

Innovation Types and Talent Management for Innovation

Juan A. Marin-Garcia¹, Lourdes Aznar-Mas², Fernando González Ladrón de Guevara³

¹ ROGLE-IEMA Dpto. de Organización de Empresas. Universitat Politècnica de València. Camino de Vera S/N 46021 Valencia. jamarin@omp.upv.es

² IEMA. Dpto. de Lingüística Aplicada. Universitat Politècnica de València. Camino de Vera S/N 46021 Valencia. laznar@idm.upv.es

³ IEMA. Dpto. de Organización de Empresas. Universitat Politècnica de València. Camino de Vera S/N 46021 Valencia. fgonzal@omp.upv.es

Abstract: Companies need to become innovative and in order to do so, they must learn how to be able to manage the talent of their workforce. In this working paper we have reviewed the literature concerning the concept of innovation as a key for the challenge for change in companies to establish a synthesis and a classification of the types of innovation required. We propose a number of competencies needed by the different staff members (support, technicians, managers, etc) as well, so that they can succeed in being innovative in different ways.

Keywords: incremental innovation; radical innovation; process; product.

1. Introduction

Innovation is one of the intangible assets of any company and it may be a relevant factor for the achievement of a competitive sustainable advantage of companies in the market (de Benito Valencia, 2000). Being innovative is a process based on the behavioural patterns of persons, which must be acquired and developed through a learning process of certain duration (Delgado-Verde et al., 2011). Thus, the innovative attitude is not easy to copy or even to be adapted by competitors (Bessant et al., 2001; Wu & Chen, 2006), though innovation outcomes are. Broadly speaking, innovation is taken as the main factor to improve productivity or efficiency in companies (de Benito Valencia, 2000; Grütter et al., 2002; Rapp & Eklund, 2002), as well as quality of products (Albors, 2002; Grütter et al., 2002), decrease in the production costs (Bond, 1999; de Benito Valencia, 2000; Modarress et al., 2005; Terziovski & Sohal, 2000) or even manufacturing time (de Benito Valencia, 2000; Grütter et al., 2002). All these items are significant in the present situation where it is more and more frequent to face the challenge to improve efficiency, and it is also important to give a quick response to the changes taking place (Hyland et al., 2007; Middel et al., 2007b).

Innovation and its types have been analyzed in this paper, and the competencies developed, which would give rise to innovative members in companies, have been described, as well. We have found that competencies change depending on the staff status. Nevertheless, competencies do not vary according to situations or different contexts.

2. Innovation: Definition and Types

Innovation is a process through which a new product, technique or useful service is obtained from the generation of new ideas and their development (Gee, 1981; Jordá Borrell, 2007), which in time provides new solutions to problems and becomes useful for people, companies or society (Comisión Europea, 1995; Lyons et al., 2007). Therefore, innovation starts with the proposal and generation of new ideas and finishes with the use and commercial exploitation of the outcomes (Tonnessen, 2005).

An innovation process is generally divided into various steps such as: decision making, definition of a problem, data collection, study of current situation, proposal of new ideas; implementation of a test or piloting of the selected proposals; the checking up of expected outcomes and the implementation of outcomes with the required changes (Bond, 1999; de Benito Valencia, 2000; Marín-García et al., 2008a; Terziovski & Sohal, 2000).

The concept of Innovation may include different dimensions as, for example, the introduction of a new product or service, new production processes, launching of new markets, changes in the suppliers or even innovative business models for the company or organizations (Goffin & Mitchell, 2010; González Pernía & Peña-Legazkue, 2007; Marín-García et al., 2008b; Schumpeter, 1934).

Additionally, innovation may be considered as something that involves either an incremental change (improvement of existing products) or a radical change (generation of something new) (Bessant, 2005; Boer & Gertsen, 2003; Goffin & Mitchell, 2010; Lok et al., 2005; Tonnessen, 2005). These two points of view would give rise to a classification depending on the level or degree of innovation achieved. In the lowest band we would have the *no-innovation* dimension, next we would have the *incremental innovation* dimension, up to the highest band where we would have the *radical innovation* dimension (Goffin & Mitchell, 2010).

Incremental innovation is a systematic process which has been well planned and organized and it causes some changes in the production processes and also in work practices, which in turn cause improvements in the development of the indicators of development (Albors, 2002; Bateman & Rich, 2003; Dabhilkar & Bengtsson, 2007; Grütter et al., 2002; Hyland et al., 2007; Lok et al., 2005; Marín-García et al., 2009; Marín-García et al., 2010; Middel et al., 2007b; Miralles Insa & Marín-García, 2010; Prybutok & Ramasesh, 2005; Readman & Bessant, 2007; Wu & Chen, 2006). Incremental innovation needs no large investments and both managers and technicians in the companies are totally involved (García-Sabater et al., 2011; García-Sabater & Marín-García, 2009; Terziovski & Sohal, 2000).

Radical Innovation consists in obtaining something totally new (products, processes, technology or any other element), which means a breakthrough and causes a significant impact in the market and entrepreneurship (Ali, 1994; Ettlie, Bridges & O'Keefe, 1984; Lee & Na, 1994; Henderson, 1993; Stopford & Baden-Fuller, 1994; Leifer, 2000). This type of innovation, which was initially associated with laboratory study is the outcome of a systematic research. Radical innovation produces such drastic changes that either existing markets are transformed or other new ones are generated. This type of innovation plays a very important role in the success of companies in the long run (Freeman, 1987; Leifer, 2000; McDermott & O'Connor, 2002).

3. Talent Management for Innovation

According to several authors, Talent Management is a complex pattern of practice in the area of Human Resources, which allows companies to have the most prepared people with them, integrate these people in their corresponding job tasks and make them become a support for the development of the competencies of the rest of the staff members to satisfy both the current and future demands of their companies (Ulrich et al, 1995; Luna-Arocas & Camps, 2008; Hayton & McEvoy, 2006; Luna-Arocas & Morley, 2011). One of the steps to be taken as regards Talent Management is the identification of competencies (Hayton & McEvoy, 2006; Kochanski & Ruse, 1996; Ulrich, 1998; Ulrich et al., 1995).

Professional competency means the efficient performance of the capacities that lead to the development of a particular task, regarding the level required for that job. It is a complex know-how that demands the management of knowledge, skills, attitudes, ethical values and common characteristics of that job, as well as how to make the necessary decisions and perform a particular task (Fernández March, 2010; Lasnier, 2000; Perrenoud, 2005).

We can consider competencies, capacities and skills as the three categories of complexity in a contextualized know-how. A competency is formed by a set of capacities and these are formed by a number of skills, which are required for a more and more complex professional performance. The capacity is a medium complex know-how that integrates skills which require procedural and conditional knowledge. The skills are a simple know-how. (Bessant et al., 2001; Fernández March, 2010; Lasnier, 2000).

Some academic issues and research have analyzed a number of competencies in professionals that allow them to learn, innovate and be up to date regularly. Thanks to them, it is possible to identify the following competencies as priorities for managers and technicians in innovative situations:

Managers:

- Talent Management (Corso et al., 2007; Dooley & O'Sullivan, 2001; Goffin & Mitchell, 2010; Jacobsen, 2008; Jorgensen et al., 2003; Lyons et al., 2007; Middel et al., 2007a; Readman & Bessant, 2007; Scott, 2001; Ziaul, 2005)
- Selection, Definition and Estimation of Development Indicators (Bateman y Rich, 2003; Corso et al., 2007; Dooley & O'Sullivan, 2001; Goffin & Mitchell, 2010; Jacobsen, 2008; Kaye & Anderson, 1999; Marín-García, 2010; Marín-García & García-Sabater, 2010)
- Communication (Corso et al., 2007; Jacobsen, 2008; Jorgensen et al., 2003; Lyons et al., 2007; Middel et al., 2007a; Readman & Bessant, 2007; Scott, 2001; Ziaul, 2005)
- Management of Driving for Results and Business Acumen (Goffin & Mitchell, 2010; Jacobsen, 2008)
- Good Leadership and Management of Team Work (Bateman & Rich, 2003; Corso et al., 2007; Dooley & O'Sullivan, 2001; Jacobsen, 2008; Kaye & Anderson, 1999; Marín-García, 2010; Marín-García & García-Sabater, 2010; Scott, 2001)
- Motivating People to Generate Ideas (Dooley & O'Sullivan, 2001; Goffin & Mitchell, 2010)

Technicians

- Creativity (Goffin & Mitchell, 2010; Lyons et al., 2007)
- Problem Solving Techniques (Bessant et al., 2001; Jacobsen, 2008; Wu & Chen, 2006; Ziaul, 2005)
- Communication (Goffin & Mitchell, 2010; Delgado-Verde et al., 2011)
- Initiative and Leadership (Goffin & Mitchell, 2010; Navas López & Ortiz de Urbina Criado, 2002)
- Team Work (Corso et al., 2007; Dooley & O'Sullivan, 2001; García-Sabater y Marín-García, 2009; Goffin & Mitchell, 2010; Marín-García, 2010; Marín-García & García-Sabater, 2010; Middel et al., 2007a; Navas López & Ortiz de Urbina Criado, 2002; Tonnessen, 2005; Ziaul, 2005)
- Forward Thinking (Bessant et al., 2001; Goffin & Mitchell, 2010)

Other research papers have remarked on the importance of the specific context in which innovation takes place (Goffin & Mitchell, 2010). Particularly, it has been considered that the needs and outcomes of innovation may be totally different when changing strategies, structure, technology, culture or the area where innovation is carried out (Goffin & Mitchell, 2010; Lok et al., 2005; Middel et al., 2007b). However, we have not found enough research which permits us to determine whether innovation competencies for managers or technicians are similar or different in each of those contexts. Neither have we found references describing the type of innovation (product, process, market) nor the

difference, if any, for the competencies required. Finally, except for the work carried out by Bessant and other authors (Bessant et al., 2001; Marín-García & García-Sabater, 2010), we have not found a clear framework of competencies, capacities and skills required in any of the three categories aforementioned.

4. Conclusions

Innovation is a recent topic in academic literature and research nowadays, and many authors coincide in the stating that innovation is not easy to implement nor to maintain in companies, whether dealing with the incremental or the radical type of innovation (Marín-García et al., 2010). We have focused our attention on the identification of the essential competencies to promote and enhance innovation in companies. We have classified the types of innovation according to three categories which include the levels of innovation achieved in each of them, and we have discovered a serious gap in the literature concerning innovation.

It seems that a detailed description of competencies for each of the dimensions has not been carried out yet. Besides, there is not much written about the crucial difference in meaning of the following concepts: *competence*, *capacity* and *skill* for each type of innovative category or specific context. It can even be noted that it has not been established yet whether those competencies, capacities and skills that make a person innovative are similar for all contexts or if they should be different. If so, those differences should be made more explicit and this has become our main focus for future research.

5. Acknowledgements

This paper has been written with financial support from the Project "Construcción de un cuestionario de factores psicosociales para el diagnóstico de condiciones de trabajo y efectos sobre la salud y la satisfacción laboral. Adaptación a entornos docentes universitarios" (PAID-05-11-2846) of the Universitat Politècnica de València, and also with financial support from the European Union within the Project 518132-LLP-1-2011-1-FI-ERASMUS-FEXI "INCODE-Innovation Competencies Development". We would also like to thank Ms Mercedes Gutiérrez, Service Marketing Coordinator for South Europe and the Mediterranean Area in OTIS, Spain, and Mr. Miguel Aparicio, one of the CTOs (Chief Technology Officer) in INDRA, Spain, for their valuable comments and advice in the area of recruiting graduates and competences required in the professional world of the 21st Century.

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