IBM Institute for Business Value

Cultivating organizational creativity in an age of complexity

A companion study to the IBM 2010 Global Chief Human Resource Officer Study

By Barbara J. Lombardo and Daniel John Roddy

Why are some organizations consistently good at innovating and adapting while others seem to be blindsided by change? Is it because of their disciplined innovation process or the knowledge and skills of their people? Or is it their determination to build a culture where challenging assumptions is not only encouraged, but expected? Our IBM Creative Leadership Study found that leaders who embrace the dynamic tension between creative disruption and operational efficiency can create new models of extraordinary value.

In today's volatile and complex environment, rapid adaptability is fundamental to success. Yesterday's market-leading "best practices" can all too often turn into tomorrow's recipe for disaster. History is full of examples of organizations that became so enamored with, or paralyzed by, the *status quo* that they failed to anticipate the fickle winds of customer demand and faded into oblivion.

Forward-thinking leaders, however, learn to harness this complexity to their advantage. They take processes with many distinctive parts and integrate each element into a smoothly functioning whole. They are at their best when anticipating the evolving needs of the marketplace and presenting differentiated products and services that cater to today's highly empowered, knowledgeable and technologically enabled consumers.

What, specifically, enables leading-edge organizations to capitalize on the inherent complexity in today's environment and catalyze innovation within their business models, products and services? According to the IBM 2010 Global CEO Study, the ability to embody creative leadership is among the most important attributes for capitalizing on complexity (see Figure 1). "Creative leaders invite disruptive innovation, encourage others to drop outdated approaches and take balanced risk. They're open-minded and inventive in expanding their management and communication styles, particularly to engage with a new generation of employees, partners and customers."[1]

Most important leadership qualities over the next five years.

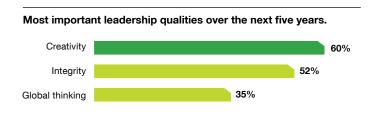|	
Creativity	60%
Integrity	52%
Global thinking	35%

Figure 1: **The 2010 IBM Global CEO Study highlighted creative leadership as a critical capability for success.**

And of the 700 CHROs throughout the world interviewed for the 2010 IBM Global Chief Human Resource Officer (CHRO) Study, 69 percent told us they are not effective in developing future leaders.[2] What's more, 78 percent of HR executives said they are not effective in fostering collaboration and knowledge sharing.[3] The IBM Creative Leadership Study seeks to better understand how to nurture creativity across organizations.

Creativity is the raw material of innovation. Put another way, innovation is creativity implemented. Yet for all of its recognized value, a stigma surrounds creativity that often inhibits its organizational development in even the most progressive of companies. Creativity is often seen as a risk management liability and an impediment to process and operational control.

Richard Branson, well-known founder of The Virgin Group said, "Entrepreneurs have the dynamism to get something started. They view the world differently from other people. They create opportunity that others don't necessarily see and have the guts to give it a go. *Yet an entrepreneur is not necessarily good at the nuts and bolts of running a business.*"[4]

Our IBM Creative Leadership Study found that to succeed in an increasingly interconnected world, creative leaders avoid choosing between unacceptable alternatives. Instead, they use the power inherent in these dualities to invent new assumptions and create new models geared to an ever-changing world (see Figure 2).

Local	The new generation of social media-inspired globalists will push past tired management models and East versus West cultural stereotypes	Global
Real world	Forward-thinking business designs will seek to create new value at the intersection of the physical and virtual worlds	Digital world
Systems thinking	Finding solutions to complex problems requires both analytical and creative thinking styles working together	Design thinking
Business	Truly sustainable growth and profitability comes from solutions that address the needs of society and the environment	Society and environment
Zero sum	Creative leadership is about seeking opportunities for shared value creation, even in the toughest of times and the most difficult of circumstances.	Expand the pie
Power	Organizational creativity thrives when leadership styles adjust as needed to support both top-down and bottom-up innovation initiatives	Influence
Operational efficiency	Complex systems (for example, the human body) are able to adapt in an orderly fashion to unexpected challenges because their many distinctive parts work smoothly together	Creative disruption

Figure 2: **By harnessing the energy of opposites, creative leaders and their organizations can benefit from new assumptions that replace less effective "either/or" approaches.**

At a 2010 forum on social innovation, Roger Martin, author and Dean of the Rotman School of Management at the University of Toronto, elaborated on the concept of pushing through to new models rather than making a choice between conflicting ideas.[5] Creative leaders are inherently unsatisfied with today's trade-offs, and instead, embark on transforming tomorrow into what was once never thought possible.

Additionally, as social business dramatically transforms the way the world works, organizations must balance driving innovation from the top down with that which originates from the bottom up. Our CHRO Study placed capitalizing on collective intelligence as the "sweet spot" for innovation. Bottom-up innovation is better harnessed through influence rather than power, a challenge to the more prevalent organizational mindset that views leadership through the lens of control. An organization that fails to fully embrace these modern dualities may miss the opportunity to generate a rich and critical source of creative energy and may, ultimately, risk irrelevance.

The journey to organizational creativity

The journey to organizational creativity is along a path that fuels innovation and adaptation. Creative leadership in action enables a wide range of product, process and business model innovations. Organizations will need to act upon three imperatives to accelerate the development of creative capital:

Uncover the key capabilities of the creative organization – Empower the organization's ability to understand how the world behaves. Expose those individuals who see opportunities where others do not and map out what is found. Connect ideas and people in novel ways. Try many and various ideas. Inspire belief that action is possible. Maintain the discipline to get things done.

Unlock and catalyze the creative capabilities of leaders – Create high-impact, experiential learning tied to real business challenges. Develop inspirational role models who demonstrate accomplishment and empowered leadership. Unleash small, diverse teams to pursue bold ideas in response to challenges. Create work structures and incentives aligned with intrinsic motivation. Promote a culture of inspiring vision built on authenticity and powered by trust.

Unleash and scale organizational creativity – Share information for collective vision. Tap into global expertise networks. Expand management and communication style repertoires. Build *ad hoc* constituencies of those sharing common goals. Influence collective behavior through real-time analytics.

By pursuing these imperatives, leaders can reap the rewards of organizational creativity – adaptability and innovation – while maintaining the necessary mechanisms of risk management and strategy alignment.

Study methodology

To gather the data for the IBM Creative Leadership Study, we conducted open-ended interviews with 40 leaders from around the world. Five of our participants are acknowledged experts in the area of creativity and innovation, five are senior HR officers from companies of various sizes, and the remaining 30 are creative leaders as defined by their peers. Individuals in this last group represented a range of business and creative disciplines and were selected without regard to their formal leadership role in the organization. Our interviews sought to answer three basic questions:

- What are the key capabilities of a creative organization?
- What are the catalysts of these capabilities in leaders?
- How can these capabilities be scaled across the organization?

Next we analyzed the transcripts of our conversations to find relationships in the data. This self-organizing analysis technique led to our focus on the dynamic tension inherent in the driving forces for creativity.

Additionally, we maintained an active dialogue on global social media with creative leaders and worked with a team conducting research on IBM's own history of innovation for the company's 2011 Centennial celebration.

Uncover

What are the key capabilities of a creative organization?

By protecting and perpetuating the *status quo*, many organizations believe they can maintain a reasonable amount of success with a minimum amount of stretch. But for those that truly differentiate, this process is balanced by a desire to explore all options, to see all of the possibilities that might be remotely feasible. Professor Pierre Casse, Leadership Chair at IEDC said, "The essence of creative leadership is assumption – the ability to be aware of the kind of assumptions that you have, to challenge your assumptions, and to invent new assumptions."[6] But challenging assumptions – and inventing new ones – can be a struggle for those who have not yet tapped into their creative capabilities.

For many companies, creativity and adaptability are latent capabilities just waiting on the catalysts to energize them. Creative leadership requires harnessing the dynamic tensions between the dualities that define today's complex business environment – to drive toward both creative disruption and operational efficiency *at the same time*.

In researching innovation milestones throughout IBM's first century of operation, in preparation for the company's 2011 Centennial celebration, five key capabilities were found to be common to the development of many breakthrough products and services. A focused path to progress – seeing, mapping, understanding, believing and acting (SMUBA) – is key to uncovering the dormant creative capabilities embedded within organizations and mastering complex systems (see Figure 3).[7]
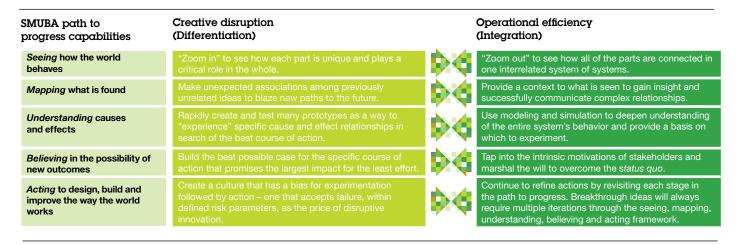
SMUBA path to progress capabilities	Creative disruption (Differentiation)		Operational efficiency (Integration)
Seeing how the world behaves	"Zoom in" to see how each part is unique and plays a critical role in the whole.		"Zoom out" to see how all of the parts are connected in one interrelated system of systems.
Mapping what is found	Make unexpected associations among previously unrelated ideas to blaze new paths to the future.		Provide a context to what is seen to gain insight and successfully communicate complex relationships.
Understanding causes and effects	Rapidly create and test many prototypes as a way to "experience" specific cause and effect relationships in search of the best course of action.		Use modeling and simulation to deepen understanding of the entire system's behavior and provide a basis on which to experiment.
Believing in the possibility of new outcomes	Build the best possible case for the specific course of action that promises the largest impact for the least effort.		Tap into the intrinsic motivations of stakeholders and marshal the will to overcome the *status quo*.
Acting to design, build and improve the way the world works	Create a culture that has a bias for experimentation followed by action – one that accepts failure, within defined risk parameters, as the price of disruptive innovation.		Continue to refine actions by revisiting each stage in the path to progress. Breakthrough ideas will always require multiple iterations through the seeing, mapping, understanding, believing and acting framework.

Figure 3: Five key capabilities can uncover latent creativity within the organization and help balance the dynamic tension between creative disruption and operational efficiency.

Seeing how the world behaves

"*What differentiates companies – and enables them to outperform others – is how they look at the problem, finding different ways to go after solving the problem and generating options and ideas that others are not aware of. This is the heart of creative leadership.*"

Keith Yamashita, CEO, SYPartners

Most people believe creativity is initiated by ideation or brainstorming. But it actually begins much earlier. The path to differentiation starts by seeing what others do not – connecting the dots among what, at first glance, might appear to be unrelated activities or data.

Making this connection requires organizations to examine each element of an opportunity or challenge in minute detail. Is any one element of a program viable? How does it stand on its own? What are the differentiating elements that make the activity or information compelling, interesting and market-able? Then, the organization must zoom out and see how each piece will fit into an interconnected whole. Does is add value to the overall project or mission? Is it synergistic?

Keith Yamashita, study participant and founder of strategy firm SYPartners, relates how a large specialty clothing retailer asked him to come up with a new store design by challenging the assumptions behind everything they had been doing. Using a combination of design and systems thinking to re-imagine the concept from the ground up, SYPartners recommended a complete re-configuration of 12 test stores in the Denver area as a way to prototype the new ideas. Those stores ended up outperforming other company stores by a wide margin, a success that Yamashita credits to the retailer's willingness to look at its customer value proposition from an entirely new and different perspective.

Even the most comprehensive data collection tools and techniques will be of little avail if leadership does not "give permission" to the organization to use its collective imagination to create fresh perspectives.

Mapping what is found

"Because things are changing so fast and in a non-logical and irrational way, you need to use more abductive kinds of thinking patterns where you can put extraneous things together and make new possibilities out of them."

Jeneanne Rae, CEO, Motiv Strategies

Organizational creativity provides context to what is seen, connecting ideas and people in novel ways, building maps to the future from many different perspectives. This mapping requires seeking patterns that span boundaries and challenge assumptions. It entails making unexpected associations between previously unrelated ideas. Mapping requires the ability to present complex information in a way that tells a compelling story.

When Jeneanne Rae was with an internationally known design firm in the late 1990s, she looked out at the growth of the service economy and realized that the firm's unique approach to product design could be applied to services as well. But the other members of the leadership team, having come mostly from engineering backgrounds, could only see the differences between the two types of challenges, and did not initially get behind the idea. Rae put together an argument that specifically mapped the design thinking methodologies to service design challenges and won over the firm's leadership team. Today, service design engagements make up approximately 75 percent of her former firm's project portfolio and Jeneanne has gone on to found her own firm, Motiv Strategies, which specializes in using design thinking for innovative service design.

Understand causes and effects

"You have to put certain milestones around that creative process so that people feel that they are making progress. If we start with a clear sense of purpose and a sense of belonging, I think that gives people some level of focus as well as confidence in making it happen."

Siti Aishah Md. Lassim, previously the Chief Human Resource Officer, Malaysia's Stock Exchange

Creative leadership finds ways to test as many ideas as possible to better understand those that afford the best opportunity. This requires an understanding of causes and effects – which come from experimentation – to find out which levers affect which outcomes. Evaluating new ideas may require building prototypes to experience results, or simulations to virtually test hypotheses.

To elaborate on the above quote about starting with a sense of purpose: Siti Aishah Lassim, encouraged her team to rethink the company's role in the current and future time frames. Because of the many impending exchange mergers and consolidations occurring in both the Asia market and around the world, Lassim believed that the company's needs would be well served by re-imagining its prime role as a value creator or value catalyst. Upon clarifying this as the sense of purpose, the company would be better able to align its services and other business objectives aimed at creating value for the industry and stakeholders.

Believing in the possibility of new outcomes

"Creative leadership is about bringing others along on your journey. There need to be periods of calm between the bursts of creative enthusiasm and new ideas."

Larry Alan Smith, Professor of Music Composition at The Hartt School and Artistic and Executive Director of Wintergreen Performing Arts

Organizational creativity draws on clarity of vision to inspire belief that action is possible. Despite trial and error, virtualization and other safeguards, it is never truly known whether an idea will work in the marketplace until it is actually introduced. Believing in the veracity of all that's come before requires organizations and individuals to trust their analysis and tap into the intrinsic motivation of stakeholders. Ultimately, leaders must be able to marshal the organizational will to overcome the *status quo*.

When Larry Alan Smith was appointed dean of The Hartt School, an internationally acclaimed music conservatory in Hartford, Connecticut, he was confronted with a difficult challenge. School administrators, influenced by budget constraints, had one agenda for the school; and the faculty, with its interest in preserving current programs, had another. After winning key stakeholders over to his vision for a comprehensive performing arts conservatory, Smith began work to transform the school from music only, to an arts school with programs in music, dance and theater. This new positioning resulted in a large increase in enrollment, delighting both the administrators and faculty, and enabling Smith and The Hartt School leadership to take a much more expansive view of the kind of arts program they wanted to build.

Acting to design, build and improve systems

"Within our own company, certainly we do what we can to make sure creativity is rewarded. We even go to the extent of creating entire companies, and the individual who had the idea leads the creation of this new company."

Parsa Rohani, CEO, Neudesic

Acting to design, build and improve systems requires initiating change at the point of greatest leverage. Creating a culture with a bias for action requires having rewards aligned with the taking of considered risks in an environment where failure is a necessary and mutually defining opposite of success. Confident of the foundations laid in the seeing, mapping, understanding and believing stages of new endeavors, creative leaders anticipate competitor reactions and are prepared to adjust tactics as required, maintaining their core values and primary strategic intent until the vision is realized.

Parsa Rohani, the CEO of Neudesic, a technology integration firm with offices across the United States, as well as Hyderabad, India, started his company in the midst of the dot-com recession. He was cautioned by family and friends not to start such a risky venture during a downturn. However, Rohani and his team, assured in their analysis of the market opportunity and their own capabilities, decided to push ahead. Today Neudesic is one of the fastest growing technology integration firms in the United States and has been recognized as a leader by *Inc. Magazine* for four consecutive years.[8]

Ultimately, to have the courage to act with boldness, leaders draw strength from an awareness of their own journeys – tapping into their potential for creativity based on their own unique experiences.

First steps: Uncovering the key capabilities of the creative organization

As evidenced by these creative leaders, those who challenge assumptions and embrace mutually defining opposites are often the richest source of new insight into a problem. How aware is your organization of the dualities in its business environment, and to what extent are they viewed as learning opportunities to be appreciated, welcomed and understood?

1. Assess the readiness for challenging assumptions in your organization
- Evaluate your culture, structures and organizational climate for creativity
- Identify the environmental factors that have contributed to past innovations
- Make results available to all and solicit input for improvement initiatives.

2. Use social network analysis to uncover creative leadership
- Search the relationship networks in your organization to find future creative leaders
- Identify the social structure, including critical roles, of your creative leadership community
- Determine how these relationship networks have contributed to specific creative accomplishments in the past.

3. Write the history of your organization's most compelling innovations
- Focus on significant breakthroughs that created real value
- Plot out the path your organization followed in order to: see, map, understand, believe and act on past opportunities
- Write a "history" from the future envisioning how the organization's three-year goals will be achieved using this same approach.

Unlock

What are the catalysts of these capabilities in leaders?

The next step along the path to enabling the creative organization is to unlock these capabilities that are uncovered. Achieving this requires five essential actions:

- Design high-impact, experiential learning tied to real business challenges
- Grow role models of inspirational accomplishment and empowering leadership
- Build small, diverse teams that can be unleashed to pursue bold ideas in response to grand challenges
- Create incentives aligned with intrinsic motivations
- Promote a culture of inspiring vision built on trust and authenticity.

Design high-impact, experiential learning that is tied to real business challenges

"A creative leader is someone who is as much interested in the process of discovery as in the answers."

Nancy McGaw, Deputy Director, Business and Society Program at the Aspen Institute

Learning catalyzes creative leadership by pushing the organization to the edge of the comfort zone. It requires shifts in thinking to find novel solutions and aligns experiences with goals that matter. Certainly, most companies employ formal training programs to foster a culture of learning. But few of our study participants attributed their development as creative leaders to these programs. Clearly, traditional leadership development initiatives are not working.

One program that received high marks was the Aspen Institute's First Mover program under Nancy McGaw's direction. It is designed for mid-career business professionals who are doing work at the intersection between financial results, and positive social and environmental impacts. The fact that the program is built around the dynamic relationship between business and society helps participants to understand that they don't need to "leave business" and start the next social enterprise in order to make a positive impact on the world.

Grow role models of inspirational accomplishment and empowering leadership

"What my cello instructor believed about me implicitly was that I was capable of aspiring for greatness."

Wesley Baldwin, Professor of Cello, University of Tennessee

Role model contributions to creative leadership range from inspiration to empowerment. Most often, we attribute to our role models the lessons we learned about how to do things. But from the perspective of creativity, the lesson may be more about expressing belief in the potential of others.

Wesley Baldwin, an educator as well as a soloist and chamber musician, describes the profound impact his own assumptions have on the performance of his students. He had noticed that when he had modest aspirations for his students, who were sometimes as young as 14 or 15, they performed according to his minimal expectations. But when he changed his own mindset and related to his students as true artists, and expected them to dig inside of themselves and express through their music that which makes them feel truly alive, the change in results was astounding.

Role models catalyze creative leadership by believing in themselves and their work, expressing confidence in the abilities of others and empowering teams to reach beyond their normal capabilities. This is true at all levels of the organization. A culture that seeks out and celebrates its inspirational role models is well on the way to unlocking the creative capabilities of its leaders.

Build small, diverse teams that can be unleashed to pursue bold ideas in response to grand challenges

"Creative leadership involves not only leaders generating their own ideas, but also creating an environment in which other people's ideas come to the fore.

David Magellan Horth, Center for Creative Leadership

Small, diverse teams encourage creative leadership through blending linear and creative thinking styles, as well as alternating between "tight" and "loose" configurations. The use of small teams also allows organizations to try out multiple approaches through prototyping and simulations.

Collectively, our study participants agreed that the ideal team size is the smallest number of people (four or five was cited most often) that can be assembled to represent the maximum diversity required for the right outcome. Who gets on the team should be based on the need for both divergent and convergent thinking – perhaps combining a systems thinker, a creative thinker, someone who promotes the flow of tasks and ideas, and someone who is good at seeing details (see sidebar, "Creative archetypes: Explorers, Artists, Warriors and Saints").

Creative archetypes: Explorers, Artists, Warriors and Saints

Sources of creative energy for the leaders we interviewed, while varied, tended to fall into four distinct categories, which we have labeled Explorer, Artist, Warrior and Saint (see Figure 4).

Those leaders who identified Explorer as their primary source of creative energy were more likely to place Warrior in last place, indicating Explorers tend to feel unappreciated in cultures more focused on execution and measurable performance. We also found strong correlations between creative energy sources and preferences for different types of experiential learning. Programs that register on several fronts (for example, addressing the Explorer and Saint simultaneously) appear to have the best chance of tapping into participants' intrinsic motivations.

Breakthrough results are often rendered by a tightly integrated team, co-located to promote maximum connectivity on multiple levels (in work and non-work situations), and yet augmented by extended relationships. When asked about the kinds of people they would choose for a small "mission-critical" creative team, our study participants prioritized diversity in perspectives and sources of creative energy above all. They agreed that team differentiation – having many distinctive parts – is more likely to lead to an original and valuable solution.

"I am inspired by connecting with and helping others; making the world a better place."

Saint

"I am inspired by self-expression; making meaning through art, music, acting, writing, etc.

Artist

Explorer

"I am inspired by exposure to new and different worlds; imagining something that has never been."

Warrior

"I am inspired by challenge, individually and/or with a team, it is all about winning."

Figure 4: **IBM's sources of creative energy model – four archetypes.**

For example, they recognized the need for a Warrior to keep the team focused on its goal, a Saint to look after team member well-being and intra-relationships, an Artist to create and communicate stories about team purpose, and an Explorer to lead the invention of new assumptions. But our creative leaders also believed that team integration – the parts working smoothly together – is just as critical.

Create incentives aligned with intrinsic motivations

"Creative leaders are going to prefer work structures with high levels of autonomy and opportunity and, I think they will be willing to accept the accompanying risk."

Ralph Kerle, Executive Chairman, *The Creative Leadership Forum*

Incentives aligned with intrinsic motivations also serve to catalyze creative leadership. Incentives enable individuals to own outcomes and be rewarded for accomplishment. Incentives allow people who generate ideas to benefit from them. They enable the funding of promising new ideas.

Ralph Kerle, referencing research he has done in his role with The Creative Leadership Forum, considers the four most important attributes of creative leaders to be empowerment, enjoyment, enlightenment and courage. It is the first attribute,

empowerment, he believes, that is most important because it enables others in the organization to link to their own personal aspirations through accomplishment of the goal.

Promote a culture of inspiring vision built on trust and authenticity

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"The culture defines how individuals are treasured, and must be balanced with how success is defined; you don't want to put either the organization or the people at risk."

Susan Cramm, CEO, Valuedance

Culture serves as a catalyst for creative leadership by including others within the organization and the creative process. Culture demands authenticity within both the organization and its processes. And it encourages and models participation.

Susan Cramm, a well-regarded leadership coach, talks about the organizational culture of one of her clients, a successful U.S. specialty grocery chain. She describes the boundaries of the culture as being much larger than the typical organization. There, they encourage employees to be authentic and there is appreciation for individual diversity. As such, piercings, tattoos and other forms of self-expression are welcome. To ensure that diverse employees work as one, the company promotes shared values that at first glance appear paradoxical (for example, teamwork and competition), but serve to balance and center the organization.

First steps: Unlock and catalyze the creative capabilities of leaders

Each of the examples above describes creative leadership that leverages opposing models to generate creative energy and arrive at new solutions. How will your organization harness the mutually defining opposites in your business environment to unlock the creative potential of your leadership?

1. Create experiences that require your leaders to explore the future
· Define the factors likely to determine your future operating landscape
· Design experiences that both mirror that future landscape and require the challenge of assumptions for a successful outcome
· Recruit role models to support the participants through the learning experience.

2. Assign key strategic challenges to small empowered teams
· Build out small teams using a blend of linear and creative thinking styles
· Equip the teams with your path-to-progress method and assign a senior-level mentor
· Give a strategic challenge to each team and empower them for success.

3. Initiate a creative leadership community of interest (CLCI)
· Invite role models to sponsor and lead a CLCI
· Task the CLCI with identifying ways to cultivate creative leadership in your organization
· Communicate the critical importance of creative leadership by acting on CLCI recommendations.

Unleash

How can these capabilities be scaled across the organization?

Uncovering and unlocking the latent creative capabilities within an organization are admirable goals in and of themselves in seeking the keys to innovation, adaptation and differentiation. But recognizing and developing these capabilities is pointless unless they can be unleashed throughout the organization to enable collaborative and cohesive effort. Through our research, we have identified five strategic techniques that enable creative capabilities – particularly from the bottom-up – to be scaled across organizations:

· Publish business intelligence for collective visualization
· Tap into global expertise networks
· Encourage participative leadership styles
· Drive *ad hoc* constituency building with those who share common goals
· Measure and incent creative collaboration through social analytics.

Publish business intelligence for collective visualization

"The best design firms are brilliant at taking unstructured, chaotic information and structuring it so that you can make it actionable."

Jeneanne Rae, CEO, Motiv Strategies

Data visualization offers a new lens through which to look at the systems surrounding us, and reveals opportunities to make them work better. Publishing business intelligence for collective visualization entails designing complex data for visual appeal. It requires calling out patterns and connections that matter. Collective "sense-making" can be achieved by publishing data online and engaging the entire organization.

"Having the data is not enough. I have to show it in ways people will both enjoy and understand," said Professor Hans Rosling, a data visualization pioneer who uses the technique to educate and build constituencies around the relationship between global health and poverty.[9]

Tap into global expertise networks

"We need to get better at using social networking across organizations to find people in the moment that have the passion, the skill and the time to contribute."

Steve Bartomioli, Director, Leadership Development at IBM

The creative organization is characterized by massive interconnectivity, both internally and externally. The ability to tap into global expertise networks enables the organization to leverage social networks of constituents and target searches for divergent backgrounds and skills. As well, global expertise networks open the opportunity for facilitating and participating in professional discussion forums.

A small, diverse team challenged to finding a creative solution to a key strategic problem will alternate between divergent "loose" modes in which the team's ability to "see" is enhanced by perspectives from the very best talent from around the world. In the process of conducting this research, for example, our core team of five members tapped into the collective intelligence of a social media discussion group that included 3,000 participants from more than 30 countries. Over 300 comments contributed by group members helped our team to both formulate and test our hypotheses.

Encourage participative leadership styles

"Along with the big, bold, innovative ideas, we need organizations of creatively entrepreneurial employees who bring their talents to the inches and minutes of organizational life, creating dozens of victories each day."

Carl Nordgren, Adjunct Professor at Duke University and founder of Creativepopulist. com

Leadership behavior either promotes or undermines organizational creativity. The fundamentals of participative leadership are important. Participative leaders are committed to transparency. They are willing to share their own ideas. And they're not hesitant to ask for team member ideas and opinions.

As business come to terms with the need to work more closely with a broad range of constituents to create shared value, leadership will need to develop the ability to collaborate across profit/nonprofit, local/global, and real-world/virtual-world boundaries. This will often require leadership styles characterized by influence rather than power.

Drive ad hoc constituency building with those who share common goals

"Go to the local kindergarten and watch the children play. They are masters at rapidly building coalitions – before they get 'educated,' that is."

David Kayrouz, Painter and CEO of Creative Pathways

The new extended enterprise includes anyone who shares beliefs, values and goals. These individuals can be recruited for co-creation. Unleashing creative leadership requires *ad hoc* constituency building that reaches across countries, industries and generations. It finds those who, regardless of location, have important commonalities. Organizations should inspire such action among their constituents in both the physical and virtual worlds.

Measure and incent creative collaboration through social analytics

"One of the things that is going to absolutely enable diverse constituencies to discover their creative power is a different and more open communication paradigm."

Parsa Rohani, CEO, Neudesic

Social analytics, including the use of game dynamics, are powerful new tools for both understanding and influencing constituent behavior. The most forward-looking organizations measure and incent creative collaboration by awarding status indicators for desired behavior and coordinated action in both time and place. The social gaming industry is pointing the way in this area. Industry leaders are already using real-time analytics and game dynamics to monitor, test and influence the behavior of their large and growing user bases.

First steps: Unleash and scale organizational creativity

Collective visualization of data leads to a more divergent and robust analysis of the possibilities. Small teams enhanced by the networks of open innovation are best at generating creative solutions. Simple yet authentic acts of participative leadership give "permission" for the organization to think differently. Self-organizing individuals motivated by shared values and goals represent a new and compelling source of value creation. Social analytics provides methods for measuring and improving organizational creativity. What will you do tomorrow to unleash your organization's creative potential?

1. Improve transparency by sharing data for collective visualization
- Challenge your analytical and creative talents to design data so that it tells a story
- Publish data in a visual way that gains the benefit of collective sense-making
- Extend data visualization to scenario simulations that can be manipulated collectively.

2. Establish a platform for creative collaboration
- Recruit global experts to engage with the members of your business ecosystem
- Enable *ad hoc* self-organization around value creation opportunities
- Encourage participation with a "leaders first" approach to the sharing of ideas.

3. Use social analytics to understand and influence constituent behavior
- Create a real-time analytics engine that provides instant visibility to online actions
- Use experimentation and simulation to predict behavior under various scenarios
- Leverage game dynamics to influence behavior in both the virtual and physical worlds.

Follow the creative path to innovation and adaptability

In a world where best processes and practices are standardized across industries and regions, innovation and adaptation – the building blocks of differentiation – are often all that separates outperformers from the irrelevant. Managing the increasing complexity inherent in today's environment requires leaders who will work to unlock, uncover and unleash the collective creative capabilities of their organizations.

These leaders will muster the will to challenge assumptions and encourage the disruption of the *status quo*. They will find a way to harness the dynamic tension between the opposing forces of integration and differentiation and let loose the drivers of innovation that, ultimately, can position their organizations to surprise and delight customers, employees and shareholders alike.

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