

LEADERSHIP, EXCELLENCE, CREATIVITY AND INNOVATION*

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What does business excellence mean in the contemporary business environment and in relation to the performance of directors, executives and others in leadership roles? How should we judge excellence? Should we assess it against a standard model produced in the past, or against issues, challenges and opportunities currently facing our organizations and how we are responding or should respond? Does the question of what represents excellence need to be approached differently according to a company's size, structure, strategy, sector and stage of development?

Should one ask similar questions about innovation? How does innovation relate to creativity? When preparing people for leadership roles, is sufficient attention paid to creating the conditions in which sparks might fly (Leonard & Swap, 1999)? In situations of uncertainty and fragmentation does more attention need to be devoted to diversity and improvisation? Should leaders be less preoccupied with accumulating and holding on to power and more concerned with its responsible delegation?

Does the nature of innovation, how it occurs and how innovations can best be exploited depend upon the situation and context? How does it relate to entrepreneurship? Is innovation without entrepreneurship the business equivalent of a scientific discovery, waiting for an application of it to be developed by an entrepreneur to monetise it by converting potential into action? How do leadership, excellence, creativity and innovation relate to entrepreneurship?

LEADERSHIP AND LEADERSHIP QUALITIES

There is an extensive and growing literature on the qualities one needs to be an effective leader, but isn't effectiveness in senior, board and entrepreneurial roles more about what leaders do, how they cope with challenges and address opportunities, and the impact they have, rather than the sort of people they are? Isn't it possible for individuals with a wide range of personal qualities and personality types to be successful leaders if they do the right things in the situation they are in?

Is the contemporary focus upon personal qualities actually dangerous in that promoted qualities may or may not be relevant, appropriate or desirable, depending upon an organisation's situation, context and stage of development? When inappropriate leadership qualities and behaviours can alienate people, divide people and create rivalries between people. Is too much emphasis also sometimes put upon leadership potential? Without motivation and help from others it may remain latent. Potential also needs to relate to an opportunity.

Is the focus too often upon leaders rather than followers? Do leaders need all of the skill sets that are sometimes expected of them? For example, while lateral thinking skills might contribute to more imaginative responses and solutions (Sloane, 2003), should the focus of leaders be upon ensuring such skills are deployed by people for whom they are responsible, rather than upon acquiring them for their own use? Courses and books on how to be a good follower do not draw the crowds. Neither do many young and ambitious people harbour dreams of becoming followers. Yet throughout history certain followers have often made huge contributions to businesses and causes.

Are potential leaders encouraged to focus excessively on their own development rather than upon developing others? Courses and coaching often emphasise how to motivate, monitor and inspire others rather than how to listen, help and support or engage, share and build relationships. Do leaders need to excel in both arenas? Should they also ask questions about themselves and their aspirations and

motivations to determine if a leadership role such as entrepreneurship is appropriate and right for them at their stage of life and the situation they are in (Coulson-Thomas, 1999)?

THE CONTEXT OF LEADERSHIP

Early investigations of leadership often explored what it meant in particular contexts, whether the leadership of military units, business organisations or political movements. There are many arenas in which leadership issues might arise. For example, what form of leadership is required and from whom in relation to educational institutions, vocational bodies and professional associations and firms? What different forms of leadership might be exercised within an operating theatre? What does leadership mean within the creative arts? Are there lessons that business leaders could learn from the memoirs of a successful manager of a football team such as Sir Alex Ferguson (2015)?

Aspects of leadership can be handled differently, depending upon the context. In the world of higher education while a Vice-Chancellor and his or her team may be influential in business decisions, key academic decisions are likely to be taken by an academic board. Are there lessons here for companies, particularly those operating in knowledge dependent arenas? What can boards and the governing bodies of universities learn from how each other operate? Within the public sector, there are different models for dividing leadership responsibilities between elected politicians who hold Ministerial office and permanent officials. Might some aspects of these be relevant to a company or a professional firm that is considering how to operate more democratically?

Aspiring leaders may be able to learn from a variety of contexts and different lessons will vary in their relevance according to the stage of development of a business. At the start-up stage, there may be particular requirements such as the need to articulate the vision and mission of the founders and review initial goals, objectives and priorities following contact with the market place and ensure these are understood by new people as they are inducted. Adair's (1973) notion of action-centred leadership might relate more to start-up entrepreneurs than to leaders of established organisations, who personally may be more concerned with mitigating risks than taking them, safeguarding a reputation rather than establishing one, and conforming to expectations rather than challenging them. They might however have an interest in encouraging their teams to be more pro-active.

LEADERSHIP AND STAGES OF DEVELOPMENT

Does the nature of the leadership required by a business also depend upon its stage of development? A context of particular interest to those seeking to promote enterprise and employment is of new business ventures. What role does leadership play in the success of start-up enterprises? How relevant are the discussions of leaders of established businesses and their boards of directors to the concerns of founding entrepreneurs? A new enterprise may begin as an idea, that eventually finds expression in the form of a modest venture involving one or more founding entrepreneurs operating on their own at home with the goodwill and support of family and friends and who are looking for customers and sources of income. Beyond this small team there may be no-one else to lead.

Is "leadership" an overly grandiose term to apply to activities such as the design of a website, searching for cheap premises and seeking part-time help, while keeping a close watch on cash flow? Many business ventures begin modestly. Some may not think of themselves as leaders until their business grows to a larger size. Successful entrepreneurship can involve the imaginative thinking and improvised responses to address issues as they arise, as can addressing many of the most pressing problems facing larger businesses and society generally. Could the business community learn from the approaches and practices of creative artists? For example, in the performing arts in the place of rigid rules and standard and prescribed responses, there may be scope for interpretation. In the case of Jazz, improvisation and creativity may be actively encouraged (Barrett, 1998).

In order to grow a business entrepreneurs may assemble teams with relevant qualities and experience. To what extent do confident, responsible and talented people who understand the purpose of an organisation and the situation they are in need direction? Do those who are prepared to take ownership of issues and who have the competence to address them need to be led? Can self-managed work groups and the trusted teams who are closest to customers and best know their requirements be left to get on with it? At what point does supervision, management and leadership become unnecessary interference? Can unwelcome and inappropriate involvement become a distraction and counter-productive?

THE REQUIREMENT FOR LEADERS

Approaches to leadership sometimes appear to assume that the people of organisations are apathetic, disinterested and bored. It is as if they don't know what they are doing or why, and they are sitting around in a dormant state waiting for a leader to come along who will breath life, purpose and motivation into them. Is this an accurate portrayal of people in many organizations today? What do some approaches to leadership tell us about the respect we have for others? In contexts where highly qualified and engaged people are involved do we need leaders (Ingram & Emery, 2015)? Could many self-motivated and inwardly-directed groups and teams run themselves?

Does the requirement for leadership depend upon such factors as whether the individual contributions of the members of a team need to be harnessed and coordinated in a competitive context and whether there is sufficient time for them to sort this out for themselves? At the corporate level, are boards of many established businesses failing to provide strategic direction?

How many talented and motivated people such as professionals are just waiting for a leader to show them the light? Are they so morally empty or misguided that they need a prescribed corporate culture and set of values within which to operate? In reality, some individuals lack inward direction and not all corporate visions, missions and goals are properly communicated. However, many people are competent, responsible and know what they are about. They may have joined a company because they support its aims and want it to succeed.

Rather than inherit people founder entrepreneurs have the opportunity to select their teams. They can choose people with relevant qualities who have a strong interest in what they are aiming to do. They may look for potential collaborators and business partners rather than dependent employees (Coulson-Thomas, 1999) They may be able to avoid apathetic and disinterested time wasters who play games and become walking overheads in larger organisations. Individuals looking for a quiet life and steady income may see a new venture as a less secure option, whereas the adventurous and ambitious looking for a challenge might be attracted to it. For those at the very top there may be far fewer places to hide.

LEADERSHIP, CREATIVITY AND INNOVATION

Many of the most pressing challenges facing many companies and mankind are unlikely to be addressed by incremental improvements to existing activities and/or excellence in the performance of them. More imaginative and innovative responses may be required. A key function of leadership is to encourage and support the free enquiry and creativity that will enable them to occur. Leadership is often associated with activities such as judging and selecting, yet creative thinking may be best enabled by standing back, inviting challenge and encouraging diversity and debate. Tolerating risk, well intentioned failure and uncertainty, providing reassurance when imaginative exploration fails to bear fruit and avoiding a blame culture can also help (Klein & Knight, 2005).

In the case of some early stage ventures, the innovation upon which the enterprise is based may be the brainchild of a founding entrepreneur, who then needs to assemble a team that collectively embraces the complementary qualities that are needed to successfully commercialise, protect, generally exploit and further develop it. With know-how accounting for an increasing share of value-added, effective knowledge entrepreneurship and the successful management of intellectual property are assuming greater importance in many sectors (Perrin, 2000; Coulson-Thomas, 2003).

Does greater diversity and inclusion encourage creativity, innovation and transformational thinking (Tyner, 2016)? At the PARC research centre of Xerox Corporation in the 1980s it was found that breaking up the subject, functional, professional and experience homogeneity of research groups by introducing certain graduate degree majors from disciplines that approached problems differently increased creativity. Throughout history significant breakthroughs in thinking have often been caused by relative outsiders who have challenged complacent orthodoxy (Kuhn, 1962). Inspired leaders are sometimes those who are open to contributions from new sources and directions.

SUPPORTING INNOVATION

The stimulation of creativity is important as innovation is often the result of creative thinking. Yet to what extent are many office environments and corporate processes and practices conducive of imaginative and blue skies thinking or inhibiting them? An important related question is how many people actually want to challenge existing assumptions and develop better alternatives, and how many "go with the flow", seek security in their existing beliefs and/or follow the thought leadership of others? Free enquiry encourages

creativity and new thinking, but there are allegations and there is evidence that free speech has been restricted on some university campuses where practices such as creating “safe spaces” is preventing the discussion of certain ideas (Cole, 2016).

How can one avoid such intellectual “no go” areas in corporate organisations? Sometimes the role of the leader is to challenge rather than cocoon. Whether due to laziness or out of habit people sometimes seek security in the familiar. They get stuck in a rut or groove and they need to be taken out of their comfort zones. A change of brief or working environment sometimes achieves this. People can also return refreshed after a short holiday or a run in the park. When the pressure is on to achieve a breakthrough, working longer hours may not be the answer.

In 1997 I set out ten essential freedoms for removing constraints and liberating latent talent by allowing people to work, learn and collaborate in ways, and at times and places, and with support that best allow individuals and teams to give of their best and be creative and productive (Coulson-Thomas, 1997). When the conditions are right for the people and relationships involved they can flourish. Practical and desirable outcomes can emerge that address particular problems and/or meet the requirements of individual customers. The focus of the leader in such a context may be upon removing obstacles to the creative process rather than determining individual outcomes.

The challenge for start-up entrepreneurs is to prevent barriers and constraints from arising. At some point one may also need to cope with the retirement of a founding innovator. For later stage organisations whose people and customers embrace a variety of cultures, nationalities, religions, situations, requirements and aspirations, successful organic evolution, growth and development can depend upon a multitude of local decisions and interactions. Where central decisions have to be taken these may be best addressed by a relevant committee, or where appropriate a board, rather than by a CEO or members of a senior management team who may not themselves be innovators.

In competitive and dynamic situations and where windows of opportunity may be limited, quick, and front-line responses may be required. Those responsible need to be able to easily access the help they require and increasingly this needs to be available on a 24/7 basis (Coulson-Thomas, 2012a and b, 2013). Support requirements and what might enable people to be more effective can sometimes be best determined by those in the front-line. Individuals who are allocating resources need to ensure that staff directly involved are aware of available alternatives and that the most relevant and appropriate options are considered.

CHIEF EXECUTIVE OFFICERS AND LEADERSHIP

For many the ultimate leadership prize for the ambitious has been to be appointed a CEO. In the case of an existing organisation an appointee may need time to settle in and adjust to the role. Why should anyone expect a new CEO who might be worried about whether he or she has taken a step too far, to quickly provide “leadership” that adds value to that given by continuing members of a board and management team? An external appointee may also be unfamiliar with a company's situation and context and face the challenge of re-location. Are some expectations of so-called “leaders” unrealistic, undesirable and dangerous for them and those they lead?

Employees with experience of organisation charts may visualise a CEO at the apex of a pyramid as master or mistress of all that can be surveyed from this lofty perch. In reality, a CEO sits at the interface of two sets of relationships, those involving the people of a company and those with its board, including a board chair and independent directors, some of whom may have been involved in his or her appointment. There may also be investor and other stakeholder interests to accommodate.

Would it be in the best long-term interests of long-established organisations for more people to ignore instructions from newly appointed CEOs and other leaders and ensure these new arrivals share responsibility for important decisions until they have completed an induction process and demonstrated they fully understand the options, issues, constraints and other considerations involved? Warships are not sent on operational duties until a new leadership team and crew have demonstrated that they can cope. One often encounters companies that have been spared the negative consequences of bad board decisions and suspect corporate initiatives because further down an organisation people have rolled their eyes and either frustrated or ignored them.

Founder entrepreneurs can appoint themselves to head up a new venture. They build organisations rather than climb up them. Except when taking over an existing enterprise, rather than inherit a business a start-up entrepreneur has to create one. Rather than steer a company and keep it on track and ensure its survival, entrepreneurs often challenge an existing order and create new choices (Coulson-Thomas, 2001). The

process they go through is often one of preparation rather than induction and settling in. While they have few people around them who can help, and with whom they can share responsibility, and it may be some time before a properly functioning board is appointed, a business can be very dependent upon its founder or founders. While they may invite comments and seek advice from others, owner managers and directors may expect to be listened to by their own staff. The smart ones also invite challenge and listen to others who can add value.

TOP-DOWN LEADERSHIP

There are people who care and who are competent, responsible and talented. They may also be committed to the vision and purpose of an organisation, project or venture and be quietly working for it to succeed. In an established organisation it can be irritating to find oneself reporting to an opinionated person who is paid a small fortune in comparison and who has just returned from a leadership programme eager to build their personal reputation and practice what they have learned about leading people. Effective leadership like good film direction may need to be light-touch and subtle, but in start-up situations one sometimes needs to be more direct.

How do traditional notions of top-down leadership apply to virtual, network and start-up organisations where the key relationships can be with collaborating peers, partner organisations and potential customers rather than junior subordinates (Coulson-Thomas, 1992)? Do they assume a relatively bureaucratic organisation with a leader at its apex? What if the current priorities are communication, coordination and prospecting and if people are in roles that do not enable them to issue instructions? Start-up and largely unknown founder directors cannot assume external parties such as prospects and their peers will even listen to them, let alone automatically defer to them.

The nature of work and organisations continue to evolve. As technological developments, automation and expert systems replace people with intelligent apps, robots, drones and easy to use and low-cost 24/7 on-line and on-demand solutions, more leaders may find themselves presiding over options, systems and processes rather than people (Ford, 2015; Kaplan, 2015). What will this mean for their roles, how they should prepare for them and, where there is a separation of ownership and control, what are the qualities that those appointing them will seek?

In the past has traditional leadership attracted the abnormal and the ambitious, people who feel inadequate or unloved, or who have something to prove, or who want to dominate others? Has it appealed to those who want to be listened to rather than those who want to listen to others and serve and support them? To get ahead has one needed to be ruthless, self-interested and single minded rather than caring, open and devoted to a cause? Perhaps this has been the case in relation to certain traditional positions of power, such as those at the top of some large organisations, but is entrepreneurial leadership becoming the norm among those seeking to build their own businesses?

LEADERSHIP AND ENTREPRENEURSHIP

Having greater independence and more control of one's own life appears to have increased in popularity. Over the last twenty years more courses in entrepreneurship have been established at business schools and other departments at universities, and they are attracting larger numbers of students. Undergraduate students at Falmouth University (2016) in Cornwall which prepares people for entrepreneurship and careers in the creative arts are encouraged to set up and develop businesses with like-minded fellow students. They receive support in the development of their enterprises.

How do traditional views of leadership relate to start up entrepreneurs who may begin a business without anyone to lead? In many cases, the few people they start an enterprise journey with may be supportive family members, friends or business partners rather than dependent employees. Others who join them and risk their careers by putting their trust in an early stage venture may do so because they share a vision, see an opportunity or believe in a cause. These can also be among the reasons why people seek employment with larger and more established businesses, but the latter may also attract those looking for greater certainty and security.

In what areas and to what extent are entrepreneurial owner-leaders of start-up enterprises different from other people who have either advanced on merit or used guile, cunning and political skills to reach a leadership position at the top of a large and bureaucratic organisation? Does it make sense to call start-up entrepreneurs "leaders"? Is there a separate category of entrepreneurial leader? Would it make more sense, and communicate more about the challenges they face in the early stages of a new venture, to just call them

entrepreneurs and to use leadership terminology at a later stage?

LEADING NETWORK ORGANISATIONS

According to the Peter Principle people rise to a level at which they may be perceived as incompetent and further advancement does not occur (Peter & Hull, 1969). Should one expect leaders at the top of organisations to be competent? How does one assess the value added by people in leadership positions when corporate performance may be the aggregation of many other contributions? Paradoxically the contribution of an effective leader whose leadership style helps, builds and supports others and encourages them to take ownership may be less visible than the machinations of headline grabbing peers. In comparison with those at the top of large and established organisations, the influence of many founder entrepreneurs is as visible as muddy finger prints all over their enterprises.

The advantages that more flexible and responsive models of organisation, composed of evolving networks of collaborations, have over hierarchical and more bureaucratic forms have long been recognised (Coulson-Thomas, 1992). For example, there may be far fewer ladders of advancement that take people to a level of incompetence. They can organically evolve and mutate as situations and opportunities change. However, new challenges can emerge such as how to lead, manage and support networks of relationships and virtual teams and project groups that transcend traditional organisational boundaries. In arenas such as the public sector, do our training, governance and other arrangements recognise the nature of the leadership required to transition from inherited organisations to an era of collaboration and networks (Buss et al, 2007)?

How does one encourage creative discussions and debates across an international network of inter-connected communities whose memberships may be diverse in terms of nationality, religion and political views. Some members of the network may be from societies that are relatively open, while others might be from groups that are more closed. In some countries, circles and communities, challenging a prevailing view, orthodoxy or established assumption might cause offence. One may need to be alert to forces of conformism. How can one ensure freedom of enquiry where conformity is, or is becoming, the norm (O'Neill, 2014; Williams, 2016)?

SHARED AND COLLECTIVE LEADERSHIP

Some leaders do not inspire people, support them or enable them to excel. In larger and more bureaucratic organisations they sometimes centralise, constrain and consolidate. How can boards prevent too much power accruing to an individual who may be incompetent, deluded, mistaken, naïve or out of his or her depth? What checks and balances can be introduced? How can one reallocate roles and responsibilities or reclaim power from a strong CEO? Governance arrangements should address these issues and in such a way as to achieve a balance between governance, risk and performance considerations (ACCA, 2014).

Some leaders struggle and certain leadership roles may be difficult to fill. Offering more money to possible candidates may not be the answer. If the demands of leadership roles become too onerous, how does one achieve some form of shared leadership in which complementary people collectively cover all the different aspects of what needs to be done? Might sharing a leadership role better accommodate those who have family responsibilities or are seeking a different work-life balance?

There is a tendency to focus upon the advantages of effective leadership rather than the risks and consequences of inadequate or destructive leadership? Perhaps this is because people like to be associated with positives and to avoid association with negatives. If bad news and negative thoughts are unwelcome - and they do not win coaching assignments or sell books on leaderships - should directors and boards themselves peer into dark corners and address downsides and risks?

THE ROLE AND CONTRIBUTION OF BOARDS

Where there is separation of ownership and day-to-day control directors have important accountabilities and responsibilities. In addition to providing strategic leadership and good governance, directors and boards should investigate the nature and exercise of leadership across an organisation. They can play a vital role in ensuring that checks and balances are in place to prevent an excessive concentration of power and ensure there is collective leadership. To avoid the dictatorship of a strong-willed and charismatic CEO one may need to strengthen the remits and powers of other executive directors, as well as ensuring that a board has a suitable and effective contingent of independent directors whose first duty is to the best long-term interests of a company.

A programme I delivered for the European Union involved me supporting the entrepreneur owners of 50 small and medium sized enterprises (SMEs). My experience suggests many owner directors remain unconvinced that the benefits of appointing independent non-executive directors (NEDs) and instituting formal board meetings will exceed their costs and add significant value, while those that understand how to build an effective boardroom team can give their companies considerable advantage (Coulson-Thomas, 2007a & b). Some owner directors reported bad experiences of NEDs who had retired from head office roles with large companies with little direct experience of serving customers or managing a cash flow. Potential NEDs sometimes seemed more interested in generating incremental income for themselves than they were in helping to build a business.

Founder owner entrepreneurs are well advised to be wary, as the wrong board appointments can introduce malign interests. A proportion of potential candidates will be primarily concerned with their own interests, especially if they encounter a start-up with potential. They may spend more time seeking an equity stake than enquiring about customers and offerings. Some may alert their friends and then seek to secure a controlling interest, replace a founding entrepreneur with one of their own nominees, and then make a short-term financial gain by floating or selling the company. Unwary entrepreneurs can be ejected from enterprises they started and denied their just rewards.

EXCELLENCE, INNOVATION AND THE BOARD

A start up phase can be dominated by considerations of customers, cash-flow and premises. In later stages and as a company grows many boards need to also develop and widen their horizons. What sort of leadership should a board provide in relation to business excellence and areas such as innovation, quality and sustainability? In uncertain times, do traditional board activities such as annual budgeting and planning exercises need to give way to intelligent steering, flexible adaptation and organic evolution (Coulson-Thomas, 1992)? Rather than prescribing how to respond, should leaders focus more upon helping people to find their way (Wheatley, 2005)?

Do we need to excel at everything as some business excellence enthusiasts one encounters suggest, or should we just aim to excel at the critical success factors for remaining relevant, competing and willing, and reinventing when required, while being “good enough” elsewhere? Will customers be prepared to pay for companies to be excellent in areas that do not directly affect them? In relation to areas such as change, knowledge and talent management, are considerations such as relevance, speed and affordability more important than “excellence”?

Should the focus be upon creating a culture of excellence and innovation or providing the conditions and performance support for people from a diversity of backgrounds and cultures to excel where it matters. How does one encourage, unleash and support innovation across an organisation and its value chain, and ensure there are synergies between strategy, entrepreneurship and innovation? One also needs to capture innovation and learning in the form of human capital that can be accessed, managed and exploited to grow shareholder value (Perrin, 2000). How might a responsible business also engage with communities in the contexts within which it operates and make its innovation work for wider society (Browne et al, 2015)? Should it invite proposals for using its know-how to address social challenges and take a stake in any solutions that result?

KEY QUESTIONS FOR BOARDS

The UK's Companies Act (2006) requires a description of a company's business model and strategy within the Strategic Report that forms part of its annual report. How should a board and corporate leaders set about building more innovative, entrepreneurial and sustainable business models? What are the governance implications? How might one achieve more innovation in governance itself, including in terms of relating it to the situation, requirements and stage of development of particular enterprises? What approaches to corporate governance would better reflect the changing nature of organizations and the contemporary business environment?

Having just invested heavily in an existing way of operating a board may find itself presented with an alternative business model which offers significant advantages for the customer. Where the suggestion originates from within a board might be tempted to delay, but this course of action might result in a competitor or new player acting more quickly to secure first mover advantage. Sometimes directors need to be courageous and proactive when engaging in the creative destruction economist Joseph Schumpeter (1942) describes in his book *Capitalism, Socialism and Democracy*.

What is the board doing to balance the need for free and open enquiry in order to advance knowledge and thinking with the requirement for compliance with an agreed direction, applicable laws and relevant policies, rules and regulatory requirements. Just as one cannot take an open society for granted, are particular people, policies and practices obstacles to creating a more open company? Are they encouraging dogmatism and conformism (Popper, 1945)? In relation to collective responses, co-creation and multiple and virtual networks what steps should directors take to encourage more creative collaboration (Bennis and Ward, 1997)?

How open minded and committed to challenge, learning and enquiry is the board itself. Do board agendas, corporate priorities and approaches to management, leadership and governance make sufficient reference to innovation and the stimulation, enabling and harnessing of creativity? Innovation is the result of creativity that leads to something that is adopted and which can hopefully be monetized. It is a result and creativity is the cause.

LEADERSHIP AND HUMAN CAPITAL

Inventor entrepreneurs and business founders setting out to offer something new may themselves be the source of innovations and their challenge may be to sustain it. There are many opportunities for knowledge entrepreneurship and in many cases the know-how required may already exist and be waiting to be packaged and made available in a form that can be monetized by an alert entrepreneur (Coulson-Thomas, 2003). In other cases, it may have to be first created or otherwise accessed if the potential rewards justify the effort involved. The initial people decisions of entrepreneurs can be critical. They should look for potential net contributors to corporate know-how.

Human capital has topped the list of issues of concern to CEOs (Conference Board, 2015). Founding entrepreneurs, CEOs and boards need to ensure their companies have the human, financial and technological resources to achieve their corporate visions and goals. Many boards also face human capital challenges such as achieving greater diversity and raising productivity, while teamwork and group dynamics can be an issue at all levels across an organisation.

Leaders are expected to maximise the value of an organisation's human capital and achieve more in terms of both quality and quantity from people for whom they are responsible. Selectors look for whether candidates for leadership roles have "people skills" and a "people orientation". However, can a company be over invested in human capital as opposed to expenditure on technology or moving activities on-line? Can one be too people oriented? What is the role of human capital in the face of artificial intelligence (AI) and robotic revolutions (Ford, 2015; Kaplan, 2015)?

Many directors uncritically assume human capital is a good thing, but people can be expensive and variable in their performance. They are not always reliable and motivated. Are there alternative business models that make more use of technology and are less dependent upon people? How many HR professionals are so preoccupied with recruitment, employment and disciplinary issues that they have little time to consider the interface of people and technology and trade-offs between them? Is the combination of people and technology and understanding e-business opportunities the key to increasing the productivity and operational excellence of an existing business and a route to cost-effective operation and rapid and international growth for a start-up entrepreneur?

ADDRESSING DIGITAL OPPORTUNITIES

Just as some stars of silent films failed to survive the introduction of sound, so not all leaders may adapt to the requirements for excellence, innovation and success in the digital economy. Are these requirements sufficiently stressed in leadership development courses? As already mentioned are business excellence and other models and approaches too preoccupied with people considerations? Boards need to ensure their organisations embrace new leadership with its emphasis upon helping and supporting. 'New leadership' is about ensuring key work-groups are equipped and enabled to adopt, integrate and benefit from greater connectivity, and big data, knowledge and information management systems, and provided with the 24/7 performance support they need to stay current and address new challenges and opportunities wherever and whenever they arise (Coulson-Thomas, 2012a and b, and 2013).

Available and affordable digital technologies and capabilities are rapidly evolving and many of their applications have long had the potential to be disruptive and terminal for unaware or disinterested laggards, whether in transforming supply chain relationships (Bartram, 1996) or transforming public services (Coulson-Thomas, 2012b). Developments in information and communication technologies in areas ranging from

design tools to gamification have implications for the innovation process, the design, development, communication and support of new products and services, and relationships with customers, suppliers, business and channel partners and users. What will the implications of the digital economy be for leadership, organization and governance?

Entrepreneurs and business leaders also need to be aware of sectoral issues and opportunities. Applications of technology to enhance agility, improve productivity, drive performance, support innovation and mitigate and manage operational, strategic and governance risks can vary by sector. In the public sector, excellence from the perspective of the citizen can require innovative digital applications across a range of public services (Dunne, 2016). Aspirations, requirements and expectations are changing. Continuing awareness is needed as to what customers and users might consider to be affordable, excellent, innovative and relevant. In some markets senior executives and board members need to think more like entrepreneurs and get closer to customers.

ENTREPRENEURIAL OR TRANSFORMATIONAL LEADERSHIP

In many sectors, the implications of various challenges and opportunities are uncertain. For example, in relation to financial services will traditional banks and their branch networks continue to be relevant? In an era of crowd sourcing, AI and automated and on-line transactions do we actually need banks as we know them today? Government interventions should be about creating public value (Moore, 1995), but are regulatory and licensing practices preventing a revolution in banking? While founder entrepreneurs may not have direct access to the resources that larger organisations can command they have an interest in removing barriers to entry, restrictive practices and obstacles to competition. Whether individually or collectively, they could also seek to influence public decision makers and engage with wider society (Browne et al, 2015).

It is over half a century since Peter Drucker (1969) wrote about the age of discontinuity and put the case for innovation and entrepreneurship. Many of today's organisations - and mankind generally - face such a combination of challenges that survival cannot be taken for granted (Harari, 2014). Innovation, entrepreneurship and greater creativity are required. Corporate leadership has to become more challenging, creative and transformational. New business and lifestyle models are required. Our notions of transformational leadership and entrepreneurship may have to converge.

Many established companies need entrepreneurs to help them to quickly adapt, evolve and remain relevant. Companies of all sizes need to find better ways of working together. In the digital economy more start-up businesses have the potential to grow more quickly than before. Those who have wrestled with corporate bureaucracies may be able to advise on how to avoid their problems. More leaders may move between arenas when the priority is to articulate a vision or cause and operate more sustainably in order to reach and engage other and especially younger people. Those who fail to adapt and embrace the requirements for effective 'new leadership' will fall by the wayside. Innovation is required in terms of how we think about leadership and the nature of the leadership required in relation to alternative business models and the changing nature of work, organisation, learning and entrepreneurship.

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