

HUMAN CAPITAL CREATIVITY - SOURCE OF INNOVATION?

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Submitted: 6th November 2018

Approved: 3rd December 2018

Abstract

In the current economy the emphasis is put on promoting knowledge as one of the most important sources of competitive advantage. Due to the many changes that occur globally and at a very fast pace, companies feel obliged to ensure their existence by offering creative and innovative products and services. Supporting the development of employees' distinctive skills and encouraging creativity in the workplace can be a strategic choice to make the difference between success and failure in business. To find out what the nature of the relationship between innovation and creativity is, in the present paper was made a presentation of what the concepts of creativity and innovation are and then showed their evolution over time and their approach from the perspective of the current world.

Keywords: *creativity, innovation, human resources, competences*

JEL : *J24, O30*

1. INTRODUCTION

The present paper is based on a general research problem that can be formulated as a question: what is the relationship between creativity and innovation in business?

Creativity and innovation were originally studied separately, more specifically, creativity was the subject of study in psychology at individual and then at the group level, and innovation was studied at the organization level. The human capital of any organization can benefit from creativity and can exploit it to gain added value, the process of innovation and creativity being present throughout the world in each state, although they have different stages of development.

What is desired in this paper is to treat innovation in terms of its human aspects (individuals, culture, creativity) and not only from the perspective of technology. We must not forget that in the innovation process, the human resource is involved with its own intelligence and imagination. The most innovative companies are not limited to technical innovation, they focus on developing relationships between employees in a favorable cultural climate.

Creativity and innovation play an important role in achieving and preserving the competitive advantage, contributing to the survival of companies, enabling them to remain competitive in an era of globalization when the business environment is constantly changing and full of unexpected situations.

The complexity of creativity is fascinating and is studied from the everyday phenomenon, to an exceptional phenomenon, from an innate trait to one acquired through life and to artificial creativity. Psychology often refers to creativity as a specific element of art, but in economics it is often associated with innovation.

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2. CREATIVITY - A NECESSITY OF THE CURRENT WORLD

For a long time, it has been considered that creativity is an inherited ability that benefits only certain individuals, but later it has been shown that each of us is born with this feature only in varying proportions.

In psychology, the one who introduced the notion of creativity was G.W. Allport to refer to a personality formation. Due to the complexity of the creativity phenomenon, various authors (Roșca, 1981) consider that it is very difficult to establish a single universally valid definition of the term, because every author who investigates the theme of creativity emphasizes its different dimensions.

Amabile and her colleagues (1996) define creativity as „the production of novel and useful ideas in any domain” in relation with innovation which is „the successful implementation of creative ideas within an organization”.

After 3 years, Williams and Yang write that “the major focus in creativity research has been on the individual creator and his or her personality, traits, abilities, experiences, and thought processes” (Williams & Yang, 1999). In the same year with Williams and Yang`s paper, Sternberg and Lubart (1999) give us an explanation about creativity as „the ability to produce work that is both novel (i.e., original, unexpected) and appropriate (i.e., useful, adaptive concerning task constraints)”. Creativity is a result of the human mind and can become a source of added value in business, contributing to raising living standards because “in the knowledge and creative economy, regional advantage belongs to places that can quickly mobilize the talent, resources, and capabilities required to turn innovations into new business ideas and successful commercial products” (Florida, 2002).

Often, creativity has been linked to the human resource development, as Waight mentions: „Creativity and human resource development are linked through performance-related variables such as learning, motivation, goal setting, leadership, and job characteristics. These particular variables have been discussed in both human resource development and creativity literature” (Waight, 2005).

Analyzing the definitions of creativity, we can see that this concept involves new ideas, an original way of thinking, and George Kneller seems to surprise this term very well: "Creativity is to rearrange what we know in order to find out what we do not know" since 1965.

3. THE MEANING OF INNOVATION

Although the innovation term is used for a long time (the word coming from the Latin *innovatus*), it continues to gain increasing attention with the competitive development of economic entities. Revision of the existing literature shows that in 1939, J.A. Schumpeter observes, in a capitalist market, the results of business innovation like "the only function that is fundamental in history".

About half a century after the definition of Schumpeter, Galbraith claimed that innovation is “the process of applying a new idea to create a new process or product” (Galbraith, 1982), and three years later, in 1985 Peter Drucker mentioned that „innovation is the specific tool of entrepreneurs, the means by which they exploit change as an opportunity for a different business or a different service. It is capable of being presented as a discipline, capable of being learned, capable of being practiced. Entrepreneurs need to search purposefully for the sources of innovation, the changes and their symptoms that indicate opportunities for

successful innovation, and they need to know and apply the principles of successful innovation.” in his paper „Innovation and Entrepreneurship”.

Other authors who came up with their own vision of the innovation concept were Van de Ven and Angle who suggested that innovation is a process of developing and implementing a new idea : „innovation refers to the process of bringing any new problem-solving idea into use... it is the generation, acceptance, and implementation of new ideas, processes, products, or services” (Van de Ven & Angle, 1989).

Innovation is a „fundamentally social process built on collective knowledge and cooperative effort” (Sayer & Walker, 1992), and, according to Verryzer this process presents three forms:

- Incremental – existing technology extends step by step;
- Architectural - the existing technology is reinventing to be used for new purposes;
- Radical- a completely new approach.

The European Union places a special emphasis on increasing economic performance by encouraging creativity and innovation. Including one of the priorities of the Europe 2020 Strategy - A European Strategy for Smart, Green and Inclusive Growth (European Commission, 2010) aims at developing an economy based on research and innovation as the smart growth direction to which all the European Union states will have to go.

The Organisation for Economic Co-operation and Development (OECD) that aims on helping governments around the world to support new sources of growth through innovation defines innovation as „based on the analyses of the above factors, the section on innovation concludes by identifying the gaps in innovation in each of the economies taking into consideration the relevant local factors and conditions.”

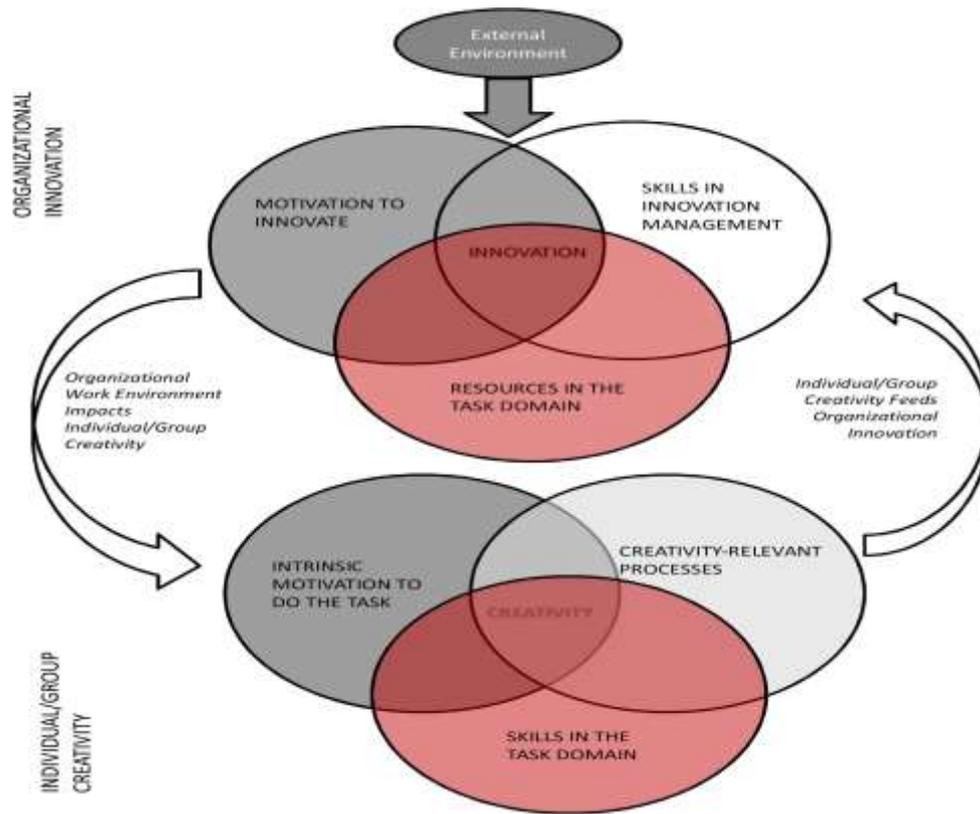
4. RELATIONSHIPS BETWEEN CREATIVITY AND INNOVATION

According to Regional Policy Commissioner Danuta Hübner, in Regions for Economic Change, 2009 „Creativity can be considered the source of the ultimate innovation - which transforms creative ideas into products and services. Thus, creativity is always involved when innovation leads to economic results”.

Although there is a wealth of creativity and innovation models in the literature, in this paper it is considered that the relationship between the two is competently presented in the model developed by Amabile and Pratt. According to this model in order to achieve innovation it is necessary to cumulate a number of three elements:

- Motivation to innovate;
- Resources in the task domain;
- Skills in innovation.

Motivation is a psychological factor that influences the individual's behavior and has a significant influence on it because it determines its behavior in various situations. Thus, motivation to innovate involves focusing on organizational goals and value placed on innovation. Even if we are motivated, enough resources are needed, as well as a set of skills in innovation management. The latter implies a series of challenges regarding the mechanisms of developing new ideas, the frequency of feedback, work assignments matched to skills and interests.



(Source: Amabile T.M., Pratt M.G., 2016)

Figure 1 – The relation between innovation and creativity

In terms of creativity, this implies synergy between:

- Intrinsic motivation to do the task;
- Skills in the task domain;
- Creativity-relevant process.

All this involves a whole set of knowledge, skills, intelligence and talent in the field in which an individual operates, all of which are focused on providing the most relevant solutions to existing problems. These features are accompanied by creative thinking, without which even the most significant expertise in the field will not lead to a creative activity. It is also desirable for the individual to be motivated inherently, to be excited about the activities that he / she carries out, the situations to be solved.

Although the model has undergone a series of changes over time, as a result of the involvement of those who have elaborated it, it highlights, in the case of creativity, the need for innate skills, learned skills, and attitude. In the category of expertise we find, opinions, principles and technical abilities. The creative process includes personality, cognitive style, working style and the use of heuristics for exploring new cognitive pathways” (Amabile, 1996).

Since Rosenfeld 1980 it was considered that creativity was sustained with the help of intrinsic motivation, and constrained by extensive motivation, subsequently, this idea being analyzed by Amabile in 1996 noted that extrinsic motivation can also have positive effects when it is harmoniously interconnected by intrinsic motivation.

Human creativity is considered a key element of society's progress, generating numerous competitions not only from individual to individual, but also between organizations. Contemporary organizations need creative people with vision in leadership positions. Having basic skills is no longer a sufficient condition in the

current economic scene, employees need to become proactive, bring added value to techniques and methods applied in the past, must develop strong social relationships, and creativity seems to be a basic competence in organizations.

Companies are learning to be innovative by putting creativity into practice and can thus generate competitive advantages. In this sense, the two concepts are interdependent. More than that, society has always relied on knowledge, but in recent years there has been a growing awareness of a creative and innovative society, which makes us reflect on the two terms: creativity and innovation. In these conditions creativity and innovation play „an essential role in the survival and continuity of an organization and its need to gain a competitive advantage.” (Petrișor, I., & Petrache, A.,2014).

5. CONCLUSIONS

Innovation is the result of human creativity, an idea to change into something better but at the same time it can also be the result of experiments or accidents.

Creativity, in a sociological approach, involves a relationship between the individual and society, Cropley stressing that in the social context there are manifestations of preservation, which mainly focus on resistance to change, as well as innovative forces that encourage creativity. At the same time, we can argue that resistance to change is not always a disadvantage, nor is innovation always beneficial. The power of creativity has always been conscious of mankind, irrespective of the culture in which it manifests itself, especially history, giving us many examples of encouraging or inhibiting creativity in various situations, often seen as a threat to stability. As Demyen and Bretcu said, the culture change is a rigorous process which implies a complex team with distinct degrees of creativity and distinctive skills to innovate.

The optimal use of creativity leads to progress in the sense that creativity generates ideas, and these ideas are implemented as new products, services or processes. These two stages from creativity to progress seem logical until we become aware of the complexity of creativity and innovation that often face tense situations and many challenges. Analyzing the previous definitions, we can conclude that creativity is one of the factors behind innovation, creative employees can influence the whole process of innovation, but innovation is not just based on employees' ideas but goes further than that. Instead, creativity is a condition for innovation, but it is not enough. Creativity is the ability of a person to provide an idea, and innovation is the process of transforming the idea into a product or service.

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