Creativity, social networking and changing business communication

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ABSTRACT: This paper reviews literature on creativity, innovations, and creative organizations. An analytical approach has been undertaken using various articles to identify the need of innovation and creativity in today's world and how the innovation of social networking is changing business activities. Creativity and innovation are crucial factors for the endurance and progression of organizations in today's world. From the macroeconomic perspective, innovation is also related with economic growth, development of living standards and a country's international competiveness. The need for innovation is assisted by Information technology in a range of ways and in this contemporary era it is hard to separate innovation and technology due to its incredible offerings in all kinds of industries and sectors. One such innovation was 'social networking and social media.' In this epoch of social media, businesses are obliged to be extra transparent and more personal. This does not eradicate the need of customary advertising, but social networks allow an innovative form of communication which altered the approach of doing businesses. Businesses must concentrate on developing real and direct connections with customers. Companies which lag behind to change to this new trend and culture will be in damaging situation, as competitors will progressively try to reap the benefits out of it. All in all businesses need to adapt with the growing importance and impact of social networking as a means of communication.

KEYWORDS: Creativity, social networking, business communication, information technology, innovation, creative organization.

1 INTRODUCTION

"Creativity" was defined in various ways in the fields of business, literature, arts, science and so on. It does not necessarily mean to create something totally new out of nothing. In fact, according to the findings of Hargadon [1], every creative act has one thing in common, i.e. 'doing new things with old things.' "Innovation," on the other hand, refers to the implementation of creativity or creative ideas [2].

The present world of globalization is characterized by rapid changes and increased complexity, uncertainty and competition. It is indispensable for organizations to adapt in their external environment and to remain competitive. Adaptability and competitiveness is intimately related with their creativity and capacity to innovate [3]

The purpose of this paper is to evaluate some modern innovations, with analysis of social networking that resulted in the transformation of business activities in the current atmosphere. The paper focuses mainly on the following areas:

- Literature review on Creativity and Innovation,
- Information Technology (IT) and its relation with innovation,
- Social Networking – an innovation changing the way business communicates.
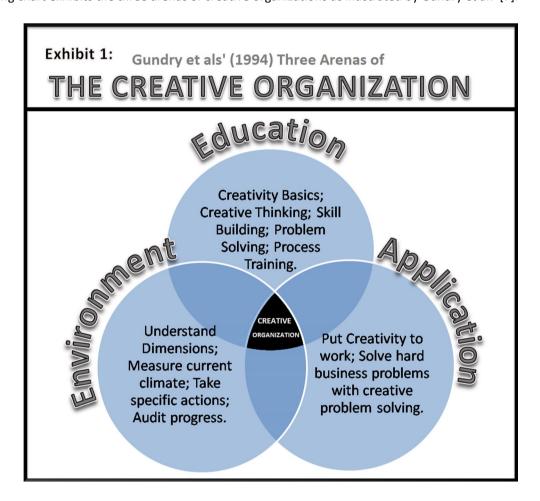- Finally, an overall conclusion is drawn in the final section.

2 LITERATURE REVIEW

2.1 THE CREATIVE ORGANIZATION

As mentioned earlier, "creativity has to do with the development, proposal, and implementation of new and better solutions; productivity, with the efficient application of current solutions [4]." From an organizational perspective, the term creativity can be interpreted in various ways. Experts often define it by linking it to variety of features or aspects such as skills, behaviors, technology, capabilities and so on [5].

However, creative organizations give high importance on knowledge and imagination. They tend to be committed to experimentation and innovation. The climate in such organizations is vibrant and conductive to learning. Entrepreneurship is demonstrated in leadership where managers' task is to promote changes and adaptation. Rewards to employees are based on their expertise and initiatives. Such organizations put strategic importance on fast growth and attainment of new resources. 3Mobile can be a good example reflecting the qualities of a creative organization [6].

The following chart exhibits the three arenas of creative organizations as illustrated by Gundry et al. [7]:

Exhibit 1: Gundry et als' (1994) Three Arenas of THE CREATIVE ORGANIZATION

A company that dedicates considerable resources to train its workforce in creativity and to encourage creative behaviors, innovation may not take place unless the environment of the organization facilitates the implementation of new ideas by employees.

Exhibit 1 portrays the relationships between:

- Education in creative thinking techniques and creative problem solving processes– Education refers to driving employees, by providing them with the skills and techniques, to generate new, valuable and surprising ideas. However only educating employees about techniques is not adequate, the knowhow of implementing the techniques is also important and this can be achieved by means of practices.

- The application of these techniques and processes– Application implies the use of principles and systems of creative thinking to tackle typical business problems and to generate their outcomes. Usually application of creative thinking is team work having the common goal of generating fresh, useful ideas. Creative problem solving helps the group to remain focused and generate precise recommendations for accomplishment of tasks.

- An organization's internal environment– On the other hand, internal environment of the organization refers to the "the organization's position with regard to ten environmental dimensions," – challenge, freedom, dynamism, trust and openness, idea time, playfulness and humor, conflicts, idea support, debates and risk-taking. (These dimensions are elaborated in appendix 1.1) Creative organizations should first evaluate its environment in relation to the dimensions mentioned and hence take the necessary actions to improve and change the environment [8].

2.2 THE IMPORTANCE OF CREATIVITY IN TODAY'S WORLD

In the modern world of globalization, firms are required to be more efficient and effective strategically. As Nonaka puts it, "in an economy where the only certainty is uncertainty, the one sure source of lasting competitive advantage is knowledge [9]." Thus companies need new set of proficiency and behaviors from their employees. Employees are expected to possess advanced technical skills and the ability to apply those skills in cases of cooperation, communication and innovation. They demand that employees should have the capability to breed new ideas to respond to volatile external forces effectively. The employees need to formulate new ways to produce goods, services and information for a company to be on the technological leading-edge. Thus, the creative process play a vital role as it is encompasses the competencies and behaviors which are crucial for organizational effectiveness, efficiency and competitiveness [10].

It has become a regular thing to argue that in the modern 'knowledge-based economy,' where the pace of change in accelerating and where the level of complexity and uncertainty is increasing, the competitiveness and capacity of businesses to adjust with the external environment is closely correlated to their ability to innovate and constantly improve and enhance their foundation of knowledge, products and processes. "As it is now widely appreciated, in turbulent market economies, innovation is the elixir of life for firms, regardless of their size or other attributes. Growth, success and survival, all depend on the ability of firms' to innovate on a continual basis [11]." Apart from the organizational perspective, past study shows that when it comes to economy as a whole, innovation is also linked with economic growth, improvement in living standards and a country's competiveness in the international market place [12].

2.2.1 THE ROLE OF INFORMATION TECHNOLOGY (IT) IN CREATIVITY AND INNOVATION

One of the definitions of information technology (IT) is that it is a system composed of hardware, software, telecommunication network, work stations, robots, smart chips and many other elements. IT undoubtedly plays a vital role when it comes to its influence on organizational structure, cooperation, cost reduction and organizational integration processes. MIT Sloan School of Management conducted extensive study on IT with its relation to management. The findings of the study as mentioned by Johannessen [13] are as follows:

1) *IT facilitates fundamental changes in the way work is done.*

2) *IT facilitates integration pertaining to the functions of activities at all levels and in organizational interaction.*

3) *IT precipitates changes in the competitive climate in many industries.*

4) *IT produces new strategic opportunities for organizations.*

5) *Successful application of IT will demand changes in management philosophy and organizational structure.*

6) *An important challenge for management philosophy of the 1990s will be how to carry organizations through the transformation necessary to have progress in the globally competitive environment.*

All these infer that IT has noteworthy contributions to innovations. Managers need to sell their creative ideas throughout the organization. A study by Rothwell points that failed innovations could be linked with poor internal and external communication [14]. Thus inter-department communication is essential for the implementation of creativity otherwise, as mentioned earlier, creative ideas which are not implemented cannot be regarded as innovations. This is done with the use of workstations associated with internal networks.

Successful innovations are also related "with an open management style [15]," which can be toughened through communication-related IT. Vital innovations are implemented in the most effectual way with the help of goal-oriented,

cooperative learning processes [16]. In the early stage of innovation process proper planning and control are necessary as more costly development goes on. IT facilitates learning about complex group relations and interactions.

Most successful innovations initiates with appreciation of demands in the market. Unstable environment increases the prospects for innovation but the organization must remain up-dated and knowledgeable about alterations in the environment. Linkage with the environment through the introduction of external information systems, for instance, can lessen the uncertainty for the business.

Development of new goods and services is assisted by the use of IT. Take the "smart phones" as examples, which have built-in computers providing them with new qualities. In today's world, the life of goods and services of many products are short. Developing products, changeable with the use of parts replacement, or electronic chip replacement, will raise the level of innovation possibility. Thus to conclude it could be said that "Information technology can be a tool in encouraging innovation [17]."

2.3   SOCIAL NETWORKING: AN INNOVATION IN COMMUNICATION

Probably one of the most decorated innovation or creative idea of the century is the development of social networks. A social network is a social structure made of persons, businesses or organizations denoted as "nodes," interconnected by various factors such as friendship, kinship, common interest, financial exchange, dislike, sexual relationships, or relationships of beliefs, knowledge or prestige. In such network, participation of users is the main ingredients of value creation. The architecture of such systems is neatly explained by Tim O'Reilly who advanced a community and media phenomenon under the flag of Web 2.0. By now we know that the dominators in social web are Wikipedia, MySpace, YouTube, Flickr, Del.icio.us, Facebook, and Technorati.

"Collective intelligence" is often associated with the social web. This denotes the value formed by the joint contributions of all these people writing articles for Wikipedia, sharing tagged photos on Flickr, sharing bookmarks on Del.icio.us, or streaming their personal blogs. Thus the potential of knowledge sharing has never been to this extreme before where so many creative and knowledgeable minds are linked through efficient and universal network. Thus it has become possible for new companies with limited budgets to disseminate innovative new services to millions of people online. All these resulted in the expansion of information and diversity of perspective, and a culture of group contribution that maintains a spring of publicly available content. Past research shows that social networks play a vital role in determining the way problems are solved, organizations are run, and the degree to which individuals succeed in achieving their goals [18].

2.3.1   SOCIAL MEDIA REVOLUTIONIZING BUSINESSES

Social media is serving to form a new era in business transparency and engagement, generating new challenge as well as opportunities. In today' world, the effectiveness of relying solely on carefully crafted press releases or flashy ad campaigns to promote the product is at stake. In the age of social media, the rules have transformed drastically where people demand a transparent and direct linkage with the companies they are involved with. This phenomenon is forcing companies to use social media to link with the interconnected world of people. Those who are reluctant may not lag behind in the world of competition. Some of the major shifts that social media is bringing about in business are discussed below as explained by Gordhamer [19].

A.   *Making connections instead of trying to sell*

Currently many top rated companies are using various means, including sites like "Facebook" and "Twitter" to socially communicate and get involved with people. This is because they understood that in this era the aim of customer relationship should be directed towards connecting and interacting with customers instead of trying to sell. They tend to convey more about the people and personality of the companies rather than conveying about their products. The consequence is that people gain confidence to do business with such companies.

Jeff Swartz, the President and CEO of the Timberland Company, understood this fact very well and so he regularly "tweets" about his life and the social issues he is obsessive about rather than tweeting about the shoes of his company. Additionally he uses his twitter account to convey the message about Timberland's Earthkeeper project about environmental awareness. The idea behind is to make a connection with people by something that goes beyond the products that Timberland sells.

B. *Small acts matter*

Most of the participants in the online world have their own broadcasting networks by the use of sites like Facebook and Twitter. Businesses began to understand the fact that rather than spending huge amount of money on traditional advertisements, 'small acts can be more valuable because people will inevitably share such experiences through the social web.' Unlike the past, a person's experience with a company, both good and bad, are shared with the friends and relatives in a matter of few minutes. Thus even smaller issues become very vital since every customer experience can now be easily transmitted in the virtual society.

According to Loic Le Meur, CEO of startup software company Seesmic, the most crucial jobs of a CEO today is to know the comments of people across social media channels regarding the company's products and hence directly respond to those customer concerns. The same rule applies for bigger companies (Southwest Airlines and Comcast for examples) due to the fact that bad experiences are transmitted just as fast as the good ones are. Therefore it is worth for a company to develop one-on-one customer relationships via the social media.

C. *'Natural Image' not a 'controlled' one*

The most popular companies in this age of social media are those which 'give their employees freedom to be themselves in online spaces.' This does not mean that those companies do not have employee policies. However the aim should not be to develop a very unnatural and shiny image of the company. Companies should provide the means necessary for its employees to be human beings that would give a friendly appearance of the corporation. A very good example can be Ann Curry, a NBC newscaster. It is evident on Twitter that addresses issues like women's rights, justice in society, and quotes of famous poets. This gives a sense of feelings to the masses that they are communicated by a person and not by a company and thus when she talks about her television shows people are likely to pay more attention to the message.

Another excellent example is Adobe Inc. The company propagates and facilitates the means for its employees to blog. In addition to that, Adobe does not put many restrictions regarding the contents of its employees' blogs. The blog of John Nack, the Principal Product Manager for Photoshop at Adobe, is primarily focused on graphic design and photo manipulation and the posts are not restricted only to Adobe products. All these would fortify the companies' images in the long run.

D. *Be available everywhere*

Businesses are expected to have more an email address and customer service number for the customers to interact with them. Today's norm is to interact and engage with businesses via the means of communication preferred by people. It can be through Twitter, Facebook, discussion forums, feedback site, and etc. Dell, the computer giant, understood the fact that it is wiser to allow customers to communicate through their chosen means rather than expecting customers to communicate through the company's chosen means. Thus they introduced multiple channels of support for communicating with customers and other parties concerned. One can reach Dell through Facebook, Flicker, Youtube, Twitter, forums, blogs let alone the traditional means of communication. The idea behind is to make it convenient for people to communicate through their most preferred channel.

3 CONCLUSION

To conclude it can be said that creativity and innovation are essential ingredients for the survival and advancement of organizations in today's world. Apart from the organizational perspective, past study shows that when it comes to economy as a whole, innovation is also linked with economic growth, improvement in living standards and a country's competiveness in the international market place [20]. The need for innovation is supported by Information technology in various ways and in the modern world it is hard to separate innovation and technology as it has tremendous contributions in all kinds of industries and sectors. One such innovation was Social networking and Social Media. In this age of social media, firms are required to be more and more transparent and personal. This does not necessarily eradicate the necessity of traditional advertising and press releases, but social networks allow an innovative type of communication to take place which changed and is changing the nature of doing businesses. However, businesses, rather than focusing on the number of followers, should focus on developing genuine and direct connections with their customers. Businesses which prefer not to adjust to this new trend and culture will be in disadvantageous situation, as competitors will gradually develop personal relationships with the customers, eventually causing the business to lose market share. It is evident that in this age of open communication, engaged dialogue, and transparency, business success may now have less to do with the size of ad budgets, and more with the quality of interactions with customers.

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