



DE MONTFORT
UNIVERSITY
LEICESTER

CREATIVE AND CULTURAL INDUSTRIES RESEARCH GROUP

THE ART OF DISRUPTION:

Creative learning and disruption
the higher education sector

April | 2018

TEF Gold

Teaching
Excellence
Framework



Creative learning

Challenging conventional thinking by
considering what disruption might
mean in the context of universities...





Contents



Introduction	P04
Post-recession transformation	P05
Transformation, disruption, creative destruction	P07
Transformation in the creative industries an acute pressure point	P08
The entrepreneurial university	P10
Disrupting university provision in the creative industries	P11



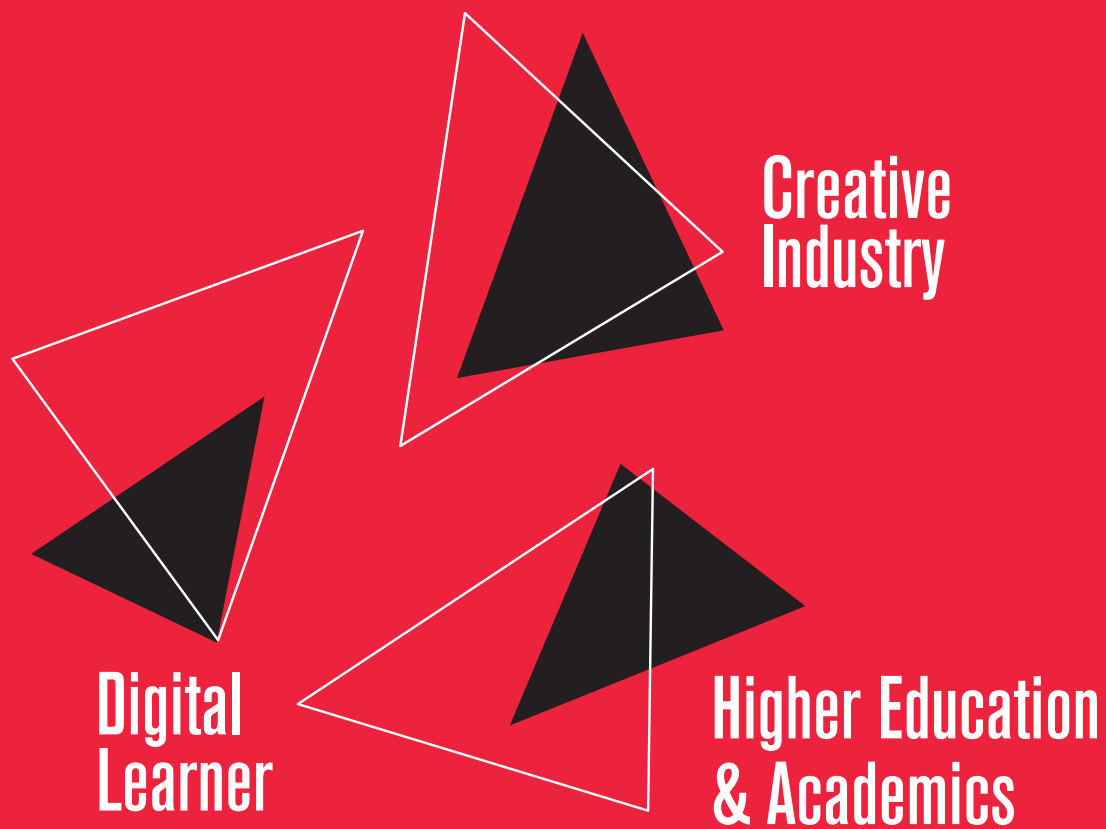


Fig. 1 The Disconnected Interests of Creative Industry Stakeholders

Introduction

In recent years, it has become fashionable to express the idea of change as disruption and to use the notion of disruption interchangeably with technological development and innovation, despite quite distinct meanings.



In an operating environment dominated by rapid technological change, the temptation to call this disruptive is even greater. In this paper, we draw on the disruption literature and the imagery from this, to view and understand significant changes shaping the current UK higher education sector. In particular, we note the way in which the main institutions in society are changing and note the new business models that have emerged relating to fees and commercialisation in universities. We also note however, the new possibilities for universities arising from market demand for new technologies and concomitantly, new job roles in the labour market, all of which require new responses from universities.

Focusing on the creative industries, where change has been marked, the ecologies have become crowded, and where incessant skill needs go hand-in-hand with changing student and worker characteristics, universities are faced with an acute pressure point. We argue here that this pressure point is such that the opportunity cost of not responding through disruption will be too great and will lead inevitably to a loss of market position.

In this first in a series of think pieces, we look to challenge conventional thinking by considering what disruption might mean in the context of universities, and what sort of transformation is needed to secure universities' provision and role in the creative economy.

Post-recession transformation

For several years now, we have been witnessing a huge reconfiguration of society, shaped by economic, political, technological, and cultural restructuring, and triggered in part by the global financial collapse a decade ago.





- The financial upheaval from the 2007 banking crisis imperilled the global economy, undermined trust and tainted financial institutions, and which by degrees has ushered in new regulatory and operational behaviour, and new ways of financing and investing. The rise of alternative models and thinking envisaged through a more plural Sharing Economy involving peer-to-peer interactions and sharing of assets (epitomised by Crowdfunding) have been made possible by new advances in ICTs, especially the Internet and smart phones. It also reflects a change in thinking about how society is organised and who are the main stakeholders.
- The spike in new technologies especially in information and communication has given rise to new businesses and new professional activities in others; bringing into the frame for the first time, new jobs tied to API and app developments, social networking/media, entertainment and business technology such as streaming and gaming, motion-tracking technology, the internet of things (IoT), wearable technology, virtual and augmented reality, and robotisation.
- The introduction of new actors and stakeholders has been triggered by institutional changes associated with the financial collapse and subsequent austerity measures. It has also been accelerated by, on the one hand, the paradigmatic policy choices of some governments, and on the other hand, a local need to fill the gap created by market failure and the hollowing-out of local public services. The introduction and growth of third sector stakeholders and self-help initiatives in the area of business support and learning, and also new business start-ups has been an enduring feature of the crisis and a response to emerging gaps in local economies.
- The introduction of new stakeholders, the subtle renegotiation of roles and responsibilities in local communities, the expansion of third sector and community actors, new businesses, and of self-help schemes has created crowded ecologies and some inevitable conflicts, which need to be navigated and to some extent mediated. As a result, some mature institutions like universities are under increasing pressure to operate in an increasingly febrile and crowded environment, faced with new business models, technologies, and learning requirements, which they must adapt to in order to survive and succeed.





Transformation | Disruption

Creative Destruction

The idea of disruptive behaviour and the notion of disruption have entered the lexicon of those stakeholders affected by institutional change.

Whilst disruption has been used as a shorthand term for technological change, it is understood more precisely as a business model, which connotes business change. Disruptive innovation is used in the field of business to refer to an innovation that creates a new market and value network; eventually disrupting an existing market and network, displacing established market leaders, products, and partnerships.

Christensen (1997, 2006) defines disruptions as anomalies, which emerge when new entrants or new technologies create pressure points, which threaten the status quo, such as a company's existing innovation and market position, the ability to sustain work, and threats to revenue and cost structures. Anomalies have the effect of requiring a business to respond when the opportunity cost dictates it and the return on investment is profitable. Knowing at which point to disrupt is referred to as the Innovator's Dilemma. Therefore, it is not that the technology per se is disruptive as it often widely thought but that the business model or response is – a disruptive product or company is one that succeeds in addressing or entering a market and triggering a response from existing companies.

From an industry perspective such as the creative industry, there is an inherent value in identifying and responding to anomalies or pressure points, given that it triggers a cycle of improvement. For this reason, it shares similarities with the idea of Creative Destruction (Schumpeter, 1942) and

the process of innovation, through which old units are replaced by new ones, and improvements such as productivity are realised. As Schumpeter notes 'creative destruction describes the process of industrial mutation, revolutionising economic structure and incessantly destroying the old one and creating a new one'. Seen as a systematic part of the business cycle, the emergence of obstacles such as finance (or lack of), skill gaps, or technology can stymie destruction and hold back vital economic growth; creating pro-cyclical patterns of transformation. Thus incessant change is likely to occur in practice more as waves or spikes in development.

In both Creative Destruction and Disruption, there is a common imperative of the old being replaced by the new, through a process of transformation. In this paper, we argue that within a wider environment of institutional change, further changes in the form of new business models, technological changes, and stakeholder competition are creating the types of pressure points and significant anomalies that universities must now respond to. Whilst there are variations by university and by discipline, in this paper it is argued that the opportunity cost of not disrupting in creative industries jeopardises the longer-term role of universities in the creative economy. As Hutchings and Quinney (2015) argue if higher education is to respond effectively to the pace of change it must reshape and reinvent its core business model whilst seeking future-oriented business.



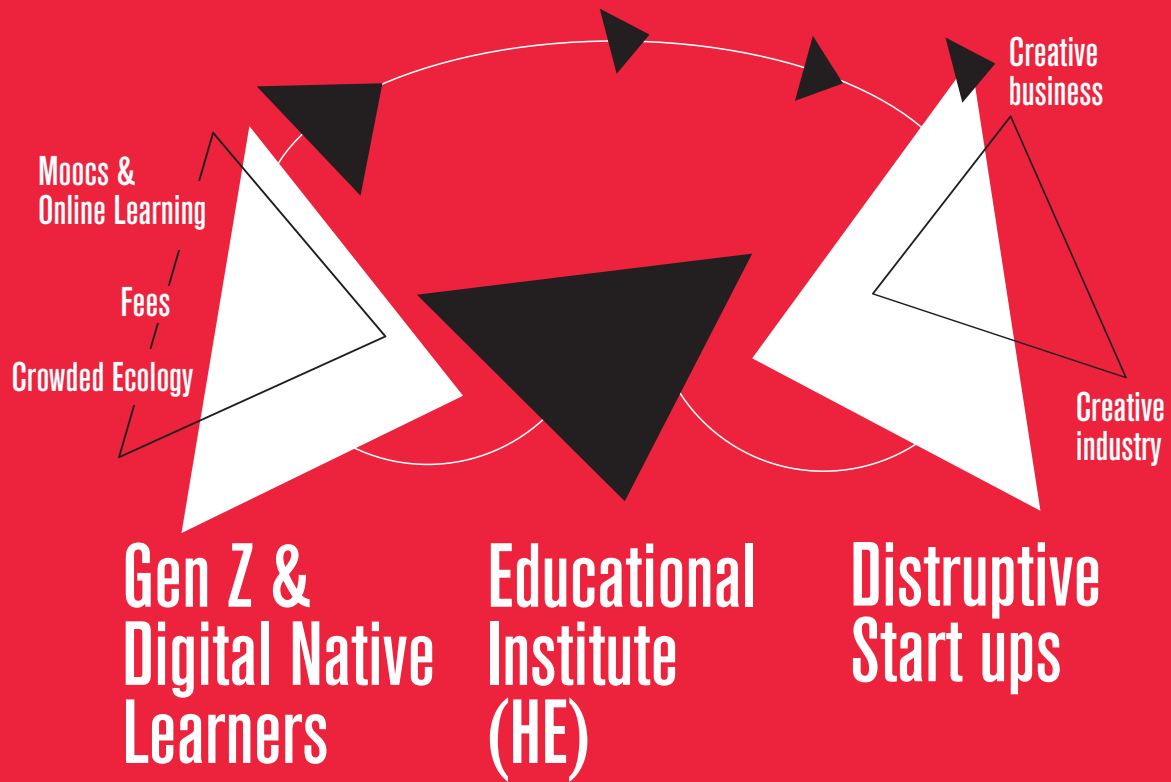



Fig. 2 Creative Workers By-Passing Universities

Transformation in the Creative Industries | an acute pressure point

The UK's creative industries are now estimated to be worth a staggering £92bn per annum, with employment in the creative industries growing at around 5 per cent per annum, making the UK's creative industries not only a success story but internationally unrivalled.



Against this backdrop, the City of Leicester's concentration of creative industries, which is one of the highest outside London, and its specialisation in design, arts, and digital media has come with the accolade of being a creative city. It is known that Leicestershire is home to 4,500 creative businesses and 14,000 creative jobs and with the number of microbusinesses factored in, it can be argued that this figure is nearer to 30,000 jobs or 1 in 10 jobs locally.

And yet what is depicted in Leicester and the wider city-region is a model that runs counter to the idea of a Learning Region in which knowledge is the crucial resource and shared learning is the most important process. Whilst there is a marked concentration of creative businesses in for example, the City's Cultural Quarter, there is not the forward and backward (business-to-business) linkages, ties with KIBS (Knowledge-intensive Business Services), the spillovers of knowledge, and embeddedness with university institutions, to be deemed a functioning creative cluster or a learning-based collaborative model.

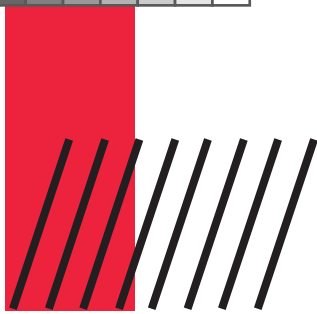
It is becoming increasingly clear that the fundamental disconnect between learners, educators, and commercial practice in the creative industries is an anomaly, which is creating an acute pressure point. Why is it that creative enterprises, large in number, growing in size and wealth, diverse in size and sub-sector, buoyant in turnover and recruitment, and highly skilled at their core should be so disconnected from the higher education system, which has world-leading skills in the creative industries?

The Entrepreneurial University

The rise of what could be termed the entrepreneurial university, with sophisticated marketing of their industry links has become one way in which universities can compete in a competitive environment and add value. Their commercialisation of

intellectual property through collaborative links with practice, as envisaged in a 'Triple Helix' model remains incongruous with the creative industries in practice due to four defining characteristics:

- The presence of tacit knowledge, symbolic knowledge, and intrinsic value in creative work requires very specific spatial-economic transactions for transfer, diffusion, and even absorption, which conflict with the formal knowledge transfer model implied in university-industry collaboration. Commercialisation requires clear ownership, paths of development, and distinct intellectual property and yet the distinction between the main players and what is and isn't knowledge in context becomes fuzzy in practice.
- The importance of lifestyle of creative workers, the juxtaposition of creative production and consumption, sharing and gifting, co-learning, and the existence of portfolio work means that it can be difficult to distinguish the learning, teaching, and practitioner roles of key actors.
- It is now widely accepted that the most propitious economic space for creativity is increasingly found in open, informal, and fluid spaces that combine creative production with consumption, and allow for the interplay of different assets and skills - as density and diversity of capital. The relatively closed and fixed nature of university campuses is unlikely to provide a suitably rich setting for creative knowledge exchange to occur.
- Creative businesses tend towards downstream, rather than upstream value appropriation with a preference for co-creating, reinforced through open innovation practices, risk-minimising investment packages, and shorter life cycles, all of which favour the close interplay between ideas-production and user-consumption.



Serial Mastery

Business survival in hostile business environments can often be a matter of staff having the right set of skills and the relational assets needed for innovation. Gratton in her work on *The Mastery Shift* emphasises the importance of having new skills but remarks that ‘skills that have been mastered will no longer remain valuable throughout a whole career’. In the creative industries, where 91 per cent of businesses are micro, and where skills can lose their competitiveness in a matter of months and become obsolete in a matter of years, the situation is more acute. The unremitting nature of new skill needs in the labour market, which Gratton captures in the term ‘Serial Mastery’ needs to be balanced with the opportunity costs of the business. This at once creates a desire for alternative forms of learning such as bite-size instructional videos, peer-to-peer forums and virtual college courses, which some new stakeholders have been quick to observe and exhort the benefits of.

Crowded Ecologies

Responding to a contraction of public sector activities notably in business support, investment, and local initiatives, and coupled with new ICTs that support the sharing economy, and the expensive nature of formal education in universities, the creative industries field has begun to be shaped by new entrants and a changing remit from existing stakeholders. As a result, the creative industries field could be increasingly described a crowded ecology, in which multiple stakeholders are providing business support, investment, and training, effectively undermining the learning and business offer from universities. To this, one might add the increasing importance

of ‘third spaces’ or hybrid spaces, which fuse the workplace, the mind, and the social - through for example, socialising, cafes, events, or online platforms, which provide an interesting and cheaper route for learning and skill development in a contemporary context.

Generation Z and Beyond

The term ‘Digital Natives’ coined by Marc Prensky in 2001 reflects the qualitatively different characteristics of learners now of university age, who have an innate confidence in using new technologies. Having been effectively plugged into digital devices all of their lives, this group of people now of university age, have not only immersed themselves in the digital social world but are also confident users of it. Zigler (2007) and Selwyn (2009) have suggested that this demographic cohort have sophisticated technological characteristics, including those with an enhanced ability to interact with media (Generation M), those specialised in using virtual technologies (Generation V), and those that constantly connect as creative clickers (Generation C). To this we might argue there are emerging programmers or coders (Generation P), designers (Generation D), and that so-called clickers are more pervasive than first imagined, and represent more of a new way of doing things and learning. The Gen Z population are sophisticated users of technology, they media stack and are spurred by individual success. They are also immune to traditional institutions such as ways of learning, marketing, consuming, and communicating, and demand customised instruction and data mining to pinpoint diagnostics and achievement opportunities.





The combined effect of these different aspects point to a scenario, which is beginning to be played out in universities - where new learners discouraged by the opportunity costs of formal learning, draw on free resources and instruction found online, the competing offer from stakeholders in a crowded ecology, and the social setting of alternative learning found in co-working spaces, creative cafes, and co-labs (such as 'fab labs'). These alternatives found in a crowded ecology provide the means to satisfice customised needs and individual achievement pathways.

This disconnect between the learner, the educator and the commercial environment is evident in digital technology where the commercial design sector often adopts digital practices in advance of universities, diluting the view of universities as the eminent learning resource for practice, and challenging the notion that universities disseminate new skills and ideas to commercial practice. This is also played out in the behaviour of some new students in higher education, who prefer and increasingly look to web-based tutorials rather than classes to learn new skills. In this scenario, the role of university education might be seen more as affirming and certifying, rather than about learning a new skill.

Elsewhere and in recent research conducted with creative industries in Leicester, it is becoming increasingly the case that new creative workers are bypassing formal tertiary education.

Whilst once, creative industries were characterised by graduates choosing to work in creative disciplines or to start-up their own work, we are finding increasing examples of talented workers who have rejected further and higher education routes in preference for learning on the job, supplemented by advice from other creative workers, and by drawing on the rich training resources found online. As one Leicester-based fashion designer has said:

I saw no point in university. Everything I needed to learn was available from a good placement [apprenticeship] and from the experience of other creative businesses in my block. I took a foundation course at a Leicestershire college to get me started, and did the rest myself.

Thus we argue that the current higher education model in the creative industries is increasingly out-of-sync with the needs and behaviour of those it purportedly serves, creating an acute pressure point to which universities must respond.



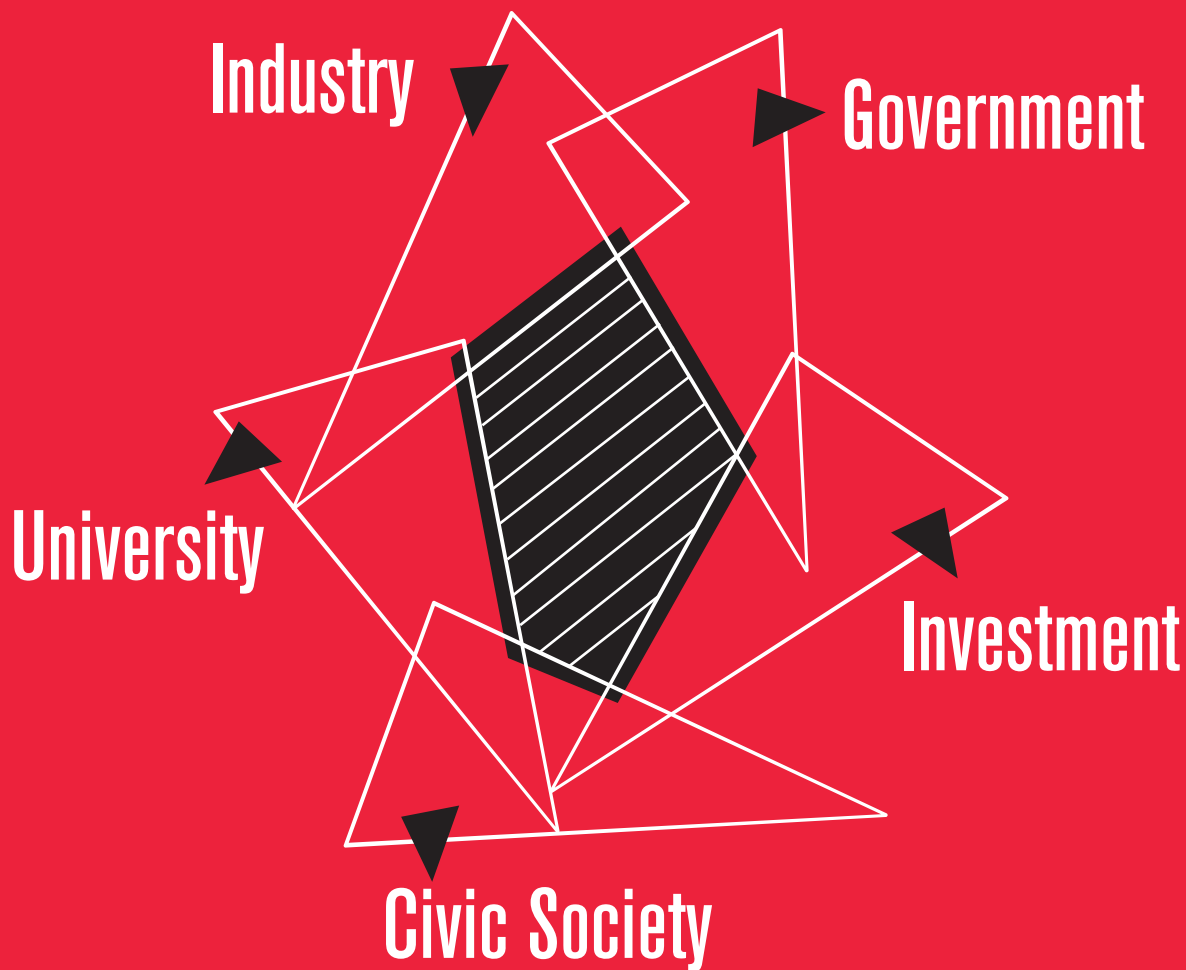


Fig.3 The Combined Interests in a Quintuple Helix

Disrupting University Provision in the Creative Industries

The notion of disruption removes all of the rules and takes away all that is known; challenging what we know and opening up ideas about 'what if...?'

In this sense, value is created by disruptive business models, which may not have been previously conceived of and through new value propositions. In business, disruption can be achieved through the creation of an autonomous

disruption unit (or disruptive influencers group), which operates independently from the main business and can create new ideas away from the rigidities and pressures of the main business environment.

What might disruption look like and what do we propose?

We argue that establishing independent research communities in universities, which draw on interdisciplinary skills provides the right environment and ingredients to bring about genuine disruptive thinking and co-design, which might lead to:

- Radical overhaul of the creative industries curriculum in universities, and of university products for the creative industries. We encourage universities to ask the question 'do degrees still have saliency?' and 'what will Gen Z and beyond need to succeed in the creative industries?'
- Research on suitable learning approaches e.g. problem-based learning, service learning, learning through social media, and on the potential for universities to develop more as third spaces, which are predicated on learning and knowledge exchange in more social settings.
- Consideration of new business models with different funding arrangements e.g. subscription economies, commercialisation, and opening up of expertise and equipment through soft fab-labs.
- Development of new roles for universities in the creative economy through a re-working of collaborative and learning models e.g. a move from triple helix to quintuple helix models, and new roles for universities in funding and facilitating the creative economy through equity-based learning, investment, and mentoring.





References

Waldman, S. (2010) *Creative Disruption*. London: Prentice Hall.

Christensen, C. and Innosight (2007) *A Decade of Disruption*. 31/8/2007 <http://Forbes.com> (last accessed 21 July 2017)

Christensen, C.M. (1997) *The Innovator's Dilemma: When New Technologies Cause Great Firms to Fail*. Boston: Harvard Business School Press.

Christensen, C.M. (2006) *The Ongoing Process of Building a Theory of Disruption* *Journal of Product Innovation Management*, 23, pp39-55

Schumpeter, J.A. (1942) *Capitalism, Socialism and Democracy*. New York: Harper

Hutchings, M. and Quinney, A. (2015) *The Flipped Classroom. Disruptive Pedagogies, Enabling technologies and Wicked problems: Responding to the 'bomb in the basement'*, in *Electronic Journal of e-Learning* 13(2), pp106-119

DCMS (2017) *Creative Industries Economic Estimates, January 2017*. Department for Digital, Culture, Media, and Sports Office for National Statistics. <https://www.gov.uk/government/statistics/dcms-sectors-economic-estimates-2017-employment-and-trade> (last accessed 10 August 2017)

Etzkowitz, H. and Leydesdorff, L. (2000) *The Dynamics of Innovation: form national Systems and "Mode 2" to a Triple Helix of university-industry-government relations'*, in *Research Policy* 29 (2000), pp109-123

Gratton, L. (2011) *The Shift: The future of work is already here*. London: William Collins.

Prensky, M (2001) *Digital Natives, Digital Immigrants*. MCB University Press 9(5), October 2001.

Selwyn, N. (2009) *The Digital Native – Myth and Reality*, in *Aslib Proceedings: new Information perspectives*, 61(4), pp 364-379.

Zigler, S.G. (2007) *The (Mis)education of Generation M*, in *Learning, Media and Technology* 32(1), pp69-81

Authors

Dr Rachel Granger

Leicester Castle Business School

E: rachel.granger@dmu.ac.uk

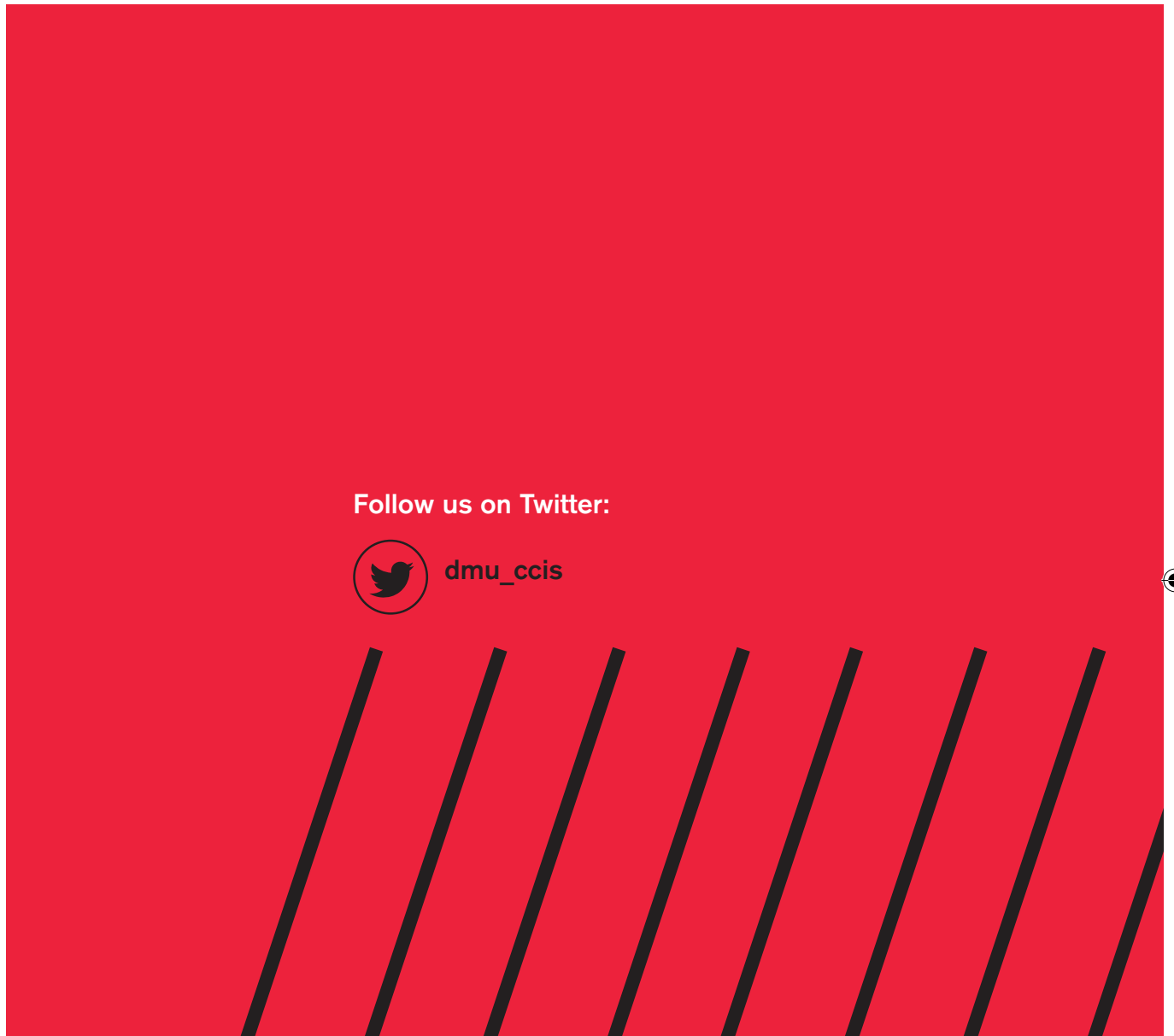
T: 0116 250 6193

Pinky Bazaz

School of Design

E: pinky.bazaz@dmu.ac.uk

T: 0116 257 7875



Follow us on Twitter:



[dmu_ccis](#)





CREATIVE AND CULTURAL INDUSTRIES RESEARCH GROUP



DE MONTFORT
UNIVERSITY
LEICESTER

