

HOW TO IMPLEMENT INNOVATION IN DEVELOPMENT

KAKO INOVACIJU PRIMIJENITI NA RAZVOJ

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Abstract: *Slovenia, like many more countries still needs its real transition from the pre-industrial to the modern society. In this contribution we collected some crucial viewpoints, now the viewpoint of making it all happen has its turn. Making the model is a complex affair, so is also making the model work in reality. So, in this contribution we will also briefly summarise a system of warnings and suggestions, what should be taken care of for the model to work. The absorption capacity of addressees, innovation promotion and diffusion are combined in our suggestion here.*

Key words: *Novelty, Innovation, Innovative society, Systems thinking*

Sažetak: *Slovenija poput mnogih drugih zemalja još uvijek prolazi svoju pravu tranziciju od pred-industrijskog u moderno društvo. U ovom radu smo prikupili neka bitna stajališta. Izrada modela je složen proces, isto kao i primjena tog modela u stvarnosti. Stoga ćemo u ovom radu ukratko prikazati sustav upozorenja i prijedloga na koje bi trebalo obratiti pažnju kako bi model funkcionirao. Primateljeva sposobnost prihvatanja, inovacija, promocija i difuzija su kombinirani u našim prijedlozima.*

Ključne riječi: *novina, inovacija, inovativno društvo*



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1. Introduction

Our research in last few years (Mulej, 2006; Potocan, et al., 2007) shows that Slovenia has done very much for her formal institutional transition from a pre-industrial society to a society based on innovation, but not enough for this transition to really happen, including values/culture/ethics/norms (VCEN) and knowledge of majority of Slovenian population, organizations, and government. This is why our research has tried to provide a new model. Once one has a model, the issue shows up – how can we make the model work in reality?

Our way of looking at this problem is: the produced model is an invention - suggestion supposed to become an innovation. We will brief what and how could be done, if one used systems thinking in order to attain the holism of suggestions.

2. Innovation of VCEN in government, universities and enterprises

Historians found that it had not been the technological innovation which came first and caused a new quality of life, but the innovation of socially prevailing culture/VCEN making new room for everybody to be free to think, speak, and take risk as entrepreneur (Rosenberg & Birdzell, 1986; Gu & Chroust, 2005). From then on, which is after the abolishment of the guild-based economy and of the society with (feudal) class differences and wealth based on heritage rather than on innovation/entrepreneurship, room for innovation was increasing. Inventions from research organizations such as universities and institutes belong to the under-used sources of innovations. They are poorly transferred to the enterprise practice in EU (EU, 2004; Gu & Chroust, 2005; Potocan, 2006; etc.). This may be true of the novelties aimed to enter the economic system and business politics instead of the established habits of so far. The first questions and doubts include: “Will the economic system and business politics practitioners accept our inventions, if they do not bring solutions, which offer more benefit than used to be the habit so far?”

Many Western researchers of these problems presuppose that the market pressure alone makes businesses, including the economic system and business politics institutions willing and able to absorb whatever new knowledge shows up if they feel that their application of this knowledge will increase their competitiveness due to better efficiency and effectiveness (Rogers, 1995; Bevan, et al., 2004; Marangos, 2004). Therefore, they claim, it is the role of the government to remove obstacles for competition and to invest in education and training in capabilities, which are needed for people to cope with the more demanding markets of products and services. This may be true, if business persons are entrepreneurial rather than routine lovers. Such a behavior can be found in the innovative societies much more than in the other 80 percent of the world population of today (Creech, 1994; Dyck & Mulej, 1998; Gu & Chroust, 2005; Mulej, 2006).

Yes, we can admit the experience that removing the obstacles to competition works, if people know, want, and can do their business under competition. The conclusion:

modern values, knowledge, including know-how, make a system of preconditions for the institutions to work properly (Mulej, et al., 2000; Potocan, et al., 2007).

The individual, organizational, and national VCEN need to be innovated, but not technology only. This helps interdependence of mutually different and hence complementary specialists to become visible. A lot of help can come from transforming the marketing-like offices of the economic system and business politics institutions from a service of selling/promoting to a service of providing information, including the one about the research organizations, and thus serving as the bridge between businesses and research organizations. We do not see the problem in transfer of the narrow professional related knowledge, but in the managerial and organizational ones. But the most crucial of all novelties is the following:

- According to its role as the general coordinator and manager of the most general issues of a society, the government defines the framework conditions, including the ones related to the transfer and absorption capacity concerning novelties supposed to become innovations.
- Government can act in this role by commanding, subsidizing, enabling, allowing, but also as a rather big buyer in a buyers' market; the latter role may be the best choice in this case.
- Therefore, government can and should define in its procurement rules concerning supply to all government offices, medical, educational and other public organizations, that only the most innovative organizations may be suppliers.

To be able to succeed, government must also be a role model of innovation. Innovations related to the management style and organizational process and methods can take place in its offices, too, like everywhere else. The first steps in this direction can be detected in journal reports about governmental actions in Slovenia.

3. Innovation concerning the process of transforming an invention to an innovation

From empirical discussions about any product or service for market, including the new management and organization of services/offices in the economic system and business politics, we briefly conclude (Mulej, 2006; Potocan, et al., 2007):

- There are many products or services that offer the same functionality, but there are other criteria for a customer to choose one of them. This applies to the economic system and business politics institutions, too. They are no longer free of competition: the entire European Union is on its way to become one single 'market' for the economic systems and business politics regulation as well.
- Product or service developers may be concerned about the technological attributes only of their product/s, or conceive it/them more holistically, which is what the new our concept of the economic system and business politics organization suggests.
- To meet customer criteria of good enough quality, products must be good on a holistic basis. Thinking about holism must include technology, production,

business planning and doing, marketing, human resources, and several more aspects, as a system. This applies to the economic system and business politics institutions, too.

- Any product or service management, developing, producing, and selling should hence better be a very interdisciplinary endeavor, which links at least business, technology, human resources, organization, management, into one whole. This applies to the economic system and business politics institutions, too.

This means that creativity and holism in the phase of a product (= the economic system and business politics services and organization and management under discussion, in this case) development (without later phases of the process) are not enough, although essential. Holism may be based on using the systems theory explicitly or implicitly (Mulej, et al., 2000; Mulej, 2006).

The concept is important because today, worldwide, there is a lack of education in systems thinking / systems theory; there are many unavoidable narrow specializations; and hence there is a lack of consideration of holism (Bevan et al., 2004; EU, 2004; Marangos, 2004; etc.). Even more: holism is frequently considered fictitiously, limits of consideration being reduced inside narrow specializations with their interdisciplinary co-operation, and reviving the out-of-date reductionism under the name of systems thinking (Mulej, 2006; Potocan, et al., 2007).

4. Systemic quality (as seen by customers / users) and its roots

Another aspect of making an invention, such as the new economic system and business politics organization and management, an innovation and really useful, tackles its application by many.

Research on diffusion of novelties (Affuah, 2002; Lester & Piore, 2004; Gloor, 2006) demonstrates on the basis of several thousand cases that it is very difficult for an author and his or her change agent to make an invention - suggestion accepted by the potential customers. What they find good enough, is called excellent / perfect; it depends on five pillars of total quality, which are interdependent and each of them must be excellent (Creech, 1994; Affuah, 2002; Lester & Piore, 2004). They are: Products, Processes, Leadership, i.e. Cooperative management, and Commitment, linked in a synergy by Organization.

A product is perfect if meeting criteria of “systemic quality” made of the system of interdependent and interactive price, (technical and commercial) quality, range, uniqueness and sustainability as they are both defined and accepted by customers and (Mulej, 2006; Potocan, 2006). This is where new management model must fit in.

5. Conclusion

The concept under discussion can be used more, if government innovates more and acts as a big buyer in the modern buyers market, which is no simple way. It requires a lot of innovation of VCEN of the government bodies and other public organizations. But the alternative is even more complex – the lack of holism and the lack of an

innovative change causing a country to keep being and becoming even more an old lady rather than the most dynamic and innovation-based economy of the world. Innovation of information supply and diffusion in the economic system and business politics institutions can help too, in this case.

The invention-innovation process, including any novelty, is long, complex and complicated. It runs from freeing, making/enhancing and activating capabilities of all available resources all the way to the final acceptance of the novelty by the customers and resulting benefit for them and the authors and owners of the novelty.

Developing and diffusion of any product or service are two big parts of the same whole, very interdependent and requiring (informal) systemic / holistic thinking. It also means a transition from a routine-based to an innovative management.

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