

# Development of a relationship model between Knowledge Management and Innovation dynamic in organizations

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## ABSTRACT

Peter Drucker, in his book *The Age of discontinuity* [1968], called the current period as the knowledge era: "knowledge economy is based on the production, distribution and use of knowledge and information."

The effort to organize the discipline around Knowledge Management (KM) and its relevance for corporate governance has been particularly intense and fruitful since 60's until the beginning of this twenty-first century. Today, KM has been disposed of the technological connotation it at the height of Internet, in the early 2000.

This work demonstrates a positive relationship between the structure of knowledge management and innovation activity in companies. The two main work approaches are:

- Provide a model to help systematize knowledge management, building on the review of the existing state of the art. It aims to continue its structure, provide deeper understanding and critical aspects as "actioning knowledge". Also, to give greater impact to help establish criteria for measuring and application.
- Contribute to researchers, practitioners, and especially managers, providing a practical approach, based on case studies about the relationship between Knowledge Management and Innovation, as a strengthening of previous studies.

The paper builds a foundation to encourage organizations and specifically managers to give greater importance to KM as a means to leverage innovation and therefore, as an essential mechanism for competitiveness. In order to do that, the document analyzes and provides tools and relations between the two variables.

The doctoral research has a deep theoretical background and provides a new model for the KM and Innovation process. It is build based on a vast review and synthesis of existing ones (Agnus Panel, APQC, Romhard & Probsts, Alavi & Liedner, Coopers & Lybrand, Know- Net consortium, AA, KPMG...), introducing the key step of actioning knowledge [Argyris, 1996], as an specific contribution.

The empirical work is developed studying ten cases mainly following the case study methodology [Agranoff, 1991], [Bickman, 1987], [Bickman, 2000], Bouchard, 1976], [Campbell, 1982], [Denzin, 1994], [George, 1979], [Hamel, 1992], [Kennedy, 1976], [Nachminas, 1992], [Silverman, 2000] and Robert R. Yin, in his book “*Case Study Research*” [Yin, 2003]. The organizations selected have different characteristics: different sizes, activities, ages and geographies. They have been chosen intentionally to demonstrate also that KM and Innovation relationship do not depend on the kind of company or business activity.

Summarized in two words, innovation starts from new ideas, it means new knowledge that is implemented in a successful way. For an organization which keeps a continuous innovation and not an episodic one, this doctoral work states that a continuous, systematic and collective KM influences positively to that purpose.