



Issues of Human
Development
Towards A
Prosperous Life

PART IV

Information
Technology And
Communication

CHAPTER 8

INNOVATION, KNOWLEDGE AND TECHNOLOGY MANAGEMENT FOR ORGANIZATIONAL AND SOCIAL DEVELOPMENT

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IV

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Introduction

Innovation, in any of the aspects that covers, appears as the essential tool with which organizations and nations gain competitive edge. Given the changing social and economic tendencies, innovating is a critical point, because it allows enhancing the development and sustainability potentials within more and more turbulent environments.

This perspective has been the reason for many investigations during the last decades in an attempt to explain which are the factors that motivate or inhibit it, how it evolves within the organization, its effects and results. The main areas of interest are: knowledge creation through public or industrial research, the design and development of the product, process or service, and its success in the market, in order to achieve socio-economic sustainable development, and analyzing under a dynamic approach, the relationships between the main actors involved in the process, including the academia, the business sector and the political bodies (Sabato, 2004).

In the following work different approaches proposed over the years in the related literature will be dealt with. In the first part some ideas about innovation are discussed to continue later on with the theoretical evolution that took place in the proposed models to explain it. Then, the determinants of key interest in the research

works involved in such concepts are exposed. The last sections show, among many aspects that could be analyzed, those considered as more important and influential in the innovative capability as a competitive advantage. In those aspects, are posed attitudes or actions, favourable and detrimental, to the innovation process. Finally, the importance of organizational learning is stated as a key promoting and supportive tool to competitiveness in innovation.

Ideas

Innovation can be identified as the main economic growth and wealth factor (EU, 1995; OECD, 1997). The innovative performance is a strategic activity by which the organizations acquire or lose competitive edge (Von Hippel, 1988; Jelinek and Schoonhoven, 1990).

The term innovation has been used in literature to describe the process that uses knowledge and technologies to develop new products as well as products themselves as a “new way of doing things that is commercialized” (Porter, 1990). Freeman and Soete (1997) propose innovation as the creation or modification of products, processes or services through the application of new or existing scientific or technological knowledge, which provide a degree of newness and succeed in the market or in society. In this sense, Nelson and Rosenberg (1993) state that an invention is often commercialized with success by a different company from the forerunner and it can even happen after a long time it has been initially commercialized. Therefore, a successful advertising of the product or process is required so as to characterize it as an innovation.

Edquist (1997) quotes Schumpeter's definition of innovation as one of the broadest definitions in literature: “the creation of a new production function”. This includes the basic product, the organization's structure, the opening to markets and so on. Bearing in mind that production, in the economic sense, is nothing but the combination of productive services, we can express the same by saying that innovation combines factors in a new way or that it consists of the making original combinations.