Creativity and Leadership: Qualities for Technology Driven Industries

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This research article focuses on the importance of the distinction between the current industrial revolution's management and historical management over previous times. The underlying question posed by this research is how to keep the leadership up to par with technology. The author believes that management holds back many companies since it is very likely that production jobs will be outsourced to machines and robots shortly. These machines can produce products as fast, if not more quickly than humans can. In turn, humans will need to shift their current duties from production to other areas to remain valuable to the company. Technology will have a powerful impact on employees' flexibility, embracing diversity, and a new market. New concepts of Social Leadership, creativity, and productive collaborations with the use of technology in leadership would be key. The paper will explore the role of creative leaders in various industries, e.g., entertainment, financial service, retail, and consumer products, and recommend industrial implications and future research direction.

Keywords: Social Leadership, Industry Leadership, Technology, Creative Leaders

INTRODUCTION

With the increasing level of business complexity, globalization, and cultural diversification in the workplace, Business leaders have been faced with an enormous challenge in making the workplace environment accommodating enough to attract and motivate its employees in generating the best and greatest level of ideas. While creativity and innovation are essential to the organization, leaders must carefully balance the risk/reward of creativity with the acceptance and tolerance for change within their industry and corporate culture. Industry practices for risk tolerance, embracing change, and innovation help shape the organizations' definition of "acceptable" operating boundaries for creativity. However, as history shows, merely accepting the status quo and staying within limits is not a strategy for long-term survival. In a 2011 study, 40% of the Fortune 500 companies of 2000 no longer existed by 2010 (Hoque, 2015). Leaders must be willing to disrupt conventional thinking and challenge the status quo to move the business forward. Interestingly enough, the degree to which organizations embrace this disruption varies significantly across industries.

In a local context, a city like Austin, Texas, for example, is experiencing significant growth and expansion of many different tech companies, e.g., Apple and Dell. Becoming a technology manager is an excellent move in leaders' careers who would need to stick to the underlined values like openness, flexibility, collaboration, and inclusion. Those are some of the technology or "Web" values, which made the internet grows on an exponential curve for the past twenty years.

THEORETICAL FRAMEWORK

Creativity help leaders find new ways to motivate their teams. The research explored the traits of creative people, and the process, and components (e.g., Koslow, Sasser, and Riordan 2003; Johar, Holbrook, and Stern 2001). Understanding how advances in technology and various industry developments affected the role of leaders' creativity during the past few years may give us valuable insights to guide future leaders. Authors have indicated the importance of creative leaders (e.g., Swid, 2015). However, little is known about how leader creativity can vary in demand and impact based on the industry and its technology?

The current research is an attempt to reconstructs what creative leaders have been spanning for the last two decades, most importantly, links their creativity impact to various industries. The paper is an attempt to answer the following research question:

RQ1: What is the degree of creativity required by leaders in multiple industries for more effective leadership?

RQ2: How technology impacts leaders' creativity in various industries?

The creativity research had focused on several areas. For example, some research has focused on the development process of creative ideas (e.g., Johar, Holbrook, and Stern 2001; Goldenberg, Mazursky, and Solomon 1999). Other research focused on resources, for example, Koslow et al., (2003) found that fewer time and monetary resources increases the accountability, of the creative idea in addition to foster the process which help people create big winning ideas. Recent research has indicated that the growing focus on short-term profitability had eliminated the time commitment needed to develop creative, yet actionable leadership strategies. It is important to consider that some leaders might avoid taking the risks that would resulted in a greater outcome because of the increasingly performance-driven business that seeks to link leaders' effectiveness directly to the company performance and revenues. This leads to the first research question: What is the degree of creativity required by leaders in various industries for more effective leadership?

Various industries are affected by different external and internal environmental forces. The role of creativity in leadership may be especially sensitive to the changing business environment because creativity bridges the gap between leaders and subordinates depend on insights about the dynamic marketplace and the technology. It is important to realize that technology had a very powerful impact on the dynamics of today's business environment. This leads to the second research question: RQ2: How technology impacts the leaders' creativity in various industries?

CREATIVE LEADERSHIP ACROSS INDUSTRIES

Technology and Entertainment

Not afraid to fail: In industries highly regarded for creativity, leaders are afforded great flexibility as failures are expected. Steve Jobs, known as Apple's visionary founder and leader, also founded NeXT computer systems in 1988, which never gained popularity (Brayson, 2015). In 2011, NetFlix CEO Reed Hastings's effort to split NetFlix into two companies failed miserably, prompting NetFlex to quickly change course and reverse their position (Turtle, 2011). Despite these creative failures, NeXT was sold to Apple Computer and became a part of the Mac operating system, and NetFlix remains the leader in online streaming media.

Too conservative: In contrast, industry giants like Blackberry and Blockbuster were too traditional in their approach, and their complacency caused their businesses to erode as disruptive companies like Apple and NetFlix entered their market.

The entertainment industry has experienced a specific challenge in the past few years. More specifically, in 2017, several cases of sexual harassment and assault were reported, followed by a motion

towards a wave of allegations in the industry and sparked the #MeToo movements. Now, the entertainment industry leaders should be embracing the change while they are required to increase their creativity and innovation.

Leaders in the technology industry may also give special attention to implementing processes to facilitate and feed the customer knowledge from the line workers, empower them to make timely decisions to improve customer satisfaction and build customer loyalty.

Financial Services

Creativity to the extreme. In Financial Services and Accounting, creativity can test legal and ethical boundaries. The Chartered Financial Analyst Institute's 2015 Global Market Sentiment Survey ringed a bell; the survey found that 96% of respondents indicated there is a lack of trust in financial services, and 63% believe a deficit in ethical culture is the leading cause. Prior to Enron and then the Global Financial Crisis, leaders took creative license in their risk assessment and financial reporting to prop up company values, driving up the stock price and inflating market valuation. Leaders like Kenneth Lay from Enron (Thomas, 2002), Bernie Ebbers of Worldcom (Romero, 2002), and Hank Greenberg of AIG (A, 2005) became the poster children for leaders who took creativity too far with a disregard for the long-term impact on their organizations, stakeholders, and global economy. Since then, the creative paradigm in Financial Services has shifted, with increased scrutiny and regulation and stringent guidelines around the "creativity" of Financial Services firms. Creativity and innovation in the financial industry should be linked to the leaders who can be the point of inspiration for moral and ethical decision making if they wanted to succeed. McKinsey & Company noted that frequent and transparent communication with employees was strongly emphasized as a key requirement for leaders in the financial industry.

Retail

Sticking with the Status Qu: The Global Financial crisis combined with consumers' access to alternative venues are radically changing the current retail landscape. Traditional brick-and-mortar retail giants like Sears, Macy's, and JCPenney's who failed to recognize these trends are shuttering stores as consumers are shifting to online, outlet stores, low-cost high-volume retailers for commodity products (Hartung, 2016).

Conservative Creativity: Cost-leadership companies like Walmart, Target, Costco, and Amazon have taken a more conservative approach to creativity. These companies have expanded their customer base by increasing their product offerings to service a larger market while remaining true to their core business. This model works exceptionally well for the volume distribution of commodity products.

Brick and Mortar: Leveraging massive buying power, low prices, and high inventory turnover, companies like Walmart, Target, and Costco are continuingly expanding their product offerings to compete with the traditional department stores. In offering a wide variety of items (i.e., Groceries, Electronics, Cars, Clothing, Furniture, and Flowers), these firms provide one-stop-shopping for most items, significantly disrupting the conventional mall business.

Online: Online retail giant Amazon is a model example of expanding product offerings to disrupt the retail industry completely. Beginning as an online book and music distributor, Amazon's offerings expanded to a global distributor of products, combining the convenience of shopping at home, with the ability to compare prices, retailers, and reviews.

Consumer Products

In the consumer products market, creativity typically comes from entering new markets or introducing new products. Traditional products that develop a brand-loyalty offer a very narrow opportunity for "creativity." With existing products, leaders often opt for limited creativity in the forms of marketing or packaging, instead of changing the brand and risk losing customers. In the two rare examples below, we see how leaders could have a positive impact on a core product.

It's the Real Thing: In one of the best examples of "disruptive creativity" was the change to the secret formula for Coke in 1985. While consumer feedback prompted Coca-Cola to reintroduce the "Coke

Classic," the introduction of "New Coke" disrupted the soda industry by identifying the market opportunity for new products (Conversation staff, 2012). Critical to preserving the band was leadership's ability to recognize the issue and quickly respond to customer preferences.

More Kraft Mac & Cheese, Please: In 2016, Kraft foods pulled off a momentous accomplishment in consumer products – they changed the formula for their Macaroni and Cheese removing artificial ingredients and introduced this to the market without anyone noticing. (White, 2016)

Automotive Industry

The industry drivers have changed dramatically. While it was an engineering-driven industry in the last century, it is now a consumer-driven industry. Those consumers are very knowledgeable, through the internet, with car features. Additionally, legislative pressures related to carbon dioxide emission and safety regulations are extreme. This new approach requires a more flexible style of leadership and attentive to the details. In sum, the factor which influenced the automotive industry were unforeseen, even in the last few years. The industry needs broader and deeper skills and a massive cost increase driven by consumer behavior and legalizations.

A successful leader needs to have both operational and strategic focus and to be highly creative in a multicultural environment of a group of employees who represents a breadth of capabilities and experiences.

Moreover, future leaders need to be aligned with talent management practices in the industry, so the same future competencies required are developed.

Leaders' creativity in the automotive industry is relying on hiring, cultivating, and developing "creative" teams with a variety of skills and experiences. Elon Musk has come up with a new and challenging vehicle architecture and retail sales models for Tesla Motor. Those creative employees would not be retained or succeed with the old fashion control and command leadership but with a role model "creative" leaders.

The more culturally sensitive leader in the automotive industry would be better for expanding their business behind their national boundaries.

Anthony Eastwood, Rolls-Royce's Human Resources Director, identifies a real issue: "We still suffer to a certain extent from having lots of good managers' in particular functional areas of the business versus those who are skilled in general management and leadership. As an industry, we have a lot of good managers, but we are not as good as we should be at developing them into leaders."

CONCLUSION

Creative leadership entails a reflective and thought-through response to opportunities and complex issues facing the ever-changing business environment. (Crayola Professional Services, 2016) The above research has been able to establish that providing great leadership is crucial in determining the level of creativity that can be achieved by a leader. Also, by nurturing the brilliance of employees and working towards eliminating barriers to high performance creates an enabling environment for effectiveness and efficiency.

The difference between leaders and managers is their propensity to test the limits of the operating boundaries imposed by conventional thinking and status quo and become disruptive change agents. While an organizations tolerance for leadership creativity is highly dependent on the industry and corporate culture, leaders have greater flexibility for creativity if they can demonstrate a mitigation strategy that includes quickly adjusting course if necessary, as we saw with companies like NetFlix and Coca-Cola. Leaders currently have the most wide-reaching channels of communication like social media, blogs, available for them to influence, motivate their employees, and collaborate with their peers.

One thing that is abundantly clear is that those who simply focus on maintaining the status quo are detrimental to the long-term viability of the company and are only leading organizations to their demise. The traditional use of MBA classes to develop future creative leaders in technology-driven industries is

not enough. The use of carefully selected stretch assignments to build a specific set of leadership skills should be adopted more frequently.

Finally, more attention should be given to creativity in leadership, along with the importance of developing broad cross-cultural experiences and capabilities for future creative leaders.

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