

Knowledge Management: Process and Challenges

Dr. Swaty, Assistant Professor of Commerce, GCG, Rewari

Dr. Mohan Kumar, Assistant Professor of Commerce, GC, Bahu, Jhajjar

Abstract:

Over the past several years, there have been intensive discussions about the importance of knowledge management within our society. The management of knowledge is promoted as an important and necessary factor for organizational survival and maintenance of competitive strength, but also to become innovative. It is a process that deals with the development, storage, retrieval and dissemination of information and expertise within an organization to support and improve its business performance.

Knowledge Management requires a major shift in organizational culture and a commitment at all levels of a firm to make it work. Through a supportive organizational climate, ideally, through knowledge management, an organization can bring its entire organizational learning and knowledge to bear upon any problem, anywhere in the world, at anytime.

The purpose of this paper is to raise awareness of knowledge management and its potential to support organizations in achieving their business objectives. This will be followed by consideration of some of the challenges with respect to its implementation in organization.

Keywords: Knowledge, Knowledge Management, Organization, Competitive Strength.

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I. Introduction:

“A firm’s competitive advantage depends more than anything on its knowledge: on what it knows- how it uses what it knows- and how fast it can know something new”. HR Magazine 2009, p. 01.

Knowledge Management is a process that helps organizations find, select, organize, disseminate and transfer important information and expertise necessary for activities such as problem solving, dynamic learning, strategic planning and decision-making. Now a day, organizations no longer competes solely on the basis of financial capital and strength, rather knowledge is the new competitive advantage in business. Knowledge Management is essentially about people- how they create, share and use knowledge. The Knowledge Management programmes should have both a “Collecting” and a “Connecting” dimension. The collecting dimension involves linking people with information. It relates to the capturing and disseminating of explicit knowledge.

Early in industrial era, organizations improved their efficiency, effectiveness and hence their competitive edge by automating manual labour and reducing redundancy. Many organizations have gone through massive restructuring to eliminate redundant workers and jobs. This movement has been swept up by Business Process Re-engineering that resulted in leaner organizations.

Knowledge Management is the management of corporate knowledge that can improve a range of organizational performance characteristics by enabling an enterprise to be more “intelligent acting”. It is a fundamental factor, whose successful application helps organization deliver creative products and services. Most organizations already have a vast reservoir of knowledge in a wide variety of organizational processes, best practices, know-how, customer trust, MIS, culture and norms. Therefore managing and utilizing knowledge effectively is vital for organizations to take all advantage of the value of the knowledge. The attention and importance given to the acquisition of knowledge management in literature as well as practice in the past years is also of necessity due to changes in the environment such as increasing globalisation of competition, speed of information and knowledge aging, dynamics of both product and process innovations and competition through buyer markets. It has been said that knowledge has the potential to be highly relevant to the interest of the business world in improving business performance. So, the knowledge management is essentially about getting the right knowledge to the right person at the right time. Its overall objective is to create value and leverage and refine the firm’s knowledge assets to meet organizational goals.

OBJECTIVES OF THE STUDY:

1. To understand the concept of Knowledge Management.
2. To study the process of knowledge management in business.

3. To analyze the importance and challenges of knowledge management.

RESEARCH METHODOLOGY:

The research is an attempt of exploratory research, based on secondary data sourced from journals, magazines, articles, media report and web based research.

REVIEW OF LITERATURE:

Many organizations have realized that technology based competitive advantages are transient and that the only sustainable competitive advantages they have are their employees and so to remain at the forefront and maintain a competitive edge. Organisation must have a good capacity to retain, develop, organize and utilize their employee competencies.

Desouza and Paquette (2011) say that without having knowledge to manage, there would be no knowledge management. Knowledge basically refers to a collection/or a body of information. The information is embedded in the form of theories, processes, systems or it could be voiced in form of opinions, theories, ideas and analysis.

Drucker (1999) points out, workers need to be able to seek knowledge, experiment with it, learn from it, and even teach others as they innovate so as to promote new knowledge creation. Having a Knowledge management program that enables the sense of the importance of people is very important to organizational success.

Sveiby (1997) describes knowledge as the capacity to act on information and thereby make it valuable, therefore knowledge can be said to be inefficient if not used. In organizations, knowledge becomes embedded not only in documents, but also in organizational routines, processes, practices, norms and cultures.

Baloh (2011) define processes, which is another knowledge management component, as mechanical and logical artifacts that guide how work in organisation and so are critical to the functioning of organisation. A critical requirement for knowledge management is to be able to understand work processes and how to map them. Knowledge needed to accomplish tasks can then be articulated and requisite increasing effectiveness and efficiency in the organisation.

Nonaka and Takeuchi (1995) describe knowledge as existing in two dimensions – tacit and explicit knowledge. 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, behavior and perception. Explicit knowledge in contrast is formal and systematic, can be codified, collected, stored and disseminated.

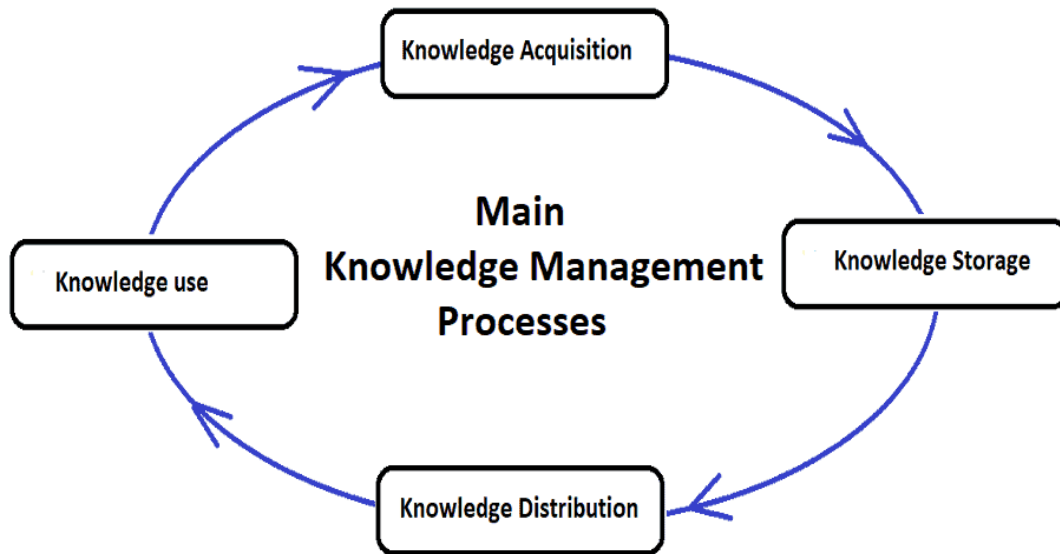
Koenig (2012) describes this characterization of knowledge into explicit and tacit as rather too simple. He suggests that knowledge better described as explicit, implicit and tacit. Explicit means information that is set out in tangible form. Implicit is information that is not set out in tangible form but could be made explicit, while tacit is information that one would have extreme difficulty operationally setting out in tangible form.

BENEFITS OF KNOWLEDGE MANAGEMENT

Deeper, richer, more transparent communications are the benefits of knowledge management system and tools. To promote successful research and development, this kind of communication is essential. A knowledge management system is an extremely valuable asset for businesses because it:

- **Maintain Organizational Knowledge:** A knowledge management system preserves a business's trade secrets and knowledge and allow users to leverage it to the organizations advantage. Having a well-maintained Knowledge management system increases the competition edge of an organisation.
- **Enabling Better and Faster Decision Making:** By delivering relevant information at the time of need through structure and support, a knowledge management environment can provide the basis for good making good decisions. The reuse of knowledge in repositories allows decisions to be based on actual experience, large sample size and practical lessons learned.
- **Increases Productivity:** A knowledge management system provides users with immediate access to information, hence the improved productivity. If an organisation knowledge management system is well maintained and employees are trained in its use, the business overall performance will improve.
- **Provides Standardized Approaches:** A knowledge management system enforce a standard paradigm for all employees to follow. This eliminates inconsistencies, misunderstanding and the unnecessary repetition of instructions in the work place.
- **Stimulating Innovations and Growth:** Most businesses want to increase their revenues, but it becomes increasingly difficult as industries mature and competition increases. Creating new knowledge through affective knowledge sharing, collaboration and information delivery can stimulate innovation. Knowledge Management can benefit not only individual departments in a company, but employees themselves, and it can promote the success of the business as a whole.

PROCESS OF KNOWLEDGE MANAGEMENT



- **Knowledge Acquisition**

To acquire knowledge through knowledge assets is one of the ways to generate knowledge. The knowledge assets include knowledge of new products obtained from competitors, knowledge about new technology and raw information transformed into knowledge that helps to solve business-related problems.

Collecting knowledge is an essential part of the knowledge management process. If incorrect data is collected, the knowledge resulting from it would not be accurate. Consequently, the decisions would also be inaccurate because they are based on irrelevant knowledge.

- **Knowledge Storage**

Storing knowledge means preserving the existing as well as acquired knowledge in the knowledge repository. The knowledge repository could be a computer database that stores a specific knowledge domain.

Storage of new and existing knowledge is another important step in the knowledge management process. There is a vast sea of unorganized knowledge present in every organization. For better use of this knowledge in the future, it is necessary to store and organize it in an orderly manner.

- **Knowledge Distribution**

Knowledge distribution allows all employees of a company to have access to the collective knowledge of the company.

Organizational memory is the sum of explicit and implicit knowledge present in an organization. The knowledge management process should develop technologies that distribute knowledge well and prevent loss of organizational memory.

- **Knowledge use**

The knowledge utilization is when the knowledge available is applied to perform tasks and to make important decisions. It 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. Without the effective utilization of knowledge, the knowledge management process is incomplete.

KNOWLEDGE MANAGEMENT CHALLENGES

Knowledge Management is more relevant to enterprises that are operating in knowledge intensive areas. Consultation firms are the ultimate example of organizations selling knowledge directly. However, there are certain indicators for an organization's ability to create, disseminate and apply knowledge. They relate to:

- The culture, actions and beliefs of managers about the value, purpose and role of knowledge;
- The creation, dissemination and use of knowledge within the firm;
- The kind of strategic and commercial benefits a firm can expect by the use of effective knowledge management;

- The maturity of knowledge systems in the firm;
- How a firm should organize for knowledge management;
- The role of information technology in the knowledge management program.

Organizational culture is critically important aspect for facilitating sharing, learning and knowledge creation. An open culture with incentives built around integrating individual skills and experiences into organizational knowledge will be more successful. A major problem is how to convince, coerce, direct or otherwise get people within organizations to share their information. It's major change management problem that poses serious leadership challenges to a Chief Information Officer or chief Knowledge Officer. Effective knowledge sharing and learning require cultural change within the organization, new management practices, senior management commitment and technological support.

However, technology is secondary to a human element in the knowledge management process. Managers get two-thirds of their information from face to face conversations; they acquire the remaining one thirds of their information from documents, most of which come from outside the organization and aren't on the computer system. Hence, organizations need a process of articulation and codification of tacit knowledge into explicit knowledge so that it can form a repository of corporate memory. Organizations need to forge linkages between its structured and unstructured information in a way to use it for a specific problem/situation. It is important for leaders of organizations to understand who has knowledge and develop support systems for its creation and application. Then, they create knowledge maps that identify where knowledge resides and which knowledge needs to be shared with whom, how and why, with built in rewards for knowledge creators and brokers.

II. Conclusion

The effective management of knowledge has been described as a critical ingredient for organizations seeking to ensure sustainable strategic competitive advantage. It has been brought out that processes and technology alone are not enough to drive an organization, but its people and the knowledge that reside in the people are a very integral pivot in organization's success. With the growing competition day by day, every organization needs to innovate and implement new and exemplary methods to sustain themselves in the competitive world. Innovation comes with knowledge both tacit and explicit contributed to the organization by its human resources. There are still some organizations which have not adopted the concept of knowledge management. However, the ignorance of knowledge management may affect the progress and growth of the organizations in the years to come. Knowledge management is a tool which helps in the successful running of a firm because with people comes knowledge and with knowledge comes growth. The focus of knowledge management is connecting people, processes and technology for the purpose of leveraging corporate knowledge.

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