

Innovation Management – Solution in the Context of the Contemporary Society Challenges

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Abstract

The current paper offers an insight into innovation management, and a perspective on how it can be a solution for dealing with the challenges and threats of the contemporary society. The analysis is based on a theoretical research conducted to observe if, how, and to what extent does innovation help and take advantage of the internal and external environmental opportunities that exist. The result is that through innovation, and by accomplishing and efficient innovation management, organizations can overcome many of the challenges which the contemporary economy presents. And, not lastly, it is important to say, that even though it is well known that innovation is a positive thing, it must be “handled” with care, to make sure we use it at its fullest potential, without any major disadvantages.

Keywords *Innovation, innovation management, modern society, challenges*

JEL classification: M10, M12, M14

1. Background

The problem that appears in the current context is that of the contemporary society, which is in constant change, and which forces organizations to have to deal with the challenges in a new way, without having any additional pressures or costs. Previous literature works state that innovation is beneficial, what this article is trying to highlight is the fact that innovation and innovation management can be a very realistic and obtainable solution in dealing with the challenges of the modern economy and society.

The contemporary society is strongly influenced by the effects of globalization. As a response world economy has undergone through difficult times. The global financial crisis was triggered by the “financial flaws” from America, causing speculation of the poor and in debt. The pessimist would call the contemporary society as a society of crisis, in which the solution would be represented by anti-crisis programs. These, in turn, would only deepen uncertainty, diminishing the faith in democracy, and creating a state of social tension. The obvious consequence being that those who are left to bear with the costs are: companies, societies, and clients.

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2. Evolution and dynamics of management and innovation in the contemporary society

The contemporary society is based on the principle of democracy in most of the world, also experiencing an increase in the Asian continent. Although the term democracy is known and used in a political sense, its principles are applicable to other organisms or entities, such as institutions, civic organizations, public companies, etc. Social and economic life in the contemporary society is generally based on the principle of balance, for example supply-demand balance which is clearly manifested in a free market. But this does not mean lack of social, economic and political conflicts; on the contrary, the modern society is even more vulnerable, due to numerous disruptive factors (disasters, famine, economical-financial crisis, etc.).

Especially in the current world context, the modern society puts pressure on the managerial capabilities of enterprises, in general, and particularly on small and medium sized enterprises. In this environment, the political society being pluralistic, it helps to develop diverse opinions, to negotiate solutions, to compromise, to cooperate, to adapt, to harmonize ideas to the specific model of the activity, and also it leads to a more fierce competition, which in its turn stimulates creativity, originality and innovation. The created competitive environment can only be beneficial, adding up to a real social and economic progress in the contemporary society, if it is dealt with, in an innovative way. Malfunctions that arise from the political level also reflect at the social and economic level, thus appearing challenges at multiple levels (corruption, inefficiencies in accessing funds, high-level incompetence, lack of motivation to work, unemployment, young professionals leaving abroad, etc). The political failures translate into the social and economic level of the population (reduced incomes, tax increases, unemployment, job insecurity, bank debts, etc.). In these conditions, reforms are necessary in order to bring more confidence and help to the organizations, and to boost their outcome.

Resolving these contradictions (generators of disruptive social conflicts and of creative human resources waste) of the contemporary society is the key to successful reduction of social, political and economic tensions, in the context of globalization, in which we live in. A major role is played by the institutions in charge of encouraging investments and job creation; investments in key areas should be supported and encouraged, stimulating the associations among businessmen. These measures have proven efficient in European countries, with spectacular economic and social improvements. That is why a management that is adapted to the current needs only makes the economic activity be more optimized.

Man is the creator of the new, he reinvents himself. Evolution itself means change and renewal. Innovation means life. During the long course of the history of the humanity, man has innovated, especially in troubled times, when he met obstacles (abrupt climate change, environment, conflict, etc.).

The notion of innovation includes: production of new goods, the appearance of new economic production methods, a new marketplace, new sources of production, a new organization.

In 1970, innovation management activities appear as an integral component in the management of the organization. The management aims at: creating a climate optimal for innovation, which achieves the organizational goals, creating the necessary condition to fulfill the proposed plan to change something for the better. Through change we can understand: renewing a product or a technique, a work method, an organizational structure or belief, behaviors, etc.

The contemporary society, as it is previously shown, is a major factor which contributed to the appearance of innovation management, because of market globalization and internationalization, dynamic development of technology (especially IT and military), and not last because of the fierce competition.

Innovation involves risks that can lead to conflict, but it means progress. Innovation management must have well-developed strategies. They must achieve goals consistent with the company policy.

Innovation management is based on the intensification of educational and research activities, which lead to economic and social progress, by stimulating creativity and by developing an innovative spirit.

A suitable management of this vulnerable society is based on motivating employees, subordinates, encouraging promotion on worth. Attracting in the decision-making process, involvement of practitioners will bring challenge, claims of subordinates, giving them the impression of collaboration, of utility, of creativity, stimulating their innovative ideas.

The adaptation of management to an increasingly high competitive environment is a challenge in our society. Identifying appropriate management strategies and their implementation was achieved gradually by applying and testing of management plans and then evaluating the competitive advantages, disadvantages, associated risks and barriers that are or that may arise in the process.

An optimal management plan must have a coherent development strategy, which transform inefficiency and external risks in development opportunities. Measures contained in it must be shaped according to the needs and dynamics of the contemporary society that is experiencing changes and developments, often unpredictable. Management having a capacity for innovation and cooperation in many areas of economic and social development has succeeded in becoming open to society, adapting to the challenges of the contemporary society.

The main mission of management is to coagulate values, stimulate competition and creativity, motivate specialists for collaboration, and foster team spirit and performance. For a high quality standard of a management structure must take into account the orientation of the managerial process for performance and competitiveness, empowering each of his level according to functions and powers. Also there must be adequate communication and dialogue that fosters a conducive climate in achieving the targets. An efficient management is based on quality and

performance policies, improving them permanently. Values stimulation must be correlated with the requirements and needs of that organization and that can be done by encouraging staff participation in planning and operating appropriate innovative management methods. In a society constantly changing and full of uncertainties (like the contemporary) the management of innovation and the promotion of quality take the center stage by providing much needed tools and advice. Specific programs, training for educators and managers are a source of instruction, of learning models and mechanisms that help reinvent, innovate and create new modern tools for assessing and adapting to new demands of the contemporary society.

The impact of economic openness that the contemporary society knew has led to the creation of interactive management strategies between areas of economic interest and not only, all aimed at better institutional mobility, collaboration and competitive incentive. The current requirements of the society are building stable relationships that are regional, national and international as well as fast and efficient, and management has demonstrated that it can meet these challenges. A successful managerial climate creates a much needed flexibility in evolving organizations. This should stimulate and potentate the human resource, the values of knowledge, the experience, the effort and teamwork. A current challenge of management is the human capital that can be easily destabilized by the delicate balance between firm resources and potential value. Clearer definition of merit and putting them in value can influence the smooth operation of a team, establishing a plan to promote, motivate and competitive stimulation.

For that I believe that continuous improvement of quality and organizational and managerial efficiency may be the key to success in our society, always a subject many unpleasant surprises (political and financial instability, social vulnerability, institutional failures, etc.). Increasing management efficiency can be achieved by redesigning or simplifying administrative processes, the formation of teams that identifies and manages the errors or difficulties in the administrative process and administrative performance stimulation.

Modern management corresponds to the basic principles of ethics and morality without which man would not have evolved: democratic and specialized leadership, rational distribution rights, and obligations and responsibilities of leadership to the subordinates, humanism, fairness, feedback; efficiency and management optimization, promoting competence and fairness, professional ethics, engaging in the success of management and not least motivating of all factors involved in the success the managerial project. In the contemporary society another managerial challenge is given by several opportunities to break the tenuous connection between elements: organizational goals, policies, adopted strategies and other condition that can influence the action plan (restricted budgets, layoffs, reforms, legislative changes, economic crisis).

A real managerial challenge in this society so assaulted by the financial side is also the competition, which became more intense than formerly, so innovation and developing a highly effective innovation management are essential.

The success of a company, regardless of its field, keeps in mind some basic principles such as: the promotion and holding of an idea that is credited with confidence and finance, observance of the work plan as recommended when the plan was initiated, a good relationship and cooperation with financing funds, development of the project to the smallest detail and taking into account the potential risks that may arise in the proper development, the critical analysis before its release, consultation with experts. In these times, managers must be aware that only a well developed project can be successful, provided the current market competition is fierce, and our contemporary world is ruthless when it comes to failure.

Modern society has been marked - as we have shown above, the liberalization of markets, the massive development of telecommunications and information technology and last but not least the fierce competition between the 3 main poles of the world economy (U.S., Asia and EU). Competitiveness of national economies is suffocated by the effects economic globalization and the contradiction between market monopolies, states debt and environmental protection (environment abused by the exploitation of all its resources).

3. Innovation – the way of facing with the challenges and threats of the contemporary society

According to “The International Handbook on Innovation”, edited by Shavinina, Larisa V. (2003), “Contemporary society, without a doubt is reliant on innovations. The future will be synonymous with innovation, since it will need an extremely high saturation of innovations in all areas of human endeavor. Despite the quite evident importance of innovations in the life of any societal ”organism”, one should acknowledge that the phenomenon of innovation is far from well understood.”

In the current context of globalization and constant change, societies, economies, and organizations need to be flexible and adaptable, innovation being essential in order to be able to remain competitive.

”It is often claimed that contemporary organizational innovations improve both performance and worker outcomes” (Conceição, P. et. Al., 2003)

“Innovation Management can generally be understood as coping with complexity through application of resources. Innovations are complex because of the vagueness of the problem structure and scope, and the uncertainty of potential outcomes. The unpredictability of the problem components and the conflicts inherent in the problem further add to the complexity. The management of innovation has to reduce this complexity. With increasing degrees of innovativeness, complexity can be expected to increase disproportionately. At the same time, the risk of failure increases” (Albers, S. (ed.), 2004). That is why most companies are afraid to innovate, even though the expected results are meant to increase performance, organizations are afraid of and resistant to change, and what it might imply. Therefore, an organizational culture that is open to new and flexible

is beneficial to innovation management and to the change process that is needed in order for the innovation to be realized in an efficient manner.

“When it comes to project resources, again managers must make a fit. They must determine the funding, people, and other resources that a team legitimately needs to complete an assignment – and they must know how much the organization can legitimately afford to the assignment, then they must strike a compromise. Interestingly, adding more resources above a “threshold of sufficiency” does not boost creativity. Below the threshold, however, a restriction of resources can dampen creativity. Unfortunately, many managers don’t realize this and therefore often make another mistake. They keep resources tight, which pushes people to channel their creativity into finding additional resources, not in actually developing new products or services” (Soni, R., 2009).

Several characteristics of industries will influence technological innovation and the strategic decisions that managers pursue: the extent to which there is potential for technological innovation in an industry; the technological dynamism of the industry; industry reliance on technical standards; the extent of collaboration among firms; and government regulation (Narayanan, V. K., O’Connor, G., C., 2010).

Innovation includes any action which contribute to the increase of competitiveness through the following elements: the introduction of new products, processes and services in the economy, implementation of new ideas and inventions, techniques for marketing and management, use of alternative sources of funding, activities that includes broadcasting, propagation and transfer of information and scientific and technological research results; entrepreneurship training (Nastase, G. I., 2004). Innovation is a complex and diverse activity that involves several behaviors and numerous interactions and, which depending on the used context, can have different meanings. Innovation includes all opportunities, scientific, technical, commercial and financial decisions, needed to achieve success, development and commercialization of new or improved materials and products, new or improved processes, or the introduction or implementation of a new service.

In the opinion of Martin J. hidden perspectives are very important when we are talking about organizational culture. She states in her book, “Organizational Culture mapping the Terrain”: If top management announces a restructuring of a firm, deep knowledge of various subcultures may help organizational members predict which subcultures will resist, which will cooperate enthusiastically, and which will try to remain aloof from the proposed changes. As another example, suppose a content theme such as the importance of innovation is seen as ambiguous. Some employees may label as innovative slight variations in current products or services the firm offers, whereas others may define innovation as requiring departure from current operating procedures. Under some conditions, this ambiguity may be unimportant; adherents of both interpretations may be seen, and see themselves, as enhancing the firm’s commitment to innovation. Should innovation be tied to annual individual bonuses, however, these differences in

interpretation could be very important: Should only those whose contributions fit the more radical definition of innovation garner greater rewards? For reasons such as this, insight provided by the hidden perspective can be important to cultural members as well as cultural researchers (Martin, J., 2002).

Innovations are crucial for success in business. It has become increasingly important for companies to be highly innovative while at the same time keeping the time and costs required for innovations under control. This places special demands on the organization of innovative work. Innovative work could be understood as conducive to innovation (Bohle, F., Burgermeister, M., Porschen, S. (eds.), 2012).

According to “While innovation is often welcomed as a means to progress to a more cohesive and sustainable society, it does require change which can make people apprehensive. As a tool for social and territorial cohesion, culture helps to establish a balance between tradition and innovation, allowing for intercultural and intergenerational dialogue, and enhancing integration in multicultural societies. As a catalyst for economic development, culture can contribute to urban development and regeneration and to local growth and employment.”

Conclusions

Innovation management can be a viable solution to the current challenges of modern society through many creative ways. The manager can encourage employees to gather ideas (inspired from internal or external sources, some other methods) and accept their ideas (quantitative / qualitative valorization), materialize them (calculations guidance, business plan, the best to come market, patent them). To stimulate innovation, the manager must create a supportive environment, driving innovation by assessment of the purpose and the solution to a problem and choosing the optimal solution. All these can not be met unless there is a stimulating environment, a search for specific expertise to the problem, transparent information and communication, and teamwork. Problems that may arise in managing an innovative project are related to technical, economic, legal, organizational and socio-psychological barriers. Here the art of the manager to handle and plan on stages the process, following the five key functions of management (planning, organization, coordination, training, evaluation and control) can intervene. In effectively achieving the innovation strategy, the choice of manager's team is essential.

A company in full dynamic process, as it is now, needs creativity. Innovation management responds to these challenges precisely through the capacity of the managers to know how to make the selection of those people with creative skills, to be able to stimulate creative behavior and provide an organizational climate to foster creativity and innovation. The creative process in an organization involves idea generation, idea development and implementation. For innovation to be successful, a manager needs to know that it takes a high degree of integration in different parts of the organization. A frequent and formal communication can often be beneficial, bringing the company's success.

As can be seen quite clearly in Romania, the current bureaucracy can inhibit innovation through strict rules, rigid and mechanical control.

In response to one of the challenges of the contemporary society can be the change strategy - through management of innovation, being able to improve some services, business or even mentality.

Modern society needs substantial social innovations because it confronts problems already generally accepted as:

- -layoffs, layoffs, bankruptcy, unemployment. An innovative economy can create jobs;
- -policies and public institutions surpassed by social problems must be abandoned and reassessed;

Conducive to innovation management are also factors such as economic and social discrepancies between reality and that which it claims to be. Thus, multiple passes to other more efficient systems for man and therefore to society may be made. Innovations can be made in the light of demographic change. In order to succeed in the successful passage, the experience has shown that small, slow but sure steps should be taken.

Innovative Management brings a pragmatic approach to business, allowing employees to innovate. But also public institution must look upon these social, technological and demographic changes as opportunities. Therefore it is required that the innovation necessity grows.

In the contemporary society, it is becoming increasingly evident that the unexpected can become an opportunity for innovation.

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