

The Determining Factor Innovation in the Competitiveness of Organizations

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Summary

The review article in which relates innovation as a determining factor in the competitiveness of organizations highlights that companies of the XXI century must present production processes with tools and cutting edge technology, which must be accompanied by a good human talent, which must be qualified, well trained, with good experience in each job position, as well as good salary and physical conditions to be efficient enough so that in the medium or long term he can position himself in the local market, so that in the future it can be expanded to other markets, whether national or international, in order to consolidate itself as a profitable, dynamic, secure company with high management value business criteria.

Keywords: Innovation, Competitiveness, Productive Processes, Technology, Human Talent.

Introduction

In this review article related to innovation as a determining aspect of business competitiveness, it seeks to highlight all the variables that must be taken into account in order for a product or service to be novel, that presents a different added value to similar companies in its sector, all in order to position the company at a regional, national and international level in the medium or long term.

Some contributions that were taken as a significant reference are: Porter, considered the father of competitiveness, Idalberto Chiavenato, which related his theory to human talent, qualified, trained and professional in their functions; Ribeiro also stands out, highlighting the value of innovation as the main factor in the products or services offered by a highly competitive company in its theoretical organizational concepts.

Method

This review article is focused on a documentary review methodology related to innovation as a determinant factor of competitiveness, whether at the international, national and local levels, since it seeks to explain in a theoretical, argumentative way the importance of the present topic, based on in thoughts of experts that are found on web pages such as Scielo, Redalyc, Google Scholar, Proposal among others.

Developing

In this review article, we will analyze the positive influence of innovation as a determining factor in the competitiveness of 21st-century companies, especially in innovative products or services, which have an added value as an outstanding aspect in the market where it operates.

Aranda (2004) defines competitiveness and productivity at the micro level is based on interaction. "Learning by interaction (learning-by-interacting) is key in the innovation process, especially when dynamic competitive advantages are constituted. It also suggests that an environment that favors competitiveness is rooted in a national system of rules, rules, values, and institutions that define the incentives that shape the behavior of companies and where the State assumes the decisive role of defining industrial development and the productive restructuring of a country. " If this concept is observed where it is stated that competitiveness in any country should follow some established rules.

Laplane (2006), argues that the competitive performance of a company depends on multiple variables, which are subdivided into the internal of the company, others of a structural nature (particular to each of the sectors of the industrial complex), and those of a technological nature. "Concerning the internal factors of the company, it is said that they are all those that fall within its power of decision and through which it seeks to distinguish itself from its competitors. The structural factors are those that, although they are not of total control of the company, are partially within their sphere of influence and characterize the competitive environment they face. Others are external factors that are linked to the competitive environment and can significantly influence the advantages of companies in that environment.

The second group covers other variables such as the quality of the products; the incorporation of technological improvements in the processes; the appropriate adjustments in the organizational structure; and the efficient management of production flows; also the ability to develop and maintain relationships with other companies; among others.

Innovation

In the field of innovation, we find some basic concepts that make this variable a determining factor in competitive companies of the 21st century.

Therefore, Ribeiro (2003), says that innovation makes it possible to respond to market changes and maintain its competitive position. “According to the author, innovation will always set a new course in terms of trends, seeking to make the organization competitive, either in a product or service.

Also for Góngora and Madrid (2010), they establish that studying the criteria used by the agencies to grant public aid, determine that it refers to the generation of jobs, the feasibility of the project, financing by the company as a requirement to apply helps. It is a concept that is based more on government help for SMEs to be more competitive, but in their advice it is specified that an innovative product, will have an added value and will be easier to go to market, therefore, the company must be prepared to innovate, when sales go down or stagnate surprisingly.

Perdomo et al. (2006), consider the capacity of innovation of a company is a broad and multidimensional concept that covers different aspects of the company (planning and commitment of management, behavior and integration, projects, knowledge and skills, information and communication and external environment). The innovation includes a large business study of the strengths of the product, which should seek to continue improving or perfecting some weaknesses that are given in the future.

Should be Viable, Feasible, Applicable, Generate Value

For a product to be viable, feasible, and applicable or generate value, it must have special characteristics, different about similar products, but differentiate in something related to the need or suggestion of the client.

According to Porter (2009), the study of competition and the creation of value, in its full richness of nuances, have captured my attention for several decades. Competition is widespread, whether it involves companies that fight for markets, countries that face globalization or social organizations that respond to social needs. The concept of this expert clarifies that competitiveness occurs when there are similar products with different characteristics so that it captures more customers or new markets.

Porter (2009), in his work: Being Competitive states that competition is one of the most powerful forces of society to advance in many areas of human effort. The study of competition and the creation of value, in its entire richness of nuances, have captured my attention for several decades. Competition is widespread, whether it involves companies that fight for markets, countries that face globalization or social organizations that respond to social needs. Every organization needs a strategy to offer superior value to its clients. “To be competitive, the company must have good strategies that periodically review their results to analyze if a new change is necessary or some necessary and vital alternatives to improve the indicators of sale.

Lockwood (2006) argues that talent management is a driver of organizational success and value creation. Talent management is the implementation of strategies designed to increase the profitability of the company, this being a strategic asset and not an expense. For this author, human talent is an important and necessary option so that innovation is never lost, on the contrary creativity will make the product or service position itself in the long term.

Roncon (2005), it is important to bear in mind that the proposed strategies are perfectly aligned with business strategies seeking greater competition and productivity and therefore, generating value for the organization. Good strategies planned by the organization can generate the added value needed by the product or service that is offered locally, nationally or internationally.

Castillo (2009), in the adoption of Value Management, it is very important to link human capital within the process of creating value, since it is the asset that is really valued; but this process must be based on an adequate management that promotes its development, in this way it is ensuring the sustainability of the organization over time. Another concept that highlights the importance of talent as a determining factor for innovation in a product or service.

Strickland (2005) considers the value chain as the chain of value-generating activities that are required to supply a product or service, starting with the supply of raw materials, the production of components, manufacturing, assembly, distribution and sale to the final consumer. To generate acceptance of a product must have a good process, innovative ideas, trained human talent, and high experience, along with dynamic and efficient distribution channels.

New Markets

Villarreal, (2003), competitiveness is the process of expansion of the exportable supply and penetration of external markets, with the consequent improvement in the standard of living of the population. When a company considers itself competitive, it must look for new markets such as the international field and this can be done in the medium or long term.

Besides, “given the importance that the SMEs have for the territory, we will also introduce this among external factors (Vázquez, 1999). On the other hand, these competitive advantages of the companies are also related to those of the environment “(Sanfiel et al., 2006). These two concepts argue that the environment differs and helps or not a company is positioned.

Grant (2005), identifies three main types of resources: tangible, intangible and human. Tangible resources are the easiest to identify and evaluate. They include the financial resources and physical assets identified and valued in the financial statements of

the company. He argues that three important variables highlight one that is believed very important without ignoring the other two as it is to have a qualified human talent and have a good experience.

Velasco (2003) points out that competitiveness is the need for organizations to sustain and consolidate themselves within their markets, taking as an indicator the percentage of participation -of their goods and services- in them, based on a systematic conception that incorporates elements economic, business, political and sociocultural. If you want to cover new markets you must take into account the economic indicators, the fluctuation of the dollar or Euro if it is convenient in that market.

Competitiveness

O'Donnell et al., (2002), there are therefore three elements associated with this concept: a characteristic of the company that is maintained over time and difficult to imitate, a comparison with competitors and a practical utility of that character that it manifests itself in obtaining, in some way, better business results. There are three very important competitive variables that any organization should keep in mind to position itself in its market.

For Grant (2005), he argues that the sources of competitive advantages have been considered to be found both in the internal and external factors of the company. According to this author, which states that not only the process, nor human talent but all internal and external variables should be oriented towards excellence.

Ibarra, (2004), states that any company seen as a system has in turn subsystems whether or not they are presented tangibly, these subsystems are the substantial areas of a company, depending on the type of company, on its turn are the areas that are identified or existing subsystems, however generically there are subsystems: finance, human resources, operations, sales, management. All subsystems directly make the company competitive.

Fried, (2012), argues that according to the model of the industrial organization, a company must consider with greater importance the factors of the external environment than the factors of the internal environment at the moment to conceive its strategy and that this will allow it to achieve a greater degree of competitive advantage. It is interesting that any company from the beginning must give importance to internal and external variables that may affect the organization in the short, medium or long term.

Thomsom, Strickland III, and Gamble, (2008), state that derived from the theoretical review, a scheme is proposed that explains an alternative to maintain strategic thinking when designing strategies for business competitiveness, taking into account the theories of the organization and based on resources, through business perspectives and market forces. It is a proposal that is based on the strategic management process very similar to Porter's theory.

Polevnsky (2003), competitiveness at the company level is the ability to sell more products or services and maintain or increase their market share without sacrificing profits or salaries or damaging the social or natural environment. It is a very general concept because companies must keep in mind the economic indicators and regulations of the country or of the area where it is operating.

Improvement of the product or service against the competition

Grant (2005), identifies three main types of resources: tangible, intangible and human. Tangible resources are the easiest to identify and evaluate. They include the financial resources and physical assets identified and valued in the financial statements of the company. For this author, the product or service must have in mind some very important internal variables to always improve the requirements of the product.

Acceptance of the product or service in the clients

Currently, competitiveness is a technical concept related to the ability of an organization to comply with its corporate principles, especially in the acceptance of a product, meeting the needs or requirements of customers. A company or organization of any kind also can develop and maintain significant advantages that allow it to enjoy and sustain a prominent position in the socio-economic environment in which they operate. For Porter (1991), in his article “How Competitive Forces shape the Strategy”, this advantage has to do fundamentally with the value that a company can create for its buyers and that exceeds the cost of that company for creating it.

Therefore, competitiveness does not arise spontaneously as the context of the organization changes in vital areas such as human talent, technology, process improvement. Competitiveness is, rather, the product of a complex and dynamic pattern of interaction between the State, companies, intermediary institutions and the organizational capacity of a society.

Jones and Treece (2008), define country competitiveness as the degree by which a country, in a world of open competition, produces goods and services that meet the demands of the international market and simultaneously expands its GDP and GDP per capita to less as quickly as its business partners. Business competitiveness: a conceptual framework for its study)

Greater positioning of the company

Ramírez (2008), proposes a regional level affirming that companies achieve their competitiveness, not only by reaching sophisticated levels of operations and their strategies or by seeking a positioning through differentiated products or services, but also, by locating the specific assets that a region or geographic space can provide them. The latter is related to the concept of a traditional business environment and has to do

with conditions at the national level but, above all, with conditions at the departmental, city or cluster level that facilitate or inhibit the process of creating value in the Business.

It can also be said that business competitiveness is established based on factors related to the fields of action of organizations, decision-making, and execution, such as management, innovation, production, and human resources. Competitiveness according to Padilla (2006), in a company is associated with concepts such as profitability, productivity, costs, added value, and percentage of market share, level of exports, technological innovation, and quality of products, among others. You can also find indicators such as labor productivity, capital productivity, etc.

Best Technology and Human Talent

Hatch and Dyer (2004), consider human capital as a competitive advantage in global terms. Although other authors of similar thinking analyze more specific aspects such as an adequate direction of the company's human resources. It highlights the value of human talent as a direct need for the company to be quite competitive, dynamic in its market and, above all, well positioned.

Ghobadian, (2005), states that those companies that follow an exploratory strategy have a strong orientation towards innovation, adapting technologies, developing products, services or processes, and allocating resources to departments. New technology makes human talent take ownership of new knowledge to drive forward the innovation of a product or service.

Kenichi (2005), in his visit to the nation, recommended refocusing the business model to avoid sudden death, Colombia with an enviable geographical position, a resourceful and recursive human capital, the second most complete biodiversity in the world and a leading entrepreneurial class, It registers precarious economic growth levels and alarming social inequality. Recognizes that if there is good human talent in general terms in companies, but the economic levels of the country are not adequate, that is why organizations tend to stagnate in the national market.

For Galende, (2006), he argues that the technological factor together with the ability to innovate is a critical source of competitive advantage. For this author, technology is essential for processes to begin to change and thus give the true innovation that the organization needs to be competitive and position in the market.

Werther and Davis, (2000), states that human resources activities contribute to the success of an organization in various ways, these activities must be adapted to the company's fundamental strategies. This strategic management of human resources requires that managers use their human resources to strengthen competitive advantages and contribute to their financial success. These contributions must be carried out within an ethical and social responsibility framework.

Chiavenato, (2009), assures that people are the beginning, the middle point and the end of the Organizations. They fund organizations, mold them, promote them and, depending on their performance, lead them to success or bankruptcy. It is based on the fact that human capital is indispensable in any company. He also states that the important thing is to offer working conditions that allow the talents to collaborate and contribute effectively to the success of the organization, adding value and wealth for the other associates. This depends primarily on the organization and culture, that is, the context that the basic culture and mentality can offer to boost the talents of people. Emphasizes that human talent must have good working conditions both in salary and in the physical and thus can be more efficient.

Lerner (2007), is added organizational, human competitiveness, composed of the effort and work of human capital, and corporate social responsibility, a phenomenon that seeks the constant creation of value while pursuing social welfare. It is an important thought because every worker must have good conditions and so can assume a greater degree of responsibility for their good conditions.

Anaya (2007), in the current competitive environment no company can afford to ignore the growing need to improve productivity, nor can any employee evade their responsibility in achieving that objective. The improvement of productivity is not a work of specialists, only based on a program to be carried out at a specific moment, but on the contrary, it must be part of the daily business of the company, since it is a continuous process of improvement, tending to an optimal use of all the resources used in production processes, labor, equipment, and facilities.

Domínguez and Brown (2004), in the sense that only companies with high technological capabilities have the conditions to increase both their participation in the market and their profitability, which is a stimulus for innovation. Stresses that cutting-edge technology makes the difference between similar companies.

Aragón (2008), to achieve competitiveness, several factors are required, pointing out how the human resource first, by the knowledge, skills, attitudes that they possess and how they work. Other factors to achieve competitiveness are related to the managerial ability to manage the company, the marketing capacity, its clear orientation to the market and the client, innovation, technological resources, information systems, adequate financial management, values cultural, organizational structure and know-how.

Conclusions

With the review article you can conclude the following aspects:

Innovation is considered by many business experts as a determining factor for a company to be competitive because every product or service meets a cycle that must be renewed or changed according to the needs of customers.

There are other very important internal variables of the company such as technology, human talent because with them you can innovate the processes and at the same time, the product or service likewise creates an added value that is a determining factor to differentiate its products within the market where it operates.

A competitive company in the medium or long term should look for new markets, whether national or international to grow and expand according to its positioning and sales indicators.

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