
Editorial: Innovate or perish – the new motto of the global knowledge economy era

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Today's most advanced economies are fundamentally knowledge-based (Dunning, 2000; Baum et al., 2009; Carrillo et al., 2014). As for Burton (1999), under the knowledge capitalism, the gap between rich and poor countries is rapidly expanding; where knowledge-intensity is also leading to a growing gap within our societies. The move towards a knowledge economy not only represents a new competitiveness challenge, but also a shift in both the nature of organisations and the way in which they devise and implement their strategies (Huggins, 2011; Esmaeilpoorarabi et al., 2016). The growing dependency of wealth creation on intangibles is making the global economy more fluid and volatile, and the capacity to access and combine new and existing knowledge effectively has become highly important for the competitiveness of firms, cities, regions and nations (Wolfe and Bramwell, 2008; Lonnqvist et al., 2014; Yigitcanlar et al., 2016).

Many scholars see innovation as the main driver to establish a competitive edge and generate economic growth (Cooke and Leydesdorff, 2006; Pancholi et al., 2014). In the global knowledge economy, for a country to become and stay competitive, it is necessary to build its own innovation ecosystem and invest in people and firms for them to become innovative. Such an ecosystem can be described as an open network of organisations that interact with each other and operate within framework conditions that regulate their activities and interactions. The three components of the innovation system – networks, innovation activities and framework conditions – collectively function to produce and diffuse innovations that have, in the aggregate, economic, social and/or environmental value (Sabatini-Marques et al., 2015b).

Innovation is the implementation of a new or significantly improved product, service, process, new marketing method or a new organisational method in business practices, workplace organisation or external relations (Sabatini-Marques et al., 2015a). It is widely believed that innovation provides a company with a relative advantage over the competition (Betz, 2003; Yigitcanlar, 2014). Beyond an advantage, particularly in the global knowledge economy, for many firms innovation is the key to survival (Doran and Ryan, 2012). Since innovation leads to more innovation, firms that invest in research and development (R&D) and build technological and organisational capabilities are likely to

induce further innovation (Baumol, 2002). In other words, having a competitive innovation edge is the key to firm survival in the global rivalry (Yigitcanlar, 2016). This makes 'innovate or perish' the new motto of the global knowledge economy era.

This issue of the *International Journal of Knowledge-Based Development* contains five papers that are looking at the innovation issue from various angles in order to provide a further understanding of the complex nature of innovation and relevant activities in the global knowledge economy era.

Following this editorial introduction, the issue commences with a paper (paper 1: Innovation management of internationalised IT companies in Brazil and Portugal) by Simone Galina, Luisa Carvalho, and Teresa Costa that focuses on the company innovation management issue. This paper aims to expand our understanding of the traditional innovation model and its impacts on companies' internationalisation efforts. The paper compares the process of innovation management of international IT companies from an emerging economy, Brazil, and a developed economy, Portugal, through an exploratory approach. The results reveal insights on how firms manage their intellectual property and internal structures of R&D for internationalisation differently in the investigated country contexts.

Paper two of the issue by Diane-Gabrielle Tremblay (Innovation in the IT sector: intermediary organisations as a knowledge sharing strategy?) focuses on the role of intermediary organisations in supporting innovation. This paper aims to investigate the need for and effectiveness of collective ways of accessing relational capital, knowledge and infrastructure through the support of intermediary organisations. The study analyses the role of intermediary organisations and their contributions to the information technology sector in Montreal, Canada. The paper reveals that intermediary organisations, specialised collective governance bodies, and interfirm collaborations are highly critical for business innovation in the information technology sector.

Next, in paper three Victor Cabral, and Willem van Winden (Coworking: an analysis of coworking strategies for interaction and innovation) focuses on the coworking strategies in increasing firms' innovation capabilities. This paper particularly explores how managed coworking spaces affect the innovation process of their members. The article examines managed coworking spaces as working environments for independent professionals, with an active role of the manager of the space to foster collaboration and interaction in selected companies from Amsterdam, The Netherlands. The findings depict the policy implications for managers of coworking spaces to enhance collaboration, knowledge transfer, and promoting new business opportunities.

Paper four (Computer modelling the costs of management control in the development of knowledge-based SMEs) by Robert B. Mellor focuses on applying computer modelling to support business processes of innovative companies. The paper advocates that small and medium-sized enterprises are highly important in the global economy, especially those involved in the innovation activities, and it is paramount to understand them properly. This paper explores the use of a computer model to determine the management glitches of companies that could significantly hamper their performance. The findings of the analysis reveal that the guileful information gatekeeping at the departmental manager level in small and medium-sized enterprises is detrimental to overall organisational performance.

The last contribution of the issue, paper five by Teemu Makkonen, and Adi Weidenfeld (Knowledge-based urban development of cross-border twin cities) views knowledge-based urban development as an approach to establish innovative cities and

regions. The paper focuses on empirically analysing knowledge-based urban development of cities in the cross-border context – that is an understudied area of research. This paper undertakes the empirical investigation of Helsinki-Tallinn and Copenhagen-Malmö cases by combining features from the established knowledge-based urban development and cross-border regional innovation system models. The results of the analysis paint a complex picture of varying performances in the different dimensions of knowledge-based urban development based on the cross-border regional innovation system integration measures. The overall findings provide insights for urban policy-makers in border regions.

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