

Knowledge Management as Starting Point for Regional Development Theory?

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Abstract The study based on the research of the author deals with the term of knowledge management and its possible support to the development of regions and businesses which has become the main target of the Lisbon agreement strategy accepted by the European Council in 2000. In order to increase education and knowledge implementation, the European Union has set the 7th Framework Program, which stands in the author's interest as well.

Keywords – Knowledge, Management, Region, Education, Information, EU, Development, FP7.

I. INTRODUCTION

Education is nowadays seen as the main tool of strengthening and improving the development of European regions, as well as small and medium businesses growth, in order to build competitive advantage based on the knowledge, social inclusion and common support to the employment policy within the economic development of not only the Slovak Republic, but all European regions.

II. EUROPEAN REGIONAL POLICY LEADING TO KNOWLEDGE MANAGEMENT PERFORMANCE

On 6 April the European Commission adopted a proposal for a new European Program for Research. The proposal provides new impetus to increase Europe's growth and competitiveness, recognizing that knowledge is Europe's greatest resource. The program places greater emphasis than in the past on research that is relevant to the needs of European industry, to help it compete internationally, and develop its role as a world leader in certain sectors. The program will also for the first time provide support for the best in European investigator-driven research, with the creation of a European Research Council. Focus will be on excellence throughout the program, a requirement if it is to play its role in developing Europe's global competitiveness. Another priority tries to provide conditions for simpler and easier participation, through measures addressing the procedures, plus a rationalization of instruments. In spite of this new approach, there are many elements of continuity: in practice, for the majority of participants, the program itself will not change, but participation will become simpler [1].

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A. 7th Framework Program

The Commission has put forward an ambitious proposal for the EU Seventh Research Framework Program 2007-2013 (FP7). Subtitled "Building the European research area of knowledge for growth", FP7 is designed to respond to the competitiveness and employment needs of the EU. The Commission proposes in particular to double the FP7 budget compared with FP6, rising to EUR 67.8 billion over the period 2007-2013. According to the Commission proposal, FP7 will be organised in four specific programmes which are:

1. Cooperation which objective is to gain European leadership in key areas through co-operation of industry and research institutions. Support will be given to research activities carried out in trans-national cooperation, from collaborative projects and networks to the coordination of national research programmes. The Cooperation programme is organised into sub-programmes which will be operationally autonomous and at the same time demonstrate coherence and consistency, and allow for joint, cross-thematic approaches to research subjects of common interest. Nine themes have been identified as health, food, agriculture and biotechnology, information and communication Technologies, nanosciences and nanotechnologies, materials and new production Technologies, energy, environment (including climate change), transport (including aeronautics), socio-economic sciences and the humanities, security and space[2].

2. Ideas which objective is to strengthen the excellence of our science base by fostering competition at European level. An autonomous European Research Council will be created to support "frontier research" carried out by research teams, either individually or in partnership, competing at European level, in all scientific and technological fields, including engineering, socio-economic sciences and the humanities.

3. People whose objective is to reinforce career prospects and mobility for our researchers. Activities supporting individual researchers, referred to as "Marie Curie" actions, will be reinforced with the aim of strengthening the human potential of European research through support to training, mobility and the development of European research careers.

4. Capacities which objective is to develop research capacities, so that the European science community has the best possible capacities at its service. Activities will be supported to enhance research and innovation capacity throughout Europe: research infrastructures; regional research driven clusters; stimulating the research potential in the European "convergence" regions; clustering regional actors in research to develop "regions of knowledge"; research for and by SMEs; "science in society" issues; "horizontal" activities of international co-operation.

B. Lisbon Strategy Agreement

The conclusions of the European Council often called Lisbon process set the following objectives which also completely refer to the objectives of the Slovak regional policy performing the needs and presumptions of regional development challenges: development of home market, increase in the employment and productivity, high social niveau, state financial support and sustainable development.

The education and growing-up stand in the first line of objectives and are the main part of the strategic document. Continual long-life education is the main goal of each organization trying to defend its status on the market. Within the regional competition, knowledge management takes the first place as a tool of advantage.

To adapt the goal mentioned into the national development plan, the education field needs some improvement to prepare the basis for the new employment policy model:

- increase in investment into the human resources sphere,
- elimination of barriers in accepting the qualification,
- sustainable development protection,
- centers of special and technical education for everyone,
- definition of new main responsibilities,
- connection of special technical and skilled education with reality,
- decrease in the amount of non-educated people with the age under 24.

Lisbon strategy based on the knowledge economy contains two main components, increase in research and innovation as well as creation of both qualified and educated labor. The higher niveau of education creates new employment opportunities, social inclusion, better job and active nationality.

III. KNOWLEDGE MANAGEMENT – A WAY TO SUCCESSFUL FULFILLMENT OF EUROPEAN EFFORTS?

Knowledge management comprises a range of practices used by organizations to identify, create, represent, and distribute knowledge reuse, awareness and learning. It has been an established discipline since 1995 with a body of university courses and both professional and academic journals dedicated to it. Most large companies have resources dedicated to Knowledge Management, often as a part of 'Information Technology' or 'Human Resource Management' departments, and sometimes reporting directly to the head of the organization. As effectively managing information is a must in any business, knowledge management is a multi-billion dollar world wide market [3].

Knowledge management programs [4] are typically tied to organizational objectives and are intended to achieve specific outcomes, such as shared intelligence, improved performance, competitive advantage, or higher levels of innovation.

One aspect of knowledge management, knowledge transfer, has always existed in one form or another. Examples include on-the-job peer discussions, formal apprenticeship, discussion forums, corporate libraries, professional training and

mentoring programs. However, with computers becoming more widespread in the second half of the 20th century, specific adaptations of technology such as knowledge bases, expert systems, and knowledge repositories have been introduced to further simplify the process.

A. Gaining Knowledge – Way of Personal Growth?

Knowledge management programs attempt to manage the process of creation (or identification), accumulation and application of knowledge across an organization [5]. Knowledge Management, therefore, attempts to bring under one set of practices various strands of thought and practice relating to:

- intellectual capital and the knowledge worker in the knowledge economy,
- the idea of the learning organization,
- access to organizational practices, such as Communication of Practice and corporate Yellow Page directories for accessing key personnel and expertise,
- providing technologies such as knowledge bases and expert systems, help desks, corporate intranet and extranet, content management and document management.

While knowledge management programs are closely related to Organizational Learning initiatives, Knowledge Management may be distinguished from Organizational Learning by a greater focus on specific knowledge assets and the development and cultivation of the channels through which knowledge flows.

B. Current Status of Knowledge Implementation in Society

In the present period of globalization, which is defined by dynamic various changes and challenges, the terms as knowledge or competitiveness are often discussed. The competitiveness depends on the ability of the company or region to react on the various challenges of the modern society (the permanent and fast progress in the communication and information technologies field, the chronic economic and political instability, which would influence the energy supply and migration trends, the whole globalization trend of unifying all economies and processes.

To avoid failing [6] the competition the company or region must continuously look for the ways of improvement of use of all productive inputs – people, raw materials, machines, etc. To make the decision right, it is necessary to dispose information needed. The ability of employees to use the information gained appropriate to its value and importance is the basic parameter of the sustainable development [7]. Well-educated people are the most valuable source in the company. Knowledge management enables the company to react on the process existing in the presence using the experience from the past in order to improve the future by the exact and right decision. Knowledge [8] is becoming the most important form of capital of the company, which would be carried by a man.

IV. WHAT IS THE DIFFERENCE OF 7TH FRAMEWORK PROGRAM FROM ITS PREDECESSORS?

There is a strong element of continuity with the past in the proposed Seventh Framework Program. Projects undertaken by consortia of European partners will remain at the core of the program, and the themes for these projects will remain more or less as now. The program will continue to develop the concept of a European Research Area. Funds will be used to develop and increase those elements of previous programs that worked well: Marie Curie, SME actions, collaborative projects, Networks of Excellence. The aim of continuity will be strengthened through a program that lasts 7 years (with the possibility of a mid-term review). However, there are also several new elements.

A key feature of FP7 [9] is a significant simplification of its operation. Measures are being considered, in line with the future revision of the Financial Regulation, to make the program as straightforward as possible for potential participants. The European Commission has established a sounding board composed of representatives of small companies and research teams – groups which seem to face the biggest difficulties in participating in the program. This sounding board advises on whether measures proposed to make the program simpler will in fact have the required effect. By focusing more on themes and less on instruments, the program is more flexible and adaptable to the needs of industry, as well as more straightforward for its participants.

The program has more focus than in the past on developing research that responds to the needs of European industry, through the work of Technology Platforms and the new “Joint Technology Initiatives”. These are projects in fields of major European public interest on subjects identified through dialogue with industry, in particular in the European Technology Platforms.

The program establishes for the first time a “European Research Council” [10], funding the best of European science, as assessed by peer review of European scientists. This is the first time that a body like this has existed at European level, identifying the very best of European research wherever and however it is carried out. International co-operation is no longer just a separate part of the program, but it is integrated into all four programs, allowing projects to be carried out with international partners. In the same vein, the Science in Society action will have specific tasks, but the aim of anchoring science more closely in the needs and wants of European society are considered in all parts of the program. Another new element is the development of “regions of knowledge”, bringing together research partners – such as universities, research centers, enterprises and regional authorities - in a region to strengthen their research potential. FP7 will also comprise a “Risk-Sharing Finance Facility” aimed at fostering private investment in research by improving access to European Investment Bank (EIB) loans for large European research actions. This mechanism enables broader EIB lending to RTD actions.

V. KNOWLEDGE WITHIN RESEARCH FIELD

The key factor of fulfillment the Lisbon Agreement is the concept of research and science program which would satisfy the needs of creation of the European research area. Europe definitely needs more science workers and the existing researchers need more stimulation for their work. It is necessary to connect the research sector with the industrial area more efficiently. Lisbon strategy proposes creation of the business enterprise environment without any barriers limiting the business and its growing. It is meant to create the business area of growing customer choice with an obvious surplus of the national producers taking the competitive advantage on each national market. Besides the gaps and lack of appropriate legislature, also the common rules of respecting the national differences are missing.

Knowledge [11] is Europe’s best resource. Investing in knowledge is certainly the best, and maybe the only, way for the EU to foster economic growth and create more and better jobs, while at the same time ensuring social progress and environmental sustainability. Prosperity and solidarity, reconnecting the EU with its citizens, and making the Union a strong global partner have been set as priority goals for the EU. The European research policy, and the proposal for the new Framework Program that will help implement it, play an important role in delivering these goals. Research is at the core of the European plan to stimulate growth and jobs: together with education and innovation, it is a key component of the Knowledge Triangle. Europe must increase its research effort to 3% of EU GDP and better exploit its capacities in this field, transforming scientific results into new products, processes and services, as part of its efforts to fulfill its goal of becoming the “most dynamic and competitive knowledge-based economy in the world”.

Investment at European level, while remaining a small part of the total needed to achieve the 3% target, can have a considerable effect. For example, identifying key infrastructures at European level, encouraging public/private partnerships to identify research needs and co-ordination national research policies in a particular area are all actions that can enhance the overall efficiency of research spending, whether public or private. By increasing its investment in research, the European Union will set a clear example, to be followed by Member States and private investors. European-level investment in research will be spent in areas that maximize the leverage effect on other types of investment.

VI. CONCLUSION

Effective creation, development, use and evaluation of knowledge is of great importance for the companies from the point of view of their future progress as well as gaining the competitive advantage in the field of business actions. 7FP should assist the companies to evaluate their chances properly in order to support the development of the region. However, the prosperity of the local businesses might support the prosperity of the whole region. In the last years, there is an obvious growth in importance of the knowledge management or individual capital applied on various areas of business.

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