# THE IMPORTANCE OF THE INNOVATION AND THE INTELLECTUAL CAPITAL FOR THE PRODUCTIVITY OF THE ORGANIZATION

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**Resume:** The article presents the relevance of the intellectual capital for the productivity of the modern companies, evincing the importance of innovation in this scenario. It is demonstrated that innovation and creativity must be constant; a strategic tool in pursuit of human's capital valorization as much as the human resources. Through innovation happens an injection of new blood in the companies, refreshing and modifying ideas, which can increase the productivity, generating profitability and primarily appreciating what's the best of the modern companies, its human capital. This way, this study concluded that human capital gifted with the right innovation and creativity may generate promising results for the companies, raising, this way, prominently, the productivity.

**Keywords:** innovation, human capital, management, creativity, strategy.

# Introduction

In step with blazing changes, globalization and technological evolution introduces into organizational quotidian a growing complexity. There is also a drastically and incited competition - which is not currently local, regional, or national; however It's a competition of several sectors of the international range. For this reason, as a result of the global and competitive scenario which is more and more dynamic, the organizations are being forced to adapt dramatically and faster, for keeping competitive, ensuring its survival. From the late of the 20th century until today, with a big strength, a gradual transition from an industrial economy to an economy based on innovation and creativity can be seen. The term knowledge economy proposes an economy where the creation and utilization of knowledge is a central aspect of decisions and wide economic growth. There is nowadays an economy where the goods and services value depends more on the innovation percentage, technology and intelligence, in other words, it depends on knowledge. The companies today live an economy which knowledge became one of the most relevant sources of competitive sustainable advantage. As a result, organizations whose main factor of production is knowledge and its derivative, will multiply more each day, independently of the economy's function sector, transforming, this way, the management of knowledge and innovation into a strategy. In this scenario, this article intends to emphasize the meaning of innovation inside the context of human capital, generating better productivity for the organization.

## Literature review

The word innovation offers several definitions according to the study field which is used. In marketing area, innovation can be any change sensed by the user, even if no physical modifications have occurred. In the productive sector, innovation comprehends adoption of novelties materialized into goods, methods and services, original or modified. Some studies emphasizes innovations which produces great economic impact or involves big resources and high risk, agreeing with this affirmation, Souder (1984), after presenting many definitions of the word innovation, extracted from literature, makes an association of this term to the idea that a high risk can provide high benefits to the company that pays for its implementation. Other studies feature the bases of knowledge that permits the introduction of new elements. Supporting this idea, Betz (1987) affirms that innovation is the introduction of new products, methods and services in the commerce and technological innovation means these goods, methods and services based on new technologies. It's observed that the concept of innovation is an economic concept because it refers to commercial appropriation of inventions or refinement of goods utilized by people.

For Porter (1993), innovation in strategic terms includes not only new technologies, but also new methods of doing things that, sometimes, look like commonplace. The innovation may appear in a project of new products, during a production process, during a new marketing approach, a new training or a new organization way.

It may involve, practically, any activity of the value chain. So, innovate consists in offering new solutions that correspond to specific necessities of the commerce, as much as with new products, process or services which it's a product innovation when this innovation is inserted in the market and an innovation of process when it's used inside a production process. For Drucker (1998), innovation is the specific reason of entrepreneurship, as much as an existing business, or a public institution, or a new individual enterprise. Drucker yet suggested that innovation is the way through the entrepreneur create new wealth generating resources or provides existing resources potentially improved for generating wealth. This way, entrepreneurship and its resulting innovation are important from small to large business, as well as for new business, as they dispute in competitive scenario of 21th century.

According to Schumpeter (1988), innovation means producing things using different methods, accelerating the production process and inducing changes in economy. As soon as new combinations appear gradually, there's an emerging of the phenomenon which characterizes the economic development stimulated for innovations. The concept of innovation is the effective utilization of the product of scientific and technological development, being a basic and essential element for the valorization of national economy and technology, without what, would commit the sustainability of macroeconomic results on medium and long term and disclaim increments of new and more qualified jobs.

Looking for define the term innovation and intending to undo some confusions about the use of this word, Freeman (1982) alerts that one of the problems of manage the innovation is the variety of understandings that people have about this term, frequently used as invention. Innovation is the process of turn opportunities into new ideas and put into practice of extensive use.

It can be concluded, according to the previous Freeman's citation, innovation is a phenomenon markedly social-economic which involves changes and entrepreneurship, and not, as supposed, an occurrence of a characteristic which is predominant technique, but necessarily a consequence of singular advances in experimental sciences. According to Drucker (1998), an innovation doesn't need to be necessarily technique; it doesn't need even to be a 'thing'. In matter of impact few techniques can compete with social innovations, like newspaper and insurance. Installment shopping literally transformed economy.

There is, evidently, a relevant space for innovation derivative of scientific conquests and technique progress. The demand for keeping the organization competitive and foremost of competition is the reason for the constant quest for innovation. Mañas (2001) affirms that innovation must be incorporated in a systemic and constant way of the process and culture of the company.

Any organization that wants to reach successfully a relative advanced stage of innovation must develop itself into an integrated machine, as a living organism, capable of creating, solving problems, changing and adapting to any innovation. Confirming this point of view, Cavalcanti et al (2001), believes that for keeping the company competitive and survival in this new business atmosphere is necessary to be alert to changes, being flexible, noticing technological innovation and, most of all, understanding that information and knowledge are strategic factors. These aspects are fundamental for keeping the company alive, and more than alive, competitive. To Montana (2001), an innovation process makes possible an efficient and effective manage and it's composed by five phases: discover signs of opportunities, select ways according to the company's global strategy, supply resources for the chosen options, implement innovation since the initial idea until the final presentation of the product and review the anterior phases. The capacity of organization to keep itself alive in the sectors of activity is directly related to the increase of its technological capacity and innovation is the base for making the competitiveness. Technology which was considered recently as a simple production's factor, is currently recognizes as determinant for business developing. So, the growth of organizations must be started for the identification of deficiencies of the actual structure and for finding the importance of technological innovation for the competitive atmosphere. It is possible to affirm that the dispute of activities sectors for conquest of new consumers request the utilization of advanced technologies, which provide the raise of the productivity, quality improvement and costs reduction, facts which characterize innovation, in process, products or services as a decisive factor to obtainment and maintenance of competitiveness (CARLETTO e CARLETTO, 2006). The innovation is the main result which companies look for through entrepreneurship and it is generally the source of competitive success, especially in highly stormy and competitive atmosphere. For example, results of researches indicate that companies which compete in global sectors and invest more in innovation, have better effects. Actually, investors frequently

react positively to a new product, increasing the price of the company's shares. Consequently, innovation is an essentials resource for highly performance organizations. Besides, innovation can be necessary to keep or reach equality of competitiveness, more than an advantage in many global markets. Innovative companies comprehend that a financial respite must be available all the time to help in search of business opportunities. Some authors affirm that the companies which don't innovate will be stagnated. The reality of competitiveness in the scenario of 21th century suggest that no company may maintain a leadership position during a long term in a category, unless there is a continuous development process of innovative products which attend the demands of the customers. It means that innovation should be an intrinsic part of practically every activity in the company.

This way, one of main area which innovation has been applied is human resources, which is appreciating the human capital, new ideas has been put into practice and proving the importance of investing in innovation, renewal and updating of ideas and acts. As reported in the introduction of this article, knowledge is a new strategy to gain entrepreneurial competitiveness, and this knowledge is in the human capital, in the innovative ideas and thoughts of the experts which develop it day after day.

To Mañas (2001), human resources are a basic component for competitiveness of organizations, being important the appreciation of human capital as a part of the strategy, therefore, the fusion of ideas with human potential becomes in innovation when it serves to marketing aspects (prices, timing, adequate communication, commercial support) and financial aspects (workflow and sufficient resources, market research, product development and basic engineering).

Focusing human capital as a value's font sine, Terra (2000) recognizes that human capital, being formed for individuals/organizational values and norms, as well as competences, abilities and attitudes of every worker, becomes a will power of knowledge and value generations of the companies, which symbolize recognize the need of promote appropriated values to innovation and the branch of knowledge stimulating the intrinsic motivation and socialization between contributors directly and indirectly in the company, stimulating yet the opening to an communication for developing of competences, at a personal and professional level. In fact, human capital reflects exterior factors and not necessarily linked to prices and costs, but related to experience and ability accumulation acquired in the course of time, to promote or use new technologies, explore new markets, products or services, as so as capacity of fulfill deadlines, etc. The insertions of the human capital variable as explanatory of productivity is justified for the reason that it composes a positive externality about the productive process while accomplish the work force qualification, increasing the productivity of workers and, consequently, of productive process.

According to this, Edvinsson and Malone (1998) divide the company's intellectual human in three components: structural capital, customer capital and human capital. They subdivide the structural capital in organizational capital, innovation capital and process capital. The first comprehend the investment that the company does with systems, instruments and organizational philosophy which accelerate the knowledge flow through the organization, extern areas, supply and distribution channels. It means a systematic, organized and codified organization's competence, as well as the systems which raise this competence. The capital of innovation is referred by a renew capacity and the results of innovation by commercial rights protected by law, intellectual property and other intangible assets used for creating new products and services and put on the market. Otherwise the process capital contemplates process, techniques and programs used by the organization's workers with the objective of increasing services or production.

An essential question, estimate the company's potential of innovation is the organizational structure verification. It must be analyzed if the organizational structure really make easier or stunt knowledge and innovation creation. This way, it's emphasized that organization must have a flexible structure, with a systemic vision, gathering its contributors according to respective abilities and respecting individual competences in accomplishing process/activities.

To Cavalcanti *et al.* (2001), the company whose strategic purpose is developing innovation must have a horizontal structure favoring better levels of informality and fluidity of information between its components e whose departments may work horizontally integrated, in an autonomic and auto managed way. This structure must be characterized by a decentralization of decisive process, generating to its constituents a bigger autonomy for effectuating improvement and implementing new solutions.

In this context, it's important to establish an ambient which motivates innovation and where innovations developing along with customers demands attending are effective, the real focus. This way, in case of the organizational culture doesn't stimulate innovation and the people management models are inadequate, it becomes few probable that organization could promote innovation developing new solutions for attending customer market demands.

It can't be forgotten that all these process related to valuation and importance of human capital as a way to knowledge must be based on people ready to share voluntarily their knowledge, and consequently the human dimension in framework and in the utilization of this knowledge shouldn't be neglected.

Therefore, one of the main sources of organizational renew innovation, organization need to support its competitiveness through development and adoption of practices of manage which promote innovate potential. Innovate is necessary for the company who hopes to keep itself in the market. Innovation is essential for having a business which accompanies development of globalization, technology and ideas. Human capital has being appreciated and stimulated as an innovation and the effects are positive and productive. Evaluating the innovative potential of a company is necessary to analyze several dimensions and characteristics of structural capital, atmosphere capital and relationship capital, observing which way it is in service of the development of the organizational human capital and if it is favoring or restricting the innovative capacity of the company. Every organization must understand the matter of human capital, comprehending that the new potential of modern companies is exactly in its human resources, in the human capital, developing, this way, new projects, where productivity becomes a natural consequence, generating a natural competitive advantage.

#### Conclusion

The innovation is of the most principal themes of this article, most important that supposed initially. This way, beyond the vital importance for the survival and competitiveness of the companies, innovation's relevance is much more extensive of the simple relation with the entrepreneurial sector. Innovate is essential for developing companies, communities and people. Without innovation this development stops and possibly some companies would disappear. In the same way, it is possible to conclude in this article that innovation is an essential factor for the human resources. In the present competitiveness, innovation may be a strategy of valuation of human capital, as more appreciate is the one who presents more innovative ideas. The human capital has been considered important in the companies for a long time, however it's still necessary to present, to learn and capture innovation as an essential factor inside human capital. Innovation united with human capital may present a bigger productivity in the organizations. The human capital when appreciated is stimulated to a constant development and innovation, when stimulated in ideas, in development and in actions, continues in the companies. The result only can be positive when there's a union between a well developed human capital, valuated and training innovation stimulated and prioritized in the modern company. After all, this study made clear the importance of human capital inside the human resources, hoping to have provided knowledge about this matter for the author and its readers. Evidently, the matter isn't exhaustive, specially talking about innovation. Therefore, this article must be unfolded and this matter may be object of a deepest study, giving to organizations human capital the real importance and taking innovation to an entrepreneur strategy level.

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