

Paper Title: Knowledge Management

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Introduction, forms of knowledge, meaning of knowledge management, transition from information value to knowledge value, goals of knowledge management, features of knowledge management, methods of acquiring knowledge, process of knowledge management, value of knowledge management, benefits of knowledge management.

(I) INTRODUCTION:

It is accepted as a fact that in order to develop an economy & let it grow, knowledge plays a very significant role. In such a knowledge driven economy, the demand for knowledge-based work is at its peak which makes the management of knowledge a complex & a critical task.

One can witness the entire society undergoing a lot of changes on a constant basis where not only the individuals therein but also the business organisations are increasingly dependent on knowledge. Perhaps knowledge is considered to be a resource that is the most crucial for an organisation to survive and reach the competitive edge, thereby underlining the importance of its management.

Knowledge is also regarded as an intellectual asset which is available in abundance, however, has a scarce ability of using it. The more one makes use of knowledge & transfers it to others, the more it gets enhanced & not reduced.

With the increasing use of internet & information technology, there is an endless availability of knowledge which makes the task of identifying what is useful & required even more difficult. In order to achieve the competitive advantage, an organisation must possess the ability of not only owning the right knowledge but also making the right utilisation of the same. Making the optimum use of this knowledge helps an organisation in taking the right decisions, solving problems, improve organisational performance and thereby increase its efficiency.

Thus, for making the maximum use of knowledge and survive in this intense competition, knowledge management plays a very important role. That is the reason why organisations today develop the best of processes to manage the knowledge ~ an extremely valuable human resource.

(II) MEANING OF KNOWLEDGE:

Knowledge is often regarded synonymous to terms such as data, information, and most likely with learning. However, on the contrary, knowledge is actually reinforced through learning. Therefore, it is very important to differentiate the two terms. There are a number of ways through which learning takes place and is basically a process which generates a change in behaviour by acquiring new knowledge or any skill. It is through the exposure to new and unfamiliar experiences that such kind of learning can be best promoted and acquired.

While, on the other hand, knowledge is the wisdom and the capability of how such new and learned experiences can be utilised so that not only the individual but also the organisational objectives can be achieved.

Thus, one can define knowledge as blend of information, expert's ideas, values, framed experiences, individual's awareness of facts, truth, theory, events, principles, situation, system, model, etc.

Knowledge is much more than just a piece of information. It is a valuable human resource and the outcome of learning signifying the capacity of human action. It may not only be stored in the brain of an individual but also is embedded in the processes, systems, documents, repositories, products, rules, practices, facilities, etc. of an organisation.

Knowledge helps bring innovations, matured decision making, effective problem solving, value added behaviour, activities that increase profitability and if managed effectively can result in improved organisational performance and reap sustainable competitive advantages.

(III) FORMS OF KNOWLEDGE:

As described above, knowledge can be defined as the practical or theoretical understanding or awareness by an individual about a particular thing. Such knowledge can be achieved with the help of learning, perceiving, discovering something or through one's own experience.

This knowledge can be divided and sub-divided into a number of categories. Some of which are explained below:

(a) Implicit/Tacit knowledge:

Implicit or tacit knowledge is regarded as an intangible and invisible knowledge which is subjective in nature. Such a knowledge is acquired through one's own experiences, beliefs, values, perspective, intuition, training, personal contacts, mental models, technical skills, etc. which cannot be expressed in words, numbers, sentences or even formulas and thereby cannot be accessed by others as well.

Implicit knowledge lies in the human mind, observed in their action or behaviour and is hardly recorded and communicated in business organisations.

(b) Explicit knowledge:

As against the implicit knowledge, explicit knowledge is the one which is clear, codified, documented, recorded, archived, known and readily made available or shared to others in the form of systematic and formal languages. Such a knowledge is objective and rational in nature.

Explicit knowledge represents the collection of the organisation's experience stored in databases, documents, emails, files, websites, etc. with the help of computers and information technology which can be easily accessed or even duplicated by parties interested respectively.

(c) Posteriori Knowledge:

The term "Posteriori" is basically a Latin word which translated into English means "that which comes after". Thus, in simple words, posteriori knowledge can be defined as the knowledge which is derived from some practical experiences and is the outcome of one's own personal experiences.

On one hand, where the mathematical, abstract and theoretical knowledge result from logical processes and reasoning, the posteriori knowledge on the other hand depends on direct observations thereby requiring empirical evidence.

(d) Priori Knowledge:

The term "Priori" is also a Latin word which in English means "from before". Thus, contrary to posteriori knowledge, priori knowledge is the one which commands its existence even without the requirement of actually experiencing it. Individuals can come to their own conclusions just by mere reasoning. Such knowledge can be based on the assumptions that come before any analysis or argument. Priori knowledge can be used in multiple areas such as mathematics, logical reasoning, physics and even in the scientific field.

For instance, one can use priori knowledge to solve a simple mathematical calculation say $2+2=4$ without bringing 4 things in front and actually counting then to find the answer.

(e) Dispersed or distributed knowledge:

The above type of knowledge is dispersed in nature, in the sense that the information is distributed or spread out among various sources or people in such a manner that no one source is considered reliable and no one person is capable enough to understand it completely.

In case, the entire dispersed knowledge is to be brought together for higher achievement, experts on varied subjects have to be called upon to give their knowledge and help attain the corporate goals.

Such a type of knowledge is more commonly found in the financial market where different stakeholders have different knowledge about the company such as knowledge about the financial condition, profitability, dividend distribution, etc.

(f) Domain Knowledge:

The word "Domain" actually signifies a specific field and "Domain knowledge" is the information, ability, understanding or expertise with regards to any particular subject, field, area, profession, activity or a topic.

Domain knowledge, also known as expert knowledge is an intense and deep knowledge about a specific discipline. An individual is said to have domain knowledge if he/she has incredible knowledge within their discipline no matter having basic knowledge about other domains. Such knowledge has its importance within that specific discipline and is meaningless otherwise. For instance, expertise in a computer language, ability to swim fast, fly an aeroplane, etc.

(g) Empirical Knowledge:

The word “empirical” is taken from a Greek term “empeiria”, meaning of which in English is experience. Such a kind of knowledge is obtained from either quantitative or qualitative experiments, measurements or observations which can be used to identify whether a given argument is true or false.

Empirical knowledge is different from posteriori knowledge which is explained before as the former is obtained through the senses alone unlike the latter.

(h) Encoded Knowledge:

Encoded knowledge is also known as stored knowledge or even a collective explicit knowledge because the knowledge here is stored, recorded and articulated in books, documents, notes, codes, manuals but conveyed in the form of symbolic codes and signs. Such a kind of knowledge becomes useful to those who can decode the knowledge or have the tools to do so later on. It will be helpful to produce a given output and behaviour in an organisation but in a predictable manner. For example, road signs such as a sign to stop, go, slow down, bump ahead, or information stored in a computer but in a binary language, etc.

(i) Meta Knowledge:

Meta knowledge is a knowledge about the knowledge as to how does it work, its classification, means to acquire it, distribute it, use it, etc. For example, this entire chapter can be considered as meta knowledge as it is an information about knowledge. Such knowledge is a part of a lot many academic areas and is used to define many theories, tags and models which in turn is helpful to describe knowledge.

(j) Procedural (imperative) Knowledge:

Procedural or imperative knowledge is about knowing how to do a certain thing or conduct a task in the most effective manner. Being a procedural knowledge, it is inclusive of practical experiences, practice of solving problems and may involve knowledge about several steps of a process leading to a certain achievement. It is distinct from descriptive knowledge as different people follow different processes to do a single task.

However, it is difficult to convey this knowledge as it has a job-dependent nature. Regarded as an intellectual property for an enterprise, such a knowledge is transferred only after the company is acquired by someone else. For example, a family recipe held secret by the grandmother and later passed on to her granddaughter.

(k) Propositional (descriptive) Knowledge:

As against procedural knowledge, propositional knowledge is knowing that a certain thing is true and not how a certain thing is to be done. Unlike the imperative knowledge, descriptive knowledge can be understood with the help of memorization without requiring practical experience or a practical skill in an activity. It is also known by names such as descriptive, constative or even declarative knowledge which can be understood in a systematic and formal language such as mathematics or a logic. For example, apple is a fruit, nine is greater than seven, etc.

(l) Situated Knowledge:

Another interesting form of knowledge is the situated knowledge which is an outcome of a particular viewpoint, context, culture or a community. Such a knowledge is only specific to a particular situation. However, it becomes quite difficult to understand from an outside perspective. For instance, people have situated cultural knowledge which they inherit from their own cultures. Different people have perceived different knowledge from their cultures which may be hard to understand by an outsider’s perspective or viewpoint.

(m) Known Unknowns:

Known unknowns is that form of knowledge where an individual is aware of the fact that there is something which he/she doesn’t know or understand. It helps them to know what is to be learnt and thereby find answers for it. Such a kind of knowledge is surprisingly useful as individuals may get a chance to find out something unknown, research and thereby enlighten themselves. However, it also suffers from a limitation that this knowledge may not prove to be fruitful for effective decision-making owing to the risk and uncertainty involved therein. For example, investment in a start-up.

(n) Adaptive knowledge:

An organisation functions in an ever-changing dynamic environment where all sort of factors such as political, economic, social, technological, legal and others constantly change. In order to survive in cut-throat competition, an organisation has to change accordingly. Thus, the knowledge which helps the business organisation to adapt to the changing environment is known as adaptive knowledge.

(o) Creative knowledge:

The knowledge that helps an organisation to innovate and thereby bring about new products, services, designs, models, technology, etc. is called creative knowledge.

(p) Individual & Group knowledge:

The knowledge possessed by an individual is known as individual knowledge. While, on the other hand, the knowledge held by a group or team collectively is known as group/team/collective knowledge.

(IV) MEANING OF KNOWLEDGE MANAGEMENT:

In its broadest sense, knowledge management can be defined as a comprehensive process that is inclusive of several elements beginning from the identification of knowledge and its sources, acquiring and generating the right amount of knowledge, accumulating, storing, distributing and making the most optimum use of knowledge for the benefit of the organisation.

In the words of *Brian Newman* “knowledge management is the collection of processes that govern the creation, dissemination & utilisation of knowledge.”

Considering knowledge to be a very valuable asset for an organisation, knowledge management broadly aims at providing the right knowledge to the right person at the right time. It helps to create an interactive learning environment in the organisation where the members make use of new skills, abilities, competencies, share their knowledge with others and also rediscover new knowledge.

The process of knowledge management helps an organisation to take matured decisions, solve intricate problems, innovate, improve its performance and thereby reap sustainable competitive advantages helping it to grow and survive in a globalised competitive economy. Thus, Knowledge management programmes are closely connected with such organisational objectives helping it to become a learning organisation with continuous learning and constant improvement.

(V) TRANSITION FROM INFORMATION VALUE TO KNOWLEDGE VALUE:

Information and knowledge are regarded synonymous to each other, however, there is difference between the two thereby signifying the transition from information value and knowledge value. On one hand, the term “Data” can be considered as that piece of information which is factual in nature while, “information” is that part of data which is useful and relevant. On the other hand, “knowledge” is the mental awareness or understanding about a certain thing gained with the help of experience or a known fact. Such knowledge may either be tacit or explicit.

The transition from information value to knowledge value can be better explained by understanding how Knowledge management surpasses through a change (transition) from the industrial age to knowledge age.

(a) Industrial age:

The first in the line with which the transition began was the industrial age. It can be easily suggested that the business was mainly dominated by industrial production till 1960’s. The individuals who could produce more were regarded as highly successful businesses.

(b) Information age:

The transition then stepped into the phase of information age which was marked by the period of 1960’s to 1990’s. In this age, human beings were not considered active resources to process the information that was available in data base, rather, it was the technology and its systems which were given prime importance and considered significant components that could provide guidance to the business processes.

(c) Knowledge age:

After having passed through the above ages, it was in the 1990’s, that the knowledge age surpassed the information age. One can say that the human civilisation is on the epitome of knowledge age. This knowledge, stored in the minds of humans is considered as the most valuable human resource. The knowledge so accumulated in the technological systems is continuously assessed by the individuals themselves, therefore, they are regarded as the key components. By accessing this information and making its maximum use, it enables effective decision-making, problem solving, career development, organisational functioning and ultimately economic development as well.

For example, several activities in areas such as finance, manufacturing industries, human resource management, information system, marketing, distribution, etc. make optimum use of knowledge.

(VI) GOALS OF KNOWLEDGE MANAGEMENT:

The diverse and significant objectives of knowledge management can be discussed as under:

- (a) The main objective of knowledge management is to make the maximum utilisation of the knowledge and thereby lead to increase organisational efficiency, improve its performance and withstand extreme competition in the market.
- (b) As discussed earlier, it is a process of identifying, acquiring and retaining the right knowledge i.e. the most valuable and relevant knowledge and distribute to the right person in such a manner that not only does the efficiency with which an organisation works improves but also helps to save the knowledge within an organisation.
- (c) With the help of such acquisition and distribution of the right information & knowledge, it leads to improve the quality of decision making as secured and reliable information is provided to the right person. Thus, knowledge management aims at matured decision making.
- (d) It also enables those who provide goods and services to increase their efficiency by providing good quality products, provide value added product to customers thereby generating customer satisfaction and lowering the cost by minimising the need to rediscover the knowledge. Thus, it helps an organisation to reap sustainable competitive advantages in terms of innovation, improved quality, reduced cost and better consumer responsiveness.
- (e) Knowledge management considers employees to be knowledge seekers. Hence, the knowledge is acquired and shared with the employees in the right manner, helping them to develop and work with more efficiency and effectiveness.
- (f) It also aims at training the employees effectively and help them learn within the organisation. Employees with such expertise and diversified knowledge stay motivated and remain in the organisation thereby reducing the labour turnover rate. Moreover, their knowledge becomes an open source of information even for other employees thereby helping an organisation to learn, grow and improve its performance.
- (g) Knowledge management also aims at promoting a smooth flow and transmission of knowledge by making use of internal and external learning practices. At the same time, it makes sure that each and every individual in an organisation gets sufficient knowledge as much as they are required to know i.e. the right amount of knowledge.
- (h) Knowledge management takes care that the members in an organisation are not only aware about the goals of the organisation and the services they provide to the customers but also have the knowledge about the different stakeholders namely the external bodies with whom the company has to deal such as creditors, competitors, customers, suppliers, banks, distributors, etc.
- (i) It also helps to convert knowledge possessed by an individual into the capital or the structural asset of the firm.
- (j) Knowledge management aims to maintain a Service Knowledge Management System (SKMS) that provides controlled access to knowledge, information and data, appropriate for each audience.

(VII) FEATURES OF KNOWLEDGE MANAGEMENT:

Knowledge management is characterised by the following features which are explained as under:

- (a) Objective oriented:

A burning issue of knowledge management is to identify that piece of information which is valuable for an organisation and which is not. As described before, there is thin line of difference between information and knowledge and the goal is to find the knowledge from the wide pool of information which is actually worthwhile.

Thus, knowledge management is an objective oriented process which makes use of knowledge in order to achieve the organisational goals. Managers make use of only that information which is meaningful and adds value to the business objectives.

(b) People oriented:

Knowledge management is closely linked to people and therefore known as a people-based concept. It is all about the understanding and awareness of an individual as to what do they know and how they can support the objectives of the organisation with their knowledge. Although knowledge management is not a technology-based concept, it is still supported by it. The significant driving forces for knowledge management includes competency of an individual, their ideas, motivations, creativity, etc.

(c) Dynamic Process:

Knowledge management is known for its dynamic nature. It is not a rigid but a flexible, continuous, constantly changing and transforming process. In order to develop and survive in this globally competitive economy, an organisation has to make sure that the knowledge is constantly identified, updated, revised and sometimes even eliminated in case it becomes obsolete or outdated.

(d) Value added:

Knowledge Management is value added in nature as it adds value to the business enterprise with the help of expert knowledge, experiences and the knowledge gathered by several individuals over a period of time. Organisations also promote two-way interactions with experts from different areas, exchanging ideas with them and thereby enlighten the managers with the knowledge of recent trends and developments.

(e) Support of top management:

In order to provide a strong cultural and technical support for the introduction and execution of knowledge management practices, it is very important for the organisation to receive the support of the top management whole heartedly.

(f) Explicit and implicit knowledge:

Out of many forms of knowledge discussed above, the two main forms are explicit and implicit knowledge. Explicit knowledge is the tangible information that is clear, codified, documented, recorded and easily accessible to others such as customers, suppliers, competitors, investors, etc. It may form a significant part in the organisational rules, policies, system, procedures, etc.

However, on the other hand, implicit or tacit knowledge is the intangible/invisible knowledge that lies in the individual's mind resulting from their own experiences, beliefs, perspectives and values.

(g) Complementary:

Knowledge management is also complementary in nature as it complements many other learning tools as well, one of which is significantly TQM i.e. Total Quality Management. Knowledge management emphasises on the fact that the short-term objectives should always be achieved in conformation with the long run objectives and hence, the progress of the learning team should be measured in both short and long term.

(h) Visionary:

Knowledge management mainly focuses on optimum utilisation of knowledge which can help organisation to take effective decisions, solve problems, improve performance and reach a competitive edge. Hence, it is regarded visionary. Such vision is expressed in strategic business terms and not in technical terms, in such a manner which encourages the managers to work together for achievement of common objectives and generates enthusiasm amongst them.

(i) Continuous process:

Knowledge management is not a quick fix or a one-time show rather is perpetual in nature. In a globalised economy, there are constant changes taking place thereby posing a lot of challenges for the organisation as well. Owing to this dynamic economy, the business also needs to constantly innovate and introduce new skills and abilities as an improvement of the existing ones.

(j) Systematic in nature:

The process of knowledge management is systematic in nature. It is inclusive of standardised processes to acquire, store, share and make use of knowledge. The basic aim of knowledge management is to provide the right knowledge to the right people and that too at the right time.

(VIII) METHODS OF ACQUIRING KNOWLEDGE:

Knowledge acquisition refers to the knowledge that an individual or a firm can obtain from not only the internal but also the external sources.

(a) Research:

Another significant method of acquiring knowledge is to undertake a research about that particular subject. With the advent of internet and sophisticated information technology, the availability of information is just at the touch of a button. Search engines like google, YouTube and other sites have made it possible to learn and search for almost anything just with the help of some important keywords and with a few clicks. Apart from the electronic tools, even libraries are the most important source for acquiring information as much as required.

Individuals can conduct a research by selecting the right medium from this vast sea of information available in the world today and acquire knowledge to best of their requirement and satisfaction.

(b) Authority:

One of the most typical method of receiving knowledge is by the means of authority. An Authoritative figure such as parents, teachers, doctors, lawyers, priests, government, media and others may have a great influence on individuals by providing right direction to their thought process, help them accept new ideas and thereby acquire more knowledge. Often, such figures have direct as well as indirect authority over individuals and lead the individuals towards a particular direction successfully. For instance, a doctor would guide his child about medical knowledge or a lawyer would do so for the knowledge of law, etc.

However, many a times, the information which is obtained from such authoritative positions may be merely based on some of their own instincts or what they regard to be true and may not be questioned or independently researched by the other individuals. Therefore, it is very important to not only acquire the knowledge from this source but also give sufficient time to judge and evaluate its practicality and the methods they used to arrive at their conclusions thereby leaving no scope of getting misled.

(c) Intuition:

The first and the foremost method that can be understood for acquiring knowledge is intuition. Intuition is not necessarily a fact, rational thought or a matter of truth but is a gut feeling, a very strong emotion or even an instinct that can guide an individual to believe what feels true. Such an intuition or instinct may not always be correct as they are not based on analytical reasoning or proven scientifically, rather is an outcome of cognitive or motivational bias. However, at times it may so happen that decisions taken based on intuition may turn out to be more superior as compared to those taken by thorough analysis of different alternatives.

Intuitions, if led in the right direction and used positively can definitely prove to be a guiding force for acquiring knowledge and skills that can be extremely beneficial to individuals later on. For example, if an online course becomes well famous at any time and if a person's intuition directs him/her to learn about that course, he/she will surely give their 100% to learn it by all means.

(d) Reading books:

One of the most convenient sources and the best way of acquiring information since the ancient times is through reading different kinds of books. Books have easy availability and almost no limitations.

Individuals having a keen interest and inclination for reading books can either visit a library or just browse through several websites with the help of internet and read content digitally with a few clicks on an open and a free platform. One can also make use of certain sites like eBay, amazon, flipkart, etc. to order books online as well and get the delivery just at their doorstep. However, whatever, the medium be, at the end of the day what is important is gaining extensive knowledge and not questioning how and why is it acquired.

(e) Empiricism:

The method that helps to acquire knowledge with the use of observation and experience. Such experiences and observations at times may also change the way we perceive certain situations and events. This method is believed to be the core of the below explained scientific method. Science not just depends on mere observations but such observations which are structured in nature which signifies the term "systematic empiricism".

(f) Rationalism:

Another great way of acquiring knowledge is rationalism where instead of any guess work, logic, strong facts and analytical reasoning is used to take decisions and receive new knowledge. Under this method, certain premises are stated and then logic is used in order to bring effective conclusions. A drawback of this method is that in case the premises stated are wrong or there is a mistake with the logic then, the conclusions drawn or decisions taken may not be valid. However, if formal training is provided, correct premises are laid down and logical rules are

followed properly then, rationalism may prove to be an efficient method of acquiring knowledge. It is a driving force encouraging individuals to inculcate great skills and knowledge.

(g) **The Scientific Method:**

As explained in the above method, the empirical questions can be answered with the help of scientific method. The above method helps produce the most valid knowledge and is the process of collecting and evaluating the evidence in the most systematic manner that enables to answer the questions and test the new ideas. Apart from using the methods of intuition, authority, rationalism and empiricism to introduce new ideas, scientists also make use of the above explained term i.e. “systematic empiricism” in order to make observations appropriately, test the ideas so generated and thereby arrive at appropriate conclusions. However, this method also suffers from a drawback where it consumes a lot of time, energy and resources and the method cannot be always used to answer all the questions.

(h) **Learn from mistakes:**

It is very common and natural for humans to make mistakes. While in the process of acquiring knowledge, one may commit certain mistakes, however, they make sure to learn from them and not to repeat them again in future. Mistakes and failure is always believed to be a stepping stone that motivates individuals to learn more and perform better in future endeavours to come with even more determination and hard work.

(IX) PROCESS OF KNOWLEDGE MANAGEMENT:

Alike any other branch of management, even the knowledge management is a process that passes through a number of steps described as under:

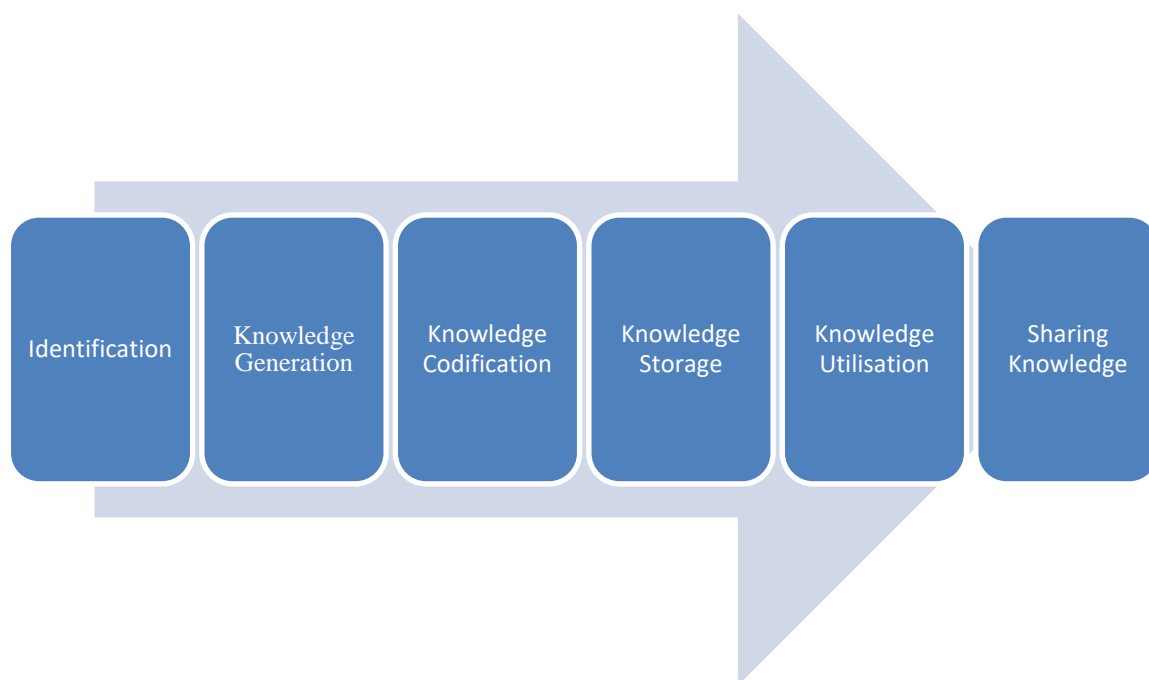


Figure no. 1 Process of Knowledge Management

(a) **Identification:**

The process of knowledge management begins with the first and the foremost stage of identifying the knowledge, its nature and kind (tacit or explicit) required for the smooth functioning at different levels of an organisation. Every individual working in the organisation is regarded as a knowledge worker who requires some or the other knowledge in order to perform their job effectively.

The identification of knowledge can be done primarily by listing down the knowledge assets that may include knowledge about both the internal as well as the external factors such as market, goods & services, processes, technology, economy, etc. An organisation has to take necessary steps to manage these knowledge assets and consider the requirement for knowledge in future.

(b) **Knowledge Generation:**

Being a continuous process, the second step of knowledge generation involves a constant acquisition and analysis of knowledge. In order to generate the required knowledge, both mapping the existing data available in the organisation and acquiring new knowledge is required.

Business organisations are able to generate a huge amount of data during the course of their regular business activities which prove useful to them for taking decisions, solving problems, providing value added service to customers, etc. Thus, it is essential for the business to manage this knowledge, store such information and preserve it for future use. They have to firstly map the knowledge that is available in the organisation presently in the form of knowledge assets. However, the requirement of knowledge cannot be solely met by these internally available knowledge assets. Therefore, steps have to be taken to acquire knowledge either by creating it internally or acquiring it from external sources.

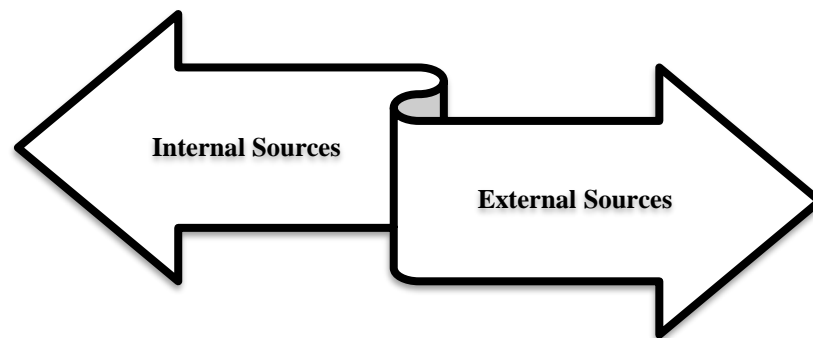


Figure 2: Sources of Knowledge Generation

Thus, knowledge can be generated both by internal as well as external sources. Internal sources can be both in the form of implicit and explicit where the former may include the knowledge, ideas, beliefs, opinions of the trained and experienced personnel while the latter may comprise of the company's data base, records or files. While on the other hand, the external sources are only explicit in nature and may cover the data in magazines, books, research reports, company websites, publications, etc. which is in documented and codified.

Such generation of knowledge is fruitful only in a creative environment which encourages teamwork and formation of cross-functional teams where individuals can debate, analyse, derive conclusions and thereby generate new knowledge helpful for company's current and future needs.

(c) Knowledge codification:

The data and information generated and acquired above has to be further analysed, documented and codified in order to store it and use for company's current and future needs. With the help of information technology, the knowledge can be easily acquired, stored, distributed, updated and also eliminated if becomes obsolete.

Such data can be stored in company files, documents, repository, data base, and also electronically in computer programmes, thereby retrieve for future use. The implicit (tacit) knowledge stored in the minds of individuals or a part of their experience is converted in this stage into explicit knowledge which is codified & documented. Codification also facilitates the legal protection of the knowledge assets possessed by the organisations.

(d) Knowledge Storage:

As mentioned above, it is highly important to store the data and information so collected in an appropriate manner in order to make it available for future use. The knowledge relevant to the organisation can be identified and a repository can be created to store the same. Such knowledge repository can be in the form of an electronic or online database with the help of computers used to store company's information, experience, expertise, documents, records, etc. The knowledge stored helps in problem solving, taking mature decisions and thereby improve the overall efficiency of the organisation.

(e) Knowledge Utilisation/Application:

After the knowledge is adequately documented and stored, the same is to be effectively utilised. The human resource working in an organisation make extensive utilisation of knowledge in taking matured decisions, solving acute problems, formulating strategies for innovation, providing value-added service to customers, improving organisational performance and thereby reap sustainable competitive advantages.

The kinds of knowledge are varied and its utilisation may depend on the type of decision taken. Decisions can either be based on the implicit knowledge or may depend on the explicit form which is properly codified and

documented. Thus, for the most optimum utilisation of knowledge, the key rule is that the right piece of information must be available & provided to the right person, at the right time and at the right place.

(f) **Sharing Knowledge:**

In order to facilitate the use of knowledge, sharing and distribution of the same becomes important. It is through the constant process of learning and sharing that enhances the existing knowledge and helps to discover new knowledge. The more it is shared, the more it increases.

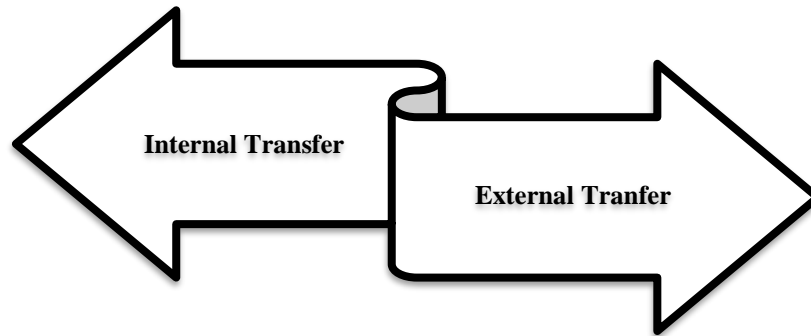


Figure 2: Sharing of knowledge

The knowledge can either be shared internally throughout the organisation or can be an external transfer. Internal transfer facilitates the sharing of information amongst different individuals, departments, or the levels of management in an organisation such as information about finance, production, sales, promotion policies, objectives, etc. While, the information that is shared with the third parties outside the organisation such as shareholders, creditors, customers, financial institutions, government, competitors, etc. such as the financial position, liquidity, dividend decisions, credit-worthiness, etc. is known as external transfer of knowledge.

Such a kind of external transfer of knowledge to the third parties becomes essential when the organisation does not possess the ability to make use of a certain knowledge in the most effective manner. For instance, the company may have introduced a new machinery but may not have the competence to use it for the production of goods with the help of this machine. So, it can license it to a third party who has the capability to use it for production and selling of the new product.

Thus, to make knowledge sharing a success and make it readily available and accessible to all, it is also necessary to convert the implicit knowledge into explicit knowledge.

Thus, from the above discussion, one can conclude that the acquisition, storage and utilisation of knowledge forms an extremely significant part of the process of knowledge management.

(X) BENEFITS/VALUE OF KNOWLEDGE MANAGEMENT:

The value of knowledge management can be very easily understood with a well-known fact that the importance of organisational knowledge is touching its peak in today's times. Moreover, with the increasing dynamism in the economy, cut-throat competition and the complexities emerging in the products and services, acquisition and optimum utilisation of the right knowledge has become highly essential. Organisations have understood the intense requirement of increasing the knowledge available and matching the same with the rising significance of the organisational knowledge.

In a globally competitive economy, there are constant changes taking place in a number of factors such as political, legal, economic, social, technological or even international increasing the complexities for the organisation. In order to innovate with new products and services, take matured decisions, solve problems, improve organisational performance and to survive in this ever-changing competitive environment, making maximum utilisation of knowledge is highly essential, thereby signifying the importance of knowledge management.

The following points explain the importance and the need of knowledge management in an organisation:

(a) **Quick decision making:**

In order to withstand the cut-throat competition in this dynamic global economy, one of the key rules is quick and effective decision making. The business has to identify the constant changes taking place in the market and adapt accordingly in order to reap the competitive advantages which requires thorough decision making. For example, taking customer feedback, managing the company's website, replying to comments and queries on its social media page, handling customer complaints, etc. Thus, the need for knowledge management is at its alarming stage.

With the help of knowledge management, quick and prompt decision making is possible, duplication or overlapping of activities can be avoided and thereby saves the valuable time, energy, money and other resources of the organisation.

(b) Innovation:

One of the most significant keys for an organisation to excel its competitors is bringing innovation. In the modern-day world, a customer who is regarded as the king of the market, is always surrounded by multiple options and alternatives. Hence, he/she is always looking for something new and unique that satisfies their changing tastes and preferences.

Therefore, the organisation has to constantly take steps and form strategies that leads to innovation and introduce new products and services, design, method, technology, model, process, etc. This is only possible with the optimum use of knowledge and its effective management. Knowledge management helps to identify the requirements of customers and enables the organisation to bring rational solutions for the same and meet with their continuously changing needs respectively.

(c) Achieving competitive edge:

After the introduction of economic reforms, especially after globalisation, the competition in the market has increased by leaps and bounds. Knowledge management backed up with the tools of information technology helps the organisation to frame appropriate strategies which enables it to achieve a competitive edge and survive in this globally competitive economy.

Thus, knowledge management helps the organisation to reap sustainable competitive advantages by bringing innovations in the goods and services, improving quality, lowering cost of production, increase efficiency, provide value added service to customers and thereby improve the overall organisational performance.

(d) Reuse and storage of information:

Knowledge management not only signifies the identification, collection, acquisition and the distribution of the knowledge but it also gives due importance to the aspect of its storage that can be used in present and the future to come.

Knowledge management helps to take care of the information, expertise and experience gathered by the organisation over a long period of time which can be reused time and again, shared with the employees and used to solve problems, take timely decisions thereby improve organisational efficiency.

(e) Improvement in Organisational Efficiency:

Knowledge management makes optimum use of knowledge to take appropriate decisions, solve difficult problems, bring innovations in the goods and services, reduce costs of production, increase the profitability and hence work for improvement in the overall efficiency and performance of the organisation.

(f) Improvement in human relations:

Knowledge management and a learning organisation are almost two inseparable parts. Learning organisation actually provides the base or the foundation on which the structure of knowledge management is built.

A learning organisation is the one which focuses on continuous learning and gives importance to employee empowerment. It considers human resource to be the most valuable asset and empowers the employees to build a vision, share their opinions and have a two-way interaction amongst them thereby leading to develop human relations.

(g) Enhancement of Human resource abilities:

Knowledge management with the help of constant learning and sharing of information encourages the human resource in an organisation to develop their existing skills, intellectual abilities, learn new skills and thereby stay updated. This shall not only be useful for the personnel but will also bring valuable benefits for the organisation.

(h) Facilitates SWOT analysis:

The process of knowledge management i.e. acquiring and sharing knowledge helps an individual and the organisation to identify their strengths, weakness, opportunities and threats, thereby enabling to form the plans and strategies accordingly. It helps to increase efficiency, productivity, morale, avoiding the activities which does not add any value or repeating any mistakes again thereby saving time and energy.

(i) Quick communication:

As discussed before, the changing needs and preferences of consumers and the advent of social media and digital marketing, the need for quick decision making has widely increased. Therefore, in order to take quick decisions, the communication has to be faster as well. It is only through knowledge management that data can be readily

available and accessible for answering all sorts of queries and doubts. Knowledge and its management enables quick, precise and efficient communication.

(j) Customer satisfaction:

In order to satisfy the customers, the company needs to offer such goods and services that caters to the customer's needs and preferences. They have to constantly think about something new and strategize in order to innovate in their products, methods, technology, tools, processes, etc. This requires a thorough knowledge and information about the internal as well as the external factors that are constantly changing, thereby, underlining the importance of knowledge management.

(k) Develop healthy work culture:

A positive and healthy work culture is conducive for the growth and development of any business enterprise. Such a culture is developed with the help of knowledge management which enables constant acquisition of knowledge and sharing the same amongst different individuals working in the organisation. They gain knowledge and also learn from the experience of one another.

(l) Overcoming the loss of knowledge:

At times, it may happen that a key employee who is well trained and experienced may leave the organisation owing to several reasons such as retirement, better opportunities, death, etc. Such an exit would also mean loss of their knowledge from the organisation thereby increasing the cost of recruitment, selection and training as well.

Thus, in order to overcome this loss and the increasing labour turnover, knowledge management becomes highly important. It can avoid such losses and maintain the knowledge by designing appropriate career planning policies and keeping the workforce satisfied.

(m) Development of Company's Goodwill:

Due to the several advantages of knowledge management and its practices such as high level of innovation, customer satisfaction, matured decision making, problem solving, knowledge of internal and external factors, etc. helps to strengthen the goodwill (brand name) of the organisation which in turn helps to increase its share in the market, attract talented and hardworking personnel, loyal customers and reap sustainable competitive advantages in order to survive in this global market.

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