

INNOVATION IN KNOWLEDGE-BASED ORGANIZATIONS

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ABSTRACT: In the present study we aimed to present a point of view on the relationship between innovation and its role in knowledge-based organizations, considering innovation currently as one of the most important solutions to achieve organizational performance. Knowledge-based organizations are the smart collective actors of the information society and have a decisive role in its assertion as knowledge society; belonging to the contemporary reality both in terms of their quality of professional and managerial activity environment and the scientific research and strategic project subject, they mark the convergence of two phenomena defining human nature - that of knowledge and of organization.

Keywords: innovation, innovation management, organizations, knowledge, performance.

INOVAREA IN ORGANIZAȚIILE BAZATE PE CUNOȘTINȚE: REZUMAT: În lucrarea de față ne-am propus să prezentăm un punct de vedere asupra relației dintre inovare și rolul acestora în organizațiile bazate pe cunoștințe, considerând inovarea ca fiind, în etapa actuală, una dintre cele mai importante soluții în vederea obținerii performanțelor organizaționale. Organizațiile bazate pe cunoaștere sunt actorii colectivi inteligenți ai societății informaționale și au un rol determinant în afirmarea acesteia ca societate a cunoașterii; aparținând realității contemporane atât în calitatea lor de mediu de activitate profesională și managerială, cât și în cea de obiect de cercetare științifică și de proiect strategic, ele marchează convergența între două fenomene definitorii pentru natura umană - cel al cunoașterii și cel al organizării.

Cuvinte cheie: inovare, managementul inovării organizației, cunoștințe, performanțe.

1. INTRODUCTORY NOTIONS

In the present study we aimed to present a point of view on the relationship between innovation and its role in knowledge-based organizations, considering innovation currently as one of the most important solutions to achieve organizational performance. In this regard our research was based on different bibliographic sources that we mentioned in the article. In our approach we started by defining the two concepts, innovation and knowledge-based organizations, the ways of interaction between them and the role of innovation in achieving organizational performance.

Innovation is a process for obtaining a new product or service, and marketing it. Hence the distinction from invention. The invention consists in creating a new configuration, composition or material, device or process that is the first appearance of new idea (concept) for a new product or process, while innovation is the first marketing of the new idea. It is

the result, at the organizational level, of a process. The innovation process must be supported within the organization but it should be supported at national level by developing and implementing a national strategy for innovation-based economic growth.

In general, the authors recall three key aspects of an “innovation-based growth strategy”:

1. a developed technological infrastructure (including education, research organizations’ network, the legislative framework that protects intellectual property and provides incentives for creativity and transfer of technology);
2. a set of policies oriented on capabilities in technology and science;
3. and a coordinated action within policies and government institutions [10].

Innovation can be a success factor in all sectors of an organization and in all stages of the life cycle of the product/process (research, development, manufacturing, distribution and marketing,

maintenance, product recall and disposal or recycling it) and in the organizational domain. Running an optimum and systematic innovation process requires that within the organization an innovation management is defined and implemented. [11]

The organization must regularly analyse the present and future capabilities relating to innovation, considering the following aspects: existing practices in innovation management, innovation skills and knowledge in innovation and organizational culture, performance in the operation of equipment and the investment opportunity from internal and/or external on innovation, external collaboration, business models, product enhancements from ecological, economic and ethical considerations.

Joseph Schumpeter defined innovation in 1939 as "commercial exploitation of an invention", specifying its nature of "creative destruction" (replacing what is overcome by creating something new and better). Therefore, innovation in general can be defined as the process of diffusion, assimilation and use of the invention in different areas of society [12].

Knowledge-based organizations are smart collective actors of the information society and have a decisive role in its assertion as knowledge society; belonging to the contemporary reality both in terms of their quality of professional and managerial activity environment and the scientific research and strategic project subject, they mark the convergence of two phenomena defining human nature - that of knowledge and of organization - into an emblematic social construction for collective competence ideas, smart action and sustainable performance [9].

Knowledge-based organizations mark the convergence between the two phenomena defining human nature: that of knowledge and that of the organization, in an emblematic social construction for the ideas of collective competence, smart intelligence and sustainable performance. For these, the issue of knowledge limitations is a continuous concern; each of them elaborate and test continuously representations about the business environment, mission and own competences, making them comprehensible to its members.

In the functioning of such organizations there are crucial the following processes:

- innovation (creation of new knowledge);
- learning (assimilation of knowledge);
- interactivity (sharing knowledge).

The innovation process should cover all levels within an organization simultaneously, since no organization can depend only on innovation that occurs only at one level. Therefore, successful

organizations will have an innovation process to make their way through all levels of the organization, practiced by an innovation management.

2. INNOVATION MANAGEMENT IN KNOWLEDGE-BASED ORGANISATIONS

Innovation management, starting from the definition of innovation is the implementation and marketing of a new configuration, composition or material, device or process, formula or technology. These elements can form the support of an invention to be implemented and marketed.

Like any other managerial activity, the innovation process must be planned, organized, managed, secured with resources, evaluated and controlled.

Innovation management has been defined by Sandrine Fernandez-Walch and François Romon [4] as „all actions conducted by the company and the options made to foster the emergence of innovation projects, to decide their launch and marketing of new products or implementing new processes in the enterprise, to increase competitiveness.”

British Standard BS 7000-1:2008 [8] is a guide on the management of innovation, specifically on the design and development of competitive products. The general principles of innovation management from this standard apply to organizations in manufacturing, process, services and constructions industries and public and non-profit sectors. There is provided guidance in the areas of:

- * innovation, novelty and innovation management bases;
- * innovation management at the organizational level;
- * operation in innovation management;

The stages of the innovation management process were formulated by Tidd, J. et al [4]:

- 1) exploration and investigation of signals from the environment;
- 2) strategic selection of options;
- 3) ensuring resources;
- 4) implementation.

Optionally, the fifth phase can be applied, that of reflection on the previous phases and analysis the success or failure of innovation.

Innovation management involves the management of knowledge. Knowledge management can be defined as an approach, strategically oriented to motivate and facilitate employment of members of organisation in developing and using their cognitive capacities, by valorisation, subordinated to its overall objectives, of sources of information, experience and their abilities (Uit Beijerse, 1999).

Within the organisation, knowledge comes from information transformed by those who hold it, into

capacity for effective action, by assimilation and integrated understanding, followed by operationalization within a given context (Murray, f.a.).

3. INNOVATION IN KNOWLEDGE-BASED ORGANISATIONS

Innovation is generally considered as the main engine of economic growth in today's global economy. By introducing practical innovations quality products can be achieved with enhanced features, superior services, new production processes more efficient and cleaner (green), improved models of business management systems, modern management methods of labour force etc. There are many reasons for businesses and organizations to innovate, including: increasing market share, the conquest of new markets, improving product quality, expanding the range of products, replacing out-dated products, reducing the environmental impact etc.

The Austrian economist, Schumpeter, first approached, in 1942, the mechanisms and factors of the innovation process, arguing that entrepreneurship and the possibility of obtaining a temporary monopoly profits could boost the introduction of new products on the market or reduce production costs. He called this phenomenon "creative destruction", a phenomenon through which previous market structure is broken to make way for a successful innovator.

Knowledge-based organisations emphasize not only a new phenomenology, but they also induce a different view on how to conceive and practice management. In relation to the specificity of non-hierarchical organisational configurations, new types of actors and roles appear, and the typology of managerial practices is radically changed.

Therefore, it was found that activities related to the production of knowledge (innovation), its dissemination (communication) or its acquisition (learning) does not match any authoritarian leading, nor a hierarchical and strictly exhaustive control; their subtle character makes that the distinction between the formal and informal side fade and outside official control, become ineffective, vacates the place of self-control (Dragomirescu, 1995).

By their nature, knowledge-based organizations involve collective skills management as sources of systemic viability (Hendriks, 1999). In the most general terms, competencies designate what an organization knows and is able to do, in relation to its objectives and set environmental conditions, based on the individual skills of their members, systemically articulated and strategically mobilized.

Grounding on knowledge makes it that in the behaviour of the organization, new specific strategies are present and active, which make it:

- present integrally and transparently the accumulation of explicit and implicit knowledge at individual, group level or on artificial supports;
- permanently expand the knowledge basis by stimulating learning processes and organizational innovation and also through the capitalization of their results;
- develop the capacity to transform intelligently and appropriately available knowledge into successful actions;
- recognize and manage their own ignorance (Zack, 1999).

Investments in innovation are different from other types of investments because they are characterized by a higher uncertainty of results, initial costs (significant) can not be recovered that easily, often turn into knowledge of the staff involved in research projects that can be lost with the persons that hold them.

4. CONCLUSIONS

Undoubtedly, the role of innovation in economic and social life comes from the function of innovation, of introducing novelty and diversity in human activity. In the absence of innovative processes, the economy would enter a „stationary state”, characterized by modest economic growth or no growth. As a result, innovation is crucial for sustainable (long term) economic development [14].

The creation of knowledge-based organizations remains an imperative for development at national level of a knowledge economy; it is also imperative for the affirmation at peak levels - not only in diaspora, but also in the country – of Romanian creativity as the main source of competitiveness and identity in an international environment with clear trends of globalization. Knowledge-based organisations emphasize not only a new phenomenology, but they also induce a different view on how to conceive and practice management.

The benefits brought to the environment through innovation and thus to humanity aim to reduce resource consumption and/or emissions of pollutants and thereby avoid damage to the environment, maintain the quality of life, access of future generations to natural resources and preservation of intergenerational economic potential.

We need a new mentality and culture of innovation, that would lead to an innovation system that operates with maximum parameters for the benefit of Romanian society. Developing a culture of innovation does not depend only on the availability of innovative entrepreneurs. In order for innovative companies to develop successful innovation programs, the need for innovation should be felt, a

new market for innovative goods and services should be created.

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