

Knowledge Management- a Competitive Advantage in Today's Corporate World

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Abstract- The emergence of knowledge-based economies has placed an importance on effective management of knowledge. The effective management of knowledge has been described as a critical ingredient for organization seeking to ensure sustainable strategic competitive advantage. Knowledge management allows organizations to get the right information to the right people at the right time. The right strategy sustains organizational objectives as technologies evolve, keeps companies on the bleeding edge of industry trends, and pushing one step ahead of the competition at all times. This paper reviews literature in the area of knowledge management to bring out the importance of knowledge management in organization. The paper is able to demonstrate that knowledge management is a key driver of organizational performance and a critical tool for organizational survival, competitiveness and profitability. Therefore creating, managing, sharing and utilizing knowledge effectively is vital for organizations to take full advantage of the value of knowledge. The paper also contributes that, in order for organizations to manage knowledge effectively, attention must be paid on three key components - people, processes and technology. In essence, to ensure organization's success, the focus should be to connect people, processes, and technology for the purpose of leveraging knowledge.

Indexed Terms- Knowledge, Management, Organization, Tool, Literature

I. INTRODUCTION

The traditional style of work environment is diversifying on a fast pace, creating a need for team-based, collaborative, and digitally-connected work environments. The right knowledge management solution allows teams to share and communicate company data without being in the same building.

The talent pool isn't restricted. Companies can grow their teams with the ideal candidates, no matter where they are, gaining the upper hand on hiring the best of the best to ensure company success. Society has recognized the value of knowledge for centuries. Intellectual reflection on knowledge has been pursued for as long as records of human activities are available. It has been studied by philosophers and has been practiced for centuries. For hundreds of years, owners of family members have passed off their commercial wisdom to their children, master craftsmen have painstakingly taught their trades to apprentices and workers have exchanged ideas and know-how on the job. However, the terminology of knowledge management was not widely used until the middle of the nineties. In the mid-90s, the characteristics of the business environment have drastically changed. The increasing globalization of business, products and service convergence and vast development of technology implied that the issues of more efficient and effective operation of an organization's knowledge assets have become more important than ever before. However, it is only recently that companies have finally realized the importance of managing their organizational knowledge for competitive advantage, hence, searching for knowledge management best practices all over. Understanding of knowledge management is particularly vital to enterprises, both start-ups and established. Knowledge and knowledge management is rapidly evolving as the starting point for action in all businesses and over the past seventeen years, this understanding has surfaced as a major focus for its role in the enterprise value process. However, the question to what extent knowledge management could help in getting a competitive advantage. Current knowledge management solutions are generally ad-hoc, lack the necessary organization and management support to be truly effective, and are characterized by reiteration and memorization of best practices. Organizations usually implement well-

established practices. Since the academic development of knowledge management has not stabilized and filtered into the industry, it is difficult for the practitioners to truly understand what knowledge management is, and the factors critical to its implementation. Based on the findings from leading knowledge management researchers and survey evidences, this paper posits that for an organization to successfully embrace knowledge management, there are key factors that must be present and practiced in the knowledge-based organizations. Which are:-

- A strong link to a business imperative: Employee involvement is critical to successful knowledge management implementation
- A compelling vision and framework: Open and trustworthy spirit of teamwork is critical to successful knowledge management implementation
- A knowledge-creating and sharing culture: Visible top management leadership and commitment is critical to successful knowledge management implementation
- Continuous learning: A well-developed ICT (information and communications technology) infrastructure.

Many researchers have agreed that knowledge management is people-based, and not technological-based. Knowledge management seems fundamentally a cultural phenomenon. In addition, the above mentioned factors seem to overlap with each other. In this case, top management plays an ever increasing role to ensure that a knowledge-friendly culture is built in the organization. Since only top management has the ability to shape the culture of the organization, building and embedding a culture that knowledge sharing is power is critical to the successful deployment of a knowledge management program. The emphasis on knowledge sharing is power will reduce the tendency on the employees' side to hoard knowledge. Most importantly, there must be a belief embedded inside each and every employee that sharing knowledge is the only way to survive. Another strategy would be to include knowledge management as part of organizational vision and mission. It is equally important too that

staff need to be trained on how to best utilize the system. Specifically, they need to be trained in terms of writing, editing and formatting skills in order for them to input items to a knowledge repository, as information has to be presented in a standardized fashion. Thus, the system has to be friendly enough. It is worth remembering that the information technology, like knowledge, is easily accessible, but valueless without the knowledge and skills to use it productively. In addition, training on issues related to organizational change is vital to support the transformation process in a company and its people. As such, providing training on leadership, managing change and company mission and values is equally important for a knowledge-based organization. In addition, organizations must realize the importance of teamwork to their knowledge management implementation success. As such, one of the most important tasks in successful knowledge management is to organize self-organizing and cross-functional teams to seize the right knowledge and present it in an easily accessible format. In this case, organizational leaders must act as catalysts in building team-oriented organizations. Employee involvement and empowerment are equally important factors that must not be ignored as well. Employees share their expertise when they are required to collaborate with others. One strategy is to allow employees to involve in their own job design and evaluation of their own jobs. By doing this, the employees are now more committed towards using their knowledge for the general good of the organization. Further, organizations must realize that when employees are empowered, they begin to think of the best ways of delivering best results in their jobs. This is especially true in today's business environment where customer becomes the central focus. Many teams are now working directly with their customers to design products for them. If the teams are not empowered, they would have to seek for their superior's approval before they could inform their customers. In such a case, time and resources are wasted. In a study by Chong, the respondents cited that their employers have given limited authority to them. The employees found it time and resource wasting when they are not allowed to make meaningful decisions on behalf of their organizations and customers. To the very best extent, the top management must eliminate whatever constraints

faced by the organization when implementing a knowledge management program. Chong found in his study that many respondents cited lack of budget and incentives as barriers to successful implementation of knowledge management in their organizations. These respondents claimed that their organizations cannot afford to hire a Chief Knowledge Officer (CKO) due to financial standings. In many occasions, the respondents claimed that the senior managers do not “walk their talk”. If this happens, then these organizations will never be able to implement knowledge management successfully. Perhaps these organizations should first train a few of its employees from different departments on knowledge management, and assign them to their respective departments to sell the idea of knowledge management, while a senior manager is seconded to perform the CKO’s job. In this case, the employees are assured of the top management commitment to knowledge management. Another important factor is the information systems infrastructure. There is a misconception that it is costly to develop or buy a knowledge management system. This might be one of the reasons why many top managers were reluctant to develop a knowledge management program. Organizations must understand that there is no silver bullet in knowledge management systems, i.e. what worked in one company may not work for another. Further, organizations can make use of the technologies they currently have, rather than buying the entire system which might not fit the company. A team comprises of IT personnel and other related personnel can be formed to look at what are the requirements of the company, and then look at what are the technologies available that can be combined into the system. It is worth remembering that information systems are just an enabler to knowledge management. As mentioned by King (1996), successful deployment of knowledge management requires an organization to think in terms of applications and how people use applications; not systems and software. It is not the technology itself that induces knowledge sharing, but rather a separate motivation to share knowledge (Hendriks, 1999). The next critical factor would be benchmarking. One interesting notion by O’Dell is that an organization should start the benchmarking process from within before looking outside. This is because there are usually existing best practices

within different parts of the same company. Companies’ waste time and money solving the same problems repeatedly that have been solved in other offices or locations of the same company. This is where the knowledge management system should play its role. Employees must be encouraged to search within the system before they look for external information. A company prospers when employees are able to build knowledge on knowledge, resulted in wisdom. However, it is worth remembering that benchmark will only provide a short-term competitive advantage to the benchmarking organization. It should be treated as a guideline for the organization to search for improvements or breakthroughs, through the innovative and creative capacity of the organizational members. Performance measurement is another critical factor posited that would ensure successful knowledge management implementation. It is important that an organization considers its performance measurement on both its tangible and intangible assets. This is because knowledge management measures must be embedded in the overall business performance model, and not be a marginal “add-on” to the core measures. Chong found that almost 100 percent of the organizations surveyed in Malaysia are still using traditional performance measurement, including the performance appraisals administered on organizational employees. At the employees’ level, a comprehensive performance measurement system must be developed to capture the impact of knowledge on the individual and organizational performance. At the organizational level, perhaps one effective way to start off is to use the balanced scorecard technique, proposed by Kaplan and Norton to capture the tangible and intangible assets of a firm. Finally, another critical factor posited to influence knowledge management implementation success is knowledge structure. According to Choi (2000), knowledge must be generated and shared with customers and suppliers. In many organizations, consumers are playing an ever-increasing role in determining the products and services of an organization that meet their needs. Similarly, many suppliers have teamed up with the organizations to design products and services that meet customers’ expectations. In many occasions, many organizations have integrated backward to perform the functions of

their suppliers through acquisitions. Whatever it is, it is important for an organization to work closely with its customers and suppliers. Many organizations have established extranets with their customers and suppliers. However, one issue here is respect and trust for each other's knowledge as getting knowledge sharing to the ideal level is realized by showing trust. Successful knowledge management initiatives lie more on interpersonal interaction and social relationships than the technology itself. It is in this way that tacit knowledge gets expressed, shared and augmented.

II. OBJECTIVE

The main objective of this paper is to identify the best practices that would make knowledge management program works in an organization. To accomplish this, various knowledge management models presented by various researchers and practitioners are reviewed. This paper posits that successful deployment of knowledge management program depends on eleven critical enablers such as employee training, employee involvement, teamwork, employee empowerment, top management leadership and commitment, organizational constraints, information system infrastructure, performance measurement, egalitarian culture, benchmarking, and knowledge structure. The paper proceeds to discuss the definitions of knowledge management. How the key success factors emerged from the literature is then explored. The propositions of how the presence of these key success factors influence the successful implementation of knowledge management in organizations are then discussed.

CONCLUSION

Knowledge management is emerging as a significant organizational and management challenge. The pressure of the emergence of the global knowledge-based economy and recognition of knowledge as key and intangible asset are making the effective management of knowledge a priority. The knowledge-based economy (k-economy) in the intelligence age is moving forward at a very rapid pace, especially with the role played by information

and communications technology which acts as a catalyst to the development of knowledge. It has become a business phenomenon for the knowledge management paradigm to play a vital role in the success of an organization in the global market. Over and above participation in the k-economy, knowledge management will help shape technological and organizational innovations of an organization for a more effective operation and thus enable an organization to better compete in the marketplace and for survival. This paper proposes that there are eleven critical factors to a successful knowledge management implementation in organizations. It is hoped that the factors proposed in this study would help organizations to better organize their knowledge management activities. Effective knowledge management can help any organizations to leverage core knowledge as means of building corporate intelligence, achieving innovation in process and products/services, effective decision-making, and organizational adaptation to the market for creating business value and gaining competitive edge. May the propositions made above provide an opportunity to the practitioners to undergo self-check to what extent the various critical success factors have been implemented. According to Wigg (1997), such a research would help organizations to act as intelligently as possible to secure their viabilities and overall successes by realizing the best value of their knowledge assets. Apart from that, from the academic point of view, it is also hoped that additional research will be undertaken to build upon this work, and to further develop and enhance knowledge on the factors proposed above that contribute to effective knowledge management implementation in organizations. This aids to better understanding of pre-requisite necessary to succeed in businesses, especially in today's competitive environment. In this era of source scarcity, and the need to be more productive and efficient, knowledge management can play a more important role as a source of competitive advantage.

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