

MANAGEMENT INNOVATION IN SMALL ENTERPRISES OF THE JAGUARI VALLEY – BRAZIL

Pilau, Daniele R.(1) / Brum, Tônia M. (2) / Dri, Rita de Cássia S. (3) / Machado, Leonice dos S. (4)

Universidade Regional Integrada do Alto Uruguai e das Missões

Departamento de Administración

URI - Campus Santo Ângelo (1) e Santiago (2, 3, 4)

Calle Universidade das Missões, 464 – CEP 98.802-470 Santo Ângelo – RS – Brasil.

E-mail: danpilau@inovarrh.com.br

E-mail: tonia@urisantiago.tche.br

SUMMARY

Many management practices which were valid until yesterday are not so today, and neither will they be tomorrow. Innovation cannot only be carried out in some areas of the enterprises; it should be done in all of them. The article presents the result of the research on Management Innovation in the Jaguari Valleys (RS) small enterprises. From the analysis of the results and based on the theoretical reference, the measures that favor the innovation, will be adopted, contributing to the competitiveness of these enterprises. The methodology consisted on a descriptive research of the enterprises of the secondary and tertiary sectors from the Brazilian Support Service Cadaster for Small and Medium Sized Enterprises (SEBRAE-RS) for 2000 and the bibliographical revision. The data were collected through a questionnaire. The results demonstrate that these enterprises adopt some practices of the Management Innovation: a protection of ideas, the recognition of collaborators as clients, incentive and help to innovation. There are still aspects that need to be improved: decision making, lack of rewards for creative ideas, nonexistence of critical mechanisms in communication and suggestions. So there arose, a new proposal to contribute in the way of implementing management knowledge, which will produce a new work plan.

KEY WORDS: Management Innovation, Management Knowledge.

INTRODUCTION

At present, the old management models are no longer able to reach the results that were being achieved, due to the constant changes that take place within the context in which the enterprises are insert.

As to this, these same ones need to be substituted for others and innovation, in this new scenario, cannot only be limited to the development of new lines of products and the achievement of a greater productive effectiveness, as generally happens.

It is necessary that the same be present in the whole business system, once the competitive strategy of the enterprises is adopted, with terms which become shorter. (Hamel, 1999).

The present paper has as its objective to research management innovation in small enterprises of the secondary and tertiary sectors of the Jaguari Valley, as from the analysis of the results obtained and from the theoretical reference, to consider the adoption of the basic measures which favor innovation, contributing in this way to the competitiveness of the enterprises studied.

Components of it are, the bibliographical revision based theoretically on diverse authors of articles and books that treat with the innovation topic. In this part the innovation concept is approached, its context within the enterprises, the requirements for an innovative management, and the panorama of innovation in Brazil, after having carried out the justification of the used methodology, of the definition of the universe and of the sample of the enterprises, of the instruments for gathering data and of the kind of analyses used to achieve the results.

The results of the study are then presented, the conclusions obtained as from them, and the bibliographical reference consulted.

THE INNOVATION CONCEPT

To define innovation, Kassoy and Annunziata (2004) use Ernest Gundling's definition of the 3M enterprise, one of the most creative enterprises in the world that conceptualizes it as an executed successful idea that produces an economic result.

For him innovation is one of the main weapons to guarantee the enterprises competitiveness.

According to Joao Furtado apud Sabine Righetti (2004), the innovation concept associates itself to the enterprise capacity. For José Schumpeter, innovation is conditioned to the efforts of the enterprises to build their future with more appropriate, more solid economic and preactive spaces.

According to what assured by the FA.RS (2005), innovation consists on having an idea that others have not yet been able to neither obtain nor implant successfully. Also, the same one is part of the enterprise's strategy and may be found in different parts such as material, products, processes, in the market and in the management.

Another contribution with regards to the innovation concept is provided by Cassiolato and Lastres for whom "innovation can be understood in a generic way as the introduction of any kind of change rate or improvement carried out to the product, to the process or the type of production organization within an enterprise". (Cassiolato y Lastres, 2000, p. 238)

Once the meaning of innovation is understood, and before knowing the requirements of an innovative management, one should understand a little about the context of innovation within the enterprises.

INNOVATION CONTEXT WITHIN ENTERPRISES

According to Oliveira (2003), it is common that among people there is carried out a scarce evaluation of daily activities. However, it is worth remembering that no conquest was reached by a single person and yes it was by small actions by some people that, united, obtained a successful conquest. In this direction, the aforementioned author draws the attention on the fundamental matter of being attentive to daily actions, since these can influence the future, once success has been achieved by means of small acts, a small idea and a lot of creativity, and as has been said, by some people, united.

The enterprises do not stop creating products and services that change people's lives. However, to achieve success, innovation must be connected to quality, as the consumer market transforms very quickly, and becomes more and more demanding. (Chirstensen,2005).

Innovation, as enterprises basic instrument, is the way in which the entrepreneurs explore the change, as a business opportunity or a different service, it can be presented as a discipline to be learned and practiced. Thus, it is necessary to look for, in a deliberate way, the innovation sources, the changes and symptoms that indicate opportunities so that an innovation be successful. The individuals that have to decide something need to have as a base theory and not intuition. (Drucker, 2000).

Practice shows that most enterprises have to begin with a creative manager; however, the challenge consists on transforming the enterprise into a complete innovator. (Collins and Lazier, 1996).

From that point of view, Ribeiro (2000) draws the attention that enterprises need to learn to look at their own enterprises in another way, glimpsing new possibilities, for example, to associate with the competitors and with their own employees. It also urges the necessity to change the pedestal, that is to say, to bring the managing director down from the pedestal and to ascend the client. The search for quality, considered as a costs increase, can be faced as intent of reducing them.

In a new vision, mentality opens up to innovation and this is what enterprises today need and will do so more in the future.

Enterprises innovation cannot be limited to new products lines. They need to go further on and to pay a lot of attention to management and organization innovation. (Hamel, 1999).

According to the Innovation Institute (2005), as it is a risk investment, and when attracting advantages that sometimes surpass the investments, the enterprises achieve the government's participation through their innovation, science and technology institutions, in the financing of their Planning and Development (P&D) projects.

The enterprises that question incorporating innovation culture, within their strategies and how to evaluate this "innovation strategy" are obtaining good results, as one of the best ways of incorporating innovation indicators together with the traditional financial indicators. The FINEP prize uses the approaches presented in Chart N° 1 to evaluate the most innovative Brazilian enterprises.

<i>For the Enterprises...</i>	<i>... and for the Government</i>
-To invest in the construction of P&D laboratories / areas.	-To privilege through tax incentives and other incentives, the enterprises of technological base or those interested in investing intensively in P&D.
-To hire highly skilled workforce, magisters and doctors, to carry out P&D activities.	-To Increase the direct investments in research in the measure in which the economic scenario allows it, within a government' larger strategy.
-To look for interaction with the existent laboratories in universities and research centers.	-To train the domestic workforce in a directional way towards the practice of research and development of products and processes, in enterprises and research centers.
-To create innovation indicators, adding them to the other managerial performance indicators.	
-To motivate generation of spin-offs.	

Chart Nº 1: Criteria Evaluated in the most Innovating Brazilian Enterprises.

Source: Innovation Report, Competing in Global Economy: The Innovation Challenge, Dec. 2005, Page 12

Collins and Lazier (1996) argue that, as an enterprise grows it needs to have a continuous innovation capacity, that is to say, with a continuous flow of ideas, some of those which are totally executed. The biggest problem in the development of an innovating organization is not to stimulate people's creative ideas but nurturing this creativity so that the enterprise be successful and to achieve the capacity of continually innovating.

According to the study carried out by the National Research, Development and Engineering Association (ANPEI), of innovative enterprises, the main obstacles to technological innovation in enterprises were the high production costs and of the innovative processes (83.2%), followed by excessive economic risks (76.2%) and for the shortage of appropriate financing sources (63.4%) (FAPESP, 2005).

According to ANPEI's economist and consultant, Mauro Arruda, one of the great reasons for the lack of innovation investments is explained by the fact that most small enterprises do not know the markets where they are inserted. According to Mauro, "the market is a decisive factor for technological innovation and the great problem in Brazil is that the small enterprises blindly follow the steps of the big ones". In accordance with the economist, by following the big ones, the small

enterprises enters into an informality spiral: "to obtain permanency in the market, the small enterprise has to offer low prices and stops paying taxes, it damages the working relationships and stops investing in new technologies". (FAPESP, 2005).

For this reason, Arruda believes that the enterprises should look for new market niches that facilitate new technology investments. "Let us suppose that many of these enterprises opt to enter to more sophisticated niches, where the price counts little and originality a lot. In this case, innovation will have an outstanding role". To assist the sophisticated market, Arruda proposes the construction of regional innovation centers, with the objective of assisting the generation of new products and of processes."These laboratories could follow the Italian or Japanese models, where the team serves, at the same time, two or more enterprises of the same region". (FAPESP, 2005)

Another aspect mentioned by Drucker (2000), refers that most of the successful innovations explore the changes. Thus being, to systematically innovate it is necessary to go through what the author calls the "sources for" an innovative opportunity as the four first ones are within the institution, which are: a) unexpected success, the unexpected lack and the unexpected event; b) the incongruity between reality as it is, the fact and reality as it assumes to be or, as it should be; c) innovation based on the necessity of the process, because many times it is necessary that there be a process change; d) changes in the structure of the industrial sector or of the market that take everything without preparation.

Nevertheless, the author highlights other types of external influences (sources) that motivate changes and lead to innovation:

- a) The population demographic changes;
- b) Changes in perception, disposition and the meaning;
- c) New knowledge be it scientific or non scientific.

All these possibilities of innovation sources possess singularities, however, and according to Collins and Lazier (1996), within the enterprises innovation needs some basic conditions (requirements) simple but indispensable for their existence and systematizing.

MANAGEMENT REQUIREMENTS FOR AN INNOVATIVE MANAGEMENT

1. Ideas Haven

The highly innovative enterprises are frequently more receptive to all the ideas suggested in their work environment; on the other hand, most of the others have the unhappy habit of mentioning many reasons for which such an idea is stupid or a failure, thus highlighting many criticisms. Of course it is much easier, but it is necessary, to think on what can be done, so that the idea goes ahead, and not only criticize, therefore the ideas are not born perfectly. (Collins y Lazier, 1996).

Innovations are generally a consequence of brilliant ideas, being these riskier, also managing to also generate, bigger negative results for the organizations. It is worth highlighting that many inventors achieve success because their inventions functioned, on the other hand, there are many cases of inventors with some registered inventions which did not function.

The role of the enterprise consists in continually working and together with the ideas which appear in Chart N° 2.

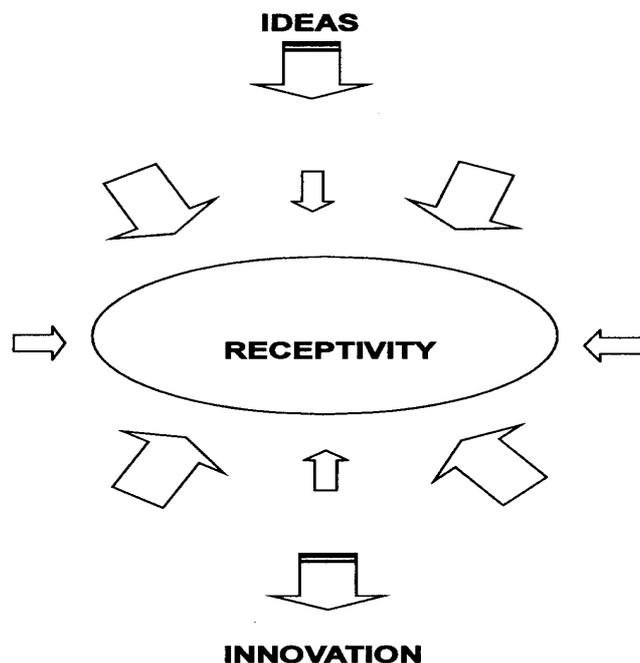


Chart N° 2: How innovation arises in the enterprises
Source: Own elaboration based on Collins and Lazier (1996)

Most of the ideas appear internally; therefore in the enterprise it is natural to have some creative ideas. Thus, the enterprises should be receptive in the same way to internal and external ideas, being this a practice, considered by enterprises, as being difficult. (Collins and Lazier, 1996).

Beyond receiving ideas, independently of the emitter's direction, any kind of idea should be well received. According to Drucker "brilliant ideas are vague and illusory" (Drucker, 2000, p.183), therefore, a manager would do well in giving up the innovations achieved with brilliant ideas. However, in an extremely competitive economy as the current one, you cannot reject any kind of idea. Individual innovation of this kind is not foregone; it cannot be organized, neither systematized nor even worse; in most cases it fails. But yet, it deserves to be received. In innovation and enterprise theory and practice, innovation, product of a brilliant idea, belongs to what is accessory and represents the qualities which society needs that are initiative, ambition and genius. There are even today innovations that set off from a "sudden genius idea" and these cannot be taught nor learned, therefore, there is no way of teaching somebody to be a genius. However, this sudden idea needs to be developed in an organized way, with a purpose and in a systematized way. (Drucker, 2000).

Another important aspect to be taken into account is as to some details which end up adorning an idea excessively, and it ends up removing the simplicity of the innovation. This could be dangerous, once these can only remain as ideas and do not become an innovation. In the same way, it is necessary to be careful for not carrying out something only thought for as for future, which can be reached in the future and not in the present, as is expected (Drucker, 2000). Another contribution on this innovation pre requisite, is offered by Kassoy (2004) which highlights the aperture of the enterprise, with the ideas that can cause the appearance of a great quantity of these, that demands from the enterprises time availability, and dedication for its analysis, a correct adaptation of these and also the adoption of the necessary care measures so that the employees are not frustrated and desist participating, in the case that their ideas are not applied.

2. Enterprises' Client Vision

Collins and Lazier (1996) suggest that one of the ways which quicker transform the enterprise into an innovator is making people invent the solutions for problems and their own necessities. In case these were not possible, at least it is placed within their skin.

The authors' offer is that the enterprises become conscious that their collaborators are also their clients. Thus, these will be able to see aspects that a simple employee is not able to see, as he does not see himself benefited by the enterprise's product or service.

Another point that should be taken into consideration is to clearly know the clients and not only know who they are. On this matter, in the occasions where these have problems with a certain product or service, not necessarily will one lose them if the difficulties are quickly identified and can be attended efficiently and effectively. (Collins and Lazier, 1996).

3. To try and to commit mistakes

People make mistakes, sometimes more times and others less, they should be tolerant with some mistakes that is to say, with those innocent facts, when one tries to innovate. As to those "bad mistakes" – due to lack of attention, laziness or for lack of effort - these do not have to be tolerated, so, people should always be seeking to improve what will be realized, when the worst mistakes are continually repeated, it demonstrates that nothing has been learned by this mistake. (Collins and Lazier, 1996).

Kassoy (2004) says that no ideas are not totally non-advantageous and neither totally perfect, therefore, to present, to evaluate or to modify these ideas, capacity is also required.

The author mentioned, still reminds us that not all ideas will have to be implemented. It is necessary to reject the implementation of some of them, for example, when they are not adjusted, at the conventional moment, to the enterprise or in the case that their cost is very high, escaping from its reality, and even, because previously they had been reproved in some test.

4. Creative people

Creativity is in everybody. However, some develop more their creative potential than others. What separates a person's creativity, is the way they perceive things, generally before others, beyond that, they are persistent and carry out what they created. (Obispo Patrician, 2005).

For Collins and Lazier (1996), a way to help people to develop their creative potential is stimulating them, offering them training, seminars, educational material and giving them the opportunity to expose their creative ideas.

The enterprises can also help when being open to the opinions and to the mistakes, so in a certain way, one also learns from them. (Obispo Patrician, 2005).

All people need to be motivated so they can create. On this matter, it is fundamental that the organization be devoted to hearing their collaborators' necessities, expectations, objectives, fears

and hopes. It is the duty of the organization to highlight the mission, the positive points and to show that their employees are very important for it. (Nieves, 2005).

If this happens, the author suggests, for example that periodic meetings be held, to imply the employees with their thoughts, to use the suggestions mailboxes and also to be engaged in the collaborators personal life. It is necessary that there be a daily exchange of ideas, regarding the opinions and clarity of the of the organization's intentions.

5. Autonomy and Decentralization

As the enterprise grows, new recruiting is necessary to attend to the clients' demands. With regard to this fact it is necessary to be attentive to carry out a really serious selective process, contracting competent people, which can have autonomy and space for the initiatives, and to avoid people that could only be looking for stability. (Collins and Lazier, 1996).

Decentralization is also basic in an enterprise that wants to innovate, therefore a person responsible for all or almost all the tasks, does not have time to create something new. However, so that decentralization works, it is necessary that the vision, values, intentions and mission be clear for all, thus the groups that possess autonomy will be able to self-measure themselves better.

Beyond the shared vision of the enterprise, a flowing communication, an informal coordination, the holding of internal seminars where the diverse sectors share their ideas, an information system open to all, and to prevent the matrix structures, are ways of favoring decentralization in the organizations and this opens up the possibilities for the emergence of innovations. (Collins and Lazier, 1996).

6. Rewards

Many times people should be rewarded by the organizations, not only with monetary values but also orally, recognition for work carried out, or giving them the opportunity to obtain something that interests them. People, many times, feel better rewarded when they reach a new challenge, or they feel satisfied simply by being able to contribute with their ideas. (Collins and Lazier, 1996).

Nevertheless, so that the organization with or without lucre objectives, continues innovating, the reward is very important. This can be achieved through prestige, establishing criteria to

evaluate the financial results obtained, offering a distinguished career plan, or simply letting people continue carrying out their work. (Collins and Lazier, 1996).

7. To run risks

Innovation requires some simple, but very basic knowledge. To begin with it is necessary to clearly have in mind that "innovation is work", therefore, it demands to associate knowledge with talent. On the other hand, the enterprise needs to make use of its strong points due to the risks that can be borne by innovation. It is also necessary to consider the behavior of the consumer market, because this change is frequent. To sum up one can say that to innovate is a risky situation, but not to innovate is even more so. Successful innovators are those that do not concentrate on the risks but do so in the retention and investment of opportunities. (Drucker, 2000).

As mentioned by Brown (2005), risk is one of the essential conditions for innovation, which should be managed and controlled. To feed an invention, the secret is in how to genuinely create a space, where it is possible to run risks. For the top ranks it is very easy to say that it is necessary to go ahead and to take a risk, but it is difficult for this to happen without organizational culture change, therefore it is a question of changing the way in which things are done within them.

8. Market Knowledge

According to Mauro Arruda, apud FAPESP, to know the market is a fundamental fact for the survival and the competitiveness of any enterprise type. However, many of them ignore or they know very little of the market where they act, they simply make echo of the experience of the big enterprises.

BRAZILIAN INNOVATION PANORAMA

Unhappily innovation is not much used in Brazilian enterprises, however, there do exist some successful cases. To create a culture managed towards innovation, although the actions are accompanied by economic risks, it is one of the great Brazilian challenges. (Simoies, 2004).

1. Innovation Incentive Legislation

According to Simoes (2004) the Innovation Incentive Legislation is a current measure to facilitate the integration of the researchers and the enterprises, and to strengthen innovation in Brazil.

The aforementioned author highlights article 26, where a new fiscal system is presented to facilitate and to stimulate the enterprises, so that they invest in research and development, which was discussed in March 2004. This law allows the use of laboratories owned by scientific and technological institutions, for a certain term, having paid for the service or the participation in the achieved results; it also authorizes the direct use of the resources for the enterprise, not caring the way in which this is carried out, the important thing is that the projects have innovation as an objective. Nevertheless, the law establishes the creation of a pool to stimulate innovation, a way to motivate the researchers so that they work in society with the enterprises, financed by the support institution or development agency, on the other hand the researcher can also get the license to go ahead with the project.

For the enterprises there are two way for encouraging incentive, the first one is through tax advantages and the financing of research activities and the second are the development of new products.

Marilyn Nogueira, coordinator of the intellectual property area of the Ministry of Science and Technology, mentioned to the newspaper that the new law admits to deduce from the liquid gains, the Income tax and Social Contribution, a 60% of the investments in innovation, increasing 20% more if it is used specialized manpower and 20% more if a certain patent is placed, which would reach 100%, being this the double of the current one (Periódico de Comercio, 2005).

This law also supports the creation of a favorable atmosphere for innovation and it also stimulates the innovation culture in research centers and laboratories (Periódico de Comercio, 2005).

However, the law in itself is not enough, according to dossier/innovation N° 49 of the Magazine HSM (2005), the universities themselves, that should be the most innovative or concerned enterprises with innovation as they possess management knowledge, are not achieving this, due to their own risk, or for not being able to approach the enterprises.

According to Roberto Vermulm, professor of Economy, Management and Accounting, of the University of Sao Paulo "(...) we need to include in the DNA of the Brazilian enterprises, the fact that to innovate generates benefits and profitability, at the same time, it attracts the technological dimension as business strategy". (FAPESP, 2005).

MATERIALS AND METHODS

The present paper consists on a descriptive research of the reality of a sample of small enterprises of the secondary and tertiary sectors of the Jaguari Valley region, as to innovation management, going beyond being a profound bibliographical revision of the topic.

The Jaguari Valley's micro region is made up of nine cities: Santiago, Jaguari, Nova Esperança do Sul, Sao Vicente do Sul, Mata, Sao Francisco de Assis, Cacequi, Capao do Cipó and Unistalda.

The universe of 61 small enterprises, related to the referred cities, was based on year 2000 SEBRAE registrations. The present study had the participation of 16 small enterprises that correspond to 26,2% of the total universe of the registered enterprises.

Of this total, 12% represents enterprises of the secondary sector and 88% of the tertiary sector, where from this last percentage, there arises that 44% is business and 44% service enterprises.

Looking only at the Jaguari Valley's region of the cities of Santiago, Jaguari and Sao Francisco de Assis, only they possess enterprises within the research parameters. On this matter, enterprises interviewed in Santiago represent 69% of the sample, Jaguari 12% and Sao Francisco de Assis, 19%.

The gathering of data was carried out through questionnaires with open and closed questions, directly to those in charge of the enterprises.

The analysis of the data, which follow, was based on their tabulation and in the qualitative analyses of the results.

ANALYSES OF THE RESULTS

When analyzing the number of collaborators with which the studied enterprises count, one can observe that more than 68% of them have more than 11 employees and 24,9% have up to 10.

When studying how the enterprises receive their employees and clients ideas, one verifies that 69% of them say that they receive the ideas with attention and interest. The other ones (31%) say they almost always receive them with attention and interest.

Questioning if these see their employees as clients, it is observed that 70% do them always do, 20% almost always do so. However, 12% of the interviewees say that hardly ever or never do so.

When analyzing the incentive given by the enterprises to their collaborators to innovate, it is evidenced that 70% always makes it a habit and for the 30% remaining they do so nearly always.

Evaluating the frequency of innovation intents on behalf of the employees with the help of the enterprises, of 100% of the interviewees a 50% always offer their support to the employee to innovate, while the remaining 50% do so almost always.

Questioning the enterprises regarding the importance given to creativity, it can be observed that almost 70% of them take into account this variable in its personnel's selective process. Nearly 20% almost always take it in consideration and, the remaining 12% does not attribute it, much value in the selective process.

When evaluating if the employees exercise a self-controlled work, one can observe that 44% of the interviewed enterprises always facilitates it 25% do so almost always and more than 30% hardly ever or never facilitate it.

With regard to making decisions it is possible to observe that of half of the sample, a 25% always surpasses the decisions beyond the administrative echelon which enlarges each position, the other 25% do so nearly always.

As to the remaining 50%, 19% hardly ever allows its employees to make decisions, concentrating these on those in charge, while 31% never do so.

As for the incentives given by the enterprises to the creative and applicable contributions of their employees, it is possible to observe that 63% of them never or hardly ever adopt this practice, while 6% said that they always did so, and the remaining 31% almost always did so.

As for the use in some way of gathering suggestions, as the suggestions mailbox for clients and employees where they place their contributions and criticisms, 31% always adopt it, and a 25% almost always do so. On the other hand, of the remaining 44%, 38% does so, while a 6% hardly ever uses it.

With a sufficiently significant index, of 88% of the interviewed enterprises, 50% always allow the access of the employees to the discussions and debates of new ideas for the enterprise, while the remaining 38% almost always do so. The remaining 12% never or hardly ever propitiate the participation of the collaborators.

A quarter of the enterprises in question, can say that they adopt as a habit the changing of their employees' sectors, therefore 25% confirmed that they always do so, 20% confirmed that they almost always do so, 25% hardly ever, while the remaining 31% do not do so.

Another motivating way for innovation is the participation of the employees in courses, seminars, training, etc. Analyzing if the enterprises in question stimulate and facilitate the participation of their collaborators in these, through financial assistance, it is verified that in 38% of the cases there always exists a financial incentive. And, on the other hand, the remaining 38% never or hardly never does this, while the remaining 25% almost always uses the financial incentive.

In a sufficiently significant percentage (94%), it is observed that the enterprises which have to do with magazines, newspapers and publications on this field, this practice is always adopted.

On the other hand, in more than 50% of the enterprises studied, the employees never have access to the library (books, magazines, videos, CD's). The remaining 44% have it at their disposal, always or almost always.

In 44% of the enterprises studied, Internet is always available. In 13% hardly ever and for the remaining 44% this tool is never available for the employees.

Seeking to verify if the enterprises buy and distribute reading material on creativity for their employees, it can be observed that in 50% of them this never happens. In 19% this hardly ever happens and in the remaining 32% this always or almost always happens.

Seeking to know the investment of the enterprises in the academic formation of their collaborators, there is evidence that in 60% of them, they hardly ever or never carry out this kind of investment, and of the remaining 40%, 19% always invests in formation, while another 19% almost always does so.

With regard to the concern of the enterprises in maintaining a group of employees that search for changes, this question is verified as a constant (always) in 81% of the cases and almost always for the 13%. But 6% of the enterprises do not worry about this topic.

When asking in the enterprises on the internal knowledge that they have as to what the diverse sectors are doing, at this time of the month, more than 80% responded that always or nearly always they were aware of what was happening, 13% admit to hardly ever having this internal knowledge and the remaining 6% never know it.

With the objective of making sure if the enterprises invest in technology to facilitate the work of their employees, it is observed that this investment is always or almost always present in 81% and 13% of the cases respectively. But the remaining 6% manifests they hardly ever carry out this kind of investment.

With regard to the investment made by the enterprises in technology to anticipate the market changes, one can observe that 63% of them always do so, 25% almost always and the remaining 13% hardly ever.

When the interviewees were requested to identify the main impediments of the day by day innovation, 22% responded that the most frequent were the estoppels, for 17% they were financial difficulties, where the available capital is used to cover the daily necessities and the shortage of the employees' available time to be devoted to the innovation tests. In the third place, 15% of the interviewees mentioned the lack of the employees' motivation to contribute ideas; 12% evidenced a resistance on their behalf, to the changes proposed by the superiors; 7% confirmed the resistance on behalf of the agents, to the changes proposed by the employees, 5% admitted that ignorance of the necessities of the enterprise exists on behalf of the employees; 2% that the capital at hand is invested outside the enterprise and the remaining 2% has other non identified impediments.

To culminate this data analysis, when the enterprises involved in this study, were consulted if they considered that all the people that work in them were in conditions of innovating, 75% responded affirmatively, while 25% responded in a negative way.

SUMMING UP

Once the anabiosis of the data is done, one can conclude that the management of small enterprises of the Jaguari Valley, in many aspects, adopt management innovation practices, for example, when paying attention and interest to their employees' ideas, almost 90% of them are conscious that their employees are also their clients; the incentive and the help to innovation are

practices in common to all enterprises, in 90% of the cases creativity is mentioned as being part of the selective process, in 90% the employees have access to the discussions about ideas for the enterprise; 94% subscribe to magazines and newspapers on the topic; 94% take into account, the group of people that look for changes; in 80% of the enterprises people generally know what their colleagues of other sectors are doing, there is an investment in technology to facilitate the employees' work, in 94% of the cases and in 88% it is carried out to anticipate changes.

On the other hand, there exist aspects that need to be improved, such as making centralized decisions, carried out by 50% of the enterprises; the shortage of rewards for employees' creative ideas (63%); the nonexistence of critical communication mechanisms for reception of suggestions, e.g. the suggestions mailbox, (nonexistent in 44% of the enterprises); the lack of financial incentives to encourage the participation of the employees in courses, seminars and training (63% of the cases); the little importance given to the acquisition of knowledge by the employees, therefore the enterprises do not invest in their academic formation (60%); they do not have resources such as books, magazines, videos, CDs neither Internet (44%), neither do they buy nor distribute reading material on creativity (69%).

With regard to the impediments for innovation, the enterprise will have to learn how to approach them if they wish to carry out an innovative management. As for legal bureaucracy, there is not a lot of time to change, nevertheless other aspects can be changed, for example, the shortage of time and the little capital available can find alternatives of solution in the associations with educational institutions and with the research promotion agencies.

The lack of motivation, as well as the employees' resistance, the lack of knowledge of the enterprise's necessities, can be related to the existence of a centralization of the decisions, which was evidenced previously, also due for not being motivated with rewards, by applicable suggestions and creative ideas, and for the lack of support for the acquisition of formal and informal knowledge (reading, videos, Internet, etc.).

Taking into account the reality considered, and in accordance with Hamel (1999), it is recommended that the Jaguari Valley's enterprises, continue highlighting their positive aspects and adopt the recommendations suggested, in order to create a favorable innovation environment, that would represent a first line competitive advantage for the enterprises that seek to survive within this economy.

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