Knowledge Management

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Knowledge management is getting the right knowledge to the right people at the right time, and helping them (with incentives) to apply it in ways that strive to improve organizational performance.

Notions of Knowledge Management/by Olivier Serrat
Asian Development Bank
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Why knowledge management?

• Market place is very competitive
• Staff Reduction
• Need for life-long learning
• Increasing dominance of knowledge for organisational effectiveness.

• The speed of change in the market place has become so rapid that the time available for organisations to gain experience and acquire knowledge has diminished.
• Organisations are forced to compete on the basis of knowledge.

The importance of knowledge management is also corroborated by various research studies.
• A survey by Pricewater House Coopers and World Economic Forum found that 95% of CEOs saw KM as an essential ingredient for the success of their company.
• According to the International Data Corporation, companies worldwide are expected to dramatically increase their knowledge management expenditure from $2 million in 1999 to $12 million in 2003.
Learning organisation
If an organisation conforms to the required norms and can be termed as a learning organisation, then it becomes one of the start point of knowledge management.

Intellectual assets
The intellectual assets in an organisation are the people who have gained expertise through years of work experience and is tacit in nature.

Knowledge management is the activity, which is concerned with strategy and tactics to manage human centered assets.

Knowledge management (Old and New)

<table>
<thead>
<tr>
<th>Old</th>
<th>New</th>
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</thead>
<tbody>
<tr>
<td>Knowledge captured in written, auditory or graphical form.</td>
<td>New</td>
</tr>
<tr>
<td>Organization accesses knowledge via tables of contents, indexes, classification systems etc.</td>
<td>Capture from is digital</td>
</tr>
<tr>
<td>Access when physical body goes to where the knowledge is located, a library, a company, a research laboratory, a school.</td>
<td>Access wherever the physical body links via computers</td>
</tr>
<tr>
<td>Tacit knowledge rarely tapped</td>
<td>Tacit knowledge is tapped by using many different technological tools</td>
</tr>
<tr>
<td>Leverage (use something to maximum advantage) is rare.</td>
<td>Leverage is exponential, multiples upon multiples</td>
</tr>
</tbody>
</table>

Knowledge based systems
The systems that are evolved in an organisation should facilitate harnessing the existing knowledge in the organisation.

Information management
Information is the core of knowledge management. Since information combined with experience and intuition leads to knowledge. Hence, proper information management systems can result in an effective knowledge management system.

Definitions
Knowledge management is the activity, which is concerned with strategy and tactics to manage human centered assets.

A. Brookings

Innovation
Creativity and innovation are methods by which new knowledge is created. Innovation comes out of increment changes to existing products or processes and a radical change, which is different from the original process or product. Radical changes give a new dimension to the existing knowledge base.

Business transformation
Business transformation acts as another catalyst for knowledge management. Organisations respond to the various changes in the market place through transformation processes like business process re-engineering.

Knowledge Management (Old and New)

- KM as “the art of creating value from an organization’s intangible assets.” Karl-Erik Sveiby
- KM as “systematic process of finding, selecting, organizing and presenting information in a way that improves an employee’s comprehension in a specific area of interest,” Thomas Hayes Davenport
Objectives of Knowledge Management

- Convert all the existing tacit knowledge into explicit knowledge.
- Facilitate the development of new source of tacit knowledge.
- Effective and efficient development of new knowledge and improvement of existing knowledge keeping in view the strategy of the organisation and the individual objectives of the employees.
- Ensure a specific distribution of new knowledge to other department.
- Transfer of knowledge to new employees in the organisation.
- Ensure an effective securing of knowledge.
- Keep the content up-to-date and correct under changing circumstances.
- Availability of knowledge.

Types of Organisational Knowledge

- Tacit knowledge
- Explicit or Rule-based knowledge
- Background knowledge
- Meta Knowledge

Tacit Knowledge

The concept of tacit knowledge has been developed by philosopher Michael Polanyi in 1958 and refers to knowledge that resides in individual’s mind.

Nonaka and Takeuchi defined tacit knowledge as:

- Personal knowledge that is embedded in individual experience;
- Involves intangible factors such as personal beliefs, perspectives and value systems;
- Highly idiosyncratic (individual or distinct), contextual and hard to articulate.

Features / characteristics of Tacit Knowledge

- Tacit knowledge consists of hand-on skills, best practices, special know how and so on.
- Tacit knowledge is personal knowledge that is hard to formalize or articulate.
- The transfer of tacit knowledge is by tradition and shared experience. For ex- apprenticeship or job training.

- At the individual level tacit knowledge is a set of beliefs and assumptions through which one filters and interprets what is seen and done.
- At the organizational level tacit knowledge is made up of the collective mind set of everyone in the organization.

- Tacit knowledge is subjective, cognitive, knowledge and understanding acquired through experience and the senses and experimental in nature.
- The Tacit knowledge may exist in any of the two forms – (a) Embedded knowledge – the knowledge that can’t be easily detached from its knower is called embedded knowledge. Embedded knowledge. The Tacit knowledge that resides in the things created by individuals may be known as embedded knowledge.
- It can be of two types 1. Internal tacit knowledge – knowledge embedded in the people outside the organization.2. External tacit knowledge – knowledge embedded in the employees of the organization.
- There are certain techniques to manage various form of tacit knowledge available within the organization.
Knowledge/Characteristics of Explicit Knowledge:
- Explicit knowledge is articulated knowledge, the word we speak, the book we read, the report we write; the data we compile.
- Explicit knowledge is rule-based knowledge.
- Explicit knowledge is always defined by applying scientific and rational thought.
- Explicit knowledge has well-defined and shared methods to arrive at a shared output. The inputs are limited to a set of logically related activities which are processed in sequence.
- In contrast to tacit knowledge, it is more objective, rational and technical (data, policies, procedures, software’s, documents etc.).
- It can be of two type: 1. Internal explicit knowledge - Knowledge containers i.e. reports, guidelines, databases, books, stroke etc. possessed within the organization. 2. External explicit knowledge - Knowledge containers i.e. books, periodicals, CD/RM/ or any other media generated outside the organization.

Tacit Knowledge:
- Tacit knowledge is knowledge that is not easily articulated in formal language including grammatical statements, mathematical expressions, specifications, manuals and so forth.
- Tacit knowledge usually exists in databases and that is not easily communicated and shared.

Knowledge Management Requires a Knowledge Contract:
- It is a unique, intellectual organization's contract, which helps to continuously expanding, renewing, and relocating its knowledge in all three categories. In effect, the intellectual organization must master a fourth class of knowledge - a higher order or “meta” knowledge.
- It is used to create, integrate, and strengthen all intellectual resources in order to achieve superior levels of performance.

Knowledge Management Requires Knowledge Management by T. Crossrupp:
- 1. Knowledge management is expensive.
- 2. Effective management of knowledge requires hybrid solutions involving both people and technology.
- 3. Knowledge management is highly political.
- 4. Knowledge management requires knowledge managers.
- 5. Knowledge management benefits more from maps than models, more from metaphors than hierarchies.
- 6. Sharing and using knowledge are often undigital acts.
- 8. Access to knowledge is only the beginning.
- 10. Knowledge management requires a knowledge contract.
Knowledge Management Framework

A Knowledge Management framework is a complete system of People, Process, Technology and governance, which ensures that Knowledge management is applied systematically and effectively to improve business results.

People

Knowledge management roles have to be established in the business, communities need to be set up to share and reuse tacit knowledge, behaviors such as seeking for and sharing knowledge.

Markus (2001) has defined the knowledge reuse process in terms of four stages:

- Capturing or documenting knowledge
- Packaging knowledge for reuse
- Distributing or disseminating knowledge (providing people with access to it), and
- Reusing knowledge.

KM Processes

There has to be a tried-and-tested process for capturing, distilling, validating, storing, applying and reusing knowledge, and also for innovating.

KM Technologies

The people and the process need to be supported by enabling technology, which allows knowledge to be found and accessed wherever it resides (in databases, on the Intranet, in people's heads). IT plays an important role in KM, by providing the technology to allow people to communicate.

KM Governance

Without a governance system that promotes and recognizes, share and re-use of knowledge, any attempts to introduce KM are going to be a hard struggle.

This KM model depicts the process that defines the strategy for management to build, divest, and enhance knowledge assets.

Notion of "divestment" is included - something which is often missing from KM models.

The KM Matrix by Gamble and Blackwell (2001)

<table>
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<tr>
<th>Type</th>
<th>Embodied</th>
<th>Represented</th>
<th>Embedded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sense</td>
<td>Observe</td>
<td>Observe</td>
<td>Observe</td>
</tr>
<tr>
<td>Organize</td>
<td>Compare</td>
<td>Categorize</td>
<td>Map</td>
</tr>
<tr>
<td>Socialize</td>
<td>Share</td>
<td>Document</td>
<td>Stimulate</td>
</tr>
<tr>
<td>Internalize</td>
<td>Apply, Decide, Act</td>
<td></td>
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</table>
This KM model presents a general theoretical framework, as well as specific guidelines for implementation.

The KM process is split into four stages. First management must locate the sources of knowledge. Then they must organize this knowledge so as to assess the firm's strengths and weaknesses and determine its relevance and reusability. This is followed by socialization, where various techniques are used to help share and disseminate it to whomever needs it in the organization. Finally, the knowledge is internalized through use.


The End