

The Idea of Innovation



THE IDEA OF INNOVATION

Objective

To present basic definitions concerning the process of innovation, which will provide users with the conceptual tools for developing a plan for innovation, through the review of the main ideas on innovation that are present in current debate on the subject.

1. Innovation: Why and What for? :

“For perhaps the first time in history, Humanity has the capability to create more information than anyone can take in, to encourage more interdependence than anyone can manage, and to promote change with a velocity than no one can keep up with”. Senge (1992)

Globalization has increased both competition and the exchange of information, while technological advances and changes in social and market demands mean that one needs to move quickly in order to stand one's ground and develop in today's world. This interactive and complex reality puts us face to face with the constant challenge of adapting adequately, and obtaining greater efficiency in the use of our organization's resources and in the contributions we make to the welfare of the poor.



In a broad sense, **innovation** refers to introducing a **novelty**, that is, a positive adaptation to the changes taking place in today's world. That is why **innovating** requires us mainly to develop creative capacities that will let us detect opportunities in an organizational setting and in a dynamic environment.

Innovation, then, means improving the capacity of our organizations to respond to the social, organizational, and market needs, by generating new ideas that will be translated into new products, services, or processes, capable of exploiting internal and external opportunities that improve organizational performance.

The challenge to innovate will lead us to become agents that generate and transform the reality of our organizations in the first place, and then of our communities and societies, making strategic contributions to the processes of rural development and to improving people's welfare.

2. What is innovation?

The debate surrounding innovation has undergone a marked evolution over the last several decades. It has evolved from an economic notion related exclusively to economics, technological advance and business, towards other, wider meanings, in which the context is highly relevant, as are the participation of local agents, their practices, and their ways of learning within the process of innovation.



This evolution implies a change from the notion of

innovation as a *product* to a view of innovation as a *process* that is a central and permanent factor in the life of an organization.

The concept of innovation

"The introduction, and the application or procedures, within a role, a group, or an organization, on the condition that it be new to the entity that has adopted it, and that it has been designed to significantly benefit the individual, the group, the organization, or society in general" West and Farr 1990¹

Innovation is an action that is intentionally designed and directed to generating change within a role, a group, or an organization, which, when applied, will result in benefits, not only of a financial nature, but also to the organization and to society. Innovation does not happen by chance, it is a planned action, aimed at improving an existing situation.

Innovation can bring about **multiple benefits**. Apart from the financial or commercial returns, which were described by the traditional views on innovation, it can benefit various areas of the organization, such as personal growth, the satisfaction of its members, the group's feeling of belonging, and internal and external communication. From this perspective, it is the organization and its needs – and those of its members and/or clients – that define what is beneficial in a context of innovation.

Rural innovation is **not limited to technological or methodological change**; it includes new ideas or processes for managing and guiding human resources, new ways of using previous knowledge, the creative application of models of action that have been used elsewhere, and the administration of social or development processes that will result in greater benefits to an organization, a rural community, or society as a whole.

Some rural communities have shown great capacity to learn, adapt, and apply innovations in original and effective ways, in their fight against poverty and in the promotion of modern rural development. It is important to showcase and **leverage** the positive impact of successful rural innovation, and extend its positive effect to other poor communities.

Scaling up

Leveraging refers to the challenge of extending the impact of a rural innovation which has shown itself to be effective on a micro scale (often limited to a small number of communities or sectors within these communities), to larger geographical areas or the population within the latter.

Leveraging is understood as an *end* because it aims at producing more benefits for more people in a wider geographical area, and in a more lasting manner; it is also a *means* to create and strengthen local capacity – institutional, organizational and communal – to plan, implement and assess development activities.

That is why leveraging is a *learning process* which mobilizes and reinforces rural communities' resources, agents, and capacities at the local level, and extends their

¹ This definition is discussed at length in the text by America Gonzalez V: "Innovación Organizacional. Retos y Perspectivas" (Organizational Innovation: Challenges and Perspectives), CLACSO, which is part of the bibliography.

impact and makes it more sustainable.

*Source: Regional Research, and Program for the Dissemination of Rural Initiatives:
a IFAD-IDRC Joint Initiative .*

It is important to point out that an **innovation need not be an absolutely new idea**, but it must be new for the entity that adopts it. In other words, we can also speak of innovation when an organization adopts an idea or a technology that has been applied in another context, as long as it is new to the entity that adopts the innovation.

In this process, the **application** of the innovation is a crucial element, because it implies the transformation of knowledge or information into a **practice** which embodies new benefits to those who implement it.

Innovation is not the same as invention. The mere generation of novel ideas is not sufficient to create innovation: an idea is not innovative until it has been used to satisfy a concrete need (a social or a market need; whether as a response to demand or through production initiatives). An innovative idea must be appropriate to the organization that implements it, and to the organization's members who incorporate it into their work practices, validating it as a tool to improve their internal performance and/or the responses to the surroundings.

Innovation then, is doing things in a new or different manner, in the context where our activity takes place, whether in the organization's internal levels, or in specific rural communities. Innovation implies a novelty that is put into practice and confirmed by the organization as a valid and beneficial response to certain needs, problems, or challenges. The nature and quality of an innovation are relative to the context where it is introduced.

An important element for an innovation, is its **validation through use**, in other words, an innovation has meaning because a rural community or society uses it, makes it theirs, incorporates and develops it. It is new knowledge, around which social agents will be mobilized, and which has an impact on the community, the organization, or society as a whole.

Nevertheless, innovations also need to be **validated by experts**, or **evaluated** to check the innovative nature of a process and its contribution to the development of an organization or community. This is done using methods which identify the relevant elements in a process of innovation and provide criteria to judge progress or setbacks, and indicators of impact.

**Criteria for validating as Innovative
an instance that is part of a Learning Path**

- i) It must be representative of solutions that have been validated and proved to be contributions to improving the performance of the agents involved.
- ii) It must have been applied for a considerable length of time.
- iii) It must be adapted to the normal operating conditions of public investment projects and/or under the usual conditions that apply to the economy of the rural poor.
- iv) The experiences must be in the hands of their direct operators.
- v) There must be concrete evidence of results, in terms of income, assets and /or work performance.
- vi) There must be evidence that the results obtained are the result of incorporating technological, management, methodological and/or conceptual innovations.

Source: PROCASUR

Lastly, innovation is a **social construct** that involves processes of interaction and interchange among diverse agents and institutions having different, and often conflicting, interests and unequal quotas of economic, social and political power. As a result, the introduction of innovations is not free of conflicts, since it involves the transformation of longstanding models or ways of doing things, which have determined how benefits are distributed in a given organizational or social context. Therefore, communication and setting up alliances and agreements among various actors and interests are important in implementing and sanctioning an innovation.

3. Types of innovation

Innovations can be classified in different types, according to the area involved:

- **Technological Innovations:** Are the result of applying new tools, techniques or systems that affect production and delivery of products, services or processes.
- **Commercial Innovations:** These are the result of changing any of the variables involved in marketing. Among commercial innovations, we can identify: new ways of doing sales promotion, new combinations of design and functionality, new systems for the distribution and marketing of goods and services.
- **Organizational Innovations:** These are innovations which produce changes in the structure of the organization or in its management processes. They are mostly related



to the administration of the company. This is a type of innovation that, among other things, gives greater access to knowledge and information, and permits a more efficient use of human, material, and financial resources. Among the various organizational innovations, there are those that act on an external level (for example, creating networks), and those that are applied internally (for example, new ways of choosing executives and personnel, changes in the hierarchical structure of the organization, and division of work).

Technological innovation has traditionally been the most discussed and widely applied. However, there is no “supremacy” of one type of innovation over others; it all depends on the type of organization that is being considered. Therefore, it is the mission and vision of each organization, along with its needs, and the challenges it faces, which will determine the type of innovation to implement at a given time.

4. How to innovate?

How an innovation comes into being

The beginning of a process of innovation can be set in motion when a new need or demand appears within the organization and/or its surroundings (*innovation due to demand*) or through the appearance of new knowledge or technology (*innovation through science*). From a dynamic perspective, both elements are **supplementary** in the process of innovation.



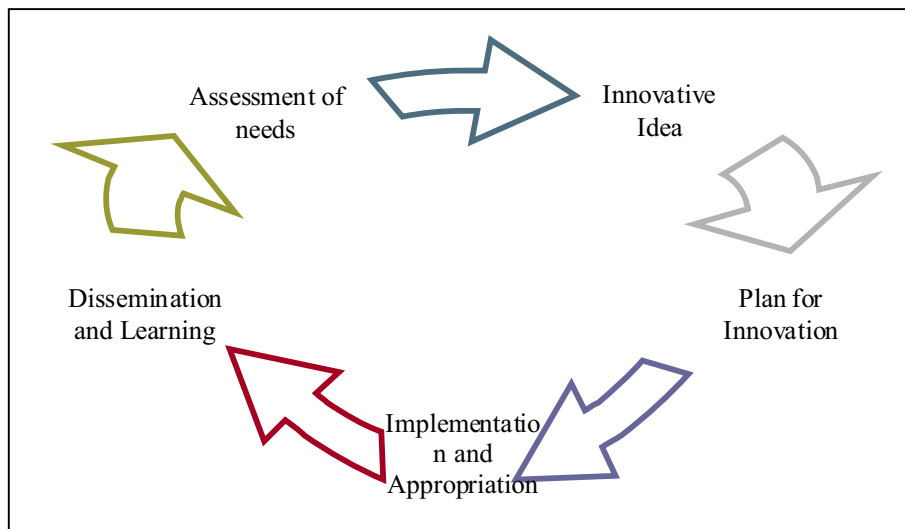
The **sources of rural innovation** are varied, and include research and scientific knowledge, the opinion of experts or technicians, and also the practices and the new knowledge developed by the rural communities themselves.

Innovation is not static (for example: the discovery of something new); rather it consists of a number of actions that are time-sequenced and dynamically related. It is a process of active modification.

In order to innovate, then, we must follow a number of steps that aren't necessarily in a lineal sequence or consecutive, but are closely related:

1. **Evaluating or identifying the need for innovation:** this involves a process of constant monitoring of the opportunities that exist within the organization or in the environment for introducing innovative change. A constant process of diagnosis and generation of information about existing needs and demands in the internal dynamics of the organization or in the rural community where the activities take place, are of great importance.
2. **Creating, searching for, or adapting an innovative idea to meet such needs:** producing an idea for an innovation in a certain context doesn't necessarily mean *inventing* something completely new (through research and development); rather it consists mainly of searching for and adapting innovative ideas that have been applied in other contexts.
3. **Preparing a project or a plan for innovation:** in order to successfully develop the innovative idea, it is crucial to carefully plan a strategy.

4. **Implementation and appropriation of the innovation in the organizational context where it is to be applied:** this includes satisfying all the necessary conditions, which requires close collaboration between the agents of the innovation, and having the capacity to respond to the requirements for implementation. The innovation must also be made **feasible**, by adapting it to existing demand and/or creating a demand within the organization. **Appropriation** refers to the social sanctioning of the innovation by means of its *use* within the organization, the community, or the society that will be affected by the innovation.
5. **Dissemination and Learning of the innovative experience:** wide dissemination of an innovation multiplies its impact and the benefits to the organization and the context where it is applied. Finally, after the innovation has been implemented, it is necessary to assess the experience so as to extract lessons and models that can be replicated in other instances, which in turn will increase the innovative capital of the organization and its members.



Another determining factor for an **innovative process** is the **context in which it is considered**. This means that what is innovative in a certain space and context will not necessarily be innovative elsewhere. For that reason, it is necessary to be creative and flexible when promoting processes of innovation.

Innovation processes do not happen by chance or by artifice: **they are carried out by people who are motivated by the possibility of introducing changes that will improve** the performance of their organization in meeting the demands of its members and of society. Defining interesting problems, or renewing the way that the organization or the community works, means discovering niches in which to develop innovations. Individuals capable of making these discoveries are the organization's most valuable asset, because they **capitalize on the opportunities** that are present in the environment. They are agents of innovation.

SUMMARY

- An Innovation is an action that is **purposefully** designed and intended to generate **changes within a role, a group or an organization**, of a kind that will bring about **multiple benefits**, not only of a monetary nature, but also on the personal, organizational and /or social levels.
- Rural innovation **is not limited to technological change**; it involves the knowledge and expertise of rural communities that act in novel and effective ways in their efforts to improve their quality of life.
- Innovation **does not require absolute novelty; it is subjective**: the idea must be new to the entity that adopts it.
- The mere production of new ideas is not enough to generate innovation; there must be **application** towards a concrete need, and **appropriation** on the part of the people or community involved.
- **Leveraging** refers to the challenge of extending the impact of a rural innovation which has shown itself to be effective on a micro scale (often limited to a small number of communities, or to sectors within these communities), to greater geographical areas and populations.
- There are **three types of innovation**: “technological”, “commercial”, and “organizational”.
- The **sources of rural innovation** are diverse, including scientific research and knowledge, the opinion of experts or specialists, and also the practical experience and knowledge gathered by the rural organization.
- Innovation is a **dynamic process** that includes the following steps: assessment or identification of the needs for innovation; the creation, search, or adaptation of an innovative experience to respond to such needs; the preparation of a project or plan for innovation; the implementation of the innovation and its appropriation in the organizational context where it is applied; and the dissemination and learning of the innovative experience.

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INNOVATION WITHIN THE ORGANIZATION



Document 2: "Innovation within the organization"

- Objective: *To introduce elements explaining the importance for innovation of the organizational dimension, and how to advance innovation processes within the organization.*

1. Innovation within the organization



"...it is as clear as day that this - (constant innovation) - does not come from geniuses in executive offices but purely and simply from the respect, dignity and creative potential of each human being in the organization"
(Peters, T. 1988).

The innovation process not only implies generating something new, but also implementing the new idea in a specific context to obtain benefits or improvements. It is organizations, and the people of whom they are composed, that produce new ideas, and adapt, apply, appropriate, spread and reproduce them in a constant process which forms a central part of the activities of a rural organization.

Innovation does not occur by chance; the organization as context and actor of the innovation process has a direct impact on the forms of and possibilities for innovation. Organizations which are successful from the point of view of productivity or economic management are not necessarily places where innovation occurs easily: more than material methodological resources, it is organizational flexibility which is fundamental for the creation of change. If there are too many rules governing the creative process, innovation will not work.

To trigger these processes, it is necessary to generate the **key conditions** associated with spaces for debate, experimentation, risk, more horizontal command structures, permeability, etc.

Keys for innovation in an organization

- Develop flexible, horizontal, non-hierarchical structures within the organization
- Small work units offer greater facility for innovation than big ones
- If the rules are clear, there are greater possibilities for the introduction of innovations
- Channels of communication – both internal and external – must be fluid
- The *climate* and the *culture* of the organization must be favorable to innovation
- The physical environments where innovation processes are generated are important
- Work teams must be dynamic and must include a range of view-points, including those of the users and of professionals from various disciplines
- Staff movements tend to be constant during the search for and implementation of an innovation process

There is no infallible recipe. Each innovation process is unique and depends on the capabilities of those who are developing it. Experimentation and tolerance of failure are important factors when precipitating innovation processes in a rural environment. Even *successful* organizations make mistakes and have to amend decisions before hitting on the right formula.

Organizations and their members need to incorporate the innovation as a *norm* and an *expectation*, favoring the legitimization of alternative, more autonomous ways of thinking, and increasing tolerance to failure.

2. The role of the agent of change

"You will not find anything happening anywhere, from experimental school courses to a new clinic in a hospital to an operation in the private sector, which does not have a committed person behind it. This is of no interest to me. The problem is not to employ committed people but how to convert average people within these organizations into such committed champions; I believe that this is the key" (Peters, T. 1988).

There is always someone – or some people – behind a successful innovation process. No innovation is possible without the *personal involvement* of those who will progress it, both those who generate the idea and those who have to implement it.

Those who are involved in and committed to progressing an innovation process become **agents of change**. To set out on the road to something new requires energy and persistence, born of committed involvement; a desire and a will to persist in the face of the difficulties, failures or errors which appear during the process.

The role of the *agent of change* is to identify the problems of, and provide a new focus on, the traditional activities of an organization, and to propose ideas designed to improve and transform them.

Concepts such as "*intrapreneurs*", "*idea generators*" and so on, indicate that it is the individual, or group of individuals, that brings new ideas or focuses to the activities of an organization.

This process necessarily implies a *rupture*, since organizations tend to protect themselves against instability and change, and thus it is seldom the organization which decides, on the basis of its accumulated knowledge and experience, that its established procedures or rules can be improved.

It is important that whoever is progressing an innovation process must be committed to the *problem* and not to the project. In other words, the commitment must be to the purpose or objective of the change sought, not with the process, route or plan of action drawn up to achieve it. This allows him/them to make variations and to introduce new plans or actions in unsolved areas of a problem, when it becomes clear that the planned strategy is deficient or ineffective. The logic of the actions and solutions designed must remain partially open, and must be flexible to adaptation, for the innovation to be successful.

People who generate interesting problems, who discover new ways of looking at the organization, the rural community or society, are the true discoverers of niches for the development of innovations. They are the greatest wealth of the organization; as *creative primary capital*, their contribution is invaluable.

Knowing how to *capitalize on opportunities* is one of the most important types of knowledge when innovating in a rural environment. The capacity to see in the

organization and its environment new problems or needs, which require the introduction of innovations, is a basic ability for starting innovative processes of change.

Information and *training* are fundamental elements for interpreting events as opportunities. Information is needed both on the present situation and on the history of the innovations applied in the environment, as well as the principal problems and requirements in a specific context.

Finally, it is important to have the *opportunity* to generate innovations. To achieve this, space must be available for reflective, critical thinking about different sorts of problems, arising from the most routine tasks, which rarely offer room for creative ideas.

3. Creativity and innovation in the organization



3.1. The definition of creativity

All of us possess, in certain degree, a capacity to generate ideas, thus we are all (to a greater or lesser extent) *creative*. However, in many cases we do not know how to make use of this ability, we do not use it correctly or we hinder its free expression. In any case, there are people who are outstanding in this area, depending on a multitude of factors which may be psychological, intellectual, social, cultural, etc.

In broad terms, creativity may be understood as “*an aptitude for finding hitherto unsuspected relationships between pre-existing experiences, which are presented in the form of new schemes of thought, which may be new ideas, experiences or products*” (E. Landau). According to this definition, the most important aspect of creativity is not so much the discovery of new facts as finding new ways of thinking about what we already know.

Creativity

“the imagination and mental capacity of individuals who, under the stimulus of discovering opportunities and conceiving ways of making use of them, or finding problems and solving them, using a flexible thought process and conditioned by certain circumstantial elements, are able to capture ideas from any situation, even those unrelated to the problem, and consequently provide solutions which satisfy in an original way the requirement proposed.”

Source: Fundación Cotec,2005

3.2. Differences between creativity and innovation

Creativity is not the same as innovation. The creative process constitutes, or may constitute, the origin of an innovation; it is a stage in the innovative process.

In general terms, creativity (as a source of ideas) is basically an intellectual process, while innovation is essentially a social process; as such it is, by its nature, a complex phenomenon in which the components are scientific and technical on the one hand, and on the other economic, financial and even psychological, if it is seen as a response to society's needs (OCDE, 1987).

<i>Principal differences between creativity and innovation</i>	
Creativity	Innovation
<ol style="list-style-type: none"> 1. Refers to an absolute novelty in a given context. 2. Constitutes the origin or crucial element of innovation, but is not in itself sufficient. 3. The benefit of creativity is in no way intentional. 4. The intellectual character (individual or group) of creativity. 	<ol style="list-style-type: none"> 1. Implies relative novelty as a result of changes effected. 2. Is the process which includes the proposal and application of new ideas. 3. The intentional nature of the benefit is inherent in innovation. 4. Contains a clear social and applied component.

Creative thought owes its originality or exceptionality to more intuitive processes, closer to chance, coincidence, play and even madness. The innovative process on the other hand is closer to rational and logical thought for solving problems and validating these solutions in practice.

While creativity refers to the generation of an idea, innovation implies the practical application and exploitation of the idea in an organization and/or its surroundings.

Creativity is the *seed* of innovation, but is not in itself sufficient. To enable it to develop, organizations must be capable not only of producing creative ideas or solutions, but also of evaluating their feasibility and implementing them.

The sources of creativity



There are different **sources of creativity** within organizations. In general terms they fall into three groups: personal, group and organizational¹. The first source refers to the characteristics of the person (cognitive, emotional, biographical and motivational elements), more or less independent of the environment in which he/she is placed. The other two sources form part of the environment in which the person acts, conditioning his creative capacity by its impact on his abilities and attitudes for the generation of ideas, making the *organizational environment* the source of creativity.

The group consists in the immediate micro-climate or surroundings of the individual, and as such exercises a direct influence on his attitudes, aptitudes and, in general, on his everyday conduct, encouraging or hindering individual creativity. At the same time, people, on the basis of the synergies produced in interpersonal relationships, contribute to the production of a “*group creativity*”, which cannot be attributed to any particular individual.

Finally, *the organization* as a whole establishes the basic conditions under which the groups and individuals of which it is composed function. The organization’s climate and culture, leadership styles, structural elements, and its vision and mission, constitute the framework for creativity.

It is important to bear in mind that these three types of sources of creativity – individual, group and organizational – are interconnected, and each of them is composed of a number of factors which have an impact on the development of creativity. Moreover, each of these levels constitutes a *field of action* for the development of creativity in the organization.

At the same time, we should consider the influence of the external surroundings or environment of the organization on its behavior, and that of the groups and individuals and their creative possibilities.

3.4. Blocks to creativity

The **blocks or obstacles to creativity** are all those schemes, ideologies, fears or deficiencies which make it difficult for us to break out of established paradigms, and obstruct our imagination and capacity for seeing things from a non-traditional viewpoint.

We can distinguish between *personal* and *contextual obstacles*. The former include those barriers which act at a *cognitive or emotional level* to prevent individuals from generating creative ideas. The previous experiences of the individuals play a part here, determining certain ways of looking at problems and their solutions, with greater or lesser rigidity in breaking out of pre-established frameworks, seeking new information and being able to think critically. On the emotional plane, the obstacles to creativity are found in the fears, anxieties and insecurities, stress, lack of motivation etc. which occasionally surface and cause the individual to repress his creative capacity, preventing him from acting in an innovative way.

¹ We should add a reference to chance, good fortune or luck, which remain far removed from creativity, understood as the capacity to generate ideas. Nevertheless, some definitions propose that this type of creativity tends to occur in persons who possess information and spend time reflecting on the subject, which would again place the origin of such creativity within the *personal* group.

The *contextual obstacles* originate in individual's environment, and restrict or eliminate his capacity and will to be creative. Among the *group blocks* we find those elements which limit the conditions necessary for the development of creative ideas in group interaction, such as alliances or sub-groups, difficulties in hearing other people and the lack of commitment or interest of the members.

By *organizational blocks* we refer to norms or practices which in some way restrict the liberty of individuals to express their ideas, common in organizations where the leadership is authoritarian and does not encourage initiative and autonomy, with rules which are traditional, hierarchical and inflexible. A major difficulty is the lack of channels of communication and the low level of trust between members of the organization with the result that creative individuals are not able to make their ideas public. Another area of barriers to creativity are physical and environmental aspects within the organization: highly monotonous or unstable environments also act as a constraint on the creative capacity.

Finally, *socio-cultural blocks* refer to those rules of behavior, thought or action which lead the individual to conform to the status quo, inhibiting creative impulses.

Obstacles or barriers to creativity

<i>Personal or individual obstacles</i>	<i>Contextual obstacles</i>
<p><u>Cognitive:</u></p> <ul style="list-style-type: none"> • previously acquired knowledge and experiences • rigidity in breaking routines • lack of dedication to the capture of information • stereotypes • inability to think critically • mental blocks <p><u>Emotional:</u></p> <ul style="list-style-type: none"> • individual anxieties • fears • insecurities • feelings of guilt • feeling fed up • self-imposed limits • neurotic pressures • emotional or character-based blocks 	<p><u>Group:</u></p> <ul style="list-style-type: none"> ▪ negative alliances or sub-groups ▪ those who shirk responsibility (<i>"washing their hands"</i>) ▪ <i>deafness</i>, half hearing or refusing to hear to avoid the need for change <p><u>Organizational:</u></p> <ul style="list-style-type: none"> ▪ traditional rules, hierarchical rigidity, inflexibility ▪ authoritarianism, stereotyped action ▪ the need to justify a reputation, pressure to produce, over-administration, predictions of failure ▪ <i>communication difficulties</i> and lack of trust in one's colleagues ▪ fear of assuming financial risks ▪ environment which is monotonous, very tranquil and static; or which is unstable, tempestuous, rushed and chaotic <p><u>Socio-cultural:</u></p> <ul style="list-style-type: none"> ▪ existing rules, norms and models of behavior ▪ the desire to adapt to the above to gain acceptance

<i>Personal or individual obstacles</i>	<i>Contextual obstacles</i>
	<ul style="list-style-type: none"> perceived education which places excessive importance on reason, on being practical or economic, on accepting the opinion of the majority, etc.

Source: Own preparation based on text of Gisbert Lopez, 2005.

4. Managing the innovation process

The success of an innovation process does not depend so much on access to resources – be they technological, material, information or knowledge – as on the way in which the process is managed, how it is organized and directed; this is what is meant by ***innovation management***.

The processes by which the organization detects opportunities or new problems, be they internal or in the environment, how it interprets these signals, what strategies or plans it designs in order to progress innovative responses, how these innovations are implemented and the lessons learnt from the whole process, are elements which are combined and directed through the process known as *innovation management*.

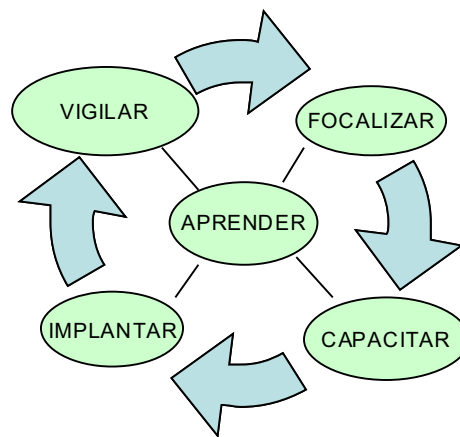
<i>Innovation Management</i>
<p><i>“the organization and direction of resources, both human and economic, in order to increase the creation of new knowledge and the generation of technical ideas to obtain new products, processes and services or improve existing ones”</i></p> <p>Source: Fundación COTEC 2001</p>

Innovation Management is a constant process of adaptation and change in the organization with respect to its internal requirements and those of its environment, thus achieving greater returns from its activities. To achieve the development of successful innovative processes which help to increase benefits, we must consider five key moments:

1. ***Observe***: The internal and external environment of the organization must be watched for signals of the need to innovate and of potential opportunities which may appear for improving the activities of the organization. Constant observation makes it possible to prepare the organization to meet and adapt to changes which may affect it in the near or not so near future.
2. ***Focus***: Attention and innovative efforts must be focused on a concrete strategy for improving the organization and its activities, or to find a specific solution to a problem. No organization, however well provided with resources, can afford to address all the problems or all the opportunities for innovation which appear in its environment; it is therefore necessary to select and prioritize those which will contribute most to improving the conditions and the activities of the organization.
3. ***Train***: Implies acquiring the necessary resources for progressing the innovation strategy. This refers not only to the acquisition of technologies or material resources, but also to seeking or generating information for the application of

the planned innovation. It is also important to train or educate the human resources of the organization in the necessary areas.

4. Implant: Refers not only to putting the innovative idea into practice, but also to its acceptance and adoption as legitimate by the organization and/or its environment, as an effective and beneficial response to the problems and/or opportunities.
5. Learn: from experience; this supposes reflection on the above elements and a review of successes and failures. To this end, it is essential to keep records, to accumulate and transmit information containing evaluations and organized source material on the various innovation experiments which the organization has carried out.



The dynamic and the emphasis at different moments in the innovation management process will depend on the characteristics, the mission and the context of the organization. For example, while some organizations will devote more time to the generation of technological information and progress, others will concentrate on improving relations with their beneficiaries.

It must be stressed that there is *no innovation without learning*, and for this reason the other four elements of innovation management all point towards lessons for the organization, to the creation of *organizational practices* which will help to direct and integrate processes of change.

These lessons lead to a constant practice of reflection on actions for generating new forms or courses of action which, when tested, in turn lead to the production of new innovative ideas and strategies from which new lessons can be learnt.

Many organizations are skilful at experimenting and obtaining results from their experiments, but do not devote the necessary time to reflecting and developing models which give direction to the decisions taken by the organization when faced with certain problems. This is why it is important to stimulate and permit learning the lessons of innovative experiments. It is useful to consider at least the following aspects:

- What happened to the innovation? What worked well? What did not work? Etc.
- What lessons can be learnt from the process? and what reference models or structures can be generated as guides for future behavior?
- Experiment with different ways of managing innovation and see if the lessons learnt are valid.
- Carry out a concrete experiment and use it as material for reflection

Learning Organization

A *learning organization* is one where previous experiments and results are used and incorporated by its members in such a way that when faced with similar situations in the future, the organization is better prepared and is able to recognize and anticipate the problems.

5. Some principles for innovation in organization

Although there are no established formulas for the innovation process, it is useful to consider certain principles which are required for the generation of innovations inside our organizations:

1. Stimulate disruptive thought: re-think existing practices, methods and techniques in the organization from a non-traditional viewpoint and try to develop different ones. Apply creativity to the activities of the organization.
2. Learn about sources of innovation before acting: this implies both feedback from the organization's own innovative experiments, and *observation*, which means being constantly on the watch for information about technological, economic, commercial, social, cultural, knowledge and demographical changes occurring in the organization's environment.
3. Observe new technologies: not only for progress made in the specific area of the organization's activities, but also in other areas so as to *import* new ideas from other contexts.
4. Give problems an inter-disciplinary focus: innovation requires the integration of knowledge. It is important to work with heterogeneous, inter-disciplinary working groups. The quality of the ideas and their applications must be validated from various perspectives.
5. Self-transformation: the organization must be capable of transforming itself internally, both its structures and its relationships, in accordance with the requirements of the innovation processes.
6. Experimentation: The free discussion of ideas and the testing of concepts must be seen as natural practices which create potential for the development of products. The organization must offer conceptual and physical *space* for experimentation.
7. Generate spin-off: this means the creation of a second organization whose purpose is to develop a product or line of products, conceived in the first; it is a practice which facilitates organizational and financial freedom, as well as the efficiency of both organizations.
8. Association: The creation of networks and associations with third parties is an important strategy in developing innovative processes. Association depends on value chains in which the contribution and the benefit of each party can be explained, understood and accepted.

In synthesis...

- It is organizations and the people who make them up who progress innovation processes. It is therefore impossible to innovate without working on the organizational dimension.
- It is possible to create organizational contexts which trigger and facilitate the development of innovations; this requires consideration of such factors as: command structures, organizational climate, rules and regulations,

interpersonal relationships, etc.

- Those who become involved and committed to progress an innovative process become **agents of change** in their organizations. The role of the *agent of change* is to identify the problems of, and provide a new focus on, the traditional activities of an organization, and to propose ideas designed to improve and transform them.
- **Creativity** consists of the human capacity to imagine and conceive of ways of taking advantage of opportunities or finding and solving problems, through new ideas or focuses which make it possible to find solutions to the needs proposed.
- Creativity is not the same as innovation. The creative process constitutes or may constitute the origin of an innovation, but every new creation does not necessarily materialize in an innovative process.
- There are three types of **sources** of creativity in organizations: personal (aptitudes and abilities of the individuals of which it is made up); group (from interaction between its members); and organizational (from the structure and characteristics of the organization as a whole).
- **Blocks or obstacles to creativity** are the whole range of schemes, ideologies, fears or deficiencies which make it difficult for us to break out of established paradigms, and obstruct our imagination and capacity for seeing things from a non-traditional viewpoint.
- **Innovation management** is the way in which the innovative process is directed and organized. There are five key moments for the proper management of innovative processes in our organizations: observe the environment; focus the strategy; train; implant the innovation; and learn from the experiment.

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