

Chapter 23

Innovation Competencies to Potentiate Global Trade

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ABSTRACT

In this chapter, the authors will analyze the concept of competencies and their importance as a driver for global trade growth. The relevance of this research is based on the approach to theories of organizational innovation articulating them with the theories of competencies development. To formulate the research problem, two analytical dimensions were considered: innovation and competencies anchored to the following research question, What are the innovation competencies that can boost global trade? Based on the literature review of recent research (2013-2017), the authors investigated and identified the competencies needed to develop a culture of innovation in organizations. The main goal of this study is centered on the research of more relevant competencies which can contribute to organization innovation processes and develop global trade.

INTRODUCTION

Innovation can be currently regarded as part of a strategy to boost the economy and the development of innovation competencies are crucial to achieving that goal.

The main objective of this research was to build a model of skills development for organisations, identifying the most relevant competencies that enhance organisational innovation.

The identification and development of innovations competencies are a challenging task, either internally within organisations, either externally, by the creation of public policies in a complex economic environment. In the context of this chapter, the focus will be in the identification of sets of competencies by organisational areas.

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The chapter briefly explores the concept of competencies, followed by the presentation of the methodology that was used as the basis for the competencies identification. The chapter concludes with the research findings.

LITERATURE REVIEW

Concept of Innovation

The concept of innovation can be translated as “the successful production, assimilation and exploitation of novelty,” according to the Green Paper on Innovation from the European Commission (1996).

The concept is structured around three pillars: the renovation and enlargement of the range of products and services and the associated markets; the creation of new methods of production, supply and distribution; and the introduction of changes in management, work organisation and skills of the workforce. The object of this research fits the last vector - organisational innovation.

According to Kovacs (1989), organisational innovation means applying new principles to the production of goods and services, new structures and processes, new kind of relationship between people and role models (values, attitudes and mind-sets).

According to the same author, the innovation is supported on tacit knowledge (rooted in people experiences and insights) whose costs and benefits are harder to quantify and observe than explicit knowledge (enclosed in documents, reports, memos and databases).

Although systems theory, other approaches, such as complexity theory Stacy (2001) have contributed to open new dimensions for organisational innovation.

The concept of the innovation itself can be viewed from different perspectives, making difficult an existence of a single definition, however, there is a consensus on the fact that innovation refers to something new.

Another main idea is that innovation should be something useful (Gronhaug & Kaufmann, 1988), (Padmore, Schuetze, & Gibson, 1998), Cooper (1998). This assumption differs innovations of inventions that may not have practical application.

With regard to organisational innovation, Gjerding (1996) states that the main objectives of its implementation in companies are increasing effectiveness and efficiency of work, increased cooperation and coordination within the company, the company’s ability to adapt to change, the ability to develop new products and services, and the ability to generate, transferring and appropriating knowledge and develop their organisational skills.

On the other hand, there are some factors (Tidd, Bessant, & Pavitt, 2005) which can be more favourable and open to the innovations - training and development of employees, the organisation of work, the involvement of people in the innovation process and how the company learns and shares knowledge.

The knowledge plays a major role in the organisation’s development and has been studied by several authors. Polanyi (1998) states that “knowledge is the ability to act” and (Nonaka & Takeuchi, 1997) explain that knowledge is created by the flow of information associated with the beliefs and commitments of its holder.

In most companies, the process of knowledge creation is accidental and unpredictable. While there may be cases of companies that have implemented management systems knowledge, which facilitates the

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