Chapter 15
Influences of Factors of Human Resources for Innovation in Services Companies

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ABSTRACT

The chapter aims to understand how human factors influence and contribute to have an organizational climate conducive to creativity and innovation in service companies. The chapter also proposes an analytical framework to assess the influence of human resources, and understanding how they contribute to that has a climate conducive to innovation. The proposed methodology is the multiple case study and qualitative research in Brazilian companies. The analyses and discussions identify that conducting innovative decentralized actions may harm the process, and efficient management practices, such as the use of collaborative work, skills assessment, and identification of technology trends, assist in the innovation process.

INTRODUCTION

The term innovation is often associated with the development of new technologies, however, this concept has a broad nature and involves several areas of human knowledge . As a starting point, even the best definition of innovation comes from Joseph Schumpeter, who started modern research in innovation. Schumpeter (1934) defined innovation in five ways: new products, new production methods, new markets, new sources of supply and new organization of the competitive structure of an industry.

The concept of innovation capacity emerged in academic and political debate as a meta- concept to designate the actual capabilities and potential of a system to convert knowledge into innovation that is able to drive long-term economic growth and wealth creation, or is, the capacity for innovation can be described as global innovation capabilities that a region can express, both in practice and potential (Schiuma ; Lerro, 2008) .

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The Strategic Human Resource Management (SHRM), can be regarded as a comprehensive process to address long-term issues of human resources as part of the strategic management of the organization. This includes concerns about comprehensive structures, values, culture, commitment, quality and performance and development of human resources through which the objectives of an organization are performed, so the goal of SHRM is to provide a future direction, ie, the management people in an organization, in terms of long-term planning of human resources management, aligning it with the general plan of the organization (JAIN, 2005).

Skills, which are a combination of knowledge and experience that allows a person to do something a certain way (Boyatzis, KOL, 1995), and plays a key role in the development or creation of features that lead to innovation. According to Katz's (1974), the skills can be classified into three types ; technical skills, human skills and conceptual skills .

This chapter aims to contribute to the state of the art exploring innovation in services, in order to understand how these firms innovate and the role of the factors of human resources (HR) in service innovation.

The chapter aims to present a proposed approach of integration of factors of human resources and skills for innovation. After the bibliographic research of the most important themes connected to the subject, that is: services, innovation, the following research questions are addressed, which will be the key to the development of this research based chapter.

How the factors HR (human resources) can contribute to innovation in service firms?

The research is carried out considering two service companies located in the state of São Paulo, Brazil, where the proposed approach was applied.

BACKGROUND

Services and Innovation in Services

The service sector includes a wide range of economic activities, the different characteristics of product and/or process, as well as market organization (Meirelles, 2003) and services currently represent over 70% of employment and GDP in most developed countries. A service is not an artifact, but a protocol, a formula, a development process over time and leading to the provision of a product (Gallouj, 2002).

In addition to the ongoing changes that alter the characteristics commonly attributed to services, it is worth emphasizing the heterogeneity of the sector. It is an industry that covers a wide range of economic activities, from different product features and/or process, as well as market organization. In this sense, living in this sector small medium and large businesses, with profit margins and performance very different from each other (Meirelles, 2003).

The concept of service must be approached from the point of view of the client. It is the perception of the result which is the service, customers may have different values and different reasons for the assessment, they may perceive the service in different ways, but what they do not realize there is for them, unlike manufacturing, the experience customer service involves the co -producer (Edvardsson, 1996).

The literature indicates that management innovation and development of a service is different from the development of a tangible product. Ideas for new products and services can be generated in various ways, can arise within and outside the company, as they may result from search procedures formal or informal, which may involve the organization and creation of new product or service (Kelly; Storey, 2000).

The development of new service is based on the difficult task of understanding and anticipating customer needs, with the help of a traditional