

CLOSING THE INNOVATION GAP: HOW THE ARTS ARE BECOMING THE NEW COMPETITIVE ADVANTAGE

by Harvey Seifter

If the topic of innovation isn't at the top of most business leaders' agendas today, it's certainly not far down the list. How can we create better products for less money? How can we unleash the creative power that resides within our people—at all levels of the organization? How do we build a culture that supports and sustains innovation throughout our plants and offices, wherever they may be located—across the country, around the globe?

According to General Electric's 2012 Global Innovation Barometer, which polled 2,800 senior executives on the state of innovation around the world, 92 percent of respondents agreed with the statement, "Innovation is the main lever to create a more competitive economy." And 86 percent agreed with "Investing in innovation is probably the best way to create jobs in my country."

Today's focus on innovation plays to what has historically been one of America's greatest strengths. For more than 200 years running, the United States has been the world's hotbed of innovation, producing a seemingly endless supply of groundbreaking inventions. The list of revolutionary technologies, products, and processes invented or first commercialized in the United States—from the lightning rod and bifocals (both devised by Benjamin Franklin in the 1700s) to the telephone, the laser, the assembly line, and the personal computer—is staggering. Even as our country gradually lost its edge in manu-

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facturing over the past generation (and more recently has come under increasing pressure in services as well), America's strength as an innovator has continued to serve as the mainstay of our global economic power.

However, despite America's long and enviable track record of successful innovation, there are disturbing indications that we're now starting to lose our edge in this critical area as well—at precisely the time innovation has emerged as the absolute key to global competitiveness. According to a report issued in July 2011 by the Information Technology and Innovation Foundation (ITIF), over the past decade the United States dropped from first to fourth in innovative competitiveness among the world's top industrialized nations. In terms of progress and rate of change, the news is significantly worse. Of the 44 nations and regions surveyed by the ITIF, the United States ranks 43rd in terms of progress over the last decade, ahead of just one country: Italy.

A major cause of the decline in America's global competitiveness in innovation is the failure of the American educational system to develop the essential skills needed for an innovative 21st-century workforce. The magnitude and urgency of the problem first became clear in 2006 with the publication of *Are They Really Ready to Work?*—a landmark Conference Board survey of 400 senior U.S. business leaders. While more than 90 percent of the leaders surveyed considered the ability to think creatively, work collaboratively, and communicate effectively to be of the highest importance, more than 80 percent reported that they found these vital skills developed to only a mediocre level (at best) in the college graduates applying for jobs with their companies.

The bottom line is clear—a dangerous innovation gap has emerged in American business; it is growing with each passing day, and unless the gap is addressed, our nation risks falling behind the rest of the world when it comes to innovation.

To meet the challenge, today's most effective leaders are sharply focused on developing more-innovative employees and innovation-friendly organizational cultures. It's no longer enough to have a skilled and technically proficient workforce—employees also need to be creative, collaborative, and communicative. But accomplishing this is much easier said than done.

The solution? The arts.

A New Intersection for Arts and Business

In recent years, the use of the arts by corporations to meet a wide range of employee training and organizational development needs has grown remarkably. Why? Because artistic processes and experiences are by their very nature creative endeavors, and many of the innovation skills lacking in today's American workforce—including creative and critical thinking, problem identification and solution, effective written and oral communication, teamwork, and collaboration—are deeply rooted in the artistic tradition.

As a result, more and more business leaders have turned to the arts to help bridge the gaps between the skills their employees need and the skills they actually possess. In the process, they have discovered that valuable lessons about innovation can be learned from the practices and insights of artists—lessons leaders can use to help their companies stay profitable in these challenging times.

A couple of years ago, IBM's Global CEO Study—which surveyed more than 1,500 chief executive officers representing 33 different industries and 60 countries worldwide—found that creativity is the most crucial factor for future success. Specifically, the CEOs believe that creative leaders will be able to handle a highly volatile, increasingly complex business environment by

- Expecting to make more business model changes to realize their strategies.

- Inviting disruptive innovation, encouraging others to drop outdated approaches, and taking balanced risks.
- Considering previously unheard-of ways to drastically change the enterprise for the better, setting the stage for innovation that helps them engage more effectively.
- Being comfortable with ambiguity and experimenting to create new business models.
- Scoring much higher on innovation as a crucial capability.
- Being courageous and visionary enough to make decisions that alter the status quo.
- Inventing new business models based on entirely different assumptions.

Many artists possess—and are wonderfully communicative and entertaining exemplars of—precisely these qualities. In addition to being creative, artists tend to be lifelong learners who constantly experiment with new approaches to challenges. They are usually also skilled at seeing and understanding the big picture, tolerant of uncertainty and ambiguity, agile and adaptable to change, and sensitive to the world around them.

Successful artists have mastered the universal language of creativity—allowing them to communicate across cultural barriers. Many have developed highly evolved and effective ways of collaborating with one another. And leaders able to adapt to a fast-changing business environment by fostering these qualities in their organizations are being richly rewarded, as their organizations thrive and prosper.

How the Creative Process Can Help— Arts-Based Learning in Action

Practically every day, industrial manufacturers hire poets to empower their employees to engage and express their creativity through their work, global financial institutions study the inner workings of musical ensembles to improve their performance, and law firms engage theater artists to strengthen the presentation and improvisation skills critical to courtroom success. These companies have found arts-based learning to be a uniquely effective way to foster creative thinking, promote the development of new lead-

ership models, and strengthen employee skills in critical areas such as collaboration, conflict resolution, change management, presentation and public performance, and intercultural communication.

In the United States alone, more than 350 of the Fortune 500—and countless smaller firms—employ arts-based learning in participatory workshops, skill-based training programs, hands-on consultancies with business units, individual and team coaching, case studies in action, and lecture-demonstrations at leadership conferences. Events that combine learning with entertainment are also growing rapidly in popularity.

Clearly, arts-based learning—where the arts and artists are used to teach skills that have broad and immediate applicability for workers in any industry and sector, including for-profit, nonprofit, and public, and at any point on the organization chart—has emerged as an important new tool for today’s businesses. And for good reason. According to Terry McGraw, chairman, president, and CEO of The McGraw-Hill Companies, arts-based learning is key to unleashing creativity and innovation within his organization. Says McGraw,

“Creativity is essential because it is at the heart of innovation, and innovation is a growth driver and, therefore, a business imperative. That is why, for several years, The McGraw-Hill companies has been using arts-based learning as a training tool in several key leadership initiatives. . . . The arts have served as a complementary vehicle to more traditional learning approaches. They have helped to change attitudes by letting employees confront their assumptions in a nontraditional and non-

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intimidating environment. . . . The results of using arts-based learning and training have been very positive for The McGraw-Hill Companies. . . . Arts-based training is part of an overall strategy and commitment of the corporation to help ‘surface’ creativity.”

Not surprisingly, entrepreneurs—who have long seen themselves as the artists of the business world, and who draw strength and self-confidence from their own creative vision and initiative—have been far ahead of this particular curve. Consider the words of Wayne Van Dyck, founder of Windfarms, Ltd., an alternative energy company:

“The highest art form is really business. It is an extremely creative form, and can be more creative than all the things we classically think of as creative. In business, the tools with which you’re working are dynamic: capital and people and markets and ideas. [These tools] all have lives of their own. So to take those things and to work with them and reorganize them in new and different ways turns out to be a very creative process.”

Deborah Jacroux sees the value of arts-based learning from the perspective of eight years as a work-life consultant at Microsoft. In their book *Orchestrating Collaboration at Work*, authors Arthur VanGundy and Linda Naiman quote Jacroux: “Over the years the logical/analytical left brain has dominated business decision making. Skills that utilize intuition, inspiration, and active imagination haven’t found a home within the corporate world. Many employees have equally separated their love of creativity and the arts, and a chasm exists between their right and left brains. The arts convey stories and the opportunity to enter a place where all is possible. The major obstacles corporations currently face, such as diversity, cross-group collabo-

ration, and work/life balance, all can be met with an increased focus on the arts.”

General Electric has discovered that weaving artistic processes into its leadership development programs results in powerful experiential learning that strengthens organizational creativity while building very practical leadership skills in the realms of communication and collaboration. One such example is the company’s work with Tape Art (www.tapeart.com), a collaborative artist group that creates elaborate installations and organizes hands-on workshops for GE that strengthen employee creativity, collaboration, and risk-taking skills—all using a commonly available medium: adhesive tape.

Tape Art was recently engaged by GE’s John F. Welch Leadership Development Center to create a large mural to represent some of the company’s core principles. The Center, generally referred to as “Crotonville” (after its location in Crotonville, New York), serves as the hub of GE’s innovative and highly effective management training programs and has long been at the forefront of cutting-edge global thinking about organizational development, leadership, and change. The Crotonville legacy quickly became the project’s point of departure, and the importance of the arts to GE’s approach to innovation emerged as a key, if unspoken, theme.

According to one of the participating artists, “When we first started brainstorming about the mural the first terms we used to describe our interpretation of what was happening at the Crotonville site was ‘civilization building.’ We used the term to pay homage to the idea that from this site, GE has created generation after generation of leaders with the capacity to affect the world. My partner and I are very aware of how important it is that these leaders are the best they can be, because their influence and decisions have a wide international impact.”

In response to this challenge, Tape Art created a striking green-tape image of a statue that reflected mankind’s universal desire to create large monuments to display core beliefs. In the statue’s hands were symbols of the Crotonville mission: a pen and paper. According to one of the artists, “From these simple tools we see the foundations of innovation, communication, and legacy building. Have an idea—write it down. Want to communicate—write it

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down. Want to tell your story—write it down. The pen, paper, and volumes of the written page would be the thematic element that would run through the entire drawing.”

To bring GE’s employees into the picture, the artists created tape images of people with hammers and chisels putting the final touches on the statue—images that represented the General Electric employees who create the company’s legacy every day. In addition, the artists built a tape art library on an adjoining wall, representing the more than 7,000 manuscripts on the subjects of leadership and management that used to reside at the Crotonville facility. (Today, ebooks, Kindles, and touchscreen computers have replaced most of these hardcopy manuscripts.) According to a Tape Art participant, “To address the idea of how this knowledge is disseminated beyond the Crotonville campus, we added carrier pigeons to deliver the word. We wanted to reinforce the ideas of collaboration and teamwork and their collective results.”

The Boeing Company is going a step further, using arts-based learning within the organization, while reaching outside to gain the attention of future employees as well. According to Sarah Murr, Boeing’s community investor for arts and culture, her employer dedicates millions of dollars to arts education in the belief that this investment will pay off in the form of more creative graduates—some of whom will one day work for the company. In Sarah’s Southern California region alone, Boeing funds classroom-based arts education to the tune of \$750,000 a year. Boeing considers the arts essential to a complete education because it believes the arts can provide students with the skills they’ll need to succeed in life and successfully navigate careers in the 21st century.

Conclusion: An Inspiring and Entertaining Learning Process

But arts-based learning doesn’t just teach these skills, it inspires workers to become creators, and it engages them in entertaining ways that other forms of learning can’t easily match. This powerful combination of teaching desperately needed work skills in ways that lead to long-term impact is one that can no longer be ignored. Indeed, today’s leading organizations have already discovered the power of arts-based learning, and they are using it to their advantage.



Harvey Seifter is one of the world’s leading authorities on business creativity and arts-based learning. Over the past decade, he has brought arts-based approaches to innovation, high-performance teamwork, and cross-cultural communication to corporations such as IBM, AstraZeneca, Morgan Stanley, GE, Siemens, Real Networks, Alcatel-Lucent, Honeywell, Johnson & Johnson, Chrysler, Novartis, Morgan Stanley, Goldman Sachs, GlaxoSmithKline, BMW, and McGraw-Hill. In 2010 he founded The Art of Science Learning, a National Science Foundation-funded initiative that uses the arts to spark a creative and innovative 21st-century STEM (Science, Technology, Engineering, and Math) workforce.