

Conceptual Paper on Knowledge Management

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Abstract:

Today's business environment is characterized by highly transparent markets and global competition. Technology life cycles are decreasing due to the fast pace at which development of new technologies is progressing. To compete in this environment, it is necessary to identify upcoming innovations and trends as early as possible to decrease uncertainty, implement technology leadership, and create competitive advantage. In this context managing knowledge asset is critical task for any organization. Knowledge management provides road map for the business houses to acquire, utilize and analyze their knowledge assets to become successful. Knowledge is spirit of competitive edge. As knowledge been always available, it can be accessed as and when required. It is versatile and can be transferred formally or informally. The best reason for an organization to develop a knowledge management system is to gain a competitive advantage in the marketplace, by turning intellectual assets into value through innovation. In 21st century knowledge management is emerging as the solution to an increasingly fragmented and globally-dispersed workplace.

This paper aims at understanding the concept of knowledge management and its implication in current business scenario. It is assumed that Knowledge management is essential for the organizations.

Descriptive research on the basis of secondary data was carried out. This paper concludes the knowledge management frame work and its enabler. Sustainability of knowledge management attempt also discussed for the better perceptive of the organization.

Key words: Knowledge Asset, Knowledge Acquisition, Knowledge Application, Sustainability, Knowledge Management

Introduction:

Knowledge management represents the value of the business - its intellectual capital.

The 21st century is demanding for knowledge and subsequently its management. It is required for securing competitive edge and learning capacity. Organizations are investing on knowledge-base work and knowledge workers are represented as an intellectual capital. The industry driven economy is now transforming into knowledge-based economy.

Knowledge Management involved all the components of organization viz. people, technology and processes. Knowledge is an intangible and intellectual asset that must be managed. Knowledge Management caters to certain critical issues of organization's adaptation, survival & competence in the face of increasingly discontinuous environmental change; essentially it embodies organizational processes that seek synergistic combinations of data & information processing capacity of information technology, and the creative, innovative capacity of human beings. The key challenge of the knowledge-based system is to cultivate innovation. It is expected that organization should create and continue to maintain conducive environment for innovation and change. It aims for developing knowledge culture where employees are free to build and share knowledge. The essence of knowledge management lies in:

- Understanding and valuing intangible assets over tangible
- Understanding that human and intellectual capital are the greatest resources
- Managing the skills and competencies that lie within an organization, and allowing them to flourish
- Allowing people to be the best that they can be optimizing performance

Knowledge Management can transform the organization to new levels of effectiveness, efficiency, and scope of operation. Through advancements in technology, data and information are readily available. The modern business manager is able to discover and learn new measures, new technologies, and new opportunities, but this requires the ability to gather information in usable formats and disseminate knowledge to achieve the organization's objectives. Knowledge Management is continually discovering what an organization knows—coding of tacit knowledge, Data Mining, and Business Intelligence;

continually increasing what the organization knows—organizational learning and communities of practice, and continually organizing and disseminating explicit knowledge for use throughout the organization.

Objectives:

1. To identify the composition of Knowledge Management framework.
2. To study the necessity and implications of Knowledge Management.
3. To understand the sustainability of Knowledge Management.

Research Methodology:

Descriptive research methodology has been adopted to study the concept of Knowledge management and its focus on the Strategic Perspective of the business model.

The secondary research is carried out through in depth study of various journals, articles, case studies and web references.

Why Knowledge Management?

“The basic economic resource—the means of production—is no longer capital, nor natural resources, nor labor. It is and will be knowledge.” – Peter Drucker

Knowledge has no intrinsic value of its own - it is only relevant when it is used. "The real value of knowledge is only worth if it can able to change the way business is done." It is important to note that knowledge is available everywhere but not used very much. The increased emphasis on knowledge management is attributed to recent rapid developments for shifting towards knowledge driven economy and rapid advancement in information technology.

Knowledge is spirit of competitive edge. As knowledge been always available, it can be accessed as and when required. It is versatile and can be transferred formally or informally. It can be implanted in processes, products, systems, and controls.

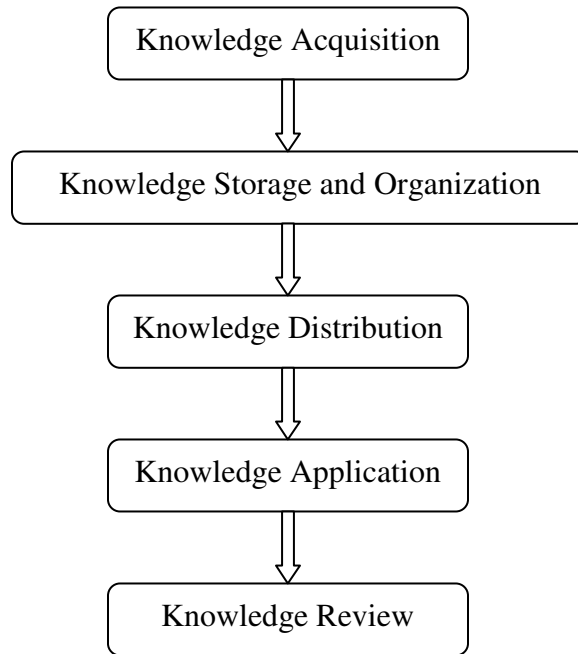
The knowledge generates action which becomes backbone for articulating possible courses of action (articulation), for judging whether courses of action will yield the intended result and for using this judgment in selecting among them (selection), for deciding how actions should be implemented and for actually implementing actions (implementation).

Knowledge is highly personal, while management involves organizational processes. Managing it requires turning personal knowledge into corporate knowledge that can be widely shared throughout an organization and appropriately applied. Knowledge is increasingly being recognized as a crucial organizational resource that gives market leverage. Its management is therefore too important to be left to chance. Thus knowledge management proceeds with knowledge development, preservation of knowledge, using knowledge and sharing knowledge. Knowledge management involves the identification and analysis of available and required knowledge assets and knowledge asset related processes, and the subsequent planning and control of actions to develop both the assets and the processes so as to fulfill organizational objectives.

Do organizations really need Knowledge Management?

The best reason for an organization to develop a knowledge management system is to gain a competitive advantage in the marketplace, by turning intellectual assets into value through innovation. The real differentiation lies in using innovation to create value and ongoing growth. If organization is really expecting knowledge grid, it is necessary to capture the knowledge that resides in the minds of employees so that it can be easily shared across the organization. Success in competitive edge is lies in how organization can able to manage their intellectual capital. It is necessary to retain talented people, use their knowledge there by reducing downsizing and reengineering. In 21st century knowledge management is emerging as the solution to an increasingly fragmented and globally-dispersed workplace. It has demonstrated to be a strategic and value added venture for organization's effectiveness.

Knowledge Management Framework:



Knowledge Acquisition: It is related to gathering or identifying knowledge asset of the organization. As well as locating the space where it is available.

Knowledge Storage and Organization: This is the place where knowledge data can be stored. It also concerned content, use and accessibility of knowledge base.

Knowledge Distribution: A mechanism, such as an Intranet or Internet, allows the data in the warehouse to be quickly disseminated throughout an organization.

Knowledge Application: It is related to use of available knowledge and effective utilization. It also deals with opportunities of using knowledge asset and value addition for the organization.

Knowledge Review: It is checking whether it has really increased value, its maintenance, better usability and feasibility of new opportunities in future.

Implication of Knowledge Management:

- With KM driven organization, there is an increase in employee satisfaction due to personal development and empowerment.
- It keeps employees longer and thereby, reduces the loss of intellectual capital from people leaving the company.
- Saves money by reducing the costs by decreasing and achieving economies of scale in obtaining information from external providers.
- Increases productivity by making knowledge available more quickly and easily.
- Provides workers with a more democratic place to work by allowing everyone access to knowledge.
- Knowledge Management provides platform for learning and stay ahead in competitive edge.
- KM software and technological infrastructures allow for global access to an organization's knowledge, at a keystroke.

Means for Knowledge Management:

These are the enablers, who provides road map and channels to implement the knowledge management in the organization.

1. Organizational Leadership and knowledge leadership
2. Organization Culture
3. Continuous Reinvention through Learning
4. Technology
5. Sharing and Accessibility for knowledge

Sustainability of Knowledge Management Attempt:

It is necessary for organization to manage their knowledge asset effectively in order to stay ahead in business environment and retain the same. The sustainability of knowledge management endeavor is very much important in this context. The sustainability quite crucial issue in vibrant, globalize world. In case of knowledge management system it can

be possible through – Focusing on learning environment, this should link to learning capabilities that leads to innovation. It is necessary to enhance personal effectiveness their by organizational effectiveness. Committed work force and the emergence and development of informal networks must be supported so that people can share their tacit knowledge and help one another is key for sustainability. It also counts informal organizational structure which can provides encouraging environment for the knowledge management attempt. i.e. for significant change to lead to sustainability, hierarchical control must be kept aside. An employee should be able to give his/her best so that performance optimization can be possible. It is necessary for organization to identify and understand human and intellectual capital and allow that to flourish through managing skills and competencies that lie within the organization.

Case Study: Knowledge Management at PATNI

PATNI believes in "knowing what we know and profiting from it". Therefore organization channelizes our energies in generating value from our intellectual and knowledge-based assets. Our Knowledge Management initiative focuses on achieving sustained individual and business performance through the synergy of people, processes, and technology, and by ongoing learning, unlearning and adaptation.

In 2003, PATNI invested heavily in creating a Knowledge Management infrastructure, with the belief that efficient knowledge exploitation leads to faster response times, builds a competent organization, identifies areas for expansion and leads to greater customer satisfaction. Through continuous knowledge acquisition, retention and augmentation, organization ensures that on an ongoing basis best practices are institutionalized and leveraged to deliver value to the customer.

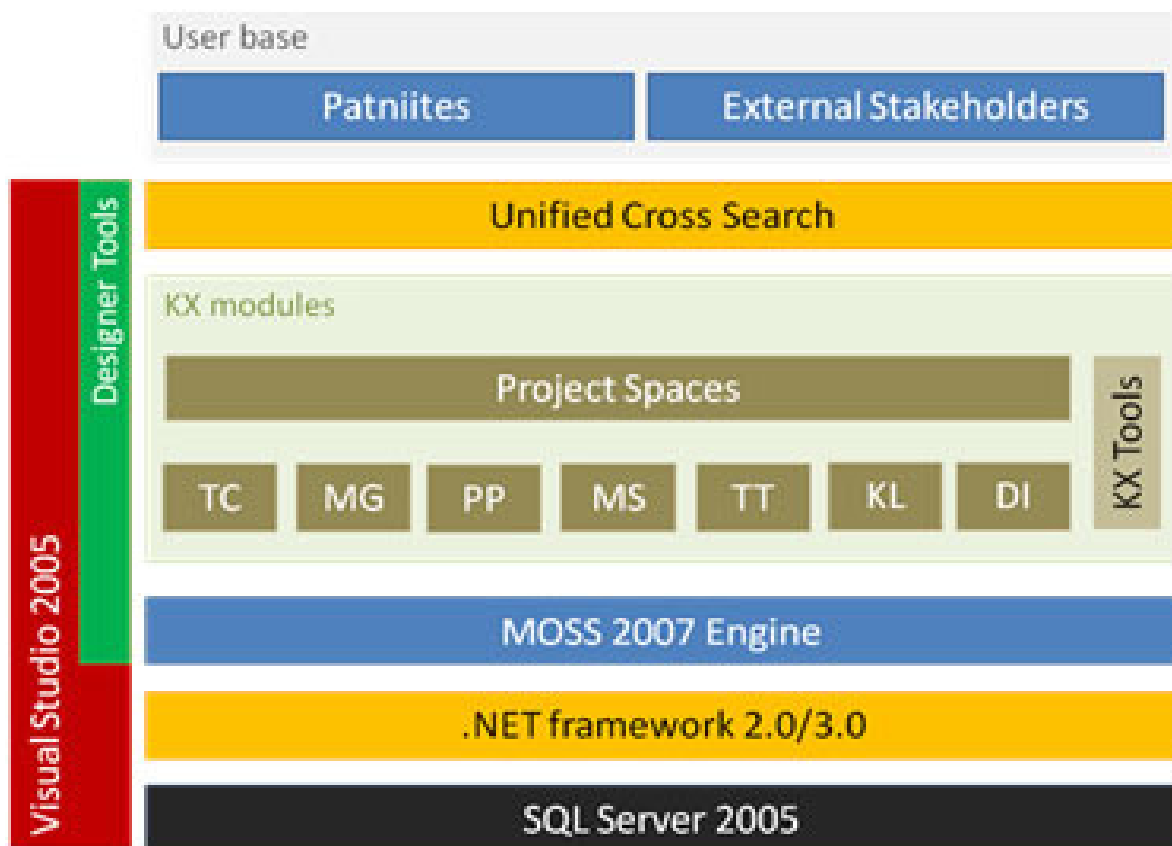
With the objective of harnessing contemporary technologies and processes to further mature the initiative at PATNI, in late 2007, it revamped the KM portal as a wall-2-wall collaborative platform. This has enabled individuals of various persuasions and skills to share and learn from each other across the organization. For PATNI, this is a live example of a Web 2.0 pilot. PATNI expect to leverage this learning into the work that we

do for our customers. PATNI have already started monitoring a couple of projects where the customer has been made a partner in the knowledge activities along with the Patni project team.

KM Framework:

Patni's *Knowledge Xchange* portal is based on the Web 2.0 model for social computing, and runs on the Microsoft® Office SharePoint® Server (MOSS) 2007. Its Cubicle Model helps to plug in various modules enabling shared-learning through collaboration. This model not only brings Patni-ites to enrich our global knowledge repository but it also connects our external stakeholders to a single hub.

The portal enables collaboration through Wikis, blogs, individual websites and forums, and provides enterprise-wide access to Patni's large teams spread across geographies and hierarchies. Patni's Knowledge Xchange helps the employees across the organization to participate actively, easily share knowledge, quickly reach the information they need, and manage knowledge from anywhere.



(Source: <http://www.patni.com>)

Unique KM Initiatives:

PATNI strives to create a learning organization that adapts to changing business scenarios, adopts best-in-class practices and provides world class solutions to its customers. Towards meeting this objective, PATNI have institutionalized a number of forums based on learning, sharing and collaboration. The organization also conducts a host of activities on an ongoing basis, to capture and manage the "tacit" knowledge of the organization at different levels.

Benefits of KM Initiative:

- Foster innovation by encouraging the free flow of ideas
- Reduce delivery times and improve startup productivity of new project team members
- Reduce the cost of knowledge acquisition and retention through powerful collaboration and search tools
- Leverage on reusable components to save on time and costs
- Create bodies and communities of knowledge
- Bring about efficient management of information for better and faster decision-making
- Improve customer service through shorter turnaround time, reduced costs, and better profitability
- Enhance employee retention rates by recognizing the value of employees' knowledge and rewarding them for it
- Improve overall efficiency, increase productivity, and increase revenues through faster time-to-market for our solutions and services.

Conclusion:

The study depicts that of knowledge management's inevitable aspect of any organization. Organization should align their strategies and follow them for continuous knowledge enhancement, increment and there by lead towards the success. In the context of enabling business strategy, knowledge management caters to the critical issues of organizational

adaptation, survival, and competence in face of increasingly discontinuous environmental change. The successful handling of knowledge management initiative leads to personal development of employee thereby increase in employee satisfaction and productivity which in turn helps in saving of money. The added advantage is to access knowledge globally. It can be concluded that effective knowledge management attempt be able to sustain through cultivating learning organization culture for change.

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