

Knowledge management and innovation: an imperative relationship

The construct of knowledge has been under study since Plato. A lot of organizations is suffering up till now from the problem of holding information and knowledge by supervisors and managers, maybe this sort of precautionary actions was suitable in the past but for the global era we are living in, for sure some changes must be done, we need to move on to the knowledge based theory of the firm. Peter Drucker is one of the earliest thinkers who made great contributions in the field of knowledge theory, he coined the term of knowledge worker in 1960, in contradiction to the ideas of mechanism by Fredrick Taylor, he explained that workers are no more parts of a machine, but they represent a being by their own able to solve problems and to take initiatives as well, he preached knowledge society as well in his book post-capitalist society, in which the basic economic resource is no longer capital, or natural resources or labor but is and will be knowledge. During the 1970's and 80's organizations due to the revolution in IT and communication moved into what is called information organization model. The evolution of the knowledge organization involves going into higher levels of knowledge, also to encompass tacit as well as explicit knowledge. This transition raised the need of new concept called knowledge management which is related to the identification, creation and management of all the knowledge assets within the organization.

All of the above mentioned information leads to the importance of managing knowledge within any organization; the main question is what are we going to do with it. Which takes to the next level related to innovation as an imperative solution for survival to the extent that there is a saying "it is either innovate or perish". The idea of innovation is not only limited to inventions of new products but can encompass designs, services and processes as well. The innovation involves identification and management of the needed knowledge whether inside the organization or outside of it in order to proceed with the product, service or process development. A lot of organization are stagnant in their innovations due to the lack of information about the knowledge assets that they possess, as well as the knowledge about the external environment surrounding the organization including knowledge about the customer preferences and other innovations within the market, accordingly only a few number of products can make it to the market and according to researches only 50% of them can be successful.

The companies within the developed countries are mainly depending on the idea of continuous innovation and according to the list of the top 50 most innovative companies in the world, all of

them are working in high tech industries including automotive, information technology and bio industries. These companies are involved daily in innovation activities which requires management of knowledge, most of them have created state of the art knowledge management systems which can facilitate the process of research and development. These systems are not only related to enhancing communication and knowledge saving tools but surpass this domain to reach a knowledge vision, mission and strategy as well as having a complete performance management system.

To conclude, it is clear that the knowledge is the main foundation for any innovation within this complex environment that we are living in and those who possess and manage knowledge in the most efficient and effective will be able to produce more innovations and overcome competition