



ORGANIZATION OF THE INNOVATION PROCESS

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Abstract: During their conscious lives, people aspire to different purposes. In the desire to accomplish their intention, they unite, and in this way form different organizations. A necessary condition for achieving the objectives is resource security and division of labor. The horizontal division of labor in the organization distributes the activities among its members, and the vertical division of labor contributes to the creation of rights and responsibilities, establishing the conditions of subordination in the company. Thus, different structures are differentiated. The organizational management structure is an integral part of the success of each business unit. It helps to achieve organizational objectives by increasing efficiency and enhancing employee motivation. The appropriate choices of the organizational management structure can increase the productivity and profitability of the business unit, support processes for efficient use of organization resources, etc.

Keywords: innovation, process, organization

As a rule, any governance structure is a complex of governing bodies, authorities and ties. The term is borrowed from the Greek language, which root comes from work, action and construction. In the process of creating each organizational form it is necessary to establish correlations and relations, which creates conditions of subordination among its members. In the theory of management functional dependencies mean the activity of the subject of management, which has a targeted influence on the management object when reaching organizational goals. Management functions occur in the stage of separation of production and management of labor. With the development of public relations, the process of evolution of management functions in economic units is natural. Today, academic circles unite around the functions of planning, organizing, controlling and regulating.

Organizing is the core function of management and it is defined as the process of structuring and distributing activities, delegating rights and responsibilities in the organization. The distribution of the different service roles in the company is done by coordinating the efforts of the employees in the company. Organizing indicates the administrative mechanisms in the business unit system. Therefore, it creates the pattern of interrelated activities that are necessary to achieve corporate goals and strategies.

The elements of the organizational structure are the governing bodies and the management units, including the interrelations and interdependencies between them. Governing bodies have certain decision-making powers. Management units are administratively separate groups of employees that help implement the process of management decisions.

The links between the elements of the organizational structure are considered as structuring and communication. Structurally identifying connections link up the organizational structure. The function of communication links is building the information channels in the company.

Structurally identified relations are built on a functional, divisive and adaptive basis.

An organization that is built on a functional basis contains departments in which the staff is separated into units and has a certain qualification and specialization. Typical of this type of organizational structures is the functional division of activities. It is applicable to small and medium-sized companies with limited market share and a small number of nomenclature personnel.

During the innovation processes in the company, there is certain transformation of scientific knowledge and discoveries into innovation, which are being introduced into production, into people's way of life, and thus brings benefits to society. In the course of this complex sequence of events, the idea becomes a product, technology or service and disseminates into practice. It is of utmost importance that this process is skillfully organized and managed. There are different theoretical approaches of managing innovation processes.

Within each business unit there are management bodies and units that are structured at different hierarchical levels according to the functions in the process of carrying out the usual activity of the company. On the other hand, the generation of ideas takes time, and the complex nature of the environment complicates the problem that is subject to an innovative solution. Therefore, the structure of innovation units needs to respond adequately to changes of internal or external nature. But the different aspects of economic activity determine specific ways of allocating functions and tasks in the process of creating and implementing ideas. In this way, different structures are formed, the formation of which is based on the need for innovation. The separation of research unit in the organizational structure of the enterprise requires a high degree of inter-company integration of resources and the allocation of tasks to specialists from specific functional units in the interest of development and design of an innovation. For that purpose project groups are created, including representatives of research, marketing, manufacturing, service and other units.

The appropriate organizational structure helps to achieve a parallel between research and the core business of the company. Moreover, in the process of co-operation with organizations external to the business unit, prerequisites for network participation in research are being built. These studies can be conducted both with independent scientific institutes and with competitors. An analogous approach exists in market research, in the training of staff, etc. The stage of implementation of the invention serves as a checkpoint, before presenting it to the managers with a possible choice of directions of work.

Organizations differ in the extent of the innovation process. Their activity consists of one or several stages. Some organizations only perform certain types of activities that are necessary for the implementation of a particular innovation process, and the results of other activities are included in the process of innovation development and realization. This type of collaboration is known as innovative outsourcing.

Today's economic life takes place under the sign of innovation projects. In this way companies that simultaneously engage in several projects logically choose the matrix organizational structure. It resembles a mathematical matrix, with the lines reflecting the individual projects, and the pillars are the departments in which they are realized. Projects start and run at different times and there is no limit for their number. The head of a project is directly subordinate to a senior management. Specialists participating in a project team work in parallel with their functional department. Double subordination is a condition for conflicts, which is the main drawback of the matrix structure. Positive aspects are good coordination between professionals and good exchange of information.

The project organizational structure (Fig. 1) is used to facilitate the introduction of innovation in a company. As a rule, a temporary or pulsating unit for project implementation is added to the functional structure. The team is formed by specialists, who are included by the permanent units of the organization. Another possibility is to involve experts outside the organization solely for the purposes of the project. The advantage is that the efforts of the right professionals concentrate on solving the project task, without the project disrupting the usual business. Project team members temporarily go under the sole responsibility of the project manager, thus avoiding the double subordination of different heads of command. This structure is extremely flexible. A possible disadvantage is the occurrence of conflicts between the permanent units and the project units.

As a result of globalization in all spheres of public life, managers use the network and virtual structure of business units that develop the same innovation projects. Thus, a wide front integrates networks of researchers, research units and laboratories, universities and other science centers with the business. The exchange of information between incubators of innovation in the process of cooperation of specialists in specific areas of economic life creates an environment for developing innovative ideas of a different nature. This complex of

experts working in the structural units of individual organizations creates a virtual network structure. Through the “wisdom of the collective” a huge communication network is created. It is developed on the basis of self-initiative and it’s moved by the creative potential of the human factor. Furthermore, individuals participating in the virtual network of experts are part of the elite of modern society. The virtual organization does not exist as a legal form, but thanks to the modern forms of communication, it develops on the basis of the so-called “cloud technologies”. In this way, researchers and business unfold unsubstantiated potential that helps to discover revolutionary ideas from all areas of life. As a result, this cooperation stimulates the creativity of the person, because the knowledge is complementary. As a result of this collaboration, an appropriate atmosphere of teamwork from every corner of the world is created. The process takes multilateral dimensions and increases the competitiveness of business units. The competition between companies is transferred to the field of high technology, resulting in an increase in the number of ecological productions, alternative energy sources and the quality of life of the population.

As a rule, the organization of research and development activities is managed in accordance with principles that fundamentally differ from the principles of management in other activities in today’s business. Difficulties arise in determining the value of labor inputs in the innovation process. But the cost of an invention is a function of risk and return. In this way, there are certain difficulties in the allocation of resources in research and development and the remuneration of the team from the respective unit. On the other hand, the relations between the expected return and the investment in the innovation process of the business unit are important for the planning process. In this line of thought, in a large number of modern companies, research is organized centrally.

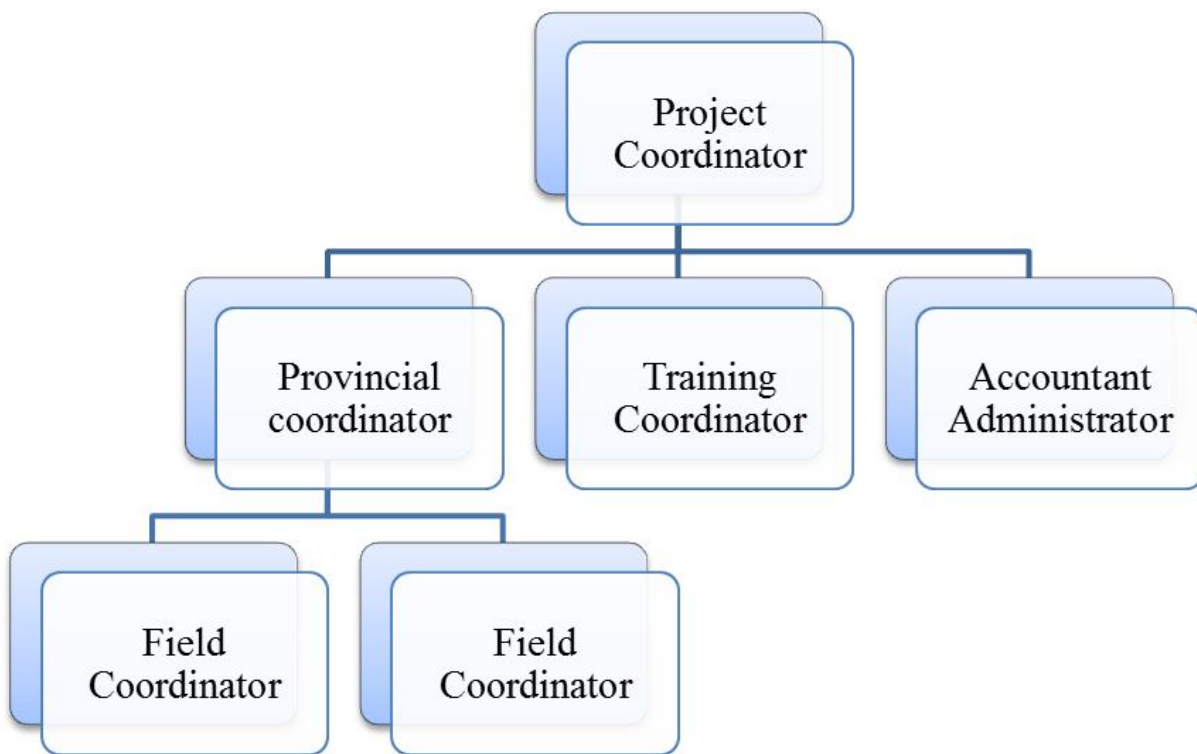


Figure 1: Project organizational structure (PM4DEV, 2017)

Essential in developing the organizational structure of innovation management is the creation of a “goal tree”. The hierarchical order of objectives helps to create a clearly defined structure of the tasks to be solved in the process, to identify the exact contractors and to select the appropriate team and manager.

In the modern state of economic, technological, social and demographic changes, various enterprises use a variety of organizational forms to adapt to the organizations to the dynamics of time. Therefore, senior management makes periodic reassessments of management schemes and continually generates new reference

points and organizational decisions. Business units need to change focus, goals, regroup roles and responsibilities, leading to the use of new forms of innovation by designing and redesigning innovation units, scientific and technical departments. But successful management of innovation requires special attention to the human capital. Innovative units are driven by progressive individuals with innovative ideas, creating the right conditions for creative activity through high motivation, initiative, creative thinking and work activity of the whole team.

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