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Company

# director

*The* **EMPTY**  
**BOARDROOM**

IS THIS BECOMING A REALITY?

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# WE MAY BE THE LUCKY COUNTRY — BUT NOT THE CREATIVE COUNTRY

By Ralph Kerle\*

In today's economy, where most goods and services are commoditised and where the battleground in the marketplace is about differentiation in the hearts and minds of the consumer, US corporations are demanding a new breed of executive: one with an understanding and knowledge of creativity and how the creative process works.

Globalisation demands skills in excess of technical or even business systems thinking. It calls for concepts in systems, design, affective response, and human factors: the domain of creative thinking, a field developed over the past seven decades.

*Harvard Business Review's* "Breakthrough Ideas for 2004" February issue presents The Creativity Index, an indicator of a country's ability to achieve growth via technology, talent, and tolerance. The index reveals Australia did not place even among the top 15 countries in the world. Daniel H Pinks' accompanying article, "The MFA is the New MBA," offers some important clues as to why Australia doesn't rate as a creative country.

US corporations now see business degrees as second in importance to arts degrees. 61 percent of McKinsey's new hires are MFA as opposed to MBA. MBAs in America are seen as secondary degrees that provide excellent number crunchers and financial modellers, but countries such as India can provide those in abundance at \$US800 per month.

Two facts: One: All top-ten business universities in the US include formal courses in applied creativity and innovation. Two: It is harder to get into the graduate program at the UCLA Department of Art than into Harvard Business School.

Based on recently research in Australia, there are only three Business Management Schools there offering any form of graduate study in creativity and innovation. Indeed, a professor at one business school was heard to remark, "We take these rich creative young talents and in three or four years have squeezed every bit of creativity out of them ...." Offhanded as this sentiment was at the time, it contains more than an element of truth.

Australia has been well served for over 75 years by the CSIRO. It is a federally funded but internationally respected organisation – with a poor track record of commercial success. A retired chairman of the Dupont Centre of Excellence at the 2002 American Creativity Association national conference summed up when he said, "Australian scientists are some of the best in the world, absolutely no doubt. But they couldn't sell water to Arabs in the desert."

## BUSINESS, ART, AND POLITICS

The prevailing view among Australian business leaders is an old one – that creativity is the domain of the artist.

Sydney Theatre Company artistic director Robyn Nevin captured this attitude in her Australia Day Speech 2004 when she said: "Australians have traditionally been uneasy around overt expression of emotion, around sensitive people expressing that sensitivity."

US corporations realise that those best trained to express their emotions are practising artists because they provide a rich design resource for product or service differentiation. By contrast, Australian companies' only real association with the arts has been through sponsorship, not education or appropriation. Sponsorship of the arts in Australia allows corporates to network with the art elites and offer clients access to first-night openings or celebrations. But neither arts theory nor the skills and knowledge base is pursued for its relevance to industry.

Conversely, process and content are considered an artists-only privilege and domain. Artists see sponsorship of this privilege by the coffers of business as a necessary evil to stoke their wheels of production. Arts content is not available for commercial consideration, nor should it be. It is what it is. From an artist's perspective, corporations are heartless, existing only for commercial as opposed to personal fulfilment or emotional "profit." (See *The Office* BBC series for confirmation.)

Following this inherent cultural bias, rather than use arts as their inspirational models for creativity, corporate leaders exhort their senior managers to embark instead on a quest to succeed and find "new" heights in performance by learning from Australian sporting heroes. For the corporate conservative, a sporting champion and his mindset represent the least threatening metaphor for commercial innovation and creativity. And indeed, relative to its population, Australia is the leading producer of Olympic-medal winners.

The Romans used to call their sporting heroes gladiators, and they fought to the death. The shareholders in the coliseum gestured to the emperor with the public "thumbs-up" (or down) to signal whether fighters would live to do battle again – very similar to the circumstances in which the modern CEO must make innovative decisions and do planning.

The problem is the metaphor. Leaders of industry are very rarely sporting heroes. Sporting heroes are a unique minority.

with a short lifespan normally based on youth and physical attributes no longer within grasp of 95 percent of the population or senior management in their mid-40s to 50s. Their heroic images live on and swell as their deeds and actions are recalled over and over again. The motivational speaker industry is littered with sporting heroes who relate nothing more than anecdotal accounts of their former days of glory – clichés used to suggest that any one of us can learn to become such a champion. There is no need for reflection or intellectual analysis. All we need, as Nike has it, is to “Just do it.”

Applied creativity and innovation facilitation do call for immersion in experiential processes just like that of the artist. However, the results of this process are built on disciplined observation and reflection with a strong emphasis on interpretation of the personal creative insight – rather than the unknowable insights of a distant champion. Both share a mental discipline, but, contrary to popular opinion, the artistic path is the far more knowable and attainable route.

### CREATIVITY ACROSS CULTURES

In the US, if you express a worthy creative idea, then it is embraced with enthusiasm, explored openly and, if it shows merit, through hard work, assure it is given an airing in appropriate forums. The theory is that the world is full of ideas; the modus operandi is to find good ones and implement them for the prosperity and health of the nation.

In Australia, by contrast, a good idea is initially greeted with total skepticism. “It’s been done before” is almost without exception the opening response. That comment having been made, a negative position is set, one that requires a superhuman effort to move beyond. Under these prevailing norms, a genuine and informed debate about creativity and innovation – considered soft topics at best in Australia within the corporate world – is equally as difficult to move onto the public agenda.

Robyn Nevin observed that there is “a deep sentimental streak within Australians. We feel deeply. But we are cautious about expressing it, verbalising it. Acting it out.”

Worldwide research by IBM with 456 CEOs has revealed that during the next five years revenue raising rather than cost cutting will be business’s main goal. Asked how they intended to accomplish this, two-thirds indicated through innovation.

During the past 12 months, creativity and innovation within Australian business has become a hot topic. As a result, corporations are rushing to employ people with the word “innovation” in their titles. Innovation is seen by employers as a pseudonym for “entrepreneurship” – a natural reversion to traditional business-management school background.

What is important here is that innovation is recognised as a new necessity in business. Yet few leaders have the background to recognise or support it as an operational goal.

In the US, on the other hand, senior management is eager to embrace, explore, and experience the opportunities and processes that a formal arts and applied creative education might offer in their search for better results.

Australia has a history of being inventive but failing to capitalise on the invention. The black-box flight recorder, the orbital engine, gene shears technology, and most recently, cyber technology are all inventions Australian can justly be proud of.

The old argument that capital is scarce and the market small is no longer acceptable excuse for inability to exploit the commercial potential of these ground-breaking inventions.

In his book *The Rise of the Creative Classes*, Professor Richard Florida argues that “venture capital dollars flow internationally into towns and places that have a bigger and better stock of talented and creative people.”

Florida suggests that the strong economies of the future will be those that concentrate “not on developing cost-effective centres for manufacturing or basic business processes. Rather they will be countries that are able to attract creative people that come up with next-generation products and business processes as a result.”

Under the Harvard Creativity Index, Netherlands, Ireland and Greece rate in the top 15 creative countries in the world. Australia, rated below the top 15, spends 0.8 percent of its annual budget on research and development, whereas Ireland and Greece spend only 0.36 percent. Only the Netherlands, ranked fourth behind Sweden, the US, and Finland, spends more than Australia at 0.87 percent of its national budget.

The question has to be asked: If we spend comparatively larger sums on research and development, why do we not rate in the top 15 creative countries in the world? Why do we not capitalise on our R & D investment? Is there something basic we need to discover and confront about our national creativity and its potential?

### IMPLEMENTATION

Australian business management is imbued with a sense of research and development but it lacks the skills, knowledge and confidence to work commercially creatively and innovatively. To change this mindset, senior corporate executives need to put marketplace demands on tertiary institutions to provide formal courses in Creativity and Innovation. Only under industry pressure will universities be motivated to act to make creativity a recognised program of study and practice.

Once universities oblige, business can then gain vital access to the ever-changing, fast-moving knowledge and processes of creativity. They will be able to engage in informed exchanges with the arts industry; employ arts graduates at senior management levels, and through this process actually begin to perceive creativity not as an aesthetic proposition alone but as a complete design system. Put to work intelligently, this system offers the potential for product, service, or organisational differential as a matter of practice. The creative advantage can now be deployed as a national resource to keep competitive pace in the globalisation of business and as a carrier of civilisation.

Robert Lutz, chairman of General Motors, summed up the case for creativity when he said, “I see us being in the art business. Art, entertainment, and mobile sculpture, which coincidentally also happens to provide transportation.”

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