KNOWLEDGE MANAGEMENT –
STRATEGIC HR ENABLER TO ORGANIZATIONAL GROWTH

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ABSTRACT

The objective of Knowledge Management is to give an edge to the organizational effectiveness and efficiency. Awareness of Knowledge sharing should be encouraged and recognized at level of individual as well as company’s level also. HR commitment to the KM initiative is vital for any organization. This is best done by measuring and rewarding knowledge-performance. Sustained strategic commitment and Effective HR Policies are vital for KM to give successful and scientific contribution to organizational growth. This paper closely emphasises the important role of Knowledge management as strategic HR enabler to the Organizational success.

Keywords: Efficiency, Tacit Knowledge, Knowledge sharing, Strategic Competence.
Introduction:

Knowledge and Knowledge management concepts have been debated extensively by managers, analyst and academicians. Managers ask for more information to support decisions. This led to the use of IT (Information Technology) to build transaction support system, management information systems and data warehouses resulting in too much information, which has neither helped the managers nor provided any value to the organizations. Data leads to information, but what organizations were really looking for was knowledge.

Knowledge can be defined by Awad and Ghaziri (4), as “Understanding obtained through the process of appropriate study or experience”. When we refer to knowledge, most of us mainly tend to think of codified and documented knowledge like patents, databases, manuals, white papers etc. With this “explicit knowledge” is important, what is even more important and value adding from the perspective of competitive advantage is the “tacit knowledge” which is embedded in the minds of the people. The tacit knowledge is intuitive, contextual, linked to experience, past memories and difficult to codify, document and communicate. It is estimated that this tacit knowledge constitutes between 70 and 80% of all knowledge in an organization and is difficult to identify, quantify, and convert into real value, unless a structured approach is adopted to manage knowledge.

According to Drucker (10) “Most organisations realise that “knowledge” is a strategic resource that gives them sustainable competitive advantage and helps them achieve long-term organisational goals”.

There is no universal definition of Knowledge Management (KM), and there’s no agreement as to what constitutes knowledge in the first place. Therefore it is advisable to think of Knowledge Management in its Macro context. Knowledge Management is thus the process by which organizations generate value, via the intellectual and knowledge-based assets they contain. It is the practice of harnessing and exploiting intellectual capital to gain competitive advantage and customer commitment through efficiency, innovation and faster and more effective decision-making. Knowledge Assets generate value when shared amongst employees, departments and other experts so as to devise and bring out standard practices and bring performance to the optimum level, while using previous knowledge.

Knowledge management (KM) is all about managing organization’s knowledge effectively by sharing and having a systematic activity for creation of knowledge and exploiting it for the market and benefit of the organization. KM techniques and processes provide such a structured approach to explicate a significant part of this tacit knowledge document in knowledge repositories and also share in teams, through intensive dialogue and discussions.

KM helps to accommodate and resolve the critical issues of organizational adaptation, survival and competence as against Dynamic business environment which is ever changing. Knowledge Management should be an enabler to achieve strategic business objectives & goals. Knowledge management must always play a complementary role to Strategy and also contribute to achieving results which are deemed as goals for the organization.

Knowledge Management:

The Hottest buzz word in today’s information technology era is of course Knowledge Management. It is spoken with reverence across corporate and information research world. Daily we deal with lot of data and information. These are not termed as knowledge until they give value to existing processes and for that reason we need knowledge management.

Given the growing interest among funding organizations and agencies, government and people in the practices of knowledge management, it is fair to raise two simple questions that are not quite so simple to answer: What is knowledge management, and what challenges and opportunities does it offer for education?

We look at following definitions for knowledge management for its simplicity and broad context.

Some Definitions: Some of the best authors and have defined KM as follows

Sallis and Jones (25) define KM as: The term “Knowledge Management” (KM) is used to describe everything from the application of new technology to harnessing of the intellectual capital of an organization

Felix Weigel (11): “Knowledge management is concerned with organizing knowledge repositories (data bases etc.) so as to allow for easy retrieval and exchange of the information stored therein. Important concepts in knowledge management include domains i.e. fields of related concepts and terms, and ontology’s, i.e. structures (typically hierarchies or networks) of interrelated terms for things, concepts, etc. in a given domain.

According to Webb (26):- “KM is the process of identification, optimization and active management of intellectual assets to create value, increase productivity and gain and sustain competitive advantage”
Rowley (24) describes the term KM as follows: “Knowledge management is concerned with the exploitation and development of the knowledge assets of an organization with a view to furthering the organization’s objectives. The knowledge to be managed includes both explicit, documented knowledge, and tacit, subjective knowledge. Management entails all of those processes associated with the identification, sharing, and creation of knowledge. This requires systems for the creation and maintenance of knowledge repositories, and to cultivate and facilitate the sharing of knowledge and organizational learning. Organizations that succeed in knowledge management are likely to view knowledge as an asset and to develop organizational norms and values, which support the creation and sharing of knowledge.”

Hence we can conclude that Knowledge Management is a discipline, which is designed to provide inputs to strategy, processes, and technology in order to increase organizational learning. At the most basic level, knowledge management can be described as a set of practices that helps to improve the use and sharing of data and information in decision-making. Thus Knowledge Management refers to “Multi-disciplined Approach to achieve organizational goals by from the best use of knowledge vis-à-vis Strategy formulation”. KM focuses on processes such as acquiring, creating and sharing knowledge and the cultural and technical foundations that support them. KM may be viewed in terms of:

- People – Increasing ability of an individual organisation employee to influence and share his knowledge with others around him?
- Processes – Dealing with how to capture knowledge and transfer it to various functional groups in the organization.
- Technology – Efficient use & Reuse of Knowledge and the flow of knowledge across verticals and horizontal.
- Culture – Removal of fear of technology driven knowledge processing initiatives and establishment of culture wherein the knowledge both individual and collective is valued.
- Structure – Business processes & organisational structures that enable knowledge sharing.

Knowledge Contribution and sharing as well as the use of that knowledge needs to be encouraged and recognized in terms of performance affront.

**Strategy & Strategic Management:**

According to Cannon (7) - “Strategy is a plan to be undertaken and allocating resources to organization”. Grant (14) defined strategy in terms of the matching process for an organization which involves internal and external environment, finding Gap and therein finding answers to organizational needs and growth”. According to Carpenter & Sanders (8), strategic management is process where organization formulates and implements strategy.

![Fig 1 Strategy Formulation & Implementation; Source: Carpenter & Sanders (8)](image-url)

David (9) defined strategic management in a broader perspective whereby it includes the process of formulation, implementation and controlling. He said that strategy formulation includes the process of developing a vision and mission, identifying environment analysis for an organization, establishing objectives, generating alternative strategies, and choosing particular strategies to pursue accomplishment. Knowledge strategy formulation describes the way and actions to achieve objectives.
The formulation stages begin with the establishing of the vision and mission. Clear vision and mission leads people in the organization to the same direction. Most organizations have now adopted vision statements to communicate as the fundamental values and beliefs to all employees. Usually, a vision is a statement which addresses core beliefs and identifies target markets and core products. The vision statements are designed to be inspirational and provide energy throughout the whole organization. Developing the vision statement is often considered as the first step in strategic planning.

A strategy is only as good as its implementation. However the processes are not as simple as planned. The challenge is that the organizations have to face the barriers to stimulate employees throughout an organization to work with pride and enthusiasm towards achieving stated objectives. Implementation level is related to the structure in the organization. Each functions and divisions need to resolve the management issues such as the policies, annual objectives, allocating of resources, culture, human resource, and rewards.

Strategy evaluation or control is very important for the organization to evaluate the problems or situation that may affected the process of strategy implementation. According to David (9) strategy controlling includes examining the bases strategy, comparing the results And Taking corrective actions. Another purpose of strategy controlling is to close the gap between the process of formulation and implementation.

**Knowledge assets and Knowledge Creation: Linking KM & Strategy:**

Knowledge has become the key to economic viability and vitality in our present circumstances. In this process, the data–information–knowledge continuum provides an iterative cycle that continually connects back to and helps people focus on outcomes. Data can be thought of as the expanse of facts or quantitative measures available to and about an organization. Data become information when humans place them in context through interpretation that might seek to highlight, for instance, patterns, causes, or relationships. Reports and strategic planning documents are examples of information: data placed in context. Information can be shared or hoarded. Knowledge, on the other hand, is the understanding that develops as people react to and use the information that is available to them. Knowledge is both individual and organizational. It can be described as a belief that is justified through discussion, experience, and perhaps action.

Knowledge can be shared with others by exchanging information in appropriate contexts. Organizations that establish effective forums and processes for sharing knowledge also tend to excel bringing new employees “up to speed.”
On the other hand, organizational knowledge can be lost when people leave the organization and take what they know with them. The data–information–knowledge continuum is a crucial component of knowledge management practices because it emphasizes a feedback mechanism that may either produce an action step or a reassessment of the kinds of information needed to take effective action. Knowledge creation revolves around the activities that result in conversion of knowledge. The process of conversion involves creation of tacit knowledge through informal sharing, moving from tacit knowledge to explicit, and enhancing explicit content by combining codified knowledge and using explicit knowledge to new tacit knowledge through thinking and sharing.

The Knowledge Creation is then followed by Knowledge Sharing. Sharing knowledge requires a different kind of environment, a unique combination of human and information system to reduce the knowledge gap. Knowledge sharing requires different set of tools and mind-set that appreciates the following: Knowledge/ Learning is by people i.e., it is a human activity; Thinking creates knowledge; Knowledge is created as it gets used and is dynamic. It moves through Organization and Communities in many ways.

![Knowledge Creation & Knowledge Sharing](image)

According to Nonaka et al.’s (21) knowledge assets are key elements which help & carry forward the knowledge creation processes. According to them Knowledge Assets are inputs, outputs, and moderators of knowledge creation process. Simply put we can look at the instance that team members trust among each others increases as knowledge sharing happens through the knowledge creation and transfer process. According to them knowledge is dynamic, reason being it originates from social interactions among varied individual across same and other hierarchy through organizations.

Knowledge is also related to context, since information can be interpreted as meaningful only when it is related to a particular case or situation and hence can be re-used. Knowledge is crucial. Organizations have the ability to exploit their intangible assets which have become more decisive than their ability to invest and manage their physical assets. This Knowledge is invested into Knowledge Assets. And this Knowledge is essential to strategy. This is link between knowledge and business strategy. Integration between internal and external resources requires organization to match internal strengths, and weaknesses and external opportunities and threats. The purpose of Strategy evaluation is to assess how internal and external knowledge gap will influence organization current and future business strategy. Hence organization needs connection between knowledge assets and competitive advantage which are represented by tangible Business outcomes like profitability etc. According To Bell & Jackson (5) KM now has become the latest tool in strategy for the organizational Growth & resource for enhancing core competence. In fact Murray (20) described KM as strategy that turns an organization’s intellectual assets and employee talent to enhance productivity, create value and increase competitiveness amongst its counterparts.

**Relevance of KM in Strategy:**

Aaker (1) said that any enterprise or company should make a team effort to analyze and discuss new happenings, process flows, work methodologies and issues faced etc so as to bring to fore the real hidden value and then that should be documented and effort should be made to develop strategies in this context. This is due to the fact that knowledge management is now being seen as a major resource for any company. The Knowledge outputs are providing to be strategy inputs focused on creating for competitive advantage of the organization. The focus is thus shifting towards acknowledging Knowledge Management as part of strategic management. KM applies systematic approaches to find, understand, and use knowledge to create value (Probst, Raub and Romhardt (23); O’Leary (22);
Mikulecký and Mikulecká (19). Knowledge Management synchronization is discussed in Benbya et al. (6). Kim, Chaudhury and Rao, (16) give KM factors in enterprise systems. Mack et. al, (17) discuss the role and implementation of knowledge portals in digital workspaces. The role of knowledge workers is discussed in Martin and Metcalfe, (18). Arun Hariharan (2/3) says that the practices of knowledge management can provide much impetus to the goals and mission of the organization. Firestone and McElroy (12/13) presented a three-tier framework of KM, Strategy, business processes and outcomes.

Thus we see that Implementing KM in strategy gives various outcomes which serve as inputs as knowledge processing takes over and then these outputs serve as inputs to the needs of Business strategy which looks into what policies should be formulated to further the interests of organization. The business strategy is then implemented on to the various aspects like HR, marketing and finance and then tangible results like profitability and market share arise. KM must be articulated and Business Outcome with business strategy and strategic knowledge link. Companies have applied knowledge management into their corporate strategy, business practice, organizational culture and human resources practice. They are using knowledge management because they know that knowledge management have given those benefits and maintained competitive advantages. KM emphasizes on developing new applications of information technology and it is also a complement for organizational talent inform of people to perform better. Zack (27) says KM has developed into an mode of organizational behaviour complementing or supplementing business strategy. By executing the systematic approach in context of strategic management, organization can ensure that Knowledge management become an effective strategy for taking right knowledge to its rightful inheritor & counterparts.

HR Role in Effective KM:

Basic pillars in all KM scenarios are same i.e. People, Process and IT, Which share the common goal of Knowledge sharing, transfer, exchange, documentation and reuse. Knowledge Management (KM) principles recognize that it is important for organizations to "know what they know." KM brings together three core organizational resources—people, processes, and technologies—to enable the organization to use and share information more effectively. Ultimately it is the people who are the most important aspect wherein KM implementation comes into play and here is where HR has its Unique Importance.
One of the main issues that follow implementation of KM as a non starter is the ignorance of organization towards people & their culture. In a Competitive environment where an individual’s knowledge is valued and rewarded, HR focus should be to facilitate a culture which recognizes tacit knowledge and inherently allows & motivates employees to share critical information. Knowledge management concept should be sold to the organizational workforce. The need should not be underestimated; Since people – The principal resource are being asked to surrender what only they know i.e. their knowledge and that is what makes them a valuable resource to the company. HR team can create motivational morale by including an incentive to KM activity but that may create the problem of in qualitative information being given by people Just for Incentive. Knowledge Management should be seen as a Guide and resource and employees must feel that if they share knowledge it will make their work easy. This should be central theme when HR should promote KM.

Knowledge Management is not a technology driven concept but it definitely is technology inclusive. Organisation & corporations should not come in for false illusions by software companies selling their KM Software’s & applications. If implementing a centralized database system, an electronic message board and web portal, companies think that Knowledge management culture can be ushered in then they are in for a rude shock. Technology can support and help in implementing KM but it is not the starting and definitely not the ending point. People power is the most effective input to make effective Knowledge management work, find out gaps and make inputs which signal future needs and resources to fill gaps.

Strategic implementation along with HR motivation can either make or break the entire KM yes or No decision. KM decisions should be based on who (people), what (knowledge) and why (business objectives) aspects and how (technology) should be kept for last. Thus we see that HR has a unique role to play in effectively employing KM as strategic tool for the organizational competence.

**Value Chain of Knowledge Management:**

Some benefits of KM correlate directly to the bottom-line savings, while others are difficult to quantify. Information & Communication technology allows in today’s age, companies to uncover opportunities and derive critical value from intellectual rather than physical assets. To get that critical value, knowledge must be shared by employees and it should also serve as the foundation for collective growth.

Collective growth, linking Individual & organizational growth should be the ultimate goal. Thus an effective Knowledge management function in a company provides the below as benefits to an organization:

1. Free exchange of ideas and concepts leads to enhanced Innovation & creativity.
2. More Convenient decision making using of rationale and wide spectrum to take decisions.
3. Customer service and satisfaction because of reduced response time.
4. Revenue and profit increments as products & services are marketed efficiently.
5. Reduce Attrition by recognizing employee participation and their contribution in knowledge sharing.
6. Cost cutting by reducing operations and unnecessary costs.

The above advantages are mere reflections of what has been observed. A pragmatic and efficient Knowledge management program can result in improved efficiency, higher productivity and increased revenues.

**Summary:**

Organizations are realizing more than ever, that intellectual capital held in its employee is more valuable as compared to the physical asset it owns. This Knowledge must be processed and conserved to improve performance.
Focus of KM initiatives is to connect people, processes and technology so as to leverage this intellectual or human capital. This can be achieved by Knowledge Management initiatives for comprehensive knowledge capture which also serves to give inputs to Business Strategy and helps in continuous flow of Information through the organization. KM initiatives must be linked to provide inputs to strategy otherwise they are not likely to succeed, because unless the organization knows its resources and deficiencies it cannot proceed to its goals. Creating, implementing and branding KM initiatives will definitely lead to business results following the discovery capabilities critical to business success. Knowledge Inventory created from such Initiatives will help bridge the gaps and create Knowledge maps to organizational work flow resulting in efficient work, and enhanced performance and boosted results. Apt and suitable KM strategies will not only help and enrich the human capital; it will also lead to a growth in professional competencies of the employee strength and thus will open doors to greater successes and efficiency of the organization.

The knowledge management Initiatives should be carefully implemented and applied in the organizations. The purpose is that it can help organizations to translate strategic vision and mission into action. It should be applied through cautious consideration within the organizations' needs and also the factors that may influence the KM process. An organization should consider and evaluate the internal and external environment when selecting KM initiatives and programs. This is because different situations require different initiatives, to deal with the strategic management process when the organization intends to implement KM successfully. Analysis needs to be conducted from time to time, and organization needs to carefully select the right process to be implemented. In the near future, an organization ought to carry out a critical research on KM which can create sustainable competitive advantage within the framework and investigate how the organization justifies their KM activities and competitive advantages.

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