

# Chapter 1

## Knowledge Economy and Corporate Education

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### ABSTRACT

*From the time a technological need is recognized to the time that it takes academia to produce graduates coming out of colleges with those skills already developed takes a long time, and if academia reacts to the needs of the technology then academia will always be playing a catch-up game since technology does not stand still while academia is working on churning out graduates with the requisite skills. This is a key reason why industry and academia should work together to have a vision of where technology is headed and design academic programs that will train the graduates for the future needs of technology. While this chapter has provided some examples where collaboration between universities and industry has led to development of technology, there are a myriad of others covering various fields and disciplines. In a small chapter like this, it is not possible to cover all of this. With the advent of affordable telecommunication and transportation, the world is a lot smaller today than it was a few decades back. Retaining homegrown talent and nurturing the homegrown talent to contribute towards growing even more talent while attracting talent from across the globe will contribute significantly towards a knowledge economy that will be self-sustaining.*

### INTRODUCTION

Knowledge economy (KE) and knowledge society are the two key words used in much of the literature related to the development of corporate world. Knowledge has always been an essential

force for development activities of human beings. However, the difference between now and the earlier time is the pace at which knowledge grows and to the extent to which the need to integrate this knowledge into a region's social, economic and political development. Knowledge economy

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often wrongly attributed as ICT revolution (Information and Communication Technologies) or evolution of high technology industries. But as World Bank report (2007) identifies it is rather a process of generating relevant knowledge and putting that knowledge to work to generate further growth in terms of economic, political and social development.

Obviously, various types of knowledge including the most traditional knowledge or basic simple knowledge base or basic application of a simple technology or use of highly advanced technologies can become a major resource for generating wealth and jobs. This implies that in the whole process the higher educational institutions play a central and crucial role. As Gunasekara (2004) observes the 21<sup>st</sup> century universities need to be increasingly linked to place with enabling partnership role with industry, government and communities. There is much literature on university-industry interaction, triple helix (University-industry-Government linkages), corporate universities, university–corporate partnerships and the like. All this points out the need for good corporate education strategies at universities to strengthen the four pillars of Knowledge Economy as identified by World Bank (Narsimharao 2010b). Though corporate education concept is not new and was existent in one form or other throughout the history of organizations, the era of knowledge based economy demands for more systematic and organized way of corporate education. Some of these ideas can further be explained with the help of the literature on how information technology giants like Infosys, Wipro, and Intel have evolved over the years with the help of knowledge power (application of knowledge, training initiatives, manpower development practices/commitments, partnerships with other organizations, interactions with university departments and faculty of universities, research funding to universities etc.). The purpose of this chapter is to discuss the importance of corporate education for developing

knowledge based economy and the crucial role higher education institutions play. Prior to this discussion it is necessary to give a brief account on knowledge economy and corporate education in the context of the chapter.

## **Knowledge Economy (KE) and its Constituents**

The World Bank (2007) in its study on ‘Towards Knowledge Economies – Advanced Strategies for Development’ identified four pillars of knowledge based economy. They are:

1. Education, including building a skilled workforce;
2. National innovation systems, including science and technology, research and development (R and D);
3. Building networks, including ICT infrastructure and social networks;
4. Policy and regulatory environment.

As per the report the *knowledge economy* meaning is broader than that of *high technology* or the *new economy* and even broader than the often used *information society*. Its foundations are the creation, dissemination, and the use of knowledge. The report states that ‘A knowledge economy is one in which knowledge assets are deliberately accorded more importance than capital and labor assets, and where the quantity and sophistication of the knowledge pervading economic and societal activities reaches very high levels’. We may list the knowledge economy indicators which may give a fair idea of how the four pillars of KE can be strengthened. There are five major indicators knowledge jobs, innovations, globalization, Economic Dynamism and Digital Economy (Table 1).

How we prepare the communities to use these components will finally determine the development of KE of a region. The four pillars must be balanced and coordinated so that they support

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