10. Leading for creativity in turbulent times

Lucy Küng

If there is a bottleneck in organisational creativity, might it be at the top of the bottle? (Intuit Founder Scott Cook)

The creative industries are in transition. Unceasing technological advance, convergence between once distinct sectors and profound changes in how consumers communicate and engage with content has brought dynamism, complexity and uncertainty, transforming virtually every aspect of established ways of doing business.

The most important change agent in any organisation is the leader. It is his or her task to analyse these developments, decipher their implications, set strategic priorities, and ensure the necessary organisational changes take place. The failure of legacy organisations to hold their pre-digital market position in a range of sectors indicates the difficulty of these tasks, and the challenges that face leaders of creative organisations.

There is surprisingly little research to help leaders of creative organisations surmount their difficulties, surprising because much public discussion about creative organisations centres on the aptitude, abilities or appropriateness of their leaders (think of News Corporation and Rupert Murdoch, Apple and Steve Jobs, Sumner Redstone and Viacom, John Birt and the BBC). The research that does address the field is fragmented and comes from different academic disciplines – organisational creativity, organisational technology, and leadership from management theory, and on the nature of the creative organisations and media industries from media management theory. This chapter attempts to pull these various strands together to create a cross-disciplinary picture of theoretical understanding of the task of leadership in the creative sectors, and reflect on their implications for leadership in creative organisations in particular – and more generally for all organisations needing to increase creativity and innovation in response to profound changes in their strategic environment.

This chapter starts by reviewing definitions of the creative and media industries. It then explores why the need for high levels of ongoing creativity, which one might expect to be an unchanging organisational requirement, is actually increasing in the current strategic environment and becoming a more pressing leadership priority. The role of leaders in fostering creativity is a key theme in this chapter, and the chapter starts by
reviewing theoretical understanding of creativity in organisational settings and how levels can be influenced, with the discussion moving from theories that address all types of organisation to those that address how creativity can be increased specifically in creative organisations. Having explored the creative industries and creativity, the focus then shifts to leadership. It reviews key theoretical lenses by which leadership is understood, and the theory that focuses on leadership in creative organisations in particular. Points of connection or overlap between theories of creativity and of leadership are then explored. The chapter closes by revisiting the core theme of the chapter: the role of the leader in creative contexts during challenging times.

WHAT ARE THE CREATIVE INDUSTRIES?

There is no commonly accepted definition of the sectors that comprise the ‘creative industries’, nor is it easy to separate the creative industries from the neighbouring constructs of the cultural industries and the media industries. Hirsch (2000) delineates the cultural industries broadly as the organisational field that produces cultural products, and which ranges from talent agencies to communications satellites. It includes media, entertainment, design, architecture, advertising and marketing, public relations, information technology, performing arts, fine art auctions, galleries and museums.

Definitions of the media industry are equally confused. Even before convergence muddied the waters there was no commonly accepted definition of the ‘traditional’ media industries. European researchers generally tend to view the media industries as including broadcasting (radio and television), print (newspapers, magazines, journals and books), motion picture and recorded music. However, it should be noted that Garnham and Locksley’s (in Blumler and Nossiter 1991) classification of the ‘cultural industries’ exactly matches this definition. US analysts often add gaming, sports and theme parks to this group (see, for example, Vogel 1999), which then becomes also known as the ‘entertainment industries’. Sometimes the performing arts are included also, at which point the sector can sometimes become the ‘cultural industries’.

WHY DO THE CREATIVE INDUSTRIES NEED MORE CREATIVITY?

A leader is the ultimate architect of an organisation’s strategy. A central function of strategy is to align an organisation with its environment.
The creative industries, particularly media organisations, are currently confronted by a potentially lethal cocktail of ‘first degree’ environmental changes affecting virtually all aspects of their core business model.

The most fundamental dimension of change in the strategic context concerns technology. This is probably the most powerful influence on strategy currently – and also the one that leaders without a visceral sense of broad technology trajectories find the hardest to come to terms with. The creative industries normally see themselves and are seen as being primarily concerned with creating and disseminating content, but in fact they are technology industries as much as cultural ones. They emerged and developed in response to a series of first technical and later technological inventions. Unsurprisingly, therefore, recent revolutionary advances in technology associated with media (the Internet, digitalisation, incessant increases in computing power, bandwidth and storage capacity, plethora of mobile devices for media consumption, social media) have undermined virtually every aspect of their ‘ways of doing business’, from business models and revenue streams to distributing their products and engaging with consumers.

The impact of these developments can be seen clearly in value chains across all sectors of the industry where a consistent set of changes can be observed. First, value chains are becoming more fragmented and complex as new stages emerge (for example, new ways of handling ‘news content’ such as news aggregation, news curation, news packaging, user-generated content hubs) and more options emerge at each stage (think, for example, of the distribution in the TV industry, and of the number of different ways in which a programme can now be accessed by a potential viewer). Second, powerful new gatekeepers with feet in a range of converging sectors (notably Amazon, Apple and Google) are building strong positions at the consumer end of value chains, where they seek to transform how consumers acquire and consume content. These new gatekeepers have different strategic rationales and competitive assumptions than legacy players in the creative industries. Third, as the distribution stages of value chains get more complex and fragmented, media organisations are effectively being ‘pushed back’ along the chain to concentrate on the one area where they have unique competencies, the creation of content. This is their specialism and holds the greatest potential for strategic advantage.

CREATIVITY AS A LEADERSHIP CHALLENGE

This serves to underline the surprising increase in the strategic significance of creativity for the creative industries. Creativity is needed by all types of...
institutions, but is particularly vital for creative ones. This stems from the
intrinsic nature of cultural goods. Because each one is unique and because
customer demand is fickle, there is an incessant need for novelty (although
this is not unique to organisations in the creative sectors; a pharmaceutical
organisation must constantly engage in the process of creating new drug
products and ensure it has a permanent pipeline of new ideas in develop-
ments). Viewed strategically, the higher the levels of product creativity, the
greater the likelihood of market success and the stronger the competitive
advantage.

A strong pipeline of creative products has therefore always been
required – but in the emerging converged environment it becomes possibly
the only ace in the industry’s hand *vis-à-vis* its new powerful and massively
resourced industry partners. Creativity has therefore moved to the top of
the leadership agenda.

The need for creativity, of course, extends much further than the
content and product sphere. When environments become more turbu-
lent, all organisations need to become more creative, especially when
that turbulence involves emerging technologies (Yoffie 1997, Brown and
Eisenhardt 1998). In recent years the creative industries have needed
not only to be more creative with their products, but also organisation-
ally and strategically. They have needed to create new business models,
understand and integrate entirely new platforms and types of services
into their content offerings, and find ways to extend long-established
professional skills, capabilities and professional values into entirely new
arenas (see, for example, Dennis et al. 2006). Thus technological change
and industry restructuring have not only reconfirmed the strategic
importance of creative content in today’s creative industries, but also
expanded the areas of organisational activity where creative responses
are required.

WHAT IS CREATIVITY, AND WHEN IS A PRODUCT
CREATIVE?

Two bodies of theory deal with creativity in organisational context. The
most substantial concerns theories of organisational creativity which
apply to all types of organisations. It is rooted in a robust and precise
definition of creativity:

a product or response will be judged as 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. (Amabile 1996: 35)
By extension, a product that is creative needs to meet four criteria:

1. It needs to be original. In the jargon, the product should represent a heuristic rather than an algorithmic response to a task where there is no obvious or accepted path to a solution (Amabile 1983).
2. It needs to appeal to the public. A product that fascinates insiders but leaves the general public cold is not a successful creative entity according to this body of theory.
3. It receives critical acclaim. A creative product needs to be acknowledged as such by experts who know the field – a good indication for this is industry awards such as the Academy and Emmy Awards.
4. It meets organisational goals. A successful creative product must conform with the organisation’s strategic objectives and fit available budgets and timeframes.

WHERE DOES CREATIVITY COME FROM?

Socio-constructivist approaches to organisations explore the relationship between the organisational context and creativity and are strongly influenced by the pioneering work of Amabile (Amabile 1983, 1988, 1993, 1996, 1998, Amabile et al. 1994, 1996, 2002). They see creativity as arising from the combination of three elements:

1. Creativity-relevant skills. These are cognitive abilities that allow individuals to think creatively and generate different alternatives. Particularly important are the ability to suspend judgement, to tolerate ambiguity and to reframe problems.
2. ‘Domain-relevant skills’. This is essentially expert creative competencies in a particular field.
3. Intrinsic motivation. In terms of the building blocks of creativity, this is first among equals. Intrinsic motivation is central because our mental flexibility and ability to deal with complexity are highest when intrinsic motivation is high. In this ‘flow’ state, we are more likely to take risks, explore new cognitive pathways, and generate creative solutions.

CAN CREATIVITY BE FOSTERED?

The route to increasing creativity lies in increasing levels of intrinsic motivation. Creative thinking skills can be enhanced through training
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or reading (although improvements may be transitory). Expertise can be acquired. Intrinsic motivation, the key to increasing creativity, is a more ethereal entity and harder to ‘increase’. However, research by Amabile (ibid.) highlights what can be done to influence levels of intrinsic motivation in work settings:

1. Encouragement. If creativity is required, those in charge must explicitly request it (for an example of best practice, consider HBO’s strapline, ‘It’s not TV, it’s HBO’, which underlines to internal and external constituencies that creative ‘differentness’ is part of the organisation’s DNA and a strategic priority).

2. The creative challenge and how it is framed. The creative challenge must be clear, unambiguous and feasible, and the team must be free to find their own path to a solution.

3. Autonomy. The creative team need to be free to get on with their task. Autonomy concerning process heightens a sense of ownership and therefore intrinsic motivation. This finding is echoed by a number of researchers of creative organisations. For Hesmondhalgh (2002: 55) an ‘unusual degree of autonomy’ is a defining feature of the ‘complex professional era of cultural production’. Davis and Scase (2000) find that senior managers must not only provide autonomy but additionally be supportive and facilitative.

4. Resources. Time and money are critical and both need to be carefully judged. Financial resources should be sufficient but not over-generous since ‘resource slack’ will reduce focus (Nohria and Gulati 1996). If deadlines are too tight, there will be too little time to ‘play’ with concepts and solutions.

5. Team composition. The team working on the project must represent diversity of perspectives, expertise and backgrounds, and its working style encourage expertise to be shared (Kanter 2006) and emerging ideas to be fostered by debate and cross-fertilisation (Goffee and Jones 2000).

FOSTERING CREATIVITY IN CREATIVE ORGANISATIONS

A small body of research looks at creativity in creative organisations. Lampel, Lant and Shamsie (2000) note that defining creativity in organisations that produce creative products is difficult, because the creative quality of creative products is hard to judge since their consumption is a highly subjective experience (although Amabile’s defini-
tion, which triangulates peer and market assessments, would seem to solve this difficulty). They distinguish between cultural organisations engaged in artistic endeavours and creative ones: whereas in cultural organisations, creative products must only satisfy artistic and cultural criteria, in commercial creative organisations, products must also meet commercial objectives. This places limitations on the scope of creativity because products cannot be too far ahead of consumer demand, leading to creative responses that combine new with familiar elements (Lampel et al. 2000).

Bilton (2007) notes that creative processes require boundaries, constraints and clear strategic targets. They also involve the mobilisation of a network of relationships between many diverse professionals (Burt 1992, Nohria and Eccles 1992). These contacts can be formal or informal and will cross organisational boundaries (Hirsch 2000).

Gil and Spiller (2007: 245–6), drawing on categories proposed by Caves (2000), identify eight distinctive characteristics of ‘internal creative production’, all of which pose management challenges:

1. An informational asymmetry between talent and management deriving from the fact that creative employees possess an expertise that management do not have. (Note: this is perhaps more accurately termed an ‘expertise asymmetry’. Expertise is not the same as information, and, if ‘nobody knows’, as described below, all parties lack relevant information.)
2. Management cannot force the creation of high-quality work – only create conditions that are conducive to it being produced.
3. There are an infinite number of solutions to any creative challenge. Those posing the challenge cannot specify what solution is needed, and creatives cannot specify what will be produced.
4. The ‘nobody knows’ problem – the likely success of a creative product is virtually impossible to predict, and the majority of new products fail.
5. Creatives work on creative projects because of the sense of fulfilment or achievement it brings (in other words, intrinsic motivation). This means high levels of engagement and ownership, but also unwillingness to compromise. This can make management interventions difficult and lead to time and cost overruns.
6. There are high levels of uncertainty about how the task should be approached and how consumers will react to the finished product.
7. Creative projects can have high development costs. Should they go off track a decision must be made about whether to continue. Because market reactions are impossible to predict, there is always a chance...
the product may succeed, so often a decision is made to continue with the project, rather than abandon it. This can lead to expensive market failures, known as ‘ten-ton turkeys’.

8. Creative employees’ expertise is a key strategic asset for the creative organisation, but can’t be appropriated. This can limit the organisation’s ability to further develop creative products or ranges.

CREATING CREATIVITY – THE CHALLENGE FOR LEADERS

Before moving on to leadership, it is worth summarising theoretical understanding of how creativity is defined, its origins and how it can be fostered. For socio-conceptualist approaches to creativity a successful creative product has genuine originality, strong appeal in the market and to experts who know the field, and works within organisational goals and constraints. Three basic elements are required for a creative solution to emerge: creative thinking skills, expertise in the relevant field(s), and intrinsic motivation. Intrinsic motivation is the most critical. It cannot be increased on request, but rather via how creative tasks are set up. Specifically a creative response needs to be explicitly requested, the creative challenge needs to be clear, unambiguous and feasible, the team working on it needs autonomy, an adequate (but not over-generous) allocation of key resources such as time and money, a diversity of expertise and outlook, and needs to work in a way that encourages the free exchange and cross-fertilisation of ideas.

From research into creativity in creative organisations we learn that creative employees are embedded in networks of formal and informal, internal and external relationships and that the scope for creativity in commercial creative organisations is constrained because markets may reject products that are too original. A number of phenomena uniquely complicate the task of leading in creative organisations: that an expertise asymmetry exists between those working on creative projects and those assigning them; that the critical creative expertise belongs to the employees and cannot be appropriated by their organisations; that creativity cannot be increased on demand but only indirectly by altering the conditions that create creativity; that managers can only specify the challenge and not the solution and that creatives cannot predict what their solution will be; that the success of a creative product is virtually impossible to predict and this, coupled with high development costs, can lead to expensive mistakes; and that intrinsically motivated employees are committed and engaged but also unwilling to conform to organisational constraints.
WHAT DOES LEADERSHIP THEORY SAY ABOUT LEADING IN CREATIVE CONTEXTS?

Leadership theory (as a sub-set of management theory) is a substantial field with a clear development trajectory. A number of strands address leadership in creative contexts (Küng 2006, 2008) and these are summarised below. These are best understood as different lenses through which researchers have analysed and tried to understand leadership, rather than as options or alternative toolkits that practising leaders can use. Where relevant, it includes research findings from the creative or media sector relating to any particular approach.

Trait Approaches

Trait theories were some of the first scientific approaches to leadership. They see leadership as residing in a set of definable, measurable in-born traits found in ‘natural leaders’ (Jago 1982). The researchers sought to identify traits common to successful leaders, hoping that potential successful leaders could be identified by screening for these (Jago 1982). Although leadership researchers have moved on, trait thinking still influences analyses of media leaders’ success, for example the media mogul is assumed to have natural entrepreneurial and risk-taking skills (see Tunstall and Palmer 1998). Early research into creativity was also trait based, where researchers looked for personality traits and intellectual abilities that were common to exceptionally creative individuals. This broadened into investigations of the skills underlying creativity and the contexts that support it, with an associated assumption that creativity is not simply the province of the talented few, but can be encouraged in all populations.

Skills Approaches

Skills approaches are more democratic: they see effective leadership as residing in a combination of skills, knowledge and competencies that can be learned (Jago 1982, Northouse 2004, Mumford et al. 2000a). As this approach developed, cognitive skills became a focus, particularly a facility with abstract and hypothetical ideas that allows a leader to identify complex relationships and predict future events from current trends (Yukl 2002), and find solutions to new, unusual and ill-defined problems (Mumford et al. 2000b, Northouse 2004).

Finding appropriate solutions to such problems gets harder as environments become turbulent because the risk of cognitive rigidity and erroneous conclusions increases in step with environmental instability. Leaders
must become more structured and vigilant in environmental scanning and problem-solving (Ancona 1990), but also capable of revising operating assumptions and developing new heuristics (Tushman and Anderson 1986). This is central to the organisation’s ability to adapt (Virany et al. 1992).

Failure to revise cognitive assumptions as the environment changed contributed to Michael Eisner’s downfall at Disney (for full discussion, see Küng 2008). During his first decade the media industry was relatively stable; he applied the formula that had brought him success in previous roles: low budgets, no high-paid stars, a tight control on processes and costs, and a focus on the fields he knew well (Stewart 2005: 80). However, as technological advance and convergence transformed Disney’s strategic environment, the assumptions that had brought success became hurdles. The industry had adopted blockbuster content strategies, but Disney stuck to its B-list approach and its products lost competitiveness as a result. Convergence brought growth opportunities far outside the traditional media mainstream, whereas Eisner preferred internal growth in fields he understood, and the financial markets penalised Disney as a result.

Skills approaches can be a valuable lens for analysing creative leaders. John Birt’s director-generalship of the BBC (1992–2000) was at the time judged largely with respect to a large-scale strategic initiative he implemented called ‘Producer Choice’. This was designed to answer vocal and dangerous criticisms from the government that BBC finances were over-generous and inadequately managed, and that the organisation was failing to meet the needs of those who financed it, a pressure that John Birt saw as so great that if the BBC had not undertaken such measures itself, ‘the job would have been done for us’. Producer Choice was a highly analytic initiative that reflected John Birt’s conceptual and intellectual approach to leadership, notably his ability to reduce complexity, predict patterns from incomplete data and reconcile conflicting demands. In essence he introduced a sophisticated trading system arranged around an ‘internal market’ that separated the purchasers of programming from the providers. Immediate goals were to allow all activities to be fully costed, inefficiencies to be highlighted, costs reduced and waste eliminated, thus ensuring that as much money as possible could be devoted to programme-making. The broader goal was to demonstrate to the government that the BBC was able to change, could operate efficiently and was, by extension, worthy of charter renewal (Harris and Wegg-Prosser 1998). Birt achieved these, and in 1997 the BBC was granted a new royal charter and its licence fee was extended for ten years. In addition, it was encouraged to develop its commercial activities and become globally active.
In terms of skills identified by researchers as important in creative sectors, Sternberg et al. (2003) have observed that the ability to integrate two ideas that were previously seen as unrelated or even opposed is important for creative leaders. Sanchez-Tabernero (in Küng 2006) sees the ability to ‘build great teams’ as important. Burns and Stalkers’ (1961, reprinted 1994: 102) research into environments that promote innovation found that leaders need ability to grasp the changing strategic dynamics, particularly technological ones, and to recalibrate the internal organisation in response.

Cognitive skills, like analytic intelligence, strategic understanding or open-mindedness, provide another ‘lens’ for understanding leadership in creative organisations. This thinking moves beyond some of the limitations of ‘trait-based’ theories of leadership, yet remains predominantly focused on the leader. Style-based approaches open up another perspective on leadership, focusing not just on the leader but on the led.

**Style Approaches**

Style approaches stress the role of soft factors in leadership success. They look not simply at the leader, but also at his or her relationships with those led (Yukl 2002, Stogdill 1974, Jago 1982). Some of the earliest and most influential research on leadership style, the Ohio studies (conducted at Ohio State University in the late 1940s), looked at two dimensions of a leader’s style: his or her relationship with followers (looking at communication, trust and warmth), and with groups (looking at how a leader organises relationships between group members, establishes channels of communication and the group’s task). These dimensions were used to both develop leadership typologies and suggest the optimal leadership style.

Style approaches have been criticised because they can lead to overly simplistic analysis (the two by two matrix beloved of business schools) and prescriptive recommendations, but their simplicity has resonated with practitioners and with researchers from the media and creative management fields. It has been suggested that a consensus-based leadership style is most appropriate for media organisations because creative employees resent being told what to do (Davis and Scase 2000), will not accept unquestioningly direction from above (Lavine and Wackman 1988) and need editorial freedom and protection from managerial influence (Curran and Seaton 1981). Similarly, Mauzy and Harriman (2003) suggest that hierarchical, paternalistic management styles limit creativity, and inclusive ones that distribute creative decision-making throughout the organisation promote sustained creativity. Aris and Bughin (2005) identify two leadership styles for the media: an inspirational, charismatic, hands-on style, or
a performance-orientated, structured style, involving systematic setting of strategic corporate and individual goals.

Transformational Leadership

A dominant approach to leadership in recent years, in both practical and theoretical domains, is ‘transformational leadership’. This is credited to political sociologist Burns (1978), who identified a leader who achieves wide-scale change in an organisation by using levers in its social architecture to activate followers’ intrinsic motivation, which can then be harnessed to realise stretching performance outcomes (Burns 1978, Bass 1985, Bass and Avolio 1994, Conger 1989, Bass and Steidlmeier 1999, Senge 1990). The transformational leader is a hybrid concept – it represents a particular style of leadership, but requires a specific palette of skills, some learnable and some, like charisma, probably in-born traits.

The leader’s vision is central. This must be powerful enough to persuade individuals to behave in different ways (Senge 1990). Charisma is used to build followers’ emotional commitment to a vision, activating higher-order needs and encouraging them to transcend self-interest to reach new goals (Bass 1985, Kotter 1996, Hitt et al. 1998).

Greg Dyke, Director General of the BBC from 2000 to 2004, is a classic example of a transformational leader (Kanter 2004). In 2002 he launched an ambitious strategic change initiative, ‘Making it Happen’. His vision was to transform the BBC into the most creative organisation in the world within five years by harnessing the energy, commitment and ideas of all members of the BBC (Spindler and van den Brul 2006–7).

‘Making it Happen’ was intuitive, inclusive and sought to involve as many organisation members as possible. Dyke employed a number of strategies to build commitment and change behaviour (Spindler and van den Brul 2006–7). Brainstorming workshops were held where 10 000 staff made over 25 000 suggestions about the BBC’s problems and how to solve them. A number of good ideas were implemented fast to show that the change agenda was serious and that staff involvement was valued. Dyke modelled the open, direct and non-bureaucratic communication style he wanted to instil by encouraging people to address him as Greg and reducing meeting documentation to a minimum. Staff were given a yellow ‘referee’ card stating ‘Cut the Crap, Make it Happen’ to bring out in meetings if they felt good ideas were falling victim to bureaucracy.

Dyke published a new set of BBC values, which he stressed should become the basis of the new culture. Staff teams were asked to investigate how the BBC could realise its new goals, and these ideas were combined into a BBC-wide change plan. The plan was presented to staff through a
live, televised, interactive BBC-wide conversation involving 17,000 staff at over 400 meetings.

The concept of the transformational leader is present in the literature on creative industries. Bilton (2007) identifies ‘visionary leaders’, who are individualistic and favour bold, differentiated strategic responses that depart from received industry wisdom. In his exploration of how incumbent businesses threatened by digitalisation must change, Waldman (2009) proposes a leadership approach that mirrors many of the tenets of transformational leadership. He views the ability to ‘bring people with you in challenging times’ (2009: 130–31) as the essence of the leadership task. This requires clarity (‘people need to know what is happening: why, how and when’), consistency (‘don’t just present a plan once; present it time and time again . . . you are leading people on a journey, not a set of random dance moves’), and collaboration (‘getting people working with people from different parts of the business, tackling business problems collectively, is energising and constructive. It makes people feel they are part of something bigger’).

Charismatic Leadership

Charismatic leadership is closely connected to, almost a sub-set of, transformational leadership (Hunt and Conger 1999). It involves a leader employing personal magnetism to evoke followers’ trust and to influence them to act in certain ways in the pursuit of specific goals (Bass 1985, Yukl 2002, Conger 1989, Conger 1999, Conger and Kanungo 1998).

A vision that appeals to followers’ higher-order needs and links with their own inner values and ideals is a central tool of charismatic leadership. To embed the vision the charismatic leader needs to model personally the behaviours and values that followers should adopt. Steve Jobs’ (a prime example of a charismatic leader) vision for Apple was to build ‘insanely great’ machines that will ‘make a dent in the world’.

Charismatic leadership, however, has a shadow side. Steve Jobs is frequently described by those who knew him as a ‘jerk’ and worse (see, for example, Isaacson 2011, Young and Simon 2005).

LEADING FOR CREATIVITY

There is relatively little research that explicitly addresses the links between creativity and leadership. Amabile and Khaire (2008: 102) found that the first priority of leaders seeking to increase creativity is to distribute the responsibility for creativity throughout the organisation, specifically to recast the relationship between leaders and those led. They propose that
Hierarchies can have a negative correlation with creativity because they limit the scope of autonomous groups and impede the exchange of ideas. Thus they found that Google has a higher success rate with ideas that have been executed in the ranks without support from above than with ideas that had been initiated by senior management.

Management control processes have also been widely found to limit creativity. Clayton Christensen (in Amabile and Khaire 2008) describes how ‘powerful constituencies inside the company collectively beat things into a shape that more closely conforms to the existing business model rather than to the opportunity in the market’. Budget allocation processes, which indirectly reinforce a focus on improving the performance of established products along dimensions that mainstream customers in major markets traditionally value, are also detrimental to innovation (Christensen 1997).

Findings from research on the links between creativity and leadership in creative contexts reach broadly similar conclusions. Mauzy and Harriman (2003) find that traditional structures constrain the creative potential of an organisation because they assume that position equals knowledge. In reality all employees have potentially valuable knowledge and potential contributions to the creative process, and thus need to be engaged. Leaders can therefore increase the overall creativity of an organisation by spreading the responsibility and capability of creative leadership to every employee.

One of the best-documented cases of creative leadership concerns Michael Eisner’s tenure at Disney. Eisner’s eventual downfall at Disney is mentioned earlier in this chapter. But it is worth considering the entire span of Eisner’s career at Disney and how leadership can contribute to both the rise and fall of an organisation. In 1984 Disney was a failing organisation, and ‘Team Disney’ – comprising Michael Eisner, as chairman and CEO, Frank Wells as president and COO, and Jeffrey Katzenberg as head of the film studio – was brought in to rescue the organisation. Between the mid-1980s and mid-1990s at the Walt Disney Company they orchestrated a remarkable turnaround. It became the number one ranked studio, *The Lion King*, released in 1994, became the second largest grossing film ever, and new businesses were developed. By 1987 Disney was a vertically integrated conglomerate with an operating income that had jumped from $300 million to nearly $800 million. It was one of the most valuable brands in the world and admired for its tight internal management and aggressive exploitation of synergies. Eisner had a clearly articulated formula for creative leadership (Wetlaufer 2000) that corresponded with many of the principles of organisational creativity. Weekly meetings were held where staff were encouraged to contribute ideas. Creative staff were given time to incubate ideas, autonomy was fostered and diversity in creative teams explicitly furthered (Stewart 2005).
However, in 1994 things started to go wrong. Wells was killed in an accident and Katzenberg left to found Dreamworks SKG. Other studios’ animated films started to outperform Disney’s, live action films performed poorly, and video and merchandising income fell, as did earnings and stock price. A year later, Comcast launched a hostile bid, and negotiations with Pixar on prolonging a successful joint venture collapsed. Forty-five per cent of shareholders voted to withhold support for Eisner’s re-election, and he subsequently announced his resignation.

At this point, entirely different accounts of Eisner’s creative leadership started to emerge. Eisner was described as ‘an oppressive force’ that had ‘extinguished the company’s creative spark’ (Young and Simon 2005: 311). Organisational politics were described as ‘cut-throat’ (Stewart 2005) and the focus on synergy had led to ‘endless iterations of existing properties’.2 It may well be that although Eisner did institute mechanisms to further creativity, other aspects of his management priorities undermined these. Theories of organisational creativity provide an explanation. In terms of the creative challenge, the profit-multiplier business model that was the engine behind Disney’s financial strength (Slywotsky et al. 1997) also limited and prescribed the creative challenge. Tight financial control may have curtailed experimentation. Autonomy was compromised by Eisner’s ‘centralised and controlling management style’ and propensity to ‘sweat the details’.3 This case underlines the context-dependent nature of the creative leadership task: a formula that brought success in a stable strategic environment created institutional rigidity in a more dynamic one. It also shows the subtle interplay between strategy, organisational processes and creativity. Eisner pioneered the multi-platform brand-based business models that today all legacy organisations are striving to achieve. However, while a tremendously creative strategic response, it was one that squeezed out creativity at lower levels of the organisation and reduced Disney’s ability to adapt in step with the environment.

MOVING THEORY FORWARD

What additional insights on leadership in creative contexts can be drawn from the reviews of theories of organisational creativity and of leadership in this chapter? To begin we can identify three obvious contact points between general management theories of leadership and those of organisational creativity.

The first and most obvious point of connection concerns the organisational context in which creativity occurs. Creativity theory tells us
this has a huge influence on levels of intrinsic motivation and therefore creativity. Leadership theory tells us that the leader is the architect of the work environment, dictating the nature of creative challenges, how resources are allocated, and establishing wider contextual elements such as structure, coordination mechanisms, business processes, and management. Transformational and charismatic theories explore how the leader creates intangible contextual elements important for creative responses – particularly culture and climate. These contextual elements in turn trigger a second connection point – intrinsic motivation.

Intrinsic motivation is central both to theories of organisational creativity and to transformational and charismatic leadership. It forms the second connection between theories of leadership and creativity. According to creativity theories, it catalyses expertise and creative-thinking skills to produce novel solutions. In leadership theories it makes followers receptive to higher-order goals and able to suppress the self-interest that might otherwise block their acceptance. Charismatic leaders can nurture this crucial ingredient of intrinsic motivation – but if taken to an extreme (towards a ‘dark side’ of control and manipulation), they can also overpower it.

A third link is vision. Vision is the starting point of transformational and charismatic leadership, and also, in the form of the initial creative challenge, of successful creative projects. The leader, whether of the organisation or of the creative project, crafts and promulgates a vision that is powerful enough to get followers to think differently, entertain new ideas and behave in different ways. The vision sets the creative challenge, fires up the creative team and establishes the scope of innovation.

Finally, a fourth connection emerges. Neither creativity nor leadership can be reduced to a formula. Leadership theories highlight the need to adapt style to context, both to the rapidly changing external environment and to the inner space of the leader’s followers. Creativity theory points to a combination of release and control, vision and action, ideation and revision, in order to convert creative ideas into viable products and solutions. An ideal leadership formula for a particular industry and organisational context can morph into a significant obstacle should circumstances change.

**CONCLUSIONS**

What final conclusions can be drawn from this analysis of theory in the fields of creativity and leadership? The first conclusion is that this is an under-researched field. Taken together there is a substantial amount of
work, but the overall picture is fragmented and too scattergun to provide guidance for practitioners.

There is, however, a highly coherent kernel at the heart of this theory, and that is the research findings on how organisational contexts influence creativity, and what kinds of environments best foster it. Here there is an unusual degree of triangulation between findings from general management theorists and specialists on creative sectors. Even more unusual, these findings are highly practical and applicable.

This is important because increasing creativity looks set to be the strategic imperative for organisations in the creative sector in coming years. As they get pushed back along the value chain, they will need to increase their creativity in the content area – this is realistically the only area where they have a unique strategic advantage vis-à-vis the massively well-resourced new players and gatekeepers. But as legacy business models collapse, they will also need to expand the scope of their creativity and innovate strategically and organisationally along the value chain as well.

In terms of leadership theory, it seems relatively well established that the leader plays a dominant role in increasing creativity. This starts with setting an explicit vision, creating emotional buy-in to the vision, modelling required behaviours, and then shaping the organisational context in such a way that intrinsic motivation is increased and structural blocks to innovation are minimised. Theory provides ample advice on how systems and projects can be fine-tuned to organise this.

The ideal leadership profile to achieve all this is less clear. The greatest areas of ‘theoretical crossover’ can be found between creativity theories and those of transformational leadership, suggesting that this approach to leadership may well be appropriate in environments where high levels of creativity are required.

This approach is, however, primarily focused on the leader’s relationship with the internal organisation, against a context of a stable strategic environment. While transformational leadership approaches have the capability to create or fuel a ‘creativity engine’, they provide less guidance on how the leader deals with external environments, on what kind of ‘hard’ skills and competencies might be necessary to respond to complex, challenging and fast-changing strategic environments, and how these can be reconciled with the demands of fostering creativity and protecting the social architecture.

The ideal leadership profile is probably a composite of hard and soft, of skills and style approaches, although a leader with this combination would be a rare and special creature. A comparison between Birt and Dyke and their respective change initiatives at the BBC is instructive. When John Birt took over the BBC, he had to focus on the external environment
and key stakeholders. The severity of the challenge facing the BBC and the complexity of the organisational changes mandated a complex, analytically based, top–down response. The steps necessary to ensure survival were simply too complex and uncomfortable to be arrived at by following a bottom–up, consensual approach. Similarly, his strategy for the BBC in terms of its Internet and digital activities was the result of his analytical skills and ability to synthesise complicated incomplete data and conceptualise its import. Today, thanks to John Birt, the BBC is arguably the only legacy media organisation that has managed to maintain a position in digital and Internet markets equivalent to the one it held in analogue ones (Küng 2005).

In contrast, Greg Dyke’s leadership challenge was internal, to repair the scarring from Producer Choice, reduce the bureaucracy that had been created, and secure the BBC’s future by increasing the quality of its programming and increasing its relevance to licence-fee-payers. His warm, open and intuitive leadership style, real liking for people and visceral approach to strategy was perfect for the task. Dyke would have been poorly suited to the task of reforming the BBC in response to government criticism (as evidenced by his painful departure from the BBC resulting from conflict with the government over the BBC’s coverage of an incident during the build-up to the Iraqi conflict). Equally, Birt lacked the charisma, warmth and spontaneity to successfully carry through an initiative like ‘Making It Happen’.

‘Horses for courses’ seems to be the appropriate cliché. The discussion in this chapter shows that leadership in creative environments, especially during turbulent times, is highly context dependent, and assessments depend both on the creative challenge and on the environmental challenge and are subject to revision with the benefit of hindsight. No single leadership approach is ‘best’ for creative organisations, since the need for creativity is embedded in the organisational context and unique combination of strategic imperatives. ‘Best’ is also open to interpretation. A leader that appears highly effective at one point in time may look less so when the context changes.

From a theoretical perspective, it’s equally clear that no single theoretical lens is sufficient to analyse leadership. A leader’s actions and achievements are based on a composite of inborn skills, acquired competencies, personality and relationship with self and with others, and need to be assessed within the organisation and strategic context. Research into leadership for creativity in turbulent times is not only a field ripe for research, but one that promises intriguing insights of potentially great value for any organisation or sector seeking growth through innovation and creativity.
QUESTIONS FOR DISCUSSION

1. Choose an organisation in a creative sector and analyse its strategic situation. As a second research task, uncover as much as you can about the present leader of the organisation.

2. Imagine you are a head-hunter required to find a successor to the organisation’s current leader. Write the profile for this position. What skills, competencies or traits would be essential? What kind of experience would he or she need to have?

3. Using each of the theoretical approaches to leadership described in this chapter, analyse Steve Jobs’ tenure at Apple.
   - Which lens provides most insights about his success?
   - Would you have liked to work on Jobs’ senior management team? Explain the reasons for your answer.

4. When did the strengths of Eisner’s leadership style at Disney become liabilities? What environmental factors caused this change of perspective?

NOTES

1. Increased profits stemmed from three main sources: raising admission prices at theme parks; greatly expanding the number of company-owned hotels; and distributing the animated classics on home video (Stewart 2005).


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