



Ralph Kerle, CEO of The Creative Leadership Lab, enjoys a good chat. Give him a call on 0412 559 603.

Speaking about the value of creativity...

Ralph Kerle explores creativity in the modern business landscape.

We need a language that speaks to and about creative value. As yet we don't have one.

Most businesses and certainly governments and statisticians use words such as productivity, efficiency and effectiveness to define and describe the popular notion of 'value' in organisations and industry.

These words relate historically to tools of production and instruments of measurement that, in the main, were ways of evaluating and measuring value introduced in the Industrial Age. They were vital drivers for progress in the Industrial Age in that they provided ways of understanding and controlling our physical world, and led to great advances in our standard of living.

The past two decades have been marked by the emergence of industries driven by knowledge and people rather than more easily controlled machines and production lines. There is therefore now a vital need for a set of values carried by a different language: one that can describe business as moved by its prime asset – its people.

Lotte Darsø, research director of the Creative Alliance, the Learning Lab, Denmark in her ground-breaking book, *Artful Creation: Learning-Tales of Arts-in-Business*, argues that the importance of this shift in terminology is immense. But she suggests organisations are too busy to really take this matter seriously.

"When knowledge and competencies becomes the main asset, the real value of organisations is no longer material products

controlled by business but knowledge in people's heads and bodies," she says. Darsø argues that, "Product innovation is still important, but, as Peter Drucker stressed in his 1994 lecture 'Knowledge Society', at least 50 percent of innovation is social and concerns new ways of collaboration, new constellations (involving new types of people, e.g. artists) and new processes of learning and knowledge creation." (Visit: www.ksg.harvard.edu/ifactory/ksg-press/www/ksg_news/transcripts/drucklec.htm for the full transcript of the lecture.)

The new processes of learning and knowledge creation have been made more complex by the rapid-reporting methods of information technology – information technology built around Industrial Age notions of accurate measurement as a means of assessing value.

Johnson and Broms in *Profit Beyond Measure* argue that organisations have separated the ends (financial targets and performance objectives) from the means (the process and practices used to create them). Ends have come to seem more concrete, more 'real' and therefore more valuable than means. They argue the task of managers is to stop treating results as a target one reaches by aiming better. Instead results are an outcome that emerges spontaneously from mastering practices that harmonise with patterns inherent in the system itself. In other words, manage the means, not the results.

Johnson asks, "Is it the financial and performance targets or the relationships among people and their patterns of working and thinking together that produce the outcomes in a knowledge economy that we should value?"

Yves Bastien, former president and general manager of Sanofi-Synthelabo, Canada, argues that, "For a businessperson, the numbers are the measure of success. If we don't have the numbers, that's the end of the conversation. But if we don't have the conversations, that's the end of the numbers. It's a paradox.

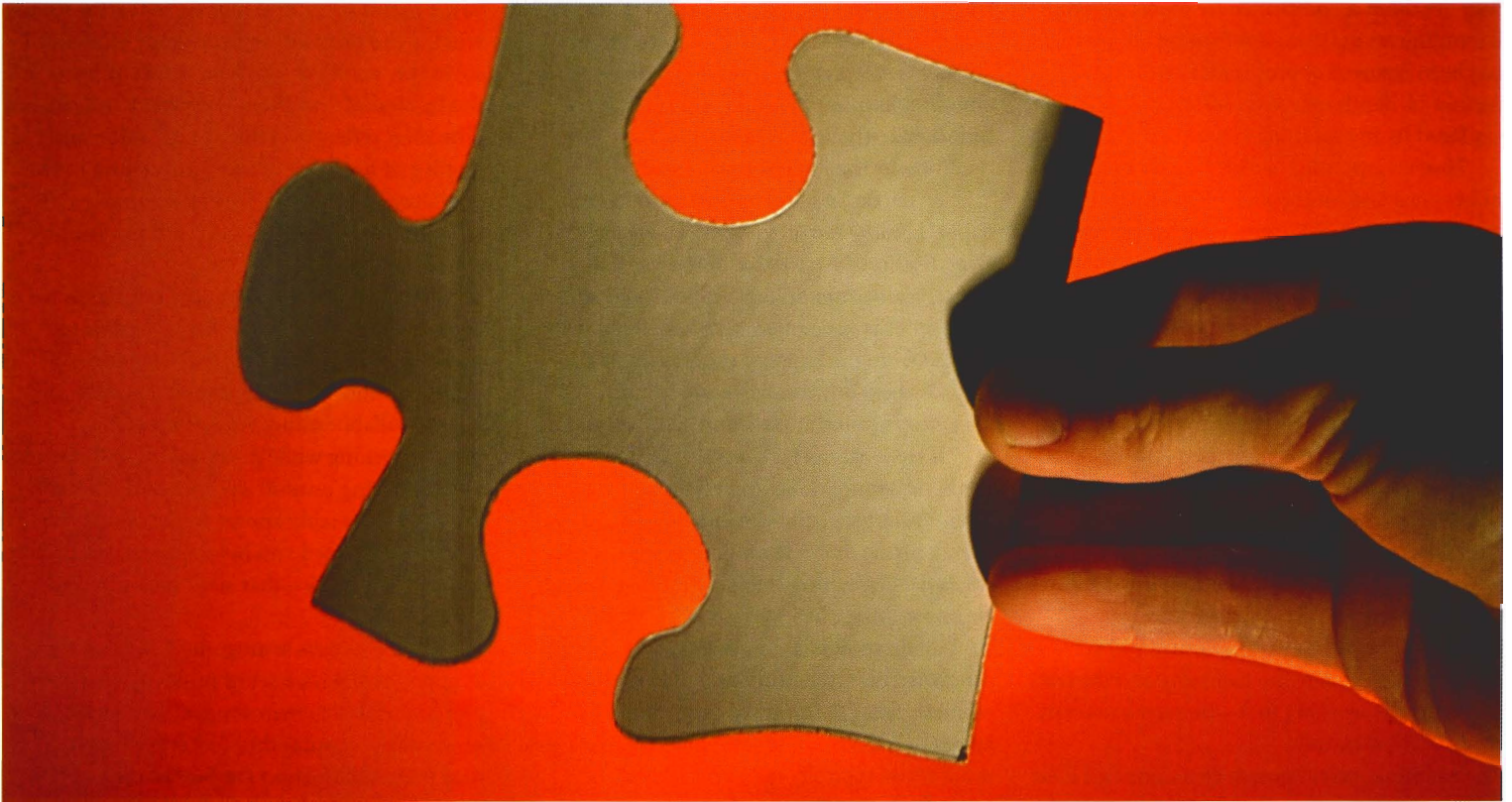
"You need to look at how alive the organisation is, how people interact and talk with each other – their relationships. That is a key part of the value-producing capacity of an organisation. It's very difficult for people to measure that, since the only tool they have to measure is the number."

Thus the profound challenge for contemporary business and business education is the reshaping of a language to allow us to define the processes that can bring to the surface knowledge production and reveal its value.

Knowledge cannot be controlled; we cannot control the how and when of the production of knowledge – who knows where it is going to come from, from whom, how and when? These are the unknowns. What we can do is set up the environment for knowledge to be encouraged, discussed, recognised and then valued.

There is an emerging body of work internationally that suggests arts-based and creative-focused processes presented in the form of immersive action learning experiences may hold the key to understanding how insight capable of producing knowledge can be created and produced at a fundamental organisational level.

The Springboard: How Storytelling Ignites Action in Knowledge-Era Organisations, by Australian Stephen Denning, the former pro-



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gram director, Knowledge Management – World Bank, shows how the simple art of storytelling can transform a major international bureaucracy strategically and competitively. The case studies of facilitated conversations in business and organisations of all types contained in *The World Café: Shaping Our Futures through Conversations that Matter* by Juanita Brown and David Isaacs are examples of how environments can support “conversations as a core process, a fundamental means by which relationships are built, knowledge is shared and value is created”.

As innovation coach at the recent Leadership Learning Program entitled ‘Leading Change Through Innovation’ at the Banff Centre for the Arts in Canada, I was able to interact with senior executives of some of North America’s major corporations while they explored new ways of thinking about specific business opportunities and problems by immersing themselves in an environment of creative and art-based practices. The practices

included creative writing and journaling, music appreciation, visualisation, theatrical plays and improvisations and the study of the natural ecological systems of the Rockies underpinned by a theoretical explanation of creativity and how it works. These are domains of the humanities that offer a means of understanding the production of knowledge through intellect and emotion.

Delegates on the program were asked as preparation to bring specific business issues that, with their fellow delegates, they could find solutions for, through the use of arts-based processes at the core of the course content. The business problems they brought were powerful and substantial.

The president of the National Library Association of Canada wished to redefine the role and value of libraries in contemporary society; the Director of Emergency Services of one of the largest energy producers in the world needed to establish a national prioritisation system for the production of energy in Western

Canada in the event of a catastrophe; two senior executives from one of Canada’s major freight operations needed to find new ways of dealing with a small group of intransigent unions inside their distribution system who were severely hampering their ability to compete in a deregulated market. And, in a conflict between ancient and modern civilisations, the general manager of one of Canada’s largest diamond mining companies, an indigenous Canadian, was being confronted by land-rights issues that involved his own tribe and was being forced to negotiate with his Council of Elders led by his father, who was demanding more royalties or no mining.

These types of complex business issues in complex systems require the investment of intellect and human emotion to come to some form of understanding and resolution that will provide knowledgeable outcomes. They require research, and critical and cultural analysis. They require vulnerability, compromise and, as Yves Bastien says, a “clean slate, zero-based mentality that is not encumbered by preconceived ideas and values.” They require time and reflection – all commodities not talked about as being of vital value in the hectic world of business that requires answers and results. Today, business problems are couched in the legalese of regulation and corporate governance. On resolution,

they are often accompanied by media savvy communication (spin) confirming the problem has been resolved appropriately ensuring any further in-depth reflection on issues is not explored in any meaningful way.

Human emotions are 'soft' topics in the view of business and business schools. This notion regarding human emotions is ironic in the extreme given that perhaps the hardest thing in life for most people is to talk about their emotions in circumstances where the outcomes and causes of those emotions are unknown and uncertain. Yet most executive decisions are at their core emotion-driven: this is the insight of decision science to recognise that cost-analysis is a tool used to justify decisions already made at a gut level by leaders of industry.

Make the wrong emotional decisions in any of the business circumstances that the delegates were exploring in 'The Leading Change Through Innovation' program, and you can substantially devalue the company and the lives of the people working in it – or even bankrupt the operation entirely.

The examination of human emotions and their value and effects are not part of the current

however, do not provide tacit skills. They are like written play scripts that require skilled actors to interpret them and bring them to life emotionally and practically – skills that are found in aesthetic practices.

But why the field of aesthetics?

Steven Taylor and Hans Hansen in their paper 'Finding Form: Looking at the Field of Organisational Aesthetics' in the *Journal of Management Studies* (September 2005) suggest, "Aesthetics is concerned with knowledge that is created from our sensory experience. It also includes how our thoughts and feelings and reasoning around them inform our cognition.

"If we look carefully at the distinction of aesthetic/sensory knowing versus intellectual/propositional knowing, which has been a prime driver through the Industrial Age, we find a distinction that is not just about how we know things, but why we know them.

"Intellectual knowing is driven by a desire for clarity, objective truth and ultimately instrumental goals. On the other hand, aesthetic knowing is driven by a desire for subjective, personal truth, typically for its own sake."

Mary Catherine Bateson, former professor, the

vas, a blank sheet of paper or rehearsal room: what is the problem to be solved? How can I solve this problem? And he works at it until the immediate problem is defined and solved – he then reflects on the overall value and quality of his work before proceeding to the next stage, and so on. It is an endlessly reflective process. This is why art and philosophy are closely linked.

In this way the artist's value is built on his creative experience, his ability to be able to make sense of what he is producing through improvisation, iteration, implementation, dialogues, collaborations, reflections and pattern-seeking while never having full control of his working output. And yet, paradoxically, the artist invariably knows at what point the work is completed and how to speak about the value of this work – that is, its meaning and purpose.

In the business setting, the CEO and team are presented with a set of problems in a complex and chaotic environment; they seek advice in whatever manner they feel is appropriate, they seek and assess to the best of their ability any knowledge solutions using techniques such as scenario planning and make a decision to act. This entire proposition could also describe the domain of the theatre director in his daily rehearsals.

The paradox lies in the gap between disciplines. The operation of industry in the contemporary world very much reflects the ecology of the artist, yet continues to use Industrial Age notions and language to gauge results.

The language of aesthetics seems currently to be confined in the corporate world to a discussion of the economic value of the art pieces on the wall, when it could be employed to reveal the hidden value of what business describes as its greatest assets: its people and their ability to be thoughtful and creative in solving problems.

So there is more than a metaphorical paradox when the CEO addressing shareholders at the annual general meeting refers to the balance sheet, observing that she has been extremely diligent in her handling of the corporate assets – she has depreciated them correctly in accordance with proper corporate governance. How should her greatest assets, her people, feel about this? **M**

This article is dedicated to the late Peter Drucker, one of the founders of management science.

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MARY CATHERINE BATESON

business parlance and will not be found as subjects of any import on business school curricula – a quick couple of lessons on the value and how-to of PowerPoint presentations is probably the most offered in the way of an aesthetic education or understanding.

As Stephen Denning observes, senior management's approach, learned at the right business school, is, "[To take] the standard management manual written in the rigid grip of theory [that] relies almost entirely on analytical thinking. Fix the systems. Re-engineer the processes. Streamline procedures. Bring to our difficulties a fix-it attitude, as though our past errors can be easily corrected with straightforward explanations. Reform and flatten the organisational structure." (My italics.)

Theories contained in the standard management manual are no more than explicit knowledge – knowledge produced in whatever form can provide intellectual insight. Theories,

Harvard Graduate School of Education and former Dean of Social Studies and Humanities at the University of Northern Iran, smiles when she says, "The only thing I know is that when we are confronted by change in everyday life, business or personal, we improvise... and in every civilisation ancient or modern, creativity is what drives improvisation."

Aesthetic knowing and practice is what drives that creativity, and it is through tapping into those rich personal narratives of aesthetic knowing that a new popular language will emerge.

We operate daily in a complex and chaotic ecology where our very survival and personal identity is tied up in improvising knowledgeable answers to problems using iterative processes we have adapted intuitively over time.

This is essentially the ecology of the artist. The artist must ask himself every day he turns up to work in front of a blank can-