

Innovation for Knowledge Management

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Abstract - This paper aims to explore how knowledge management can lead to better innovation and serve as a competitive and comparative advantage for organizational success. Today Knowledge Management has emerged as a strategic management imperative and a corporate buzz word as knowledge drives global economies. Knowledge has become the most precious resource and there is a race for knowledge workers. Knowledge and innovation are inseparable from each other. Companies realize that without constant innovation producing innovative products and services it is impossible to survive and thrive. India is at the cusp of a knowledge revolution powered by initiatives like Digital India, Smart Cities, Skilling India and Make in India. Knowledge producers and users endeavor to leverage the ideas, technologies, know-how and expertise on which their competitiveness depends. This calls for incorporating knowledge management strategies in overall strategic management processes to achieve rapid innovation and the ability to take the innovation to the market. As knowledge management results in learning better and quicker than the competition it provides better ability to respond to change and reap benefits of its competitive advantages. With the competition-based economy paradigm is shifting to knowledge-innovation paradigm systemic knowledge innovation holds the key. It provides a whole new perspective and adds new dimension to organizational performance to meet the challenges of globalised economy.

Keywords: Knowledge Management, innovation, strategic management, globalization, competition, competitive advantages, knowledge sharing, creativity. Systemic knowledge innovation.

I. INTRODUCTION

Peter Drucker, the great management guru was the first to coin the term "Knowledge worker". He rightly said, "Knowledge is and will be the basic economic resource." He was referring to the dawn of post-industrial information and even knowledge-driven economy. In the fast changing business world of today, innovation has become the mainstay of every organization. The nature of global economic growth has been changed and challenged by the speed of innovation, which has been made possible by rapidly evolving technology, shorter product lifecycles and a higher rate of new product development. Organizations have to ensure that their business strategies are innovative to build and sustain competitive advantage. Innovation has, however, become increasingly complex due to changing customer needs, extensive competitive pressure and rapid technological change. The complexity of innovation has

also been increased by growth in the amount of knowledge available to organizations as basis for innovation. Innovation is extremely dependent on the availability of knowledge and therefore the complexity created by the explosion of richness and reach of knowledge has to be identified and managed to ensure successful innovation. Our very own Bharat Ranio C N R Rao, the eminent scientist implied the same when he said, "To succeed and rise, you have to do better when others are doing well. You cannot just remain sub-critical in what you do. You must understand that today's science is tomorrow's technology. Today's knowledge is tomorrow's wealth."

II. KNOWLEDGE MANAGEMENT

Knowledge management (KM) is a systematic process of taking advantage of intellectual capital and knowledge assets for organisational success. It helps build the knowledge capacity of the organisation by developing, organising, retaining and utilizing structural, human and relational knowledge resources which contribute directly to its success. Such knowledge is increasingly acknowledged as a critical competitive advantage for business enterprises in particular and a driver of efficiency and effectiveness for all organizations. Knowledge Management, being inter-disciplinary in nature, draws upon the theories and practices of many disciplines such as business management, library and information science, information systems, computer science, philosophy, psychology, sociology, epistemology, and many others.

Importance of knowledge can be seen everywhere whether that is a society or a corporate world. Because knowledge enlightens the human mind, shape up the behaviors, mold the attitude of the humans. So to make society a more civilized everyone agrees that, to gain the knowledge is the foremost activity or obligation, that is to performed or fulfill whilst its importance also recognized for corporate world as well.

Prusak and Davenport (1998) defined knowledge is derived outcome of framed experiences, values, contextual information, and experts insight that provide a framework for evaluating and incorporating new experiences and information.

KM is an organizational process that aims to create centralize knowledge source within the organization that acquire, assimilate, distribute, integrate, share, retrieve and reuse the internal and external, explicit and tacit to bring innovation in

the organization in the form of the product, people and organizational process. Knowledge management (KM) is a developing body of methods, techniques, tools, and values which organisations use to acquire, create, develop, share, transfer and apply knowledge to provide a return on their intellectual assets.

The world over Knowledge has emerged as the sole driver of prosperity. Organizations will have to become learning organization with emphasis on KM to create a motivated and energized work environment that supports the continuous creation, collection, use and reuse of both personal and organization knowledge in the pursuit of business success. Central to this equation are two fundamental assets: People (whose knowledge resides in skills, expertise, experience, intuition, etc) and organization (whose knowledge is embedded within its culture, processes and systems) How well these assets can be capitalized on defines the extent of competitive advantage that extent of competitive advantage that may be built. The prices of acquiring and using such assets (which are often referred to as generative assets) is what we have come to refer to as KM. In simple words, it is the duty and function of management to manage knowledge. There is no sustainable advantage other than what a firm knows, how it can utilize what it knows and how fast it can learn something new! Globalization of the economy has put terrific pressure on firms for increased adaptability innovation and process speed.

There is a growing awareness of the value of specialized knowledge as embedded in organizational processes and routines, in coping with the breakneck pressures of globalization. No wonder we have positions created in corporates vice president-intellectual capital, Direction-KM, Chief knowledge Officer, etc. Companies must create conducive knowledge culture and climates. Leadership has a definite pivotal role in KM. Senior management play a pivotal role in KM—they need to seed a climate conducive to KM and knowledge sharing. Empowering people to learn and share insights is one of the most effective ways for leaders to mobilize the energies of people. The challenge is to build knowledge creating learning organization. As Laurence Prusak, an international authority on knowledge and innovation, says—"the only thing that gives an organization a competitive edge—the only thing that is sustainable—is what it knows; how it uses what it knows; and how fast it can know something new."

III. INNOVATION

In simple terms, innovation is the application of / transmission of knowledge down a pipeline from research to development to application, with sharing knowledge through collaborative innovation becoming increasingly important. The intertwining relationship between innovation and knowledge is shown in the way organisations strive to acquire new knowledge, assimilate it and apply it to commercial ends. This absorptive capacity is arguably the most important differentiator for competitive advantage in the knowledge economy. Systemic Knowledge Innovation: Innovation is not just about solving the problem but also about understanding critically and

creatively the very problem. As Gajanan Khot, the EO and Md of Acquachill explained, 'Innovation is not merely idea+value, but it is the application of knowledge to change the world and deliver knowledge value.' Innovation never differentiates between technologies-it has no attachment to a particular way of doing things. From innovation we expect to create value through idea that is not obvious. Knowledge and innovation are inseparable from each other- they drive economies around the world. Knowledge producers and users endeavour to leverage the ideas, technologies, know-how and expertise on which their competitiveness depends. The only long-term sustainable competitive advantage is to learn faster than your competitors. Inter-relationship between Knowledge Management and Innovation : in the fast changing business world of today, innovation has become the mainstay of organizations. The nature of global economic growth has been changed by the speed of innovation, which has been made possible by rapidly evolving technology, shorter product lifecycles and a higher rate of new product development. The complexity of innovation has been increased by growth in the amount of knowledge available to organizations. Innovation is extremely dependent on the availability of knowledge and therefore the complexity created by the explosion of richness and reach of knowledge has to be recognized and managed to ensure successful innovation.

Knowledge management (KM) is a developing body of methods, techniques, tools, and values which organisations use to acquire, create, develop, share, transfer and apply knowledge to provide a return on their intellectual assets. For organisations to innovate - and thus sustain competitive advantage -requires the ability to quickly adapt to the business environment and save time-to-market. This adaptation requires learning, problem-solving, and the production and integration of relevant new knowledge in response to business problems.

Of the core components of KM - People, Process, Content and Technology - it is the People component that is increasingly regarded as the lynchpin of successful organisational innovation. Davenport and Prusak suggest that the best way an organisation can transfer and absorb knowledge effectively is to "hire smart people and let them talk to each other." The ingredients are the clever people and the processes are the interaction, context and a culture of knowledge sharing, or finding effective ways to let people talk and listen to one another.

Knowledge management has profound implications for the economics of the knowledge economy. The cumulative nature of knowledge, its non-rivalry and cheap reproduction imply that it is socially efficient for knowledge to be made freely accessible so that diffusion of innovation can occur as quickly and cheaply as possible. Effective application of knowledge can bring faster development of new products and services, optimise R&D investment, and ensure closer alignment with market needs, more successful product introductions, better anticipation of customer needs and competitor differentiation -all essential for organisational innovation For innovation to occur, knowledge is best created and transferred in an organisational culture which encourages collaboration and facilitates learning networks eg through communities of practice, use of experts and

shared social activities. Knowledge sharing facilitates the flow and generation of new knowledge by both making use of what is already known and being open and able to absorb new ideas and technologies.

Organisations that absorb new knowledge successfully - and are thus innovative- are often termed learning organisations. This term was coined through the work of Peter Senge and his associates and encourages organisations to shift towards a more interconnected way of thinking. According to Serige 'learning organisations' are those organisations "where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together". "A learning organization, is an organization skilled at creating, acquiring, and transferring knowledge, and at modifying its behavior [sic] to reflect new knowledge and insights" (Peter Drucker, 1993). Innovation rarely involves dealing with a single technology or market but a bundle of knowledge. Successful innovation management requires us to create value from that bundle of knowledge, often through co-creation and action learning, where problems are solved through small team work. Knowledge for innovation is often dispersed and, unless people work across boundaries to share what they know and absorb new knowledge, innovation is unlikely to occur, or may occur at a much slower rate than is desirable.

Companies will have to put their knowledge to work creatively, challenge existing knowledge continually, work associatively to expand knowledge boundaries. Experts even say that as no competitive advantage is permanent companies must come out of competition and competitive advantage based paradigm. Systemic knowledge building and creative usage development has to be the core theme of strategy. Knowledge Innovation strategy as confirmed by a leading veteran Knowledge innovation management expert from India Dr. Parag Kulkarni has espoused has to be the thrust area (Knowledge Innovation Strategy Bloomsbury India Publishing 2015). Management must encourage new knowledge to come forward. Everyone's knowledge must be tapped. Knowledge that one doesn't understand must be managed and people must be encouraged to learn. It is important to make every employee understand his/her knowledge role. Companies must prepare ground for successful implementation of KM by training employees in KM skills and practices.

Eminent corporate leader Shri Ratan Tata said, "Companies need to develop products successfully to meet the total needs of the customer. Development of superior knowledge base holds the key." Organisations will have to unlock knowledge opportunities and combine them with innovation opportunities. Knowledge management does not mean mere automation based on IT but to create The core of KM initiatives is in building and developing relationships between people, both by putting people to share their useful knowledge, and providing electronic media to capture store, and communicate information which represents the knowledge of people. The relationships on which the creation and application of knowledge are based, however,

are by no means just within organization. Many of these relationships are with clients, suppliers, alliance members and even competitors. The CEO of HP rightly said, "If HP knew what HP knows it would have earned three times more profits."

IV. CONCLUSION

In today's world of problems and opportunities an organisation's knowledge-building and creative knowledge using abilities are the deciding factor. Competition-based paradigms are not working and the need is to shift to systemic innovation. Innovation is more than just creativity and productivity management. The ability to deliver structured innovation in unstructured environments is vital. Mere technological innovations are not enough when no competitive advantage is permanent. A holistic knowledge management approach can deliver better innovation. This is the right approach to empower people. Organisations fail because they fail in ensuring total satisfaction of customers' ever changing needs through innovative products and services and this happens because the focus is more on competition than on knowledge. Economic growth being innovation driven knowledge management for innovation is now a strategic management imperative. Organisations have to become learning organizations - 'learn, unlearn and relearn and build systemic knowledge capability' is the new mantra. This requires a new mind set at all levels. India as a rising economic powerhouse must take to knowledge management effectively to build knowledge efficient organizations and venture into uncontested knowledge spaces.

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