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Knowledge Management for the New World of Business

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Abstract

The emergence of knowledge-intensive society has changed the nature of business competition. Knowledge management is a critical success factor in today's enterprises. The efficacy of a knowledge management (KM) project depends heavily on a successful coordination of issues such as corporate culture, organizational processes, HRM and information technology. On a global basis, organizations are recognizing the importance of knowledge as a means to gain or sustain competitive advantage. The only thing that is sustainable, for successful businesses, in the New Millennium – is what it knows, how it uses what it knows, and how fast it can know something new. In the past, the dilemma was finding enough information, but now the problem has shifted to identifying and managing the nuggets of mission-critical knowledge amongst the mountains of meaningless noise. Many organizations are primarily knowledge-focused. They obtain data and information and produce either a product or service. In this production process they use their own, and other's, knowledge and information. Much of the knowledge in an enterprise is grounded in the minds of employees. Since knowledge is the most basic of all competencies, its recognition, creation, application, and management should be a critical success factor for attainment of a competitive advantage. This paper discusses the need of enterprise to transform themselves into knowledge corporations in order to become competitive in the evolving marketplace. It lays emphasis on developing the knowledge management strategy. It also defines tools, techniques and technology needed to create and enhance organizational knowledge and expertise.

Keywords: Knowledge management, Knowledge Repositories, Web Conferencing

1. INTRODUCTION

The most important contribution management needs to make in the 21st century is similarly to increase the productivity of knowledge work and the knowledge worker. Knowledge Management is a new branch of management for achieving breakthrough business performance through the synergy of people, processes, and technology. Its focus is on the management of change, uncertainty, and complexity. It evolved from the need for advancing beyond the failing paradigm of Information Technology Management that accounts for 70%-80% system failures. "Knowledge Management (KM) has been the subject of much discussion over the past decade. Organizations thought that they will not survive in the modern Knowledge Era unless they have a strategy for managing and leveraging value from their intellectual assets. "Knowledge Management is the discipline of enabling individuals, teams and entire organizations to collectively and systematically create, share and apply knowledge, to better achieve their objectives". The systematic process of finding, selecting, organizing, distilling and

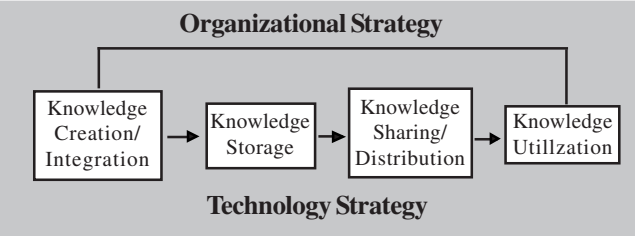
presenting information, improves an employee's comprehension in a specific area of interest. KM, as emphasized by Abdul Kalam (2004), helps an organization to gain insight and understanding from its own experience.

Knowledge is a level higher than information. Knowledge resides in the minds of knower. It is a fluid mix of contextual structured and unstructured raw material that is transferred into valuable knowledge assets that can be renewed, grown, and acted upon. Knowledge is an inherently human state of affairs, while information is what resides in mindless computers. Many agree with the definition that "knowledge" is not only personal, it is also an evolutionary mental process – we formulate and structure what we know. Knowledge also includes intuitive and spontaneous responses to the environment in which we find ourselves. Knowledge management uses technology to provide the formal structure where the knowledge and experience of employees can be systematically captured and shared. These technological structures, or knowledge management systems, facilitate improved access to and transfer of knowledge. Some examples of knowledge management systems include intranets (internal Web sites), groupware applications (software that enables users to share information), e-mail lists, and knowledge mapping tools (representational maps that detail staff expertise and knowledge). Today maximum companies are using knowledge management system e.g. TCS, Wipro Technologies, Infosys, Aptech computers, Accenture etc.

2 KNOWLEDGE MANAGEMENT PROCESS OR LIFECYCLE

Knowledge Management is the methodology, tools and techniques to gather, integrate and disseminate knowledge. It involves processes involving management of knowledge creation, acquisition, storage, organization, distribution, sharing and application. These can be further classified into organization and technology components.

The organization component consists of organization-wide strategy, standard and guidelines, policies, and socio-cultural environment. The technology component consists of tools and techniques to implement effective knowledge management practice which provides values to its business, employees, customers and partners. The tools can furthers be classified into knowledge creation, knowledge integration, knowledge sharing and knowledge utilization.



The various steps are described here:

a) Knowledge Creation : Knowledge is created either as explicit or tacit knowledge. Explicit knowledge is put in paper or electronic format. It is recorded and made accessible to others. Tacit knowledge is created in minds of people. This knowledge resides within individuals. This knowledge needs to be transformed into explicit knowledge so that it can record and shared with others in the organization.

b) Knowledge Storage : Knowledge is stored and organized in a repository. The decision on how and where lies with the organization. But the objective of this phase to enable organization to be able to contribute, organize and share knowledge with.

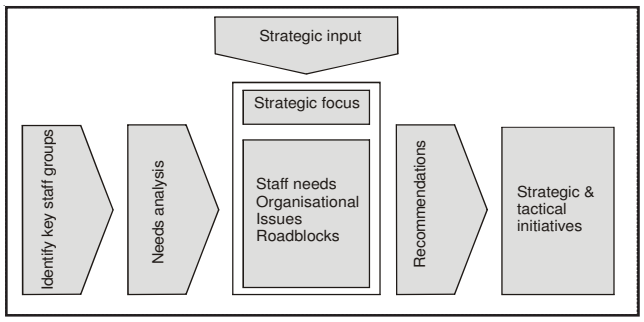
c) Knowledge Sharing : Sharing of knowledge implies packaging of knowledge in the form fit for use and delivering it to the point of use at the time of use**.** Knowledge is shared and accessed by people. They can either search or navigate to the knowledge items.

d) Knowledge Utilization : This is end goal of knowledge practice. The knowledge management does not have any value if knowledge created is not utilized to its potential. The more knowledge is created as knowledge is applied and utilized.

3. DEVELOPING A KM STRATEGY

Enterprises need to develop a knowledge management strategy which impinges on all areas of the organization and requires a corporate approach to make it work. Knowledge strategy starts with the notion that an organization's business strategy should

guide its planning for knowledge management. Knowledge should start from existing strategies, plans, and the modus oprandi of an organization. It should explicitly identify specific areas of inefficiency-lost opportunities or costly mistakes-where a good knowledge management practice would improve productivity and minimize risk. It should seek to support people throughout the organization in performing their daily task efficiently and effectively.



There are many approaches for developing a knowledge management strategy, each supported by a holistic model of KM processes as given below:

a) Top-down : The overall strategic direction of the organization is used to identify the focus of the knowledge management initiative. This is reflected in a series of activities designed to meet this broad goal.

b) Bottom-up : Research is conducted into the activities of staff involved in key business processes. The findings of this research highlights key staff needs and issues, which are then, tackled through a range of knowledge management initiatives.

Each of these approaches has its strengths, and in practice, a success KM programme must encompass both. For e.g. Infosys has developed its knowledge management system a lot before. Previously knowledge was shared through body of knowledge documents but today Infosys has a comprehensive Knowledge Management Infrastructure complete with a dedicated team, a fully functional technical infrastructure and increasing awareness of the criticality of knowledge sharing amongst all employees.

4. PREVENTING KNOWLEDGE LOSS IN THE BUSINESS

Preventive actions can be implemented to offset loss of valuable employees with mission-critical knowledge. They include:

a) **Don't let your highly-skilled workers leave**. This seems like an obvious solution to this dilemma, yet it is the one that can be easily ignored. The easiest way to diminish knowledge loss is to avoid losing knowledge in the first place. By retaining workers that have the knowledge, businesses can reduce loss. This can be achieved by offering competitive compensation and incentives, providing alternate career paths, transitioning an employee to a new position or providing job rotation to enhance skills and industry experience.

b) **Mentoring and coaching**. Mentoring and coaching methods have become very fashionable focuses of training and knowledge transfer in the current environment. By matching newly hired or inexperienced employees with more seasoned workers, the intangible, tacit knowledge of the business can be passed on effectively.

c) **Sharing best practices.** The sharing and use of best practice knowledge has become a critical success factor for market leaders. The ability to use tested and proven knowledge of other businesses has helped others make decisions and improvements with greater speed and reliability. The objective is to begin sharing what works in successful companies to generate new ideas and changes in the business processes and activities.

d) **Sharing lessons learned**. Similar to the mentoring and coaching methods, sharing lessons learned allows companies to tap the experiential knowledge of its workers. Lessons learned represent the actual experiences of individual employees or teams, identifying knowledge created and / or obtained. As a rule, lessons learned are shared in a larger group setting as opposed to one-on-one sessions between mentor and protégé.

e) **Content documentation**. This is likely to be the most monotonous method of reducing knowledge loss. Tracking and maintaining information used in decision-making can assist a company to retain critical mission-critical for future use. Regrettably, it is easy to neglect

documentation, but when compared to the time and effort to rediscover knowledge the amount of time it takes to document valuable content becomes inconsequential.

5. NEED TO BECOME KNOWLEDGE CORPORATION

Knowledge management solutions are now the most important strategic technologies for large companies, according to a new report and survey of European executives by the Economist Intelligence Unit (EIU.com, 2003), sponsored by Tata Consultancy Services. In the survey, 67% of companies cite knowledge management/business intelligence solutions as important to achieving their strategic goals. To serve customers well and remain in business companies must: reduce their cycle times, operate with minimum fixed assets and overhead (people, inventory and facilities), shorten product development time, improve customer service, empower employees, innovate and deliver high quality products, enhance flexibility and adoption, capture information, create knowledge, share and learn. None of this is possible without a continual focus on the creation, updating, availability, quality and use of knowledge by all employees and teams, at work and in the marketplace.

For e.g. – Mckinsey launched Knowledge Management project in 1987 to document the core knowledge of their experts and to build a database of their practices.

TCS introduced Knowledge Management in 1995. Today KM in TCS covers nearly every component of operation, from quality assurance to HR management.

KM helps these companies to gain competitive advantage in the market.

6. KNOWLEDGE MANAGEMENT TECHNIQUES

Knowledge management techniques are used to capture organizations skills and expertise for future use.

a) Building Knowledge Repositories : A knowledge repository is used to manage information and provides a mechanism for creating, storing, and accessing it. Corporate repositories typically contain documents describing policies and procedures, troubleshooting steps and other organizational collateral representing intellectual capital. Data associated with the documents such as author, title, and keywords enable repository users to search and retrieve the information effectively when it is needed. For example, documenting the steps required to fix a broken printer enables Support Call Center engineers to save time resolving customer problems by simply retrieving and communicating the procedure rather than researching and solving the problem anew. The company financial benefit to this approach can be significant as well relationships between documents accessed can promote proactive support by potentially revealing related issues and proposing actions for how to prevent failures before they occur.

For e.g. - Container Port in Asia that achieved world class excellence over 25 years in container logistics. They could load/unload container ships more effectively than most competitors. They proudly implemented better knowledge management (KM) activities by developing a knowledge portal that was designed around automating the processes of container logistics.

b) Using Collaborative Web Conferencing Tools : Collaborative web conferencing tools facilitate sharing knowledge globally. Forums (message or discussion boards), chat and instant messaging, videoconferencing, audio conferencing, data and application sharing all provide opportunities to promote organizational learning that accommodates participants dispersed throughout the world. Such technologies allow teams to identify problems, find alternative solutions, test hypotheses and agree upon a resolution. These tools enable teams to utilize data to create information that results in knowledge which over time becomes organizational wisdom.

For e.g. - Adobe Connect Pro. enables teams to create documents and discuss their decisions, and also offers additional features, such as screen sharing, team break-out rooms, voting, and meeting management. The entire system runs on the Flash plug-in and is, therefore, available on the vast

majority of personal computers without any further installation required.

c) Using Social Software : The use of social software such as wikis, blogs and bookmarking promotes the sharing of experiences resulting in knowledge transfer. A wiki, a web site which provides all users the opportunity to quickly publish and edit pages, is used for collaborative teams to document what they know. A blog, a web log of journal entries typically written by one but commented on by many, serves to provide news to the community. Social bookmarking sites enable users to store, organize, and manage URLs to useful sites. The more people in an organization who use these tools, the more likely the organization can solve the problems posed.

7. CONCLUSION

Knowledge Management is an organizational approach that is not easily implemented. On one hand, knowledge-sharing activities depend on the voluntary participation of employees. Therefore, management should be sensitive to the knowledge activities that are already going on within the company and seek mean to support them. On the other hand, management needs to implement some organizational change in order to change the corporate culture. Employees can have all sorts of reasons for not joining in and employees who see benefit in KM have a hard time changing the corporate culture accordingly. KM presents a major shift in focus regarding the development and use of knowledge and information in increasing the effectiveness of any organization.

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