ABC still has a heart and soul. It's interested in some political issues. It's close to my values I have pride in the place.*
Michael Doyle, Producer, *The 7.30 Report*, ABC.
But why is language in the context of creativity important? As Handy (1997c, p. 26) observes:

_The way we talk colours the way we think, and the way we think shapes the way we act. We are unconscious prisoners of our own language._

Hence, it follows that leaders could enhance their own and others’ creativity if they could escape from a strict rational language code. Perhaps to develop an individual and collective ideas mindset requires a different form of language? If not a different language, perhaps a greater realisation that the language a person chooses can influence their openness to new ideas and concepts. As Morgan (1986) has illustrated, the use of different metaphors can lead to a different language. Certainly in my sample, interviewees in the non-profit sector are more comfortable using a different language and metaphor (i.e. the organisation as a living system) to describe creativity in their organisation. And they are more open and willing to talk about the relationship of analysis with imagination, intuition and emotion.

I do not suggest here that rationality is not needed, nor important in an organisation. Clearly it is vital to analyse, validate, measure and ultimately learn from new ideas. With limited resources it is important for leaders to try in advance to ascertain the likely success of new initiatives.

_The idea cannot be tested but it is a good idea to try and justify it both to check the soundness of the idea and to sell it to others._

Steve Vizard, CEO, Artists Services.

Out of this validation process, many faults in the initial idea can be identified and resolved. Furthermore, other people can become more comfortable with the idea. It is sometimes the case that the biggest barriers to new ideas are inside the organisation rather than in the market place. This validation process also ensures that a detached, rigorous objectivity is brought to bear on new projects.

Reason is vital, but it should be in a dynamic tension with imagination, intuition and emotion. Having an appropriate, rational process and environment is very important. Yet, paradoxically, it also needs to be relaxed to allow new ideas to emerge.

5.5.2 The role of imagination and intuition
Even allowing for the dominance of reason in most organisations, interviewees were quick to highlight the importance of intuition and imagination or what I have called the non-reason aspects of an ideas mindset. Interviewees discussed these aspects as being separate to, yet connected with, reason and emotion. I have used intuition in this context to represent:

_A way of direct knowing that seeps into conscious awareness without the conscious mediation of logic and rational processes_ (Boucouvalas, 1997, p.7).
and imagination as:

A form of thought associated with mental images. Imagination typically refers to the images in the mind, sometimes intuitively received, which can be manipulated and require translation into words (Monsay, 1997, p.105).

Implicit in this latter definition is that:

Imagination shares the global, non-rational nature of intuition, and is a close cousin to it (ibid., p. 105).

Listed below are some quotes from interviewees that seem to encapsulate these definitions of intuition and imagination.

We accept that there is a lot of ‘gut feel’ and hunch in our business but you have to sell it as well.
Peter Gregory, Marketing Services Manager, 3M.

Out of this brainstorming session came the idea of the jeans for Genes campaign. It was great, it captured our collective imagination.
Stephen Ryall, Manager of Administration & Community Relations, The Children Medical Research Institute.

Intuition is a much abused word. We need to find a new expression. Intuition to me is the sum total of all our logic, reason, emotions, experiences. It is the total process of how we make decisions.
John Budd, Executive Producer, Four Corners, ABC.

Interviewees talked about these qualities as co-existing and sometimes transcending rational analysis. They accepted that intuition and imagination are vital yet not well-understood or appreciated in organisational life. In fact, as has been mentioned earlier, they often had to dress up their intuition in more acceptable rational clothes. In an interesting irony, participants treated their own intuition and imagination with respect (and sometimes awe) yet felt that others could not, or would not, treat the end product of these abilities with the same respect.

Interviewees regularly mentioned that their intuition and/or imagination had enabled them to make a giant leap that they then had to rationalise retrospectively.

There is too little value or credence placed on intuition in organisations today. You need to build a backwards defined model. That is, you need to make a lateral leap then work backward to justify or rationalise how you got there.
Steve Vizard, CEO and Co-founder, Artist Services.
The creative process is not always a logical one. Sometimes you see the advertisement first then try to rationalise how you got there.
Simon Collins, Creative Director, Collins & Partners, Advertising Agency.

Interviewees also mentioned they had many of these intuitive or imaginative leaps when they were doing something (often) unrelated to the specific problem they were grappling with.

I run every day and every time I run I come up with a solution to a pressing problem.
But I cannot explain logically how I came to it.
John Budd, Executive Producer, Four Corners, ABC.

In this section, interviewees have highlighted one of the dilemmas of organisational creativity. People in profit organisations, in particular, accept that the current language and metaphors for most organisational life provide little room for imagination and intuition. Yet the processes of imagination and intuition are real, effective and used regularly by participants. We are left, therefore, with the dilemma of trying to describe something illogical, through the language of logic and reason. It is as if interviewees saw themselves as actors in a medieval play. For their ideas to be taken seriously they have to display a public, rational face at the same time as hiding the importance of their private, non-rational processes.

5.5.3 The role of emotion
In the non-profit sector interviewees tended to be more open with their emotions and to respect the emotions of others. At organisations like Four Corners, people are encouraged to express their emotions and be tolerant of others expressing their emotions. Showing your emotions is viewed as a normal part of the creative process. It means that you care. It is also seen as part of the pressures and tribulations of putting a program to air. Interviewees view emotion as being separate from yet complementary to imagination and intuition (i.e. non-reason).

People on this program show their emotions. You are allowed to show your emotions, your passions and commitment. One reporter cries but who cares? It is her way of coping and she will laugh about it later.
Virginia Moncrief, Producer, Four Corners, ABC.

This is quite different from the profit organisations I researched. In these organisations, to show too much emotion can be interpreted as a sign of weakness; a sign that your emotions are ruling your logical, rational mind. I observed that interviewees did not use the word “emotion” as often or with the same effect as their non-profit cousins. They could and did talk about passion but rarely emotion. As has been mentioned, perhaps this is due to the dominance of reason. In a predominately rational world emotions have little or no place.
Yet to deny our emotions, or to underplay their value is to deny one of the conditions that makes us human. Interviewees in the non-profit sector have realised that to engage an individuals or group’s passion and emotions is to build a highly committed and motivated workforce. Yet at the same time they acknowledge that too much emotion can also be destructive.

*If you don’t engage your emotions you make a bad decision.*
John Budd, Executive Producer, *Four Corners*, ABC.

*TV works best when it elicits emotion. Therefore staff have to be emotional.*
Jonathon Holmes, Former Executive Producer, *Four Corners*, ABC.

Some interviewees suggest that emotions are vital to creativity and decision making. Yet they are confronted with an emotional dilemma. They are hopeful of engaging the emotions of the receivers to their ideas but they cannot afford to be too emotional themselves.

*Some things can’t be explained logically. We can’t always be rational yet too much emotion can be destructive.*
Des Horne, Editor, *Four Corners*, ABC.

Whilst too much emotion can be destructive, it is difficult to imagine creativity flourishing in a cold, purely rational organisational world. It is also noteworthy that people’s emotional state can impact upon their creativity.

*Creativity is linked to how I feel. If I feel good I am more creative.*
Andrew Thompson, Managing Director, Incognito, Advertising Agency.

*The hardest part is keeping your mind in a positive and curious state.*
Wayne Hazel, Creative Director, Integrated Options, Advertising Agency.

### 5.5.4 The role of passion

I was tempted to include this section in my discussion on emotions generally but given its importance I felt that it warranted a separate section.

I have learned from interviewees that the most important emotion in organisational creativity is passion. Many of the non-profit leaders felt that their work was important and that they could make a difference to the world. They did not just have a job, role or function, but often believed themselves to be part of a noble cause.

*I feel that I am making a difference; our research may just one day unlock the secret of cancer.*
Stephen Ryall, Manager of Administration & Community Relations, The Children’s Medical Research Institute.
We have a bunch of people who work here because opera is their passion and they accept lower money.
Helen O’Neill, Director of Marketing & Communication, The Australian Opera Company.

This is an important program. It has the potential to impact. It can change how people see things in an important way. It is a treat to work on. You have room to express yourself.
Liz Jackson, Reporter, Four Corners, ABC.

I found the level of passion and enthusiasm in the non-profit sector enriching and refreshing. It feels at times that their individual and collective passion can overcome any obstacle.

Passion provides the energy to bring ideas to fruition. A new product idea can make economic sense and be different from the competition, yet if it does not emotionally engage organisational members then the idea is unlikely to get off the ground and/or be fully developed. Overcoming inertia, lack of resources and political barriers takes a special energy; one that derives from a belief that the idea is important and worthwhile.

Passion is vital. It provides the way to overcome the organisational barriers.
Peter Maher, GM Retail Marketing, Business and Consumer Markets, Westpac.

This is not to say that I did not find passion in the profit sector. There are individual instances of passion at 3M and at some of the software, technology and Internet companies. But it is not as widespread, talked about or as explicit. Participants felt passionate about their individual projects but rarely did I find a sense that they were on a crusade. 3M, for example, has a number of practices to engage the individual’s passion. The company has a 15% rule that states that any member of its research community can spend this amount of time on their own projects. It also calls for volunteers to work on projects rather than assigning people.

The 15% rule is a concept where people can take on a specific project. Most successes have come from these individual passions and projects even to the point of being sacked. People have to have a strong belief in something.
John Maclay, General Manager, 3M.

My expectation before starting this research was that the non-profit industry could learn from the profit one. However, in regard to passion it is clear that the reverse is the case. I felt that the profit leaders could learn many things from the non-profit industry.

- Leaders in the non-profit sector more readily identify with the goals, values and aspirations of the organisation. At Four Corners, for example, interviewees are proud of their role or profession, the program and the ABC itself. In the advertising industry
by contrast, creative people identified with their role first (e.g. art director), the creative department then the advertising agency.

- Again as a general comment, in the non-profit sector interviewees felt that as individuals they could make a difference. In the profit sector (particularly in the larger companies) they felt more that ‘the system’ was too big and powerful for any one person to change.

- In the non-profit sector interviewees often had large targets or goals and limited resources. Almost by definition, they are forced to reject a “business-as-usual” approach and search for a more creative alternative.

- Because they believe their work is important non-profit leaders tend to believe that others will also see the importance of their work. This is sometimes misplaced but it does create a feeling of great optimism and team spirit.

5.5.5 An ideas mindset: A summary
My research suggests that the quest for rationality and efficiency dominate most profit organisations. I have attempted to demonstrate that this overemphasis and separation of reason comes at a cost. The cost is a lack of imagination, intuition and emotion, resulting in poorer quality ideas and a neglect of the creative potential of all organisational members.

_The scientific method has precluded our intuition and our heart. It has also meant that we have downplayed these skills._

Hugh Spencer, Strategy Planner, Clemenger BBDO, Advertising Agency.

In spite of the elevated status of rationality, most interviewees seemed to be very aware of the interdependencies and interactions between reason, intuition, imagination and emotion. They outlined an iterative flow between new ideas brought about by a leap of intuition and imagination, verified through reason, and they described how passion can bring the idea to life.

_Often my story ideas come from a hunch. But it has to interest me personally; I have to feel passionate about the story. I must then convince others. I must be able to sell it effectively. If I believe in it, I can sell it._

Sally Neighbour, Reporter, Four Corners, ABC.

Because they are interdependent, I believe that reunifying and achieving a better balance between reason, intuition, imagination and emotion form the core of an ideas mindset. This mindset could apply to the individual, group and the organisation (as with the fractal concept see Chapter 3). There is a dynamic tension between each of the elements and it has a systematic quality to it: the sum of the parts is greater than the individual elements and a change in one will impact on the other elements (Senge, 1990).
I believe the emergence of an ideas mindset to be an exciting development in the design of a continuously creative organisation. It shifts the discussion away from considering the creativity of only a small number of individuals and teams to how the entire organisation can develop an ideas mindset.

5.6 Organising principle-the new P?
This section discusses the different ways people are organised in organisations to produce a creative product. There are three basic approaches (see Figure 5.3):

- A single creativity centre
- Multiple creativity centres
- A universal model

Figure 5.3 The different organising principles used to develop a creative product(s)

These three different models can happily co-exist in any organisation although there tends to be a preferred model. They roughly coincide with the previous discussion on creative people and mindsets. For example, creative individuals tend to congregate in single creativity centres although they do not have to. Creative teams can operate in a single creativity centre and/or a multiple centre. However, building a collective ideas mindset is a precondition of the universal model (see Figure 5.4).
Figure 5.4 The relationship between creative people and organising principle

Creative people

Creative individuals → Single creative centre

Creative teams → Multiple creative centres

Ideas mindset → Universal model

I am also proposing that organising principle become the new, fifth "P" in Rhodes (1961) four P's model (see Figure 5.5). The type of organising principle, in effect, determines how a creative product is to be produced in an organisation. It links and connects with the other "P"s.

Figure 5.5 The tentative new 5 'Ps' model of organisational creativity
Before venturing further I will discuss each organising principle in turn.

5.6.1 A single creativity centre

A single creativity centre is the dominant organising principle in the advertising industry. In my interviews with advertising creative people, they said they liked to be organised with other similarly talented people, forming a centre of creativity within the agency. This arrangement, according to these creative people, encourages more and better creative exchanges (see Chapter 4). It is stimulating, people feel safe and quarantined from the rest of the agency. There is a physical and emotional space for people to explore ideas, take risks and bounce ideas off one another. A collective creative space and place can be created (as well as creative time) which encourages dialogue and interaction.

*I like to sit with other creative people. The creative department is not ego driven. We can bounce ideas off one another. I trust the other creative people. It is safe. You do not have to worry about people telling you why it cannot be done.*

Jane Caro, Senior Copy-Writer, Saatchi & Saatchi, Advertising Agency.

In the advertising industry, the creative people are more likely to be dressed casually and informally compared to other people in the organisation. This further reinforces their special status. In a sense they use their physical appearance as a kind of uniform to signal their status and to convey to other organisational members that they are part of a special, select group.

A creativity centre has a number of unintended negative effects, however:

- It relieves the rest of the organisation from taking responsibility for their own creativity. Hence, new ideas and perspectives are not encouraged among all organisational members.

- The organisation is heavily reliant on a few special people. If these special people leave, are poached or become ill, the success of the total organisation can be reduced.

- It establishes a hierarchy with the creative people battling with other departments for organisational power and resources.

- It clearly delineates their field of expertise (i.e. we are creative specialists) and implies that no-one else can contribute an idea.

- In the advertising industry, it can suggest to some clients that the creative department is more interested in “being creative” than selling more of a client’s product.
The focus is on attracting and retaining creative people rather than (or as well as) building a sustainable creative process and environment.

*Having a separate creative department, on a separate floor, creates a hierarchy where the people are paid the most and win awards. It creates tremendous egos and suggests that everyone else is not creative. And says that we are looking to be creative and sometimes forgetting that it has to be interesting to a select group of people.*

Hugh Spencer, Strategy Planner, Clemenger BBDO, Advertising Agency.

When creativity is reduced to a special department, the creative potential of the entire organisation may not be utilised. There may be a lack of creative synergy (the whole being greater than the sum of the parts). The creative potential of every employee is not fully utilised and there can be a misplaced focus on the parts (e.g. the creative department) rather than on relationships or interactions.

At the Four Corners unit, while everyone has specialist roles (e.g. producer, reporter, editor), most believe they are creative (to varying degrees) and acknowledge that everyone must contribute to the team for the program to go to air. In this case, the sum of the parts is greater than the individual contributions.

In the advertising industry, however, there is a strong reliance on a semi-permanent creative team (i.e. a copywriter and art director) as the unit of production and less of a team effort with the other functions. The sum of the parts merely equals the individual contributions.

### 5.6.2 Multiple centres of creativity

Interviewees outlined another alternative to the single creativity centre approach. This approach consists of developing a number of creativity centres rather than a single one.

*Most organisations contain pockets of creativity within a large bureaucratic and hierarchical structure.*

Debra Heitmann, CEO Australian Council of Businesswomen.

*It is interesting that our fund raising efforts are as creative as our scientific research. They complement one another.*

Stephen Ryall, Manager of Administration & Community Relations, The Children’s Medical Research Institute.

The Four Corners unit, for example, is a centre of creativity but just one of a number at the ABC. Other centres include documentaries and the comedy programs. Within these individual centres there exists an attitude that everyone can, and is expected to, contribute their ideas.
We believe that creativity is a multi-layered process that does not reside in any one place, or space nor any one person. We rely on the creativity of everybody, to be creative in everything they do. Everyone must contribute creatively to the end product.
John Budd, Executive Producer, Four Corners, ABC.

These formal or informal centres contain many creative people who both concentrate on one area yet come together in a creative collaboration. These centres of creativity tend to complement one another. At the Children’s Medical Research Institute I found a centre of creativity in the fund-raising department that successfully launched the “Jeans for Genes” program which last year raised $5 million for cancer research. At the same time, the scientists are approaching the cure for cancer in new and different ways.

Our research is at the cutting edge, we are not doing ‘me too’ research.
Stephen Ryall, Manager of Administration and Community Relations, The Children’s Medical Research Institute.

At the Children’s Medical Research Institute, both centres of creativity (i.e. fund raising and the scientists) are independent yet interdependent, with a kind of symbiotic relationship. The better the fund raising effort, the more resources the scientists have to conduct innovative research. In this example, within any one centre of creativity everyone is free to contribute ideas. However, interviewees rarely mentioned contributing an idea to another centre, e.g. the fund raisers did not offer ideas on new and different research methods for the scientists or vice versa.

An advantage of this approach is that it may be a more effective strategy for larger organisations. The leaders of these types of organisation often complained of the difficulty of having new initiatives adopted by all members. But they felt that new ideas could more easily be developed and tested in their sphere of influence. Hence the centres of creativity could better reflect a leader’s individual style. If the leaders generated and were receptive to ideas in their centre they could similarly encourage others to do likewise. Other leaders who were not as comfortable with a degree of chaos would not volunteer or create such a centre.

Size in an organisation is more likely to be a barrier to organisational creativity. It is hard to get creativity across the entire organisation. Most organisations these days should operate as a set of local villages of 150-200 people who are closer to the customer. The organisation then becomes a series of linked networks or a collective combination of local villages.
Peter Maher, GM Retail Banking, Business & Consumer Markets, Westpac.

One of the secrets of developing a more creative larger organisation is to establish and support multiple centres of creativity and develop formal or informal linkages between them. In an era of e-mail and other electronic communication the technology certainly exists to enable this to happen.
A multiple centre approach may also raise the creative standards of the entire organisation. With multiple centres, people can collaborate and compete with one another. Perhaps in the future, the development of centres of creativity will see the emergence of people who have a broader range of skills. Creative thinking will be just one of a portfolio of skills. Such people will be able to more easily move from one centre to another.

_Having multiple centres of excellence means that my job satisfaction and career prospects improve because I can move around._
Virginia Moncrief, Producer, _Four Corners_, ABC.

The development of broader skills and the ability to move around is certainly the prediction of interviewees who work in some of the new on-line organisations. Perhaps if it is happening, or about to happen in the on-line world, it may then follow in the off-line world. As Daniel Petre, Chairman of PBL On-line notes:

_In the Internet world the technologists are equal to the creative people, the relationship is a symbiotic one. You need balance. At the moment, these skills are found in different people, in the future they will be combined in the one person._

### 5.6.3 A universal model
I have called the third way of organising people for creativity in organisations the universal approach. This model builds on the previous two models but has as its organising principle the notion that everyone can, and indeed should, have the opportunity to express their creativity. It is an ideal scenario that some interviewees are working towards.

The starting point of this model is that all individuals are confident of, accept responsibility for, and enjoy exercising their creativity. In short, there is a move towards developing a collective ideas mindset. The majority of interviewees used a broader definition of creativity (see Chapter 4) to escape the limitations of defining creativity in artistic terms only.

_I want to work with organisations that wish to innovate. Why? Because I like to innovate and change existing structures._
Debra Heitmann, CEO, Australian Council of Businesswomen.

_I like ideas. I jump around not in a logical manner._
Helen O’Neill, Director of Marketing & Communication, The Australian Opera Company.

_I am not a creative artist but I am good at designing creative solutions to problems at work, for example. I like to change the rules or change the way things are done._
Lesley Brydon, Executive Director, Australian Federation of Advertisers.
For these interviewees, creativity (in an organisational context) is seen as a universal skill. It is seen more as a thinking skill than an artistic endeavour. When creative thinking is viewed as a universal skill, it follows that it can be developed and improved like any other skill through practice. Some people will be better at it than others but all can benefit from enhancing this skill.

*I believe idea creation is a skill.*
Julie Webster, Brand Manager, Unilever.

*I try to do an ad a day whether it is briefed in or not. I produce more ads and creating an ad is like a muscle and it gets stronger the more I use it.*
Simon Collins, Creative Director, Collins & Crew, Advertising Agency.

Some interviewees believe that developing ideas is one of many skills needed to function effectively as a leader in an organisation today. They do not place limits around what activities could benefit from greater creativity such as the development of new products. In their view, creative thinking can be applied to most organisational activities and as a result should involve everyone in the organisation.

*Involving other people in the agency (in the creative process) works on a number of levels. It is good for team spirit and they appreciate the opportunity. It is also good as people other than the creative people get an insight into the creative process.*
Wayne Hazell, Creative Director, Integrated Options, Advertising Agency.

*With our brainstorming sessions we involve everybody, particularly the new people. There is no such thing as a stupid idea. Often the most absurd comment can trigger a creative moment.*
Andrew Thompson, Managing Director, Incognito, Advertising Agency.

These interviewees believe that the every member of an organisation could make a creative contribution. This means that everyone can, and in fact should, accept responsibility for their creativity rather than delegating it to another person, unit or another organisation. They accept that it is better for all members of the organisation to contribute their creativity than to have a separate centre of creativity. Even in the advertising industry, a small number of agencies are moving from the traditional centre of creativity approach to the universal model.

*In most advertising agencies the creativity is heavily reliant on a few individuals whereas what we’re trying to do is create a total creative organisation.*
Simon Reynolds, Creative Director, Virtual Creative Department, Advertising Agency.
We have no stars here, there is no creative department, we have client concept teams, and we try and maintain a small agency mentality. We try and create an environment where everyone feels responsible for the creative product.

John Bevan, Managing Director, John Bevan Advertising Agency.

There are lots of creative people at the opera. It is not like the advertising industry, which tries to position itself as the only creative people. The performers take more risks than the advertising person.

Helen O’Neill, Director of Marketing and Communication, The Australian Opera Company.

In general, interviewees in the non-profit sector seemed more genuinely to embrace the proposition that everyone could be responsible for creativity. Perhaps it is a result of the greater interdependencies I found in these organisations. At the Australian Opera Company, for example, a creative performance can occur only through the combined creative talents of the singers, dancers, musicians, set designers, administrators, and marketing people.

There are a number of implications in attempting to engage the creativity of all organisational members:

– The creative skills of all members should be developed, not just those of the creative "stars". This can lead to the notion of co-creation amongst members.

– The organisation can become a more rewarding place and space to work.

– It is not entirely reliant on a few creative stars.

– Anyone can contribute an idea, at any time, from any place. This takes the pressure off senior managers or the creative specialists to develop all the ideas.

The world is changing so quickly that you cannot wait for the senior managers to come up with all the ideas. You need a diverse range of perspectives from the young and from all levels.

Patricia McIntyre, Vice President, Bankers Trust.

– Organisations that encourage all members to contribute their ideas place a premium on the other members being open to receiving these ideas.

– Ideas that were once the province of certain people and roles are now the responsibility of all. This can be threatening to people (e.g. marketing) who have considered developing ideas to be their function.
In such an organisation, ideas will more easily flow across, up and down the different departments. This can be unsettling to existing structures although it should make the organisation more flexible and adaptable to changes in the environment.

*Creativity has to both bottom up and top down.*
Graeme Burns, CEO, The Australian Institute of Management.

In this type of organisation, ideas, not people and positions, are the source of organisational momentum. Again this can be a threatening proposition for people in powerful positions and/or those people who are part of the existing creativity centre in an organisation. This type of organisation is attractive to people who are willing to contribute their ideas and be open to the ideas of others. The opposite is also true. Those people who love routine and order may not be attracted to such an organisational design.

*The real emphasis in our business is on ideas. The most valued people are those who can create and execute an idea on budget.*
Steve Vizard, CEO & Co-founder, Artist Services.

*You have to look for people who are interested in new ways of thinking, or new ideas. They must have an interest in ideas.*
Shane Cargill, MD with Mothers Art (a television production company).

Here, leaders and managers not only have to develop ideas but also create a fertile environment where ideas can emerge. Leaders have to provide opportunities for people to exercise creativity, and establish guidelines or boundaries but leave the means of achieving the objectives to the individual or team (see Chapter 8 for a more detailed discussion of leadership).

*I have been able to get people to try things by giving them objectives and leaving the ‘how’ to them.*
Dr. Dennis Cooper, Divisional MD, CSIRO.

Taken to an extreme, relying on everyone to contribute ideas may mean that no one person or team takes responsibility to champion an idea; it may paradoxically lead to a lowering of creative standards. A specialist unit of creativity implies there is (or is at least a journey towards) a centre of creative excellence. In sport, for example, there are centres of sporting excellence, e.g. the Australian Institute of Sport. These centres involve collective motivation and a cross-fertilisation of knowledge, insights and learning.

I have outline three different ways of organising people in an organisation to develop creativity: a single centre of creativity, multiple creativity centres and an universal responsible approach. These arrangements are not mutually exclusive, nor do they exist in a pure form only. Indeed there are some organisations where all three happily co-exist. At 3M, for example, I discussed these three organising principles with John Maclay (General Manager-Industrial Markets), who indicated:
3M has a combination of all three approaches. We have 34 technology centres (what you call multiple centres) and a ‘do it anywhere’ type of approach (i.e. the universal model). This means that anyone can contribute and fight for resources to implement an idea. We also have dedicated creativity centres. There are three of them in the world and they concentrate on essential research on future technology stuff, e.g. health. This technology we estimate to be 15 years in the future.

The three different types of creative product (specialist, synergy and ideas) tend to align and flow out of the different organising principles (see Figure 5.6)

Figure 5.6 The relationship between organising principle and creative product

<table>
<thead>
<tr>
<th>Organising principle</th>
<th>Types of creative product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single creativity centre</td>
<td>Specialist creative product</td>
</tr>
<tr>
<td>Multiple creativity centres</td>
<td>Creative synergy</td>
</tr>
<tr>
<td>Universal model</td>
<td>Flow of ideas</td>
</tr>
</tbody>
</table>

A summary of this chapter appears in table 5.1:

<table>
<thead>
<tr>
<th>Table 5.1 A summary of findings on creative responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional perspective</td>
</tr>
<tr>
<td>--------------------------</td>
</tr>
<tr>
<td>Creative individual(s) and teams and Idea leader(s)</td>
</tr>
<tr>
<td>Creative team and A team of creative individuals</td>
</tr>
<tr>
<td>Reason and Emotion/non-reason</td>
</tr>
<tr>
<td>Creative person</td>
</tr>
<tr>
<td>------------------------</td>
</tr>
<tr>
<td>The Four P's</td>
</tr>
<tr>
<td>Single creativity centre</td>
</tr>
</tbody>
</table>

Note: This summary adopts a fuzzy thinking approach (see Kosko, 1994). For a business application of “and” not “or” thinking see Collins and Porras (1994).

5.7 Conclusion
Creative individuals (or the more accessible term “idea leaders”) play an important role in a continuously creative organisation. Because of their skills, talents and confidence, they are the ones whom the rest of the organisation expects to produce creative products as well as challenging and stretching organisational boundaries. The renewed focus on the individual leader as an agent of change is an emerging trend in the literature (see Ghoshal & Bartlett 1997; Hamel, 2000a).

Interviewees also highlighted the increasingly important role of teams in the development of creative products. This is also consistent with the literature (e.g., Baden-Fuller & Stopford, 1992; Kanter, 1983; West, 1995).

What is different in my work is the description of the different types of creative team. I have called the first type of team the classic team, and the second a team of talented creative individuals. Most of the literature on teams is concerned with the former, but recent work (Bennis & Biederman, 1997; Wenger & Snyder, 2000) has highlighted the importance of many different types of creative collaboration.

The second team type brings together individuals on a voluntary basis who believe that their individual creative performance can be enhanced through involvement in a small team. This is due to the creativity of the other team members, their different perspectives, skills and the level of trust and respect. Sethia (1995) highlights the notion of different, complementary roles in a creative collaboration and this type of team synthesis is also implicit in the writings of Hirshberg (1998) and Leonard and Straus (1997). This is the model used in the advertising industry with their creative teams and by 3M. Because the team recruitment is voluntary, it taps into the passion of each of the individual members. There is some evidence also that in the future, these types of diverse, high energy project teams will become more virtual in nature and more important than the classic team.
Interviewees raised an apparent paradox in the design of creative teams. Even the most creative of teams needs a strong leader. The leader’s role is to “ground” and direct the creativity of the team, and at the same time to build a creative synthesis among group members. Bennis (1997) highlights the importance of a strong leader with his work on “great groups”.

Some interviewees raised another paradox. While the emphasis on teamwork is noteworthy, they wondered whether the lone creative voice would disappear. For the entire organisation to be creative, creative teams and idea leaders need to co-exist. They are also interdependent. Idea leaders often create an opportunity through an inspired insight but need the greater resources of a team to convert it.

My research focus then moved from creative individuals to the development of a collective ideas mindset. This mindset consisted of a number of independent yet interdependent elements, reason, emotion, and non-reason (intuition, imagination).

Most profit organisations are dominated by reason, which stands apart from, and is considered superior to, emotion, intuition and imagination. This finding is not altogether surprising given that some writers (e.g., Toulmin, 1990; Saul, 1992) have commented that reason dominates most Western institutions. Thus reason becomes the context within which creativity occurs in most profit organisations.

While reason is important as a way of introducing objectivity and discipline and for testing new ideas, a dominant rational mindset is not always conducive to the creation of new ideas. Writers such as De Bono (1992a) and Van Gundy (1992) have suggested many creative tools and techniques, which try to break free of prevailing perceptions. Other writers (e.g., Ray & Myers, 1989) have highlighted the importance of quietening what they describe as the rational “voice of judgement” within all of us to create new ideas. Using a quite different example, Gallwey (1979) describes how a person could improve their golf by distracting the self-one (reason) and by trusting the self-two (intuition and imagination).

Interviewees highlighted the importance of engaging and trusting their intuition and imagination to create new ideas. This is well covered in the literature (e.g., McNiff, 1998; Morgan, 1993). They also felt they had to “dress up” their insights in rational clothes (see Agor, 1989). Other writers have used different expressions to describe this phenomenon, e.g. Donovan (1997, p. 43), uses “post-analytic”, Fabian (1990, p. 39) uses “arational”, and Nachmanovitch (1990, p. 40) calls it “intuitive knowledge.”

The third component of a creative mindset is emotion. It is seen as separate from yet connected with reason, intuition and imagination. Interviewees felt that emotion and passion are a vital part of creativity in any organisation. Individual and collective passion provides the creative energy to overcome inertia and resistance to ideas. The importance of passion is well established in the creativity literature (see Amabile, 1996a; Cairnes 1998, Csikszentmihalyi 1996).
The interviews suggested that interviewees knowingly or unknowingly realised that reason, intuition, imagination and emotions are equally important for organisational creativity to emerge. There is constant tension and interaction between the elements. As Barron (1988, p. 91) comments:

In creativity, the analogical mode often is at war with the logical, but the creative act issues from the tension between the two. One without the other is lost.

The ideas mindset emerging from my research has some grounding in the literature. Perhaps the most similar is McGrath and MacMillan’s (2000) notion of an “entrepreneurial mindset.” Hamel & Prahalad (1994) warn of the difficulties of escaping from a dominant managerial frame. Gardner (1993b) suggests that there is more than one form of intelligence. Burnside (1995) calls for a more holistic view of the creativity process involving four aspects, thinking, feeling, willing and doing. Damasio (1994; 1999) highlights the importance of feelings and emotions to the proper functioning of rationality. Goleman (1996, p. 8) goes even further:

In a very real sense we have two minds, one that thinks and one that feels. These two fundamentally different ways of knowing interact to construct our mental life. One, the rational mind, is the mode of comprehension we are typically conscious of: more prominent in awareness, thoughtful, able to ponder and reflect. But alongside that there is another system of knowing: impulsive and powerful, if sometimes illogical — the emotional mind.

Other writers have concentrated on the relationship between reason, intuition and imagination. Simon (1989), for example, has outlined the complementary nature of analysis and intuition in effective decision-making amongst managers. Dunne (1997) has described the often underreported role of intuition in the scientific method. Birch & Clegg (1996) have developed an imagination tool kit for managers and Crossan (1997) suggests that managers could improve their innovation skills by studying improvisation theatre.

Most writers have linked reason with emotion and/or with intuition and imagination. But my research with leaders suggests three different yet interdependent elements. The domination of the two element approach is probably driven by the popularity of the split-brain theory (see Ramachandran, 1998) and our tendency to think in twos (Keidal, 1995).

My model of an ideas mindset is an important development because it shifts the debate from a focus on the innate talents or gifts, or otherwise, of particular individuals to a more universally accessible mindset. It also suggests that this mindset is available to the individual, group and/or organisation. Amabile (1998), although using different terminology, has developed a similar approach with her model of individual creativity consisting of expertise (i.e. reason) creative thinking skills (i.e. intuition and imagination) and motivation (i.e. emotion and passion).
My research and the literature suggest that there is not one single approach to organising creativity in an organisation. Instead, I found three different complementary models. Each one has advantages and disadvantages. These three approaches (a single centre, multiple creativity centres and the universal approach) do not exist in a pure form either. Interviewees indicated that there tended to be one dominant model or approach in their organisation. At 3M, for example, all three models seem to co-exist happily within the same organisation.

A separate creativity centre is the dominant model in most advertising agencies. It is also used at the Disney company, for example, which established the European Creative Centre (Hightower, 1993).

The second organising principle is the development of multiple centres of creativity in an organisation. These centres are small groups of people who formally or informally come together to contribute their creativity. Some interviewees indicated that establishing centres of creativity might be a good approach for larger organisations and may lead to a broader skill base among employees. General Motors, for example, has recently established three creativity centres, the advanced portfolio exploration group, the corporate brand character centre and the innovation zone (Muorio, 2000, p. 62). In an example closer to home, Telstra has also adopted a multiple creativity centre approach, establishing independent centres for innovation, research and product development (Lindsay, 2000). These centres, while concentrating on their own area, also compete with each other and come together as a total entity, or what Telstra is calling their “new wave laboratories”, thus underscoring the point that multiple centres still need links and connections.

Interviewees outlined a third organising principle, that creativity is a universal thinking skill related to the production of ideas. This orientation means that everyone in the organisation can contribute ideas on a broad range of activities. This organising principle tended to be more common in the non-profit sector.

In the literature there is some support for each of the approaches. Pinchot & Pellman (1999) outlines an action plan for what he calls “intrapreneurs” or what I call the special creative people in an organisation. Kanter (1983), on the other hand, calls for an “American Renaissance” to encourage the ideas from all people and at all levels in an organisation (similar to the universal skill approach). And Quinn et al. (1997) suggest that innovative companies are comprised of groups that follow an independent collaboration strategy or multiple creativity centre approach.

I have argued that the different types of organising principle should be considered as the fifth “P” to Rhodes (1961) accepted four “P” creativity model. The dominant organising principle reflects the deeper, dominant metaphor in use at the organisation. For example, the separate, specialist creativity centre is consistent with Morgan’s (1986) “organisation as machine” metaphor. The multiple creativity centre principle might reflect the
"organization as brain or holographic system metaphor", and the universal principle "the organisations as organisms" metaphor (ibid.).

Because the organising principle chosen reflects the dominant metaphor in use in an organisation, it impacts on all the other elements of creativity. For example, if you want an organisation to work like a machine, you establish a separate creativity unit (e.g. a research and development department) to produce new products or services, staffed by people with specialist skills, often using a formal new product development process.

Leadership decisions about the organising principle (or combination of principles) to use can define the types of relationships between the other four P's. Therefore, this is the missing dynamic, connective link, lacking in the current model.
Chapter Six: Designing creative organisational processes

Q. Can ideas be managed or do they spontaneously and unexpectedly emerge?
The best of these innovators have systematized the generation and testing of new ideas – and the system they’re devised can be replicated practically everywhere, because it has everything to do with organization and attitude and very little to do with nurturing solitary genius.

6.1 Introduction

My starting point for this chapter is the different creative processes used by individuals. I am increasingly coming to the paradoxical view that a creative organisation starts with, and reflects, the individual. For creativity to flourish, individual leaders have to assume responsibility for, and value, creativity (see Chapter 8).

Interviewees in my study certainly believe in the power of the individual to make a difference and that the organisational “system” is not so overwhelming as to preclude all creative efforts. This may reflect the senior roles and positions of the people I interviewed. They have the influence, resources and job flexibility to allow creativity (theirs and others) to emerge.

But I also believe creativity at the individual level is consistent with the fractal notion, i.e. “the whole is captured in the parts”. As Wheatley (1992, p. 132) observes:

The very best organizations have a fractal quality to them. An observer of such an organization can tell what the organization’s values and ways of doing business are by watching anyone, whether it be a production floor employee or a senior manager. There is a consistency and predictability to the quality of behavior.

This chapter also outlines three different creative processes in use in organisations:

- A structured process
- An unstructured process
- A freedom within limits process.

This chapter also outlines the different stages in a total idea system.

6.2 The creative process of individuals

Most interviewees agreed that the creative process involves taking the familiar, usual, or expected and rearranging the elements to form a new pattern. It is not an easy exercise and it often involves breaking free of existing habits and routines.

Creativity is the process of taking the familiar and rearranging them in unfamiliar ways so as to surprise, enlighten or arouse.
Hugh Mackay, Principal, Mackay Research.

Creativity to me is the ability to see things in a fresh way. It reminds me of driving to work. Sometimes we get stuck via habit (and/or it has proved successful) into going the same way all the time. Creativity can involve simply finding a new way to drive to work.
Hugh Spencer, Strategy Planner, Clemenger BBDO, Advertising Agency
Individuals described two different creative processes they use to develop new ideas, I have called these the conscious creative process and the unconscious creative process. Although interviewees used both processes, for most there appeared to be a preferred process.

6.2.1 The conscious creative process
Some interviewees in the advertising industry use a deliberate, formal, explicit, tool-based creative process, which may involve a number of steps. They are comfortable with the process; it has worked for them in the past and they feel that it takes the pressure off them. It also gives them a greater sense of control. These processes are developed through trial and error, through consulting mentors and peers and occasionally through books and articles.

I also found that many of these people were not willing to share their creative process. For them it had a great deal of value and was part of their intellectual property. Interestingly, the processes I observed were deceptively simple. Clearly some people are fearful that others might mimic this magic if their creative process was made public.

I ideas can be created through a once-off event but you need a process to create them consistently.
Jack Vaughan, Creative Director, Principals, Advertising Agency.

I use three intersecting circles. In the first circle are all the attributes of the target audience. In the second circle I list all the attributes of the product or service and in the third circle I list the marketing objectives. This method focuses my creative energy in the area where three circles overlap. Without a creative method it would be extremely stressful because you would not know where to start.
Simon Collins, Creative Director, Collins and Partners, Advertising Agency.

It is somewhat surprising, given the importance of developing new concepts, that so few of the interviewees had attended any form of creative thinking courses. Perhaps this is due to the self-selective nature of my sample and the fact that for the most part, most people had confidence in their creative skills (see Chapter 5).

6.2.2 The unconscious creative process
Other interviewees relied more on their internal intuitive processes. For these people, the creative process could not be formalised as it relies on unconscious (or preconscious) and seemingly mysterious processes. They have a high degree of trust in this creative process and can accommodate the ambiguity and fuzziness it may involve. The process often involves a kind of active letting go, allowing the unconscious to make new connections after the information has been entered into the conscious mind. The new idea then mysteriously pops out when least expected.

There are no formulas with creativity. Creative thinking is thinking sideways and backwards. It is not like engineering where every step has to be known. Sometimes I
do not know what I am doing when I am designing a set for example but after the event it is obvious. I am not afraid of not knowing.
John Rayment, Technical Director, The Sydney Dance Company.

With the creative process, the outcome is open-ended. It is a mystery, a product of the sub-conscious. I don’t fully understand it. It is unexplored territory. It is the vibe of the thing.
Rob Sitch, CEO, Working Dog.

I believe in loading up my mind with as much information as I can then leaving it alone to process and something always pops out. I like to sleep on it. Ideas always seem to come to me when I am doing something else, e.g. like walking, having a shower.
Andrew Thompson, Managing Director, Incognito, Advertising Agency.

This is not to suggest that conscious and unconscious creative processes are mutually exclusive. Interviewees had a preference for one type of process, however, but they also used the other process to complement their preferred method in developing new ideas.

Neither process is straightforward. Interviewees mentioned sleepless nights and the anxiety associated with the development of new ideas and insights. One person used the metaphor of a thrill ride to describe the ups and downs of the creative process and the need to move outside one’s comfort zone.

The creative process is like a thrill ride, there is exhilaration. It is like a roller coaster and like a birth, you have to will yourself to get in this zone.
John Rayment, Technical Director, The Sydney Dance Company.

Familiar and comfortable work against creativity, so does fear and misery. You need to find a point between being outrageous and being safe. Between boredom and fear.
Jane Caro, Senior Copy Writer, Saatchi & Saatchi, Advertising Agency.

If there is one thing that most people agreed upon, is the need to get started or the importance of taking the first step. Interviewees talked about how difficult this is. It did not seem to matter exactly what the first step is as long as some action results. The first step means that the process has begun, they can escape from over-analysis. The first step creates momentum and gives others the opportunity to provide feedback. The first step also implies a journey that might lead to other unexpected destinations.

It’s important in the creative process to be flexible to start with and to take the first step. You just have to get started. At the start you explore all the possibilities. There is no guarantee of how the final product will end up, both the words and the pictures evolve.
Des Horne, Editor, Four Corners, ABC.
I like to get my creative people involved in the process, e.g. by visiting a customer or the factory rather than spending all their time daydreaming. By being more active ideas often emerge but you have to be receptive to them.
John Bevin, Principal, John Bevin Advertising Agency.

6.3 Three creative processes used in organisations
Interviewees outlined three general creative processes used at their organisation (see Figure 6.1). The first two resemble the different creative processes used by individuals and the third, is a hybrid in use in some organisations. I have called these different organisational creative processes, structured, unstructured, and freedom within limits.

Figure 6.1  The different processes used in organisations *

* Adapted from Mintzberg (1994, p. 24) and Ohmae (1983, p. 14)

As with the individual creative process, these processes tend to co-exist and complement each other. This is apparent in the following two comments:

It seems to me that you need to combine two different approaches. The first one is where you introduce a systematic process for generating ideas. The second one is a more haphazard and random approach. In this case someone makes a completely unexpected connection. This relies on chance; it is my experience that the great breakthroughs come from the more haphazard and random approach. The systematic approach leads to a larger number of smaller ideas. Organisationally you have to set up a structure that can meet both of these needs. You need to have a balance of both approaches.
David Stewart Hunter, Managing Director, Reark Market Research.
There are two types of idea structures at Bankers Trust, the formal one, which is the product development process. There is a proposal, which must obtain senior management approval before it goes to the Board for final approval. This process is good in that there are checks and balances. The other type is more free-flowing; there are no boundaries, people come together to thrash out issues. It is like a jamming session.

Deanne Stewart, Advertising Manager, Bankers Trust.

Most organisations have both a structured and unstructured process of creativity. But as the previous comments suggest, there are significant differences between the two processes.

6.4 Structured creative processes
As the name suggests this is a formal, structured, disciplined, group-oriented set of creative processes. There is a belief system that a formal creative process will deliver better creative products than a random or accidental process.

Interviewees outlined three structured creative processes (see Figure 6.2 over page):

- The new product development (or advertising) process
- Brainstorming
- Suggestion box schemes.

I will discuss each of these in turn.
6.4.1 The new product development process

The outcomes of this process typically are new products or new advertisements. This process typically has a formal name, the new product development process or the advertising briefing process. This process usually is consistent across the company, has a number of discrete, sometimes overlapping stages, and involves senior managers. The idea proceeds (in theory, at least) in an orderly, planned, linear fashion. Control and “checks and balances” are a feature. The process can be time consuming and variations become the exception rather than the rule. A typical example of a new product development process in the packaged goods industry is set out below:

The Unilever new product development process starts with a new idea that you might discuss informally with your Marketing Manager then also with the Product Development Unit again informally.

- Then you write a formal project proposal. This is a one-page summary where you address things like customer attitudes, usage, time frame, resources, size of the opportunity, market research requirements.
- You then present the proposal to the board (the marketing person remains the champion). There is a decision, you conduct market research then write a full market proposal including a Profit and Loss Statement.

- The board needs to approve any significant expenditure. Then you write a launch proposal and perhaps you conduct a test market or a full launch.

- The entire process can take 12-18 months but if the competition has launched it becomes a top priority and you might get it done in 6 months.
  
  Julie Webster, Brand Manager, Unilever.

Interviewees tended to view this creative process with mixed feelings. On one hand, they acknowledged that the process is logical, linear, comprehensive and involves multiple approvals. The process lives within the formal structure and is a product of it.

Yet many, particularly the younger, middle managers also viewed the process as exhausting, politically fraught and time consuming. They believe that the process is too rigid and unwieldy, particularly when confronted with more nimble competitors. Another perception is that the process becomes almost an end in itself, i.e. the objective becomes the gaining approval to move to the next stage rather than a new, exciting creative product. There is an irony in this process. Chapter 4 highlighted the importance interviewees placed on creativity producing valuable results, yet the formal process to bring this about sometimes itself “gets stuck”. Rather than being servant to a desired outcome the process has a life of its own. By the time an original (edgy) idea weaves its way through the entire process it may look quite different and much safer.

Advertising is a collaborative process, e.g. creative department, account service, strategy, research, and the client. Yet the more people that are involved in an advertisement the more the initial pure idea gets compromised. The idea becomes safer. The changes are often small but when combined and multiplied, they take the edge off the advertisement.

Ian MacTavish, Creative Group Head, George Patterson Bates, Advertising Agency.

6.4.2 Brainstorming

Another example of a formal ideas process is brainstorming. Brainstorming for most interviewees suggests a formal meeting, among a small group of people, the purpose of which is to generate ideas (although the term “brainstorming” for some meant any formal or informal idea generation session). For most interviewees however, brainstorming is the only idea generation tool they are familiar with, although some used other tools like mindmapping and had heard of concepts like lateral thinking.

Interviewees rarely talked about brainstorming with any passion or enthusiasm. They highlighted a number of problems: it is a group rather than an individual process, takes time to organise, produces lots of ideas but little ownership, it is time consuming and, in
the end, has a familiar business-as-usual feel to it. Yet they commented that they enjoy the interactions and the opportunity to contribute ideas.

It is interesting how brainstorming “lives” within, and is a product of, a rational organisation. It relies on people coming together, to suggest ideas without criticism or judgement. Yet to survive, most brainstorming sessions have a formal agenda, a specific task, perhaps a facilitator, some pre-reading, a set time and are held relatively infrequently (interviewees mentioned they attend a brainstorming on average once every 3-4 months). This would suggest that they can occasionally express their intuition and imagination but only within a tightly controlled format.

6.4.3 Suggestion box schemes
As has been reported, nearly everyone in my sample agreed that harnessing the creativity and passion of all organisational members is an important goal. For some (particularly in the larger, profit organisations) this takes the form of a formal ideas process typically called the employee suggestion box scheme.

An idea program or system can be a source of competitive advantage. You are involving your employees. You have to harness their creativity. If you take this step today you are positioning yourself for the next 10 years.
Patricia McIntyre, Vice President, Bankers Trust.

Yet only a few interviewees in my sample where there is a suggestion box scheme in place believe it is effective. There is general frustration from both the leaders of the organisation and the contributors to the program. Leaders comment that they receive too many ideas of variable quality, the ideas are unfocused, it involves extra work and they do not know what to do with the ideas once they were evaluated. For people who suggest ideas there is often lengthy delays in getting a response, ideas are rejected without sufficient feedback, or they feel management does not take the program seriously and they are not given the choice of anonymity.

We have a suggestion box system. There is no formal process for creating or evaluating ideas. The other problem is that the suggestion box is seen by some as tokenism by senior management. People ask are they really serious about hearing my ideas.
Michael Kotsanis, Product Manager, Boehringer Ingelheim.

We have real problems with our suggestion box system; there are too many ideas (hundreds of ideas), the quality is variable, someone has to reply to them all and the hardest thing is to say no. Most companies are hopeless at it.
Greg Economos, Marketing Manager, Nestlé.

I remember a colleague at American Express who submitted (to human resources) what he thought was a red-hot idea. After seven weeks they replied saying that the idea was submitted on the wrong form.
Graeme Burns, CEO, The Australian Institute of Management.

People from organisations without a formal suggestion box system tend to be wary. It may have been tried before (unsuccessfully), involves extra work with little reward, they feel it is not needed in smaller, less structured, more open organisations.

*At one stage we thought about introducing a suggestion box scheme but we could not overcome the problem of allocating a specific person to sort out the ideas and then decide what to do with the ideas.*

David Loy, Director of Administration, the Sydney Children’s Hospital.

*As far as I know we have never had a suggestion box scheme at the ABC. The journalists here are forthright people, if they have an idea they will tell you face to face. Suggestion box schemes are for larger, more structured organisations with greater distance between managers and employees.*

John Budd, Executive Producer, *Four Corners*, ABC.

Perhaps the most instructive example I found of the effectiveness of a suggestion box scheme is with Citibank. The innovation manager, Dom Valastro, reported the following:

- The program has been in place for three years.
- All submissions must in writing and are sent to the administrator.
- Ideas submitted include cost saving, new process and new product ideas.
- To date, 191 ideas have been submitted from 2000 employees (i.e. 0.1 idea per employee)
- There is a high concentration of participants, i.e. 30 (1.5%) of employees have contributed 74% of the ideas
- Most suggestions have come from middle management.

Program results:
- There is no record of any commercial success flowing from any of the submitted ideas.
- Due to the poor response time and lack of recognition, employee morale has been impacted.
- Senior management considers the program not to be working and are considering abandoning it.

Dom Valastro gave the following reasons why he considered the program not to be working:

- Senior managers have limited engagement in the program
- There is a lack of awareness and focus
- New ideas are not received or welcomed from some line managers
- There is a long lead times in responding (e.g. it could take 40 days before a person is notified of the status of their idea).
6.4.4 Designing a better suggestion box scheme

Interviewees believed that encouraging and collecting employee ideas is desirable. But for most, the suggestion box program in place at their organisation is not working. Hence there is a gap between what participants say is important and the current ways of collecting ideas. Interviewees tend to accept this gap or abandon the suggestion box program altogether.

However, some interviewees suggested a number of ways of designing a better suggestion box system (see Figure 6.3):

**Figure 6.3  Designing a better suggestion box system**

- **Involve the potential users of the program in its design**
  I was amazed at the lack of consultation and dialogue between the designers of the suggestion box scheme (typically a task force chaired by a senior manager) and the
potential users of the program. Most schemes were designed almost in isolation from
the users or copied from another company.

Users tended to become involved if only the scheme was not working or there were
many complaints because of the tardiness in replying, for example. With my marketing
experience, it seemed to me that it is better to conduct research among the potential
users of the scheme before it is launched. In this way the needs, wants and
expectations of employees can be reflected in the design (or redesign) of any scheme.

• **Involve the generator of the idea in the implementation process**
  In this way the people who suggest and care about the idea can carry that passion
  through to the implementation of the idea. In a number of schemes, once the idea has
  been suggested it becomes divorced from the generator of the idea. This leads to a
  lack of passion for the and frustration from the idea initiator because the group may
take the idea in a different direction from the one originally envisaged idea (“it is not
my idea”). It also absolves the idea generator from any responsibility to make it
happen.

> We had a suggestion box scheme some years ago but we did away with it. Why?
> Because they absolve the generator of the idea from the implementation of the
idea. The person came up with the idea submitted it then that was the end of their
responsibility. The person who is then charged with implementing the idea is
never as passionate as the generator of the idea.
> John Maclay, General Manager, 3M

• **Engage the leaders of the organisation**
  Introducing or redesigning a suggestion box system, whatever its form, has to have the
full commitment of the leaders of the organisation. If they do not take it seriously then
no one else will. This means that the senior team has to be receptive to new ideas
themselves regardless of the source of the ideas. Perhaps having a successful idea
program as part of senior managers’ goals for the year might ensure sufficient
attention is given to the program. Yet it is difficult to mandate passion and enthusiasm
for a program. Another suggestion is to rotate ultimate responsibility for the success of
the program among the senior management team.

> If you are going to introduce a suggestion box system, senior managers have to
take it seriously.
> Hugh Spencer, Strategy Planner, Clemenger BBDO, Advertising Agency.

• **Outline the key priorities**
  A common response among interviewees is that the ideas submitted, while original, are
often not in line with the leader’s priorities for the organisation. It makes sense,
therefore, for any employee ideas scheme to have a specific and explicit focus. Too
often senior managers would complain or become frustrated about the range of ideas
yet they did not tell potential idea generators in advance what sort of ideas they expected.

I believe a better ideas system needs to be quite specific, for example, “we are particularly interested in ideas that can improve our customer service, that can be implemented within twelve months and cost less than ten thousand dollars to test”. Interviewees outlined the need to have a clear, crisp, simple idea requirement or focus. It is another paradox that the more focused a person or group is the more creative they can be.

*The more you focus in simple, clear terms the more likely you are to succeed.*
*Every program has to have a role, its own identity. Each individual program should also fit into a whole.*
Paul Williams, Head of News & Current Affairs, ABC.

*There is a relationship between creativity and simplicity. The more simple and elegant the more creative. In scripts, for example, the more we can remove words the better. Most great creative breakthroughs come from simple questions.*
Rob Sitch, CEO, Working Dog.

- **Make the idea evaluation criteria explicit**
  Following from the previous point, it also makes more sense to make explicit the criteria by which ideas will be evaluated. This information should be made available to everyone before, during and after the program. This has the advantage of providing objective, consistent criteria which allow potential contributors (and peers?) the opportunity to self-evaluate the ideas, providing a better learning environment. The ideas submitted can be more focused. Ideally reason, emotion and non-reason aspects should be included in the criteria (e.g. are you proud of the idea?) rather than the traditional reliance on rational aspects only (see Chapter 5 on building an ideas mindset).

  *It is better to spend more time on the idea early with a few colleagues and or senior managers so that requirements are clarified and implications of the idea are identified.*
  Greg Economos, Marketing Manager, Nestlé.

- **Provide quick feedback to the generator(s) of the idea**
  This was perhaps the most common and serious complaint about ideas programs. Delays in responding to an idea might range from 30 to 45 days. This had the effect of leaving the idea generators feeling they were being ignored and their ideas were not taken seriously. This led to a loss of momentum and creative energy. If not handled well it also meant that people were less likely to proffer another idea and would tell others of their unfavourable experience.
Some suggestions were to provide an initial response within 24 hours to at least acknowledge receipt of the suggestion, using an electronic system where people could access the status of their idea.

*If you involve members or staff you have to act on their suggestions or at least provide a feedback loop to them otherwise they will not contribute anything in the future.*

Graeme Burns, CEO, The Australian Institute of Management.

- **Move towards an electronic ideas system**
  
  In my sample, most suggestion box systems still involve a physical box on the wall placed in some open, public space like the staff canteen. But with the widespread adoption of email, suggestion boxes can occupy an electronic space as well as a physical place. The software company Lotus is an example of how a company can use technology to underpin their employee ideas system. At Lotus, every employee has a profile of interests, skills and experiences. Ideas are then placed in a central point or space by an employee (suppliers and customers are also linked electronically via Lotus Notes). Any employee can access and then comment on ideas. An idea is then pushed out to the people in the organisation who may be in the best position to make use of it.

  *The advantage of electronic communication is that shy people can have a say, the conversation is not dominated by any one person and all levels of the organisation can communicate regardless of title or position.*

  Michael Ossipoff, Marketing Director, Lotus.

An electronic ideas system should also be designed so that it can store all accepted and rejected ideas and make them accessible to all. This has the advantages that people do not repeat previous ideas and perhaps they can build on the ideas of others. Also, good ideas are not lost to the organisation when a person moves on. However this can be threatening for some people, as the idea becomes the property of the collective rather than the individual. I suspect this is a barrier to participation in most suggestion box systems. The person who creates and has the passion for the idea must paradoxically ‘let go’ of the idea for it to be taken up by the system. Involving the person in the implementation is one way of ensuring their passion is not lost completely.

*A brief will come in from Intel and we may do a brainstorming session and present the ideas to the client. The rejected communication concepts are still recorded on computer and can be accessed by the agency and the client anywhere in the world. This can become the starting point for the next phase of ideas. I call it a treasure chest of ideas.*

Malcolm Auld, Managing Director, Euro Direct Marketing.

- **Constantly promote the scheme**
One of the reasons the Citibank program failed was a lack of awareness. People did not realise the program existed, or how it worked. Hence resources are needed to promote the program, the ideas it generates and the people who participate. To break out of a negative cycle people need to be reassured of the program's continued success and respondents need to be recognised and, in some cases, rewarded for ideas submitted. Promoting idea generators and their ideas is a double-edged sword, however. The Citibank case study indicated that the immediate line manager is often the major problem. People would suggest an idea that was eventually referred back to the person's immediate superior who asked why the idea had not been suggested to them directly. Perhaps an ideal situation is to offer an option of anonymity for all intending participants.

- **Provide lots of recognition**
  Interviewees believed that recognition is a vital part of any employee ideas program. The emphasis tends to be on a large number of recognition devices as well as a small number of large awards. Recognition also encourages participation, gives opportunities to promote the program, avoids an expectation of a financial reward (for every idea) and is felt to be more motivating for staff.

- **Constantly evaluate**
  One of the things that surprised me about suggestion box schemes is how little they are reviewed and changed. The Citibank program, for example, which has not produced one success in three years, was not reviewed until a new managing director was appointed. My research suggests that any creative product and/or process should be tested, measured, reviewed and retested in a continuous cycle. Most suggestion programs are caught in a negative cycle. There is perceived lack of management interest, participants can have a negative experience when they suggest ideas, ideas dry up and the program is considered a failure and eventually cancelled.

- **Make the program informally formal**
  Interviewees warned against making the program too formal. They are concerned that if it became too formal it would become another part of a rigid bureaucracy. Hence any new employee ideas system should remain flexible, adaptive, involving, simple, measurable and easy to contribute ideas.

  *There are also problems if the idea process is to formal; it takes too long, the process becomes rigid, the original idea gets compromised and by the time you get towards the end you just want to get it out.*
  Greg Economos, Marketing Manager, Nestlé.

Some interviewees practised a relatively informal formal employee ideas program. Graeme Burns, CEO of the Australian Institute of Management, for example, regularly meets (usually monthly) with his staff to talk about the direction of the organisation and to elicit their ideas. Using a broad definition this is a form of employee ideas generation program.
The advantage of this program is that participants can talk directly with the leader of the organisation and can gain immediate feedback on their ideas and suggestions.

I have enormous brain-power in my members, staff and suppliers that I have to harness. They are an important, yet overlooked, resource. It is an important source of power and creativity.

Graeme Burns, CEO, The Australian Institute of Management.

- Aim higher
  For most interviewees, there were no employee "best practices" ideas program they could relate to. As a result, their vision of what could be achieved was limited. The sense is that they are all stumbling along. They agree with the idea of formally addressing employee suggestions but do so with seemingly little enthusiasm. In fact, except for Dell Computers and Lotus, I cannot recall any leader of a profit or non-profit organisation displaying any sort of passion or real commitment for their current program or for launching a new program.

6.4.5 The tension in structured creative processes
At its deepest level there is an inherent tension in any structured creative process. As highlighted in Chapter 5, reason and efficiency dominate most organisations (in my sample). Hence any process will be designed with a degree of rationality in mind. However, creativity by its nature involves non-rational processes like intuition and imagination. Thus there is a contradiction and tension. A formal creative process is built around order, control and logic, yet breakthrough ideas rely on intuitive leaps and imagination, which are outside the rational domain. This is not to say that this process is not needed, but it needs to be flexible enough to allow some discontinuous leaps, while remaining rigorous enough to ensure that good ideas are sufficiently validated.

Another interesting finding about structured creative processes is that, when prompted, interviewees would comment on the process (either favourably or unfavourably) but rarely nominate a possible alternative. One exception is Peter Reynolds from Integrated Options, a medium-sized advertising agency. He suggested:

Perhaps we should separate the advertising briefs from the client into business-as-usual briefs (smaller, large volume, requiring incremental change) and non-business-as-usual briefs (larger, more important, and discontinuous).

Reynolds saw a link between the generation of new advertising ideas and the type of creative process. A completely new idea may often depend on the development of an entirely new process.

In the advertising industry, for example, new business pitches are often treated in a different way from the other advertising briefs moving through the agency. Perhaps it is because the creative process is relatively unseen compared to the visible emphasis on creative people, product and the environment that it receives so little attention. Because it
is not seen, nor completely understood, the existing structured process can become too rigid and accepted without question. An assumption that creativity "just happens" also suggests that process is the forgotten "P" (after product, people and press) in leaders' minds when they consider bringing about creative action. In a lot of ways it is also the most difficult and time consuming to change.

Another reason the formal creative processes are neglected (or at least just accepted without scrutiny) is that managers tend to be concerned with parts of the process only and do not see the complete picture. In the advertising industry, for example, there are specialists who are responsible for media planning and buying, creative development, account service and administration, but no one with a complete overview.

6.5 The unstructured creative processes
The second type of creative process in use in organisations is of the unstructured type. This is based on a belief that creativity emerges in an unplanned, accidental, random, more individual and informal way. Further, it is felt that this form of creative process is more flexible, personal, spontaneous and often quicker than the more formal process.

_You cannot plan innovation. It is unexpected._
John Maclay, General Manager, 3M.

_Most creativity is surreptitious._
Dr. Dennis Cooper, Divisional Managing Director, CSIRO.

_Some of the best creative moments are shared in a car on the way to a shoot._
Chris Masters, Reporter, Four Corners, ABC.

The unstructured creativity process has at its essence the concept that ideas emerge from the interactions of a diverse range of people and mindsets. It is a paradox that the informal system often relies on deliberately bringing together diverse people, mindsets, information and ideas.

_Creativity is all about designing interactions into your organisation. I believe in matrix management. It creates tension, people are forced to interact with their peers but it can be uncomfortable in that there are no clear job descriptions._
Dr. Dennis Cooper, Divisional Managing Director, CSIRO.

6.6 The importance of diversity
Most interviewees were of the view that greater diversity is both necessary and an important building block to greater creativity. Yet it is not enough to have diverse people, diverse mindsets are needed as well.

Different mindsets bring new perspectives, information, questions, emotions, ideas, experiences and assumptions to a particular problem or opportunity, often leading to a broader and more original range of responses.
We clone ourselves yet we tolerate diversity.
John Maclay, General Manager, 3M.

We are a multidisciplinary faculty that comprises specialists that come together.
We encourage communication and information flows between the different groups.
Professor Sharon Bell, Dean, Faculty of Creative Arts, University of Wollongong.

Without diversity, individuals and groups may not be able to escape the dominant paradigm. This can lead to a limited and narrow range of ideas. An interesting case study of the lack of diversity is the NSW Police. Historically there have been restrictions based on race (white), size (height) and sex (male). As Christine Dixon, Deputy Commissioner, NSW Police noted:

As a result there was little diversity. Everyone followed the rules. In the past 10 years we have tried not to attract these sorts of people. This was very challenging to existing police mindsets e.g. in the latest batch of 40, 25 have degrees, three with PhD’s, two were over 50, they are overall a more diverse group - they are more independent thinkers.

Interviewees mentioned other ways of increasing diversity in an organisation. This typically revolved around employing more females and involving younger people. There is a belief that younger people are not as stuck in their ways and are generally more challenging, energetic and open to new ideas.

The young are more open to the new technology, they embrace change otherwise they feel they slip behind. Younger people are good because they have fresh ideas.
Andrew Thompson, Managing Director, Incognito Advertising Agency.

Having more females in senior management has an important advantage for organisations in that it provides a greater diversity of opinion and different perspectives.
Debra Heitmann, CEO, Australian Council of Businesswomen

Another feature of my study is that, in general terms, I found a greater level of diversity amongst the non-profit sector and some of the new software and Internet related companies than I did in the profit companies I studied. In the non-profit sector there is a huge diversity in background, age, education but they tended to share a common interest or passion in what the organisation is trying to achieve.

We have a more diverse range of people. In one day I will have to deal with the finance director who is quite different from the artistic director who thinks in terms of visual images. Then the musicians are quite different again.
Helen O’Neill, Director of Marketing & Communication, The Australian Opera Company.

*There is a huge diversity of people entering this industry, all with different backgrounds e.g. engineers, architects, marketing. Most knowledge does not come from courses but from tinkering.*
Andrew Gardner, Managing Director, APL Digital.

6.7 The relationship between diversity and interaction
Having a diverse range of people and mindsets is an important component of the unstructured creative process. However, while greater diversity is vital, it should be coupled with greater interaction. In fact, there appears to be a symbiotic, creative relationship between diverse mindsets and interactions. As has been discussed, diversity can bring new perspectives, questions and ideas. But the greater the diversity, the greater the need for interaction (a wonderful paradox). The greater the diversity in interaction the greater the potential for creativity.

In my sample, the larger profit organisations were not as diverse as the non-profit organisations and they tended to rely on more planned interactions, thus reducing the potential for creativity (see Figure 6.4). Interactions without diversity can lead to consensus but a limited array of options. Greater diversity without any interaction can lead to a divergence of ideas but little agreement.

*The secret is to provide interactions with a diverse range of people. The original or initial idea can trigger off other ideas. Ideas can come from new perspectives or new questions.*
Dr. Dennis Cooper, Divisional Managing Director, CSIRO.

*Better creative solutions often came from the interactions between the reporter and the editor. This has led to better solutions than one person could create although sometimes this has led to clashes.*
Liz Jackson, Reporter, *Four Corners*, ABC.

*To encourage creativity you need interactivity between people and departments. We need to break down the barriers, where different skills are appreciated. We want a sharing of ideas and information, we want creative noise.*
Stan May, Chairman and CEO, Leo Burnett, Advertising Agency.

6.8 The different types of interactions
My research suggests there are four general types of interaction (see Figure 6.5), some of which are more conducive to creativity than others. On one continuum there are face-to-face and electronic interactions, on the other planned and unplanned. All these interactions are occurring simultaneously in most organisations and they complement one another. Yet
there does seem to be a dominant type of interaction within each organisation, which mirrors the culture of the organisation.

**Figure 6.4 Diversity vs. type of interaction**

![Diagram showing diversity vs. type of interaction]

**Figure 6.5 Types of interactions**

![Diagram showing types of interactions]
6.8.1 Face-to-face unplanned interactions
These are interactions that are characteristics of organisations such as the Four Corners and Lateline programs at the ABC. These are smaller organisations, where people rely almost exclusively on conversation and dialogue to create and develop ideas. They are fast moving, flexible organisations that rely on the creativity of most of their members. These programs use electronic communication for external purposes, e.g. to source material for stories and to arrange talent to appear on the program, but most internal interactions are face-to-face. The programs typically are situated in the one, small, crowded place where people are literally bumping into one another.

Although the face-to-face interactions are not the most efficient they tend to be the most conducive to the creation and development of new ideas. It is interesting that a few of the major advertising agencies in Sydney (e.g., Clemengers, George Patterson Bates) have recently installed internal cafés to try and stimulate more human, unplanned interactions.

*Lateline relies on conversation, exchange of ideas, it’s an open unit. It is a small working area. It looks like chaos and people are pushed by other people.*
Jacquie Harvey, Executive Producer, Lateline, ABC.

*Ideas have to be talked about and shared with lots of people. People have to talk for ideas to emerge.*
Helen O’Neill, Director of Marketing & Communication, the Australian Opera Company.

6.8.2 Face-to-face planned interactions
3M is an example of an organisation that deliberately designs into its organisation many and varied face-to-face interactions. It encourages the technical people to discuss issues with customers face-to-face, for example. This is a deliberate management strategy to encourage the solving of customer problems quickly and to generate new ideas.

*Networks and open communication is important. We allow as much interactions amongst our people as possible because that drives creativity.*
John Maclay, General Manager, 3M.

3M takes the bringing together of people face-to-face very seriously. They even employ a senior person, Peter Gregory, at head office to ensure this happens. He runs 15-20 sessions per year, bringing together from 2 - 20 people from different departments or functions for half-a-day up to three days.

*My role is to bring about discussion amongst different people, functions or divisions within 3M. We have an output of a list of action points but the real value is not the list but in bringing people together. The outcome is tangible but the thing that causes this to happen is the sharing of information, ideas, feelings and emotions.*
Peter Gregory, Marketing Services Manager, 3M.
Having too many face-to-face planned interactions is a common complaint amongst participants, particularly in the larger profit organisations. Even allowing for the increase in electronic interactions, most leaders still complain that formal meetings take up too much of their time with very little return for the amount of time invested.

Another face-to-face planned interaction is brainstorming. As discussed, this is a formal, deliberate, attempt by a group to generate ideas. Whilst brainstorming has its place, it is an example of the limitation of these types of interaction in creating new ideas. Sessions are slow to organize, limited by geographic boundaries, can be dominated by a strong personality, include a limited array of people (say of a certain rank or position or role) and tend to respect (and be limited by) the formal organisational structure.

6.8.3 Electronic unplanned interactions
Interviewees talked about the growing importance of all types of electronic interactions. Mostly they talked about email but they also included voice mail, Web Pages and the Internet. Email and organisational Intranets have added another rich dimension to employee interactions. They allow people to communicate with large groups of people (local and overseas) quickly and easily. Hence the number of unplanned interactions is increasing dramatically. In organisations such as Lotus and Dell Computers electronic interaction is considered a vital tool that facilitates communication and the creation of new ideas.

I get hundreds of email messages per day. It is a communication tool. I could not survive without it. I must have it. It enables me to do my job.
Rob Small, Marketing Director, Dell Computers.

These type of interaction are quick, efficient, transactional, but often lack depth. Email is also developing its own shorthand language. But there may be lost creative opportunities in the lack of a real dialogue and the chance to make an unexpected connection from a chance comment or question. Because the medium is not very old, interviewees are finding new ways to use email to create new ideas. Jayne Economos, Brand Manager at Nestlé, for example, suggests:

Email is here to stay, so we have to make it better, e.g. by having and sharing a thought of the day.

The rise of electronic interactions does have a downside, however. It can exclude some people in the organisation (those who do not have access to a computer), can create more work, become another political weapon and, because it quickens everything, it may lead to a reduction in the time spent on reflection and incubation which are vital to the creative process.
Technology can cause even more work. Currently the senior managers at Telstra get over 120 email messages a day.
Nicolle Sheffield, Marketing Manager, Multimedia Division, Telstra.

All of our work is on-line now. This makes everything faster. But it also puts pressure on people. There is no time to reflect.
Andrew Thompson, Managing Director, Incognito, Advertising Agency.

Even allowing for these problems there is no doubt that there is enormous potential for enhanced creativity in organisations because of unplanned electronic interactions. People can interact with more people, more quickly, more often. Hence creativity should be enhanced, particularly if it leads to more interactions amongst a diverse range of people.

6.8.4 Electronic planned interactions
Email and the other electronic mediums are increasingly being used in a planned, deliberate fashion. Teleconferencing, for example, is being used to replace the need for people to attend a meeting in person. I earned my MBA degree entirely as an external student interacting with my lecturer via mail, phone, email and teleconferencing. I occasionally met with other students when attending a weekend residential. As much as it suited my business and work life at the time I did regret the lack of deeper, more personal learning interactions.

Some interviewees also complained that every report is now copied to them whether it is of direct or indirect benefit. This has led to more work, less time and a feeling of information overload.

It is interesting that even organisations that rely heavily on electronic interactions still acknowledge the need to meet face-to-face. Michael Ossipoff, of the software-company Lotus, discussed a concept he called a “technology of trust”. By this he meant that electronic communication need to take place within a culture of trust. Electronic interactions needed to be supplemented and are, in fact, enriched by physical interactions.

There is a technology of trust at Lotus. You have to still meet people face to face and develop some form of relationship with them in addition to an electronic one.
Michael Ossipoff, Marketing Director, Lotus.

Electronic communication can enhance interactions, but it tends to be more transaction based. Perhaps it can start or enhance a relationship (particularly for younger people) but for most people, relationships are still built in person. When relationships are established, trust, respect and openness can follow. Then perhaps deeper, more effective interactions may emerge. Creativity can be enhanced if both electronic communication and personal relationships co-evolve. The ‘technology of trust’ also reinforces the notion that interactions are part of, and not separate from, the culture of the organisation.
We believe that electronic communications enhance but do not replace physical communication. We still get together for meetings and fun.
Rob Small, Dell Marketing Director, Dell Computers.

People are hiding behind their email. It stops people from talking and chatting.
Ian McTavish, Creative Group Head, George Patterson Bates, Advertising Agency.

6.9 Freedom within limits creative process
Some interviewees outlined a third creative process used in organisations. It tended to be a hybrid of the structured and unstructured processes. This process is evident at Four Corners and 3M. It consists of a rather loose number of creative processes combined with a rigorous audit process. It differs from the formal process because there can be many processes (not just one) and the process is dependent on the individual or the team involved. It also differs from the informal process in that there is some freedom but within tight disciplines.

We have technical audit teams to check on the progress of each project. They ask two questions: is it new to the world and is there a competitive advantage.
Dr Mel Leitheiser, Technical Director, 3M

Every reporter, producer and editor has their own style which is weaved into a loose framework of process.
Virginia Moncrief, Producer, Four Corners, ABC.

At Four Corners, for example, a reporter is allocated a team, given an on-air date (usually in 6-8 weeks) and a budget. Occasionally the reporter is given an idea to develop. Within these parameters the reporter and the team follow their own process. The story idea is reviewed early by the executive producer and, if passed, the story may not be reviewed for another four weeks. In the meantime the reporter and the team develop the story as they see fit. One of the lessons here is that decisions are made relatively early on whether or not to continue.

Built into the creative process are some key stages that tend to focus the program, e.g. convincing the Executive Producer that there is a story worth doing in the first place. Also, at the rough-cut stage, where the Executive Producer previews all the material and how the program is taking shape.
Andrew Fowler, Reporter, Four Corners, ABC.

The Four Corners unit is built around freedom within limits. This sounds counter-intuitive: how can you break some rules yet still keep within other rules? This process seems to work because it allows some creative freedom within regular checkpoints. Because the reporters (and the team) can express their creativity they tend to be more committed, motivated and the final product should be better. They have a greater feeling of ownership.
Another implication is that the process serves the desired outcome and does not become an end in itself, as is the case with the more structured approach. This is not to suggest that this “freedom within limits” process is without its problems. Some of the reporters feel that they are given too much freedom and would like greater input into the creative process.

At Four Corners there is creativity within limits. We can experiment but within a successful formula. The industry is unforgiving, it is hard to recover. This can make people conservative and avoid taking risks.
Deb Richards, Deputy Executive Producer, Four Corners, ABC.

The current process involved too much liberty. I would like more meeting points and reports more often. Often you need the greater objectivity, direction and involvement of the Executive Producer.
Liz Jackson, Reporter, Four Corners, ABC.

6.10 Stages in a total idea system

Our best successes are where ideas are transferred from start to finish. You need to create tight linkages between the different stages, people and functions.
Steve Vizard, CEO and Co-founder, Artist Services.

Interviewees talked about the different stages in a total idea system in an organisation. These stages are not necessarily linear in nature and may occur concurrently. These different stages seem to be present regardless of whether the creative process is structured, unstructured or freedom within limits, although the emphasis may vary. It tends to follow, however, that if the dominant creative processes are structured, for example, then most (if not all) the stages will also be structured. At the heart of any ideas system are the values, vision, competencies, culture and key priorities of an organisation. In other words, any ideas system reflects, and is not separate from, the rest of the organisation.

Whilst I have identified ten distinct stages from my research these should be treated with some caution, as the boundaries of each stage are overlapping and fuzzy. Although each individual stage is important, the connections and relationships between the stages are of equal importance. Creativity can be applied in any of the ten stages rather than being thought of as applying only at the idea generation stage, e.g. advertising agencies can creatively present their concepts to the client.

The ten stages are:

- A proactive search for ideas.
This stage is a proactive, general, ongoing idea search process. Implicit in this stage is that while leaders are searching for ideas they are also open to new ideas being presented to
them. The process tends to be open-ended, informal, individual in nature and focused on new opportunities rather than solving specific problems. Creative directors in advertising agencies, for example, often look for ideas from other advertising campaigns from Australia and overseas. Their offices are replete with unfinished concepts, pictures, sayings or advertising books.

_We get our ideas from Europe and the US. We make trips every year looking for trends in merchandising, shop fittings etc. They are generally ahead of us. We also get a number of ideas from smaller shops as well. It is a deliberate, active ideas search process._

Tom Hall, General Manager Retail, David Jones.

_People bring us new ideas and new technologies. We are open and receptive to new ideas from others, e.g. from customers and inventors._

Dr. Mel Leitheiser, Technical Director, 3M.

Interviewees used many different strategies to search for ideas. They looked overseas, borrowed successful concepts from other companies and industries, tried to make the problem more conceptual, talked to customers, suppliers, partners, employees and proactively sought a broad range of stimuli.

_The successful 'Race Around the World' program was borrowed from a similar concept in Canada. Most television concepts in Australia have been borrowed from overseas e.g. 60 Minutes and Four Corners._

Sue Spencer, Producer, Foreign Correspondent, ABC.

_ I try to make the creative problem more conceptual or abstract so I can look to other industries for ideas._

Shane Cargill, MD, Mothers Art (a creative production company).

_Our customers and staff are a good source of ideas and innovation. Also the 280 franchises are a significant source of innovation. They were the ones that developed our latest chicken hamburger._

Charlie Bell, CEO, McDonalds (Australia).

3M, in particular, constantly and deliberately takes products and technologies from one area of the company and applies it to other areas, e.g. the Velcro in zippers is currently being tested with building and construction applications. 3M has some 30 different technology platforms in which it has an expertise. This allows the company to build new applications on top of its existing technologies thus reducing the risk factor in new product ideas.

_We take one product from one division and another from another in order to solve a customer problem._
Dr Mel Leitheiser, Technical Director, 3M.

- **The creation of ideas to solve specific problems.**
  Some interviewees highlighted the difference between opportunity-creating ideas and problem-solving ideas. They felt that they are always on the look out for opportunity-creating ideas, whereas the more structured creative processes often did not start until there was a specific problem, e.g. a brief to an advertising agency from a client to develop an advertisement. The NSW Police Force, for example, is trying to shift from a problem-solving mindset (acting when a crime is committed) to an opportunity-creating mindset (preventing a crime). Both problem-solving and opportunity-creating ideas tend to coexist and complement one another.

  *There are two types of ideas: specific problem-solving ideas and opportunity-creating ideas. These are ideas that are outside the normal day-to-day.*
  Patricia McIntyre, Vice President, Bankers Trust.

  *Sometimes the only reason an organisation acts is because their competitors have jumped first.*
  Deanne Stewart, Advertising Manager, Bankers Trust.

  *Our traditional reward and recognition system has favoured only the problem solvers, i.e. the people who solved crimes. It is what the detectives did and where everyone wanted to work. It also matched community expectations through the large number of police programs as to what a police person did. They were, or became, the heroes.*
  Christine Dixon, Deputy Commissioner, NSW Police.

Interviewees indicated that most creativity in organisations revolves around solving problems. It was suggested that problem-solving is reactive, raises issues as to whether the right problems are being addressed, can be incremental and often ties people to what exists today. They feel under time pressure, have limited resources, challenging targets, hence they tend to focus on the more direct, concrete problems rather than the often harder, more nebulous potential opportunities. In an irony, however, interviewees acknowledged the need to proactively create more opportunities while feeling bogged down or unable to escape the problems confronting them.

- **Idea enhancing or building.**
  This is an important yet overlooked stage. It is the stage where the initial ideas are enhanced and grown. The aim here is to allow ideas to flourish before they are prematurely discarded, to develop ideas into a more concrete form and to continue to keep ideas fresh and relevant.

  *Ideas are killed too soon; you need to build ideas and give birth to them. It is easier to kill an idea than to create one.*
  Jack Vaughan, Creative Director, The Principals, Advertising Agency.
Our group will use brainstorming sessions to help refine an idea. It helps to flesh out an idea, to think about all the other issues.
Deanne Stewart, Advertising Manager, Bankers Trust.

Interviewees stressed that it was important at this stage for the idea generator to let go of his/her ownership of the idea. The idea becomes public property. At Four Corners, regardless of who conceived the idea, there is a genuine attempt to build on the idea, in order to try and make it better. This could be done formally (e.g. with the Executive Producer) or informally (e.g. with other team members). There was a widespread belief that through dialogue a stronger idea would emerge. However, some reporters did suggest that given the importance (and scarcity) of story ideas, they were unwilling to share them with the rest of the group for fear of them being stolen.

- The capturing and retrieval of ideas.
Nearly all interviewees acknowledged that ideas are being lost. There is a terrible irony in that they agree that ideas are important, and good ideas are rare, yet not many organisations have installed a way of capturing and retrieving ideas. Some processes exist, however. They range from creative directors retaining their (often-rejected) ideas in the bottom drawer of their filing cabinet to electronic systems. Even electronic systems seem more intent on receiving ideas than storing them for future use.

*Good ideas are being lost. Unless it is strategically relevant we should reject the idea but we can still use them in another context or for another client. Why don’t we start the idea process with ideas that have previously been developed?*
*Wayne Hazel, Creative Director, Integrated Options, Advertising Agency.*

*Ideas can and do happen any time and any place. We capture lots of them, but I’m sure lots also slip through the cracks.*
*John Maclay, General Manager, 3M.*

Some interviewees suggested reasons why they did not capture ideas. These include that it must not have been a good enough idea in the first place, the need for originality (and to be seen to create original ideas), and the cost and work involved, particularly if the organisation relies on a manual paper-based system.

*Creative people also have a problem in that they cannot borrow ideas. They have to be seen to be creating their own. We need fewer egos and more sense.*
*Lynn Springer, former Managing Director of Foote Cone & Belding, Advertising Agency.*

- Idea recognition and reward.
Interviewees had mixed views on the role of recognition and reward in the creative process. Some leaders did not see the need to recognise a creative product if someone produces it in a creative role. It is seen as a person doing their job. Other participants
believed that although people in creative roles are expected to contribute ideas there still exists a basic human need for their efforts to be recognized. In general, participants in lower management positions did not believe that recognizing a person’s contribution is well handled by senior management.

Recognition is very important because in recognising the idea you are valuing and recognising the person.
George Stent, Principal, Stent Research.

There was also some divergence amongst interviewees about the role and importance of recognition and rewards. Again there were two schools of thought. Some felt that people should suggest ideas as part of their job and hence should not be rewarded. Others felt that ideas that could be demonstrated to have a significant impact on the bottom line should receive a monetary reward. Of the organisations I studied, 3M is perhaps the best example of using recognition as a powerful incentive to contribute ideas. There are technical and business sharing awards, and honour societies (e.g. Circle of Technical Excellence) that are all peer based. The reward is not monetary but being nominated by one’s peers and belonging to a special club.

Most of our recognition is soft stuff via plaques. It is peer nominated. You become part of a special club.
John Maclay, General Manager, 3M.

- Evaluating ideas

Interviewees mentioned two forms of idea evaluation. I have called these the pre- and post-idea creation evaluation. The first type (i.e. pre-evaluation) is in use by Four Corners. Reporters search for story ideas to transform into a program. During this process they consider and evaluate a number of ideas, then make a decision and start to develop their story. The evaluation criteria are informal, subjective, open-ended and personal.

Ideas were evaluated according to the following: What is involved?
Do I have contacts or access? Has it been done before? What is new about the story? Will it grip people’s attention? It is not formalised, however. It relies on the researchers’ and reporters’ experience and judgement. It is used as a rough rule of thumb.
Deb Richards, Deputy Executive Producer, Four Corners, ABC.

The second type of evaluation occurs once an idea(s) has emerged. Like the idea generation process, there is a formal idea evaluation process and an informal one. 3M, for example, has a formal idea evaluation process that is rarely followed. Perhaps this is because most idea evaluation criteria only consider the rational dimensions of the idea, e.g. does it save money? This ignores the very important non-reason and emotional aspects of any idea.
There is a formal idea evaluation form, which is sent to the inventor, which asks about patents for example. This is the official way yet it rarely happens this way. I use three questions: Is it real? Is it worth it? Can we win vs the competitors?
Dr Mel Leitheiser, Technical Director, 3M.

People are quick to identify a good idea. Recently we presented to a client an idea against a particular brief and they spontaneously clapped.
John Bevin, Principal, John Bevin Advertising Agency.

Most advertising agencies, for example, do not have a formal idea evaluation process. Yet all could spontaneously mention a number of the most important criteria.

Some of the criteria we use are that it’s practical to implement, ‘politically correct’ (in this case the director means correct in terms of the clients’ politics) and strategically sound.
Anne Small, Account Director, George Patterson Bates, Advertising Agency.

One of the problems of not having specific, explicit evaluation criteria is that a great deal of subjectivity emerges. There is nothing wrong with this per se but it means that broader criteria are kept hidden. In fact, the subjective or emotional criteria are often the most important.

Another complaint about the idea evaluation process is that often the people who originated the idea are not involved in its evaluation. This has another implication in that for some participants creativity exists at the idea generation stage only rather than throughout each of the ten stages.

I would like to see more creative people involved in the evaluation process. We need to be just as creative in the evaluation stage as we are in the idea generation stage.
Wayne Hazell, Creative Director, Integrated Options, Advertising Agency.

- The championing or promoting of ideas.
For most interviewees, having an idea champion or someone to promote an idea is seen as an integral part of the idea process. An idea champion is required to provide the energy to push the idea through the organisation, fight for resources and gain senior management attention. Typically the idea champion is the generator or someone who was involved in the idea generation process and believes strongly in the potential of the idea. The concept of an idea champion is also recognition of the role of passion in the idea process, in fact, the idea champion could just as easily be called the idea passion person. Notice that the idea champion is a role, not a specific person. At 3M, for example, that role and those of other members of a team are filled through volunteers. Typically, however, the idea champion is someone who has some influence in the organisation.
With ideas, you need a champion. You need someone with an ego to get things done.
Jack Vaughan, Creative Director, The Principals, Advertising Agency.

Our culture is one of individual initiative and ownership of ideas.
John Maclay, General Manager, 3M.

In the advertising industry, the promotion of an advertising idea or concept is seen as an active process. There is certainly no suggestion that clients should be left to their own devices to recognise an idea. It is also seen as a key account management service skill. The active (almost aggressive) promotion of an advertising idea is seen as important to most creative people in an advertising agency. Because it is their ideas they want it presented in the most positive light. Sometimes this causes conflict with the account service people if the creative people feel that their idea has not been pushed hard enough.

The promoting or pushing of an idea can also cause conflict with the client. Sometimes this is part of the creative tension that exists between agencies and clients but it seems that clients are excluded from the creative exchange and hence denied the opportunity of building a co-creating partnership.

- Idea testing.
As discussed in Chapter 4, interviewees believed that any creative product should be original yet they placed great emphasis on it also being valuable and actionable. The best way to determine if a creative product is indeed valuable and actionable is to test it with the intended receivers of the product. Yet, paradoxically, although they want the idea to be valuable and actionable they seemingly place many barriers in the way to ensure that testing the new creative product is as difficult as possible. Some examples of this are that the formal creative process can become rigid and time-consuming, or the sales or financial targets that the new creative product must achieve are too demanding hence it is never tested. And there is a quest for certain, rational proof that the product will succeed before it is ever tested. This has the combined effect of slowing down the testing process. If the testing process is slowed down, then the measuring, learning and retesting loop is also slowed down.

3M, however, has as a core philosophy “to try a lot of stuff and keep what works” (from a speech entitled ‘Creating an Innovative Environment within your Organisation’ by John Maclay, General Manager, 3M, 10/9/97). This creates an environment in which testing an idea is expected. It also gives permission to test many things, quickly and (ideally) cheaply.

We do lots of little things that do not cost us much.
Dr. Mel Leightheiser, Technical Director, 3M.

I found this core value and practice refreshing. The sensible testing of many things encourages people to take risks, measure the results, learn from any mistakes and try again.
Idea Measuring

An implication of the practice of continual testing is that the results of each test should be measured. For some interviewees, the actual measuring of the results is one of the most important stages as it completes the idea loop connecting the front end (the idea generation stage) with the back end (the testing, learning and retesting stages) to ensure that greater learning takes place.

*There are two stages; you have to be open to new ideas and then close the loop in terms of measuring and recording the results of the ideas for learning.*

Peter Maher, General Manager, Retail Marketing, Business & Consumer Markets, Westpac.

*We like to have measurements in place so we can see the results of things that we do. By doing this we can continually learn and evolve.*

Simon Bellamy, Managing Director, Media Palace.

What to measure is another issue that interviewees raised. They had varying attitudes ranging from the view that creativity cannot be measured (the minority view) to the view that it should and can be measured depending on the requirement of the creative product. There appeared to be a more general view that both hard and soft measures are needed to capture the full impact of a creative action.

*The problem with business creativity is trying to measure it. Currently we are using such measures as R&D spending and the number of patents. But these are only the start. They are hard measures but you also need soft measures.*

Phil Ruthven, Chairman, Ibis Business Information Systems.

The advertising industry, for example, is increasingly relying on objective measures such as sales, purchase intentions, brand awareness and brand recall rather than on subjective judgement of the creative impact of the advertisement. This is because clients want more accountability and the industry is facing competitive pressures from management consultants, for example. In response to this need the industry introduced the Advertising Effectiveness Awards in 1990.

*The awards were inaugurated to stimulate both agencies and clients towards more considered planning and measurement of advertising. The aim was to make the industry more accountable and to show the degree of professionalism that is required to get results.*

The ABC, as another case study, uses multiple measures. It uses a mixture of objective, external measures (e.g. ratings) and subjective, more internal measures (e.g. is it influential?).

The important point, I believe, is that appropriate, multiple measurements are in place so that ideas can be tested and learnt from.

- **Idea learning.**
  This stage flows directly from the previous two stages. If ideas are tested and measurements are in place then greater learning (potentially) can take place. This learning can then be applied to the development of new creative products. If a test is successful, participants mentioned the importance of transferring that learning to other parts of the organisation. Implicit in this situation is that they themselves are also open to receiving key learning from others.

  *Often in the process of getting a solution people may find other interesting things along the way. In the process of reviewing something we also learn things.*
  John Maclay, General Manager, 3M.

  *If something worked here we were encouraged to transfer the innovation to other countries. This encouraged learning.*
  Julie Webster, Brand Manager, Unilever.

Yet a paradox emerges in that creativity often involves unlearning or trying to escape from what the current knowledge base, process or practice.

A summary of this chapter appears in Table 6.1 below:

<table>
<thead>
<tr>
<th>Traditional perspective</th>
<th>Emerging perspective</th>
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<tbody>
<tr>
<td>Conscious individual creativity</td>
<td>and</td>
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<tr>
<td>Individual creative processes</td>
<td>and</td>
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<td>Diverse mindsets</td>
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| Face-to face interactions | and | Electronic interactions  
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<tbody>
<tr>
<td>Ideas as a product</td>
<td>and</td>
<td>Ideas as a ten stage system</td>
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</table>

Note: This summary adopts a fuzzy thinking approach (see Kosko, 1994). For a business application of “and” not “or” thinking see Collins & Porras (1994).

### 6.11 Conclusion

Interviewees highlighted two main individual creative processes. Although they oscillated between the two, they indicated a preference for one or the other. The first school of thought believes that the creative process is greatly enhanced by the use of specific, explicit, conscious tools and techniques. This approach is espoused by writers such as De Bono (1992a), Fritz (1991), Higgins (1994), Michalko (1991; 1998), Rickards (1997), Van Gundy (1992) and Wycoff (1991).

The second approach relies more on the subconscious to make new connections. Commentators such as Koestler (1964), Nachmanovitch (1990) and Ray and Myers (1989) endorse this approach.

In general interviewees who used the more conscious tool based approach to creativity felt that this process and tools could be learned by anyone. As a result they tended to be more open to the notion that anyone could be creative; it was a matter of training, motivation and encouragement. The people using the second approach trusted their own special talents and were less confident that creativity could be learned. Because they were often in a creative role in an advertising agency there was a certain degree of self-justification in this view. They seem to be implying “I have special, innate creative talents that only a few people possess, that is why I get paid a lot of money.”

The main message seems to be that both approaches are useful and can co-exist, but the more the creative process can be made explicit the more it becomes accessible. The greater the access, the greater the willingness of people to try and use a creative thinking tool, hence a positive creativity cycle is established. The attempt to make the creativity processes explicit is similar to the concept of Nonaka & Takeuchi (1995) that knowledge is created when it moves from the tacit to the explicit.

My research also explored the creative processes used in organisations. They are similar to but different from the individual processes. I found three such processes, structured, unstructured and a hybrid creative process I called “freedom within limits”. These processes, while different, can complement one other. The important theme is that
whatever the process used it tends to escape the radar of most leaders. Processes tend to be treated as a given or "the way we do things around here". But to create new ideas often means creating a new process.

The structured creative process has three manifestations, the new product development process, brainstorming and suggestion box schemes. These structured processes tend to be linear, disciplined, mechanistic, systematic, and more team-oriented.

The new product (or advertising) development processes are well covered in the literature (see Drucker, 1986; Kanter, 1996; Kotler, 1997; Miller, 1987; Pinchot & Pellman, 1999; Porter, 1985).

All interviewees used some form of brainstorming with varying degrees of effectiveness. They believe that despite its shortcomings (e.g. it takes time to organise) it is a reasonable process for creating new ideas and there is a feeling of familiarity and comfort with it. However, while it is well accepted, interviewees often complain that brainstorming rarely produces breakthrough ideas (see McFadzean, 1998, for a similar finding).

Another viewpoint was revealed in the research, that electronic brainstorming can be superior to the usual oral type of brainstorming. The advantages listed are reduced meeting time, increased participation and number of ideas (Aiken, Sloan & Paolillo, 1997). Yet studies reported have been limited to brainstorming sessions and have not covered the electronic interactions within the entire organisation.

Suggestion box schemes were discussed in some detail. All interviewees in my sample believe that harnessing the ideas of employees is a potentially worthwhile initiative. Yet of those with a scheme in place, all but two were frustrated with its lack of effectiveness. This is not the case for all schemes, however. The literature cites many examples of successful employee programs. Carnevale & Sharp (1993), for example, assert that employee suggestion schemes saved United States businesses more than $2 billion dollars in 1991.

Interviewees suggested a number of ways to enhance the working of a suggestion scheme. These improvements can be supported by references to the literature. They include involving the generator of the idea in its implementation (O'Brian, 1994); providing quick feedback (DuPont, 1999); capturing all ideas; making the evaluation criteria explicit; engaging the leaders of the organisation (Cahill, 1993); building an electronic system; outlining the key priorities (Robinson & Stern, 1997); constantly evaluating; having lots of recognition (Amabile, 1997); aiming higher; trying to increase participation (Carnevale & Sharp, 1993); and making the program informally formal.

Even with such enhancements, however, suggestion box schemes tend to treat the symptom and not the disease in organisational life. Leaders may be better off addressing fundamental cultural issues such as trust, openness, attitude to risk, diversity and experimentation rather than expending great effort in relaunching new schemes. These
suggestion schemes should be part of a total strategy for engaging the creativity and passion of all employees rather than a separate program. Walt Disney, for example, holds three gong shows per year where any employee can present an idea for an animated film to the senior management team (McGowan, 1996). Most of the recent animated movies, including Hercules, have arisen from these shows.

In a review of 22 suggestion box schemes in Quebec, Carrier (1998) found that they can lead to employee “intrapreneurship” but are not enough to guarantee innovation, particularly in large organisations. Carrier notes that it is necessary to introduce a culture that:

_Tolerates failure, recognizes individual differences, is willing to promote champions and entrepreneurial teams, gives them the resources they need to innovate and rewards risk_ (ibid., p. 70).

Interviewees described a different type of creative process which I have called unstructured. This creative process is typically informal, unplanned, random, more individual and unpredictable in nature and complements the more structured creative processes. Stacey (1996) call it the “shadow system.” It is a set of social and political interactions outside the legitimate organisational system. Other writers (e.g., Robinson & Stern, 1997) have suggested that this is the only type of organisational creativity.

The emphasis this second type of creative process is on interactions amongst diverse mindsets. Organisations in this context can be thought of as a place and a space where many interactions are constantly occurring. My research indicates that in any one organisation these interactions can be face-to-face or electronic, planned or unplanned. Each organisation tends to have a dominant interaction style, which flows from, or reflects, the culture. The more informal, face-to-face (and in the future electronic) interactions (see Gates, 1999; Negroponte, 1995) are at the core of the unstructured creative process within an organisation.

Historian, Zeldon (1998, p. 14) captures the creative potential of interactions with his description of a new type of conversation:

_Conversation is a meeting of minds with different memories and habits. When minds meet, they don’t just exchange facts: they transform them, reshape them, draw different implications from them, engage in new trains of thought. Conversation doesn’t just reshuffle the cards: it creates new cards._

The more informal interactions, by their very nature, are unpredictable. There are no guarantees, for example, that many interactions among the most diverse people will result in any profitable ideas. This description of multiple agents, interacting unpredictably is consistent with complexity theory (e.g., Kelly, 1994; Stacey, 1996; Waldrop, 1994).
The importance of interactions and diversity in creativity and innovation is well covered in the traditional organisational literature (e.g., Elango, Jawahar & Meinhart, 1995; Rubenson & Runco, 1995; Leonard & Straus, 1997; Figueroa & Conceicao, 2000; Paulus & Yang, 2000; Zachary, 2000). However, these writers tend to limit their discussion to interactions amongst certain departments or groups (e.g., research and development or marketing) and certain processes (e.g. brainstorming). However, a study by Andrews and Smith (1996) found that creativity in marketing programs increased when product managers interacted with people from other departments and Sutton & Kelley (1997) have also highlighted the positive impact on the creative process of backstage visits to the design or creative departments.

The literature does not, however, compare and contrast the effect on creativity of the different types of interaction, i.e. face-to-face, electronic, planned and unplanned, although Csikszentmihalyi (1996) has proposed a more general model of creativity that revolves around interactions between the individual, domain and the field.

Interviewees mentioned a third creative process. This is a hybrid, involving freedom within limits. Kao (1996) uses the metaphor of a jazz “jamming” session that I believe captures the spirit of this third process. It consists of individuals and teams using their creative processes within strict boundaries such as budgets, deadlines and approvals. Cusumano (1997) outlines how Microsoft has used this process in its software development teams. Kanter (1997, p. 12) also captures the spirit of this process with her observation,

_Innovation involves an organizational balancing act between the decentralized or spontaneous processes associated with creativity and idea generation and the more centralized or formal processes associated with rapid adoption or effective commercialization._

My research suggests that there are 10 independent, yet interdependent, stages in conceiving an idea and bringing it to fruition in an organisation. These stages are searching for ideas (see Williams, 1999), solving specific problems, idea enhancing, capturing, recognising, evaluating, championing, testing, measuring and learning. This 10-stage ideas system incorporates yet extends the current literature.

The different stages in a creative process are not new (see for example, Wallas 1926). Over the years, The basic model of Wallas has been extended (e.g., Reiman, 1998; Torrance, 1987; Wilson, 1997). What these different models tend to have in common is that the process starts only when there is a problem, and that the stages are linear. They ignore the environment and are based on individual, not group, processes. In a more recent adaptation, Hargadon & Sutton (2000) cite four stages: capturing good ideas, keeping ideas alive, imagining new uses for old ideas and putting promising concepts to the test. Perhaps Basadur (1995) has developed the most comprehensive individual/group creative process used in organisations. His 8-step “Simplex” process is similar to my approach, although I place more emphasis on enhancing ideas and incorporating a specific learning stage.
Chapter Seven: Building and nurturing a creative environment

Q. What is a creative environment? How can it be enhanced and sustained?
Social and environmental factors seem to play a crucial role in creative performance.

Teresa M. Amabile (1996a, p. 6).
7.1 Introduction
This chapter explores the essence of a creative environment. This is the last of the Four P’s (press) in Rhodes’ (1961) model, which provided my initial framework.

It should be noted, however, that I have elected to exclude detailed discussion of leadership from this chapter, because I have devoted a full chapter to a discussion of the role of leadership (see Chapter 8).

I am using the term “environment” to include everything that happens inside an organisation. I believe it has a broader meaning than culture, which sometimes excludes organisational structures, although interviewees tended to use environment and culture interchangeably. Another reason for using a broad definition of environment is that some interviewees mentioned that there are a number of quite different cultures within their organisation.

There are different cultures within our organisation, e.g. the magazine culture is different from the daily reporters. The magazine is 9-5, they plan months ahead and think it’s quality journalism. The daily reporters focus on quick turnarounds, it is unpredictable. Within the two cultures there is loads of friction.
Peter Wilson, Deputy News Editor, The Australian Newspaper.

This chapter outlines some of the major barriers to a creative environment. It also explores what is an ideal creative environment and how it can be developed and nurtured.

The chapter then explores a new description of an organisation, as occupying a shared place, space and time, and outlines how to work with tensions and paradoxes.

7.2 Environmental barriers to creativity
In my interviews, when I started to ask questions about environmental creativity, interviewees typically responded by talking about the need to overcome barriers. This formed the starting point for any discussion about a designing or enhancing a creative environment. It seemed that only when and if these barriers could be overcome that creativity could emerge. Often the barriers were so entrenched that some interviewees believed that they could not be overcome at their organisation and the only alternative was to move to another.

The pervading belief among interviewees is that there exists in every organisation a latent or potential creativity and if that if the environmental barriers are removed than creativity will flourish. To use a metaphor, it seemed to me that interviewees were describing the removal of a dam where the creative energy has been building up. If the dam could be removed, then creativity would flow throughout the organisation.
Our goal is to provide an environment where we all can be more creative. If we provide the right environment creativity can emerge.
Christine Nixon, Deputy Commissioner and Executive Director, Human Resources, NSW Police.

I believe there is a lot of inherent and latent creativity in every organisation. You need some discipline and direction at an organisation but within this discipline you can be creative.
Charlie Zoi, Chief Operating Officer, Telstra.

Under this belief system, if the leader can remove most if not all of the environmental obstacles ideas will spontaneously emerge. This notion that ideas will self-organise also suggests that leaders are aware or accept that ideas will emerge of their own accord but they cannot predict, plan or control where, when or who will instigate them.

7.2.1 Company size
The most common barrier mentioned by interviewees was company size. The belief is that the larger the organisation the harder it is to be creative. A large organisation denotes rigidity, bureaucracy, fiefdoms, conservatism and entrenched power. By comparison a smaller organisation implies quicker decision making, flexibility and a more adventurous outlook.

The truly creative organisations will come from the medium size organisations in Australia. The larger organisations are too stuck in their ways.
Phil Ruthven, CEO, IBIS Business Information.

When I suggested to interviewees that there are examples of large organisations that are creative (e.g. 3M; Disney) their immediate reaction was that these companies are noticeable exceptions that only confirm their belief. They would discuss how their company presents particular difficulties, further distancing 3M and Disney as valid examples.

Organisational size also had a self-fulfilling quality to it. The logic of this situation seemed to be, “I work in a large organisation, everyone knows, and I have experienced just how difficult it is to be creative, therefore I have stopped trying to do anything too different.”

Yet there were interviewees who did not accept the lack of creativity in a large organisation as a given. Peter Maher, the General Manager of Westpac, suggested that the answer for most interviewees working in larger organisation is to think of the total organisation as a group of interconnected smaller groups:

Most organisations these days should operate as a set of villages of 150-200 people. These villages are more creative because they are local and closer to the customer. The issue then is how to communicate and transform across the villages.
The lesson appears to be that middle to senior managers openly acknowledge that to make an entire organisation more creative is a difficult task. But they can influence their section of the organisation and establish centres of creativity (see Chapter 5). In this way their team or department can be creative and can indirectly influence the creativity of others. This approach, however, tends to limit the ideas to centres in which the leader has direct or indirect responsibility. Interviewees mentioned the problems of suggesting ideas to others outside their own influence or department. A typical response (when they have offered ideas) is that they should stick to their own patch.

Organisational size can be a problem but it also has advantages for creativity. It can potentially offer greater resources, expertise, broader perspectives (i.e. from local and overseas) and more interactions. Perhaps organisational size as a barrier to creativity is as much a mindset barrier as anything else.

7.2.2 Entrenched power

Another barrier to the development of a creative environment, which is related to organisational size, is the issue of power. Interviewees acknowledge that ideas could lead to innovation and change. However, because they felt that ideas could not be controlled, planned or directed, the people entrenched in power felt wary that their authority could be threatened by new ideas, particularly if their prestige, status, remuneration and reputation were built around established ideas. Interviewees talked about other leaders in powerful positions being threatened, but never themselves. It is also the case that people in power in large organisations tend to be older and have more to lose.

Power is also tied to organisational structure, order and control. For some managers, a relaxing of power leads to a feeling of chaos and a loss of control. For some leaders with a strong self-worth (see Chapter 8) this can be an acceptable situation because it means that others are stepping forward with ideas. For other leaders, it is an untenable situation because it can make them feel irrelevant and vulnerable.

Perhaps the biggest shift for managers and leaders is that in a creative organisation power comes from ideas rather than position. This does not mean that leaders have to develop all the ideas themselves (this is discussed further in Chapter 8) but they do have to create an environment where ideas can emerge. The uncertainty and flux of this situation does not sit well with those in powerful positions who want the status quo to remain.

Some barriers to creativity are: short term agendas based on shareholders returns, politics and power plays, harsh bureaucracies and male senior management egos.
Debra Heitmann, CEO, Australian Council of Businesswomen.

Organisational creativity is difficult. Managers are inherently conservative. There are power agendas and risk and reward issues. In other words there are lots of obstacles.
Rob Sitch, CEO, Working Dog.
7.2.3 Organisational structure

Perhaps one of the largest differences I found between profit and non-profit is in the area of organisational structure. For the most part (3M and the Internet companies being the notable exceptions) the leaders I interviewed in larger profit organisations are still dominated by the pyramid structure. This structure provides a major impediment to a creative environment. There is an acceptance that although the pyramid structure is not perfect it affords clarity, efficiency, order, permanence and control. In one sense this is not surprising given the dominant rational mindset I found in most profit organisations (see Chapter 5).

Most interviewees in the profit sector accepted that the pyramid organisational structure is a given in the place where they work. Hence if creativity is to have any hope of emerging it must do so within the confines of this structure. Thus leaders evolved a strategy whereby they could introduce creative initiatives within the part of the structure they managed. It did not occur to them that an alternative structure could enhance or detract from the creativity of the unit or that they did not have the resources, power or energy to change the existing status quo. This is not to suggest that organisational structures did not change. In fact, interviewees mentioned the many different organisational permutations as a new fact of life. What did not change is the basic dominance of the “organisational structure as pyramid” guiding metaphor.

By way of contrast, at Four Corners there are no formal job descriptions or organisational charts, yet everyone seems to have a clear sense of what is expected of them. There appears to be enormous overlap and a fuzzy, fluid area between the producer and the reporter, for example. Perhaps the lack of a job description is beneficial in these circumstances because job descriptions are often used as an excuse to be conservative.

At 3M, there is a formal matrix organisational structure that one suspects is there because it is expected, yet does not in any way capture how the place really works. In the emerging Internet companies I found the very notion of a crisp, clear organisational structure somehow at odds with the messy, fast changing, team-based, fluid and uncertain workflows which abounded.

_We had a matrix structure long before anyone else. It has direct and indirect reporting lines. It looks like a bowl of spaghetti. The structures and job descriptions are there but we ignore them. In 20 years I have never read one._

John Maclay, General Manager, 3M.

_We have problems drawing up organisational charts as there is lots of cross disciplines and overlapping responsibilities. We have left rigid job descriptions behind._

Andrew Gardner, Managing Director, APL Digital.
3M and some of the non-profit and Internet companies have realised that interaction amongst people with different departments, functions and roles drives ideas. A good idea does not necessarily respect organisational structures. It is no coincidence that many of these organisations rely on teams to deliver a creative product, because they work in fast-paced environments that have variable workflow.

The pyramid as the dominant metaphor, while providing clarity, does not deal well with ambiguity, fuzziness, paradox or tension. It does not provide much freedom or space for creativity to emerge. The pyramid structure separates and isolates rather than allowing the cross-fertilization of ideas, information and insights. It suggests permanence but, as a result, does not adapt well to a changing, chaotic environment. Furthermore, the pyramid conveys only the formal structures at a point in time, not the informal, dynamic nature of most organisations.

Yet with all its pitfalls the pyramid structure is still the dominant metaphor in use by most managers in my survey. It is simple, accepted, well understood and implies control. It is interesting that in my sample participants did not mention any alternatives. I have interpreted this to mean that participants felt that structure, as an organisational concept, is not as important as it once was. Interviewees (like the 3M leaders) simply ignore it.

Another interpretation is that interviewees, rather than searching for another universal organisational model, simply adopt a more flexible, pragmatic approach, i.e. if it works, so be it. And further, what works for their organisation may not work for any other. In addition, perhaps leaders and managers have belatedly realised that people and the relationships between them make the difference rather than static, rigid structures.

*Creativity is concerned with people and culture not structures. Structures impede things. I detest organisational charts with a passion. They define decision-making lines but ignore informal communication lines which are not up and down but across things.*

Dr. Dennis Cooper, Divisional MD, CSIRO.

It is interesting that most leaders’ perception of creativity did not extend to new ideas about organisational structures. If we use the broadest definition of a creative product, ideas (see Chapter 4) then the very way creativity is organised can be a creative product and arguably one of the most important.

As John Rayment, Technical Director of The Sydney Dance Company comments:

*Creativity is not just the creative product but it happens at all levels. It is also how we organise ourselves so that creativity can emerge.*
7.2.4 Lack of resources
Other barriers mentioned by interviewees are a lack of resources (money, time, people) and uncomfortable working conditions. These barriers paradoxically can also lead to enhanced creativity. If the budget is small and the targets are large, people are often forced to think in different ways. This is certainly the case for many interviewees in the non-profit sector who have limited resources yet challenging fund-raising targets. Through necessity they are forced to abandon the safe incremental routes and explore more imaginative responses. A lack of time also creates a sense of urgency and provides deadlines to develop new creative products. At Four Corners, for example, the reporters often complained about the lack of time to do a great story, yet admitted that having a fixed on-air date provided a strong sense of urgency.

*Lack of resources is a problem but it can provide a framework. It is a double-edged sword.*
Virginia Moncrief, Producer, *Four Corners*, ABC.

7.3 An ideal creative environment
The previous section outlined the major barriers to a creative environment, or what currently exists. For most interviewees, this formed the starting point for any discussion on environmental creativity. However, I also encouraged interviewees to discuss an ideal creative environment, or what could exist. In this way, I could set up a tension between the current situation and a more desirable future. Hence, a leader could work forward from the current situation at the same time as working back from the ideal (see Figures 7.1 and 7.2). It also provided a vehicle for a leader to escape from the creative barrier mindset, that creativity can only occur once these barriers are removed.

Figure 7.1 The two approaches to designing a more creative environment

![Diagram showing the two approaches to designing a more creative environment.](image)
Figure 7.2 The two approaches to designing a more creative environment
(expanded model) *

Design backwards

An ideal creative environment

Tension

Lack of resources

Overcoming the barriers to organisational creativity

Size

Structure

Power

Work forwards

The current situation

* Adapted from Fritz (1991, p. 27)

An ideal creative environment has a number of characteristics, each of which will be discussed in detail. It must be open and receptive to new ideas, mindsets, insights and behaviours; facilitate the emergence of ideas; continuously experiment; take risks; occasionally fail; have fun; and still focus on achieving results; and operate at the edge of chaos. These characteristics are independent yet interdependent and have a system-like quality to them (see Figure 7.3).

Figure 7.3 An ideal creative environment

Retain a focus on results

Open and receptive to ideas

Operates at the edge of chaos

Have fun

Continuous experiments

Take risks

184
7.3.1 Open and receptive to ideas

In Chapter 4 I introduced the concept of a creative exchange to describe the interaction between a producer and receiver of a creative product. In a similar fashion, a creative environment also has two dimensions, a yin and yang quality. It provides the context in which ideas are produced and it frames how well ideas are received (see Figure 7.4). For some interviewees, idea receptiveness defines a creative environment. There is a kind of awakening that even if an organisation is good at developing ideas it does not necessarily follow that it is open and receptive to ideas.

*It depends on the culture of the place. We need a greater culture of openness and being receptive to ideas. An acceptance to create something outside the brief.*
Chris Bean, Managing Partner, Integrated Options, Advertising Agency.

*Our organisation is pretty creative. New ideas are readily accepted e.g. one doctor has formed a clown foundation where they come round to the wards every Thursday. It is great fun for the staff and the kids really love it.*
David Loy, Director of Administration, The Sydney Children’s Hospital.

Figure 7.4  The ‘yin and yang’ quality of a creative environment

An environment of idea receptivity also implies that ideas can be openly discussed, challenged and enhanced regardless of the source of the idea. The idea is the hero, not the person. Although I have outlined some individual strategies to increase idea receptiveness (Chapter 4), the aim is to develop a collective environment that is receptive to ideas both
from within and outside the organisation. Ideally everyone, everywhere, at any time should be open to new ideas.

The concept of a creative environment being both productive and receptive suggests a symbiotic relationship. If people know that an environment is open to ideas they are more likely to develop and present different ideas. If these ideas are well received they might be encouraged to push their ideas further, and so a positive cycle is created. In the advertising industry, for example, creativity is greatly influenced by the client’s openness and receptivity to new ideas. While this was acknowledged by agencies they tended to concentrate on producing better advertising ideas and the need to sell the ideas harder. They rarely mentioned strategies to enhance the receptiveness of the client to these new ideas.

Our clients also impact our creativity. Bob Miller from Toyota was good because he had the courage of his convictions. Most clients don’t have convictions or even opinions.
Jane Caro, Senior Copy-Writer, Saatchi & Saatchi, Advertising Agency.

At a broader level, building a creative internal environment means that the entire organisation is open to the external environment in which it operates. New ideas can come from customers, suppliers and partners. Interestingly, I found that non-profit organisations, because of their reliance on volunteers, are sometimes more open to the external environment and interact far more with their community than profit organisations. For non-profit organisations, the ‘community’ consists of people with like-minded attitudes and values.

We are a community-based organisation. We rely on the community for volunteers. These are mostly women who mostly, have sadly lost children to cancer.
Stephen Ryall, Manager of Administration and Community Relations, The Children’s Medical Research Institute.

Four Corners is another good example of an open system. It constantly interacts and exchanges information with its environment, e.g. reporters search the news environment looking for new story ideas, contacts or angles.

The success of the program has been due to a culture of creativity. It is a culture of curiosity, looking at issues, looking at what is really happening, of getting beneath the facade.
Sally Neighbour, Reporter, Four Corners, ABC.

Most interviewees in advertising agencies (in my study), by comparison, feel threatened by the changes in the landscape. Their clients are expecting more, their profit margins are declining and they are facing greater competitive threats from Internet-based companies and management consultants. The advertising industry seems to be a good example of a
closed system. It is interesting that the new on-line advertising agencies, which are more organic in structure, can respond in a more flexible and responsive way to changes in the environment. Change for these organisations is an opportunity rather than a threat.

7.3.2 Continuously experiment
Interviewees highlighted the need to continuously experiment. They are aware that progress requires a continuous flow of new ideas. But these new ideas need to be tested. Ideally, for most of the interviewees, this should be in the form of controlled experiments that are quick, cheap and present learning opportunities. In an ideal environment this continuous testing and experimentation applies at the individual, group and organisational level. There is a sense that interviewees, for the most part, did not know in advance the results of the tests but occasionally used tests and experiments for political purposes to prove a point, or to reinforce an already agreed position.

_The essence of creativity is trial and error._
Des Horne, Editor, _Four Corners_, ABC.

_We are piloting one concept at the moment. If it works it will be rolled out to the other stores._
Tom Hall, General Manager Retail, David Jones.

_We expect people to make mistakes. It is a challenge to leaders, as we want to try things yet we do not want to experiment on customers._
John Macklay, General Manager, 3M.

7.3.3 A willingness to take risks and occasionally fail
One of the implications of having an environment where tests are continually occurring is the realisation that this involves taking risks and not all of the tests will work. There seems to be a relationship not only between risk and reward but also between risk and failure. To never fail may mean paradoxically that not enough risks are being taken. And to continue to take risks means that an organisation can progress and break new ground.

Interviewees also commented that taking risks and occasionally failing is one of the defining attitudes of individuals they described as creative. The challenge, therefore, is to create an environment where everyone feels they can test new things, take risks and occasionally fail.

_We have to try. If you do not try, you will never get there. If you do not try, you will never fail. In our profession we can occasionally fail. It is sometimes a magnificent failure._
John Rayment, Technical Director, The Sydney Dance Company.

_Some environments are more conducive to creativity. You can occasionally get it wrong, take a risk and talk about it._
Anne Small, Account Director, George Patterson Bates, Advertising Agency.
A creativity culture encourages risk-taking, tolerates differences and allows people to occasionally fail. It seeks and values the opposite voice. It requires people to trust one another and to be able to express their emotions.
Professor Sharon Bell, Dean, Faculty of Creative Arts, University of Wollongong.

7.3.4 Have fun
Interviewees talked about the need to enjoy what they are doing; seeing fun and humour as ways of relieving tension and relaxing the controls in a predominantly rational environment.

A creative workplace, by definition, is less rigid. I have found it strange that in most private organisations that I visit, you are not allowed to laugh and work at the same time.
John Rayment, Technical Director, The Sydney Dance Company.

To have fun and be allowed to be silly can help creativity.
Deb Richards, Deputy Executive Director, Four Corners, ABC

It's important to be yourself, to have fun; you can become too serious although we take our work seriously it is important that everyone doesn't take themselves too seriously. In the end everyone has to enjoy themselves.
John Bevin, Managing Director, John Bevin Advertising Agency.

Fun becomes not an end in itself but perhaps a means to an end. It is part of the journey of realising people's largely untapped creative potential. This involves a broader definition of fun, however. It is not just the fun you have at a party or the beach but the fun of trying things, taking risks, pushing oneself and achieving individual and/or team goals.

7.3.5 Retain a focus on results
It should also be noted that while leaders talked about testing new things, occasionally failing and having fun, this should be seen against the backdrop of the pressure to produce results. Interviewees talked a lot about pressure, the pressures to meet deadlines and budgets, stay fit and healthy and lead a balanced life. Yet I suspect that these people in a paradoxical way enjoy this pressure. They disliked routine and want to achieve things, to have their ideas tested and receive feedback. But they are aware that they face an ever-increasing workload. A creative environment for them is not a soft one. It is not one in which people sit around and play with ideas. For these people it is one where they are able to express their own and the team's creativity while remaining accountable. Their creativity enables them to deal with a changing environment and competing pressures.

We aim for inventiveness and results. If you have cracked a solution you almost get immediate feedback from the client and the market-place.
John Bevin, Managing Director, John Bevin Advertising Agency.
We are very results oriented. We want to achieve things, we are not afraid of deadlines. In 25 years I have always delivered. My staff are here to deliver results not to work 9 to 5.

John Rayment, Technical Director, Sydney Dance Company.

7.3.6 Operates at the edge of chaos

One of the most noticeable aspects of the environments of Four Corners and 3M is the feeling of controlled chaos. At Four Corners, for example, when there is a good story afoot, the place feels alive, the phones are ringing, and people are bumping into one another. There is energy and passion with many planned and unplanned interactions. The offices are small and cramped, with files strewn all over the place. Even though it houses some of the best journalists in the country, it feels and looks out of control.

Four Corners is a creative environment because it has a flat structure, freedom is built into the system and the process is uncertain and unpredictable.

Jayne Robinson, Researcher, Four Corners, ABC.

We give people lots of freedom yet we have very rigid and disciplined processes. The challenge is to determine when to bring in the discipline. It is a balance.

John Maclay, General Manager, 3M.

Yet at Four Corners there is an underlying pattern, a kind of freedom with order. There is a freedom that enables new ideas or insights to emerge but it is balanced with tight, unwavering story deadlines and quality standards. It is a dynamic balance that sometimes alternates between too much order (e.g. when the Executive Producer selects the stories and the team) and too much freedom (e.g. when there is no communication between reporters as to what story they are working on, hence waste and duplication). It is an environment that allows people to tolerate and work within the tensions and paradoxes that occasionally surface.

The contrast with some of the larger profit organisations in particular is stark. These environments look and feel clean, orderly, efficient and stark. For the most part, there are rigid, consistent and uniform practices and procedures. There is an adherence to predetermined plans and budgets, specialisation of tasks and obvious differences between the different roles and levels in the organisation (by the size and trappings of the office for example).

An edge-of-chaos environment is clearly not for everyone. Even established reporters and producers at Four Corners complain about having too much freedom and, say that at times they long for greater senior management input and direction. The environment tends to attract and retain certain people: people who are comfortable with ambiguity, fuzziness, and occasionally stepping outside their comfort zones. Most importantly, they want to be allowed to express their creativity within clear directions.
If someone says ‘who is in charge?’ no one would put up their hand.
Virginia Moncrief, Producer, Four Corners, ABC.

If you work within your own boundaries you will never risk failure. You become competent but not creative.
John Rayment, Technical Director, The Sydney Dance Company.

The large, international advertising agencies are an interesting mixture of the two approaches. The public face (the reception areas and meeting rooms) is stylish, serene, cool, and suggests order. Typically, there are awards and client names on the wall and an efficient, sometimes friendly receptionist. There is a wall (much like a restaurant that hides the kitchen) behind which the rest of the organisation is situated. In the more private places, particularly in the specialist creative department, ordered chaos can rein. There are product samples lying around, half-developed ideas pasted on the wall, much interaction, emotion and energy. These types of organisations have managed to have an, efficient, rational public face co-existing with a private, internal, creative, more emotive, edge of chaos setting.

7.4 Necessary tensions
This is one of the most novel findings in my research. Interviewees spontaneously mentioned a number of creative tensions or paradoxes. These were mentioned by many of the interviewees, as if they were the natural order of things. This contrasted with my work experience with organisations such as American Express where certainty and clarity was a sign of a decisive, stable manager. Any “fuzziness” was seen as evidence of a cluttered mind or an indecisive manager.

These paradoxes and tensions are not viewed as an “either/or” but as living with an “and” situation which in itself can be a dynamic source of creativity. They emerge out of the freedom of an environment that operates at the edge of chaos. It is also apparent that living with these tensions and paradoxes is not for everyone. For example, the advertising industry self-selects those people who are interested in expressing their creativity and who enjoy working with a certain degree of freedom and ambiguity.

Some of the major tensions I found are as follows:

7.4.1 Efficiency and creativity
Interviewees (particularly in the non-profit sector) mentioned the tension between creativity and efficiency. Efficiency involves following similar processes, policies and procedures while creativity involves trial and error and a departure from the usual way. Hence creativity and efficiency, rather than being enemies, perhaps need to be thought of as activities that need to co-exist in an effective organisation. Perhaps too much creativity (without learning) involves some wastage, and too much order stifles new ideas and innovation. Creativity and efficiency, rather than being seen as mutually exclusive, should be seen as being in a dynamic tension that creates a healthy organisation.
I want creativity and efficient service. Why can’t you have both? It does not have to be a trade-off.
Cathy Zoi, Executive Director, Sustainable Energy Authority.

To move forward in any organisation requires a balance between lateral leaps and systems to ensure efficiency. It is a marriage between the two.
Steve Vizard, CEO & Co-founder, Artist Services.

The great challenge for the hospital is to be efficient and creative at the same time. The more efficient we are the more of a particular service we can provide. We never have enough money.
David Loy, Director of Administration, The Sydney Children’s Hospital.

7.4.2 Creativity and guaranteed results
Interviewees often complained of the tension they face between a new creative action or product, which involves risk, compared with the “tried and true”. The usual way may not yield the same results as the new but is perceived as safer (this tension is also discussed in Chapter 4). At 3M, for example, a component of each leader’s goal is that 40% of their sales must come from products less than four years old. In this way the leaders are encouraged to work proactively with this tension. Most of the leaders in the profit organisations, however, appear to prefer the “safety” of an incremental approach unless there is a major change in the external environment e.g. a competitor launching a new product.

7.4.3 Exploring new options and the need for action
Another tension similar to the previous one concerns the need to explore new options, ideas and practices yet keep things moving. Creativity is to be encouraged but it must not paralyse the existing organisation. Advertising agencies, for example, must develop a new advertisement within the timeframes of media bookings, product launches and related public relations campaigns. The creative people would often complain that they are not given enough time, yet they accept that in a commercial environment the business must keep moving forward.

Weekly programs are a mixture of creativity and mass production.
Jonathon Holmes, former Executive Producer, Four Corners, ABC.

7.4.4 The creative individual and the team
Some interviewees highlight the tension between the truly creative, maverick individual and the emphasis on teamwork (also discussed in Chapter 5). For them, a team implies a certain degree of conformity, which may preclude the inspired, individual insight. As mentioned earlier, it is hard to imagine some of the great creative geniuses such as Einstein and Picasso working in a conventional team, yet they sometimes did enjoy working in a creative partnership. Individuals can still create ideas but for the most part need a team to bring the idea into fruition.
The conductor has to balance the tension between the brilliant individual who can still work in a team.
Helen O’Neill, Director of Marketing & Communication, The Australian Opera Company.

7.5 Working with paradox
Another related finding to the existence and tolerance of tensions is the need to work with paradox. Interviewees would routinely mention a paradox in their normal conversation. Again it seemed that they are highlighting a paradox as something interesting but not completely incongruous, as being part of the mystery of creativity. Interviewees feel that living with some tension and paradox is necessary for creativity to emerge and that one of the consequences of operating at the edge of chaos is the emergence of tensions and paradox.

The main message is that for creativity to emerge, tensions and paradoxes are to be welcomed and explored rather than avoided.

Some of the major paradoxes are as follows:

7.5.1 To try new things people have to feel safe and secure
This is the most interesting paradox for me. Creativity in an organisational setting involves continually trying new things. Yet to try new things involves the possibility of failing. To risk failure involves a form of individual, group and organisational courage. But to be courageous, participants need to feel safe and secure: not too secure so as to feel comfortable but they need to be stretched. However they are often only willing to explore new areas if they can return to a safe haven.

The notion of a safe haven had a number of meanings. For some, it meant an actual physical place, e.g. the creative department of an advertising agency. This department is filled with like-minded, supportive people who can form a buffer to other people and departments. For others, it meant more of an emotional or psychological security. In this case, people need to feel secure firstly in themselves, their peers and colleagues. This could take the form of a boss tolerating a degree of risk and failure as the price of trying new things.

Interviewees I spoke to in leadership positions also acknowledged the importance of providing emotional and organisational support for the people who report to them and take risks.

*Nothing will stifle creativity more than the feeling of insecurity.*
Hugh Mackay, Principal, Mackay Research.

*For creativity to occur you have to get the basics in place. You need to have stability before you can be creative.*
Graeme Burns, CEO, The Australian Institute of Management.
7.5.2 Being independent yet interdependent
Interviewees talked about the need to be open and receptive to the ideas of others. Yet there are times when this openness can create greater tensions. To be so open may leave you completely vulnerable to the criticisms of others. Hence interviewees talked about the need to have a strong self-belief in both yourself and your ideas; in a sense to be both independent of others yet at the same time interdependent.

*You have to be resilient to stand up to the criticisms of your work.*
Des Horne, Editor, *Four Corners*, ABC.

*Four Corners is no place for the faint-hearted.*
Andrew Fowler, Reporter, *Four Corners*, ABC.

7.5.3 The more successful the more chance of failure
It is a paradox that the more successful an individual, team and organisation is, the less it may be equipped to operate successfully in the future. Why? Because the very products, actions, processes that led to success can become rigid and difficult to change. And if the environment in which the individual, team or organisation is operating is changing rapidly this rigidity can make it harder to adapt to new environments.

Another fear expressed by some interviewees is that of changing something that is working. If it is working then it should not be tampered with. It is an irony that the very time when new ideas should be tested (i.e. when the company is successful) is the time that some organisations stick to the tried and true.

*Success is a real problem, there is an attitude of “if it ain’t broken don’t fix it” mentality and people feel threatened because they interpret what you are saying as I am not successful.*
Charlie Zoi, Chief Operating Officer, Telstra.

*Until recently, our results were good so it was felt that there was no need to change, in fact we were too frightened to change or to try new things.*
Tom Hall, General Manager Retail, David Jones.

Another fear associated with success is that people feel a change in their attitude to risk. When they or the organisation are starting out, they feel they have nothing to lose and are more willing to try new things and risk failure. If the company is successful, participants worry that they (and other leaders) rest on their laurels and become too conservative for fear of losing what they have achieved.

*I have found the senior managers here to be conservative and old fashion, they are too busy protecting their asset base.*
Deanne Stewart, Advertising Manager, Bankers Trust.
Often the company will challenge the status quo only when there is a problem or new competitive threat. Creativity then becomes reactive and politically difficult at a time when resources and people are under the most pressure.

*We are in deficit so it makes it hard; we cannot try a lot of new things and take too many risks.*  
Helen O’Neill, Director of Marketing & Communication, The Australian Opera Company.

Perhaps what is needed is a new mindset that creates meaningful, new challenges. Size and previous success are more of a mindset barrier to creativity than a structural one. 3M, for example, is both large and successful yet still manages to be creative. Imagination, therefore, is needed to continuously develop new challenges rather than waiting for a new environmental threat to emerge.

### 7.5.4 Competing with others and themselves

Interviewees talked about the twin challenge of competing with others and competing with themselves. At the ABC, for example, there is considerable internal competition and cooperation with other programs within the ABC, e.g. Lateline, Four Corners and the 7.30 Report. The general practice is that a story self-selects into one of the three programs. If a story is not meaty and requires a short turnaround then it would be covered by the 7.30 Report. The general opinion among interviewees is that some internal competition acts as a spur to reach new levels but when that competition becomes personal and political it can be self-destructive.

*The relationships at Four Corners are professional, helpful, co-operative, but of a friendly rivalry. To be too competitive, however, would be out of line. There is very little politics.*  
Sally Neighbour, Reporter, Four Corners, ABC.

An advantage of an inward focus is that interviewees did not have to rely on external forces to stimulate their creativity. The goal is to continue (or exceed) the high standards of previous creative products. At 3M, for example, they openly try to improve their latest product rather than concentrate exclusively on the competition. This can lead to some cannibalisation but they believe it is better for them to replace their own products than for others to do so. Another implication of comparing oneself to previous efforts is that interviewees felt motivated to continue the tradition yet were occasionally overwhelmed by the quality of previous efforts.

*We cannibalise our own products and make our own products obsolete. If we don’t others will.*  
Dr. Mel Leitheiser, Technical Director, 3M.

There is no doubt, however, that the idea of beating the competition (particularly among profit organisations) is an important motivation to greater creativity and innovation.
When our hair shampoo was beaten from number one to number two in the market it hurt both financially and emotionally. As a result, we focused all the company's resources at the problem.

Julie Webster, Brand Manager, Unilever.

One of the major disadvantages of the dominant “survival of the fittest” metaphor is that interviewees talked about aiming for lower targets knowing they would achieve them, rather than aiming for a more ambitious target and running the risk of failure. This unfortunately leads to a business-as-usual approach and incremental solutions. Another disadvantage of focusing only on competitive actions is that the organisation can become reactive and the customer can be ignored as competitors become locked in expensive market-share battles. The emphasis is trying to win a zero-sum game, which might preclude other efforts in growing the market, for example.

7.5.5 Being an industry leader yet remaining free of conventions
Many interviewees in the profit sector strongly identified with the industry they belonged to. This focus on a specific industry has also been reinforced by some influential management writers (e.g., Porter, 1985). Being part of a particular industry sometimes provides a stimulus for ideas because it provides a ready-made scorecard as to whether a business is winning or losing relative to other players in that industry. This sometimes leads to a myopic view of seeking ideas only within the industry.

Another implication of this identification can be an almost uncritical acceptance of the mores and beliefs of that industry. Over time this develops into a prevailing industry mindset that can be narrow, rigid and self-perpetuating.

For example:

*The pharmaceutical industry is conservative and highly regulated.*
Michael Kotsanis, Product Manager, Boehringer Ingelheim.

*The bank's primary function is to be prudent, careful and avoid unnecessary risks.*
Peter Maher, General Manager, Westpac.

*Retail is a tough business. Our competition is much broader and we are competing for the customer’s dollars with travel, gambling and restaurants.*
Tom Hall, General Manager, David Jones.

As a contrast in tone and general optimism compare how this interviewee describes his industry:
The changes in technology are helping mankind. The Internet is stronger and more inspiring than written material, you get ideas, information, and it is more interactive and involving.
Rob Small, Marketing Director, Dell Computers.

This interviewee has a less restrictive view of his industry and the language is more hopeful and replete with possibilities. His definition suggests that new ideas are both a necessary and expected part of this industry.

It is noticeable that in the non-profit sector there was much less identification with a particular industry, hence it seemed less constrained. Perhaps what is required is a broad and engaging view of an industry, or better still, greater imagination and intuition to escape the prevailing industry mindset. As Peter Wilson, Deputy Editor of The Australian Newspaper (part of the News Ltd. group) notes:

News Ltd. competes not against entrenched competitors but against industry rules.

I found the entire notion of tensions and paradox to be exciting. To openly talk about the existence of such ambiguity and fuzziness is liberating. It deals with the complexity of modern organisations that can never be captured on a sterile, simplistic organisational chart. Organisational creativity is both a byproduct of tensions and paradox and it is increasingly necessary to work with (and enjoy) some of these aspects.

7.6 An organisation’s space, place and time
Through my research I often found the current, rational language of organisational life to be limiting when discussing creativity (see Chapter 5). To escape this situation I would like to introduce some new terminology: an organisation’s space, place and time.

I am doing this for a number of reasons. In discussing creativity, using new nomenclature, concepts and metaphors enables me to escape conventional limitations in describing new situations and relationships. It allows me also to better describe the new organisational forms I found, particularly those with a new economy or Internet focus. The new terms also seems to better encapsulate the many non-profit organisations I studied and hopefully they make my work more accessible to a broader audience.

Using this new language, an organisation can be thought of as occupying a unique, space, place, and time (see Figure 7.5) and creativity can emerge from the changes within and between each of these three elements.

An organisation’s “place” is the unique, shared physical elements, e.g. the working environment, the building, the overt language used, the meeting rooms, technology employed, clothes or uniforms, department objectives, budgets, priorities. In short, everything that you can see, touch, feel, hear and smell in an organisation.
According to this new approach, an organisation's "space" represents the unique, shared space that connects members of an organisation. It comprises the unsaid, the invisible, the emotional and spiritual, energy levels, skills, trust, shared mindsets, values, belief systems, attitudes and shared vision.

To complete the picture I have added the notion of an organisation's "time." This consists of the unique, shared moments of existence experienced by all members of the organisation. The notion of time might at first glance seem puzzling but to gain a clearer picture of organisational creativity it should not be ignored. As Kaku (1994, p. vii), reminds us:

Perhaps the most deeply entrenched common-sense notion about our world is that it is three dimensional (i.e. length, width, breadth). If we include time as another dimension, then four dimensions are sufficient to record all events in the universe.

I will discuss each of the three aspects in turn, particularly regarding their implications for creativity.

7.6.1 A shared place
As mentioned, an organisation's place is the unique, shared physical and overt elements. It is the traditional way of describing an organisation and its members (remember the blue suits of the people from IBM?). An organisation is often judged by its address and the size and the grandeur of the building (most advertising agencies in Sydney are still at North Sydney). You can often infer the level of the person in the hierarchy by the size of the office, how close the office is to the top floor, the type of car, whether the person has personalised stationery, etc.

Because most of my interviews were face-to-face I had to visit many different and unusual offices. Over the course of the research process I became increasingly interested in how the physical space impacted on the creativity of the organisation.

This journey initially started with Four Corners. My expectation was that one of the leading television programs in the country, with some of the best people in their field, would work in an environment that reflected that status. This is certainly not the case. People are crammed into a limited number of offices. It is best described as physical chaos. The physical space was jumbled, crowded, messy, noisy and surging with energy. The environment was open and uncomfortable at times (e.g. when making phone calls) but it meant people were constantly interacting. The entire Four Corners unit worked in the same area and produced everything in-house. The interactions, as a result, were informal, direct, face-to-face or by phone, not as with an increasing number of larger organisations by email.
The physical environment helps creativity. At Four Corners all parts of the team are within a physical location. An open plan environment encourages informality, reduces physical barriers and creates a sense of equality.

John Budd, Executive Producer, Four Corners, ABC.

The physical environment meant that everyone was crowded and top of one another but it also meant that people were close, they could communicate and react quickly.

Jayne Robinson, Researcher, Four Corners, ABC.

A large meeting table in the middle of the main room dominated the entire area. This table served a number of roles. On a functional level it is where the “rough cut” takes place (where the executive producer and his assistant review the story). This process can be challenging, uncomfortable and sometimes unpleasant but it is held in a public place. This seemed at odds with contemporary management practices, which suggest a more private area. When I pressed people on this they liked the idea of the openness and informality of this process as they felt that everyone was treated equally. As John Budd, Four Corners Executive Producer, expressed it:

If stories cannot make it here, how can they make it in front of millions of viewers?

The second role of the table seemed to be a symbolic one. It physically connects the past, the present and the future.

This is the table where all the great Four Corner stories were debated and given birth.

Andrew Fowler, Reporter, Four Corners, ABC.

Another aspect of the physical working space was the informality and individuality of the dress of the people, including the “stars” and senior managers of the ABC. This informality extended to the language and openness of the people in their day-to-day contacts. This impacted on the communication style of the program and made the usual power and status cues hard to discern. Power and status emanated partly from position but also from the current performance of the person, the strength of their personality and the power of their ideas.

There is a degree of individualism e.g. your dress, hours you work, state of your desk. Eccentricity is encouraged.

Mark Malley, Producer, Four Corners, ABC.

By way of contrast, the physical environments of the multinational advertising agencies (George Patterson Bates, Leo Burnettts, Clemenger, Saachi & Saachi) are completely different from Four Corners. Typically the foyer is cool, stylish, almost intimidating with awards or many television screens on the walls. Offices are larger, more luxurious with
separate meeting rooms (the size of the office tends to indicate the status and organisational power of the incumbent). This environment tends to suggest the importance that advertising agencies place on having the right image.

In the advertising agencies, dress tends to be casual for the creative people but suits and ties for the account service people. This is another important yet understated artefact of the industry. Dress indicates a differentiation and a separation of the creative people from the rest of the agency. It also implies a hierarchy. The creative people disparagingly call account service people "suits" to indicate their uniform and the fact that they must dress like this to look professional and to please a client. These different uniforms and offices tends to reinforce the division of the agency into creative and non-creative places.

The smaller advertising agencies and the new online agencies, in contrast, display a greater sense of freedom and variety in their physical surroundings. For example, the John Bevin advertising agency is situated in an old boatshed alongside the water at Balmain. This suggests that a physical place not only emerges from the overall environment of the organisation but reflects it as well.

*Organisations have to be more flexible. Here for example, there is no set hours, you can work from home and wear basically what you want.*
Andrew Gardner, Managing Director, APL Digital.

Another medium sized advertising agency (Leo Burnett) is planning to move premises and they see this as an opportunity to directly influence the creativity of the agency. As Stan May, the CEO and Chairman explains:

*We are moving to new premises in six months. Our brief for the designers was to create a more creative environment. Not trendy but to create places where people could meet for coffee, for say 10 minutes in an open forum. These coffee places are to be spread throughout the organisation. I want people to talk.*
Stan May, Chairman & CEO, Leo Burnett, Advertising Agency.

The other major benefit of this new design was symbolic. The senior management of this agency wanted to send a message to the rest of the employees that they wanted to do things differently. I found this connection between a change in the physical space and the symbolic impact it might have on the shared space (i.e. shared meaning) at other organisations I visited.

*The new physical locations also symbolised to the rest of the agency and to our clients that we wanted to do things differently. There are also no titles on their business cards just your name followed by Mojo partner.*
Grant Millington, Account Director & Partner, Mojo Partners, Advertising Agency.
We believed it was important to change the physical place because it became a symbol of change. A signal that we have changed or we are changing and we are different and we are building a better place to work.


The physical space can also have a dramatic impact on where and how people interact. As discussed in Chapter 6, creativity emerges from the interactions between diverse people and mindsets. This can be encouraged by the design of the physical space. At some advertising agencies this can be around their own internal bar or café.

*We have a bar, which we see as important place to meet, create a dialogue, and to decompress.*

Grant Millington, Account Director & Partner, Mojo Partners, Advertising Agency.

At the ABC there is a staff canteen which fills a similar role. It has become a meeting place where people eat and stories are vigorously discussed. The canteen is a large barn-like building, with high ceilings, internal umbrellas, good food at reasonable prices. The tables in the middle can cater for eight seats, whilst the ones on the outside can cater for four people.

The so-called stars, like Kerry O’Brien (presenter for the 7.30 Report), have to line up with everyone else to be served. When I was there I noticed the large number of spontaneous conversations or interactions occurring. This could be while standing in the line or even walking out.

During other visits I have noticed that many department meetings are held there. These tend to be semi-formal meetings, or at least they appeared to have some formal purpose yet were carried out in an informal, public setting. It was also noticeable that departments or programs tended to lunch together. I imagine that work, while not discussed all the time, would still not be far from their thoughts. It probably creates a looser atmosphere where ideas can be floated without the rigid constraints of office life.

This highlights to me the importance of having a physical place separate from the usual working place to encourage the informal dialogue and interactions that are so important to the creative process. People seem to be saying to themselves, “at my desk I work, at the canteen I can relax, bounce ideas off people I know and trust. I have time to think and create”. Other interviewees also mentioned this separation of their working place from their thinking place.

*I do all the mechanical things at work and all my thinking outside of work e.g. at cafes, at home. I have to go out to think.*

Andrew Thompson, Managing Director, Incognito, Advertising Agency.
Other places I visited in my research journey simply buzzed with creativity. The Sydney Dance Company, for example, has its headquarters on Sydney Harbour, on a renovated wharf. The office and studios were alongside one another, suggesting a flow of creativity throughout the building. There was a sense of openness yet, paradoxically, many specific points of interaction such as the café on the ground floor. Another interesting example was The Sydney Children’s Hospital. The walls are brightly coloured, with butterflies on the ceiling and a magical fairy garden in a courtyard.

Perhaps the best example of the impact of a physical place on the creativity of an organisation is of the CSIRO. As Dr. Dennis Cooper, Divisional MD, explains:

I manage two different sites, at Marsfield and Lindfield. At Marsfield there is an open plan office arrangement, glass offices, people mix, there are far more interactions. Most people hated it at first but now love it. At Lindfield there are long corridors, closed offices, separate sections and departments. The scientists rarely interact. The Marsfield office is far more creative, productive and morale is generally better.

7.6.2 A shared space

As has been mentioned an organisation’s space is the unique, shared, invisible relationships and connections between members of an organisation. This term is an attempt to capture the notion that an organisation’s connections are far more than what appears on an organisational structure diagram. I believe it is a far broader term than “values” for example. It includes values but it also tries to capture the other shared but invisible dimensions of an organisation. In a sense it acknowledges that profit organisations are becoming more like non-profit organisations in that they are made up of communities of people with shared interests, needs, desires and dreams. It suggests that people have far more freedom; they can elect to stay part of a community rather than being caged in by a top down, rigid organisational structure.

A shared emotional space has always been important, but with organisational structures becoming less rigid, with the greater emphasis on teams and with an environment operating at the edge of chaos, a shared space between members can provide the glue that holds the organisation together. As more and more people work at home, the physical connections between people (e.g. a shared office) are breaking down, in return hopefully for a strengthening of a shared space. Another reason this notion it is important is that email, the Internet and intranet can connect people, yet this must work hand-in-hand with a shared emotional connection.

Our senior people are given a lot of freedom to run their business but we still maintain control. It is a loose-tight arrangement. They can be creative within their given paddock. But we have certain core values and a shared vision that binds the people together.

Steve Vizard, CEO & Co-founder of Artist Services.
Interviewees did not use the term “space” when discussing these attributes of an organisational environment. They typically used expressions like trust, values and vision. It was noticeable that when discussing such things, the non-profit people were far more comfortable than their profit cousins. As discussed earlier this is probably due to the rational language and mindset that dominates most profit organisations. However, even allowing for this difference and a diversity of terms, interviewees spoke of the notion of shared space with considerable conviction.

_The family values of my agency, i.e. trust, collaboration and respect for the individual, were important building blocks to enable creativity to emerge._
John Bevin, Managing Director, John Bevin Advertising Agency.

Perhaps the most important shared space is the notion of trust. As with many other dimensions of organisational creativity the notion of trust operates at many levels. Participants spoke of the need to trust their own and other team members’ intuition and imagination. Another form of trust is that of trusting feedback as being well-intended and honest. That is why creative people in advertising agencies, for example, often preferred working in a specialist, separate creative department where people could rely on and trust the skills, motivations and feedback of their creative peers.

_With creativity, confidence and trust is vital. When this breaks down, teams disintegrate. You have to trust people and trust their skills._
Jayne Robinson, Researcher, Four Corners, ABC.

Perhaps it is stating the obvious but interviewees find it difficult to be completely open to others with information, ideas, and insights when there is no trust. Hence trust and openness have a symbiotic relationship. The more I trust you, the more I am willing to be open. The more open I am with you the more I create opportunities for you to trust me. Trust is like a safety net that allows people to experiment, receive feedback, take risks and occasionally fail.

Another reason why a shared space is important for creativity is that it means that people have a strong platform to venture forth and explore their own and others’ creativity. As has been discussed already, it is a paradox that people often need to feel safe and secure to be creative. Having a shared space feeds into and reinforces this feeling of security. Creativity emerges out of the interactions between diverse people and mindsets. This dynamic tension can only be maintained if people also share a common space.

The notion of an organisation owning a shared space paradoxically suggests that it is both unique yet can be replicated. It is unique in that every organisation has a set of shared experiences and connections yet, as with the fractal concept, this shared space can be replicated at different levels of scale, i.e. the individual, team and organisational level.
3M is a community of shared beliefs and values. You can go to any part of the 3M world and you will know you are part of the same culture.
John Maclay, General Manager, 3M.

Our business is built around four guiding values, i.e. quality, value for the customer, cleanliness and service.
Charlie Bell, CEO, McDonalds Australia.

7.6.3 Shared time
As mentioned, an organisation’s time is defined as the unique, shared moments of existence experienced by all members of the organisation. Just as there are differences in place and space among the many different organisations I came in contact with in my research there is also a different sense of time. It appears that every industry, organisation, team and individual has its unique sense of time. This ranged from the frenetic pace of the new Internet and online companies, to the staccato pace of Four Corners, to the slower, careful pace of scientific research at the Children’s Medical Research Institute. I realised that the notion of time is increasingly becoming a relative, rather than absolute, concept.

Even allowing for the different sense of time, interviewees highlighted the general speeding up of organisational life. This occurs in response to competitive actions, technological changes, suppliers, partners and the quest to test things more quickly and easily. The aim, it seems, is to have the organisation’s internal time equal to, or even quicker than, the environmental time. This sometimes causes tension between the different players. For example, in the advertising industry clients expect effective yet timely advertising from their agencies. Agencies, on the otherhand, need time to understand the brief and develop new concepts.

It takes the advertising agency too long to respond, i.e. 3 weeks or more, this leads to a loss of momentum and energy.
Jayne Economos, Group Brand Manager, Nestlé.

The quickening of organisational life has some unintended consequences. Interviewees talk about the excitement, the energy that arises when new things can be tested. They like the idea that they (the leaders) are given more freedom, and are judged on results. Therefore they are expected to ‘get on with it’. Yet they regularly mentioned that the fast pace causes extra pressure and stress for their team and themselves.

People are so stretched, there is no time. People are under a lot of stress and some are saying that it is not just worth it.
Lynn Springer, former Managing Director, Foote Cone & Belding, Advertising Agency.
The senior people have so little time. There are less people in the business, we are all busy, we all have less time.
Patsy Peacock, formerly Account Service Director, McCarthy Watson & Spencer, Advertising Agency.

Perhaps the most important implication for creativity in the quickening of organisational life is the lack of reflection. New ideas often require an incubation period (see Chapter 6) which is not always in line with the urgency of the problem at hand. Also, because everyone is so busy people are not interacting as often. This again can diminish the creative output. Hence there is tension between the need to test things quickly and get to the market first and the need for reflection, incubation and learning.

We have lost in most organisations today that sense of reflective time and a reflective space. In a number of universities the academic staff used to come together at morning and afternoon tea. It was considered a sacred time for academics. It was part of their daily schedule. But at these times ideas and issues were discussed. Now it is viewed as inefficient.
Professor Sharon Bell, Dean, Faculty of Creative Arts, University of Wollongong.

It used to take 6-8 weeks to shoot and produce a television advertisement, now it takes 2-3 weeks. It puts pressure on people to produce quicker because we can. There is no time for reflection, emotionally we have to adjust and decisions are made quicker without too much thought.
Ian MacTavish, Creative Group Head, George Patterson Bates, Advertising Agency.

Deadlines constitute another important time dimension that impacts on creativity. At Four Corners, for example, a team is given six to eight weeks to turn around a story. The on-air date becomes an immovable object. This provides a sense of urgency and focus but it also can place individuals and the team under enormous pressure. The time pressure may mean that the story is compromised but on the other hand it enables a creative product to be produced.

Deadlines are problems because you have to compromise but they provide urgency and momentum.
Mark Malley, Producer, Four Corners, ABC.

The creative process at Four Corners has its own rhythm. It starts off slowly while people search for an idea then gains momentum until just before the on-air date when it becomes an all-embracing assignment. In fact, because of the time, family and health pressures placed on people, after the story goes to air the team is informally given the next week off to recharge their batteries.
7.6.4 A new way of exploring organisations?
I began this section by presenting space, place and time as a new way of exploring organisations. I suggested that creativity could emerge from the changes within and between each of these three elements. For example, an individual or team could attend a creative thinking course (space), have a casual dress day (place) and conduct a brainstorming session (time). The important point is that any one of these changes should increase the possibility of developing a creative product. In addition, any of the changes will potentially impact on the other elements, e.g. a casual dress day might mean a more relaxed and informal atmosphere (space) which might lead to more people spending more time interacting.

When leaders can link space, place and time together in a concentrated form the result can be enormous creative energy, such as when team leaders take their team away off-site (a change in place) for a two-day strategy or planning session (a change in time) it can lead to new skills, insights and enhanced team spirit (impact on space).

*I also believe it is important to get people away from their normal work-space and day-to-day issues so they can create some time to think about where they are headed.*

Professor Sharon Bell, Dean, Faculty of Creative Arts, University of Wollongong.

“Space, place and time”, I believe is a new, exciting and liberating way of describing an organisation and its relationship with its environment.

I have summarised the main findings of this chapter in the table below.

<table>
<thead>
<tr>
<th>Table 7.1 A summary of findings on creative environment</th>
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<tbody>
<tr>
<td>Traditional perspective</td>
</tr>
<tr>
<td>-------------------------</td>
</tr>
<tr>
<td>Bounded environment</td>
</tr>
<tr>
<td>Remove barriers to creativity</td>
</tr>
<tr>
<td>Move forward</td>
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<td>Embrace tensions</td>
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Organisational environment and Space, place and time

Note: This summary adopts a fuzzy thinking approach (see Kosko, 1994). For a business application of "and" not "or" thinking see Collins & Porras (1994).

7.7 Conclusion
This chapter tried to identify barriers to the development of a creative environment and to look at proactive ways to nurture such environments. Leadership is central to this work and will be considered in depth in the next chapter.

I have used the expression "environment" as an all-encompassing term to cover everything inside an organisation. As such, I believe it is similar to the term "culture" but more inclusive (see Schein, 1992) because it also entails structure. In addition, one environment can contain a number of different cultures.

Interviewees mentioned a number of barriers to a creative environment. These included company size, power and turf issues, a lack of resources, time, and uncomfortable working conditions. Most of these barriers are mentioned by others in the field (e.g., Amabile, 1996; Ford, 1995a; Kanter, 1983; Thorne 1992). These barriers tend to be collective barriers, yet the leader's or manager's own creative insecurities are rarely if ever noted as a barrier (see Chapter 5).

The most important barrier appears to be the company structure. The pyramid is still the dominant, and most widespread, metaphor for structures within profit organisations. As such it provides simplicity, order, rationality and the illusion of control. It is the prism through which creativity in most organisations must pass.

Some organisations (e.g. 3M) have a pyramid structure but ignore it or work within it. Others have developed their own evolving, flexible, effective structures (e.g. Four Corners, non-profit and Internet-related companies). The lesson seems to be that creativity in organisations can emerge in pyramid structures but it is more likely to emerge in less rigid arrangements. In more creative organisations, relationships, connections and networks are far more important than the type of structure (e.g., Semler, 1993; Wheatley 1992).

An emphasis on removing organisational barriers as the starting point to creativity was widespread. For most interviewees it was the only way they could initially conceive of designing a more creative environment. This reflected a belief that there was latent creativity in most organisations that could be released. Some interviewees were concerned that if the barriers could not be removed then creativity could not occur. This could become a self-perpetuating problem.
Removing barriers to creativity also suggested a self-organising, emergent form of creativity. If the barriers are removed the natural creative energy of an organisation can emerge in unpredicted and novel ways (e.g., Goldstein, 1994; Stacey, 1996; Wheatley, 1992). This self-organising, edge-of-chaos model is quite different from the traditional linear approach to introducing change into organisations (see Goldstein, 1994; Rickards, 1997).

Another complementary approach is to imagine, and work back from, an ideal creative environment. Interviewees outlined a number of characteristics of an ideal environment. Perhaps the most important is that an environment should form the context in which ideas are developed and received. This emphasis on collective idea receptiveness is an extension of the idea exchange concept (see Chapter 4). The notion that a creative organisation is open to new ideas from the environment is also consistent with an open systems approach (e.g., Clegg, 1990; Flood & Jackson, 1991; Morgan, 1986; Senge, 1990).

The attributes of an ideal creative environment have been documented by others (e.g., Amabile, 1996; Ford, 1995; Miles, 2000). But the emphasis on having fun, experimenting, accepting risk and failure is more pronounced in my research, although Baden-Fuller & Stopford (1992) have highlighted the importance of experimentation in entrepreneurial organisations.

Branson (1998, p. 431) highlights the importance of fun for the Virgin group of companies. He suggests:

*Fun is at the core of the way I like to do business and it has informed everything I've done from the outset. More than any other element, fun is the secret of Virgin's success.*

One of the most noticeable feature of creative environments I have studied is that they seem to operate at the edge of chaos. Organisations such as Four Corners and 3M manage to operate in a dynamic flux between order and freedom. They stand in stark contrast to the structured, ordered environments found in many profit organisations. This edge-of-chaos organisational environment is particularly suited to people who can tolerate ambiguity, step outside their comfort zones and who wish to express their and contribute to others,' creativity (e.g., Brown & Eisenhardt, 1998; Kelly & Allison, 1999; Quinn, 1985; Stacey, 1992; 1996; Wheatley, 1992; Whyte, 1994).

One of the consequences of this environment is the emergence and tolerance of tensions and paradoxes. Rather than viewing these dynamic tensions as paralysing, interviewees commented that they are "part of the way things are done around here". They try to work with the tensions and find new and different ways of resolving them. The lesson seems to be that balancing two conflicting forces is creatively preferable to choosing one option over the other. Other writers have also noted the positive, creative aspects of tensions (e.g., Collins & Porras, 1994; Hampden-Turner, 1990; Pascale, 1991).
A similar finding is the value of working with paradox. Interviewees would routinely mention different paradoxes in their conversation. Again they did not see inconsistency or fuzziness associated with such paradoxes. They believed that creativity could only emerge in the freedom associated with such tensions and paradoxes, and that creativity is needed to transcend the boundaries of more rational approaches (see Reanney, 1994). Other writers have also commented on the importance of working with paradoxes in organisations and the world generally (see Cannon, 1996; McKenzie, 1996; Naisbitt, 1994).

In this chapter I also introduced a new way of describing an organisation and its relationship with its environment. Each organisation can be thought of as occupying a unique yet shared space, place and time, and creativity can emerge from the changes within and between each of the three elements. This new terminology was introduced to allow me to escape from the more traditional, rational language of organisations and to more graphically describe relatively new phenomena, i.e. how to design continuously creative organisations.

The other benefit of this approach is that it highlights the interconnections and interdependencies of the three elements. At Four Corners, the physical place is crowded, uncomfortable and cramped yet this can lead to a greater number of informal interactions with more time spent on them (i.e. space and time). More informal spontaneous interactions can then lead to more creativity. The connections and relationships implicit in this new model are consistent with, and perhaps extend, Morgan’s (1986) population-ecology metaphor.

The individual elements of place, space and time are covered in the literature but not, I believe, as a total system. Leonard and Swap (1999), for example, outline the importance for creativity of an organisation’s physical and psychological environment. Schein (1992) differentiates between the various levels of culture with his notion of artefacts (i.e. place), espoused values, and basic underlying assumptions (i.e. space). Handy (1995, p. 41) uses the example of a library to outline how organisations should increasingly be thought of as “a concept, not a place; an activity, not a building.” Rayport & Sviokla (1994; 1995) contrast the physical world of a marketplace with the new informational world of a “marketspace”. Boden (1994) highlights the importance of transforming conceptual spaces to be creative, while Fukuyama (1995) underscores the role of trust in society generally and Gleick (1999) describes how the world is speeding up.

A few writers are starting to explore the notion of time, in particular, in an organisational context. Savage (1996) makes the distinction between clock time and human time. Clock time assumes a past, present and future which are all separate. Human or a shared organisational time, by contrast, assumes that the past and future are integral to the present. Brown and Eisenhardt (1998) also highlight the concept of an organisation setting its own ‘time pacing’ rather than being at the mercy of external events.
However, such discussion of organisational time has not previously been linked to considerations of space and place and the potential in this linkage for enhancing creativity.
Chapter Eight: The role of leadership in building a continuously creative organisation.

Q. What specific actions can leaders take to enhance organisational creativity?
The leadership role within a creative-problem solving group is essentially that of empowering others, who discover they are capable of greater achievements.

Tudor Rickards (1999, p. 130).
8.1 Introduction
Because of the importance placed on leadership by interviewees I have elected to treat leadership as a separate chapter. This chapter explores the role of leadership in building a creative organisation. It outlines two different, yet complementary, leadership models and a series of specific actions that leaders can take to enhance the creativity of their organisations.

It is not surprising that my research would find that leadership is a vital ingredient to organisational creativity. In a sense, interviewees were confirming that they, and other leaders like them, play a central role in creativity. This view also reinforces another common theme in my research, that of the importance of the individual in bringing about collective creativity. Again this perspective is not unexpected given that the individuals I interviewed are in a position to influence their organisations.

Even allowing for the specific bias of my research, interviewees continually and spontaneously mentioned the importance of leadership for creativity. This response occurred across the board, from profit to non-profit, from small to large organisations.

8.2 Why leadership is important to creativity
Leadership is at the core of a creative organisation. Leaders articulate an organisation’s direction and allocate scarce resources (time, money and people). They encourage, persuade, and are in a position to influence the behaviour of other members of the organisation.

Leaders must believe in and value the significance of creativity. By their own actions they must send a message to their team that the development of, and openness to, ideas is vital for the health of the organisation. In short, there must be some form of leadership intention to design a more creative organisation. The need to introduce creativity reflects that fact that most organisations are rational creations (see Chapter 5). To stimulate creativity requires new thinking and approaches, trial and error, risk and sometimes mistakes. It requires a departure from the certain, planned and rational values prized in most organisations. In a sense, leaders have to validate this approach and give permission to other organisational members to be creative.

To create a creative environment, you have to want to do it, i.e. you have to want to deliver a creative product. You have to make a commitment to deliver a quality creative product. This must come from the top.
Stan May, Chairman & CEO, Leo Burnett, Advertising Agency.

Creativity depends on the leaders who espouse and reinforce the importance of creativity. They have to say it is OK to be creative.
Designing a creative organisation depends almost entirely on the CEO, e.g. Rob Ferguson at Bankers Trust. It is a particular type of leadership, it is where people can realise their potential, where creative leaps are encouraged and rewarded, where people can take risks.

Hugh Mackay, Principal, Mackay Research.

8.3 Idea development: The new role of leadership?

As I write this chapter, the 2000 Sydney Olympics Games have just ended. There was general agreement that these Olympic Games were successful and that Michael Knight, the Olympics Minister in the NSW government, deserved credit for presenting the games of the highest standard and generally within budget (‘Fools’ Gold’, Editorial, Sydney Morning Herald, 4/10/00).

Yet the week following the games, Mr. Knight was bathed in controversy. It was revealed that he had blocked a gold medal award from the International Olympic Committee to a colleague, Sandy Hollway. Various newspaper articles described Michael Knight’s leadership style as intense, scheming, ruthless, take-no-prisoners, war-like, tough and unpopular (see Lewis, 2000). Implicit in these descriptions is what Sinclair (1998, p. 1) describes as our masculine view of leadership:

Specifically I propose that there is a close but obscure connection between constructs of leadership, traditional assumptions of masculinity and a particular expression of male heterosexual identity. Theoretical formulations of leadership have lost meaning partially because of our failure to recognise this connection and move beyond it.

Michael Knight personifies the traditional aspects of leadership. Yet interviewees in my research suggested another dimension of leadership not exemplified by Michael Knight. It revolves around developing ideas and/or creating an environment where ideas can emerge.

We are left with a paradox. Bob Carr, New South Wales Premier, called the opening Olympic ceremony,

The greatest single work of the imagination by Australians about Australia.

(Cameron, 2000, p. 19).

How could creativity flourish when the leader’s style, is ostensibly not conducive to creativity?

The answer I suspect is in the complex relationship between the three major players responsible for the ultimate success of the games opening and closing ceremonies. These three leaders were Michael Knight (the Olympics Minister), Ric Birch (the director of Olympic ceremonies) and David Atkins (the artistic director of Olympic ceremonies).
As highlighted, Knight was the ultimate decision-maker, the person controlling the budget and the public face of accountability. Birch was the overall creative leader who developed the initial concepts. Atkins was responsible for implementing and bringing the concepts to life. Each of the leaders had different personalities, skills, roles and responsibilities that complemented each other. There were tensions between Knight and Birch in particular, but also respect for each other’s abilities.

It provides an interesting case study in collaborative leadership. Knight made space for Ric Birch’s creative leadership to emerge. Knight’s role was to protect Birch from outside interference. Knight defined the boundaries within which Birch’s leadership could flourish. Yet these boundaries were fluid in nature. Birch had freedom to select and build his team. Over time, he devolved more and more responsibility to the next in line, David Atkins, thus creating space for Atkins to prosper. All three of the players were given some freedom to concentrate on what they were good at. It is doubtful that Knight could have conceived of the games opening ceremony yet it also probable that Birch and Atkins could not have expressed their creativity if they also had to constantly worry about administration, resources, budgets and undue political pressures.

It is not always possible to have such different people fulfilling different roles as in this example. My proposition, from the research, is that these different yet complementary roles will increasingly be found in the one person, a new kind of leader. This new type of leader will be expected to oscillate between the creative and the administrative; to develop ideas and implement them; to be open to new ideas and be decisive about which ideas to focus on (see Figure 8.1). This yin/yang view of leadership is expressed in the following comments:

*The Four Corners program sustains itself by strong leadership. Leadership is about encouraging ideas and creativity, shielding people from politics and keeping calm in a crisis and keeping people focused.*
Jenny Brockie, Reporter 1983-86, *Four Corners*, ABC.

*Creative leadership is about providing enough resources, setting expectations that ideas will happen, encouraging idea investigation and influencing the organisations culture. It is about setting new challenges and taking people out of their comfort zones.*
Dr. Dennis Cooper, Divisional Managing Director, CSIRO.

*My leadership style is that I treat the store managers as captains of their own ship. I encourage them to be innovative, creative, to try new things and new ideas. My role is one of encouragement, direction and discipline.*
Tom Hall, General Manager Retail, David Jones.

This new role of leadership, idea development, does not necessarily mean that a leader is solely responsible for creating ideas but it does mean that he/she must assume responsibility for the team’s or unit’s quality and quantity of ideas. Similar to quality or
customer satisfaction initiatives, it means that a leader must stress the importance of ideas, set standards, encourage, provide resources and be open to new ideas. Whilst ideas cannot be mandated this does suggest that a leader should be actively involved in the creative process as either a player or supporter.

Figure 8.1  The twin leadership roles

Idea leadership role
• develop ideas
• inspire
• challenge
• power through ideas

Traditional leadership role
• set direction
• influence
• allocate resources
• power via position
8.4 Two idea leadership models
My research suggests two idea leadership models:

- Leaders have to develop and be open to new ideas (the ideas hub model) or
- Create the right environment for ideas to emerge.

Both models complement each other, and a leader can alternate between them depending on the situation (see Figure 8.2).

I will discuss each model in turn.

Figure 8.2  The two ‘idea leadership’ models

![Diagram showing two models of idea leadership](image)

The leader as the “ideas hub”  The leader as a builder of a creative environment

8.4.1 The leader as “the ideas hub”
This model is predicated on leaders being at the centre of the development of ideas. Their role is to develop the ideas themselves and/or assume responsibility for the creative output of the unit. They set the direction, have a hands-on approach, lead by example, inspire, recognise and reward creative efforts. This leadership model pushes people out of their comfort zones and sets the creative standards or expectations for all actions. In the advertising industry in Australia, for example, some of the most successful agencies have an ex-creative person as the CEO, e.g. John Singleton (Singleton-O&M), John Bevin (John Bevin Advertising Agency), and Stan May (Leo Burnett).

*Leadership is about one person with a few big ideas, a person who can provide a turbo amount of energy.*
Jack Vaughan, Creative Director, The Principals, Advertising Agency.

216
The creativity and changes come from the two leaders of the hospital. It helps in that both are doctors and pediatricians themselves. They are readily accessible and passionate about the children and the hospital.

David Loy, Director of Administration, The Sydney Children’s Hospital.

I found the “leader as the ideas hub” model in both the profit and non-profit sectors. But there are subtle differences in how this model is manifested. In the profit sector the leader feels more strongly about being identified as the author of, or at least associated with, a successful idea. There is glory, prestige and power about being the person who developed a new product or service. It also reflects a pyramid structure where the leader at the top of the pyramid does the “thinking” whilst people in the lower positions are the “doers”.

In the advertising industry, for example, copywriters and art directors would often have a reel or file of their recent or most successful advertisements at the ready. There is a common view in this community that because they were the ones who created the advertisements, any associated success was theirs alone and not to be shared with other members of the advertising agency, e.g. the account service people.

In the non-profit sector, the importance of the leader as the hub of developing ideas manifested itself in providing inspiration for the team or organisation. The leader relies less on positional power and formal structures and more on influencing through his/her own actions and ideas. With less financial resources, non-profit organisations often rely on the commitment of members and supporters. Such people feel passionate about the cause and appear to better respond to leaders who can engage their imagination and passion.

Leadership is about providing inspiration. How? By example, by your commitment, energy, curiosity, drive, resilience, ethics and professionalism.
Professor Sharon Bell, Dean, Faculty of Creative Arts, University of Wollongong.

The leader’s role is to inspire people. In an artistic community leadership is vital. Artistic performers are more sensitive and the end product is more subjective, it depends on taste and judgement.
Helen O’Neill, Director of Marketing & Communication, The Australian Opera Company.

One of the most effective ways a leader can inspire others and reinforce core values is through the use of stories. At 3M, for example, each of the leaders I interviewed told me personal stories about how they, or others, developed new and innovative products. These stories not only inspire but provide the glue that connects employees, giving permission and confidence for people to experiment, take risks and buck the system if necessary.
Our CEO will regularly talk up our vision and values. It highlights what we expect from people. There is a consistent innovating message from 3M managers and leaders for 90 years.

John Maclay, General Manager, 3M.

The leader as the “ideas hub” has some unintended side effects, however. Middle managers, in particular, occasionally complained that their leader had stolen their ideas and in future they would be less likely to contribute. This in turn led to a lack of trust and openness in discussing ideas.

In an apparent paradox, a strong, inspiring leader might so dominate proceedings that people are not given an opportunity to express themselves or the ideas are limited in scope to those which are consistent with the views of the leader.

Another apparent disadvantage is that the organisation, unit or team becomes entirely dependent on one person to generate all the creative energy. If the leader (like a star soccer player) has an unproductive period or, worse still, becomes sick or leaves, the rest of the organisation is vulnerable. Think of the important roles played by Anita Roddick (Bodyshop), Richard Branson (Virgin), Michael Dell (Dell Computers) and Bill Gates (Microsoft). These leaders are not solely responsible for all the creative energy but they certainly play a central role.

However, this model can be effective for developing ideas. From the top down there is an importance placed on creativity, which means the organisation can be quick to deal with new challenges, resources can be provided, and it is difficult for competitors to emulate the success unless they have similar leaders.

One of our competitors (Harvey Norman) is reliant on their CEO, Gerry Harvey. He provides the personal passion, energy and drive. All organisations need strong, passionate leaders to succeed.

Tom Hall, General Manager Retail, David Jones.

8.4.2 The leader as the designer of an ideas environment

The second idea leadership model outlined by interviewees is one where the leader is charged with building an environment where ideas can emerge. There is less onus on the leader to generate all the ideas but more on realising the creative potential of every organisational member.

My role is to provide a psychological and physical environment for my team to be creative.

Jacquie Harvey, Executive Producer, Lateline, ABC.
My goal is to provide an environment where we all can be more creative. If the other leaders and myself can provide the right environment, creativity can emerge.
Christine Dixon, Deputy Commissioner, NSW Police.

The art of creative management involves being tolerant of people's different views and being able to unlock their creative energy.
Andrew Fowler, Reporter, Four Corners, ABC.

This model implies quite a significant shift in leadership behaviour. It is less about "follow me into battle" and more about providing the circumstances where ideas, insights and decisions emerge from the group. As a result, leaders obtain kudos through the ideas emanating from the group rather than being directly responsible. This requires leaders to be "ideas humble". By this I mean leaders need to recognise that other people have ideas and that these ideas may be better than theirs; or that other people are closer to the problem and may be in a better position to generate more relevant ideas.

The world is changing so quickly that you cannot wait for the senior managers to come up with all the ideas. You need a diverse range of perspectives from the young and from all levels.
Patricia McIntyre, Vice President, Bankers Trust.

This new model of leadership involves letting go of the mindset which, says that leaders alone are responsible for developing all the ideas. It suggests that leaders need a large degree of self-confidence to invite the contribution of others.

In general, this idea leadership model was more frequently found in the non-profit sector, where interviewees tended to be more inwardly focused than in the profit sector. They valued self-reflection and being true to oneself. Interviewees believed that leadership comes from within. To lead others requires a strong self-belief and trust both in your own creativity and the creativity of others.

The art of leadership is the art of knowing yourself. We are often not honest with ourselves, we need to spend time reflecting on ourselves.
Professor Sharon Bell, Dean, Faculty of Creative Arts, University of Wollongong.

Tomorrow's leaders are not the smartest but the most curious, who can recognise opportunities, admit mistakes, try new things, encourage openness, and are personal values based.
Debra Heitmann, CEO, Australian Council of Businesswomen.

On a more practical level this leadership model involves a determination of what has to be done while leaving the "how" to others. At Four Corners, for example, the executive producer reviews the initial story idea and leaves the team alone until there is a rough cut of the story some four to six weeks later. It is apparent that he is more interested in the
ends rather than the means. Every reporter, producer and editor has his/her particular creative process, style and system, which is woven into a rather loose overall fabric or process.

The leader’s role, therefore, is to set the direction, still be an active player (but not necessarily the star) and provide the necessary resources. This leadership model sets standards, encourages risk-taking, recognises good ideas, relaxes control, and provides creative freedom within established boundaries. In short, it is a leadership model which facilitates an environment operating at the edge of chaos (see Chapter 7).

Leadership is about having confidence in yourself and in your people to allow them space to create things yet at the same time provide them with a defined framework or set boundaries.
Professor Sharon Bell, Dean, Faculty of Creative Arts, University of Wollongong.

The leadership of the organisation must encourage people to try things and occasionally fail.
Simon Reynolds, Creative Director, Virtual Creative Department, Advertising Agency.

My leadership style is that I try and delegate, support, give people confidence and allow them to take risks. I have to also set standards, e.g. is this work I would put my name to.
John Budd, Executive Producer, Four Corners, ABC.

Another important leadership role in this model is that of team design. Leaders can directly influence the degree of diversity in a team by hiring people outside the norm and encouraging greater interaction through team meetings or social events (see Chapter 6 for a discussion on the importance of diversity and interactions to the creative process). They can also decide on who works on what projects. A leader looking for original ideas may, for example, put together people from completely different functions.

Leadership is absolutely critical at the unit level. There are two aspects: the journalistic level, i.e. the quality and types of programs, and the right team, the right mix, the hiring and firing. The role of the leader is to mold them both together so you want the right people working together within an environment of healthy competition.
Sue Spencer, Producer, Foreign Correspondent, ABC.
This leadership model has a number of advantages. It represents an attempt to engage and value the creativity of all the members of the team or unit and it builds on their individual strengths and passions. People feel as though their ideas are being listened to. This can lead to a more motivated, valuable and committed workforce. Because of this there are many more potential sources of ideas. Thus originality of ideas is enhanced and the organisation is no longer reliant on a few leaders to generate all the ideas.

_The new leader of tomorrow will involve the creativity of all the people in the organisation._
Charlie Zoi, Chief Operating Officer, Telstra.

This idea leadership model has its drawbacks. It can take longer to generate ideas, there may be too many ideas developed, and they may not be as focused on the priorities of the organisation. Leaders also complain that investigating and evaluating every idea takes time and saying “no” is never easy.

_One of the hardest parts of being a leader is that you occasionally have to say “no” to a project yet still leave the person feeling appreciated and their self-confidence intact._
Andrew Thompson, Managing Director, Incognito, Advertising Agency.

Perhaps the biggest barrier to the widespread adoption of this approach is the prism through which leadership is viewed. As has been mentioned, the traditional leadership model is male, heroic, charismatic, powerful and all knowing (Sinclair, 1998). This second model acknowledges that a leader’s ideas are just some of many different ideas, no better or worse than others. Organisational results, recognition, prestige and power are obtained through the team rather than flowing directly from the leader. For leaders, this takes an enormous amount of confidence and trust both in themselves and in others to develop ideas. It requires leaders to surrender their position at the head of the table.

It is not my intention to paint an either/or situation here. A leader can alternate between the two different approaches depending on the situation. It is the leadership model used rather than the person, which is the key. The two models can complement each other and can be used with varying degrees of success.

### 8.5 Creative leadership actions

Interviewees mentioned many specific examples of leadership actions needed to enhance the creativity of their organisation. I have grouped these actions into either direct or indirect. They can be used in both leadership models. Direct leadership actions are those that are specifically intended to influence the development of ideas. Indirect actions, as the term implies, are those where creativity is often an unintended, or secondary, outcome.

I will discuss each of these creative leadership actions in turn.
8.5.1 Direct creative leadership actions
I have identified six kinds of direct creative leadership actions. They are set out below:

a. Incorporate creativity into the vision and values of the organisation
One of the most direct, powerful and symbolic way a leader can stress the importance of creativity is to incorporate it into the vision and/or values of the organisation. A vision statement has a number of roles. It can engage and integrate the collective passions and imagination, define a future ideal organisation, create possibilities yet establish boundaries and reinforce what is important. Of course, this will only happen when a vision statement is relevant and real (i.e. not token and ignored).

At 3M for example, the vision is:

*To be the most innovative enterprise and the preferred supplier in the markets we serve.*

This vision is a clear, unambiguous statement as about the company’s innovation aspirations. Perhaps most importantly, people at 3M believe it. As John Maclay, General Manager of 3M explained:

*We are a innovative enterprise. Our vision captured what we were doing rather than what we would like to be. We were living it. People trusted us and there is some feel good in it is well.*

This is a welcome change from a number of vision statements which, while well meaning, are largely a top-down exercise and not really reflective of the way management operates.

From an organisational creativity perspective, a living vision and values statement serves another important role. It forms a natural, dynamic tension between what exists today (i.e. the values) and what could exist (i.e. the vision). It provides boundaries within which creativity can emerge, and provides a sense of security and comfort from which people can venture forward and explore their creativity.

Having a longer-term vision for the organisation was also considered vital for the creativity of individuals in an organisation.

*Vision is important for both an organisation and for me personally. It is a longer-term view, a dream. A vision tries to create a world in which we want to live. It creates some future state that I can taste and see, then you have to work backwards from the final result.*

Debra Heitmann, CEO, Australian Council of Businesswomen.
Visions are vital. You have to be gutsy and lucky. A vision acts as a kind of beacon to give people hope and direction. Not having a vision statement is a cop-out. A vision statement must not be too general, however; it must address the needs of our different stakeholders, e.g. employees, trainers etc.
Graeme Burns, CEO, The Australian Institute of Management.

b. Set creativity targets and measure the results

3M is an instructive example of setting targets for creativity and measuring the results. In this company, all line managers have, as part of their annual goals, a target that 40% of their sales must come from products that are less than four years old. 3M has a specific definition of creativity (i.e. new products) and an equally specific target (i.e. 40% of sales).

Our target is to get 40% of our sales from products that didn’t exist 4 years ago. This forces us to continually invest in new products and innovation. In the last year, I made my profit and sales numbers but I got into trouble from my boss because new product sales for the year were under 10% of my total sales (a break-down of the 40% rule) and that was fair enough.
John Maclay, General Manager, 3M.

The important lesson at 3M is that the 40% new product target is a company-wide target which applies to every line manager. It is embedded in the system. It is aligned and flows from 3M’s vision. It also makes the vision of being the most innovative enterprise and the preferred supplier come alive. Another lesson is that, although the target is fixed, there is no direction as to which new products should be developed. In fact, individual leaders have a large degree of freedom in deciding which new products to pursue.

Other interviewees mentioned that they had set creativity targets but these tended to be left to the individual leader to fulfill rather than being a company-wide initiative. Charlie Zoi, Head of Marketing and Chief Operating Officer at Telstra mentioned the following goal:

My goal (as head of marketing) was to launch one new product per week. Previously it was in years. In the past 5 years we launched 150 new products.

The 3M experience has reinforced for me the need to have an appropriate and relevant creativity target and measurement system. Not only can it be done but it can make wavering leaders take creativity seriously.

c. Ask for ideas

Perhaps the most simple, direct and effective way a leader can develop ideas is to ask for them. Interviewees talked about the various processes they used to initiate ideas. Typically they involved a formal or informal meeting with staff or customers. The message seems to be that such meetings are held regularly, tend to be small in size and the leader plays a
facilitating, listening role (also see the discussion on suggestion box schemes in Chapter 6).

I meet with six employees over lunch every Wednesday to discuss the business. This is a good forum for ideas. I also ask two questions: what are the positive things about their work and what are the bad things.


The other main message highlighted by interviewees was the need to act on the ideas. People are willing to offer their ideas only if they are taken seriously. If they feel that the leader is not willing to act on the ideas they will not contribute again. In fact, it can be demotivating.

Although it is an easy and appropriate action to ask for ideas often it is not enough. My experience (both as a teacher and consultant) is that it is often more productive to ask for qualitatively different types of ideas. For example, I have had some success by asking students to contribute five business-as-usual, five different and five radical ideas. In this way, not only is a large number of ideas generated but they are different in nature. This tool encourages students/and practitioners to be adventurous in their responses.

d. Provide seed money

Another practical leadership action is to offer “seed money” for any new ideas. This involves the leader providing an ideas focus, criteria for evaluating the ideas, and a time-frame. The advantages of this approach are many. It is quick, the funding involved tends to be relatively small yet they provide a tangible resource for people to test their ideas. Again there is a leadership intention (to enhance creativity) matched with a specific action (to provide idea seed money). It also encourages a climate of idea experimentation.

I wanted to encourage ideas and creativity so I gave up to $20k for any person who could come with an idea. This encouraged a lot of blue-sky thinking. It was a new approach.

Dr. Dennis Cooper, Divisional Managing Director, CSIRO.

We have a Vice-Chancellor’s Award Grant System where ideas can be given seed funding of $10000 to $20000. You simply have to complete a one page form and avoid the usual slow and bureaucratic system.

Professor Sharon Bell, Dean, Faculty of Creative Arts, University of Wollongong.

e. Recognise and reward creativity

Whilst providing seed money is a direct leadership action it has another effect. It sends a strong practical and symbolic message to the organisation that the leader is serious about ideas and will recognise and reward creative action. There was much discussion by interviewees as to the relative merits of recognition and rewards. On one hand, leaders felt that recognising an idea, and by extension the person, is sufficient reward in itself. 3M, for example, relies on recognition extensively. Even people in creative roles in advertising
agencies commented favourably on how they were recognised for their creative efforts. Recognition is a powerful strategy if there is some degree of existing motivation to generate and be open to new ideas. It also works well because it publicises desired behaviour. At 3M, recognition programs are in place to identify, support and encourage the development of new products.

*Most of our recognition is soft stuff via plaques. It is peer nominated. You become part of a special club.*
John Maclay, General Manager, 3M.

*We are thinking of having a creative week to recognise creativity. Every department can display their own creativity. One of the first steps was agreeing exactly what creativity is and is not so we all knew what we were talking about.*
Hugh Spencer, Strategy Planner, Clemenger BBDO, Advertising Agency.

Other leaders felt that simply recognising an idea or creative behaviour is not enough. This is particularly the case if an idea has had a significant, positive impact on an organisation. There is an expectation among leaders (and the idea generator themselves) that in these cases a reward is the most appropriate action. There was no general agreement on what the size of the reward would be. For some, it is worked out on a percentage of potential cost savings or revenue generated. Other leaders used an arbitrary figure of $1000 and still others used as a guide what they have given in the past. Rewarding ideas also seemed to be a deliberate strategy of leaders if they wanted to make a grand, dramatic, circuit-breaking gesture in an attempt to introduce more creativity into the environment.

Rewarding ideas did cause problems, however. For some leaders it creates an expectation that every person generating an idea will expect a reward. It is difficult when the author of the idea is not clear-cut and developing ideas is seen as part of a person’s regular role.

Recognising and rewarding should not be seen as an either/or proposition. In fact, some leaders told me stories of how they used both effectively in combination. For example, a leader of a large organisation mentioned that one of his staff had proposed closing in area to make a new, indoor/outdoor café. The originator of the idea received a cheque for $2000 as well as a plaque presented at the next staff meeting and there was a story about the idea in the staff newsletter.

**f. Constantly define (and redefine) new challenges**
Another direct leadership action used by interviewees to develop ideas is one of setting new challenges or reframing existing problems. The belief here is that individuals, teams and organisations too easily become comfortable and set in their ways. What was achieved last year plus 10% is safe, predictable and often obtainable. But this can lead to incremental thinking, new ideas or actions not being actively encouraged. This is a problem if the external environment changes quickly. What is needed is a leadership style that continually challenges the status quo. There is a fine line, however, between bold, new challenges and unobtainable targets that become ultimately demotivating.
The leader’s role is to constantly re-energise the company by entering new markets, setting new challenges, encourage new visions and take new risks.
Peter Wilson, News Editor, The Australian Newspaper.

8.5.2 Indirect creative leadership actions
The second category of leadership actions is described as indirect. These are actions whose primary purpose is not to enhance creativity per se but where an idea(s) is an unintended outcome. These indirect creative actions are challenging for leaders because they imply randomness, a loss of control and the implication is that creativity can emerge in unexpected and unplanned places and spaces. Many of these actions run counter to the need for efficiency hence they can create a tension for the leader between the possibility of new ideas and inefficient work practices.

a. Allow time in staff meetings to develop ideas
A large number of smaller advertising agencies have regular (usually Monday or Friday) “work in progress” meetings. Typically all staff attend, to be updated on the status of all current and future projects. Out of these meetings useful and unexpected ideas often emerge. It is noticeable that these meetings are rather loose, more fun and less formal than those held at larger organisations. One of the agencies has a regular monthly meeting at a restaurant. People are expected to comment on the status of their projects but also contribute ideas and insights. There is a formal agenda but it tends to be flexible in nature. Although it is a good forum for ideas one of the complaints about these meetings is that they seem to last forever and are too easily side-tracked.

b. Move people around
Another indirect leadership strategy is to regularly move people around the organisation. The primary, intended, benefit of this action is that people gain a broader set of skills and experiences. An unintended benefit can be that there is a continuous flow of new energy and people look at problems with new eyes. At Four Corners, for example, there is a deliberate strategy of moving people in and out of the program every 2-3 years with some constancy provided by a small group of senior reporters and producers (Chris Masters has been a reporter for over 15 years). The traditional management concern with high turnover is, in this case, not warranted. Nevertheless, Four Corners staff complain that the same problems persist, people get burnt out and there is a “sink or swim” culture. The belief is that the good people will stay, work themselves to a standstill and move on. The leadership action of regularly moving people around occurs in many organisations but it appears to be a defining component of the environment at Four Corners.

At Four Corners there is a regular turnover of staff with a core collection of talented people. These people connected Four Corners with its history but the new staff introduced new blood.
Jenny Brockie, former Reporter, Four Corners, ABC.
Telstra likes to move people around. The Mobile Net Pricing came from an accountant who could view things in a new light, with fresh eyes.
Nicolle Sheffield, Marketing Manager, Multimedia Division, Telstra.

Constantly moving people around can be destabilising, particularly if people are moved without their consent or agreement. This can have a negative impact on morale and hence creativity. The notion of moving people around is a good idea if used judiciously, thoughtfully and with the engagement of the people involved.

c. Place unrelated departments together
Leaders often spend a significant amount of time and effort designing organisational charts. Part of this design includes the physical design of the office. Implicit in this thought process is that logical and related departments should reside next to one another. Yet occasionally an interviewee would mention that ideas might emerge from the most unexpected places and that placing different departments together can facilitate this process. I once worked in marketing for a major international bank (Citibank) and the managing director placed the legal department and treasury next to our department. We all thought he was mad. There was general suspicion between the different departments, yet after a while, through dialogue, a growing trust and respect was built. Out of one of these tri-party interactions a successful new product was conceived. This would never have happened if the departments had been organised and situated in a conventional manner.

Putting departments, e.g. marketing and sales together has been beneficial; we can visit each other.

d. Respect informal meeting places
The importance of the physical place on creativity has been covered in Chapter 7. Sometimes, however, interviewees mentioned that a certain part of the physical environment was regularly used by employees to conduct informal meetings. In the advertising industry the local pub, café or restaurant becomes a place and a space where ideas can, and often do emerge. At the ABC it is the staff canteen. The primary purpose is have something to eat or drink and socialise, but out of these interactions new insights can develop. These places can be more informal, fun, and represent a physical break from the workplace.

8.6 Linking leadership actions to the building of an ideal environment
The direct and indirect creative leadership actions are aimed at building an ideal creative environment as outlined in Chapter 7. The different elements of such an environment are the ends and the specific leadership actions are the means. However, the success of these actions is influenced by the existing environment which can either restrict or facilitate the leader's attempts to introduce creativity. For example, if there are wide-spread retrenchments, the remaining people may be less willing to take risks or accept new challenges.
The linkages are outlined in Table 8.1 below:

<table>
<thead>
<tr>
<th>Features of an ideal environment</th>
<th>Specific leadership actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Be open and receptive to ideas</td>
<td>Incorporate into vision/values</td>
</tr>
<tr>
<td></td>
<td>Recognise and reward creativity</td>
</tr>
<tr>
<td></td>
<td>Ask for ideas</td>
</tr>
<tr>
<td></td>
<td>Allow meetings to develop ideas</td>
</tr>
<tr>
<td>Continuously experiment</td>
<td>Provide seed money</td>
</tr>
<tr>
<td>Take risks</td>
<td>Provide seed money</td>
</tr>
<tr>
<td></td>
<td>Constantly define new challenges</td>
</tr>
<tr>
<td>Have fun</td>
<td>Respect informal meeting places</td>
</tr>
<tr>
<td>Retain a focus on results</td>
<td>Set creativity targets and measure</td>
</tr>
<tr>
<td>Operate at the edge of chaos</td>
<td>Move people around</td>
</tr>
<tr>
<td></td>
<td>Place unrelated departments together</td>
</tr>
</tbody>
</table>

The leaders of the organisation are the starting point for any attempt to build a more creative environment. By what they say and do, they must value creativity. The leaders then have to introduce specific actions to support their intention. This can be done via a twin strategy: reducing the barriers to creativity in the existing environment and at the same time, building an ideal creative environment (see Figure 8.3).
Organisational creativity depends on two things: A corporate philosophy that values ideas and continually asks “how can we do this better?” And the mechanics; e.g. weekly meetings, setting new challenges, restating problems, and recognising and/or rewarding ideas.

George Stent, Principal, Stent Research.

Figure 8.3  The leader’s twin role: to remove barriers and build an ideal environment

A summary of this chapter appears in the table below:

<table>
<thead>
<tr>
<th>Table 8.2 A summary of the findings on leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Traditional perspective</strong></td>
</tr>
<tr>
<td>Traditional leadership role</td>
</tr>
<tr>
<td>The leader as the “ideas hub”</td>
</tr>
<tr>
<td>Leadership intention</td>
</tr>
<tr>
<td>Direct creative action</td>
</tr>
<tr>
<td>Creative leadership</td>
</tr>
</tbody>
</table>

Note: This summary adopts a fuzzy thinking approach (see Kosko, 1994). For a business application of “and” not “or” thinking see Collins & Porras (1994).

8.7 Conclusion
My view of leadership has been particularly influenced by the work of Gardner and Laskin (1996, p. xiii). They define a leader as:

\[ \text{An individual (or, rarely, a set of individuals) who significantly affects the thoughts, feelings, and/or behaviours, of a significant number of individuals.} \]

This definition provided a building block for me to explore leadership with the interviewees. My belief system and business experience, suggest that leaders can and do make a difference to the health of an organisation. This is implicit in my research design as I have interviewed only leaders, albeit across a broad range of organisations. The Gardner and Laskin definition is also important for my work because it acknowledges that there can be many leaders in an organisation and that they can affect an employee in intangible (e.g., thoughts and feelings) and tangible (e.g., behaviour) ways. My proposition is that a leader can influence others through ideas and be influenced by the ideas of others, and this is consistent with Gardner and Laskin’s definition of leadership.

As already mentioned, interviewees confirmed the proposition that leadership is central to designing a more creative team, unit or organisation. As such, it is the sixth element in my emerging model of organisational creativity (see Figure 8.4). This message is well covered in the literature (e.g., Carnegie & Butlin, 1993; Conger, 1995; Ford, 1995a; Light, 1998; Peters, 1987; Russel & Evans, 1992; Woodman, 1995).
My research suggests a new role for leadership, the development of ideas. Albrecht (1987) has also articulated this new role, and Tichy and Cohen (1997) call idea development the heart of leadership. This is quite different to the traditional role of leadership which involves establishing direction, aligning people, making decisions, allocating resources and producing change (Kotter, 1990). This is not to say these roles are less relevant but that the development of ideas is growing in importance. This is not an entirely new notion. Anshen (1969, p. 107), for example, highlights this new leadership role and explains why it does not sit comfortably with most leaders:

*The emerging dominance of ideas as a central concern for top management raises critical questions about the education, selection, and development of candidates for high level assignments in the years ahead. Neither business school education or in-company experience is presently structured to emphasize the management as philosopher concept. Rather, the principal thrust in school and company environments is toward new analytic techniques, both quantitative and qualitative, and their application in rational decision-making and control.*
My research indicates that there are two different yet complementary idea leadership models. The first model is called the “leader-as-ideas-hub”. This type of leader is at the centre of idea development and provides the creative energy for the rest of the team or organisation. This leadership model is used implicitly by a number of authors (e.g., Conger, 1995; Ford, 1999; Goleman, 2000) and explicitly by a number of prominent business leaders such as Disney CEO and Chairman, Michael Eisner (see Wetlaufer, 2000). It is consistent with Farkas and Wetlaufer’s (1996) research which describes five leadership approaches, one of which is the leader being the primary driver of change.

I found subtle differences between leaders who adopted this model in the profit and non-profit sectors. The profit sector leaders were more likely to want to be seen as being the author and driver of the idea and its implementation; in short, to be the “ideas hero” (Sinclair, 1998). The non-profit leaders, by comparison, were creatively active but wanted to inspire others through their words and actions. Regular and active story-telling is a tool used by leaders in both sectors to enhance the creativity among staff. Gardner and Laskin (1996) have stressed the importance of a leader being a good story-teller.

The second leadership model involves the leader designing an environment where ideas can emerge (e.g., Leonard & Swap, 1999; Rickards & Moger, 1999). The belief system among leaders using this model is that their role is to unleash the latent creativity that exists in every individual, team and organisation. As Mintzberg observes:

*The role of a manager is to bring out the energy that’s inherent in people* (cited in Reingold, 2000, p. 288).

Under this model a leader can contribute ideas but they are just some of the ideas that might emerge from the group. In fact, it is possible that the idea leader for a specific idea may not be the organisational leader. It is the role and not the person that is most important.

In this approach, ideas self-organise out of the interactions in the group or team (the concept of self-organisation is well covered by Davies, 1995; Stacey, 1996; Wheatley, 1992) The leader’s main responsibility is not the quality of the ideas they generate but the quality of the idea environment they create. The importance of the organisational environment to developing ideas is well covered by Amabile (1996a; 1996b; 1997; 1998) and Hamel (1999). The designing of an ideas environment requires a leader to be self-aware, value reflection and trust the creativity of the group and themselves (Bennis, 1989; Russel & Evans, 1992).

This type of inclusive, collaborative, “bounded-freedom” idea leadership is consistent with what Rost (1991) calls a post-industrial school of leadership. Manz and Sims (1989) call this “super-leadership”, i.e. the ability of a leader to help others to lead themselves. In this case it is the capacity of the leader to create a team of idea leaders. As has been mentioned, anyone in the group can assume the role of idea leader depending on their passion for an idea. It also suggests that leaders employing this model should have a high
degree of emotional intelligence, i.e. self-awareness, self-regulation, motivation, empathy and social skills (Goleman, 1998a).

Amabile (1996b, p. 11) captures the spirit of this leadership approach:

*Although it may not be possible to directly manage creativity, research has shown that it is possible to manage for creativity.*

Interviewees outlined a number of specific creative leadership actions. I categorised these actions into direct or indirect. Direct creative leadership actions are those that have as their objective the enhancing of creativity. Indirect creative leadership actions are those in which creativity is not the primary objective but an unintended outcome. This terminology builds on and extends that of Gardner and Laskin (1996) and Schein (1992), who use primary and secondary embedding mechanisms in a similar fashion.

Perhaps the key to a continuously creative organisation is that leaders play an important role in developing ideas and in designing an environment where ideas can emerge. However, they should ensure that their ideas are not the only ones heard. Handy (1999), in his research with 29 alchemists (i.e. people that create something out of nothing), commented:

*It is a difficult balance to achieve — building a community of like-minded people while still listening to those who disagree, to be dedicated to what one is doing, yet to have time to walk in other worlds and hear other voices in other places.*

This linkage between a leader’s action and the environment of the organisation suggests a symbiotic relationship. The more the leader can reduce the barriers to creativity in the existing environment the more creative energy can be released (Amabile, 1996a; Proctor, 1995). This in turn creates more space for the leader to build an ideal creative environment. Bennis and Biederman (1997, p. 3) allude to this type of relationship when they write:

*Instead we have to recognize a new paradigm - not great leaders alone, but great leaders who exist in a fertile relationship with a great group. In these creative alliances, the leader and the team are able to achieve something together that neither could achieve alone.*

My research emphasises the vital role of leaders in building a creative environment and, by extension, a creative organisation. Yet there is a paradox. Leaders should play an active role in creativity yet they should also aim to make themselves redundant. The challenge is to embed and systematise creativity so that ideas are not dependent on any one person (see Collins & Porras, 1994, for research on visionary companies). While leadership is important at 3M, for example, the company’s capacity for innovation is less dependent on any one individual than other organisations I studied. Innovation has become embedded in the organisation. It is “the way we do things around here”. It almost has a life of its own.
Creativity and innovation, like a child, require constant and tender parental attention, but when the child matures the parent has to learn to let go, trust and occasionally offer guidance.
Chapter Nine: Conclusion
Creativity is now a core necessity for success in a profoundly changing organizational world.

9.1 The end and start of a journey

In this chapter I face my own paradox. While I have arrived at the end of my formal research journey, it is clear that the journey of a continuously creative organisation never ends.

Perhaps the design of such an organisation is an ideal, or end point; something to strive for but never quite reach. Yet the journey often is reward enough. Interviewees confirm that a more creative organisation offers greater potential for growth, change, enjoyment and adaptability.

An organisation's creativity will fluctuate but a continuously creative organisation is an aim.
Jane Caro, Senior Copy-Writer, Saatchi & Saatchi, Advertising Agency.

A continuously creative organisation is one that can continually adapt to its environment and its customer's needs and wants.
Paul Williams, Head of News & Current Affairs, ABC.

I believe the innovative position is open in every industry or category. It is important to the company and to customers.
Patricia McIntyre, Vice President, Bankers Trust.

At the beginning of my journey (see Chapter 1) I defined organisational creativity (adapted from Woodman, 1995, p. 61) as follows:

Organisational creativity can be defined as the continuous creation of valuable, useful new products, services, ideas, procedures or processes by individuals (or teams) working within a complex social organisation.

My research has confirmed that this definition provides a useful starting point. But it does not go far enough. Interviewees sought both originality and value in creative products with a growing emphasis on testing new ideas quickly and easily. A continuous flow of new products is still seen as an ideal. For the most part, the focus is still on the performance of the most recent creative product (see below for a deeper discussion of this point).

A continuously creative organisation has as its essence:

More people, being more creative, more often.
But for most organisations this does not occur. Most leaders in profit organisations restrict their view of creativity to certain activities (e.g. new product development), departments (e.g. marketing) and employees with special skills (e.g. artistic). What is needed is a much more expansive and inclusive view of organisational creativity. I have now defined it as follows:

Organisational creativity can be defined as the continuous creation of valuable, and original new ideas in any activity, by individuals (or teams) working within a complex social organisation (where value and usefulness are judged by one or all of the organisation’s stakeholders).

In this definition, a continuous flow of original and valuable ideas becomes the creative product (see Chapter 4). These ideas can be related to any organisational activity. I have also included stakeholders as opposed to shareholders, again expanding the scope of ideas (e.g. from ideas to solve a customer problem to ideas to fix the employee car-parking problem, as mentioned by a few interviewees).

9.2 Summary of the research results
My research confirmed a number of propositions and raised some new ones.

- The development of ideas (creativity) is growing in importance to leaders in both the profit and non-profit sectors. This supports claims made in the recent literature (e.g., Carnegie & Butlin, 1993; Karpin, 1995). Leaders are more aware of the need to produce more creative and innovative responses to adapt to changing environmental conditions, particularly the move into the information age, the growth of the new economy and the failure of cost-cutting initiatives to sustain organisations.

- Every individual, team and organisation has creative potential, which for the most part is not being fully realised. Every leader I interviewed believed their organisation could be more creative.

  We are trying to design a creative environment, an environment where ideas can flourish, everyone can be involved and everyone is involved; not just advertising but everything we do, e.g. how we bill a client.
  Stan May, Chairman & CEO, Leo Burnett, Advertising Agency

  A continuously creative organisation has to be creative at every stage of its business.
  Lesley Brydon, Executive Director, Australian Federation of Advertisers

- The creativity of an organisation is more than the creative contribution of each individual member or team.

- Yet individual creative action is at the heart of creativity for the team and the organisation. Teams or groups, while important to make creativity happen, still need
an individual to develop the initial idea. This idea leader usually is, but does not have to be, the organisational leader. My research seems to confirm Kanter’s (1983, p. 355) notion that:

In short, individuals do not have to be doing 'big things' in order to have their cumulative accomplishments eventually result in big performance for the company. It is in this sense that individuals in the right circumstances are the keys to innovation.

- The research suggests two different types of creative team. I have called the first type of team design “the classic team”, and the second, “a team of talented creative individuals”. The second type of team, based on volunteers and increasingly virtual in nature, will be the more important to the future of organisational creativity.

- Organisations can outsource their creativity to advertising agencies, for example. Yet often more rewarding, long-term results seem to emerge when leaders accept responsibility to be co-creators. This is due to their greater familiarity with the issues and interest in the results of the creativity of the organisation. My research however, is concerned only with realising the creative potential of the organisation itself and not with the results of any external creative collaboration.

- I found a preoccupation with the end creative product among the interviewees, although there were some who saw that creativity was more than the latest creative product. It is a paradox that to develop a stream of new creative products demands that less attention be paid to the latest products and more to the organisation’s capability for creativity (see Hamel & Prahalad, 1994).

Creativity is not just the creative product but it happens at all levels. It is also how we organise ourselves so that creativity can emerge.
John Rayment, Technical Director, The Sydney Dance Company.

Motivational speakers do not work. I have listened to 500 hundred of them in my career and they last perhaps 8 hours and then they wear off. What you need is a culture of creativity. It needs to be substantial and systematic.
Phil Ruthven, CEO & Chairman, IBIS Business Information.

- Most interviewees tended to focus on the success or otherwise of their recent creative products because of the pressure for results and because there is also a lack of a mental model or schematic as to how an organisation-wide, creativity capability could be built. My thesis is aimed at filling that gap.

- The emphasis on designing a stream of ideas capability is similar to what Hamel (2000b) has said with his work on building an innovation capability. An ideas capability has to be embedded, systematised and introduced to every part of the
organisation. I found a lack of this capability in both the profit and non-profit sector. As Letts, Ryan and Grossman (1999, p. 19) note:

*The social sector focuses too much on innovation and not enough on innovativeness — the capacity to innovate repeatedly.*

- The exception in my research is the 3M organisation, whose leaders have successfully built a new product development capability. Is the product innovation at 3M accidental? To some extent creativity cannot be pre-planned or guaranteed. On the other hand, 3M develops new products effectively because its leaders have determined that it is important. As Peter Gregory, 3M Marketing Services Manager, puts it:

> *Why are new products so important to 3M? Well it’s what 3M does best. It is core to our company. Other companies have other things they do best. For Coca-Cola, it is branding, for Microsoft it is technology, for Woolworths it is retailing. New products are one of our key goals, right up there with sales and profit results.***

The leaders of 3M believe that new product innovation is the heart of their company’s success. It is a capacity valued above all others. While the 3M model is impressive even they admit:

> *We don’t have a magic formula, a set of turn-key approaches that can be picked up and transported anywhere. We have some approaches to new products that work for us.*

Peter Gregory, Marketing Services Manager, 3M.

My work is broader and can apply to any new idea in any activity, and is not limited to new products. While there is no single universal model of organisational creativity, I will suggest a tentative starting point which can be applied with caution to most organisations. Every organisation has its history, beliefs, values, reasons for success and environment. The path to building a more creative organisation suggests some universal principles that can be varied and applied according to each organisation’s needs and context.

- Another reason that leaders have concentrated on the end product only is that, for some, creativity is accidental and cannot be influenced. This is the proposition of influential writers such as Robinson and Stern (1997), yet I found that it is only half the story. Organisational creativity cannot be guaranteed or predicted in advance, yet as my research and the 3M experience prove there are specific, direct actions that can increase the chance of creativity occurring. If leaders decide that creativity is to be taken seriously and implement actions aligned with this intention, then new ideas can consistently emerge.

**9.3 The lack of awareness of the Four P’s model**

I mentioned in the preceding section that interviewees lacked a mental model or schematic as to how an organisation-wide ideas capability could be built. They were aware that
removing the environmental barriers to creativity was a useful place to start (see Chapter 7). Interviewees were also increasingly mindful of their leadership role and responsibilities (see Chapter 8). And in an unstructured, disjointed, often intuitive way they were aware of other elements of the creativity mix. Some of the interviewees were aware also of other organisations that had a well-deserved reputation for creativity and innovation e.g. 3M, Disney. These organisations were of varying degrees of interest to them, ranging from a quest to uncover their secrets to no more than a passing curiosity. Even among the advertising agencies there was an interest in what other agencies were doing, particularly successful ones overseas, e.g. St Luke’s (see Law, 1998) but seemingly little interest in creative organisations from other industries. For the leaders in the advertising industry this reflected a myopic and a somewhat arrogant view of creativity.

At a deeper level I suspect that the reason for the lack of real progress on the building of an ideas capability has been the lack of a coherent model of organisational creativity. The general awareness and acceptance of the Four P’s model among the creative academic community was not replicated among the leaders in my survey. Occasionally I mentioned the Four P’s model in my follow-up interviews (e.g. with Hugh Spencer from Clemenger BBDO, advertising agency), and it was greeted as a kind of revelation. It seemed to resonate and help put all the creative pieces together.

By way of comparison, one of the foundations of marketing thought and practice is coincidentally another four P’s model - price, product, promotion and place (see Kotler, 1997). This model is universally recognised by academics and practitioners alike. Although it has its critics (e.g., Hill & Rifkin, 1999), it provides a shared starting point to discuss marketing.

The Four P’s creativity model does not have the same degree of acceptance among the people I interviewed. This presents both a problem and an opportunity. It would be better if more people knew about the existing model so that I could use it as a building block. The opportunity is that my extended model might avoid being thought of as simply another P.

9.4 A new model of organisational creativity
My research suggests that the Four P’s model does not go far enough. To design a continuously creative organisation where every member can realise his or her creative potential requires a more comprehensive and expanded model (see Figure 9.1).
The starting point of the new model is to redefine each of the initial Four P's in a broader, more inclusive way. All four elements are connected together in a dynamic "open-system" manner.

The model adds an additional "P" (i.e. organising principle) and places the role of idea leader(s) or a small team of individual idea leaders (Amabile, 1997) at the core. These six elements form an organisational ideas capability, the essence of a continuously creative organisation (see Figure 9.2).
Figure 9.2  The elements of an organisational ideas capability

- Stream of ideas
- Collective ideas mindset
- Organisational idea processes
- An open system operating at the edge of chaos
- Organising principle
- Idea leader(s)

Multiple focus

Stream of ideas

Raw concepts
Workable concepts
Ideas being tested
New successful ideas

Feedback
The elements of the new model are set out in Table 9.1:

| Table 9.1 A comparison of the Four P’s and a new model of organisational creativity |
|-----------------------------------------------|------------------|
| **Existing Four P’s Model**                  | **New Model**    |
| 1. Creative product                          | Stream of ideas  |
| 2. Creative person                           | A collective ideas mindset |
| 3. Individual creative process               | Organisational idea processes |
| 4. Creative environment                      | An open system operating at the edge of chaos |
| 5. (Not explicitly covered)                  | Idea leader(s)   |
| 6. (Not explicitly covered)                  | The organising principle of creativity |

9.5 From a specific creative product to a stream of ideas
Redefining what we mean by a creative product is perhaps the most fundamental step in designing a more creative organisation. As discussed in Chapter 4, there are three different meanings that interviewees attached to a creative product. It can be a specific creative product (e.g. an advertisement), creative synergy (e.g. a theatre performance), or an idea. Each type of creative product is needed, but the broadest definition - the creative product as a flow of ideas - has the most impact on designing a creative organisation. This expanded definition has a number of major implications:

- Ideas can be applied to any activity
- As a result this can involve every member of the organisation
- Ideas can range from small to the “big idea”; again this can include rather than exclude all members
- Often the cumulative effect of many small ideas can have a powerful impact on the organisation.
- Because everyone has had at least one idea, it encourages all members to believe in their own creative potential. "I am not creative" really means "I am not artistic" which can be a serious individual and collective barrier to creativity.

The emphasis in a continuously creative organisation is also on a flow of ideas rather than the development of "once-off" ideas. A single idea can be copied but a flow of ideas is a much more difficult for a competitor to emulate. A flow of ideas also shifts attention from the latest idea to the organisation's capacity to create this flow. It also suggests that a flow of ideas is not a luxury but central to the health of the organisation. It is how the organisation competes, adapts and grows.

The concept of the creative product as a stream of ideas is also consistent with the notion of an ideas exchange. Interviewees highlighted the important role of the receiver of a creative product in an organisational context. If both parties are free and are encouraged to contribute ideas, out of these interactions and tensions more productive ideas often emerge. I believe the notion of an ideas exchange is a major contribution to our understanding of organisational creativity.

9.6 From a creative person to a collective ideas mindset

Ideas in a continuously creative organisation can come from anyone in the organisation. To that extent, the emphasis should shift from encouraging the creativity of a select group to encouraging ideas from every organisational member.

This shift requires the development of a collective ideas mindset (see Chapter 5). I believe this is a key finding. It is a way of escaping the focus on the creativity or otherwise of a select few to release the creative potential of every individual. Every individual, team and organisation, can acquire an ideas mindset (or what McGrath & MacMillan (2000) call an 'entrepreneurial mindset'). This means that creativity remains the responsibility of certain departments as well as everyone in the organisation. We are faced with a paradox because a collective ideas mindset, starts with the individual. Conceptually, it is similar to the quality movement, which encouraged everyone to be alert to, and responsible for, their own quality (see Crosby, 1984).

An ideas mindset has at its core the development of a better balance between, and respect for, reason, emotion and non-reason (i.e. intuition and imagination). Often the non-reason elements conceive an idea. It is then verified by reason and ultimately relies on passion (i.e. emotion) to implement it. But this ideas mindset has to work within a dominant rational environment in most profit organisations. The challenge, therefore, is to work within these constraints yet at the same time aim to loosen and relax them over time. The widespread acceptance and use of greater imagination, intuition and emotion in an organisation is a source of great change.
The understanding that a creative product can be an idea about any organisational activity works hand in glove with the notion that ideas can come from a universally accessible mindset. Over time this can lead to a positive cycle, expressed in the beliefs “my colleagues and I can, and are expected to, develop new ideas about doing my/our job better”.

9.7 From an individual creative process to organisational creative processes
There has been a great deal written about the individual creative process (e.g., De Bono, 1992a; Koestler, 1964; Wallas, 1926). Various attempts have also been made to describe the creative process in organisations. These range from the formal, linear product development and innovation approaches (Kotler, 1997; Pinchot & Pellman, 1999) to the more free-ranging, informal, emergent processes (Quinn, 1985; Robinson & Stern, 1997; Stacey, 1996) Both these extremes however, have an either/or sense about them.

What is lacking is a comprehensive model of creative processes in organisations. My thesis has attempted to outline such a model (see Chapter 6). Interviewees have outlined three independent yet interdependent creative processes. These are structured, unstructured and freedom-within-limits. The important point is that the creative processes used in an organisation should be made more explicit, overt and be regularly reviewed. Currently the creative processes used are not noticed or have become inflexible and inefficient.

The structured processes consist of the new product development, brainstorming and suggestion box processes. These processes are widespread but have mixed success. Perhaps that is because of the inherent paradox they seek to address, which is that creativity often comes from the unconscious, or non-rational mind yet these processes place them in a rational, linear straitjacket.

The unstructured process, which is often overlooked and undervalued, consists of the ideas that emerge from the many interactions between diverse people and mindsets. The significance of my research is that I have described four different types of interaction, face-to-face, electronic, planned and unplanned. Informal interactions, either face-to-face or electronic, are often more conducive to creativity.

The third creative approach, used by organisations such as Four Corners, I have called “freedom-within-limits”. It describes the many different, often individual, processes that exist within strict boundaries. As such, it presents a hybrid of the first two creative processes. It builds more creative space into the structured approach and more purpose and urgency into the unstructured process.

Another feature of my research is that I have outlined ten distinct yet interconnected stages in the life of an idea. These stages exist regardless of the process used, although the emphasis on particular stages may vary.
9.8 From a creative environment to an open system operating at the edge of chaos

The importance of building a supportive creative environment, particularly its impact on individual motivation, is well covered in the literature (see Amabile 1996a; 1997; 1998). For most interviewees this meant the removal of barriers. It represented a concrete, tangible series of actions that once completed would lead to more creativity. The belief system behind this approach was that there is latent, pent-up creative energy just waiting to be released.

Interviewees raised a significant problem with this approach, however, in that creativity became "barrier dependent". In other words, if all or some of the barriers could not be removed then creativity could not emerge. As discussed in Chapter 7, this could be a self-fulfilling prophecy. This potential negative outcome of the barrier mindset is not covered in the literature.

Another problem with the barrier mindset is that it treats the environment as a "thing", another management variable to be controlled. My research highlighted that a creative environment represents a bounded flow of energy, into and out of the organisation, rather than a thing. The energy takes the form of new information, ideas and emotions. In a sense, the environment operates as an open system, operating at the edge of chaos (see Morgan, 1986). It is this dynamic state that allows ideas to emerge. This type of environment is ideal for the unstructured and freedom-within-limits creative processes outlined in the previous section. This finding supports and builds on recent attempts by authors to apply chaos and complexity theories to organisational life (e.g., Brown & Eisenhardt, 1998; Pascale, 1999; Stacey, 1996; Wheatley, 1992).

The "edge of chaos" internal environment also creates enough space to allow tensions and paradoxes to emerge. My research confirms the findings of others, that rather than being a threat, these are a rich source of creativity (e.g., Collins & Porras, 1994; McKenzie, 1996; Pascale, 1991).

Another key finding of my research is that an environment is the context where ideas are both developed and received. The building of a collective receptivity to ideas as a way of enhancing organisational creativity is a natural extension of the ideas exchange concept. The greater attention to the individual and collective role of the receiver is a major contribution of my work. An open environment applies both to internal and external ideas.

9.9 Idea leaders

Interviewees described a new role of leadership, to develop ideas. Leaders are starting to embrace the notion that ideas are more important and that they have to take responsibility for developing an improved flow of ideas (see Chapter 8). This new role has also been mentioned by others (e.g., Albrecht, 1987; Bennis & Biederman, 1997; Ford, 1999). My research suggests (although it has been influenced by the research design) that becoming an ideas leader is at the very core of a creative organisation. Yet in an apparent paradox,
the role of a leader should be to build a creative capacity in the organisation that is not reliant on any one leader.

Another important feature of an idea leader (or a small team of idea leaders) is that it is a role, not a person. This role typically is filled by the organisational leader (see the “leader-as-ideas-hub” description below) but does not have to be (as might be the case under the second leadership model).

I believe my research on idea leadership constitutes a significant contribution because it has moved past statements such as “leadership is important” to outlining two different and complementary idea leadership models and a range of direct and indirect actions that can be taken.

Interviewees tended to use either of two idea leadership models. The first I have called the “leader-as-ideas-hub”. This is the predominant model found in the profit sector and the literature (see Sinclair, 1998). This model is predicated on the leader being at the centre of, and the energising force behind, the creativity of the team or unit.

In the second model, the leaders place more emphasis on building an environment of creativity. In this approach the environment becomes the driver of creativity, rather than the individual leader. In a sense, the role of the leader is to design and constantly nurture this environment. This model recognises the symbiotic relationship between the leader and the environment. The environment places limits on the leader as he/she attempts to unshackle these restrictions. In general I was more likely to find this new type of leadership role in the non-profit arena.

I have also outlined a range of direct and indirect leadership actions. Direct actions are those that are directly aimed at influencing creativity. Indirect actions are those where creativity is often an unintended benefit. Taken together they form a portfolio of specific actions that build on, and extend, the work of others, notably Gardner and Laskin (1996).

9.10 The new “P”: The organising principle of creativity

My new model of organisational creativity has another addition (other than leadership) to Rhodes’ (1961) Four P’s model. I have called it the organising principle of creativity. As such it connects and binds the other elements of the model. Changing the organising principle, perhaps more than any other element of my proposed model, can have the greatest impact on the creative capability of the organisation.

Interviewees outlined three different yet complementary ways of organising creativity in their organisation. The first has as its dominant principle the establishment of a single creativity centre. This is the main model used in the advertising industry. The second uses multiple centres of creativity (General Motors has recently adopted this approach). The third principle I have called universal because it rests on the idea that creativity does not reside in any one place (or places) but in the heads and hearts of all employees (many performing arts companies adopt this view).
These organising principles do not exist in a pure form only. Rather they form a dominant principle in use in an organisation or industry. They can also complement each other -- 3M, for example, uses versions of all three principles.

The organising principles may represent different stages in the evolution of a continuously creative organisation. The single centre might be a useful place to start. It ensures that attention, focus and resources are given to creativity. Establishing multiple centres is a reasonable strategy for larger, established companies. It can create a friendly competition between the centres, establish new career paths, and provide greater flexibility. Adopting a universal approach, however, is the most evolved state. In this state it is accepted that creativity is not just the domain of a few but the responsibility of all employees (see Kanter, 1983; 1997). It complements the broadest definition of a creative product as a flow of ideas and the building of a collective ideas mindset.

The organising principle in use also reflects the dominant organisational metaphor. Relying on a specialist department(s) is consistent with Morgan's (1986, pp. 19-38) "organisation as machine" metaphor. The notion that every individual (or at least every leader) is capable of creative action is more consistent with the "organisation as organism" metaphor (ibid., pp. 39-76).

9.11 A comparison with other models of organisational creativity
In this section, I compare and contrast other writers' models of organisational creativity to mine.

Hamel (2000a) has recently developed a model of innovation capability. The biggest difference between his model and mine is his greater emphasis on information technology as a facilitator of creating, developing and implementing ideas. The role of electronic interactions is covered in my model but not to the same extent as by Hamel. Another key difference is his insistence that any innovative initiative should include appropriate innovation measures. I have included idea measurement in the design of a better suggestion box scheme and as one of the ten stages in the life of an idea. Hamel, on the other hand, believes that measurement is a major building block. He has a point; 3M for example, measures and reports on each manager's progress towards developing new products.

Hamel calls for more revolutionaries in companies. This is similar to Pinchot and Pellman's (1999) notion of "intrapreneurs". I believe, however, that it places too much emphasis on a select few people and a search for revolutionary ideas only. My research suggests that involving as many people as possible with a range of ideas can be just as effective. It is also curious that Hamel pays so little attention to the internal environment. As Amabile's (1996a) research indicates, the environment plays an important role in an individual's motivation and hence his/her subsequent creative performance.
Amabile (1997) has developed her own model, which she calls the componential theory of organisational creativity and innovation. At the heart of her model is the belief that individual creativity comprises creative skills, expertise and task motivation. This roughly coincides with my idea mindset of reason, non-reason and emotion (or passion). She believes that the work environment (i.e. resources, management practices and organisational motivation) has a major effect on each of the individual creative components. Amabile’s model is similar to mine in that creativity emerges from the individual (or teams of individuals). A slight difference is that I have used the idea leader(s) as the starting point. Her model, like mine, recognises that creativity in an organisation does not occur in a vacuum and is in turn influenced by the environment. A point of departure from her work, however, is my greater focus on the processes of creativity (structured, unstructured and freedom-within-limits) and my concept of an organising principle.

Woodman et al. (1993) have developed perhaps the most comprehensive model of organisational creativity to date. Their model adopts a systems framework (i.e. input, transformation and output) and an interactionist perspective. Their model suggests that:

Individual, group and organisational characteristics have an impact on the creative process and situation, resulting in the creative product for the organisation (ibid., p. 309).

This model has much to commend it. It is more comprehensive and integrated than others. Because of its interactional approach, the model conveys the sense that organisational creativity is complex, dynamic and unpredictable. But while the authors have linked and connected the Four P’s, they have restricted themselves to these four variables only. The model that I have developed is more encompassing because it adds organising principle and idea leadership to the “melting pot”.

Another strength of the Woodman et al. model and others (e.g., Csikszentmihalyi; 1988; Tan, 1998) is the focus on the individual elements, the relationship between the elements and the whole. I have tried to also capture this dynamic in my proposed model.

9.12 What I have learned from the non-profit sector
Almost one third of my interviewees were leaders in the non-profit sector. At the outset I had some trepidation about drawing such a large proportion of my sample from this sector. My business experience had all been in the profit sector and my perspective (shared by many others) was that most organisational creativity occurred in the profit sector. However, as my research unfolded I realized that the non-profit sector provided a rich source of comparison with the profit sector. Moreover, I now believe that there are many dimensions of creativity and that the profit sector has much to learn from the non-profit sector. One of the aims of my research and thesis has been to draw out the best of both worlds.
I found many examples of creative individuals, teams and organisations in the non-profit sector. There is a richness to their language as well as an enormous diversity, openness to new ideas, greater informality, and a willingness to work with paradox and tensions. Leaders in this sector must reach challenging targets with limited resources, which often encourages more imaginative responses and risk-taking. There is also a strong belief in and respect for human potential. These leaders talked more about inspiring and leading by example than their profit cousins.

Perhaps the most enduring impression for me of the leaders I met in this sector is their passion. Those I interviewed believed in what they were doing and what the organisation stood for. They were part of a cause, (e.g. to unlock the mystery of cancer). This passion and emotion was infectious and provided the energy to tackle the most difficult assignments. The profit leaders, by comparison, did not have the same emotional intensity although there were isolated exceptions (e.g. in the new Internet companies).

I have tried to summarise the general differences between the two sectors in Table 9.2. There are exceptions, of course. 3M, for example, operated more like Four Corners than other large profit organisations I encountered. I found the non-profit sector to be an instructive, valuable and enjoyable part of my research.

<table>
<thead>
<tr>
<th></th>
<th>Profit</th>
<th>Non-Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mission</td>
<td>• Grow market</td>
<td>• Deliver services to stakeholders</td>
</tr>
<tr>
<td>Key measures</td>
<td>• Mainly financial</td>
<td>• Financial and other</td>
</tr>
<tr>
<td>External environment</td>
<td>• Fast changing</td>
<td>• Changing</td>
</tr>
<tr>
<td>Competition</td>
<td>• Other industry players</td>
<td>• Other non-profit organisations</td>
</tr>
<tr>
<td></td>
<td>• Fight for market share</td>
<td>• Fight for resources</td>
</tr>
<tr>
<td>Creative motivation</td>
<td>‘Survival of the fittest’</td>
<td>A form of self expression</td>
</tr>
<tr>
<td>---------------------</td>
<td>--------------------------</td>
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</tr>
<tr>
<td></td>
<td>Fear of failure</td>
<td>To make a difference</td>
</tr>
<tr>
<td></td>
<td>To win</td>
<td></td>
</tr>
<tr>
<td>Creative product</td>
<td>New product and</td>
<td>Creative synergy and</td>
</tr>
<tr>
<td></td>
<td>advertisement</td>
<td>ideas</td>
</tr>
<tr>
<td>Creative person</td>
<td>Specialist unit</td>
<td>Collective ideas mindset</td>
</tr>
<tr>
<td>Creative process</td>
<td>Structured</td>
<td>Unstructured</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Freedom within limit</td>
</tr>
<tr>
<td>Diversity</td>
<td>Narrow</td>
<td>Broader</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Values / interest based</td>
</tr>
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<td>Types of interactions</td>
<td>More formal</td>
<td>More informal</td>
</tr>
<tr>
<td></td>
<td>Planned</td>
<td>Spontaneous</td>
</tr>
<tr>
<td></td>
<td>Electronic</td>
<td>Human</td>
</tr>
<tr>
<td>Dominant mindset</td>
<td>Reason</td>
<td>Passion and non-reason</td>
</tr>
<tr>
<td>Internal environment</td>
<td>Order, control</td>
<td>Edge of chaos</td>
</tr>
<tr>
<td></td>
<td>Efficient</td>
<td>Open</td>
</tr>
<tr>
<td>Organising principle</td>
<td>Single and multiple</td>
<td>Universal responsibility</td>
</tr>
<tr>
<td></td>
<td>centres of creativity</td>
<td></td>
</tr>
<tr>
<td>Leadership model</td>
<td>• As “ideas hub”</td>
<td>• As a builder of a creative environment</td>
</tr>
<tr>
<td>------------------</td>
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<td>----------------------------------------</td>
</tr>
<tr>
<td>Language</td>
<td>• Business jargon • Impersonal</td>
<td>• Human • Reflective • Relationship</td>
</tr>
<tr>
<td>Dominant metaphor</td>
<td>• “Organisation as machine”</td>
<td>• “Organisation as a living system”</td>
</tr>
</tbody>
</table>

### 9.13 New research questions

The fundamental question underpinning my research was “how can organisations become more creative?” I believe that I have answered this in an original and valuable way. Along the way, however, many more questions have emerged. I have attempted to address many of them but there are some that need further attention. They are outlined below.

During the research process I became aware that traditional, rational organisational language might prove too restrictive for discussing creativity. Hence, I began searching for a new way to express some of the insights of those leaders I interviewed. I, and others (see Morgan, 1986) have started to notice that the “ecology of organisations” can be a powerful way to describe an organisation and its relationship with its environment. Rather than ecology, I have used the more accessible “place/space and time” to describe this relationship. It seems to capture the different aspects of creativity mentioned by interviewees and the linkages between the elements.

I am aware, however, that this model is a tentative one. It seems to explain and predict certain creative actions, for example a change in one of the elements can lead to a change in the other elements. But exactly what falls into each of the different “buckets” and the systems-like quality of the model needs more rigorous examination.

There was a growing realisation among interviewees that the working environment (or place) can facilitate or retard creativity in an organisation. I noticed that leaders have started to move past open plan offices to design more informal, fun work places, e.g. at AXA investments, executives can escape to a walking room, jump on a treadmill and take a ten minute break looking at the beach or forest vistas (Ross, 2000, p. 94). I believe changes such as these to the physical environment will have a positive impact on the space (e.g. improved dialogue) between executives and provide more thinking time. According
to my place, space and time model, this should result in greater creative performance. Again, this proposition needs to be tested.

My research also outlines four different types of interaction, face-to-face, electronic, planned and unplanned. Interviewees in my study suggested that the more unplanned interactions (human and increasingly electronic) are more conducive to creativity. This is consistent with the move outlined above to change the physical environment to facilitate informal, unplanned interactions. The impact on creativity in organisations of the different types of interactions needs more consideration.

I have suggested that a fifth “P”, the organising principle, should be added to the accepted four P’s model developed by Rhodes (1961). The organising principle selected helps to define and connect the other Four P’s. As a concept this needs further research. Additional research is also needed to investigate whether there are any other variations to the three organising principles I have mentioned (a single creativity centre, multiple centres and a universal approach). I have also suggested that the single creativity centre evolves to multiple centres and then to the universal approach. Perhaps this progression is not as linear as I suggest and different organisations and/or industries have just one effective organising principle.

The collective ideas mindset and the universal organising principle are predicated on the assumption that all employees would welcome the opportunity to express their creativity at work. This is may be a naive notion. No amount of encouragement may be enough for some people to contribute ideas. It would be interesting to determine if this is the case and to develop actions to try and reach such people.

One surprising aspect of my research is the tenuous connection between creativity, learning and strategic planning. Initially my view was that creativity had a yin/yang relationship with learning and was an integral part of strategy development. This proved not to be the case. Only a few of the profit interviewees mentioned learning in the context of creativity. They wanted creativity to deliver outcomes and have the results measured before they could learn, thus completing a kind of creativity loop. A few interviewees considered that a learning stage should be part of any formal ideas process. Perhaps the literature about the learning organisation (e.g., Senge, 1990) has not permeated or has little relevance. Another reason (at least among profit leaders) is that they are too busy and do not have the time or interest in any deep reflection, a natural precursor to learning. Of course, learning will always occur; the issue is whether learning processes become conscious and overt in the collective life of an organisation. In regard to creativity, the question of learning revolves around the development of a memory system for what has been learnt from prior experience. This link between creative processes and learning systems needs further examination.

Interviewees saw only a passing role for creativity in the typical, annual strategy development process. It appears that they are locked into the mindset that strategy is a serious, rational, analytical endeavour, conducted only by the senior managers of the
organisation (e.g., Porter, 1985). There is an irony in this mindset because some leaders bemoaned the lack of originality in their business plans yet did not make the link that greater creativity is needed in the process (see Mintzberg, 1994, for a good account of the shortfalls of the strategy process).

Finally, my research has highlighted the importance of individual and collective receptiveness to creativity. My proposition is that in an organisational context too much attention has been given to the producer of the idea and not enough to the receiver and the exchange between them. This proposition should be tested further, along with the specific actions I have outlined to increase receptiveness.

9.14 An ending note
The expression “the journey is the reward” is an apt one. Throughout my research journey I have been constantly amazed at the initiative and resourcefulness of the leaders I interviewed. Although I did not agree with every utterance, I found that for the most part they cared about their organisation, their products and services and the people they worked with.

I noticed too that people’s interest in my thesis has changed over the past four years from passive curiosity to an active interest. A typical response now is “can I read your thesis when it is finished” or “can you come and talk to us because our organisation sure needs some new ideas”. Perhaps this is due to my greater confidence in the topic, or maybe a continuously creative organisation is an idea whose time has come.
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Appendices
Appendix A

Sample interview guide

Basic individual and organisational information

Date: Location of Interview or Phone?
Name: 
Position: Years in this Position?
Organisation: 
Approx. Size of Organisation: e.g. number of employees

General areas to explore:

1. The person’s role, responsibilities, key priorities and recent successes (or failures).

2. The organisational environment: competition, how and why it might be changing, any discontinuous change, new technology.

3. How the organisation is adapting, current performance, future opportunities.

4. Discuss the physical environment.

5. Explore the organization’s internal environment e.g. communication, meetings, teamwork, trust.

6. Explore the organisations creative people, processes and the creative product.

7. Any barriers or facilitators to organisational creativity?

8. Explore impacts of technology on creativity.

9. Allow participants to tell their story - what is important to them?
Appendix B

The initial research questions:

Q. What are the factors that continuously facilitate and continuously impede organisational creativity?

Q. Can organisational creativity be made more ethical?

Q. Can creativity be learned and taught?

Q. How can a team become more creative (and effective)?

Q. Can I build a viable consulting business around designing a continuously creative organisation?

Over time the research questions evolved to the following:

Q. What is organisational creativity?

Q. Is creativity in an organisation the domain of a select few or the responsibility of everyone?

Q. Can ideas be managed or do they spontaneously and unexpectedly emerge?

Q. What is a creative environment? How can it be enhanced and sustained?

Q. What specific actions can leaders take to enhance an organisation’s creativity?
Appendix C

An example of my personal reflections dated 4/12/97

Some Themes in Organisational Creativity:

- Is there a language of creativity? Typical business language (e.g. competitive advantage, core competencies, re-engineering) is mechanistic, inclusive and left-brain oriented. Yet creativity stems from the interaction between both hemispheres yet we only use the language of the left. What about intuition, empathy and imagination?

- An organisation consists of a place, space and time. Creativity might emerge when there is an exploration within and an interaction between, these elements e.g. casual dress days.

- How do organisational leaders manage paradoxes? They have to differentiate (i.e. encourage diverse opinions, activities, people) and integrate around shared goals and values, as well as continuously improve and radically change/transform, learn and unlearn.
Appendix D

The complete list of interviewees

Case study: The Four Corners unit at the ABC.

Initial Interviews: (17)

1. Name: Deb Richards  
   Organisation: Four Corners  
   Role: Associate Producer  
   Date Interviewed: 26/3/97

2. Name: Sally Neighbour  
   Organisation: Four Corners  
   Role: Reporter  
   Date Interviewed: 27/10/97

3. Name: Chris Masters  
   Organisation: Four Corners  
   Role: Reporter  
   Date Interviewed: 31/10/97

4. Name: Jayne Robinson  
   Organisation: Four Corners  
   Role: Researcher  
   Date Interviewed: 4/11/98

5. Name: Liz Jackson  
   Organisation: Four Corners  
   Role: Reporter  
   Date Interviewed: 4/11/98

6. Name: Kerry O'Brien  
   Organisation: 7.30 Report  
   Role: Presenter  
   Date Interviewed: 11/11/97

7. Name: John Budd  
   Organisation: Four Corners  
   Role: Executive Producer  
   Date Interviewed: 13/11/97

8. Name: Andrew Fowler
Organisation: Four Corners
Role: Reporter
Date Interviewed: 13/11/97

9. Name: Paul Williams
Organisation: ABC
Role: Head of News and Current Affairs
Date Interviewed: 13/11/97

10. Name: Virginia Moncrief
Organisation: Four Corners
Role: Producer
Date Interviewed: 26/11/97

11. Name: Jonathon Holmes
Organisation: Four Corners
Role: Ex-Executive Producer
Date Interviewed: 27/11/97

12. Name: Michael Doyle
Organisation: 7.30 Report
Role: Producer
Date Interviewed: 27/11/97

13. Name: Des Horn
Organisation: Four Corners
Role: Editor
Date Interviewed: 28/11/97

14. Name: Jacque Harvey
Organisation: Lateline
Role: Executive Producer
Date Interviewed: 2/12/97 (by phone)

15. Name: Sue Spencer
Organisation: Four Corners
Role: Ex-Producer
Date Interviewed: 3/12/97

16. Name: Jenny Brockie
Organisation: Four Corners
Role: Ex-Reporter
Date Interviewed: 5/12/97 (by phone)

17. Name: Mark Malley
Organisation: Four Corners
Role: Producer
Date Interviewed: 12/12/97

Follow-up Interviews: (2)

18. Name: Virginia Moncrief
Organisation: Four Corners
Role: Producer
Date Interviewed: 16/6/98 (by phone)

19. Name: John Budd
Organisation: Four Corners
Role: Executive Producer
Date Interviewed: 23/6/98

Case study: The Advertising Industry

List of Interviewees

Initial Interviews: (30)

1. Name: Jack Vaughan & Wade Bull
Organisation: The Principals, Advertising Agency
Role: Partners
Date Interviewed: 12/2/97

2. Name: George Stent
Organisation: Stent Market Research
Role: Principal
Date Interviewed: 13/2/97

3. Name: Anne Small
Organisation: George Patterson (Australia’s largest advertising agency)
Role: Account Manager
Date Interviewed: 14/2/97

4. Name: David Stewart -Hunter
Organisation: Reark Research
Role: Managing Director
Date Interviewed: 14/2/97

5. Name: Malcolm Auld
Organisation: Euro Direct Marketing

290
Role: Managing Director
Date Interviewed: 14/2/97

6. Name: John Bevin
Organisation: John Bevin, Advertising Agency
Role: Managing Director
Date Interviewed: 15/5/97

7. Name: Simon Collins
Organisation: Collins & Crew, Advertising Agency
Role: Principal-Creative Director
Date Interviewed: 16/5/97

8. Name: Shane Cargill
Organisation: Mothers Art
Role: Principal-Creative Director
Date Interviewed: 1/7/97

9. Name: Simon Bellamy
Organisation: Media Palace
Role: Managing Director
Date Interviewed: 19/2/98

10. Name: Hugh Spencer
Organisation: Clemenger BBDO (Australia’s second largest advertising agency)
Role: Strategy Planner
Date Interviewed: 18/6/98

11. Name: Wayne Hazell
Organisation: Integrated Options, Advertising Agency
Role: Creative Director
Date Interviewed: 22/6/98

12. Name: Jayne Caro
Organisation: Saatchi & Saatchi, Advertising Agency
Role: Senior Copy Writer
Date Interviewed: 23/6/98

13. Name: Dr. Simon Lonstaff
Organisation: St. James Ethics Centre
Role: Executive Director
Date Interviewed: 29/6/98

14. Name: Peter Reynolds, Wayne Hazel, Andrew Keable, Kevy Koran
Organisation: Integrated Options, Advertising Agency
Role: Creative Department
Date Interviewed: 29/6/98

15. Name: Ian McTavish
Organisation: George Patterson Bates, Advertising Agency
Role: Creative Group Head
Date Interviewed: 8/7/98

16. Name: Jayne Economos
Organisation: Nestlé
Role: Group Brand Manager
Date Interviewed: 9/7/98

17. Name: Andrew Thompson
Organisation: Incognito, Advertising Agency
Role: Managing Director
Date Interviewed: 9/7/98

18. Name: Grant Millington
Organisation: Mojo & Partners, Advertising Agency
Role: Account Director/Partner
Date Interviewed: 10/7/98

19. Name: Patsy Peacock
Organisation: FBI (an advertising recruitment business)
Role: Managing Director
Date Interviewed: 10/7/98

20. Name: Nicolle Sheffield
Organisation: Telstra-Big Pond (Internet division)
Role: Marketing Manager
Date Interviewed: 21/7/98

21. Name: Lynn Springer
Organisation: Foote Cone & Belding, Advertising Agency
Role: Managing Director
Date Interviewed: 21/7/98

22. Name: Stan May
Organisation: Leo Burnett, Advertising Agency
Role: Chairman & CEO
Date Interviewed: 22/7/98

23. Name: Phillip Adams
Organisation: ABC Radio (ran his own advertising agency prior to this role)
Role: Ex-Principal/ Creative Director
Date Interviewed: 4/8/98

24. Name: Daniel Petre
Organisation: PBL Online
Role: Chairman
Date Interviewed: 5/8/98

25. Name: Lesley Brydon
Organisation: Australian Federation of Advertisers
Role: Executive Director
Date Interviewed: 6/8/98

26. Name: Leanne Sheraton, Martin Brown, Tiffany Kovan, Martin Pebble and Ygur Kovan
Organisation: Nestlé
Role: Product and Brand Managers
Date Interviewed: 9/8/98

27. Name: Andrew Gardner
Organisation: APL Digital (Lintas Online agency)
Role: Managing Director
Date Interviewed: 11/8/98

28. Name: Siimon Reynolds
Organisation: Virtual Creative Department, Advertising Agency
Role: Creative Director
Date Interviewed: 28/8/98

29. Name: George Betsis
Organisation: Virtual Creative Department, Advertising Agency
Role: Principal/Creative Director
Date Interviewed: 1/9/98

30. Name: Hugh Mackay
Organisation: Mackay Research
Role: Principal
Date Interviewed: 2/9/98

Follow-up Interviews: (6)

31. Name: Hugh Spencer
Organisation: Clemenger BBDO Advertising Agency
Role: Strategy Planner
Date Interviewed: 29/10/98
32. Name: Andrew Thompson  
Organisation: Incognito, Advertising Agency  
Role: Managing Director  
Date Interviewed: 4/11/98

33. Name: Lesley Brydon  
Organisation: Australian Federation of Advertisers  
Role: Executive Director  
Date Interviewed: 6/11/98 (by phone)

34. Name: John Bevin  
Organisation: John Bevin Advertising Agency  
Role: Managing Director  
Date Interviewed: 17/11/98 (by phone)

35. Name: Andrew Gardner  
Organisation: APL Digital  
Role: Managing Director  
Date Interviewed: 27/11/98 (by phone)

36. Name: John Budd (to obtain feedback re: comparison with Four Corners)  
Organisation: Four Corners-ABC  
Role: Executive Producer  
Date Interviewed: 2/12/98

**Case study: 3M**

**Initial interviews: (3)**

1. Name: John Maclay  
Organisation: 3M Industrial Markets  
Role: General Manager (20 years with 3M)  
Date Interviewed: 4/11/98

2. Name: Dr. Mel Leithiser  
Organisation: 3M  
Role: Technical Director of Australia (24 years with 3M)  
Date Interviewed: 24/11/98

3. Name: Peter Gregory  
Organisation: 3M  
Role: Marketing Services Manager (25 years with 3M)  
Date Interviewed: 18/1/99
Follow-up interviews: (2)

4. Name: Dr. Mel Leitheiser
   Organisation: 3M
   Role: Technical Director of Australia (24 years with 3M)
   Date Interviewed: 30/8/99 (by phone)

5. Name: John Maclay
   Organisation: 3M Industrial Markets
   Role: General Manager (20 years with 3M)
   Date Interviewed: 5/9/99 (written response) & 12/7/00 (by phone to discuss suggestion box schemes)

Comparison Study: A range of Non-Profit leaders

Initial Interviews: (10)

Small Not-For-Profit Organisations (less than 50 employees):

1. Name: Debra Heitman
   Organisation: The Australian Council of Businesswomen
   Role: CEO
   Number of Employees: 5 full time staff—plus 7500 members
   Date Interviewed: 22/10/98

2. Name: Cathy Zoi
   Organisation: Sustainable Energy Development Authority (SEDA)
   Role: Executive Director
   Number of Employees: 27
   Date Interviewed: 24/11/98

3. Name: Professor Sharon Bell
   Organisation: Faculty of Creative Arts-University of Wollongong, NSW.
   Role: Dean of the Faculty of Creative Arts
   Number of Employees: 24 full time staff, 400 students in the Creative Arts Faculty & over 13000 at the University.
   Date Interviewed: 15/10/98

4. Name: Stephan Ryall
   Organisation: Childrens Medical Research Institute
   Role: Manager Adminstration and Community Relations
   Number of Employees: 40
Date Interviewed: 23/11/98

Medium Sized Not For Profit Organisations (50-499 employees)

5. Name: John Rayment
   Organisation: The Sydney Dance Company
   Role: Technical Director
   Number of Employees: 95 (permanent & casual).
   Date Interviewed: 19/10/98

6. Name: Graeme Burns
   Organisation: The Australian Institute of Management
   Role: CEO
   Number of Employees: 140
   Date Interviewed: 28/10/98

7. Name: Helen O’Neill
   Organisation: The Australian Opera Company
   Role: Director of Marketing & Communications
   Number of Employees: 300
   Date Interviewed: 24/11/98

Large Sized Not-For-Profit Organisations (500 plus employees):

8. Name: David Loy
   Organisation: The Sydney Children’s Hospital
   Roles: Director of Administration
   Number of Employees: 630 full time
   Date Interviewed: 17/12/98

9. Name: Dr Dennis Cooper
   Organisation: CSIRO
   Role: Division Head, Telecommunication and Industrial Physics
   Number of Employees: 7000 (700 scientists’ report to Dr Dennis Cooper)
   Date Interviewed: 8/10/98

10. Name: Christine Nixon
    Organisation: The NSW Police
    Roles: Deputy Commissioner & Executive Director Human Resources (Christine is Australia’s most senior female police officer)
    Number of Employees: 17,300 (of which, 600 in HR report to Christine).
    Date Interviewed: 30/11/98

**Follow-Up interviews:** (1)
11. Name: David Loy  
Organisation: The Sydney Childrens Hospital  
Role: Director of Administration  
Number of Employees: 630 full time  
Date Interviewed: 5/11/99

**Comparison study: A range of profit leaders**

**Initial Interviews: 16**

**Small Profit Organisations: (less than 50 employees)**

1. Name: Lloyd Bond  
Organisation: The Theme Corporation (A Theme and Event Business)  
Role: CEO  
Number of Employees: 9 full time (but up to 200 for a specific event).  
Date Interviewed: 22/9/98

2. Name: Rob Sitch  
Organisation: Working Dog (A TV and Movie Production Company)  
Role: CEO  
Number of Employees: Less than 20 (would not specify).  
Date Interviewed: 21/9/98

3. Name: Phil Ruthven  
Organisation: IBIS Business Information  
Role: CEO & Chairman  
Number of Employees: 42 plus over 100 on short-term contracts  
Date Interviewed: 16/11/98

**Medium Size Profit Organisations: (50-499 employees)**

4. Name: Steve Vizard  
Organisation: Artist Services, One of Australia’s top three production houses.  
Role: Founder & CEO  
Number of Employees: 50 full time and 1700 creative staff on a project basis throughout the year.  
Date Interviewed: 7/12/98

5. Name: Michael Kotsanis  
Organisation: Boehringer Ingelheim--Pharmaceutical  
Role: Product Manager  
Number of Employees: 100 in Australia (25,000 worldwide)
6. Name: Paul Malliats
   Organisation: Baker & McKenzie (Solicitors and Attorneys)
   Role: Executive Partner
   Number of Employees: 250 (with 60 partners)
   Date Interviewed: 22/7/97

7. Name: Michael Ossipoff
   Organisation: Lotus
   Role: Marketing Director
   Number of Employees: 250 in Australia (30,000 worldwide).
   Date Interviewed: 13/3/97

Large Size Profit Organisations: (500 plus employees)

8. Name: Jill Connell
   Organisation: Reckitt and Coleman
   Role: Business Change Leader
   Number of Employees: 1246 in Australia
   Date Interviewed: 29/10/97

9. Name: Peter Wilson
   Organisation: The Australian Newspaper (part of News Ltd)
   Role: Deputy Editor-News
   Number of Employees: 1700 in News Ltd in Australia
   Date Interviewed: 14/12/97

10. Name: Dom Valastro
    Organisation: Citibank
    Role: Innovation Manager
    Number of employees: 2000
    Date interviewed: 8/7/00

11. Name: Deanne Stewart
    Organisation: Bankers Trust
    Roles: Advertising Manager
    Number of Employees: 2100 in Australia
    Date Interviewed: 30/1/97

12. Name: Greg Economos
    Organisation: Nestlé
    Role: Marketing Manager
    Number of Employees: 5000 in Australia
    Date Interviewed: 31/1/97
13. Name: Tom Hall  
Organisation: David Jones  
Role: General Manager-Retail  
Number of Employees: 12,000 (Tom is responsible for 8 stores and 2500 employees).  
Date Interviewed: 10/12/98

14. Name: Peter Maher  
Organisation: Westpac-One of Australia’s top four banks.  
Role: General Manager-Marketing, Business and Consumer Markets.  
Number of Employees: 24,875 (of which 90 report to Peter)  
Date Interviewed: 26/11/98

15. Name: Charlie Bell  
Organisation: McDonalds  
Role: CEO  
Number of Employees: 55,000  
Date Interviewed: 2/12/98

16. Name: Charlie Zoi  
Organisation: Telstra, Australia’s Largest Telecommunications Company  
Roles: Director of Marketing & Chief Operating Officer  
Number of Employees: 65,000 (of which 35,000 reported to Charlie when he was Chief Operating Officer).  
Date Interviewed: 1/12/98

Follow-up Interviews: (1)

17. Name: Greg Economos  
Organisation: Nestlé  
Role: Marketing Manager  
Number of Employees: 800 approx.  
Date Interviewed: 1/2/00 (by phone)
Appendix E

The scale and scope of 3M

- 1997 worldwide sales were more than $15 billion, profit increased by 14% to $720 million (1997 Annual Report pp. 3-4).

- 30% of sales came from products new to the market within the past four years, up from 26%, three years ago (1997 Annual Report, p. 4).

- They produce over 50,000 products and have operations in 60 countries.

- Some of the well-known products are Scotch Tapes, Post it Notes, Sandpaper, Sponges and Scotchgard.

- 3M has been voted in the top 10 of admired US organisations for the past 11 years (Fortune, Feb, 1996).

- 3M started in Australia in 1952 and employ over 700 people.