

## THE IMPACT OF KNOWLEDGE MANAGEMENT IN THE COMPETITIVE ENVIRONMENT OF THE ORGANIZATION

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Knowledge Management (KM) well known as organizational communication. This is a process of organizing & distributing an organization's collective wisdom so that right people at the right time can be allocated. When done properly, KM provides an organization with both competitive edge & improved organizational performance because it makes its employees smarter. The growing concept of knowledge management calls business organizational to develop mutual trust & exchange of knowledge like the processes, sharing tools & techniques. The established tools for improving management efficiency & effectiveness in the organization focuses on successive management, problem solving & decision making processes which has encouraged new knowledge to be created, shared, learned, enhanced, organized & utility for the benefits of the organization & its customers. The further study would discuss "how does an organization record the knowledge & expertise of its employees & make the information easily accessible with the benefits derived out of the system.

### Introduction:

A number of researchers have debated the meaning of knowledge. The dictionary definition is "the facts, feelings or experience known by a person or group of people." In organizational terms, Knowledge is generally thought of as being "know-how" or applied action or "know-what". A few definitions are:-

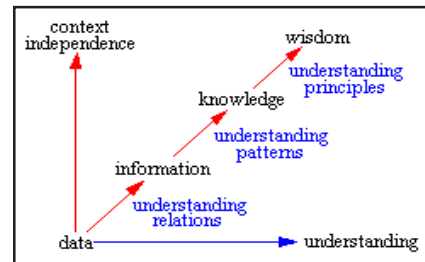
"Knowledge management is a relatively young corporate discipline & a new approach to the identification, harnessing & exploitation of collective organizational information talents, expertise & know-how"- Office of The Envoy (2002).

"Knowledge Management is not about data, but about getting the right information to the right people at the right time for them to impact the bottomline."- IBM.

KM is a business process. It is based on learning, involves creativity & innovation in knowledge generating activities & leads to the creation of expertise, skills, competences & capabilities as usable forms of knowledge. Knowledge is different from data & information, which can further elaborated by DIKE Flow.

DATA INFORMATION KNOWLEDGE EXPERTISE (DIKE Flow)

In detail DIKE Flow concentrates in "Data" arranged in a meaningful sequence is what is called as "information" & Knowledge is capability & experience of using information to make judgments & the ability to link them to decisions or actions when applied to scientific subject or discipline is called expertise.



Hence KM efforts typically focus on organizational objectives such as improved performance, competitive advantage and innovation, the sharing of lessons learned & continuous improvement of the organization. More recently, other fields, to include those focused on information & media, computer science, public health & public policy, also have started contributing to KM research.

### HISTORY

Knowledge Management efforts have a long history, to include on the job discussions forums, & mentoring programs, etc. Knowledge began to be viewed as a competitive assets in the 80s , around the same time that information explosion started becoming an issue. The trend was fueled by the development of IT systems. After the increased use of computers in the second half of the 20<sup>th</sup> century, knowledge bases, expert systems & computer supported cooperative work have been introduced to further enhance such efforts. An established discipline since 1995, KM includes courses taught in the fields of business administration, information systems, management & library & information science. Several consulting companies also exist that provide strategy & advices regarding KM to these organizations. Regardless of the school of the thought core components of KM include People, Processes, Technology (or) Culture, Structure, Technology, depending on the specific perspectives. The process received a fillup after Drucker (& others) stressed the role of knowledge as an organization resource & senge popularized learning organizations.

What does knowledge management involves?

There are many varied theories & concepts if discussed about the relatively new concept. This is the time of trial & error. KM is all about people, how they create, share, & use of knowledge with specialization. Siemens, the global telecommunication giant, recently won a \$ 4,60,000 contract in Switzerzlerland. The secret to Siemens success was its KM system. This system allowed Siemens people in the Netherlands to draw

on their experience & provide the Swiss sales reps with technical data that proved that the Seimen's network reliable. In fact, a recent survey found that 81% of the leading organizations in Europe & U.S. have adopted KM system including IBM, Ford, Cisco system, etc. It further involves intellectual assets; baby boomers have understood the importance of wealth of knowledge. Knowledge Management as considered for KM Mechanics (tools for management management), KM Culture (Knowledge as a social activity) & KM systems (knowledge sharing as part of an organization's DNA).

Importance of Knowledge Management:

Most companies are focused on producing a product or services for customers. However one of the most significant keys to value-creation comes from placing emphasis on producing knowledge. The production of knowledge needs to be a major part of the overall productivity strategy. Knowledge Management is often about managing relationships within the organization. For eg. AT & T's System provides instant access for customer service representatives, allowing them to solve a customer's problem in a matter of minutes.

- To create knowledge by discovery, conclusion, articulation & discussion for new knowledge.
- For continuing development & expanding productivity of the knowledge resources for high performance.
- To apply in providing services, making new products & continuing learning at organizational level.
- It leads to continuous innovation.
- It helps to organize the knowledge.
- It provides the mechanisms & the motivation employees to share knowledge.
- It provides a competitive edge & making employees smarter.
- It develops the culture of high efficiency.
- It integrates the knowledge for decision making.
- It improves the organizational competence.
- It creates linkage in & outside the organization to facilitate access of knowledge resources.

Just taking a look at above mentioned points which would create value against the competition.

### Knowledge Management Roadmaps

Knowledge Asset Road Maps highlight the critical knowledge assets required by an organisation to meet market needs five to ten years in the future. They are mechanisms enabling organisations to visualise their critical knowledge assets, the relationships between these and the skills, competencies and technologies required to meet future market demands. They allow:

- individual knowledge management actions to be defined and justified in terms of their contribution to the overall aims.
- effective communication of the work and progress on the programme to the participants and observers.

- management aids for those involved in carrying out the programme and measuring its progress.
- more effective communication between users, researchers, technicians, managers and directors involved in the various aspects of the programme.
- sensible decisions to be taken on the opportunities for further exploiting the results of the programme.
- the identification of knowledge gaps that need to be filled.

Just taking a look at above mentioned points which would create value against the competition.

### 0.8 Why is KM difficult?

Knowledge engineering methods & tools have come a long way towards addressing the use of a company's knowledge assets. There are tools which extend support the capture, modeling, validation, verification & maintenance of the knowledge in these applications. There are upcoming problems in these knowledge assets which identifies need for the influence.

- To have an enterprise wide- vocabulary to ensure that the knowledge is correctly understood.
- To be able to identify, model & explicitly represent their knowledge among differing application for various types of users.

Knowledge management is complex & multifaceted it encompasses everything the organization does to make knowledge available to the business, such as embedding key information in systems & processes, applying incentives to motivate employees & forging alliances to infuse the business with new knowledge. An example through which application of KM can be supported by a bank savings account to show how data, information, knowledge, and wisdom relate to principal, interest rate, and interest.

**Data:** The numbers 100 or 5%, completely out of context, are just pieces of data. Interest, principal, and interest rate, out of context, are not much more than data as each has multiple meanings which are context dependent.

**Information:** If I establish a bank savings account as the basis for context, then interest, principal, and interest rate become meaningful in that context with specific interpretations.

- Principal is the amount of money, \$100, in the savings account.
- Interest rate, 5%, is the factor used by the bank to compute interest on the principal.

**Knowledge:** If I put \$100 in my savings account, and the bank pays 5% interest yearly, then at the end of one year the bank will compute the interest of \$5 and add it to my principal and I will have \$105 in the bank. This pattern represents knowledge, which, when I understand it, allows me to understand how the pattern will evolve over time and the results it will produce. In understanding the pattern, I know, and what I know is knowledge. If I deposit more money in my account, I will earn more interest, while if I withdraw money from my account, I will earn less interest.

**Wisdom:** Getting wisdom out of this is a bit tricky, and is, in fact, founded in systems principles. The principle is that any action which produces a result which encourages more of the same action produces an emergent characteristic called growth. And, nothing grows forever for sooner or later growth runs into limits. Further more the Tata's contribution in this field.

#### 0.9 TATA STEEL & KM PRACTICES

The beginning was made in July'99 to place a Knowledge Management (KM) programmes for the company to systematically & formally share & transfer learning concepts, best practices other implicit knowledge. Tata Steel entered the new millennium with the confidence of learning & knowledge- based organization....!!!

The major stakeholders covered under KM being:-

- Senior Management
- Officers
- Employees
- Customers (Supervisors & Workmen)
- Supplier
- Experts (In & Outside Company)

#### Instruments of Knowledge Transfer

Tata Steel defines its value chain as a connected series of internal & external organization, resources & knowledge streams involved in creation & delivery of values to end customers. Tata Steel developed two programs in particular to help manage knowledge across its value chain: the customer value management program & its supplier value management program. Hence the instruments through which the strategies can be deployed:-

- Knowledge contribution by an individual
- A user can put forth his/ her queries to the author regarding any particular knowledge piece through

this route.

- A panel of experts is identified area- wise to answer queries of users from all corner of Tata Steel.
- Knowledge Usage.
- Communities of Practice:  
Each knowledge community further consists of certain sub- communities which attempts to focus on smaller functional area.
- Content Management: Content of Tata Steel's Knowledge management system, has more than 15000 employee's contribution.
- Other activities of knowledge communities where organize seminars by inviting well- known experts in various fields.

#### Conclusions:

Knowledge Management concentrates on the basis needs for individual activities; their development & use. Hence it is of great importance not only to an organization but also to the society as a whole. The vital area is sustained improvement in performance & to enhance the effectiveness of operations. This is to say that enabling people to contribute effectively to the management of organization is impossible. Simple that is very difficult & that it does not reduce to some simplistic concept of "Knowledge Management". Organizations need to learn to think about problems, rather than grab at proffered "solution" – which often turns out to be expensive side- tracks away from the main issues. For the majority of those interested in KM, the key drivers are organizational; efficiency, maximizing organization's potential, competitive advantage, building a learning organization & managing intellectual capital, But in spite of many issues & difficulty, companies from public & private sectors are coming with something new in this area to develop a system.

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