THE KEY FACTORS FOR CREATIVITY IMPLEMENTATION AND KNOWLEDGE CREATION IN AN ORGANIZATION: THE STRUCTURAL APPROACH

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Abstract

Each organization needs to form a proper environment for creativity and knowledge creation in order to be successful and to win the hard global competition. A creative organization could be used as a prime research source for the creativity factors. It is a knowledge intensive organization which distinguishes itself by its origin in individual artistic creativity, skills and talent, which are used for new knowledge creation and innovation implementation. Effective utilization of these characteristics requires corresponding environmental factors which create proper conditions for individual creativity potential development and its use for knowledge creation. This paper aims to identify and evaluate what the key factors for individual and organizational creativity and knowledge creation in a creative organization.

Theoretical background, based on the structural approach was prepared by description, analysis, comparison and the synthesis of scientific literature, the empirical qualitative research was conducted in Lithuanian creative organization.

Theoretical scientific literature analysis based on the structural approach allowed to identify the main organizational dimensions for individual and organizational creativity and knowledge creation in a creative organization. The qualitative research confirmed theoretical conclusions. The identified key factors for individual and organizational creativity implementation allow all the traditional organizations to form and construct proper conditions in order to be creative and innovative.

The type of the article: *Research study.*

Keywords: *creativity, knowledge creation, organization structure, culture, leadership.*

JEL Classification: *M10, M19.*

1. Introduction

Organization's management in knowledge aspect is important for each organization seeking to maintain a competitive advantage and successful development. A creative organization is distinguished among traditional organizations. It has unique projects, which leads to high staff turnover, especially among creators. It is characterized by individual artistic creativity, which is transformed into production and products. Therefore, creative organizations try to strike a balance between business and creativity when forming a creative environment for knowledge, at the same time, encourages employees to develop creative work and produce new products that meet market needs.

Theoretical background of creativity and implementation of knowledge creation

Creativity is treated as one of the main competitive advantages of organizations. So creative organization, as a prime source of creativity, can be investigated in order to reveal how creativity and knowledge creation is implemented and fostered.

Relevance of the paper. Creative organization in the context of research on this topic is fragmented, and touches only the concept of knowledge bases (Hansen, 1999; Florida, 2002), artists

and administrative staff training issues (cultural sociologists), creativity and creative process management techniques and methodologies (educational psychology) and innovation issues (Woodman et al,1993; Florida, 2002a; Storper & Venables, 2004; Handke, 2004, 2006; Galenson, 2006; Wilkinson, 2007; Stoneman, 2007; Green *et al*., 2007, Aurum, Daneshgar & Ward, 2007; Miles and Green, 2008), but there is no research how creative organizations remain creative and innovative (Kanter, 1999; Paulus & Yang, 2000; Sternberg, 1999; Williams & Young, 1999; Shelley & Perry-Smoth, 2000). In order to define what are key factors for creativity implementation and knowledge creation, the research analysis is based on a structural approach where characteristics and requirements for implementation of creativity and knowledge creation are analyzed. The research methodology is formed on the basis of the principle of triangulation, combining different research methods, that is, the scientific literature, comparative analysis and modeling has been developed in an empirical research methodology. A qualitative research method allowed to reveal what key factors allow to implement creativity and knowledge creation in an organization.

Theoretical background. During the recent decade creative industry and creative organization as a research topic are being analyzed very actively. Scientists pay a lot of attention to the concept of creativity and formation of creative environment (Guilford, 1967; Snow,1986; Torrance, 1989; Rothenberg,1990; Ford, 1996; Hemlin, 1996; Du Gay, 1996, 1997; Kelly, 1998; Amabile, 1999; Sternberg, 1999; Csikszentmihalyi, 1999; Hadamard, 1999; Klahr & Simon, 1999; Carnero, 2000; Simonton, 2003; Boltanski & Chiapello, 2005; Crosick, 2006; Ensor, Pirrie, Band, 2006; Bilton, 2007; Afolabi *et al.*, 2007; Rickards, 2010).

Creativity and its resulted knowledge creation keep the key position in a creative organization theory. All components of creative organizations are creative: creative process, products and employees, as well as work environment and work culture, even the first word of the title is directly related to creativity (Guilford, 1967; Snow, 1986; Torrance, 1989; Rothenberg, 1990; Hemlin, 1996; DuGay,1996, 1997; Kelly, 1998; Ford, 1996; Klahr & Simon, 1999; Sternberg, 1999; Csikszentmihalyi, 1999; Amabile, 1999; Carnero, 2000; Simonton, 2003; Boltanski&Chiapello, 2005; Crosick, 2006; Oliver, Kandadi, 2006; Ensor, Pirro, Band, 2006; Afolabi *et al.*, 2007; Bilt, 2007). Duality of creativity is expressed through creativity in the creative content of organizations (arts and culture in the traditional sense), and creativity as a competitive economic base.

Competence of creative employees results successful performance of creative organization. It consists of knowledge, abilities, skills, talent and other personal features. Seltzer and Bentley (2000) state, that the balance among skills, abilites and complexity of tasks directly affects creativity in individual level. Other scientists (Rhodes, 1961; Woodman *et al.*, 1993; Csikszentmihalyi, 1999; Sternberg & Lubart, 1999; Stoycheva & Lubart, 2001; Florida, 2002) analyze interaction between individual and organization. It is stated that special abilities of creative employees can be developed by learning or by setting proper environmental conditions. In order to implement proper organization's components, they must be proportional to the aim pursued. Having analyzed structural perspectives and based on works of Pelz and Andrews (1979), Stankiewicz (1980), Bland and Ruffin (1992), Martin and Skea (1992), Long (1997), Amabile (1999), Politis (2003), Unsworth and Parker (2002), Martins, Terblanche (2003), Park *et al.* (2004), Ismail (2005), Mayfield, Mayfield (2008) it is suggested to group the creative organization's components to four categories, which are intended to support and manage creativity and generate economic benefits through the empowerment of processes: leadership, social structure, technology and culture. Each of these components can be dual– two different types with various characteristics can be identified. Factors and their characteristics, essential for creativity implementation, are presented in Figure 1.

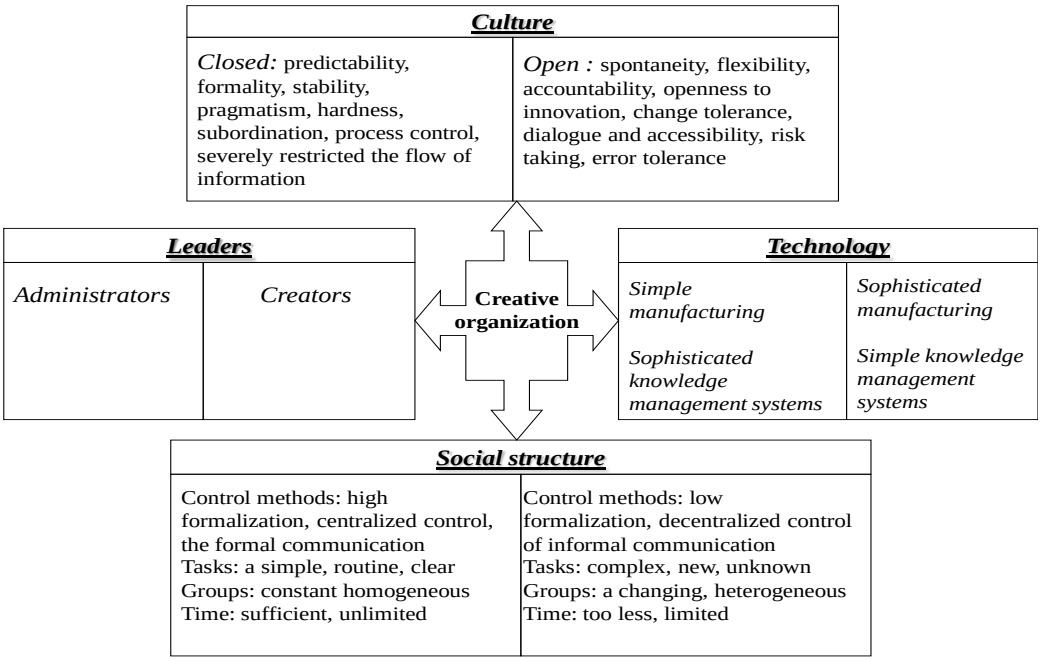

Figure 1. Structural approach of factors for creativity implementation and knowledge creation

Knowledge creation is considered as the four modes of knowledge conversion of this popular model of knowledge creation by Nonaka and Takeuchi (1995): socialization, externalization, internalization and combination, where these modes of knowledge converse from explicit to tacit. A broad range of factors that can influence the success of knowledge management, including knowledge creation, has been mentioned in the scientific literature. There were much stated about culture, information technology and leadership as important considerations for its accomplishment. Skyrme and Amidon (1997) highlighted seven key success factors. These include a strong link to a business imperative, a compelling vision and architecture, knowledge leadership, a knowledge creating and sharing culture, continuous learning, a well-developed technology infrastructure and systematic organisational knowledge processes (Wong, 2005). Holsapple and Joshi (2000) proposed three major classes of influences (managerial, resource and environmental), with different factors in each. Managerial influences comprised four main factors, coordination, control, measurement and leadership; resource influences consisted of knowledge, human, material and financial resources; whereas environmental influences included factors such as competition, markets, time pressure, governmental and economic climates, etc. (Wong, 2005). Hasanali (2002) highlighted five categories of factors - leadership, culture, structure, roles and responsibilities, IT infrastructures and measurement. Wong (2005) proposed summarized key factors: management, leadership and support, culture, IT, strategy and purpose, measurement, organisational infrastructure, processes and activities, motivational aids, resources, training and education, HRM. Based on a structural approach and summarizing all analyzed determinants (Banks, 1999; Oltra, 2004; Walczak, 2005; Wong, 2005; Oliver, Kandadi, 2006; Hemlin, Allwood, Martin, 2006; Singh, 2008; Šajeva, 2009; Rickards, 2010) which influence creativity and knowledge implementation. Culture, HR, technologies and social structure can be defined as key factors.

So, this paper aims to identify and evaluate what are the key factors for individual and organizational creativity and knowledge creation in a creative organization.

2. Method

The qualitative research enabling to reveal the key factors for creativity implementation and knowledge creation was conducted in January of 2012. As a proper source of information for the research TV production organization was selected. 6 respondents, satisfying settled criteria, were tested. The characteristics of respondents are presented in Table 1 below.

Table 1. Characteristics of respondents

Code	Work position	Work experience	Group
1.	Project manager	20	Administrator
2.	Project manager	9	Administrator
3.	Journalist	17	Creator
4.	Post production director	10	Creator
5.	Director	30	Creator
6.	CEO	22	Administrator

The depth interview as a method of a qualitative research was selected due to organizational issues, uncertainty of the research object and respondents which subject is their responsibility.

Table 2. Characteristics of depth interview

Code	Interview date	Time	
		Explanatory time, min	Interview time, min
1.	2012 01 09	27	60
2.	2012 01 09	29	120
3.	2012 01 10	24	50
4.	2012 01 10	25	70
5.	2012 01 11	25	100
6.	2012 01 11	20	60

8 main open questions connected with theoretically grounded factors were proposed for the respondents. Decision to prepare so limited number of questions was based on willingness not to scare respondents and on demand to ask more specified questions.

Table 3. Structure of qualitative research

Research stage	Question type	Response category	Research object	Question no
0	Open	Multidimensional	Demographic characteristic of respondents	1, 2, 3
I	Open	Multidimensional	Approach to creativity and knowledge creation	4.1, 4.2., 4.3., 4.4.
II	Open	Multidimensional	Key factors for creativity implementation and knowledge creation	5.1., 5.2, 5.3., 5.4., 5.5., 5.6., 6.1., 6.2., 6.3., 7, 8

3. Results

Empirical research results show the distribution of factors in two employees‘ groups - administrators and creators. The results grouped by the criteria of different knowledge types – explicit and tacit, are presented below.

Table 4. The key factors for creativity implementation and explicit knowledge creation

Factor	Administrator	Creator
	Explicit knowledge	
Culture	Problem solving, decision making, loyalty, trust, independence, trainings, motivational system, empowerment, respect, recognition, participation	Informal relations, problem solving, decision making, loyalty, trust, independence, trainings, motivational system, empowerment, respect, recognition, participation, press
Leadership	Transactional	Transformational
Technology	Complex KMS, simple manufacturing	Simple KMS, complex manufacturing

Task	Routine, simple, clear	Routine, simple, complex, clear
Group	Small, big, homogeneous, approval, chemistry, composition of knowledge and skills	Small, homogeneous, heterogeneous, approval, conflicts, chemistry
Time	Limited, enough, one task at the same moment, special time for a task	
Communication	Open, formal	Open, informal
Formalization	High	Low
Control	Selective decentralization	Decentralization

It can be stated that different factors as key components for creativity and tacit knowledge creation were identified.

Table 5. The key factors for creativity implementation and tacit knowledge creation

Factor	**Administrator**	**Creator**
	Tacit knowledge	
Culture	Individual motivation, openess to changes, informal relations, problem solving, decision making, loyalty, trust, independence, empowerment, flexibility, honesty, respect, recognition, participation, experimentation, encouragement	Individual motivation, openess to changes, informal relations, problem solving, decision making, loyalty, trust, independence, respect, recognition, participation
Leadership	Transactional, transformational	Transformational
Technology	Complex KMS, simple production	Simple KMS, complex production
Task	New, complex, uncertain, indefinite	
Group	Small, big, homogeneous, approval, chemistry, composition of knowledge and skills	Small, homogeneous, heterogeneous, approval, conflicts, chemistry
Time	Limited, enough, one task at the same moment, special time for a task	
Communication	Open, formal	Open, informal
Formalization	High	Low
Control	Selective decentralization	Decentralization

4. Discussion

The identified key factors for individual and organizational creativity implementation allows for all traditional organizations to form and construct the proper conditions in order to be creative and innovative.

The qualitative research results show that open culture, team structure (harmony, group heterogeneity, group competence, size), tasks (new, complex, sophisticated) and leadership (transformational) are the main determinants for individual and organizational creativity and knowledge creation in a organization.

It is very important to evaluate the limitation of this work. The aim of the paper was to identify the key factors for creativity implementation and knowledge creation, thus configuration and interaction of these variables was not investigated. Qualitative research was conducted at one chosen creative organization, having more than 10 years of experience and creating large as well small projects, which last from shortest till longest period. Surveys in small organizations would provide deeper knowledge allowing to approve the reliability of such as social researches.

Directions for future researches could be defined towards identification how these key factors influence individual and organization creativity and knowledge creation, what are the instrument for ensuring sustainable creativity and knowledge creation. Another interesting aspect is how creativity and knowledge creation be supported in mature organizations.

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