Chapter X
An Integrated Knowledge Innovation Process Management Model: The Case of Skandia

Dimitris Bibikas
South East European Research Center, Greece

Iraklis Paraskakis
South East European Research Center, Greece

Alexandros G. Psychogios
CITY College, affiliated Institute of University of Sheffield, Greece

Ana C. Vasconcelos
The University of Sheffield, UK

ABSTRACT

The increasing pressure of today’s highly globalised markets has lead organisations to continuously compete for knowledge and innovation. Despite the fact that there is extensive analysis of the concepts of knowledge and innovation management as autonomous areas of research, there is limited investigation for identifying and managing knowledge innovation as an integrated concept. The aim of this chapter is to conceptualise an amalgamation between innovation and knowledge process management models. This study is based on a single case, selected to provide description and generate theory around the introduced knowledge innovation lifecycle model. Skandia was conceived as an appropriate example, since it has significant reputation both on knowledge and innovation management strategy. The proposed conceptual model of highly interlinked and recursive knowledge and innovation processes flow is believed to offer enhanced utilisation of knowledge and innovation management in organisational settings.
INTRODUCTION

In today’s increasingly unpredictable and volatile environment, organisations are obliged to ceaselessly innovate in order to survive (McAdam, 2000). Encompassing innovation from an economic perspective, it is admitted that it comprises both an important catalyst for effective competition (Christensen, 1997), as well as a vital source for global market success (Schumpeter, 1934). The growing importance of comprehending innovation has resulted in augmented interest in academia and business circles alike. Similarly, the significance of managing organisational knowledge, and the largely established recognition that intangible assets constitute a critical enterprise resource, is often cited in knowledge-management literature (Davenport & Prusak, 1998; Drucker, 1993). The recent knowledge-based view of the firm, an extension of the previous resource-based theory, suggests that knowledge constitutes a vital organisational resource and a crucial asset that enables sustainable competitive advantage (Bhatt, 2001; Davenport & Prusak, 1998; Zack, 1999).

Furthermore, there is an increasing trend for knowledge management to be associated with innovation (Chatzkel, 2007). The concept of innovation is rooted in knowledge management definitions and practices (Demerest, 1997). It was Amidon (1997) that first defined the term knowledge innovation (KI) as “the creation, evolution, exchange and application of new ideas into marketable goods and services, leading to the success of an enterprise, the vitality of a nation’s economy and the advancement of society” (p. 7). However, despite the fact that there is extensive analysis of the concepts of innovation and knowledge management as autonomous areas of research, there is limited investigation for identifying and managing an integrated knowledge innovation concept (Goh, 2005).

Perhaps this derives mainly from the fact that innovation in knowledge management literature is typically approached merely as a result of successful initiatives of the former. Generally, the emphasis is placed on the utilisation of knowledge, in order for an organisation to gain enhanced innovation capabilities. Additionally, despite the fact that there is a plethora of research studies on innovation, it is cited that the relevant literature is usually only case study specific (Kusiak, 2007), and the concept of innovation management remains poorly understood (Birkinshaw & Mol, 2006). Insofar as innovation management is concerned, and despite the fact that knowledge and innovation are two highly and increasingly interlinked concepts (Chatzkel, 2007; du Plessis, 2007; McAdam, 2000; Nonaca & Takeuchi, 1995), there seems to be a gap in the relevant literature and lack of investigating innovation as a discipline in an equal level of significance to knowledge management.

Due to the fact that very little clarity exists in relation not only to the innovation process, as such, but also towards an integrated management procedure of knowledge innovation, this chapter has a two-fold target. The first objective is to conceptualise an integrated model of innovation and knowledge process management. Innovation, in this chapter, is approached as a systematic management discipline and not as an ad hoc and random organisational procedure. It utilises experiences and well-established models of knowledge lifecycle, and juxtaposes these principles with innovation process management. The second objective of the chapter is to present a new value proposition of organisational knowledge management. Recent research proposes that the association of knowledge management with innovation will lead the former to a next stage (Chatzkel, 2007). However, these links are somehow tenuously researched. The proposed conceptual model of highly interlinked and recursive knowledge and innovation process flow is believed to offer enhanced utilisation of knowledge management in organisational settings.

This chapter explicitly addresses the “global business and intellectual capital management”
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