

## **Supporting Knowledge Management through Organizational Structure**

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### **ABSTRACT**

In an era where competitive advantage is perceived to be linked to knowledge, considerable interest in knowledge management continues to be the trend. Knowledge management reflects a concern for developing a well-expressed and logical long-term plan for the intellectual assets of the organization. The establishment of an effective knowledge culture relies on the values and attitudes demonstrated by each employee. An effective knowledge organization seeks to align its strategic goals and priorities with the functional roles and tasks undertaken. HRM can help by linking support for those priorities to rewards, basic systems and processes. Knowledge management is based on the capacity to build knowledge practices into the habitual activities of the employees. This paper outlines the key principles or practices that should be reflected in the overall organizational structure, which, in turn, support and encourage knowledge management and Identifying the impact of organizational structure on knowledge management (KM) is the aim of this study, as well as recognizing the importance of each variable indicator in creating, sharing and utility of knowledge. A key message from this paper is that the knowledge philosophy must operate across all levels of the organization, and must be fully incorporated into well-publicized human resource practices throughout the entire organization.

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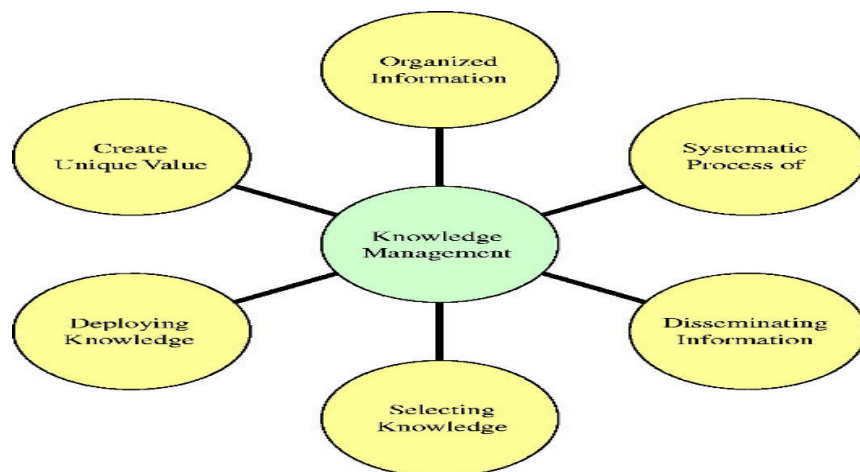
**Key words:** Knowledge management, Learning and Development, Organizational structure, Performance management, Staffing.

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## Introduction

Organizations have experienced many changes to the way they operate. The shift in focus from products to services has encouraged greater recognition of the importance of knowledge held within an organization. Knowledge is the process of translating information (such as data) and past experience into a meaningful set of relationships which are understood and applied by an individual. As the values of employees and organizational data have become more crucial to the organization's outcomes and competitiveness, the concept of knowledge management has emerged. Knowledge management is the process of identifying, capturing organizing and disseminating the intellectual assets that are critical to the organization's long-term performance. These intellectual assets include databases, documents, policies, and procedures as well as un captured, tacit expertise and experience resident in individual employee. Knowledge management focuses on building a culture of collaboration which enriches the firm's knowledge base.

The establishment of an effective knowledge culture relies on the values and attitudes demonstrated by each employee. One of the functions of the HRM is to apprise employees of the protocols and standards which operate in the organization. This helps knowledge management by giving employees cues as to the strategic value of knowledge, the expectation of the knowledge community and the desired competencies, and by encouraging appropriate skill development.



**Figure1:** Knowledge Management Components

Source: Author literature review

### *Knowledge Management (KM):*

This is, as the word implies, the ability to manage "knowledge". We are all familiar with the term Information Management. This term came about when people realized that information is a resource that can and needs to be managed to be useful in an organization. From this, the ideas of Information Analysis and Information Planning came about. Organizations are now starting to look at "knowledge" as a resource as well. This means that we need ways for managing the knowledge in an organization. We can use techniques and methods that were developed as part of Knowledge Technology to analyze the knowledge sources in an organization. Using these techniques we can perform Knowledge Analysis and Knowledge Planning.

### *Knowledge Analysis (KA):*

In Knowledge Analysis we model a knowledge source in such a way that we can analyze its usefulness, its weaknesses and its appropriateness within the organization. Knowledge Analysis is a necessary step for the ability to manage knowledge. Within Knowledge Analysis we can use knowledge modeling and knowledge acquisition techniques.

### *Knowledge Planning (KP):*

When an organization has a grip on its knowledge (i.e. has performed Knowledge Analysis), it will be able to plan for the future. An organization will now be able to develop a multi-year knowledge plan that defines how the organization will develop its knowledge resources, either by training its human agents, or by developing knowledge-based systems to support the human agents, or by other means that allow the organization to stay competitive each of our jobs, Liberians, etc.

### *Importance of KM*

To serve customers well and remain in business companies must: reduce their cycle times, operate with minimum fixed assets and overhead (people, inventory and facilities), shorten product development time, improve customer service, empower employees, innovate and deliver high quality products, enhance flexibility and adaptation, capture information, create knowledge, share and learn.

None of this is possible without a continual focus on the creation, updating, availability, quality and use of knowledge by all employees and teams, at work and in the marketplace.

### *Organizational structure*

Organizational structure refers to the levels of management and division of responsibilities within a business, which could be presented in an organizational chart. An organizational structure consists of activities such as task allocation, coordination and supervision, which are directed towards the achievement of organizational aims.

An organization can be structured in many different ways, depending on their objectives. The structure of an organization will determine the modes in which it operates and performs.

Organizational structure allows the expressed allocation of responsibilities for different functions and processes to different entities such as the branch, department, workgroup and individual.

Organizational structure affects organizational action in two big ways. First, it provides the foundation on which standard operating procedures and routines rest. Second, it determines which individuals get to participate in which decision-making processes, and thus to what extent their views shape the organization's actions.

### **Structural support for knowledge management through HRM**

HRM describes the organizational processes and systems that help with staff recruitment, selection and management, and provide guidance on required work activities, behaviors and values. HRM therefore serves three main purposes:

1. To staff the organization with people who have appropriate knowledge and expertise for the required roles.
2. To ensure the work undertaken contributes to achieving the organization's goals.
3. To develop systems and processes that encourages good practice.

Figure 1 depicts five structural elements that support the knowledge culture of the organization. First, the type of organization and its structure play a significant part in determining how readily knowledge can transfer across groups and individuals. Knowledge transfer is particularly affected by the mechanism for decision making, communication and the capacity to innovate. HRM systems and processes also either provide support or pose challenges to knowledge management. Beyond the organizational structure, there are four major areas of HRM activity that have a strong impact on knowledge management, namely:

1. Staffing
2. Performance management

3. Learning and Development

4. Evaluation and Review of HR processes

**Staffing** is the process of recruiting, selecting and retaining staff. This series of activities is important in matching appropriate people to the work requirements and culture.

**Performance Management** aims to identify and acknowledge those who perform well and to support those who are not performing as well as they could. The provision of feedback is important to these activities.

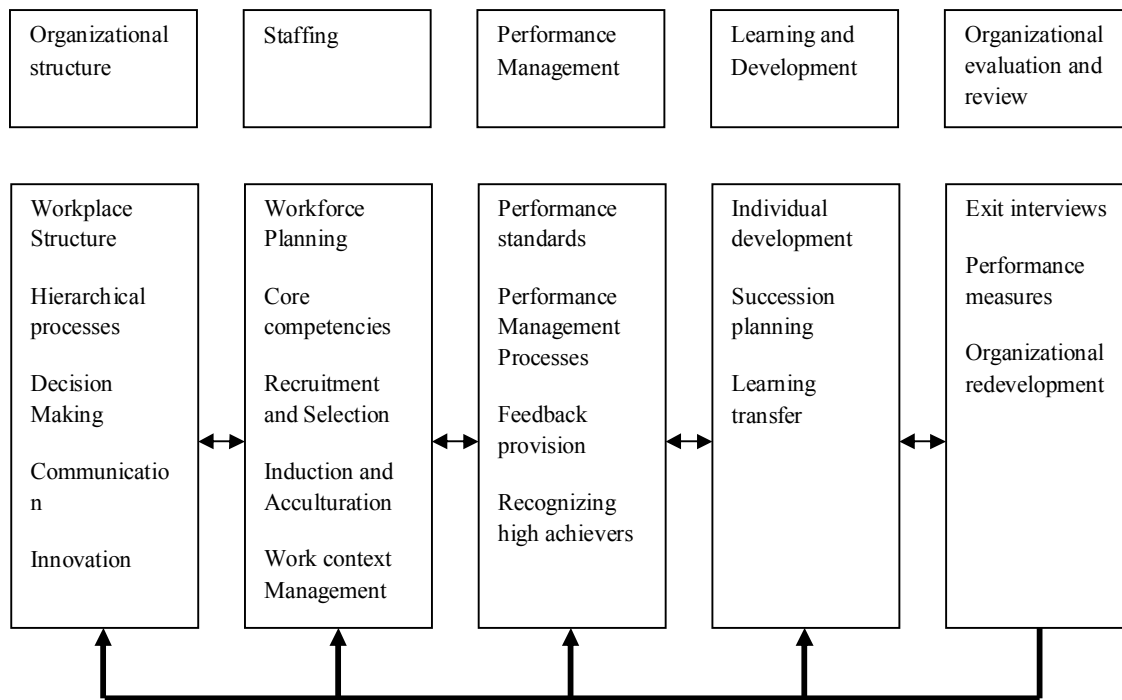
**Learning and Development** are the various ways an organization helps employees to grow and develop.

Organizations need to review their functionality and effectiveness on a regular basis.

**Organizational evaluation and review** describes the various activities which monitor the state of organization's culture and outcomes. This important component of HRM includes a range of checks, such as exit interviews with departing staff, performance measures, and monitoring organizational knowledge and its sharing.

*Recognition of the strategic value of the knowledge*

One of the biggest challenges facing knowledge-intensive workplace is to gain employee commitment to knowledge sharing. HRM helps direct employee attention towards those organizational priorities through its clarification and publicizing of the standards, role expectations and rewards that are applied in the organization. HRM systems which support this process include the recruitment and selection of new staff, where the value of the position is reviewed; the performance management process, where an individual's contribution is explored; and in the remuneration and recognition systems, where rewards and returns for outcomes are allotted. An efficient knowledge organization ensures that all members understand the importance of knowledge agenda and high priority is placed on knowledge sharing. HRM is useful vehicle for promoting this message.



**Figure 2:** Structural support for knowledge management

Source: Author literature review

### *Defining knowledge competencies*

Competencies associated with knowledge management settings include expertise relating to collaboration, information skills, management, strategic planning and relationship management. Because these are predominantly soft skills, that is, they relate to the way people work with others, they are less tangible, and longer to develop. It is also harder to measure the degree to which these desired competencies are nurtured, encouraged and demonstrated across the community.

### *Integrating Knowledge into HRM processes*

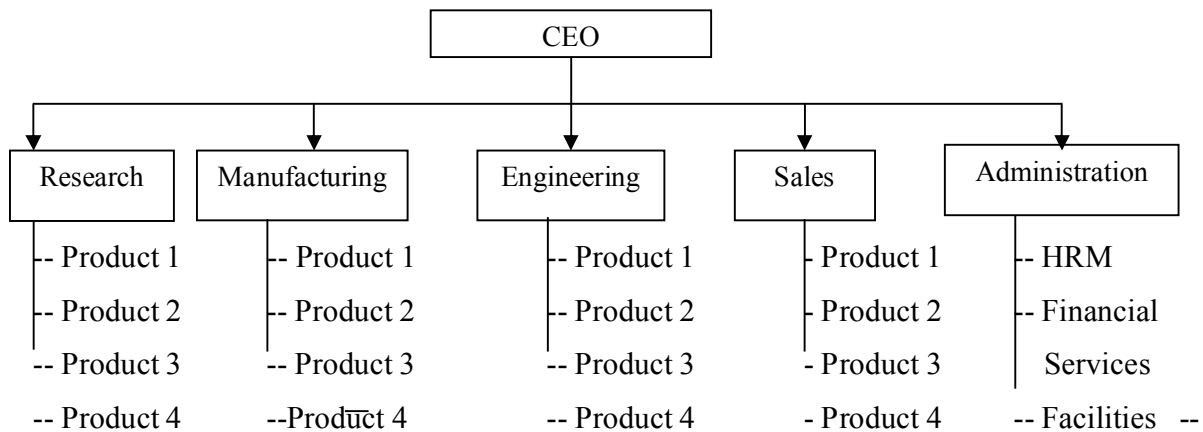
An effective knowledge organization seeks to align its strategic goals and priorities with the functional roles and tasks undertaken. HRM can help by linking support for those priorities to rewards, basic systems and processes. An effective knowledge community aims to merge these levels into a whole, so that strategic needs are reflected in HRM practices, and these are then enacted in the functional processes of local units.

*Impact of organizational structure on knowledge management*

Knowledge organizations seek to identify, generate and retain organization knowledge to ensure competitive advantage. Organizational structures influence the way power and responsibility operate in a firm and, by implication the way knowledge can be disseminated and adopted by others. Organizations may group employees according to function or division or both.

*Functional structure:*

When employees are grouped according to work function, members are located with others working in a similar field - for example, all accountants might be located in a finance section. This creates some cooperative action within a specific domain, but it can decrease the capacity to interact with and learn from others working in different fields. This form of grouping is often used by organizations with hierarchical processes for communication, decision making and performance accountability. In these work settings, the ability to build relationships in other areas is more challenging.

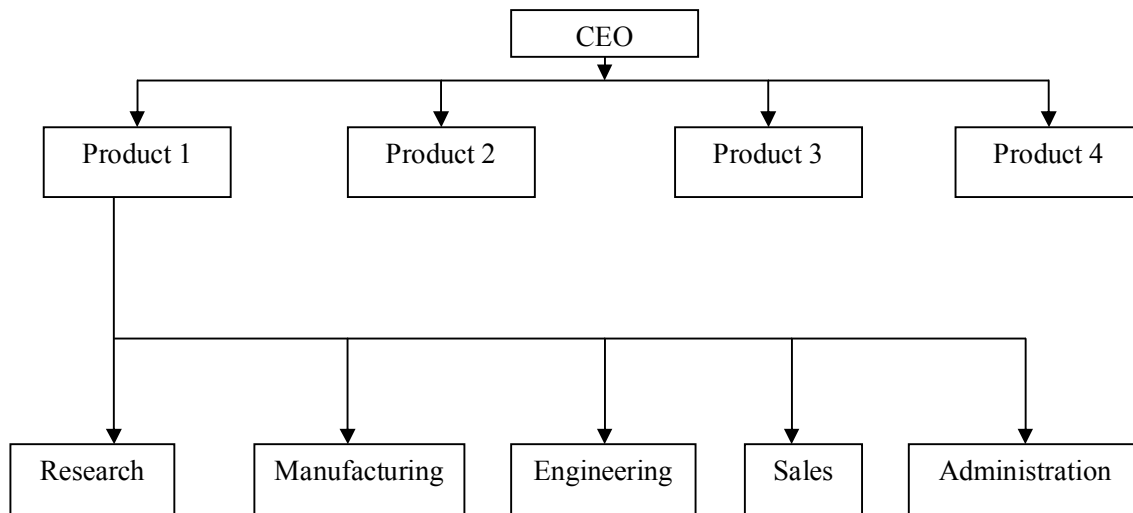


**Chart 1:** Organizational Structure using Function

**Source:** Author literature review

*Divisional structure:*

These are based around products, services or location. In this arrangement, roles are distributed across various groups to provide localized support. Different sections provide support for that product area, developing good knowledge of the product in the diverse members.



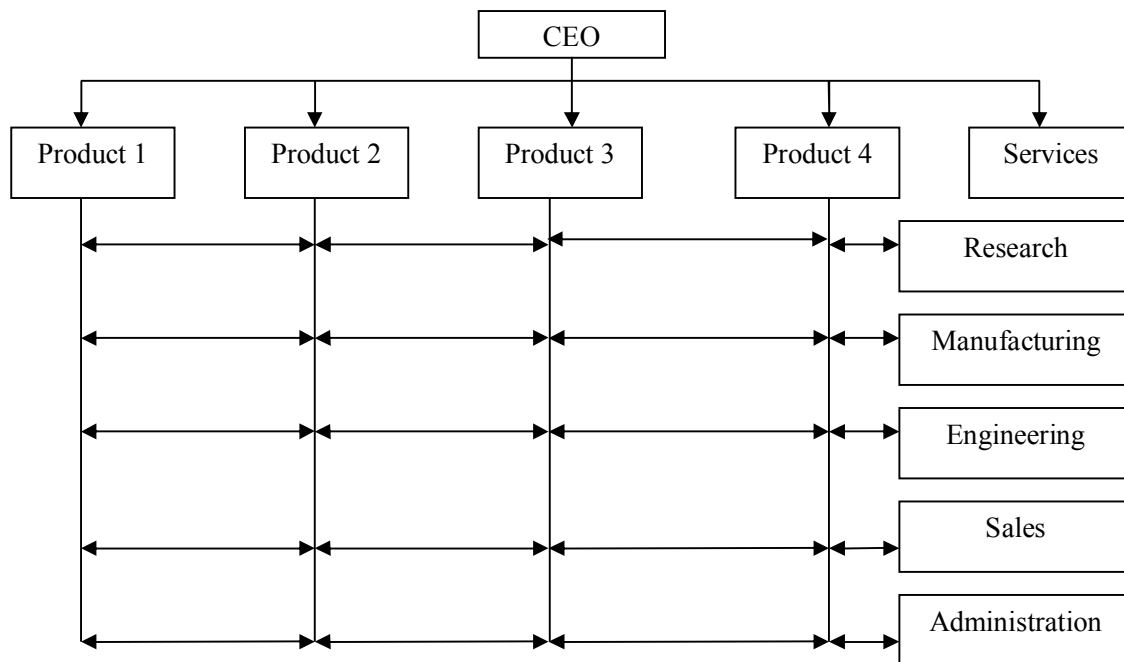
**Chart 2:** Organization Structure based on Division

**Source:** Author literature review

*Matrix Model:*

A third model combines the two formats, so that some elements are locally managed, and others are centrally driven. This matrix structure offers the benefit of both models while encouraging cross cross-fertilization of ideas and consistency. The matrix structure groups employees by both function and product. This structure can combine the best of both separate structures. A matrix organization frequently uses teams of employees to accomplish work, in order to take advantage of the strengths, as well as make up for the weaknesses, of functional and decentralized forms. An example would be a company that produces two products, "product a" and "product b". Using the matrix structure, this company would organize functions within the company as follows: "product a" sales department, "product a" customer service department, "product a" accounting, "product b" sales department, "product b" customer service department, "product b" accounting department. Matrix structure is amongst the purest of organizational structures, a simple lattice emulating order and regularity demonstrated in nature.





**Chart 3 :** Matrix based Organization Structure

**Source:** Author literature review

*Knowledge Structures:*

The structural arrangement of the knowledge culture leads to different approaches to organizational messages, HRM and knowledge management priorities. In emerging knowledge structures, all levels of organization are involved in operational, investment and adaptive strategies to support the organization's ongoing wellbeing as each individual contributes technical, collaborative and governance skills to the organization. The knowledge structure of an organization can be reflected in a range of activities. This can be seen by comparing three different types of setting: a technical firm, a research university and a pharmaceutical company. This structure works against an organization's desire to share knowledge, despite the overall need to do so.

<b>HRM Practices</b>	<b>Technical Firm (e.g. engineers)</b>	<b>Research University (e.g. academics)</b>	<b>Pharmaceutical company (e.g. research scientists)</b>
<b>Strategic Focus</b>	Integration of expertise to enable coordination of work roles.	Emphasis on building and sustaining areas of research excellence and overall reputation. Aims to develop international collaborative networks.	Emphasis on research and development (R&D) and client relationships to ensure economic viability.
<b>Organizational structure</b>	May be based around project teams, functional roles (e.g. tenders)	Frequently operates in defined hierarchies with strong identification with local unit or discipline. Competition for funds may be significant.	May revolve around specific project, or provide generic support to the whole community.
<b>Selection and Recruitment</b>	Emphasis on technical skills.	Emphasis on disciplinary skills and research expertise. Minimal concern for interpersonal skills.	Emphasis on research expertise and capacity to share and collaborate.
<b>Work roles/ standards</b>	Technical and team performance focus.	Autonomous and independent work roles.	May be structured around teams or individual outcomes.
<b>Coordination and control</b>	Project team leaders with high control and coordination.	Reliance on person's own work judgments.	Strong reporting and sharing of outcomes with other community members.
<b>Performance management</b>	Performance clearly defined and monitored. Regular performance reviews.	Commonly poorly managed – focused on individual outcomes, rather than collaborative achievements.	Based on achievement in furthering the organizational development.
<b>Rewards</b>	Contingent on project outcomes.	Often determined by individual's track record, which may not contribute to organizational priorities?	Based on knowledge contribution to enterprise and expertise provided.

Source: Author's Research

### **Conclusion**

Knowledge firms require effective alignment of strategic, operational and individual activities. The Organizational structure influences this alignment, as it directs the focus of the various activities according to the groupings and work flows which are formed through organizational structure. HRM influences the knowledge activities by providing strong messages about the culture, the work roles, performance requirements, activities which are rewarded, and the learning which is expected. Knowledge workers also require ongoing guidance as to how they are performing through an effective organizational structure. Defined performance standards, a performance development focus and appropriate rewards for high performers are important elements of the knowledge setting which can easily attained by proper structure.

Effective learning and development opportunities for the individual, succession planning and the transfer of learning to the employee's local area are also valuable support structures. At last we can say that this paper shows a relation between organizational structure and knowledge management and an effective organizational structure may be helpful in the implementation of knowledge management in the organization for its betterment.

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