



THE CREATIVE WORKFORCE

An Ecosystem of Innovation



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2018

The Creative Workforce: An Ecosystem of Innovation*

Central Okanagan's Vital Signs® 2018

We have become a society that regards innovation more passively than actively, as something we buy rather than something we do. But what if the future requires us to understand innovation more broadly and engage with it more actively, as authors and implementers of innovation, instead of simply consumers of it?

This is the second of the Central Okanagan Foundation's Vital Briefs®, offered as part the national Vital Signs® reports." In our inaugural Vital Brief®, "Creating Community: Inclusion and Leadership", we examined the changing dynamics of our population. We explored the inclusive values that our community might cultivate as we move into the future, in order to ensure the highest quality of life for current and future residents. Here, we will look at the emerging creative workforce that the future increasingly demands.

When we discuss the natural resources of British Columbia, lumber, metals, minerals, fossil fuels, and hydro are those that typically lead the list. When we discuss the Central Okanagan, we emphasize a beautiful landscape, the magnificent Okanagan Lake, and the fertile lands that

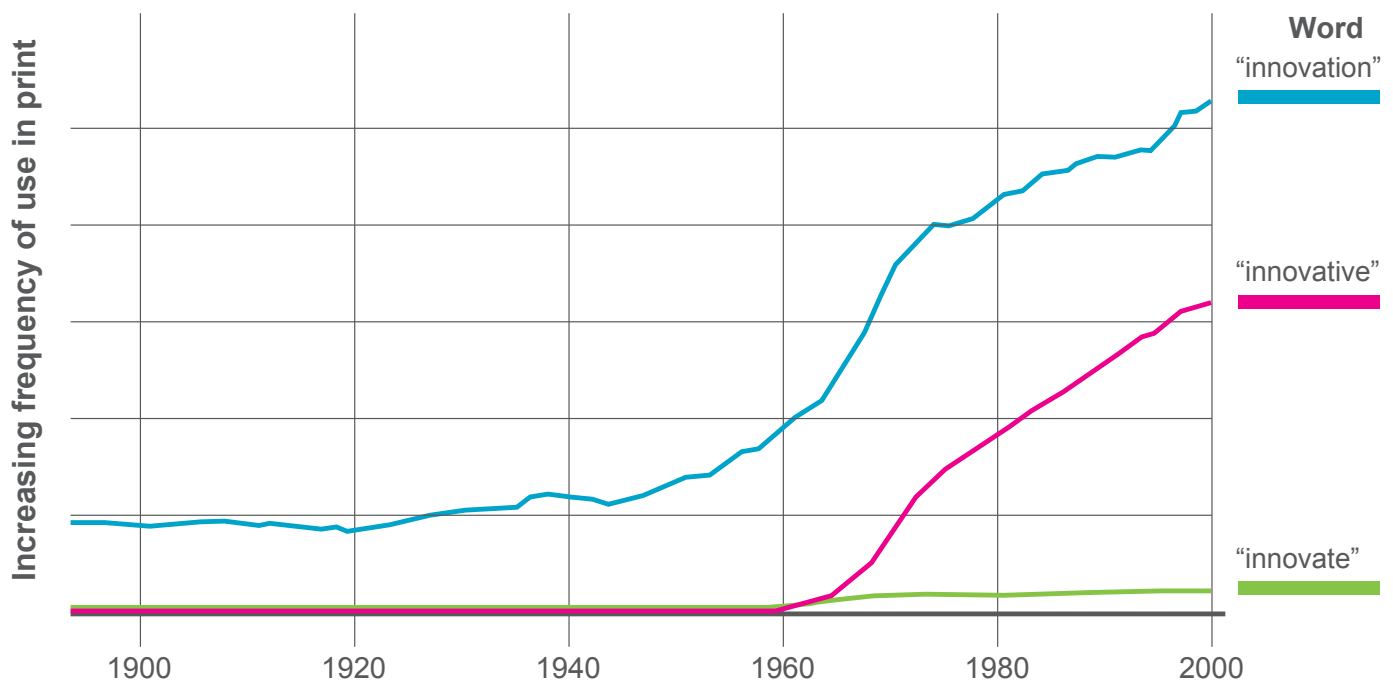


Figure 1 Google Books Ngram Viewer chart showing the print frequency for the words "innovation", "innovative", and "innovate" (generated December 2017)

*We would like to acknowledge here that the Central Okanagan is situated on the unceded territory of the Syilx and Okanagan peoples, and assert our belief in the vital importance of this community, and all communities across Canada, working together with Indigenous peoples across the land, to realize the goals set forth by the Truth and Reconciliation Commission of Canada.

**Across Canada, the Vital Signs® program is designed to assemble local information and statistics related to the vitality of individual communities, and by so doing, reveal opportunities for them to improve. The program is spearheaded and coordinated nationally by Community Foundations of Canada.

provide us with bountiful harvests of vegetables and fruits including, of course, internationally-recognized fine wines. Creativity is a resource, too – arguably the greatest of all because it is inexhaustible. Collectively, the potential of our creativity is unlimited. It can spark innovation and synergies among and between individuals, organizations, and government – innovations and synergies that foster new, sustainable solutions to the challenges we face in an ever-changing world. However, fully catalyzing our collective creative potential for innovation may require us to re-calibrate our understanding of what innovation means.

Innovation as Commodity

What is innovation? Commonly defined as a “new idea, method, or device”, it is a word that has come to cover a vast linguistic landscape. In contemporary society, “innovation” is attached to many of the ways we think about the world around us: innovation is understood to be part of a robust economy, and something that makes our lives easier by enhancing our personal and professional capabilities.

For many people, innovation is a word that connotes new businesses, products, and technologies that enhance our quality of life. Not surprisingly, the rapid increase of the use of innovation and innovative in print coincides with the post-1960s proliferation of television, personal computers, the internet, and smartphones. (Figure 1)

At the same time, the lagging use of the verb innovate suggests that we have become a society that regards innovation more passively than actively, as something we buy rather than something we do. But what if the future requires us to understand innovation more broadly and engage with it more actively, as authors and implementers of innovation, instead of simply consumers of it? What if innovation, as an ethos, is an essential social ingredient for our future?

Around the world there is a growing movement to find innovative new approaches at the intersections of the public, private, and social sectors.

Innovation and the organizational ecosystem

Over the past two centuries or so, the institutions comprising western society have formed in one of three sectors – public (government), private (for-profit businesses), and social (not-for-profits/ charities). Until fairly recently, the delineation between these sectors has been clear-cut. Governments provided the legal and regulatory framework for developing public infrastructure, ensuring orderly society that protects human rights and provides for vulnerable constituencies, and ensuring local, regional, and national security. Businesses served as economic engines for increasing collective wealth, generating taxes, distributing profits among investors, and providing workers with wages. Not-for-profits/ charities filled the spaces between them, providing needed social services located outside the purview of government and business, but subsidized by government via their tax-exempt and charitable status.

In their separate ways, the three sectors have worked alongside each other for generations. In recent decades, however, their traditional boundaries have been disrupted by innovations that blur the lines between them. Businesses have come to understand that profitability, in today’s society, can be enhanced by demonstrating a commitment to social responsibility (for example, environmental friendliness) as part of their corporate brands. Not-for-profits/ charities, meanwhile, have begun to employ more business-like practices to improve their efficiency, leverage better outcomes for beneficiaries, and increase donor confidence.

Until recently, there were government-defined limits on such innovations: corporate shareholders, for example, can hold corporate boards liable if they become distracted by social causes at the expense of profit; not-for-profits / charities that are too successful (profitable) – risk having their tax-exempt status revoked. Governments have begun to respond to these limitations with innovative regulatory structures that allow the formation of new corporations designed to fulfill a “double bottom line” – profit and social benefits. In 2013, British Columbia was the first province to enact legislation establishing Community Contribution Companies, or C3 corporations. According to the provincial Ministry of Finance, “C3 status allows entrepreneurs in B.C. to pursue social goals through their businesses while still generating a profit and providing investment opportunities to like-minded investors”.¹

Around the world, as in British Columbia, there is a growing movement to find innovative new approaches at the intersections of the public, private, and social sectors. These initiatives are often referred to as an emerging “fourth sector”, a collection of corporate entities designed to harness economic, technological, and social synergies that fuel sustainable (self-funding) benefits to society and the environment. This change is not simply about the creation of another kind of corporate structure, it is the beginning of a systemic change in society, in which, across the (now) four sectors, a new corporate ecosystem is taking shape. If thoughtfully nurtured by government and corporate (for-profit, not-for-profit, and emerging hybrid) organizations and their leaders, this new ecosystem could have a dramatic impact on the quality of our collective future. (Figure 2)





	Sector	Traditional goals/ measures of success	Emerging innovations
	1st Sector Privately-held for-profit businesses	Maximize profit for owners/ shareholders	Employ socially/environmentally- responsible brand; develop corporate philanthropy
	2nd Sector Government agencies and institutions	Provide essential public services and infrastructure with available tax revenues	Enhance accountability and public engagement; foster public- private partnerships; invest in innovation centres
	3rd Sector Tax-exempt/ charitable not-for-profit organizations	Use charitable donations, earned revenues, and tax-exempt/ charitable status to find unmet needs for environmental/ social services and benefits	Employ for-profit business practices to enhance efficiencies and increase environmental/ social benefits
	Emerging 4th Sector Hybrid organizations	N/A	Employ double or triple bottom line: i.e. create economic return and provide social and/or environmental benefit

Figure 2 Comparative matrix showing traditional three organizational sectors, and the emerging fourth sector.

Technology and Innovation in British Columbia

A traditional, overly business-oriented and consumer-centric understanding of innovation can hinder our appreciation of innovation-as-ethos, distracting us from our full collective potential to re-shape the structure and effectiveness of the organizations that serve society. Innovation is not limited to things, or the qualities of things, but to the ways we think, and how we work together to realize social benefit. Innovation encompasses culture, relationships, and shared goals as well as new technology.

That said, technological advancement is a critical driver of society’s greater innovative potential, and a vital fuel for animating the cross-sectoral ecosystem. Advances in computing power, the increasing availability of cloud-based “big data”, new materials science, green technologies, and artificial intelligence algorithms are all vitally important to government, business, not-for-profits, and hybrid organizations, not only in terms of their value to individual organizations, but even more importantly how organizations can interact more effectively, collectively discover new synergies, and work together to seize new opportunities that serve society more powerfully.

The technology sector in British Columbia is growing rapidly, so much so that industry analysts struggle to fully quantify its expansion.² It is changing the face of the provincial economy, moving it away from its historical reliance on oil and gas, forestry and mining, and actively re-shaping current and future workforce needs. A 2016 “report card”, prepared by KPMG, indicates that the technology sector comprised almost 93,000 jobs (with average weekly earnings of \$1,580), and annually generated \$15 billion in GDP, \$26 billion in domestic revenues, and \$5 billion in exports.³ In 2014, technology was fourth among the top five contributors to the B.C. economy. The report identified five areas of sector growth: information and communications technology, cleantech, interactive and digital media, IT/engineering and other services, and life sciences. Taken together, these areas have grown at an annual rate of 6.2% since 2009, almost double the rate of growth for the B.C. economy, and one of the highest growth rates among all Canadian provinces.⁴ (Figure 3)

According to a senior analyst, one of the major challenges to the sector is the “growing challenge in finding... experienced growth talent.” He adds, “unless companies can find sufficient numbers of qualified personnel – both specialized tech talent and senior level executive talent – there is a risk that we could lose the growth opportunity to other regions outside of our province.”⁵

BC Economic Sector	2014 Chained GDP (\$Millions)
Finance & Insurance, real estate	48,274
Construction	17,039
Other manufacturing	14,625
Technology	13,489
Mining, oil & gas extraction	12,284
Retail trade	12,284
Professional, scientific & technical services	11,282
Transportation & warehousing	11,044
Wholesale trade	9,225
Utilities	3,493
Forestry	1,819

Figure 3 GDP Ranking of BC’s major economic sectors, 2014. Data from KPMG, 2016.⁵

Technology and Innovation in the Central Okanagan

There is significant convergence of factors that point to the growing importance of the innovation and the technology sector in the Kelowna/Central Okanagan region. The University of British Columbia Okanagan campus, which opened in 2005 with 3,000 students, now has a vastly expanded and growing campus with a total student body of around 9,000, many attracted by technology-related programs such as chemistry, computer science, data science, earth sciences, engineering, mathematics, and medical physics.⁶ Twenty percent (450) of the 2016 first-year students were international, representing 98 countries. Okanagan College has a

student body of approximately 4,500, and programs in business, science, technology and health, as well as trades apprenticeships.⁷

Against this backdrop of higher education, together with the Okanagan’s scenic beauty, cultural offerings, and other lifestyle amenities, including a growing international airport, the region has become home to one of the country’s foremost emerging technology sectors – in 2015 there were 630 technology related businesses, employing 7,600 people, with a total economic impact of \$1.3 billion, showing a 30% growth in the previous two years.⁸ One of the driving forces in this growth is the presence of Accelerate Okanagan, a not-for-profit technology business accelerator that provides entrepreneurs with programs and support services to assist with start-up and growth.⁹

Kelowna, as the hub of the Central Okanagan, has moreover been named as one of the top entrepreneurial cities in Canada – ranked first in overall scores, in the top 5 in “entrepreneurial presence” (start-up businesses per capita), number 2 in “entrepreneurial perspective” (business owners are upbeat), and among the top 10 in “entrepreneurial policy” (local government support for business).¹⁰

The Okanagan as an Ecosystem of Innovation

If we are to address the world’s social, economic and environmental challenges, we need to draw on our best renewable resource: human innovation. And for this, we need to embrace transformational innovation... We need to increase collaboration between businesses, academia and the public and third sectors. And we must prepare young people to take the lead.

Emer Timmons, President of BT Global Services, UK¹¹

In the Central Okanagan, we live, as elsewhere, within intertwined ecosystems – natural, social, and economic. The natural ecosystem gives us life, a sense of place, and a relationship with nature and animals. The social

ecosystem provides us with a supportive network of family, friends, neighbours, colleagues, and institutions that weave us together through shared stories, cultures, values and aspirations. The economic ecosystem provides us with the resources needed to fuel and sustain our lives, and add to the common wealth of our community. While we might imagine these three ecosystems in isolation, they are in reality interdependent, each critical to the other, and synergistically vital to the totality of our shared future.

To thrive together, and continue on a sustainable, prosperous, and healthy path, all of our activities and efforts need to be collectively focused on the three “bottom lines” of environment, culture, and resources. This can only occur when innovation – the capacity to find new approaches that create synergies and strengthen

The Central Okanagan as an Innovation Ecosystem

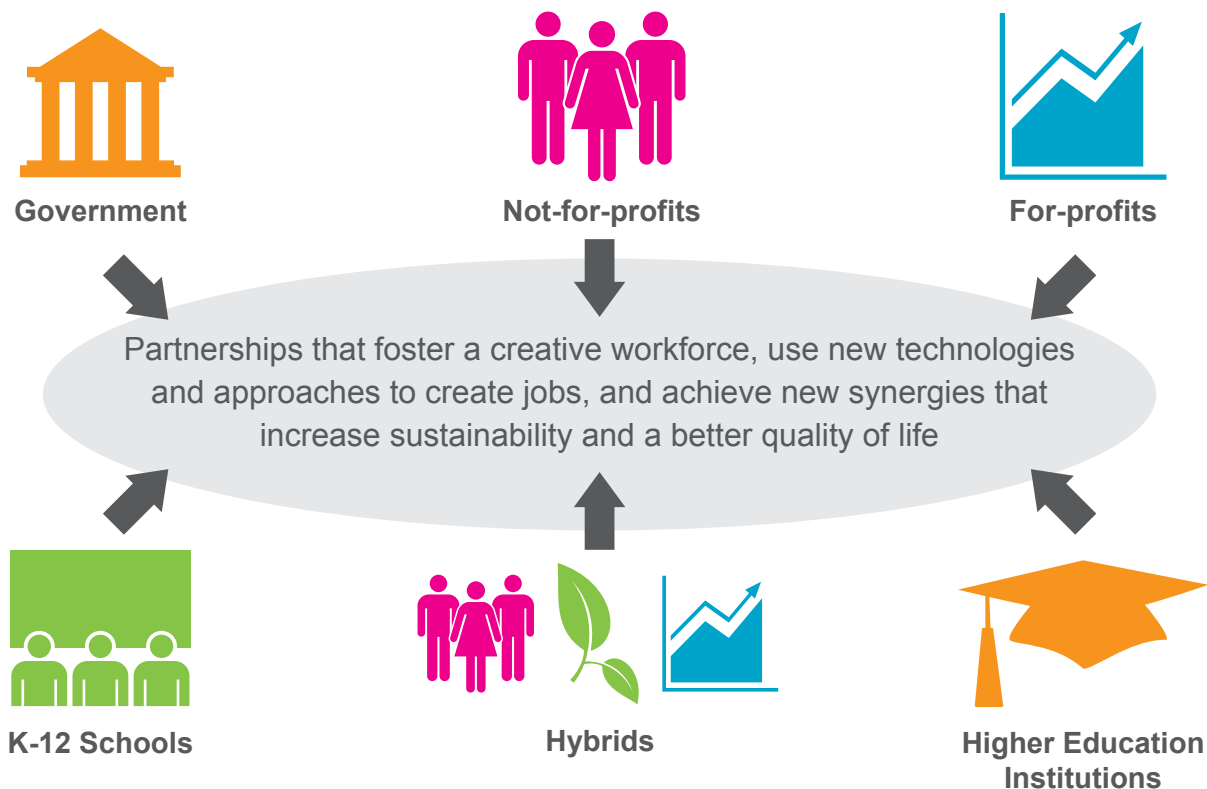


Figure 4 Institutional components of the Central Okanagan’s innovation ecosystem.

environment, culture, and resources – becomes an active value system across society, an ethos that cuts across the traditional boundaries – government, business, and social institutions – as a collective philosophy that nurtures innovative thinking and creativity in young people, cultivates these qualities in adults, and engenders new approaches in all our institutions. Innovation, as a social ethos, can provide the critical ingredient that develops and retains young local talent, while attracting other talent from across Canada and throughout the world, to meet the evolving needs of our regional workforce.

Globally, the challenges of the future are immense. In 2015, the United Nations put forward a set of seventeen Sustainable Development Goals to be achieved by 2030 (among them: no poverty, zero hunger, good health and well-being, quality education, gender equality).¹² Each of these goals is daunting, but they become exciting and achievable possibilities when viewed through the lens of innovation and collaboration.

In its most powerful sense, innovation is not the domain of an individual, or a particular sector, but instead a shared, synergistic approach to our common challenges and opportunities. (Figure 4). The communities of the Central Okanagan comprise a unique laboratory, with a rare potential to become a fourth-sector community. Here are all the ingredients needed to achieve new alchemies

The communities of the Central Okanagan comprise a unique laboratory, with a rare potential to become a fourth-sector community. Here are all the ingredients needed to achieve new alchemies and transformational solutions – a place where we are all innovators and leaders...

and transformational solutions – a place where we are all innovators and leaders who can imagine and create ever-more fruitful partnerships and synergies between schools and universities, government, not-for-profits, businesses, and emerging hybrid organizations. We are innovation, we are the creative workforce essential to shared prosperity and sustainability, and, by embodying this ethos, we can fully mine and fully harvest the supreme resource of our collective creativity, to build any future that we desire.



An Invitation

Developing a creative workforce, and nurturing an ecosystem of innovation, requires sustained conversations throughout the Central Okanagan. Whether you gained some useful information or perspective in this *Vital Brief*®, or found something in it that inspires or troubles you, please share this *Vital Brief*® and talk about it with others. We welcome your thoughts as well, and hope you will email them to john@centralokanaganfoundation.org.

About the Central Okanagan Foundation

For forty years, the Central Okanagan Foundation has been striving to help improve the quality of life in our community, by providing stewardship of donor-entrusted funds, by investing in organizations that are making a difference, and by working with others to provide thought leadership that helps shape a better collective future.

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