INTRODUCTION

The ever growing competition among companies is forcing them to provide the internal and external resources, with the greatest attention and consideration. Therefore, improvement of the performance by the recovery and reuse of resources becomes important. This improvement must not only go beyond traditional boundaries but also enforce an external relationship system.

Organizations need to select the most suitable Knowledge Management (KM) tool by using the proposed framework to identify gaps and overlaps compared to the capabilities of their current KM tools portfolio and select a tool that meets the KM needs of the organization to maintain and support the innovation.

Many companies have resources dedicated to internal KM efforts, and they are often categorized as a part of their business strategy, information technology, or human resource management departments. Knowledge Man-
agement efforts typically focus on organizational objectives such as improved performance, competitive advantage, innovation, sharing of lessons learned, integration and continuous improvement of the organization.

The KM includes a range of strategies and practices used in an organization to identify, create, represent, distribute, and enable adoption of innovations and skills. It is a discipline that has been recognized since 1991 and includes fields of business administration, information systems, management, and library. Other fields have also contributed to KM research such as information and media, computer science, public health, and public policy. There are two types of knowledge that can be created:

- Explicit knowledge, which is contained in manuals and procedures.
- Tacit knowledge, which is learned only by experience, and communicated only indirectly through metaphor and analogy.

An innovation is something new or novel (Lundvall, 2009). A broad definition of innovation is provided (Zairi, 1994; To & Ngai, 2011). It is stated that what makes innovation challenging is the fact that it is very difficult to agree on a common definition for it, and also it is very hard to decide which firms are the most innovative and how to quantify innovation activity. Another definition states that innovative companies are especially proficient at persistently responding to change of any sort in their environments and are characterized by creative people developing new products and services. These definitions emphasize change as a key part of innovation in organizations, where innovation includes the control of creative ability within individuals in response to change.

Also, the innovation is seen as an outcome of a collision between technological opportunities and user needs (Gumusluoglu, 2009). The focus is upon the interaction between producers and users of innovation. Leadership has been suggested to be an important factor affecting innovation. A number of studies have shown that transformational leadership positively influences organizational innovation (Gumusluoglu, 2009). Organizational innovation was conceptualized as “the tendency of the organization to develop new or improved products or services and its success in bringing those products or services to the market (Malins & Grant, 2010). Leadership has a positive influence on organizational innovation. Support received from internal or external organizations for the purposes of knowledge and resource acquisition also provides moderate relationship between transformational leadership and organizational innovation.

There are a wide range of approaches and organizations with the common aim of delivering new products and services (Newell et al., 2005). Some organizations have adopted a user-centered approach that encourages companies to consider their core values, identify opportunities based on their customers’ needs and encourage new thinking based on a re-evaluation of the company’s innovation culture. However, independently of approaches, many numbers of resources have been developed to help organizations choose KM tools for their innovation processes. These are generally based on a user-centered or ethnographical strategy.

Turning to the relevance of KM in innovation process, we first note that KM may be considered to include new knowledge construction, knowledge embodiment, knowledge dissemination and knowledge use/benefit (e.g., Yao et al., 2006). For an innovation to take place, a company needs caring people who are willing to share knowledge and experience for the greater good of the company and creative people who have the ability to turn ideas into practical and final products and services. In addition, the effective use of the knowledge and hence effective KM is required to be innovative in highly competitive industries and global markets.

The understanding of the term “knowledge” and what it means to the individual or the organization is very important, because it affects how knowledge enters the managerial processes (Sanin & Szczerbicki, 2006). Knowledge is a complex term as it is often not easy to agree
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