

Knowledge Management- Organizational Investment in Intangibles

Mani Bansal¹, Shitika² and Anamika³

¹ Lecturer, GGSIPU/Delhi College of Advanced Studies,
New Delhi, Delhi, India
manibansal.mb@gmail.com

² Lecturer, GGSIPU/Delhi College of Advanced Studies,
New Delhi, Delhi, India
shitika.kul@gmail.com

³ Lecturer, GGSIPU/Delhi College of Advanced Studies,
New Delhi, Delhi, India
anamika.rana@gmail.com

Abstract

This paper addresses the issue of knowledge management in organizations. It points out and conceptualizes the fundamental dimension of knowledge. It also emphasizes the various typologies of the Knowledge workers. We need to realize the importance of Knowledge Management. Knowledge building may occur in an organization in an ideal situation when people interact with each other so that organization learning takes place. The paper also explores the implication of KM in today's business environment through the use of various tools and techniques like brainstorming and physical workspace. New concepts related to Knowledge Management are elaborated including the role of knowledge workers in knowledge economy. An analysis of the theoretical foundation of KM scrutinizes a strong arena with clear directions for future work.

Keywords: *KM, Organization Learning, Dimensions, Knowledge Economy*

Considered as well interpreted message that has a sender and a receiver. Knowledge is information to which intent has been attached while information can be placed on to a computer; knowledge exists in the heads of people. The idea is that information and knowledge are more than simply collections.

This paper tries to analyze and present a conceptual framework in the content of KM in today's business organization. There has been a paradigm shift in the way organization operates in the business environment. The new breeds of management workers need not only to be efficient but competitive to tackle problems from cross functional, cultural and ethical perspective. Thus it becomes worth mentioning to realize the importance of knowledge and KM for organizations.

KM is a part of continuous business improvement process. It refers to the way an organization works and grows. The major aim of KM is to sustain business performance through ongoing learning, unlearning and adaptation. Knowledge management should be identified and valued as intellectual capital assets. Knowledge needs to be managed so that the organization knows what it knows and that it owns what it knows.

3. Branches of KM

The introduction of KM and the emergence of the term explicit knowledge were new in the 1980's. It was a natural emergence brought up by many exogenous and endogenous factors. By the early nineties, it was clear that there were two distinct branches of KM:-

1. Introduction

Knowledge Management is an emerging concept in management science, knowledge is considered as a valuable, rare, costly to initiate and non-substitutable asset these days. Knowledge can be defined as the facts, feelings or experiences known by a person or a group of people. KM is a new branch of management developed for achieving breakthrough in original processes through the synchronization of people, processes and technology. The goal of KM is management of change, complexities and uncertainties.

2. KM in Business Organization

Before we begin, it is very important to mention the difference between data, information and knowledge whereas data is a raw collection of facts and figures that is structured but has not been interpreted, information can be

3.1 First Generation KM

It involves capturing and grasping information and experience so that it can be easily comprehend in a corporate environment. This will help the organization to grow into a powerful knowledge asset. First generation KM involves the development of sophisticated data analysis and retrieval systems with no idea about the usage of the information. In this way, first generation KM solutions are often unproductive.

3.2 Second Generation KM

Faced with the practical failure of first generation techniques, thinkers began to look for new ways to create and share knowledge. As a result, hierarchical models of organization structure were replaced by organic models. Second generation KM gives priority to the way in which people create and use knowledge which is closely related to organizational learning. It emphasized that learning and doing are more important to organizational success than merely creating and retrieving.

4. Dimensions of Knowledge Management

The fundamental issue in managing knowledge in an organization is to identify the process that can facilitate the flow of knowledge of individuals in organization, communities and societies. In Drucker's opinion, Knowledge is information that "changes something or somebody either by becoming the basis for action or by making the individual capable of an effective action. Based on these thoughts knowledge can be classified as subjective or objective; or explicit or implicit knowledge. Whereas explicit knowledge is formalized and written knowledge generally expressed in form of data, manuals or textbooks, tacit knowledge is action based, unformulated and hard to transfer. Efforts to bring out tacit and explicit knowledge require allocation of organization's resources and producing unexpected outcomes by thinking beyond the boundaries. Implicit knowledge, another form of tacit knowledge is the kind of knowledge that is shared by people who are either unwilling or unable to express it without proper environment. Identification of new ways and processes of thinking and doing is the key to acquire existing knowledge and generate new knowledge. There is only one solution underlying i.e. 'thinking out of the box'.

The continuum of explicit, tacit and implicit knowledge is shown in the figure:

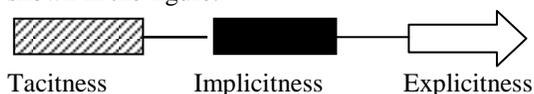


Fig1: KM continuum

5. Types of Knowledge

Knowledge is a tested, evaluated and surviving structure of information that may help the organizations to adapt. It is something produced into cope with environmental challenges.

There are three types of knowledge:-

5.1 Biological Knowledge

A form of knowledge which is tested and evaluated and surviving structures of information in physical systems that may allow adapting the existing environment.

5.2 Mental Knowledge

It is subjective and non-shareable knowledge. It is concerned with tested, evaluated and surviving beliefs in mind about the world.

5.3 Cultural Knowledge

It is tested, evaluated, surviving, shareable and linguistic formulations about the world. It includes claims and meta-claims that are speech- or artifact -based.

6. Knowledge Economy in Management

In this new era, it is apparent KM is emerging as a dominant field in the overall strategic management. In July 1999, Tony Blair, the British PM said, "The knowledge economy is the economy of the future." In knowledge economies, land, machinery, plant and equipments are considered as the secondary asset of an organization while knowledge, expertise and innovation are the primary assets of an organization. Therefore it becomes important that these assets should be effectively managed. Since KM caters to the critical issues of organization survival, adaptation and competence, the concept of knowledge should be well comprehended.

Knowledge economy is a term that refers to "the concept which supports creation of knowledge by organizational employees and helps and encourages them to transfer and better utilize their knowledge that is in line with company/ organizations goals."

The concept of knowledge economy was first introduced in 1966 in the book "the effective executive" by Peter Drucker. For the last hundred years, neo-classical economies identified only by two factors of production, labour and capital. But this has now changed. Information

and knowledge has replaced these factors of production. With the increased mobility of information and the global workforce, knowledge and expertise can be transported instantaneously creating knowledge economies within the countries. We are now an information society in a knowledge economy where KM is essential.

7. Knowledge Workers in Knowledge Economy

An interrelated concept of knowledge economy is knowledge workers. These are the individuals who are valued for their ability to act and communicate with knowledge in a specified area. These workers use their research skill to identify problems and to provide for the optimal solutions among the alternatives. These workers perform the primary task of non-routine problem solving and decision making. Knowledge workers spent 38% of their time searching for their information (Mcdermott, 2005). These are the employees who have a deep background in education and experience. As business is increasing their dependence on information technologies, the number of fields in which knowledge workers must operate has expanded dramatically. If knowledge is returned, Knowledge workers will act to serve the knowledge assets of the company who will always concentrate on increasing the treasure of knowledge for the company. In a way, knowledge workers play a vital role in increasing the financial value of a company. It has been proved from time to time that companies with high volume of knowledge workers are the most successful and fastest growing organization.

Reinhardt's review of current literature shows that the roles of knowledge workers are very diverse in character. The typology of knowledge worker roles suggested by Reinhardt is mentioned in the table below:-

| ROLE | DESCRIPTION | KNOWLEDGE ACTIONS |
|------------|--|---|
| Controller | Monitor organizational performance based on raw information. | Analyze, disseminate, monitoring |
| Helper | Transfer information to teach others. | Authority, analyze, feedback, learning |
| Learner | Use information and practice skill. | Acquisition, search, learning |
| Linker | Associate and mash up information. | Analyze, search, organize, network |
| Retriever | Search and collect information on given topic. | Acquire, analyze, search, organize, monitor |
| Solver | Find or provide a way to deal with problems. | Analyze, acquire, learning, service search |
| Tracker | Monitor and react on personal and organizational actions | Analyze, search, monitor, network |

Table 1: Typology of Knowledge Worker

Source: From Knowledge workers roles and actions- results of two empirical studies, "by W.Reinhardt, B. Schmidt, P. Sloep and H. Drachsler".

8. Knowledge Management Tools & Techniques

KM efforts work to create, codify and share knowledge valuable to the organization. KM shifts from process to practice. It is communication and collaboration to improve employee's performance. This paper represents the methods and tools implemented by the most successful organizations around the world.

8.1 Brainstorming

It is a simple way of helping a group of people to storm their mind and generate unusual and creative ideas. It is appropriate whenever the organization needs to generate a range of alternatives which can help in problem solving. It emphasizes on grasping difficult ways of the competitor and developing new ways. Brainstorming can be organized very quickly and requires a little material handling when there is a need to gain strategic advantage.

8.2 Learning and idea capture

A basic aspect of KM at all levels is to capture the learning ideas collectively and systematically. This would help the organization to become more creative, learn faster and generate rational ideas. We need to find better learning environments and implement enabling techniques so that knowledge can be effectively captured and systematically shared.

8.3 Peer Assist

It is a technique generally used by project management to solicit assistance from their peers and subject matter experts regarding a particular issue. It is basically, 'learning before doing'. It will help both the peers and problem solver to gain insights into the subject matter. The purpose of this technique is to shorten the learning curve of the members.

8.4 Story Telling

You may be surprised to know that story telling is one of the powerful techniques of knowledge management because it is mainly concerned with the origin of our social life. In the context of KM, storytelling can be used as a powerful way to share and transfer knowledge especially tacit knowledge. A person who has some valuable knowledge tells stories of his/her experience in front of the person who wants to gain knowledge. The method is quite simple and is

capable of sharing much deeper level of knowledge than just sharing information.

8.5 Collaborative Physical Workspace

Physical workspace is selected as one of the top techniques of KM. Literally it means the physical settings in which people work. This techniques plays role where human interactions takes place. Knowledge sharing or creation is only possible when it is well designed.

9. Conclusion

The contribution of this paper have been primary theoretical. The main ideas driving KM is that 'Knowledge must be managed like an asset'. It involves creating, sharing and transfer knowledge. It has to be preserved and leveraged from individual to the organization. In this paper we summarized the theoretical developments of the concepts of KM. Based on the discussion we can conclude that the branches of KM provides a useful insight into the concept and dimensions of KM leading to enlightenment of tacit and explicit knowledge .The literature review in KM assumes that knowledge is easily definable, extractable and transmitted commodity. This paper proposed a polyvalent view of Knowledge which requires knowledge workers to develop share and transfer this knowledge in this era of information. Knowledge storage and transmission within the learning organization is possible through the use of various techniques discussed in the paper. It is high time to realize the importance of Knowledge and through all means organization must pave the way to capture its essence.

All in all, Knowledge is certainly a vital resource in today's world, but we must recognize its complex nature if we need to make use of it more successfully in our institutions and organizations.

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