

Knowledge management a gate way to analyze effective organizational performance

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Abstract

The study on the knowledge management process in audco India limited at Chennai. The project is done by means of analyzing the knowledge management process adopted by the concern and also the conversion process involved in the organization. The further step is preparation of questionnaire according to the purpose of the study. The individual point of view is collected and distributed to samples based on the sample size. The area of improvement is hypothetically analyzed based on the results and the area of lacking is found. The nature and the source of the problem is identified from it. The collected data is analyzed using the statistical tools in order to give accurate results. The final stage is to give suggestions where further improvements can be made in the area of knowledge management which will help for the organisation.

Keywords: Knowledge, Effectiveness, KM process, Organizations, Dissemination and Competitive Advantage.

The main purpose of this project is to study and analyze the knowledge management process of audco India limited. It is essential to achieve business excellence and to achieve organizational goal. It involves the management of intellectual that has been formalized captured and leveraged to produce higher valued asset. It involves leveraging existing knowledge inside an organization and creating new knowledge in the process, connecting people to people to expertise and to vital information. It engages employees to share individual knowledge to create organizational knowledge will help to create sustainable advantage. It involves systematic explicit and deliberate building, renewal and application of knowledge to maximize an enterprise knowledge related to effectiveness and returns from its knowledge assets. Thus knowledge management is continuously creating upgrading organizational knowledge in order to maximize the returns from its knowledge assets.

Objectives

- ◆ To identify the best knowledge management process currently practiced at audco India limited.
- ◆ To identify the strategies used by the company to update knowledge on latest technologies.
- ◆ To identify training methods involved in knowledge management.
- ◆ To suggest best knowledge practices for the company.

Review of Literature

The term knowledge management is coined by Kael Wig a consultant. He coined this term international labour organization sponsored conference in 1986.

Knowledge is the power/capacity for effective action. The organized data are information. The processed information in the actionable form is referred as knowledge. The knowledge becomes wisdom when it is used for a good cause for a large number of people.

Knowledge management (KM) comprises a range of strategies and practices used in an organization to identify, create, represent, distribute, and enable adoption of insights and experiences. Such insights and experiences comprise knowledge, either embodied in individuals or embedded in organizational processes or practice.

The management of intellectual that has been formalized captured and leveraged to produce higher valued asset. Knowledge management involves leveraging existing knowledge inside an organization and creating new knowledge in the process, connecting people to people to expertise and to vital information. Knowledge management is engaging employees to share individual knowledge to create organizational knowledge will help to create sustainable advantage.

A systematic explicit and deliberate building, renewal and application of knowledge to maximize enterprise knowledge related to effectiveness and returns from its knowledge assets. Thus knowledge management is continuously creating upgrading organizational knowledge in order to maximize the returns from its knowledge assets.

- ◆ **Explicit knowledge:** The skills and facts which can be written down and taught to others. Transmittable in formal, systematic language it enables you to make sense out of information to inform decision making processes and to construct proposals for action.
- ◆ **Tacit knowledge:** The skills judgement and intuition people have but cannot easily described. Residing in peoples heads and acquired over time based on thoughts, feelings, instinct, experience. It is personal context specific but difficult to formalize and communicate in verbal or written form.

Sustainable competitive advantage a firm has comes from what it “collectively knows,” how efficiently it uses what it knows and how readily it “acquires and uses new knowledge,” in short by *becoming a Knowledge Driven Organization*. Knowledge Management (KM) provides an enabling framework to derive this advantage. It helps institutionalize processes to fully leverage the “collective knowledge” in an organization.

Knowledge management refers to all systematic activities for creation and sharing of knowledge so that knowledge can be used for the success of the organization. KM processes provide a framework for connecting people to people and people to information, to develop and share distilled learning and best practices.

The key knowledge management processes are:

- ♦ Linking people to people in teams through formal / informal structures, for them to effectively share knowledge.

A Community of Practice (CoP) is one such useful structure. In large organizations with geographical spread, multiple business units, businesses, organizational silos are likely to constrain effective knowledge sharing and leveraging of collective knowledge of the enterprise. Communities of practice (knowledge communities or teams) formed around core competencies of the company help overcome this constraint.

A COP is a team of people who are practitioners of a well-defined knowledge domain (Packaging, engineering, sales etc.) who come together to capture, create and share relevant knowledge, in pursuit of business excellence. Such a team is empowered to develop best practices, maintain the knowledge repositories, and develop and deliver relevant training programs to build the capability in the knowledge domain.

- ♦ Linking people to information / knowledge repositories / best practices - Intranets with efficient search engines provide an effective way to connect people to knowledge repositories with the capability for easy retrieval of needed information.

knowledge management is essentially a people related discipline, with focus on strengthening collaborative team effort to leverage collective knowledge of the enterprise.

HR has a pivotal role to play in the KM movement. Key HR processes -- Corporate Education, Performance Management and nurturing (sharing, doing and caring) culture, have a very significant role in the development of the knowledge-based enterprise.

Talent management, which is the domain of HR and knowledge management are closely interrelated. While Talent Management focuses at individual level -- recruitment, training, skill and competency development and career planning of an individual, knowledge management focuses on people at collective level, how to leverage the collective knowledge of the enterprise, through Mentoring and knowledge sharing and collaborative team working.

Individual Knowledge Conversion Process

Individual knowledge conversion process takes knowledge

SOCIALISATION: knowledge is converted from tacit through sharing and exchanging experiences. **EXTERNALIZATION:** Tacit knowledge is converted into explicit concepts like analogies, models, generalizations, etc. **COMBINATION:** Knowledge is converted from explicit to explicit by reconfiguration of existing information by infusing modifications. **INTERNALISATION:** Knowledge is converted from explicit to tacit. This is related learning by reading, listening and doing.

A theory of organizational knowledge creation is advanced, defined as the process that expands the knowledge created by individual members and makes it a part of the organization's knowledge system. It operates on the assumption that social interaction between tacit and explicit knowledge is the channel through which human knowledge is created and expanded. The model involves four methods of converting tacit and explicit knowledge, namely socialization, externalization, combination and internalization.

Where formal organizations are the setting in which decisions are made, the particular decisions or policies chosen by decision-makers can often be explained through reference to the organization's

particular structure and procedural rules. Such explanations typically involve looking at the distribution of responsibilities among organizational sub-units, the activities of committees and ad hoc coordinating groups, meeting schedules, rules of order etc. The notion of fixed-in-advance *standard operating procedures* (SOPs) typically plays an important role in such explanations of individual decisions made.

Knowledge Management Process

Knowledge management process involves continuous interaction among organizations knowledge assets, intellectual capital and leadership.

Beckman's has proposed an eight stage knowledge management process. These stages include;

- ◆ IDENTIFY STAGE: This stage includes identification of competencies necessary for organizational success.
- ◆ COLLECT STAGE: This stage includes acquiring existing knowledge, skills, experience, etc to possess the competencies.
- ◆ SELECT STAGE: This stage deals with assessment of value of collected knowledge against the standard requirements for success.
- ◆ STORE STAGE: This stage takes nuggets of knowledge, classifies them and includes them in organizational existing knowledge.
- ◆ SHARE STAGE: This stage makes the new and existing organizational knowledge accessible for employees.
- ◆ APPLY STAGE: This stage enables employees to apply knowledge in organizational activities, decision making, problem solving, exploiting etc.
- ◆ CUSTOMER ACCEPTANCE: This stage involves obtaining customers acceptance/clients approval for the products/services produced developed based on the knowledge.
- ◆ CREATE STAGE: This stage involves development of new knowledge through observation, feedback, brainstorming, failures in the previous events etc.

Technologies

Early KM technologies included online corporate yellow pages as expertise locators and document management systems. Combined with the early development of collaborative technologies (in particular Lotus Notes), KM technologies expanded in the mid-1990s. Subsequent KM efforts leveraged semantic technologies for search and retrieval and the development of e-learning tools for communities of practice.

More recently, development of social computing tools have allowed more unstructured, self-governing or ecosystem approaches to the transfer, capture and creation of knowledge, including the development of new forms of communities, networks, or matrixes organizations. However such tools for the most part are still based on text and code, and thus represent explicit knowledge transfer. These tools face challenges in distilling meaningful re-usable knowledge and ensuring that their content is transmissible through diverse channels.

Software tools in knowledge management are a collection of technologies and are not necessarily acquired as a single software solution. Furthermore, these knowledge management software tools have the advantage of using the organization's existing information technology infrastructure. Organizations

and business decision makers spend a great deal of resources and make significant investments in the latest technology, systems and infrastructure to support knowledge management. It is imperative that these investments are validated properly, made wisely and that the most appropriate technologies and software tools are selected or combined to facilitate knowledge management. A set of characteristics that should support decision makers in the selection of software tools for knowledge management are available.

Knowledge management has also become a cornerstone in emerging business strategies such as Service Lifecycle Management (SLM) with companies increasingly turning to software vendors to enhance their efficiency in industries including, but not limited to, the aviation industry.

Need For Knowledge Management

- ◆ Reductions in staffing create a need to replace informal knowledge with formal methods.
- ◆ Competitive pressures reduce the size of the work force that holds valuable business knowledge.
- ◆ The amount of time available to experience and acquire knowledge has diminished.
- ◆ Early retirements and increasing mobility of the work force lead to loss of knowledge.
- ◆ There is a need to manage increasing complexity as small operating companies are trans-national sourcing operations.
- ◆ Changes in strategic direction may result in the loss of knowledge in a specific area.

To these paraphrases of Ms. Macintosh's observations we would add:

- ◆ Most of our work is information based.
- ◆ Organizations compete on the basis of knowledge.
- ◆ Products and services are increasingly complex, endowing them with a significant information component.
- ◆ The need for life-long learning is an inescapable reality.

In brief, knowledge and information have become the medium in which business problems occur. As a result, managing knowledge represents the **primary** opportunity for achieving substantial savings, significant improvements in human performance, and competitive advantage.

It's not just a Fortune 500 business problem. Small companies need formal approaches to knowledge management even more, because they don't have the market leverage, inertia, and resources that big companies do. They have to be much more flexible, more responsive, and more "right" (make better decisions) — because even small mistakes can be fatal to them..

Research Methodology

Research Design

The research design indicates the type of research methodology under taken to collect the information for the study.

The researcher used descriptive of research design for her research study. The main objective of using descriptive research is to describe the state of affairs as it exists at present. It mainly involves surveys and fact finding enquiries of different kinds. The researcher used descriptive research to discover the characteristics of customers. Descriptive research also includes demography characteristic of consumer who use the product.

The researcher also used analytical research design to analyse the existing facts from the data collected from the customer.

Research instrument

The Structured questionnaire was used as the research instrument for the study to collect the primary data.

Questionnaire design

The questionnaire framed for the research study is a structured questionnaire in which all the questions are predetermined before conducting the survey. The form of question is of both closed and open type.

The scales used to evaluate questions are:

- ◆ Dichotomous scale (Yes or No)
- ◆ Category scale (Multiple items)

The questionnaire for the research was framed in a clear manner such that it enables the respondents to understand and answer the question easily. The questionnaire was designed in such a way that the questions are short and simple and is arranged in a logical manner.

Sample design

A Sample design is a definite plan for obtaining a sample from a given population. It is the procedure used by the researcher in selecting items for the sample.

Sample unit

From the 300 population, a sample size of 75 has been chosen for the questionnaire survey on the basis of convenience sampling.

Determination of Sample Size

Convenience sampling has been used to arrive at a sample size of 75.

Data Collection Method

Primary data

Primary data is the new or fresh data collected from the respondents through structured scheduled questionnaire.

Secondary data

The secondary data are collected through the structured questionnaire, literature review and also from the past records maintained by the company.

H1: There is significantly positive effect of knowledge management on organizational effectiveness
Conceptual Framework The extensive review of prior literature gives a brief glimpse about the variables and the formulated concept in considering those aspects discussed above. The independent variable is

knowledge management capabilities which are composed of assimilation and dissemination. Independent variables Knowledge Management Capabilities

- ◆ Assimilation
- ◆ Dissemination
- ◆ Dependent variables Organizational Effectiveness
- ◆ Competitive Advantage
- ◆ Innovation
- ◆ Process Improvement
- ◆ Schematic Diagram

H1: Knowledge management has positively significant effects on organizational effectiveness

Discussion and Implication

This study provides conformity about the relationship among the knowledge management and organizational effectiveness that proves to be highly significant and positively correlated. This study has provided empirical support and positive contribution of knowledge management is seen and its amplification proves the organization at competitive position and the same was reported by Davey (2005) who has claimed and reported the knowledge management is the integral part to achieve the organizational effectiveness which embraces organization at competitive position. This proclamation describes that 92% of knowledge management amplification to attain the competitive advantage. The same was claimed by Solomon and Goldsmith (2005) realized the real value of KM to be the effective role playing to achieve the organizational effectiveness. Hence the H1 is accepted

Conclusion

Knowledge management is an efficient way of organizing, development, monitoring and development of system, technology, process and people to control over the concerns of production, sharing, knowledge, distribution, dissemination and use of knowledge in the organization. Knowledge is an essential instrument to effectuate the performance of the organization. To maintain the effectiveness of organization knowledge transferability is core component in making innovation and process improvement. Knowledge is acquired, disseminated and retrenched through innovation. Knowledge is disseminated along the hierarchy levels and spiral around the whole organization which ultimately results into the provision of relevant and useful information to the required personnel. Distribution of knowledge amongst the managerial levels and diffusion of preserved knowledge that comes up with the implementation of accorded action plan in alignment of the organizational vision. Managing the resource by assimilation activists of knowledge Assimilation of relevant information helps in implementation and action strategy that controls the way of knowledge and information and its inclination with the inside employees, processes and consolidating in competitive advantage for enhancement of organization growth. Findings shows that the effective communication to the staff and line managers about the current business and orientation about the future goals of the business. In today's dynamic environment organizations should be flexible enough to adopt new technological knowledge to improve the performance of their processes and helpful to redesign/reengineer and innovate new skills for their employees.

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