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KNOWLEDGE MANAGEMENT AS A KEY FACTOR OF DEVELOPMENT OF NATIONAL INNOVATION SYSTEM

Annotation. Problems of transition of Ukrainian economy to the innovative way of development are considered. Special attention is paid to utilization of innovations as a factor of development of the real production sector. The research proved that the main target benchmarks of innovation policy should be increasing of scientific, technological and intellectual potential.

Анотація. Розглянуто проблеми переходу економіки України на інноваційний шлях розвитку. Особливу увагу приділено використанню інновацій у якості чинника розвитку реального сектору економіки України. Доведено у рамках дослідження, що головними цільовими орієнтирами інноваційної політики повинні стати примноження науково-технічного та інтелектуального потенціалу.

Аннотация. Рассмотрены проблемы перехода экономики Украины на инновационный путь развития. Особое внимание уделено использованию инноваций в качестве фактора развития реального сектора экономики Украины. Доказано в рамках исследования, что главными целевыми ориентирами инновационной политики должны стать примножение научно-технического и интеллектуального потенциала.

Keywords: innovation policy, country competitiveness, knowledge management, knowledge innovation, development of enterprises, innovative sphere, innovative activity, innovations.

The rapid development of the knowledge sphere of the rich countries today is one of the most notable mega-trends in the evolution of human civilization. The actualization of the "knowledge factor" as a solution to the general problems of economic growth is a very important and controversial subject of economic policy in Ukraine.

A characteristic feature of current innovation policy in Ukraine is the expressed intention to exploit scientific technological innovations for the purpose of economic growth [1].

The aim of the research is to ground the importance of knowledge management for creation of competitive advantages of modern enterprises in innovation environment.

The most popular scientists who were engaged in studying innovations are P. Drucker, J. Schumpeter, V. Hippel.

There is a strong necessity of the restructuring of the national innovation system in Ukraine. The successful forming of the innovative sphere is a result of foremost, political and social terms which are folded in the society that is why the role the government in solving the problem is crucial. It includes forming of effective innovative policy, correct determination of its priorities, strategy and mechanisms which must be concentrated on technological update, on improvement and enrichment of personnel's qualifications, on satisfaction of market demand in the products of high scientific and technological level.

The by importance of researching a problem of national innovative sphere development is conditioned firstly, by the necessity of scientific ground of the transition from raw material industrial economic development to the innovative type of development of national economy. Secondly, it is stipulated by the world economic processes of integration and globalization, which are orientated on modern science, technology, human skills and productions which determine the competitiveness of Ukrainian economy and possibility of development in the dynamic world of the present century.

Many economists and politicians in Ukraine consider that an active innovative policy requires large funding which is only available when basic economic stability has been achieved. As a result, the problems of innovative development remain mainly in the backyard of the current Ukrainian economic policy. Meanwhile, there is a direct connection between the absence of innovative reconstruction and the Ukrainian economy remaining under the threat of business recession [2].

There is a strong necessity of the restructuring of the national innovation system in Ukraine. Most scientific and technical innovations, especially fundamental ones, are organically tied up with the production of new investment goods, which demand significant capital investment. So long as the level of investment is low, the country loses potential opportunities for innovative development. The strategy should include close and effective cooperation, coordination, and balancing of development of the key economic sectors, which determine success of the knowledge-based economy development, as well as accelerated creation of modern information infrastructure for extensive access of the individuals to the modern advances knowledge.

In modern terms an intellectual capital presents a major value for the shareholders of the company and efficiency of the management depends on quality of management of these current assets.

Modern basis of innovations is skilled management of knowledge which is a concept far more difficult than just a combination of information, theory or practical experience. The solving of strategic problem appears to be a more complex task than management of tangible assets, financial or labor resources. Realization of the strategy of knowledge management allows companies to start innovative process long before their competitors.

Measures to put the economy onto the innovative way of development are needed immediately, as there is considerable wearing out of capital assets, senescence of highly skilled staff, downstream of highly technological commodities and increasing reorientation of the economy to the imported technological base. Scientific potential which has been saved so far allows realizing the strategy of innovative development declared by the Government. Economically developed countries are adopting the innovative way of development today. Innovative development implies creation of a complete hierarchy of institutes which can increase human capital augmentation. Therefore, the process of innovative development needs stimulation of activity in scientific organization, perfection of ways and methods of introduction of the newest scientific and technical achievements in the real industrial production and providing harmonious co-operation of government and businesses [2].

Intellectual capital is a key driver of innovation and competitive advantage in today's knowledge based economy.

Knowledge innovation is based on knowledge management. Through knowledge management, enterprises can utilize the wisdom all over the organization to improve their reaction ability and innovation ability. Meanwhile, the ability of enterprises to create value can be enhanced by the effective utilization of knowledge. So far, knowledge management has been the main impetus of knowledge innovation. The only way for enterprises to realize knowledge innovation is to strengthen their knowledge organization and knowledge management.

Knowledge innovation is the core of knowledge economics, since it is the source of new knowledge. Modern enterprises must continually make progress on knowledge innovation in order to gain more powerful competitive ability. The significance of knowledge innovation to modern enterprises can be summarized as follows:

1. Knowledge innovation is propitious to the change of organization structure. This change may behave in three styles:

- Knowledge innovation and knowledge management make it possible for the knowledge share in the scope of an enterprise. They also make the organization structure never be constrained by the management scope. The crossed information transferring channels produce a flatted organization structure. In the flatted structure, the management layers and functional institutions are reduced, which makes the decision layer closer to the execution layer. This change will radically solve management problems in traditional big companies, such as too many management layers, slow information communication, tardy reaction and low efficiency.

- Another change of organization structure is that management tasks will develop towards two ends.

- The third change of the organization structure is the occurrence of dynamic alliance and virtual organization.

2. Knowledge innovation can help enterprises increase their knowledge values. Compared with enterprises without knowledge innovation, the enterprises with knowledge innovation can get new knowledge from previous knowledge and further enhance their competitive advantages.

3. Knowledge innovation can provide knowledge repertory and power for the continuous development of enterprises. If an enterprise wants to develop continually, it must design and produce new products or services. This will not be done if the enterprise has not enough knowledge repertory and innovation power.

4. Enterprises must keep knowledge innovation, or they will drop behind the time and finally be washed out by the market. In the era of knowledge economics, knowledge has been the first resource of enterprises. The capability of knowledge innovation will directly determine the future of enterprises [3].

In today's knowledge economy, creativity and innovation have taken on an important role in organizations. The imperative to change and develop creative or innovative processes has become critical for companies to remain competitive. Although organizations might agree that innovation is important to gain a competitive edge, they run into challenges of time, current organizational structure, funding and lack of support from managers.

For many organizations, innovation will require deep-rooted changes – a changed mindset, prioritizing short-term and long-term goals, leadership style etc. Innovation can only flourish in zones that have a culture which promotes customer focus and advocacy, constructive questioning and curiosity, and individual initiative. Experimentation must be encouraged as a primary means for learning and advancing ideas to the next level [4].

Unless people realize the importance of innovations and innovative development of the economy, unless they learn to think in an innovative way, it is difficult to suggest that the process will get a dynamic forward movement. It is difficult to accept that a major part of our demand in food, electronics, appliances is to a great extent satisfied by the import of foreign commodities. And Ukrainian domestic industrial products remain noncompetitive on the global market. An attractive model of innovative development in the knowledge economy is only possible in Ukraine if all citizens, first of all scientist and economists, developers and businessmen see the real advantages and benefits of the innovative process and investments in innovations for themselves and for the country [1].

Knowledge management and knowledge innovation are both products of knowledge economics. This paper has deeply analyzed the intension and limitations of knowledge management, based on which the intension of knowledge innovation is introduced, as well as the relationship between knowledge management and knowledge innovation.

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