

Valentina Ofelia ROBESCU,
Sorin PAUN,
Iulian UDROIU,
Valahia University of Targovi te

THEORETICAL APPROACH ON THE ROLE OF INNOVATION IN DEVELOPMENT AND INCREASING COMPETITIVENESS OF ENTERPRISES

Theoretical
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Abstract

The intensity of the process of globalization and the new technological advances have resulted in changes in vision and behavior, so that the competitiveness and survival of European companies is linked increasingly more to IT processes efficiency and knowledge. In general, we consider innovation as a boosting factor of progress even in the period of economic and political crisis in which we find ourselves. The need for this research is the interest of companies from Romania towards innovation. In many industrial enterprises, or in the intermediate category of advice, and even among those in public services it has become necessary because of the innovation manager.. In this paper we dealt with the theoretical notion of innovation and impact on the development of enterprises.

Introduction

The lack of innovation affects the ability of companies to survive and grow in the current process of liberalization and opening to international markets. The ability of an enterprise to create innovation will be enhanced through the introduction to information technology in supporting fair competitiveness, through the training of qualified personnel and by adopting a culture of innovation inside it. In the last years, structural changes in the economic environment have intensified. Global competition was emphasized, witnessing the transfer of jobs from the North to the South America, and Western Europe in the former socialist countries. In Asia and in African transition countries and the Arab world, new markets appear. Corporations and organizations from the industrialized world will be able to win this race only insofar as they will know how to improve their ability to innovate. Unlike the other management models of the world, euro-management as the management of diversity is characterized by an emphasis on the informal nature of the items, on the establishment of informal employment relationships (Petrescu et al., 2010, p. 50), SMEs by their nature adapt the most easily to change and as such may adopt such management for tracking progress.

Recent research in strategic management, consider the company as a set of tangible and intangible resources or as a portfolio of distinctive new skills which contribute in an essential way to the achievement of strategic objectives. These approaches suggest that the company's performance depends on the development of resources and skills available, what are the sources of firm's competitiveness. Building and maintaining sustainable competitive advantages represent an essential condition for obtaining, superior long term performance. (Duic , 2005, pp. 261-268).

The last decades have marked an important progress in the field of scientific, technological, social innovation; such progress exerting a major influence on changes in society, for example, fixed telephony, in developed countries entered the phase of decline, while mobile telephony is booming. At the same time the trend of the telecommunications in broadband is increasingly prevalent , which offers higher transfer speeds and allows the introduction of new services and applications. Innovation is no longer seen as a result of individual actions but rather as:

- a process (which identifies certain solutions to problems);
- a process that usually takes place in innovative enterprises, the role of authorities or UCD sites (research-development units) is secondary;

- an interactive process involving relations between enterprises, relationships both formal and informal;

- a diversified and interactive process of learning;

- a process involving the exchange of tacit and codified knowledge.

From the macroeconomic point of view, there is no doubt that the innovations have a positive impact on the development of the Organization and its employees. Innovations are the key success factors of a business and are the most important factor in raising the profitability of the undertaking (Christensen and Raynor, 2003, pp. 109-110). The technologies, processes and new products are essential for the survival of enterprises.

Innovation is a real solution for the development of SMEs. They can provide solutions, but this does not resolve on its own, it takes a deep field of scientific research, finding realistic criteria for the identification of problems, their assessment and on this basis, the development and implementation of new management systems that provide real solutions and contribute to the development of SMEs.

From the microeconomic point of view, innovation is used effectively by some companies; it's been seen as a vector of competitiveness. At the same time innovation means, for other organizations, a stress, a road that must be followed in order to adapt to changes in the environment of society: here, we talk about technological obsolescence, the widening of competition-induced phenomenon of globalization, the increasing of demand and diversification of consumers, etc.

Research methodology

At the beginning of the scientific approach we conducted a thorough documentation of the activity for the specific activities of the innovation management, invention and the link between these and the competitiveness of the enterprise. Starting from the work of documentation we have set up a database with a sufficient amount of information that has allowed us to emphasize and understand the phenomena and processes addressed in a private manner, concrete and keeping the logic of the ideas enunciated. We could also observe the existence of difficulties in analyzing the level of retransferred knowledge domain; these difficulties are related to the more pragmatic side than the theoretical one.

Results of the research

Although in the literature there are many papers that address the management of enterprises from the perspective of their impact on the economy and employment, there are very few that

tackle these entities from the perspective of innovation, and the ones that do that focus more on the field of activity of enterprises in the hi-tech area. After studying the literature we noticed that the implementation of an innovation management is a long-term endeavor that requires a large effort and converging at the level of the management of the enterprise and, more so, at the level of SMEs, organized effort with the help of specialists and based on a strategy of modernization and remodeling of the enterprise.

Gaffard (1990, pp. 20-80), for example, highlights the nature of contingency of the various technical options: „Technical Change is still located. Cumulative and specialist nature of technology is explained due to the fact that companies do not know and do not explore, at any given time, only a part of the whole body for technical options represented by traditional production function. The discovery of other technical possibilities available at any given time, involves an expensive research, both in terms of time and of resource”.

Pavitt's study (1984, cited in Gaffard, 1990, pp. 20-80) made in England over 4,000 technological innovations, had identified five forms of learning: through practice, through use, through study, through failure and through competitors. Pavitt also identified major sectorial regulations in sources and directions of technical progress, which seem to be dependent on the principal activity of the company, which will require innovation. Pavitt distinguishes three determinants of sectorial technological trajectories:

- sources of technology;
- customer requirements;
- how to interpret the results of technical and non-technical innovation.

Other authors have seen innovation not as an entrepreneur, but as a wider system, consisting of several companies associated with independent research centers, thus giving the concept of technology network (Latour, 1989, pp. 34-48; Callon, 1989, pp. 20-34).

All authors should recognize the importance of understanding the innovation of organization within the economic system. It is present in the Organization (the organization creates innovation and thus can transform the market) or outside (the company must adapt to new developments and pursue market developments). In fact, even the firm theory in the debate here, as a result of the representation of the "contractor/entrepreneur" by Schumpeter as the most important social actor in economic development. In the standard theory of the firm, the entrepreneur is a master of productive resources. He makes choices in terms of technology that will be implemented. This does not occur in the case of evolutionists, who see the process of changing technology as a result of the

successive elections of innovators, constrained to some extent by their past.

Business strategies, define a trajectory, taking into account their potential, and at the end of this road map, technology is built. In what concerns the "evolutionists", the mystery of technologies birth remains unknown and how these technologies are coming over and then "die", represent elements that are in the competence of the economic analysis. Evolutionists avoid explaining more technological changes, they are thankful to simply describe how to implement them.

Evolutionists are located, in regard to their point of view, at the macro level or meso-economic, and not at the microeconomic level, and as Jullien says „they avoid explanations” of the technological mutations, leaving it to the discretion of the "micro-managers" to do so.

We will retain, as a contribution to the approach in innovation management and in the industrial economy of evolutionary economists' works, the following two points:

- the gradual transition from a passive role of the entrepreneur to an active one to the entrepreneur, on the genesis of a new technology;
- the fact that an organization operates through two complementary mechanisms: adaptation of the corresponding adjustments made by managers to better fit with the requirements of environment and selection which presupposes that the environment selects organizations that are the best.

This emphasis on skills leads to the creation of dialectical conceptions of the relationship between actual supply and demand in the market. Thus, Akriche et al., (1988, pp. 4-17, pp. 14-29) believe that „innovation is the art of attracting a growing number of Nations to make the Organization stronger. Any innovation requires an enabling environment for development”, while Foray (2002, pp. 241-274) lays down limits for rationalization based on usage: „We do not choose a particular technology because it is a much more efficient technology, but a technology becomes more efficient because it is chosen”.

Lazaric (1995, pp. 12-65) has studied the effects of specialization in terms of adaptability of the company: the development of the experience can lead to irreversible significant and abusive specializations. The trap occurs when a procedure referred to as „bottom” is preserved and a „superior” procedure is rejected.

Some innovations favor the autonomy following the already existing activities, others allow a crafted one to reach industry-wide, and others may result in collateral effects, to transform an entire industry in one completely overcome.

While yesterday, a system based on energy production, line dominates, it now implements a system dominated by computer science, with a more flexible organization of production, thus increasing its versatility (Foray, 2002, pp. 241-247).

An organization's ability to adapt to environmental change, to mutate, depends, greatly on the way in which the organization chooses its employees, prepares, and directs judiciously, taking account of their aspirations and potential. Career management or development of the human potential of an organization aims to achieve the best balance between the needs of the staff, expectations on the work itself, its potential and its aspirations. The development of a programme of human resource development should be considered an investment in the company, whose future results can be measured in terms of labor productivity growth, improving the social climate, increase stability, increase staff efficiency and enterprise development (Muscalu and Todericiu, 2007, pp. 1249-1251), all these elements create an organizational space conducive to innovation.

Conclusions

Innovation is not a „naked” term, devoid of content but on the contrary, a major component of that company management, with its technological products and processes in the field of competitiveness on the market and keeps it there in a sustainable way. Thus, innovation is not an end in itself but a prerequisite of positive economic, social and political. Note that there is also a negative innovation, which may lead to economic and social destruction of the area or for the entire planet.

There are not in Romania sub-paternal organizations, or to monitor accomplishments, innovation, research, development and, as a result, we know the national dimensions, the contribution of these processes to the economic development of the State and the standard of living.

Research, development and innovation are in need of financial resources.

At EU level, The INNOVATION- rapport – 2011 show that research-development-innovation receive an annual incentive quota of 3% of the G.D.I. considered very small and close to critical limit, while Japan and South Korea invest twice more in research-development-innovation (5%), the United States 2.77 % and 2.82 %, Germany with the intention of reaching the 3%.

Innovation is a factor of progress that leads to increased productivity and middle economic profit of the country. The problem we found is that innovation is not seen yet in Romania, at the level of decision-makers, as a vital component of the production process and is not supported as such, but in a declarative manner, although SMEs

consider innovation an important lever to their competitiveness.

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