KNOWLEDGE MANAGEMENT: PROBLEM AND PERSPECTIVE

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ABSTRACT

The ability to manage knowledge is becoming increasingly more crucial in today's knowledge economy. The emergence of knowledge based economies has placed an importance on effective management of knowledge, an organization's knowledge base is quickly becoming its only sustainable competitive advantage. The paper is able to demonstrate that knowledge management is a key driver of organizational performance and a critical tool for organizational survival, competitiveness and profitability. To capitalize on knowledge, an organizational must be swift in balancing its knowledge management activities. In general, such a balancing act requires changes in organizational culture, technologies and techniques. There should be proper interaction of technologies, techniques and people that allow an organization to manage its knowledge effectively. The paper also presents knowledge management implementation framework that provide guidance for conducting knowledge management.

Keywords: Knowledge management, Decision making, Problem solving

INTRODUCTION

Knowledge is powerful as it controls access to the opportunities and advancements. It has become crucial for company to harvest knowledge, as it has become the valuable asset for every organisation. The process of harnessing knowledge is known as knowledge management (KM). In today's era of globalisation and competitive business environment, KM plays a vital role for every organization. In this increasingly competitive business environment, companies must evolve over time to meet the changing market needs. This evolution process will need all firm members to put together all their knowledge – whether their professional skills or understanding of consumers' needs, to succeed. Such knowledge may come from the employees' experiences, the firm's plans for future activities, or from the results from a market research. Hence it becomes crucial for the organizations to capture such knowledge to ensure that they are retrievable during times like reinventing, innovating and implementing new product or service strategies, and incorporating them to new business models and challenges.

Implementing KM is a challenging task for organizations and as Drucker (1993), the father of modern management theory, has asserted, one of the most important challenges facing organizations in a contemporary society is to build systematic practices for managing knowledge.

Knowledge management (KM) deals with the management of knowledge-related activities Wiig, (1997) such as creating, organizing, sharing and using knowledge in order to create value for an organization.

O'Dell and Grayson (1998) believe knowledge management is a strategy to be developed in a firm to ensure that knowledge reaches the right people at the right time, and that these people should share and use information to improve upon the organization's functioning.

As knowledge is the base of core competencies and high performance Lubit (2001), the concept of KM has become a concern for many organizations. KM allows experience to be shared and information can be made available Smith (2001).

Knowledge management is a process that facilitates knowledge sharing and establishes learning as continuous process within an organization. Therefore, knowledge management and learning go hand in hand in organizations Lopez et al., (2004).

LITERATURE REVIEW

Knowledge can be distinguished in two different types. Nonaka (1994); Nonaka and Takeuchi (1995) describe knowledge as existing in two dimensions – tacit and explicit knowledge. In essence, knowledge is most commonly categorised as either explicit (coded) or tacit (that which is in people's heads). Tacit knowledge is the personal and context specific knowledge of a person that resides in the human mind, behaviour, and perception (Duffy 2000). It evolves from people's interactions and requires skill and practice. Tacit knowledge is highly personal (held within the holder), subjective, difficult to formalize, articulate and communicate fully, experience based, contextualized, job specific, transferred through conversation or narrative, not captured by formal education or training and may even be subconscious but capable of becoming explicit knowledge (Nonaka and Takeuchi, 1995)

Hansen (1999) showed that weak ties helped transfer less complex knowledge across divisions in less time but hinder the transfer of more complex knowledge. This suggests that divisions connected by weak ties may be less willing to share complex knowledge because they are unwilling to exert more effort for sharing.

Davenport and Prusak (2000) Organizations, knowledge becomes embedded not only in documents or repositories, but also in organizational routines, processes, practices, norms and cultures. Organizational knowledge is therefore the sum of the critical intellectual capital residing within an organization.

Gupta et. al. (2000). A strong organizational climate, through good KM, can bring entire organizational learning and knowledge to bear on any problem, anywhere in world at any time.

Schein. (2000) Organization's culture consists of the practices, symbols, values and assumptions that the members of the organization share with regard to appropriate behaviour.

Audrey S. Bollinger & Robert D. Smith. (2001) Organization needs to begin analyzing their organizational knowledge as a strategic assets, it is the key to competitive viability and growth of learning organization.

Harry Scarbrough, (2003) KM needs to be managed as a process of innovation not the application of tool.

Cabrera and Cabrera (2005) One of the most important issues when working on a KM strategy is to create the right incentives for people to share and apply knowledge.

Knok and Gao (2005) showed that richness of channel for knowledge sharing and one's absorptive capacity to learn from others has a positive influence on individuals' attitudes toward knowledge sharing.

Du Plessis (2007) opines that an organisation KM strategy is supposed to create an understanding of the organisation's KM resources and where they reside; articulate the role of knowledge in value creation; and comprise a number of integrated projects or activities phased over time including quick wins as well as long term benefits.

King (2007) Biggest challenge is not a technical one, but a cultural one. The difficult task of overcoming cultural barriers, especially the sentiment that holding information is more valuable than sharing it is a big constraint that needs to be tackled.

Lin, H. (2007) Motivational factors such as reciprocal benefits, knowledge self efficacy, and enjoyment in helping others were significantly associated with employee knowledge sharing attitudes and intentions.

M. Gagne (2009) Predicts that five HRM practices- staffing, job design, performance appraisals and compensation systems, managerial styles and training will influence attitudes, need satisfaction and sharing norms. Koenig 2012 state that the initial stage of KM was driven

primarily by Information Technology (IT), about how to deploy IT to accomplish more effective use of information and knowledge and the hallmark phrase of this stage was termed "best practices".

Hislop (2013) Ability to create knowledge and generate competitive advantage is now essential for any organisation that wishes to remain sustainable within its marketplace.

Purpose:

The first section of this paper describes basic definition of knowledge, types of knowledge; next we explain the concept of knowledge management. Later, we describe knowledge management process and key factors needed for successfully implementing Knowledge Management.

Definition of knowledge:

First it's important to differentiate between terms data, information and knowledge. Data can be facts and figures presented out of context. Although data can trigger innovation or improve efficiency, it lacks inherent meaning and provides no sustainable basis for action. Information, on the other hand, is data presented in context so people might make use of it. Information sources may include: patents, trademarks, processes, manuals, drawings, reports, research, transaction data, and market research. Knowledge is a mixture of organized experiences, values, information and insights offering a framework to evaluate new experiences and information (Davenport and Prusak). Knowledge is defined as "information combined with experience, context, interpretation, and reflection."

Figure 1: Model of learning progression
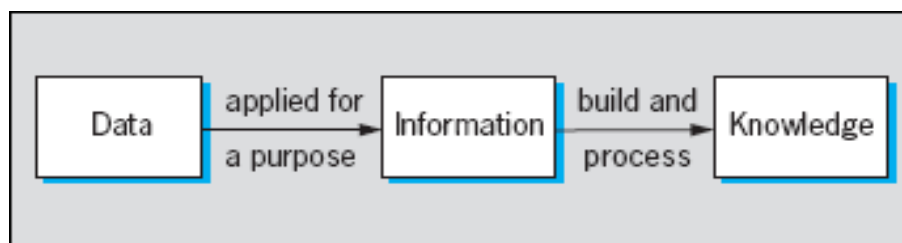
Types of Knowledge

There are two types of knowledge, tacit and explicit also called informal/uncodified and formal/codified knowledge. Tacit knowledge is difficult to articulate, steal and transfer and also difficult to put into words, text. Explicit knowledge is easier to document and share. It comes in the form of books and documents, formulas, project reports, contracts, process diagrams, lists of

lessons learned, case studies, policy manuals, etc. There are different approaches used to capture and transfer both explicit and tacit knowledge.

COMPARISON OF PROPERTIES OF TACIT AND EXPLICIT KNOWLEDGE

Properties of Tacit knowledge:

- Ability to adapt, to deal with new and exceptional situations.
- Expertise, know how, know why and care why.
- Ability to collaborate, to share a vision, to transmit a culture.
- Coaching and mentoring to transfer experiential knowledge on a one-to-one, face-to-face basis.

Properties of Explicit knowledge:

- Ability to disseminate, to reproduce, to access, and to reapply throughout the organization.
- Ability to teach, to train.
- Ability to organize, to systematize, to translate a vision into mission statement, into operational guidelines.
- Transfer of knowledge via products, services and documented process.(Dalkir,2005)

Knowledge Management

Organizations are managing knowledge for various reasons. In today's fast-paced economy, an organization's knowledge base is quickly becoming its only sustainable competitive advantage. As such, this resource must be protected, cultivated, and shared among organizational members. Until recently, companies could succeed based on individual knowledge of a handful of strategically positioned workers. Increasingly, however, competitive advantage is to be gained by making individual knowledge available within the organization, transforming it into organizational knowledge.

Knowledge management is the systematic management of an organization's knowledge assets for the purpose of creating value and meeting tactical and strategic requirements; it consists of the initiatives, processes, strategies and system that sustain and enhance the storage, assessment, sharing, refinement and creation of knowledge.

Knowledge management must create/provide the right tools, people, knowledge, culture, structure so as to enhance learning. There must be proper interaction between technologies, techniques and people.

Factors that influence KM:

1. Culture:

Schein (1999) asserted that organizational culture is the set of shared, taken for granted implicit assumptions that a group holds and that determine how it perceives, thinks about and reacts to various environments. Implementation of knowledge management always requires a cultural change- if not a complete transformation, at least a tweaking of the existing culture in order to promote a culture of knowledge sharing and collaboration. A knowledge sharing culture is one where knowledge sharing is the norm, not the exception, where people are encouraged to work together, to collaborate and share their knowledge. A learning culture organization creates an environment in which the acquisition of skills and knowledge not only is viewed as key responsibility of each employee, but also is supported by the interaction and encouragement of organizational members.

Gruber and Duxbury (2001) concluded that the environment that truly supports the sharing of knowledge has following characteristics:

1. Reward structure- recognition for knowledge sharing with peers.
2. Openness- no hidden agendas
3. Sharing supported- communication and coordination between groups.
4. Trust- shared objectives
5. Top management support- upward and downward communication

2. People:

People are the sources of knowledge. In today's economy the ability to build human capital is vital for success in organizations. Human capital refers to skills and abilities of individual within an organization. The ability of humans to think creatively and uniquely coupled with experiences and talents, make humans valuable sources of knowledge.

In order to effectively manage the people that possess the desired knowledge, it is essential to take into consideration their cultural and social values, attitudes and aspiration, build an environment of knowledge sharing, innovation, skills, communities, team work and motivation. The process of KM begins and ends with people. It is therefore important to consider people in knowledge management strategy and implementation.
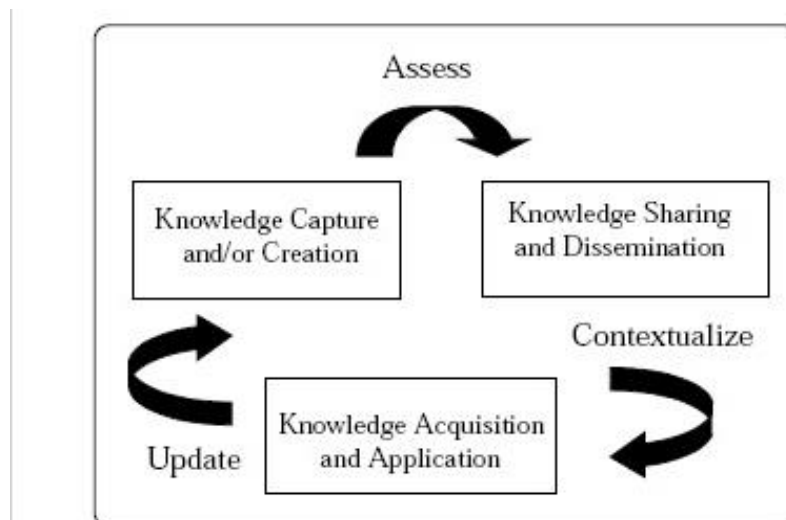
3. Process:

Process is defined as mechanical and logical artifacts that guide how work is conducted in organizations (Baloh et al.2011). Processes govern work in organization and are very critical for

the functioning of organizations. It is therefore important for a KM program to recognize their importance. A critical requirement for knowledge management is to be able to understand work processes and how to map them. Mapping of processes helps to predict what is really going in the organization and how tasks are being accomplished. The various processes in knowledge management include workflows, feedback, best practices, lessons learned, data policies.

4. Technology:

There is a powerful symbiotic relationship between knowledge management and IT that is driving improved returns and increasing sophistication on both fronts. KM technologies as tools enhance and enable knowledge generation, codification and transfer. Information technology, if well-resourced and well implemented, may provide a comprehensive knowledge base that is quickly accessed, interactive, and of immediate value to the user. Knowledge projects are likely to succeed when a sophisticated technology infrastructure is adopted. IT infrastructure includes Email, document management, data warehousing, workflow software, decision support system etc. Information technology is an important enabler for KM initiatives in organizations. Knowledge creation, seeking and dissemination are improved by IT and IT is also an important facilitator for storing and sharing organizational knowledge.

Knowledge Management Process:

1. Knowledge capture and creation- Knowledge capture refers to the identification and subsequent codification of existing internal knowledge and know how within organization or external knowledge from the environment. It is a process in which knowledge identification, capture, acquisition and creation is done.
2. Knowledge sharing and dissemination- Once knowledge has captured and codified, it needs to be shared and disseminated throughout the organization. It involves knowledge sharing among all within the organization both of tacit and explicit knowledge.
3. Knowledge acquisition and Application- Knowledge application refers to actual use of knowledge that has been captured or created. It is process of application of the application and use of knowledge in the organization value adding services.

Stages of Implementing Knowledge Management:

Stage 1: develop strategy — A KM strategy is a general, issue based approach to defining operational strategy and objectives with specialized KM principles and approaches. Koenig, (2000). Once the KM strategy is defined, the organization will have a road map that can be used to identify and prioritize KM initiatives, tools and approaches in such a way as to support long term business objectives.

It is characterized by the decision to explore "how KM might work here" and an evolution from individual passion to organizational action. The central task at this stage is to formulate the first iteration of the KM implementation strategy by determining how it fits with the business and conducting pilots to test the concept. This requires putting together a cross-function KM task force.

Stage 2: design and launch —Form design teams. Launch the pilots and initiatives. Capture lessons learned.

It signals the formal implementation of KM initiatives. Its goal is to provide evidence of KM's business value by conducting pilots and capturing lessons learn. These pilots will be most effective as the first step of a top-down approach, as opposed to grassroots efforts. Perhaps the most important task of this stage is to capture lessons learned: What made the early initiatives most successful? Are the results worth investing for expansion?

Stage 3: expand —Let the vision evolve. Develop an expansion strategy. Communicate and market the strategy. Create a balanced set of measures.

Expand and support the knowledge management efforts, in which case a strategy to proceed and budgets are required; resources, find where resources can be pulled (that is, who will benefit the most), vigorously communicate the strategy and rationale to the organization, and counter inevitable missteps through the KM core group.

Stage 4: institutionalize KM —With the entire organization recognizing knowledge management as "the way we work," senior leaders incorporate knowledge management into the business model.

This involves realigning the structure, budget, and rewards and performance evaluation, while the KM core group continuously monitors and measures progress

CONCLUSION

The importance of knowledge in organizations has been discussed. The effective management of knowledge has describes as an important ingredient for organizations seeking to ensure strategic advantage. It has been shown in order for organizations to be successful in managing knowledge, attention must be paid on people, processes and technologies. The paper also presents set of guidelines that should be considered when a KM implementation framework is to be developed. We have come to conclusion that KM is tool which helps to utilize our resources in a smarter and efficient way to achieve higher business goals in a productive way. Its aim is to develop new opportunities, creating value, obtaining competitive advantages and improve performance to attain the organizations objectives and emerging needs.

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