

NETWORK NIRVANA: MANAGING KNOWLEDGE IN THE POSTMODERN ORGANIZATION

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Abstract

Knowledge- the insights, understandings, and practical know-how that we all possess, is the fundamental resource that allows us to function intelligently. The present day challenges of an organisation makes it imperative for them not to rely upon the age old way of remaining competitive in the market necessitating the knowledge creation and consistent innovation. Over time, considerable knowledge is also transformed to other manifestations as these transformations result in cumulated expertise and, when used appropriately, increased effectiveness. Knowledge is one, if not the, principal factor that makes personal, organizational, and societal intelligent behavior possible. Given the importance of knowledge in virtually all aspects of daily and commercial life, knowledge must be managed effectively to ensure that the basic objectives are attained to the greatest extent possible. In this context, knowledge management in organizations must be considered from different perspectives—business, management and operational perspectives, with different horizons and purposes. This paper tries to explore knowledge management (KM) in the postmodern organisation covering genesis of the concept of KM, its components and its relevance and successful application of the concept of KM in organizations.

INTRODUCTION

Historically, knowledge has always been managed, at least implicitly. However, effective and active knowledge management requires many new perspectives and techniques and touches on almost all facets of an organization. We need to develop a new discipline and prepare a cadre of knowledge professionals with a blend of expertise that we have not previously seen.

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Knowledge Management (KM) in organizations starts with the basic understanding of the concept of data, information, knowledge and wisdom. KM is the explicit and systematic management of vital knowledge and its associated processes of creating, gathering, organizing, diffusion, use and exploitation. It requires turning personal knowledge into corporate knowledge than can be widely shared throughout an organization and appropriately applied. The activities of KM include devising ways and techniques to harness the experiences of others. While innovative companies have long appreciated the value for knowledge to enhance their products and customer service, it is only recently that organizations have started to make concerted efforts to harness the power of KM. Texas Instruments, Hewlett-Packard, Dow Chemicals and British Petroleum are excellent examples of companies who have successfully used KM to their competitive advantage.

Though organizations realize the importance of Knowledge Management, it is not necessary that the Knowledge Management initiatives of all organizations would be successful. Certain key features could be found to be common across all organizations which have successfully implemented Knowledge Management. These are, commitment of the top management, a knowledge leader or champion, a clear value proposition, a compelling vision and architecture, creation of a culture that supports innovation, learning and knowledge sharing, a technical infrastructure that supports knowledge work and systematic knowledge processes, supported by specialists in information management (librarians) but with close partnership between users and providers of information.

Some companies fail in implementing Knowledge Management basically because it involves a change in culture from "Knowledge is Power" to Knowledge Sharing is power". Mostly employees are not willing to adapt themselves to the changed culture. Since knowledge management goes beyond the remit of any single function or discipline, all functions must collaborate, which again is a difficult exercise. Also organizational recognition and reward systems usually do not sufficiently recognize knowledge contributions. They are linked to traditional financial measures.

All in all Knowledge Management is a very powerful tool which if properly used by the companies can go a long way in synergising the learnings of different people in the organization. Organizations ought to realize that Knowledge

management is not something incidental - it has to be undertaken if organizations have to survive in this cutthroat competition.

Recent years have seen an explosive increase of interest in Knowledge Management (KM) as well as a massive outpouring of books and articles on the subject resulting in many organizations embarking upon their own KM programmes. A KPMG survey (KPMG, 1998) of 100 leading UK firms found that a staggering 43% of respondents were undertaking some kind of KM initiative.

CONTEXTUALISING KNOWLEDGE MANAGEMENT

Like water, the rising tide of data can be viewed as an abundant, vital and necessary resource. With enough preparation, we should be able to tap into that reservoir — and ride the wave by utilizing new ways to channel raw data into meaningful information. That information, in turn, can then become the knowledge that leads to wisdom. Before attempting to address the question of knowledge management, it's probably appropriate to develop some perspective regarding just what knowledge really is for which there seems to be such a desire to manage.

Data would be the starting element, which is just a meaningless point in space and time, without reference to either space or time. A collection of data is not information and it implies that a collection of data for which there is no relation between the pieces of data is not information. The pieces of data may represent information, yet whether or not it is information depends on the understanding of the one perceiving the data.

While information entails an understanding of the relations between data, it generally does not provide a foundation for why the data is what it is, nor an indication as to how the data is likely to change over time. Information has a tendency to be relatively static in time and linear in nature.

Beyond relation there is pattern, where pattern is more than simply a relation of relations. Pattern embodies both a consistency and completeness of relations which, to an extent, creates its own context. Pattern also serves as an Archetype with both an implied repeatability and predictability. When a pattern relation exists amidst the data and information, the pattern has the potential to represent knowledge. It only becomes knowledge, however, when one is able to realize and understand the patterns and their implications.

Wisdom arises when one understands the foundational principles responsible for the patterns representing knowledge being what they are. And wisdom, even more so than knowledge, tends to create its own context. We have a preference for referring to these foundational principles as eternal truths, yet we find people have a tendency to be somewhat uncomfortable with this labeling. These foundational principles are universal and completely context independent. So, in summary the following associations can reasonably be made:

- Information relates to description, definition, or perspective (what, who, when, where).
- Knowledge comprises strategy, practice, method, or approach (how).
- Wisdom embodies principle, insight, moral, or archetype (why).

Having these categories we can get hold of, maybe we can figure out what can be managed.

Knowledge – interactions, Integration and Complexities

If one studied all the individual components of this pattern, which represents knowledge, they would never discover the emergent characteristic of growth. Only when the pattern connects, interacts, and evolves over time, does the principle exhibit the characteristic of growth. Note that the sequence data -> information -> knowledge -> wisdom represents an emergent continuum. That is, although data is a discrete entity, the progression to information, to knowledge, and finally to wisdom does not occur in discrete stages of development.

One progress along the continuum as one's understanding develops. Everything is relative, and one can have partial understanding of the relations that represent information, partial understanding of the patterns that represent knowledge, and partial understanding of the principles which are the foundation of wisdom. As the partial understanding becomes more complete, one moves along the continuum toward the next phase.

KNOWLEDGE MANAGEMENT AND ITS WORTH

In an organizational context, data represents facts or values of results, and relations between data and other relations have the capacity to represent information. Patterns of relations of data and information and other patterns have the capacity to represent knowledge. For the representation to be of any utility it

must be understood, and when understood the representation is information or knowledge to the one that understands. Yet, what is the real value of information and knowledge, and what does it mean to manage it?

One must understand that data doesn't predict trends of data. What predicts trends of data is the activity that is responsible for the data. For a typical sales firm to be able to estimate the sales for next quarter, we would need information about the competition, market size, extent of market saturation, current backlog, customer satisfaction levels associated with current product delivery, current production capacity, the extent of capacity utilization, and a whole host of other things. When we would be able to amass sufficient data and information to form a complete pattern that we understood, we would have knowledge, and would then be somewhat comfortable estimating the sales for next quarter. Anything less would be just fantasy!

In this example what needs to be managed to create value is the data that defines past results, the data and information associated with the organization, its market, its customers, and its competition, and the patterns which relate all these items to enable a reliable level of predictability of the future. What we would refer to as knowledge management would be the capture, retention, and reuse of the foundation for imparting an understanding of how all these pieces fit together and how to convey them meaningfully to some other person. The value of Knowledge Management relates directly to the effectiveness with which the managed knowledge enables the members of the organization to deal with today's situations and effectively envision and create their future. Without on-demand access to managed knowledge, every situation is addressed based on what the individual or group brings to the situation with them. With on-demand access to managed knowledge, every situation is addressed with the sum total of everything anyone in the organization has ever learned about a situation of a similar nature. Which approach would you perceive would make a more effective organization?

KNOWLEDGE MANAGEMENT IN TODAY'S ORGANIZATIONS

KM in organizations starts with the basic understanding of the concept; viz. Knowledge management is the explicit and systematic management of vital knowledge and its associated processes of creating, gathering, organizing, diffusion, use and exploitation. It requires turning personal knowledge into corporate knowledge that can be widely shared throughout an organization and appropriately

applied. Some of the compelling reasons for knowledge management initiatives are driven by the limitation of similar types of competitive advantage instruments like TQM and BPR, the capacity of the knowledge to command a premium price in the market, avoidance of mistakes, sharing of best practices and most importantly the drive for innovation.

The research shows that companies adopt two broad thrusts in applying knowledge management methods:

1. Sharing existing knowledge better - making implicit knowledge more explicit and putting in place mechanisms to move it more rapidly to where it is needed;
2. Innovation - making the transition from ideas to commercialization more effective.

The activities of knowledge management would entail appointment of a knowledge leader - to promote the agenda, develop a framework, Creation of knowledge teams- people from all disciplines to develop the methods, Develop Knowledge bases - best practices, expert directories, market intelligence etc. Active process management - of knowledge creation, gathering, storing etc., Knowledge Centers - focal points for knowledge skills and facilitating knowledge flow, collaborative Technologies, intellectual Capital teams, knowledge webs and shareware.

SUCCESSFUL INITIATIVES

Those companies that have applied knowledge management techniques are already reporting bottom-line business benefits. British Petroleum for example speeded up the solution of critical operation problems by introducing virtual team working using videoconferencing, Dow Chemical by focusing on the active management of their patent portfolio have generated over \$125 million in revenues from licensing and other ways of exploiting their intangible assets, Texas Instruments have saved the equivalent of investing in a new plant by sharing best practice between their semiconductor fabrications plants and Hewlett-Packard - by sharing expertise already in the company, but not known to their development teams, now bring new products to market much faster than before. Some of the recurring success factors of KM initiatives were;

- A knowledge leader or champion - someone who actively drives the knowledge agenda forward, creates enthusiasm and commitment
- Support of top management - a CEO who recognizes the value of knowledge and who actively supports the knowledge team in its work
- A clear value proposition - identification of the link between knowledge and the bottom line business benefit; new measures of performance and appropriate rewards.
- A compelling vision and architecture - frameworks that drive the agenda forward
- Creation of a culture that supports innovation, learning and knowledge sharing. This is usually supported by appropriate reward mechanisms.
- A technical infrastructure that supports knowledge work - from simple knowledge support tools to Intranets and ultimately more sophisticated groupware and decision support. Simulation, data mining and good document management also have a role.
- Systematic knowledge processes, supported by specialists in information management (librarians) but with close partnership between users and providers of information.

Usually, the knowledge agenda develops through a process of evaluation from pilot projects that are used to build capabilities and derive learning for subsequent applications.

ISSUES AND CHALLENGES

The biggest challenge reported by the practitioners of KM, is that of changing the culture from “knowledge is power” to “knowledge sharing is power”. Other common obstacles are:

- Apprehensions - afraid to learn from outsiders or expose internal operations to customers
- Focus on detailed process - rather than the big picture and the more chaotic process of knowledge creation
- Treating it as one-off project or quick-win - knowledge management is a commitment to the long-term: the organization’s future prosperity.

- Individual disciplines and 'turf wars' - knowledge management goes beyond the remit of any single function or discipline. All functions must collaborate.
- Organizational recognition and reward systems usually do not sufficiently recognize knowledge contributions. They are linked to traditional financial measures.

Knowledge management is not something incidental – it has to be undertaken if organizations have to survive in this cutthroat competition. To that end the most important thing is to recognize that the issue is that of 'knowledge' and not that of haphazard information. The processes involved in implementing the KM systems are also very important. Until and unless processes are robust, the utility of KM systems is going to be a suspect. And finally it has to be realized that KM systems have to be dynamic in nature – flexible and capable of changing with the exigencies of time. To that end a company has to define its knowledge sources very broadly.

IMPLICATIONS

The changing competitive landscape makes it imperative for today's organizations to find innovative ways to remain competitive. Recognition and importance of knowledge management provides the way towards this end hence it has become essential for management to create, innovate, monitor and protect its knowledge inventory for sustainable competitive advantage. The preceding discussion suggests that knowledge management has had positive impact on business processes. The processes can be made more effective by way of capturing the tacit knowledge of the workers and encourage them to share and communicate with peers. But all this requires an organization to create the environment where employees are committed to share knowledge and improve processes. In most organizations, the knowledge management is still uncharted territory. To promote a knowledge management environment, the foremost organizational imperative would be to modify and create knowledge management culture where employees are committed to knowledge sharing. This has to be followed by evaluation of firm's core knowledge and how they can be captured, processed and acted upon. Knowledge management initiative requires long term investment but it is being increasingly recognized to offer rich dividends to the organizations.

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