


Chapter 1

Innovation Trends in Human Management for Competitiveness in SMEs

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ABSTRACT

Innovation trends in human management are key factors that have a major influence in a company's competitiveness and its business sustainability. Therefore, an innovation process grants substantial and/or incremental improvements in all business processes, thus achieving organizational value that in turn promotes a definition of the organizational strategy and its actions. This definition leads an organization towards developing specific competencies and strengths that are paramount in obtaining concrete results, whilst competing within an ever-changing and turbulent economic environment. Thence, current and future trials and tribulations in sustainable innovation must be directed to all types of business models: commercial, managerial, financial, environmental, and social. It is very important to emphasize that the above must include staying ahead of trends in human resource management, aimed at simplifying processes, management guidance in information flow within the workplace, and building an organizational culture founded in innovation.

DOI: 10.4018/978-1-5225-9425-3.ch001

INTRODUCTION

The purpose of this chapter is not to describe in an exhaustive way the tools or methodologies on human management. Only describe the challenges and the main trends of the managers of SMEs regarding the management of the people in charge, which are the center of the competitiveness of organizations.

In this chapter, the authors will venture to analyze the major factors that can contribute or hamper a company's competitiveness, factors that include innovation, an element that has tremendous influence in competitiveness and organizational sustainability.

Furthermore, this chapter explains how innovation transforms itself into a generator of both substantial and gradational improvements within all business processes and in some of them, defining the strategies and organizational actions that lead to concrete results, thus allowing a company to enhance its competitiveness in turbulent times.

Current and future challenges within the realm of sustainable innovation are examined, explaining why corporate sustainability appeals to all types of business models, whether it is commercial, managerial, financial, environmental and/or social, they are all linked and susceptible to the concept of corporate sustainability, a concept that not only creates and maintains an organization's financial value, but it allows an organization to truly understand how its actions affect the environment, and how to best address those effects.

Trends in innovation regarding human management will be revised. These trends are intended to simplify tasks and undertakings, enabling information to flow unhampered and the construction of a healthy organizational culture, founded on collaboration, empowerment and of course, innovation! This is the era of business transparency, of workforce mobility, of culture, of knowledge and skills gaps, of commitment, companies must thrive to build a robust organizational culture, if they want to prevent a human capital flight crisis.

And speaking of eras, we are living in the Information or Knowledge Age. This translates into disruptive changes in the ways in which businesses are created, developed and kept up and running. A new paradigm is at hand, one that craves for the creation of new leadership model.

The clock is running, this model must be built ASAP, or the loss of qualified employees will be unavoidable.

INNOVATION: A FOUNDATION FOR COMPETITIVENESS

Utilizing innovation as the key building block for an organization's competitiveness, transforms it as an improvement generator, either extensive or gradational, for all business operations, or at the very least, for some of them. Likewise, the fact that we are living in the Information Age has substantially increased not only the need, but the opportunities for companies to undertake successful innovation processes. That's why more and more companies are willing to include creativity techniques when it comes to process, product and service creation, techniques that take full advantage of possible synergies, skills and proficiencies amongst creative teams.

Being innovation oriented allows organizational competencies to blossom therefore enabling a company to properly assess the external environment, thus timely reacting to its dynamism. According to Siguaw, Simpson and Enz (2006), different academic works have defined 'innovation' as a combination of notions, conceptualizations and meanings, all of which are properly aligned to the development of

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