

Research on Financial Institution Innovation Based on Knowledge Economy

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ABSTRACT. The arrival of knowledge economy has a profound impact on China's financial industry, which not only brings new development opportunities, but also urges the financial industry to face new challenges. Under the development trend of financial globalization and service modernization, only by attaching importance to the development of financial technology and formulating corresponding financial innovation countermeasures can financial institutions provide more diversified financial services for the development of China's knowledge economy. This paper analyses the concept and characteristics of the knowledge economy, elaborates the relationship between the knowledge economy and financial institutions as well as proposes countermeasures for financial institution innovation in the context of the knowledge economy for reference.

KEYWORDS: Knowledge economy, Financial institutions, Financial innovation

1. Introduction

The arrival of the knowledge economy is a new development opportunity and also an important challenge for all areas of society. In the new market environment, financial institutions must, on the basis of fully understanding the characteristics of the knowledge economy, combine the actual development of the financial industry to actively explore innovative paths of promoting the development of the knowledge economy, providing more development momentum for the knowledge economy.

2. Concepts and Characteristics of the Knowledge Economy

The knowledge economy refers to a new type of economy built on the production, use, and distribution of information technology. The traditional economic concept holds that in economic production, the quality and efficiency of production depend on the quantity of basic material resources such as labor, land, and capital. Technology and knowledge are regarded as external factors that do not affect the overall level of production work. With the continuous development of society, the conception of contemporary economics has made traditional economic concepts incompatible with the requirements of modern production [1]. Contemporary economic concepts incorporate technology and knowledge into factors that affect production. They believe that investment in knowledge affects economic growth, that knowledge can enhance the production capacity of traditional production factors and can also provide new impetus and basic guarantees for industrial innovation. As the knowledge economy under the new socio-economic form, the specific characteristics have not been uniformly determined, and can only be described generally in combination with the characteristics of financial activities, as follows: First, the knowledge economy is an information-based and networked economy. In the "Internet +" era, information technology is widely used in the financial industry, which facilitates investment, management, marketing, and production of financial institutions, and makes the degree of interdependence between financial institutions and machines increasingly obvious. Second, the knowledge economy is innovative. In the context of a new era, innovation, as a new driving force for social development, is the key to determining the speed of economic development. The innovative nature of the knowledge economy not only includes system innovation, management innovation and technological innovation, but also transforms the traditional model of economic development efficiency determined by production and material resources, and transforms it into a new development based on the advantages of innovation to make up for shortcomings such as insufficient resources mode. Only if any financial institution has a sense of innovation and makes bold attempts, can it occupy an active position in the market and obtain more benefits. Third, the knowledge economy is an economy with sustainable development momentum. The industrial economy promotes the development of human society, but the characteristics of the industrial economy's excessive pursuit of economic benefits have caused the abuse of a large

number of production resources and technical resources in the society, causing damage to China's ecology and living environment, and the sustainability of its development has been seriously influenced. The knowledge economy is more dependent on technology and knowledge capital and will not cause resource consumption due to excessive application. The application of knowledge in the production process can improve the use of natural resources on the one hand and can also create more innovative resources for society in production, so as to achieve sustainable development [2].

3. Relationship between Knowledge Economy and Financial Institutions

3.1 Knowledge Economy Promotes Financial Institution Innovation

With the continuous advancement of science and technology, the increasing amount of knowledge in society has brought more diversified financial instruments to the financial industry, which has led to the rapid expansion of financial markets. In the new living environment, financial innovation brings development momentum to the industry, which gradually penetrates into all levels of society and economy, and has become a key factor in promoting the rational distribution of social wealth, regulating the allocation of resources, and economic integration. As a knowledge-intensive industry, the financial industry has become more knowledgeable in the era of the contemporary knowledge economy, which has provided impetus to the innovation and development of financial institutions, making the financial industry inevitably face industrial innovation. Innovation will cause changes in the structure of the socio-economic system and create more possibilities for the rise of our knowledge economy. This shows that the knowledge economy and financial innovation have an inseparable interactive relationship, and the development of the knowledge economy provides more favorable conditions for financial innovation.

3.2 Financial Innovation Provides Strong Impetus for the Development of the Financial Industry

Innovation is the driving force for development, and financial innovation is the link between the coordinated development of the knowledge economy and the modern financial industry. Financial innovation specifically refers to the existence of a large amount of potential profits in the financial field. In the case that traditional methods cannot obtain more profits, the financial industry can only obtain higher economic benefits by innovating in financial means and the financial system. Since the 21st century, the financial reforms in western countries, which are dominated by financial innovation, have changed the financial systems of western countries. At the same time, the knowledge economy has brought prosperity and promoted the rapid economic development of western countries. Although China's research on financial innovation started late, under the influence of western countries, China gradually realized the importance of financial innovation. With the advent of the knowledge economy, China began to vigorously implement financial innovation and continuously improve financial markets and supervision. System to improve the transmission speed of financial information and provide a strong impetus for the sound development of China's financial industry.

4. The Innovation Strategy of Financial Institutions in the Context of the Knowledge Economy

4.1 Give Play to the Important Role of Science and Technology and Accelerate the Development of Integration of Scientific Research and Production

The advent of the knowledge economy has enabled science and technology to be widely used in all areas of society and has pointed out the direction of development for various industries. As a part of the market economy, financial institutions can only gain more market share in the fierce market competition by relying on scientific and technological innovations in system, management, production, and work methods, and gradually gain a foothold and realize Healthy long-term development. On the contrary, as a specific organizational form of the financial industry, financial institutions must fully realize their own value, provide more favorable financial services for economic development, and promote the sound development of China's economy. To achieve the development goals in these two aspects, financial institutions must play an important role in promoting science and technology, increase investment in financial technology, use science and technology to enhance the level of technology and equipment in the financial industry, and continuously accelerate the development of financial informatization. At the same time, if the financial industry wants to realize its own value and achieve the goal of promoting the development of the national economy, it must not only improve its own work efficiency and level, but also take advantage of technological and talent advantages to provide science and technology, management, consulting, etc.^[3] for all sectors of society service. Taking development loans as an example, when issuing loans to various enterprises, financial institutions should pay attention to the combination of science and technology and production, prioritize projects that combine research and production, provide them with sufficient financial support, and continue to accelerate the integration of research and production. The development

process of globalization, and forming a driving force for development in society, promote the sound development of the knowledge economy.

4.2 Diversification of Financial Business with Innovation as the Driving Force for Development

Due to the late start of China's financial theory research, the content of financial innovation is not yet complete, and there are still problems such as the slow development of the currency market, the uneven development of the capital market, and the imperfect financial market system. The financial industry needs to continue to intensify innovation, improve existing major problems, and promote the improvement of financial services. First, innovate the financial system. On the one hand, it is necessary to speed up the transformation of professional banks and build them into commercial banks that meet the requirements of the development of the knowledge economy, enabling them to realize innovative operations in the financial market and bring a new vitality to our economy. On the other hand, fully implement the central bank's system reform standards, consolidate the credibility and authority of the monetary policy designated by the central bank, and provide more possibilities for the central bank to implement an independent monetary policy. Second, innovative financial instruments. If financial institutions want to enhance their competitiveness in the era of knowledge economy, they must continuously improve their knowledge acquisition and application capabilities and introduce more innovative financial means according to the actual situation of development. At the same time, we need to develop more diversified intermediate businesses, such as opening insurance, providing customers with products, technology, and market confidence, cultivating more interest growth points, and strengthening the strength of financial institutions. Third, innovative financial technology. Financial institutions should gradually increase their investment in science and technology and take financial services as the main carrier to continuously improve the speed of data circulation and the efficiency of payment of funds to provide customers with more convenient and secure financial services. For example, financial institutions can carry out online banking, short message banking, etc. Users can enjoy online banking services by using mobile networks, making the payment and flow of funds more convenient, and providing a basic driving force for China's economic development.

4.3 Strengthen the Management of Financial Institutions and Improve Customer Satisfaction

First of all, financial institutions must continuously improve their business capabilities, strengthen management and training of employees, and help to enhance business skills through long-term learning, and continuously accumulate work experience to improve the efficiency of financial business. At the same time, financial institutions should carry out short-term training in different contents, and through cooperation with relevant enterprises and universities, cultivate a group of staff with a strong sense of service and a high level of business, and provide a more solid foundation for the financial industry to meet the challenges of the knowledge economy. Second, financial institutions should strengthen standardized and institutionalized management. According to the financial service standards issued by the superiors, formulate a management system that conforms to the actual situation, continuously improve the service process, and clarify service responsibilities. When discovering related issues, it is necessary to hold people accountable and supervise their rectification, increase the importance of employees' most financial services, and provide customers with more satisfactory services. Finally, financial institutions should pay attention to the cultivation of service personnel's innovative awareness, so that they can have the ability to operate the financial system, and respond to emerging problems, can think creatively, and constantly reform and improve financial service methods to improve the level of financial services.

5. Conclusion

All in all, innovation is the basic driving force for economic development. In the era of knowledge economy, the financial industry only recognizes the importance of innovation, and makes bold attempts and practices to continuously improve the level of financial services and innovate business models. Only in the new market environment can we constantly strengthen our competitiveness, give play to our role in promoting the development of the knowledge economy, and promote the sound and rapid development of our economy.

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