



Managing Knowledge: A Success Mantra in Business Administration

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ABSTRACT

Knowledge is the fundamental basis of competition. Competing successfully on knowledge requires either aligning strategy to what the organization knows, or developing the knowledge and capabilities needed to support a desired strategy. The knowledge management practices play very crucial role in organizational change and development. To effect successful change organizations strategically assesses their knowledge resources and capabilities in order to conceptualize their knowledge strategy, so as to reduce the knowledge gaps. Today the knowledge management as a strategy is practiced globally. Knowledge management is all about people and providing them with an environment that can contribute to enhancing their existing knowledge base and help them to develop. Organizational competitive advantages ultimately rest on its knowledge resources as it is difficult to copy. To effect organizational change, knowledge management as a technique is extensively used by organizations across the globe. To successfully bring change through knowledge management practices, organizations need to align their strategies with the current knowledge base of the people, and develop knowledge to build the capabilities of people to successfully entrance, change wherever the gap exists

There are many contributors to knowledge management and learning organizations starting from the concept of Kelley's (1985) 'gold collar worker' to that of Argyris (1994), Drucker (1994), Peters (1992), Stewart (1997) Nonaka and Takeuchi (1995) and many more.

KEYWORDS : Adaptation, Disseminating, Refining, Attrition, Merging, Database, Integral, Organising.

KNOWLEDGE MANAGEMENT

"The truly revolutionary impact of the information revolution is not artificial intelligence, information or the effect of computers and data processing on decision-making, policymaking, or strategy. The key to continued growth and leadership in the economy is not electronics of computers but the cognitive skills of the 'knowledge workers'".

To understand the concept of knowledge management it is important to know what knowledge is. The knowledge is the fact or condition of knowing something with familiarity gained through experience or association. Explicit knowledge is formal knowledge, available in the books, rules, etc.

INTEGRAL COMPONENTS

Based on our aforesaid discussions we can classify integral units of KM as under:

Generating new knowledge

Accessing valuable knowledge from outside sources

Using accessible knowledge in decision making

Embedding knowledge in process, products and services

Representing knowledge in documents – databases and software

Facilitating knowledge growth through culture and incentives

Transferring existing knowledge to other parts of organization

Measuring the value of knowledge assets and impact of knowledge management

BENEFITS

Foster innovation by encouraging free flow of ideas

Improve customer service by streamlining response time

Boost revenues by getting products and services to market foster

Enhance employee retention rates by recognizing value of employees' knowledge and

rewarding them for it.

Streamline operations and reduce costs by

eliminating redundant or unnecessary process.

Thus the activities that are involved in knowledge management can be classified as under:

Gathering

- Data entry
- OCR and scanning
- Voice input
- Pulling information from various sources
- Searching for information to include

Organizing

- Cataloguing
- Indexing
- Filtering
- Linking

Refining

- Contextualizing
- Collaborating
- Compacting
- Projecting
- Mining

Disseminating

- Flow
- Sharing
- Alert
- Push

A knowledge management plan involves a survey of corporate goals and a close examination of the tools, both traditional and technical, which are required for addressing the needs of the company. The challenge is to select or build software that fits the context of the overall plan and encourage employees to share information.

Unfortunately, there's no universal definition of knowledge management (KM), just as there's no agreement as to what constitutes knowledge in the first place. For this reason, it's best to think of KM in the broadest context. Succinctly put, KM is the process through which organizations generate value from their intellectual and knowledge-based assets. Most often, generating

value from such assets involves codifying what employees, partners and customers know, and sharing that information among employees, departments and even with other companies in an effort to devise best practices. It's important to note that the definition says nothing about technology; while KM is often facilitated by IT, technology by itself is not KM.

BENEFITS FROM KM

Some benefits of KM correlate directly to bottom-line savings, while others are more difficult to quantify. In today's information-driven economy, companies uncover the most opportunities — and ultimately derive the most value — from intellectual rather than physical assets. To get the most value from a company's intellectual assets, KM practitioners maintain that knowledge must be shared and serve as the foundation for collaboration. Yet better collaboration is not an end in itself; without an overarching business context, KM is meaningless at best and harmful at worst. Consequently, an effective KM program should help a company to do one or more of the following:

- Foster innovation by encouraging the free flow of ideas
- Improve customer service by streamlining response time
- Boost revenues by getting products and services to market faster
- Enhance employee retention rates by recognizing the value of employees' knowledge and rewarding them for it
- Streamline operations and reduce costs by eliminating redundant or unnecessary processes

These are the most prevalent examples. A creative approach to KM can result in improved efficiency, higher productivity and increased revenues in practically any business function.

ADAPTATION OF KM IN ORGANIZATION

For starters, don't label it KM because the term causes so much confusion. Everyone has a different definition of KM (if they even know what it is) and those who have heard of it and have heard of all the failures associated with KM projects will be inherently biased against your project. Instead of calling it KM, pitch it as a project designed to solve a particular business problem. Your KM project is much more likely to succeed if it addresses an actual business goal or specific pain point, like improving collaboration in order to bring a product to market faster than the competition.

DRIVERS OF KM

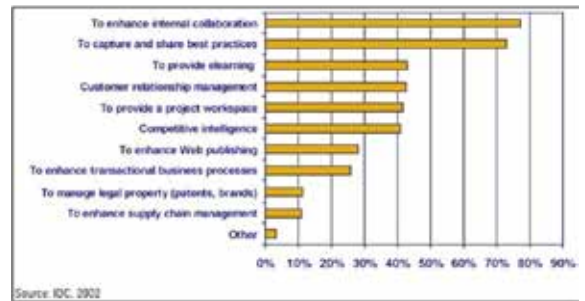
Knowledge Attrition : Despite the economic slowdown, voluntary employee turnover remains high. A recent survey by the global consulting firm Drake Beam Morin revealed an average voluntary employee turnover rate of 20 percent with 81 percent of organizations citing employee turnover as a critical issue. Estimated annual costs of employee turnover were a staggering \$129 million per organization. Much of this cost is due to knowledge attrition, which can be effectively minimized using knowledge management techniques.

Knowledge Merging : Since 1980, the annual value of mergers has risen 100 fold reaching a cumulative \$15 trillion in 1999. Over 32,000 deals were announced, triple the number of 10 years earlier and more than 30 times as many as in 1981. The recent frenzy of corporate mergers coupled with the increased need to integrate global corporate communications requires the merging of disparate and often conflicting knowledge models.

Content Management : The explosion of digitally stored business-critical data is widely documented. Forester Research estimates that online storage for Global 2,500 companies will grow from an average of 15,000 gigabytes per company in 1999 to 153,000 gigabytes by 2003, representing a compound annual growth rate of 78%.

E-Learning : As the economy becomes more global and the use of PCs more pervasive, there has been a dramatic increase in e-learning, also known as computer based training. E-learning is closely linked to an overlapping with, but not equal to knowledge management. E-learning can be an effective medium for knowledge management deliverables

KM Objectives



TECHNOLOGIES SUPPORTS KM



These technologies roughly correlate to four main stages of the KM life cycle:

1. Knowledge is acquired or captured using intranets, extranets, groupware, web conferencing, and document management systems.
2. An organizational memory is formed by refining, organizing, and storing knowledge using structured repositories such as data warehouses.
3. Knowledge is distributed through education, training programs, automated knowledge based systems, expert networks.

Present and Future State of KM

Currently, communities of practice such as the Knowledge Management Network and the development of standards and best practices are in a mature stage of development. KM curricula such as certification, corporate training and university graduate certificate programs are on the rise. Techniques such as data mining and text mining that use KM for competitive intelligence and innovation are in the early stages of development. Finally, organizations are investing heavily in ad hoc KM software that facilitates organizational knowledge. The chart below estimates the state of their current and future KM activities.



The Future of Knowledge Management

In the next several years ad-hoc software will develop into comprehensive, knowledge aware enterprise management systems. KM and E-learning will converge into knowledge collaboration portals that will efficiently transfer knowledge in an interdisciplinary and cross functional environment. Information systems will evolve into artificial intelligence systems that use intelligent agents to customize and filter relevant information. New methods and tools will be developed for KM driven E-intelligence and innovation.

The Effect of Knowledge Management on Databases

Multiple corporate databases will merge into large, integrated, multidimensional knowledge bases that are designed to support competitive intelligence and organizational memory. These centralized knowledge repositories will optimize information collection, organization, and retrieval. They will offer knowledge enriching features that support the seamless interoperability and flow of information and knowledge. These features may include: the incorporation of video and audio clips, links to external authoritative sources, content qualifiers in the form of source or reference metadata, and annotation capabilities to capture tacit knowledge. Content will be in the form of small reusable learning objects and associated metadata that provides contextual information to assist KM reasoning and delivery systems.

Summary

Today the knowledge management as a strategy is practiced globally. Knowledge management is all about people and providing them with an environment that can contribute to enhancing their existing knowledge base and help them to develop. Organizational competitive advantages ultimately rest on its knowledge resources as it is difficult to copy. To effect organizational change, knowledge management as a technique is extensively used by organizations across the globe. To successfully bring change through knowledge management practices, organizations need to align their strategies with the current knowledge base of the people, and develop knowledge to build the capabilities of people to successfully entrance, change wherever the gap exists.

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