millennium, the phrase "culture eats strategy for breakfast" had become the mantra inside traditional firms like Ford.[6] This roundtable explains how and why American corporate executives became so hungry for the novel ideas offered by this new generation of management consultants.

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Samuel Franklin

Creativity

"Creativity" seems to many observers an apt buzzword for our entrepreneurial, flexible, Silicon Valley moment. However, most of today's creativity talk traces its roots to the 1950s and early 1960s, a period we associate not with hip start-ups but with gray flannel suits and massive corporate bureaucracies. As historians have begun to recognize, the triumph of corporate capitalism by the end of World War II spurred an immediate rebellion even within the corporate order itself. The fantasies of efficient, scientific organization that animated the managerial imagination for half a century were recast as stifling and inhumane "collectivism," and a renewed individualism permeated managerial thought. The critique even made its way to research and development laboratories, where, despite a proven record of industrial innovation, research directors pined for the spirit of the independent inventor on which their companies' fortunes were originally built. To the rescue came a new cohort of management consultants bearing techniques for "creative thinking," aimed at ensuring an efficient rate of innovation by liberating the mind of the individual employee. Demystifying outdated notions of "genius," they said, "creativity" could be understood

[6] Jeffrey McCracken, "'Way Forward' Requires Culture Shift at Ford," *Wall Street Journal,* 23 Jan. 2006.

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rationally and thereby operationalized—taught, improved, and deployed on demand—so as to dovetail with the metrics of managerial science. Meanwhile, they said, creativity itself was *not* rational, and so managers should model and encourage a new professional habitus based on the anti-organization man. "Creativity," they said, could only result from intrinsic passion for one's work and demanded a degree of freedom to break out of the disciplined mind. Though this paradox challenged many managerial pieties, the very *concept* of creativity made it possible for managers to imagine that they might yet spur innovation within the overall framework of the modern corporation.

The Small Inventor in the Big Corporation

Despite record profits, relatively steady growth, and a constantly expanding global marketplace, American managers in the 1950s were beginning to experience a crisis of faith. They worried that the practices of coordination and efficiency responsible for their firms' success—and their own as a specialized class of professionals—might ultimately threaten the survival of both. At the heart of the matter was a perceived conflict between bureaucracy and innovation. Major authorities such as Joseph Schumpeter and Peter Drucker were denouncing the managerial obsession with efficiency and productivity and claiming that innovation—the production of novelty itself—was the true source of profit and engine of the capitalist system.[7] Huge expenditures—many of them pass-throughs from government contracts—flowed into corporate research and development laboratories, as companies snapped up thousands of newly minted engineers to pump out new product lines and new intellectual property.[8]

Despite its obvious successes, however, some argued the R&D system actually militated against innovation by imposing scientific management, which had been so successful in increasing productivity on the shop floor, onto the process of invention. Schumpeter called the R&D system a foolhardy attempt to "mechanize" innovation, and William Whyte mocked the "bureaucratization of the scientist," which he considered practically a contradiction in terms.[9] Historically, Schumpeter and

[7] Peter F. Drucker, *The Practice of Management* (New York, 1954); Joseph A. Schumpeter, *Capitalism, Socialism and Democracy*, 3rd ed. (New York, 2008).

[8] On the importance of new consumer products to postwar corporate growth, see Alfred D. Chandler Jr., "The Competitive Performance of U.S. Industrial Enterprises since the Second World War," *Business History Review* 68, no. 1 (1994): 1–72; and Alfred D. Chandler Jr., "Commercializing High-Technology Industries," *Business History Review* 79, no. 3 (2005): 595–604.

[9] William Whyte, *The Organization Man* (New York, 1956), 217.

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Whyte both believed, industrial progress had depended on independent inventor-entrepreneurs to bring forth valuable new ideas, which would shake up the old order in a constant process of what Schumpeter famously called "creative destruction." But now, they warned, the large corporations had absorbed all the would-be inventor-entrepreneurs and turned them into salaried employees. Thus the modern corporation, Schumpeter believed, "relentlessly narrows the scope of capitalist motivation."[10] Only the particular combination of freedom and insecurity that characterized the successful businessmen of the past, he believed, would compel a person to buck convention and take big risks on unproven ideas.

However, it was doubtful a return to an entrepreneurial society was in the offing. Though they may have feared for capitalism's future, top executives did not consider creative destruction an option. Even critics like Whyte acknowledged the large corporation's irreplaceable role in guaranteeing full productivity, full employment, and an ever-improving "standard of living." Moreover, at the firm level, no manager was in a position to hasten the return of the entrepreneurial society by disbanding his R&D operation or releasing his engineers from their contractual obligation—standard by midcentury—to automatically transfer all patents to their employer. As management theorist Victor A. Thompson wrote in *Administrative Science Quarterly*, "the extinction of existing and well-known organizational giants" was unlikely, "for too many interests become vested in their continued existence." Consequently, he wrote, "innovation must increasingly occur within the bureaucratic organizations."[11] Even though Schumpeter and Whyte had taken aim at those structures themselves, by linking innovation with individualism they made it possible for management to dream the key to innovation might not be economic independence, but rather independence of mind. The challenge for managers was thus to channel the would-be independent inventor within the existing structures of managerial control.

Discovering the Creative Individual

The word "creativity" was actually a fairly new addition to the English lexicon in the 1950s, and though it sounded to many people like the opposite of "business," it held the key to resolving the perceived conflict between bureaucracy and innovation. The word "creative"

[10] Schumpeter, *Capitalism, Socialism and Democracy*, 156.

[11] Victor A. Thompson, "Bureaucracy and Innovation," *Administrative Science Quarterly* 10, no. 1 (1965): 1–2, doi:10.2307/2391646.

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carried connotations of the romantic artist and the lone genius, but it could also mean simply "inventive." "Creativity," therefore, stood for both an ability to come up with valuable new ideas and an attitude of independence and nonconformity associated with noncorporate types. Such a trait, if it could be harnessed, would be of immense value to industry. Beginning in the early 1950s, academic psychologists launched a torrent of studies into the nature of creativity, largely at the behest of research directors and allied government agencies and aimed at solving their specific needs.[12] Some of these studies sought to design standardized tests with which personnel directors might identify "creative individuals" for top technical positions. Others studied "the creative process," and the "creative personality," so that managers might learn how to assemble teams, run meetings, structure pay, design offices, and train employees.

Unfortunately for managers, this research tended to reinforce the older meanings of what it meant to be "creative," making creativity seem virtually unmanageable. In *The Creative Organization*, Gary Steiner, psychology professor at the University of Chicago's business school, informed readers that highly creative people exhibited high "independence of judgment" and "less conventionality and conformity" than their less creative peers. Where uncreative people were apt to "offer unquestioning obedience" to authority, highly creative people were likely to "view present authority as temporary" and follow it only insofar as it was useful to them.[13] "Non-creative" employees, by contrast,

[12] On the psychological study of creativity in postwar America, see Jamie Cohen-Cole, "The Creative American: Cold War Salons, Social Science, and the Cure for Modern Society," *Isis* 100, no. 2 (2009): 219–62; Jamie Cohen-Cole, *The Open Mind: Cold War Politics and the Sciences of Human Nature* (Chicago, 2014); Michael Bycroft, "Psychology, Psychologists, and the Creativity Movement: The Lives of Method Inside and Outside the Cold War," in *Cold War Social Science: Knowledge Production, Liberal Democracy, and Human Nature*, ed. Mark Solovey and Hamilton Cravens (New York, 2012); Amy Fumiko Ogata, *Designing the Creative Child: Playthings and Places in Midcentury America* (Minneapolis, 2013); Bregje van Eekelen, "The Social Life of Ideas: Economies of Knowledge" (PhD diss., University of California, Santa Cruz, 2010); Sarah Brouillette, *Literature and the Creative Economy* (Stanford, 2014); and Pierluigi Serraino, *The Creative Architect: Inside the Great Midcentury Personality Study* (New York, 2016).

[13] Gary A. Steiner, *The Creative Organization* (Chicago, 1965), 8. The quotations that follow are taken from Steiner's introduction to the volume, in which he endeavors to summarize and generalize the common beliefs of a panel of experts called to discuss creativity in the corporate industrial context at the University of Chicago Graduate School of Business in 1962, sponsored by the McKinsey Foundation of Management Research. The participants included Frank Barron, Morris Stein, Jerome Bruner, and Milton Rokeach, who were among the most influential experts on creativity in the 1950s and 1960s, as well as the famous ad man David Ogilvy and transistor entrepreneur and former Bell Laboratories scientist William Shockley. Steiner's characterization of creativity used here is an accurate representation of the expert discourse.

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were the very picture of the organization man, "likely to see their future largely within the boundaries of one organization, to be concerned chiefly with its problems and with their own rise within it, and to develop extensive ties and associations within the community." Creative people were "cosmopolitan," and hence "less 'loyal' to any specific organization."[14] Moreover, Steiner reported, they were "driven more by interest and involvement in the task itself than by external incentives."[15] As a result, their talents could not be coaxed by traditional incentives like pay bonuses and titular promotions. It should be noted that these findings about the nature of the "creative person" were never positively correlated with *actual* creative accomplishment as those in industry defined it.[16] As historian Jamie Cohen-Cole has pointed out, these researchers did not so much uncover the truth about creativity as "ratify *preexisting* views and understandings of who was creative and who was not."[17]

This research painted a compelling picture of heroic individualism in the age of mass society, but from a manager's perspective it was less than encouraging. The messiness of the "creative process," Steiner admitted, "poses a problem to administrators," because "it may be hard to distinguish from totally non-productive behavior: undisciplined disorder, aimless rambling, even total inactivity."[18] Because the creative person was intrinsically motivated, Steiner concluded, only in "the rare and fortunate case where a creative individual's interests exactly match the day-to-day operating objectives of his organization," could he or she be counted on to execute those objectives.[19] As management theorist Thompson summarized, modern management was designed "for productivity and control, and inappropriate for creativity."[20] Managing for creativity was, in sum, full of paradoxes, "an administrative enigma."[21]

Creativity for All

Much more encouraging were those, like George Prince and William Gordon, who wrote about creativity not as a trait of the exceptionally

[14] Ibid., 10.
[15] Ibid., 14.
[16] For two contemporary critiques that point out the conflation of "creativity" as a personality type and "creativity" as a record of inventiveness in the industrial arts, see Quinn McNemar, "Lost: Our Intelligence? Why?" *American Psychologist* 19, no. 12 (1964): 871–82; and Liam Hudson, *Contrary Imaginations: A Psychological Study of the Young Student* (New York, 1966).
[17] Cohen-Cole, *The Open Mind*, 45 (emphasis in original).
[18] Steiner, *Creative Organization*, 11–12.
[19] Ibid., 21.
[20] Thompson, "Bureaucracy and Innovation," 1.
[21] Steiner, *Creative Organization*, 13.

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talented, but as a latent ability inside each individual. Prince and Gordon were cofounders of Synectics, Inc., a consultancy established in 1960 primarily to help clients such as DuPont, General Motors, General Electric, Kimberly-Clark, Thermos, and Gillette come up with new product ideas. In the Synectics method, the seemingly unbusinesslike traits associated with highly creative individuals were translated into protocols for group problem-solving sessions. Like its more famous cousin "brainstorming," Synectics attacked a given problem—be it finding a new use for aluminum or a way to improve a mousetrap—in a deliberately freewheeling, playful way. On the belief that highly creative people did not like being told what to do, managers in charge were instructed to take on a "new role," as guides. On the idea that highly creative people were "more willing to entertain and express personal whims and impulses," Synectics participants were coached to suspend judgment of themselves and others as they called out seemingly irrelevant associations and took long metaphorical "excursions" into unknown territory.[22] For instance, a meeting of mechanical engineers to improve a machine conveyor could lead to ecstatic poetic rambles about placid mountain lakes giving birth to rainbows and then back again to the problem at hand.[23] As Gordon explained to *Fortune* magazine, Synectics participants were encouraged to have fun, and to heed their "hedonic responses," the subconscious cues about what "felt right."[24] The subconscious, he believed, held a certain wisdom, a knack for what would ultimately be a good idea. In this way, participants might take a problem that was not their own and learn to feel passionate about solving it by doing so in a way that tapped into their truest selves.

Prince called the traditional R&D system a "blunt instrument," comparing it to a room full of monkeys with typewriters. However, unlike Whyte, who believed that groups "do not create," Prince and Gordon maintained the problem was not group work itself, but rather the overly authoritarian, rational, and professionalistic way in which it was carried out. Synectics was, they claimed, a more efficient and dependable method for corporate innovation that made use of "the personal, the non-rational, the seemingly irrelevant, emotional aspects" of an employee, which they believed were essential to innovation.[25] Moreover, though Gordon and Prince would have readily agreed with Whyte that

[22] Ibid., 8; for the basics of the Synectics method, see William J. J. Gordon, *Synectics: The Development of Creative Capacity* (New York, 1961); and George M. Prince, *The Practice of Creativity: A Manual for Dynamic Group Problem Solving* (New York, 1970).

[23] "Synectics: Inventing by the Madness Method," *Fortune*, Aug. 1965.

[24] Ibid.

[25] "Synectics: A New Method for Developing Creative Potential," Synectics, Inc. promotional brochure, ca. 1962, box 29, folder 8, United Shoe Machinery Corporation Papers, National Museum of American History, Washington, D.C.

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the modern bureaucracy was an inhospitable place for the "creative person," they were less concerned with the exceptional individual and more bothered by how traditional business culture systematically robbed all people of what Gordon and Prince considered their God-given creative ability. Drawing on the contemporary theories of Carl Rogers and Abraham Maslow, Gordon and Prince believed that individuals were always striving for growth and individuation and that the creative act stemmed from the deep process of self-actualization.[26] In other words, people naturally *wanted* to innovate, for the same deep reason they wanted to be more than just a cog in the machine.

Synectics was ultimately after what Douglas McGregor, one of the most influential management theorists of the era, called "integration"—not the "adjustment" of the individual to the corporation, but the alignment of their admittedly divergent goals and desires.[27] Amid widespread critiques of the organization man, integration seemed the only way to properly respect the individual within the large corporation. It also happened to be, according to the ascendant theory of the time, the only way to ensure a constant rate of innovation. This way of thinking was a clever end run around the Schumpeterian paradox. For Schumpeter, as for most liberal economic thinkers before him, salaried employment itself removed incentives for invention. Economic independence was the thing. For creativity consultants, however, independence was a state of mind. Employment did not automatically kill innovation because innovation was a product of creativity, and creativity flowed from individuals almost automatically—or at least it would if they were managed correctly. In the Synectics idea, creativity was not anathema to business, just to business as usual.

Resolving the Schumpeterian Paradox

The notion that the corporate form could be inherently ruinous to innovation sent a shiver down the spine of American business. But from this fear came a rearticulation of the relationship between the individual and the corporation. Contrary to the forebodings of Schumpeter and Whyte, managers and management thinkers imagined they had the power to foster inventive individualism—which they called creativity—within the firm.

In the postwar business literature, creativity became legible as an individual ability that could be studied, understood, encouraged, and

[26] Carl Rogers, "Toward a Theory of Creativity," *ETC: A Review of General Semantics* 11, no. 4 (1954): 249–60; Abraham H. Maslow, *The Maslow Business Reader*, ed. Deborah C. Stephens (New York, 2000).

[27] Douglas McGregor, *The Human Side of Enterprise* (New York, 1960).

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increased. The inventive individual came to be understood not as an independent entrepreneur but as a self-actualizing, intrinsically motivated individual. His or her value to the company—the new products and ideas they produced—was not an effect of their relationship to the means of production but rather their possession of the trait of creativity. If the independent inventor-entrepreneur was the tragic hero of the first act of Schumpeter's and Whyte's narrative of American capitalism, fated to go the way of the yeoman farmer and the cowboy, the creative person, it was hoped, would be the hero of the comedic resolution in which the individual and the corporation would come to understand one another, agree to resolve their differences, and live together profitably ever after.

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Matthew J. Hoffarth

Executive Burnout

The postwar era gave rise to a whole slew of management ideas (a number of which are covered in the other essays in this roundtable) that sought to restore individuals, in all their emotional and psychological complexity, to management thinking. Authors such as Abraham Maslow, Douglas McGregor, and Chris Argyris believed that managers and employees should have a deep personal connection with work and conceived of management as a job largely conducted on a personal level—dealing not with "workers" but with "people." By the 1970s, however, some of the darker implications of that belief were beginning to manifest themselves; in particular, emotional investment could be particularly taxing. It was at this time that the business world had to contend with a new problem: burnout.

Herbert Freudenberger, the psychologist who coined the term, said that burnout affected "the dedicated and the committed," those who "feel a pressure from within to work and help and . . . feel a pressure from the outside to give."[28] Characterized by emotional exhaustion, cynicism, and

[28] Herbert J. Freudenberger, "Staff Burn-Out," *Journal of Social Issues* 30, no. 1 (1974): 161.

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