Knowledge Management In Digital Era - A Case Review Of Large Consulting Firms

Dr. Prachi Beriwala[1], Dr. Nidhi Singla[2]

[1]*Associate Professor, School of Management, Presidency University, Bengaluru,*

prachiberiwala@gmail.com, +91 9972400434

[2]*HR Professional & Faculty (Free lancer), New Delhi,*

singlanidhi233@gmail.com, +91 9999133233

Abstract

In this competitive fast-paced world where technology is changing with the blink of an eye, to be competitive and successful, it is seen that enterprises must create and sustain a balanced intellectual capital portfolio. Many organizations are now realizing that their competitive edge lies mostly in the brainpower - the intellectual capital - of their employees and management. To stay ahead of the pack, companies must leverage their knowledge, internally and externally. The Covid-19 pandemic has forced a quantum leap for digital adoption at any level or department be it industry or any organisation. However, effective digital transformation requires expertise. The most valuable resource of an organisation that is human capital, including their knowledge, should always be cared for and developed upon.

The paper studies the communication and networking of employees and managers to combine their knowledge and creativity in the KM framework and challenges they face in the digital era. This study assesses the potential of knowledge management to support organizations in achieving their goals and the possible barriers these may face while implementing KM strategies. The same is done by looking at major consulting firms like Deloitte, Ernst and Young, and Mckinsey. The aim is to study the explicit knowledge of the employees and hurdles in sharing this knowledge. It also examines the role of interventions and recognition and reward in influencing knowledge-sharing views and behaviors of employees.

1. Introduction

Knowledge management (KM) is the process of identifying, organizing, storing and disseminating information within an organization. (IBM cloud 2000)1 It helps in completing outcome focused tasks within a reasonable time and cost. It assists in training the employee, their satisfaction and retention. There are three types of knowledge -**Tacit (**that includes language, leadership skills and is very difficult to share), **Implicit** (that is technical know-how and can be shared to some extent) and **Explicit** (that can be shared and includes database and case studies.) This type of knowledge is well known and relates to capturing and storing data in specific format enabling people to find what they need.

Technology is inevitably a part of the KM process. Advanced technologies, modern ways of working, and shifts in workforce composition are rendering traditional views of knowledge management obsolete. The urgency of equipping our employees with up to date information has become the need of the hour.

With the technology at hand today, there are various management tools used to share knowledge. First, **Intranet** - a company's own internal private network internet that is used to share information and promote collaboration. Some examples are Microsoft Sharepoint, Team Spaces for Collaboration. These platforms are collaborative workspaces designed to allow teams to share documents, libraries, schedules and files. Users can store meeting minutes, reports, discussions and plans. Second, **web conferencing**- virtual meeting rooms and web conferencing are online, real-time tools that have been designed to allow participants to share presentations, applications and whiteboards during meetings. Videoconferencing technology allows two or more locations to communicate through two-way audio and video transmissions. Examples of web conferencing software are Skype, Microsoft Teams, Zoom. Other tools which enable sharing and transmission of knowledge are portals, repositories and knowledge bases (or hubs), threaded discussions and enterprise social networks (ESNs). This happens knowingly or unknowingly, formally or informally, and even willingly or reluctantly. The challenge at hand is managing knowledge assets in a proper manner which accelerates new product innovation and development and also facilitates organizational learning.

As stated earlier, it is a trial to store tacit knowledge but the consultancy firms in the study have found out a way to store it. The retention of intellectual capital is important to facilitate successful knowledge transfer to new employees coming to the organisation.(techcharge,

anupmaurya) The application of stored knowledge prevents duplication of work, cuts communication costs, and enables a company to focus on more innovative projects.

Moreover, the pandemic has given an enormous boost to the development of this field. With restricted mobility and limited access to physical documentation, organizations came up with innovative solutions which will be helpful in the long run as well.

2. Objectives and Scope

- To study various tools used to capture and digitalise knowledge
- To identify various barriers the organisation faces in exchange of firm and employee knowledge.
- To analyse how these barriers influence employee views and behaviors
- To suggest various solution to overcome these barriers

3. Research Methodology

An in-depth literature study was carried out to extract secondary data from reports, research papers, and grey literature. The review work is based on existing observational and compiled data. The case studies were carried out by examining public information portals and the consulting firms' websites.

4. Knowledge Management in large consulting firms- a case review of large consultancy firmMckinsey, Ernst & Young, Deloitte

KM plays a vital role in consulting firms as their product itself is knowledge. Therefore most consulting companies have developed highly sophisticated knowledge management systems and are widely seen as mentors for other companies. The central aim of KM is to get the right information to the right people at the right time, to help people share insights, and to improve the productivity of teams and thus increasing overall efficiency.

Tacit knowledge in these firms is managed in a number of different ways. Since there is a large amount of critical knowledge held in the heads of people, it is difficult to be captured in documents or systems. This is done by creating an expert network, where people can easily get in touch with these experts to help them do their job.(*Mckinsey, Ernst & Young*, 2021). That's just how Mckinsey and Ernst and Young use :

4.1. Personalization strategies

These consultancy firms focus on personalization strategy by creating one to one conversation between individuals by conducting brainstorming sessions. This way tacit knowledge of experts is transferred. A part of Mckinsey's mission statement is that as a firm, and as individuals, they are driven to be the best, develop unrivaled knowledge and convey that knowledge to every client, every time."

It also states that it invests around $600 million of their firm's resources annually in knowledge development, learning and capability building. They not only study markets trends and practices being carried out by other firms nationally and internationally. It develops its networks by setting a culture by job rotation method and also by maintaining directories of experts, and using it "consulting directors" whenever the team needs to consult it.

At Bain, the personalization strategy is implemented by building networks of people. The knowledge is shared not only face-to-face but also through the telephonic conversation and other social media platforms like email and video conferences.

Management consultancies like Ernst & Young, Mckinsey and Bain use a wide variety of technologies to create, store and utilize explicit knowledge. The codification strategy is used for this purpose. Two examples are Microsoft Teams and Slack, which are being used in many workplaces today, and have 13 million and 12 million daily active users, respectively as of 2019.

4.2. Codification strategies

Ernst & Young have implemented a codification strategy for the Knowledge Management by codifying using a "**people to documents**" approach:3 knowledge is derived from the person developing it, made independent of that person and reused for various purposes.

This approach helps in saving time for both the expert and the person seeking it by retrieving codified knowledge without looking for the person who originally developed it. This assists in knowledge reuse and enables expansion of the business. By using this codification strategy corporations like Ernest and Young have grown at a rate of 20 percent or more.

The various knowledge management tools used for codification strategy are:

4.2.1. Team Spaces for Collaboration

Team space platforms like Box, Confluence by Atlassian are used as collaborative workspaces that are designed to allow teams to share documents, libraries, schedules and files. These can also be used to store meeting minutes, reports, discussions and plans.

4.2.2. Intranets

This is the company's own private internal internet. Intranet software tools like Microsoft Sharepoint are widely used to share part of an organization's operations with its employees and to promote collaboration.

4.2.3. Web Conferencing

Web conferencing software like Microsoft Teams, Slack Calls, or Zoom are used as real by participants to share presentations, applications and whiteboards during meetings.

4.2.4. Portals

Portals are gateway websites that provide an array of services, a personalized homepage to users through customization, building blocks, and the integration of multiple sources. It acts as a document repository. A knowledge base is one kind of repository designed to store answers or solutions to problems, and to facilitate rapid search, retrieval and reuse. As well as helping users to browse and find content, repositories can be useful in conjunction with threaded discussions. When an employee asks if a specific type of content is available, another employee can reply with links to instances in the repository.

4.2.5. Threaded Discussions and Enterprise Social Networks (ESNs)

Enterprise Social Networks like Google Groups or Face book Groups are different tools that are used to carry out discussions on specific topics, with online and email posts and replies, searchable archives, and discussions grouped by threads. An Enterprise Social Network is an internal, private, social networking platform used for communication and collaboration within an organization that is used by the organizational team to communicate across the globe.

5. Barriers to knowledge management

A survey conducted by Deloitte in 2020 showed that only 16% of respondents felt any importance in integrating KM across departments and are participating willingly in developing KM strategies. (Deloitte Insights. Retrieved August 21, 2021, This attitude becomes a significant barrier for organizations which are trying to keep pace with the advancing world. The case studies illustrate certain barriers. First, the ambiguity from how the term is understood within an organization. KM could mean different things for different people and it is of utmost importance to bring everyone on the same page, aligning them perfectly with the goals and objectives. Second, lack of stability. Frequent shifting of positions of responsibilities, workplace locations, task teams etc. hinder a steady flow of information and knowledge exchange and can make it difficult to keep a track. According to the Global Human Capital Trends survey, 52 percent of respondents said that mobility of the workforce is the reason to develop their knowledge management strategies. And 35 percent said that the frequent job rotation is a barrier to effective knowledge management. Third, in today's time and age, people find it difficult to achieve a work-life balance and taking out time especially for recording and sharing their knowledge might seem like a huge burden to them even if they may be willing to share it. A survey carried out by Deloitte showed that there is a readiness gap and only 9 percent of employees in their organisation are very ready to address this trend though 75 percent of surveyed organizations say creating and preserving knowledge across evolving workforces is important or very important for their success. Employees feel the fear of losing it out to other employees. They feel that they will stop being an asset to the firm if they share their knowledge as they will lose their unique position in the society. Fifth, employees feel that there is no proper agent or channel for them to record their knowledge. Even if there is, they may feel incapable of using that platform to share knowledge. As per Statista, 306.4 billion emails were exchanged in 2020 alone. In the same breath, it is worthwhile to note that a survey conducted reported that 55% of organizational data in emails goes unused.

6. Factors that may help in improving the success of knowledge transfer

The combination of man and machines working together offers the greatest opportunity for creating knowledge in human history. To get the maximum benefits, organizations need to find out the ways through which they can promote knowledge creation, share, store and utilize it to help maximize human potential at work.

To facilitate organizational learning, it is imperative to build a knowledge sharing culture among employees. Organizations must ensure workers understand that sharing their knowledge makes them more relevant and valuable, not less.

It is important to have knowledgeable digital savvy leaders who can motivate others and make people understand why it is important to work in new ways, share their knowledge and how it will improve their efficiency and organizational success. This can be done by providing incentives by way of reward and recognition so this invaluable asset gives it best and works toward organisation progress.

7. Conclusions

The digital era has given birth to new ways of working. Remote working from home has flexible hours and has paved a way for workers to move digitally across teams, projects, geographies, jobs and organizations. This resulted in the movement of their critical knowledge also. The need to manage knowledge becomes even more urgent in the face of ever changing technology. By providing the accessible knowledge platform, the organisation ensures that all workers can easily utilize it and creates a more capable and devoted workforce. Knowledge now flows dynamically across the digital communications channels.

It can be stated that investing in Knowledge Management has a number of proven benefits for a company's operations. Its correct application can lead to a better organizational life and higher achievement both at individual and organizational level. Knowledge when documented becomes accessible to the entire company and improves decision making. It helps in preventing duplication of efforts and facilitates expansions into new domains. It also stimulates innovation as staff have time to consider multiple solutions to problems improving employees efficiency.

Strong leadership is key in choosing, adapting, and implementing a KM strategy. It is imperative that corporate culture, its motivating styles, values of a firm, employees wholehearted participation plays a key role in the generation of continuous innovation and its overall success.

References

1. Knowledge Management in large consulting firms-Mckinsey, Ernst & Young. (n.d.). Document360. Retrieved August 21, 2021, from https://document360.com/blog/knowledge-management-in-large-consulting-firms-mckinsey-ernst-young/

2. Knowledge management. (n.d.). Deloitte Insights. Retrieved August 21, 2021, from https://www2.deloitte.com/us/en/insights/focus/human-capital-trends/2020/knowledge-management-strategy.html

3. Knowledge Management. (2020, November 12). IBM Cloud Education. https://www.ibm.com/cloud/learn/knowledge-management

4. Christiansen, L. (2020, November 4). What is Knowledge Management and Why is it Important to Your Business?Hubworks. https://altametrics.com/en/business-intelligence/knowledge-management.html

5. https://techarge.in/knowledge-management/