## THE GLOBE AND MAIL

## "CANADA'S NATIONAL NEWSPAPER"

**APRIL 2, 2019** 

## The incursion of AI into the workplace brings an urgent need for human soft skills

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SPECIAL TO THE GLOBE AND MAIL



"Accounting" and "creativity" are not typically associated "given the precision of one and the elusiveness of the other," the **American Accounting Association** notes with a touch of self-deprecating humour.

Changing times demand more novel thinking. And while creativity cannot be forced, it can be fostered, according to a new U.S. study published in the March, 2019, issue of *The Accounting Review*.

"We believe that the notion of creative production is central to businesses that need sustained development of new ideas to succeed," accounting professors Laura Wang and Michael Williamson of the University of Illinois and Steven Kachelmeier of the University of Texas write in Incentivizing the Creative Process: From Initial Quantity to Eventual Creativity.

The World Economic Forum now ranks creativity – along with complex problem-solving and critical thinking – among the top three soft skills today's employers require, given the pace of

change and the impact of emerging technologies such as artificial intelligence (AI) on global markets.

"Leaders are realizing the need to build those skills that can't be replicated by machines," says chartered accountant Michael Kobrin, a Toronto-based leadership consultant and former risk-management executive. "It's critical to personal and business growth."

But many are jumping on the innovation bandwagon "without actually creating an organizational environment where people can be more creative in order to drive that innovation," said Mr. Kobrin, who discusses the topic in a free webinar posted on the Chartered Professional Accountants Canada website. "People think you can't put process around creativity because it is going to stifle it, but it's actually quite the opposite," he said in an interview.

The new U.S. research also counters some of the conventional thinking around creativity. "Psychologists often advance the argument that creativity cannot be forced by incentives," the study's co-authors write.

The accounting professors agree it's unlikely the promise of rewards will directly advance creativity. However, the researchers found they could indirectly prime the creative process by first rewarding study participants for the sheer quantity of ideas they produced – good and bad – followed by a short break.

In the study, business students were asked to create rebus puzzles, which use words or diagrams to portray commonly used words or phrases. One example provided to them was a black numeral one with a white hole in the middle of it. The solution: Hole in one. Students whose pay was based on the number of puzzles they created produced about twice as many as those who were paid a fixed rate, although there was no appreciable difference in creative quality.

After the break period, when students arrived to collect their pay, they were invited to create a few more puzzles without the pressure of production incentives. This time, the group that was originally rewarded based on sheer quantity scored highest on creativity. The results suggest that "the quantity-incentivized participants' propensity to try more divergent ideas in the first stage sparks their creativity advantage in the second stage."

This resonates with Mr. Kobrin, who said creativity should be viewed as a process, not a Eureka moment. Once an organization has clarified the issue it wants to address, an initial brainstorming session should be devoted entirely to the generation of as many new and diverse ideas as possible. If ideas are shot down as soon as they are expressed – as frequently happens in these situations – creativity will dry up pretty quickly, he said.

Evaluation and decisions on which ideas to run with should be the focus of subsequent meetings, after an adequate period of reflection.

What typically happens, though, is that managers combine idea-generation with the selection process, sometimes settling on the first plausible suggestion, Mr. Kobrin said. "It's actually a

big, big barrier to creativity when you stop exploring what better options might exist. You stop challenging yourself, essentially adopting that good-enough attitude."

It's also demotivating. Top employees with a marketable combination of hard and soft skills will not stick around if they feel stifled. "A lot of companies are having trouble finding talent," Mr. Kobrin said, adding that the organizations most open to dialogue and collaboration will be the most successful in the competition for talent.

Mr. Kobrin said research indicates as many as two-thirds of employees feel they are not realizing their creative potential at work. This poses a real problem for employers, he said, but also provides enormous opportunities to tap into that unleashed potential.