

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 November 2008 |

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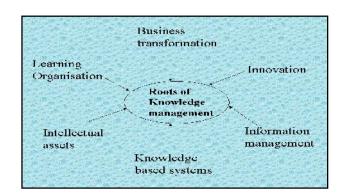
# Why knowledge management?

- 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

- A survey by Pricewater House Coopers and World Economic Forum found that 95% of CEO's 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.



# Roots of Knowledge Management

#### 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 is the people who have gained expertise through years of work experience and is tacit in nature.

## Knowledge based systems

The systems that are evolved in an organization should facilitate harnessing the existing knowledge in the organization...

## 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.

#### 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.

# Definitions

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

A.Brooking

oKM 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." Thomos Hayes

Davenport

#### Knowledge Management(Old and New) OLD\_\_ graphical form. Capture from is digital Organization access knowledge via tables Organization access via software of contents, indexes, classification systems programs Access wherever the physical bodies Access when physical body goes to where link via computers the knowledge is located...a library, a Tacit knowledge is tapped by using company, a research laboratory, a school many different technological tools Tacit knowledge rarely tapped Leverage is exponential, multiples Leverage (use something to maximum upon multiples advantage) is a rare.

#### Objectives of Knowledge Managemen

- · 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 organization 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 Polanye 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.

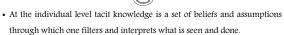


## Features / characteristics of Tacit Knowledge

•Tacit knowledge consists of hand-on skills, best practices, special know how and so on.

 ${}^{\scriptscriptstyle ullet}$  Tacit knowledge is personal knowledge that is hard to formalize or articulate.

•The transfer of tacit knowledge is by tradition and shared experience. For exapprenticeship or job training.



 At the organizational level tacit knowledge is made up of the collective mind set of everyone in the organization. •The Tacit knowledge may exist in any of the two forms – (a) embodied knowledge – the knowledge that can't be easily detached from its knower is called embodied knowledge (b). 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.External tacit knowledge - Knowledge embedded in the people outside the organization.2.Internal tacit knowledge - knowledge embedded in the employees of the organization.

•There are certain technique to manage various form of tacit knowledge available within the organization.

# ngs, symposium and other informal social activities

•The working environment in the organization should be made conductive (helpful) for the exchange of knowledge or

#### any barrier should be actively removed

Information Technology also has a vital role to play in this respect. The use of IT in many ways provides automated and efficient means of harnessing tacit knowledge

. Human Resource Department should use fure and cure techniques by offering various incentives like cash rewards or professional recognition for the employee who contribute something concrete to the knowledge based activities.

•A vision of a **common organizational purpose** amongst employees. They should have **feeling of onen** 

mission of the organization and should strive to work as a team for achievement of the organizational goals and objective. Efforts also must be changed the mindset of employees, from "a winner takes all" attitude to an "If I win, we all win\* attitude.

## ${\it 2. Rule-based Knowledge} ({\it Explicit Knowledge})$

Nonaka and Takeuchi defines Explicit knowledge as knowledge that is

easily articulated in formal language including grammatical statements, mathematical expressions, specifications, manuals and so forth;

•it is externalized knowledge usually codified in databases and thus easily communicated and shared.

# teristics 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 derived by applying scientific and rational thought.

•The Explicit knowledge has well-defined flow charted method to arrive at a desired 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 types 1.Internal explicit knowledge - Knowledge containers (i.e. repots, guidelines, databases, these, circulars etc.), generated within the organization. 2.External explicit knowledge knowledge containers (i.e. books, periodicals, CD/ROMs or any other media) generated outside the organization.

•This is Knowledge of the organizational culture and is communicated through oral and verbal texts such as stories, metaphors, visions and mission statements

•Background knowledge supplies the mindset by which people in the organization understand particular objects, events, actions or situations in distinctive way:

•It also draws the cognitive context for the construction of reality and endows meaning on the organization's actions and activities.

•It promotes commitment through the creation of shared meanings and values.

# Meta Knowledge(Knowledge about Knowledge)

•The intellectual organization however, is skilled at continuously expanding, renewing, and refreshing its knowledge in all three categories. In effect, the intellectual organization has mastered 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

## Principles of Knowledge Management by T.Davenport

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 markets than hierarchies

6. Sharing and using knowledge are often unnatural acts 7. Knowledge management means improving knowledge work processes.

8. Access to knowledge is only the beginning

9. Knowledge management never ends 10. Knowledge management requires a knowledge contract

#### Knowledge Management Framework

A Knowledge Management framework is a complete system of People, Proces 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

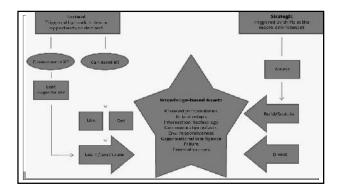
There has to be a tried-and-tested process for capturing, distilling, validating, storing, applying and reusing knowledge, and also for innovating.

## 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  $K\!M$  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.

Type Approach	Embodied	Represented	Embedded
Sense	Observe	Gather	Hypothesize
Organize	Contextualize	Calegorize	Map
Socialize	Share	Disseminate	Simulate

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 Knowledge Management Process Model by Botha et al (2008)

