IMPORTANT FEATURE OF ORGANIZATIONAL SURVIVAL - ALLIANCE BETWEEN CREATIVITY AND KNOWLEDGE MANAGEMENT

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ABSTRACT
“Organizational survival”, “knowledge management” and “creativity” are terms commonly used today’s business environment and usually associated with large-budget project pursued by firms convinced that the only competitive advantage the company of future will have is it ability to learn than its competitors. The purpose of this paper is to provide an understanding of the alliance between the creativity, Knowledge and knowledge management and establishes a theoretical link between this feature and performance of the company in this difficult time of survival.

How do Knowledge management and creativity fit together? And How do they impact performance? To answer these questions it is necessary to define the three constructs, acknowledging their distinct roots, and to establish their domains and their boundaries. From this analysis, connections between Knowledge management, creativity and performance will emerge.

The first sector of paper explores knowledge, Knowledge management, with respect to the content, definitions and domain. The main idea is to see and extract wisdom from the Knowledge. Further, the next section focused, on the first side, on a better understanding of how powerful concept is “Creativity”, its complexity, and by the other side, to set multi-faceted concepts interactions with the Knowledge. Finally, the creativity and management of knowledge appear to be regarded as increasingly important features for organizational survival.

Key words: Knowledge, knowledge management, creativity, competition, organizational change.

1. Introducere

We are living in a new economy-powered by technology, fueled by information, and driven by knowledge. According to the Creative Economy Report 2010, creative industries offer untapped opportunities for growth. These have shown more resilience to the impact of the global economic crisis than traditional manufacturing industries.

In practice, knowledge management often encompasses identifying and mapping intellectual assets within an organization, generating new knowledge for competitive advantage, and making vast amounts information accessible, considering and enabling all of the above (Kaplan, 2002).

In changing times, the organization that stays still gets left behind. The capacity of individuals and organizations to create innovation is a crucial element of public sector innovation, too.

This is easy to say, but how do you harness the creativity, knowledge and experience in yourself and others? How can your organization support innovation and manage change?

The literature on this subject is very large and beyond my capacity to read and integrate. This paper is therefore a reflection of what have been able to grasp. I also think that creativity and knowledge won't just happen by themselves.

2. Importance and necessity for defining concepts

If knowledge management is to have any real impact on the way we do business, then it has got to be about making radical changes in the way that we perceive and utilize knowledge. It needs to be about creating new knowledge, applying knowledge and in the words of Peter Drucker “making it productive”.

In other words knowledge management needs to fundamentally focus on creativity.

2.1 Analytical view of two concepts “Knowledge and Knowledge management”
To have a meaningful conversation about knowledge and creativity it is essential to carefully define the words we use. People often use the same words with subtly different meanings. Many words in every day use are utilized loosely and ambiguously. If we do not think about their usage we greatly hinder communication. Defining our words helps set a framework in which we can better discuss the concepts with which we are dealing. It also helps better differentiate the concepts and relate them to each other in a more meaningful way.

Let's first differentiate between data, information, knowledge and wisdom (Gene Bellinger, 2004) as the distinctions are often blurred or confused. Now, this concept contains more then the meaning of all these parts: data, information, wisdom (Nonaka, 1998). Although knowledge is often seen as a richer shape of information this differentiation is not very helpful.

A more useful definition of knowledge is that it is about the interaction of “know with “how” and with “why”(Takeuri H., Apgar M. 1998).

A simple non-business metaphor is that of a bread. An analysis of its molecular constituents is data – for most purposes not very useful – you may not even be able to tell it were a bread. A list of ingredients is information – more useful – an experienced baker could probably make the bread – the data has been given context. The recipe though would be knowledge – written knowledge - explicit knowledge – it tells you how-to make the bread. On the other hand an inexperienced baker even with the recipe might not make a very good bread. A person, however, with relevant knowledge, experience, and skill – knowledge in their heads - that is not easily written down - tacit knowledge – would almost certainly make an excellent bread from the recipe. Finally wisdom, well that's about knowing which bread to make!

It is about wise judgment.

An important point to note here – to make knowledge productive – you need information. Knowing how to make a bread is not sufficient – you need information – the list of ingredients. And to make a wise decision you too need information again – the likes and tastes of the consumers of the bread. So knowledge on its own is never good enough –you need information and knowledge – and of course 'doing the wrong thing well' is also not productive – you need wisdom also.

Know-why is also important. Let us suppose you are missing a key ingredient of the bread – knowing why a particular ingredient was part of the recipe might help a knowledgeable baker substitute an alternative.

Further lets look at the meaning of knowledge management as there are many definitions. A common meaning associated to this concept is the collection of processes that govern the creation, dissemination, and leveraging of knowledge to fulfill organizational objectives. But this definition is inadequate, however, as it limits knowledge management to a set of processes. In reality knowledge management applies right across the organization - it is a holistic concept (Malhota, 2000). Moreover the concept depends on the context, which asks for continuing adaptation to a specific, social, economic, political, cultural and scientific environment.

A more useful definition is the one describing “Knowledge Management” as an emerging set of principles that govern organizational and business process design, as well as specific processes, applications, and technologies that help knowledge workers dramatically leverage their creativity and ability to deliver business value (Nonaka,& Takeuri,2004). In fact, this puts focus and responsibility on the individual – the knowledge worker - and on the holistic nature of knowledge management.

Finally, many people think the term 'knowledge management' is a contradiction – as you cannot 'manage' knowledge. Well you clearly can manage some aspects of knowledge. You can manage explicit knowledge captured on paper and in electronic databases in the same way you can manage information. But where the term 'management' is inappropriate is in its relation to tacit knowledge. This is the important stuff. Here knowledge management – in its creative sense - is more about nurturing than managing. It is more organic than mechanistic.

2.2 Hypotheses of creativity

Creativity is a complex and diffuse construct that has been defined in a variety of ways.

Basically, creativity is about the generation of ideas.

What is an idea? An idea is simply 'something' that is unrealized, unproven or untested. It can take many subtle forms. It could be an unrealized goal. It could be an unrealized product.

Creativity is about exploring the unknown and so feels very risky. It’s tempting to cordon it off into certain departments, assign it to off-site meetings or outsource it to outside agencies and consultans. That’s shame because we all have the ability to be creative. We were all born with great creative skills, it’s just that sometimes these skills get sidelined or smothered through the rigidity imposed by schools and in business.

One of the meaningful definition of creativity was elaborated by the Duff W in 1767. In his view, creativity is more divergent thinking. Recently, many studies confirmed that creativity is very much grounded in the individual's knowledge and how she combines her knowledge of dissimilar concepts to create new perspectives.

Creativity may seem to appear by magic but in truth it comes from a deep well of information. In fact often the real challenge is to sort out the irrelevant material from the usable. Yet one must still be open to ideas that seem irrelevant and yet may be just the piece needed for the desired result. An occasional creative inspiration won't get us
Judgment is yet another major inhibitor of creativity. We are brought up in a world where judgment is the norm, and explicit knowledge available. But the real bottleneck today is ‘creative thought’. It can get in the way. We tend to think that to do anything we need to track down and analyze all the information. So, we have newsfeeds and Intranets we have ‘information overload’. Information is no longer a bottleneck it can be a liability. Now, let’s make some consideration of the adverse aspect, of inhibition, which block ideas. According to the same research made by Theresa Amabile, the qualities of problem solvers that inhibited creativity were lack of motivation (30%), unskilled (24%), inflexible (22%), externally motivation (14%), and socially unskilled (7%).

Stuart Brown, an author who studied the ‘the play histories’ of 6,000 adults, says “play-deprived adults are often rigid, humourless, inflexible and closed to trying out new option. Playfulness enhances the capacity to innovate, adapt and master changing circumstances. And, often, it can show us a way out of our problems”. Play doesn’t just give the brain a rest. “Play is an active process that reshapes our rigid views of the world” he says. Playfulness is a vital ingredient of creativity and one that is often at odds with the serious environment of the business world.

Theresa Amabile (1998) has produced the most empirical research, exploring both personal characteristics and the interaction amongst people in the work environment. She has indentified the factors that promoted problem solving or personal creativity by studying a group of 120 innovators working in research and development. Although one factor, qualities of the group, assisted creativity, other group factors were not shown to do so. Personal characteristics were related to creativity, including specific personality traits, self motivation, special cognitive abilities, a risk orientation, diverse experience, expertise in the area, social skill, brilliance and naiveté.

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In the past, lack of information was a bottleneck in business. But today with electronic mail, electronic newsfeeds and Intranets we have ‘information overload’. Information is no longer a bottleneck it can be a liability and it can get in the way. We tend to think that to do anything we need to track down and analyze all the information and explicit knowledge available. But the real bottleneck today is ‘creative thought’. Judgment is yet another major inhibitor of creativity. We are brought up in a world where judgment is the norm.

We are not only quick to judge and criticize others but have that so-called little ‘voice-of-judgment’ in our heads. The judgment holds us in a kind of ‘creative straight jacket’ according to Michael Ray in his book ‘Creativity in Business’.

At times when being creative we need to learn to withhold our judgment. Creativity is needed at every level and every dimension within an organization. Creativity is the responsibility of each functional discipline, of each team, of each manager, of each and every individual. Creativity is not limited to the grand scheme of things - to new products, new services and new or improved processes. As an individual if I can better organize my day or write a report in a more effective way then this is every bit a creative act. A person who has knowledge about what two other people know can match them for creative output. A person who is a scientist and a musician combines them to discover new type of electronic music, etc.

3. Relevant contribution of creativity to optimization the Knowledge management

Unique and diverse combination of knowledge assets results in creative output. Creativity in the creation of new knowledge. Copernicus mixed optics with gravitational theory and proved a heliocentric universe. This creates new knowledge and transforms all existing knowledge. Huge multiplier effect (leverage) where creativity creates new knowledge that improves a lot of existing knowledge.

No such thing or all knowledge is unexpected. Knowledge exists in the human mind and is dependent on information which is dependent on data. There could be unexpected data that yields unexpected information that creates new knowledge. New knowledge combines with existing knowledge to yield creativity.
Knowledge never becomes useless it becomes a resource which can be quite useful as such. For example, so, obsolete knowledge can still serve historical perspective when discussing the rate at which things change. Knowledge becomes useful as soon as it is shares with another person. It becomes more useful or less useful depending on the number of people it is shared with. Knowledge can only be shared in a conversation. Sure, you can write stuff down but this transforms knowledge into information. The information can be shared but the knowledge is dependent on you uploading information into your own knowledge asset inventory. When two people have a conversation, knowledge is shared directly and only when people have a conversation. Creativity is never useless since it is often the platform of more creativity. It lives in the next iteration. The Ipod may become obsolete but it lives in the IPhone and IPad just the same.

According to Nonaka continuous innovation is also possible and is dependent on knowledge creation. Innovation is seen as organizational knowledge creation, in which the conversion of tacit, personal knowledge to explicit, organizational knowledge is crucial. This sounds like creativity, as described by others authors. The West belives that innovation is about putting together diverse data or information but in Japan the employees’ commitment to the company and its mission is what is important:” In this respect, the creation of new knowledge is as much about ideals as it is about ideas. The essence of innovation is to recreate the world, including the company and everyone in it, according to a particular ideal or vision”. Western knowledge is explicit- it can often processed by a computer, whereas Japanese knowledge is more tacit- difficult to process or transmit by computer.

The intangible point of view looks at the economy or individual entity as a combination of three ingredients: resources, flows and transformations of resources. Resources could be tangible, financial or intangible. Today the intellectual capital and intangible assets are the key factor in company’s profitability and success. In actual economic competition there are two major trends:

1. Globalisation is probably the most important force affecting the contemporary world: people, cities, companies, markets, economies etc. In this context there are new opportunities (or threats) for businesses:
   a. New markets. Today cross border activities and transactions are common-place. The interalitionalisation of finance processes or geographical decentralization of production continues to grow (“desindustrialization of the West”).
   b. New products and new services. Increasing flows of peoples and ideas across space, development of multinational corporations etc. affect the products boundaries.
2. The second trend is the major increasing of technological change, emerging the new information and communication technologies. This has resulted in a decline in the price information and in the rapid groth in international electronic networking.

Conclusion

Managing change effectively is a challenge. In today’s rapidly changing work environment, it is critical for managers to do all that they can to ensure that employees can meet the creative requirements of their jobs. Rahm Emanuel, president Obama’s chief of staff, recently echoed Machiavelli when he said,”You never want a serious crisis to go waste”. He is correct. Now more than ever is the time for innovative managers and entrepreneurs to come up with ideas that leads to opportunities to lauch new ventures.

Nothing is as fast outdated as information. We will overpass if we focus to stimulate the creative potential. Knowledge management should support the improvement of this innovative capacity. This means that knowledge management should help workers to generate new ideas and solutions, should help to transform these ideas into working products or services and should insure that these capabilities are shared among as much as possible workers in the company.

To be competitive and successful, experience shows that enterprises must create and sustain a balanced intellectual capital portfolio. They need to set broad priorities and integrate the goals of managing intellectual capital and the corresponding effective knowledge processes. This requires systematic Knowledge Management. With knowledge as the major driving force behind the “economics of ideas”, we can expect that the emphasis on knowledge creation, development, organization and leverage will continue to be the prime focus for improving society.

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