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New measures of creativity

The arts can have a major impact on a company's business performance, says Giovanni Schiuma, not only improving its knowledge assets but also creating value.

Does really creativity matter in companies? IBM reckons so. When it got in contact with 1,500 CEOs from 60-plus countries recently, they told the computing giant that they rated creativity as one of the most important leadership qualities.

The Conference Board, a global business research organisation, goes a step further. It claims that stimulating creativity – and innovation – while enabling entrepreneurship will be two of the biggest challenges facing American CEOs. Employers there, meanwhile, predict that both skills will be in growing demand over the next five years, up in the top five.

The fundamental premise behind this stance is that in today's business landscape innovation gives companies a competitive edge, with creativity seen to generate these innovative ideas. But what does creativity really mean within an organisation? And how can we assess its impact?

Management literature positions creativity, in the main, as a process that's capable of generating novel and useful ideas. In this context it's associated with the ability of an individual, a team, or indeed an entire organisation to think creatively, i.e. critically, divergently, associatively, laterally and openly.

Such thinking has traditionally resulted in organisations adopting creative-oriented tools and methods such as

brainstorming sessions and idea generation initiatives. The latter may take the form, for instance, of exercises, rewards and internal competitions. These help stimulate the production of creative outputs and raise awareness among employees about the relevance of creativity as a driver for innovation. Unfortunately, though, they don't often have the desired effect on an organisation's performance and innovation capacity.

HOW TO MEASURE?

So how do they measure the impact of creativity on business? A general rule of thumb is by the number and quality of new ideas. The simple generation of novel ideas is, however, only a precondition for the creation of business value. The value comes, however, when it leads to innovation and improves business performance (Sinfield et al., 2014).

A common assumption is that creativity is something that can be managed and applied on demand to solve specific problems or to face challenges. Thus employees are encouraged to generate novel ideas that can resolve issues and/or drive innovation. But in an increasingly complex and volatile business environment, is this view an effective and valuable one? And most importantly, is this approach really capable of enabling companies to face their challenges?

Consider a different standpoint, which moves beyond

approaching creativity in companies as a 'tool or thinking method'. Instead, it positions it as a competence and trait that should infiltrate the overall organisation and reflect its mind-set, behaviour and infrastructure. Creativity is a key feature and component of organisational life in the 21st century and a fundamental driver in business.

THE ARTS IN BUSINESS

For the purposes of this article we identify creativity in companies as the use and integration of the arts, i.e. the deployment of creative processes and products as a mean to develop and manage organisational aesthetic dimensions.

Companies introduce the arts, not just as an organisational and management initiative, but to provide enjoyment and to drive value to the business. It is fundamentally an experience-based process involving and engaging them, both rationally and emotionally, through either active or passive participation.

In practice, the arts in companies can be described and applied through 'four Ps'. These are: people, practices, products and principles. Indeed, the arts in companies can take the form of one or a combination of the following dimensions: artists or creative *People* can act as a catalyst for change and creative

thinking; creative *Practices* can revisit existing organisational processes, while unlocking people's imagination and creativity and developing new ways of thinking; and artistic *Products*, as artworks or creative artefacts, can become part of the workplace or even ingrained into products and services. Finally, by using *Principles* from the art world we can focus attention on how to humanise organisations and develop their raison d'être.

Measuring the impact of these creative dimensions on companies is challenging and undoubtedly extremely difficult to quantify monetarily, because they are so intangible. A positive impact can, however, be tracked and reveal the influence of the arts on individual and organisational behaviour as well as on the development of business value drivers. These drivers, for example, could be the company's knowledge-based assets, the benchmarking of business competencies or the efficiency and effectiveness of business processes.

PEOPLE AND INFRASTRUCTURE BENEFITS

Our research at the Innovation Insights Hub, University of the Arts London, suggests two fundamental aspects of a company that could benefit from the arts in business: firstly people and secondly organisational infrastructure. This means that the measurement of the arts in companies has to take into account both these aspects. For this reason two main assessment approaches can be adopted: an index- or indicator-based

approach versus a narrative-based approach. The first adopts indicators, metrics and algorithms as proxies to provide information, mainly quantitative in nature. This is the mainstream approach adopted in companies to measure performance and inform decision making. The second aims to depict cognitive patterns and represent hypotheses as the basis of an evaluation. The scope is not to quantify directly the variables under investigation, but rather to understand those dimensions, characteristics and relationships that distinguish them. This is essentially qualitative in nature.

PITFALLS OF AN INDEX-BASED APPROACH

Companies can adopt an index-based approach to assess creativity and then identify how many novel ideas are generated, but how good will such ideas be? Indeed, how applicable will they be to business? This approach, for example, won't show you how creativity is translated into increased organisational innovation.

For this reason, we encourage managers to adopt a more qualitative, mapping-based method to build an assessment narrative. In particular, we propose the use of causal maps to measure the impact of the arts in companies. These can support the assessment process by providing a visualisation of how the different variables are interrelated.

Specifically, a framework that can be used to assess the impact of the arts in companies is the 'Arts Value Map' (Schiuma, 2011). This model visually links the implementation of creative processes or arts-based initiatives (ABIs) with their impact on the organisation. It basically shows how the adoption of creative processes can affect business performance (Figure 1 depicts the logic behind the Arts Value Map).

The fundamental assumption is that if you grow your knowledge assets you grow your business. At its heart, this model shows that creative processes in companies, in the form of ABIs, can contribute to developing organisational knowledge assets which operate as a key driver of the creation of value.

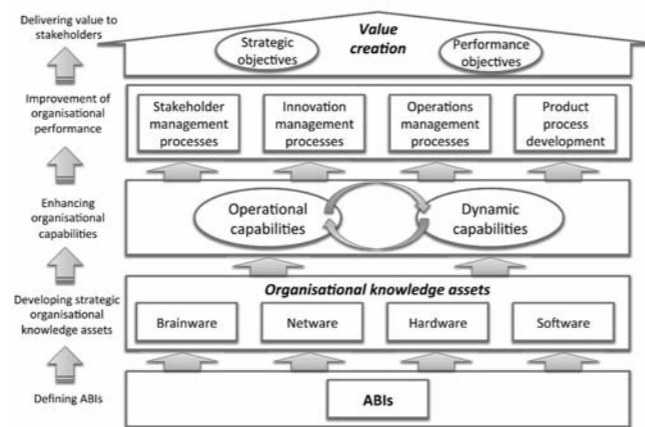


Figure 1: The Arts Value Map

This model can be used both for planning and assessing purposes. For use in planning, adopting a top down approach, the framework is implemented starting with a clear identification of the organisation's value proposition and performance objectives to be targeted, then charting the routes that will enable their achievement.

A bottom up approach can then be implemented, using the framework as an assessment tool. Indeed, it can verify what the implemented ABIs have produced in terms of knowledge assets developed and how these have driven the achievement of performance objectives.

Finally, the Arts Value Map is a useful platform for the application of methods and techniques able to further enrich the understanding of how ABIs impact and drive organisational value creation, helping in the planning and assessing of creative processes in companies.

References

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Dr Giovanni Schiuma is professor of arts-based management and director of the Innovation Insights Hub at University of the Arts London. His book, The Value of Arts for Business, was published in 2011. He is also a professor at Università della Basilicata, Italy, where he has taught knowledge and innovation management. He has held visiting teaching and research appointments in the UK, Russia, Poland, Finland.

EDITOR Louella Miles

MANAGING EDITOR Blue Martin

DESIGN The Brand Foundry

PRINTING Horizon Printing

Association for Qualitative Research

Davey House

31 St. Neots Road, Eaton Ford

St. Neots, Cambridgeshire PE19 7BA

TELEPHONE 01480 407227

FAX 01480 211267

E-MAIL rosemolloy@aqr.org.uk

WEBSITE www.aqr.org.uk