Leaders of creative people who produce innovations in goods and services – and consequent customer delight and sustainable competitive advantage – share certain characteristics. These characteristics concern an understanding of creative, innovative and leadership processes and an ability and desire to develop a culture of creativity and innovation.

Creativity is the generation of new and original ideas, associations, methods, approaches and solutions in relation to a problem or need. Innovation is changing something by implementing or applying the outputs of creativity. Creativity and innovation have become the new competitive advantage, driving organisational performance, growth, survival, success and value. It is leadership that enables creativity and innovation and the corporate culture that sustains it.

Recent research, however, has revealed some disturbing practices and blind spots concerning creativity and innovation. For example, CEOs in the USA apparently have a blind spot when it comes to soliciting or recognising ideas from creative people, according to a BNET survey of 1,572 respondents.\(^1\) Over 82% of CEOs believe they “always” or “often” solicit input and advice from clever employees, and yet only 50% of employees agreed. In other research a strange paradox emerged: employees – mainly middle managers – with the most negative attitudes toward innovation were also the most highly sought-after for advice about it.\(^2\) Further investigation revealed that they tended to behave more as managers than leaders. In the BNET research almost three-quarters of CEOs surveyed believed that good ideas always or often percolated up the organisation while only just over one-third of employees felt the same and 23% felt that this was “never” or “rarely” the case.

McKinsey consultants have discovered a wide gap between the aspirations of executives to innovate and their ability to do so.\(^3\) Relying on questionable so-called “best practices” and tinkering with organisational structures and processes as a way of stimulating creativity and innovation, they say, is a mistake. What really makes the difference – as so often is the case with anything to do with people – is leadership. There are no best-practice solutions to a lack of creativity and innovation. In fact, as the publisher, writer and broadcaster Andrew Neil said in his after-dinner speech at an annual conference of The Leadership Trust a few years ago, merely meeting customers’ expectations is not the way to excellence: doing something different is.\(^4\) And being the same through benchmarking, being “representative”, however good, is not being innovative.\(^5\) Virgin Atlantic Airways is an airline that broke the mould in this respect.

Innovation can be incorporated as a strategy in itself or as a feature of all business strategies. It can then be monitored, controlled and measured in relation to goals and key performance indicators. This, of course, is effective management, not leadership. Two further activities, however, are to do with effective leadership, and they both relate to developing shared values and a strong supportive corporate culture. One is to make better use of existing talent for creativity and innovation by enabling and encouraging informal networking: connections and networks empower people to innovate.\(^6\) The other is to foster a culture of creativity and innovation based on mutual trust by empowering employees to experiment and fail – once, twice, or as many times as it takes. In the words of Sheikh Mohammed Bin Rashid Al Maktoum, Prime Minister and Vice President of the United Arab Emirates and ruler of Dubai:

“I don’t punish those who work and make mistakes; quite the opposite, I support them and encourage them to be more creative, even if they make more mistakes.”\(^7\)
It is the most effective leaders and the most successful who believe in failure as the route to success.

The key to success, of course, is learning from failure and then putting the lessons into practice. Leadership is about helping people to learn, develop and grow. The enemies of sustainable creativity and innovation are “short-termism” and fear of failure; pernicious consequences of a fast-buck society plagued by a need for quick gratification. I am speaking here of investors and shareholders and not just CEOs, senior executives and managers. Only 38% of senior executives in the McKinsey research said that they took action to learn from their failures in innovation and encouraged others in their organisation to do the same. And, worse still, only 23% of employees felt encouraged by their managers to learn from their failures.

A strong culture of creativity and innovation can be developed through effective leadership. There needs to be a vision of creativity and innovation, reflected in the organisation’s mission statement or purpose and in strategies that operationalise it. Those in leadership positions in organisations must role-model creativity and innovation. And they must learn and use the skills of network broking, coaching and facilitation for creativity and innovation that are both empowering and inspirational. They must create opportunities for experimentation and failure and – despite my barbed criticism of short-term gratification – for early successes as a result of applying their learning from those failures. This will create and reinforce the desire for innovation and change. This is how leadership can create a sustainable culture of creativity and innovation.

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References

3 Ibid.