

## Chapter 12

# Organizational Intelligence: A Conceptual Proposal for Value Creation to Economic Organizations

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### ABSTRACT

*In the present context, the term intelligence has marked the economic and social fields. The increase in computational power of the technologies, associated with the activities of the people and organizations, economic know-how development needs of the market, the imperative of participation in economic dynamics established, among other things, is critical to the survival and for the sustainability of organizations. This is the dimension of competitive intelligence. But the term intelligence is not limited only to the external side of organizations, where this concept has gained broad meaning. This should also encompass the internal domain of organizations, organizational intelligence, and in this sense, refers to the centrality of functioning, flexibility of the articulation of resources, the indispensability of the systems architecture, and to the management insight. The ability to see important issues in the chain of value is crucial to identify the most important factors for success, to anticipate the competition, and to have pro-active management instead of reacting to market pressures.*

### INTRODUCTION

There are several concepts in the field of management (strategy, competitive advantage, product development, innovation, etc.) that, over time, have demonstrated the centrality of understanding the environment in the development of economic organizations (Liebowitz, 2006). Organizational competitiveness depends on the organizational adaptability to the environment, assuming it as a critical success factor in the sustainability of economic activities. Being sustainable and competing in a market strongly marked by information, technology presupposes owning or developing the ‘orchestrate all the leads’ capability

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that the market offers (Berry, Carbone & Haeckel, 2002). Understanding this capability, presupposes that organizations develop capacities to identify and understand the challenges of the market and, simultaneously, appropriately value their capabilities or those that they can develop through partners. If we fit both identified capacities (understanding the environment and organizational knowledge) into a time frame (in a logic of economic functioning strongly conditioned by time-to-market), we understand the importance of the concept of intelligence in the field of management and economic organizations.

At the center of both concepts, we find information and knowledge. Both concepts form the basis of intelligence and, in economic terms, constitute the main merchantable economic resources and the basis of management. It is in the value of information and knowledge that lies the sustainability and competitiveness of organizations (Anunciação, 2014; Anunciação, Esteves & Rocha, 2013). It is on this basis that strategic development must be directed to and influence the market. Thus, the centrality of information systems in the field of intelligence is evident. The functions of collecting, analyzing and making available information depend on the IS and, consequently, on them, the best decisions and the best levels of management effectiveness (Guarda, Santos, Pinto, Augusto & Silva, 2013).

The concept of intelligence comes from the Latin “*intelligentia*”, which, in turn, derives from “*inteligere*”. This word includes two expressions: “*intus*” (“between”) and “*legere*” (“choose”). Therefore, we can consider that, due to the etymological origin of the concept of intelligence, the central reference of the concept is associated with the capacity of choice, that is, intelligence must allow to select/choose the best options when solving a given problem. In this sense, we can affirm that the capacity of choice or decision is conditioned by the defined objectives, the economic context, the available resources and the timings of the decision, because all of them can condition.

The use of the concept of intelligence to the organizational domain should be considered in the scope of this work from the perspective of the analogy. The assumption of intelligence is traditionally associated with human beings. Thus, its association with economic organizations, the subject of research in this work, must be framed through the analogy. On the human side, this concept has been widely discussed and applied. Through the analogy, it will try to emphasize the importance and the potential of this concept in the organizational management, trying to highlight the potential of this proposal for the framework of the complexity of the management and market contingency. In this sense, it will be sought to present or produce knowledge through the design and presentation of a model that allows finding solutions that can be applied by the managers of the organizations and the professionals of the information systems (Costa, 2006). We believe that, through the interconnection of the various dimensions of organizational functioning and the integration of the various subsystems, is possible to adapt, organize and effectively manage the various elements in a context of relational interaction, and to ensure a harmonious and coherent functioning of the economic activities developed, according to the defined objectives and economic requirements of the market.

Only by considering information and knowledge as main differentiating factors in the support of strategies and responses to the market, on the one hand, and basic elements of the internal knowledge of the organizations, on the other hand, it will be possible to think about the dimension of intelligence at the organizational level (Anunciação & Esteves, 2012).

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