

Role of Knowledge Management in Organisation, A Powerful Tool for Gaining Competitive Advantage- A SWOC Analysis from Theoretical Perspective

Deepthi .S

Research Scholar, (Part-Time), Department of Commerce & Research Centre, Iqbal College, University of Kerala, India

Abstract: *This paper proposes a conceptual framework of Knowledge Management, emphasizing basic concepts followed with increasing global competition in the business world in view of Indian context. Management of an organization in modern world is not only complex and sophisticated but it is also vital influencing the economic growth of a country. "Perhaps today there is no other latest activity which is as important and dynamic as management- the oldest of arts and newest of profession". Knowledge management is a new branch of management for achieving break through business performance through the synergy of people, process and technology. No doubt, Knowledge is becoming a critically important resource in contemporary business organizations. Knowledge management primarily focuses on knowledge possessed by people. There is a need for knowledge to be created, shared, learned, enhanced, organized and utilized in and out of the organization. Knowledge management is the process through which organization generates value from their intellectual and knowledge based asset. The focus of knowledge management is on 'doing the right thing' instead of 'dong things right'. Thus knowledge management is all about getting the right knowledge, in right place at right time.*

Keywords: Knowledge Management, Knowledge Management Practices, Knowledge Worker, Organisational Culture, SWOC Analysis

1. Introduction

This paper proposes a conceptual framework of Knowledge Management, emphasizing basic concepts followed with increasing global competition in the business world in view of Indian context. Management of an organization in modern world is not only complex and sophisticated but it is also vital influencing the economic growth of a country. "Perhaps today there is no other latest activity which is as important and dynamic as management- the oldest of arts and newest of profession". Knowledge management is a new branch of management for achieving break through business performance through the synergy of people, process and technology. No doubt, Knowledge is becoming a critically important resource in contemporary business organizations. Knowledge management primarily focuses on knowledge possessed by people. There is a need for knowledge to be created, shared, learned, enhanced, organized and utilized in and out of the organization. Knowledge management is the process through which organization generates value from their intellectual and knowledge based asset. The focus of knowledge management is on 'doing the right thing' instead of 'dong things right'. Thus knowledge management is all about getting the right knowledge, in right place at right time.

2. Need for the Study

Knowledge management is a topic of growing interest to large organizations. In today's world of dynamic environment and cut throat competitions one should be not only knowledgeable but also know, how to manage his knowledge to survive and succeed. In the same way organizations should possess knowledge workers and manage their knowledge successfully to have competitive advantage over the other organization and to stand as a market leader. While traditional three factors of production- land, labour and capital- have become easier to handle, In twenty first century, a fourth factor is increasingly and fast

becoming a hurdle or bottleneck for companies to grow. This is 'knowledge', which is at the heart of much of today's global economy and managing knowledge has become vital for companies' success. The very purpose of the organization will be achieved if knowledge is managed and utilized effectively.

3. Objectives of the Study

- The present paper aims at finding how far knowledge management act as a tool for achieving competitive advantage.
- To make a SWOC analysis which helps to understand about knowledge management as a strategic tool that could be used as a key factor to fulfill the mission of the organization.

4. Knowledge Management - A Theoretical Review

4.1 Knowledge – A Prime Resource

Knowledge is a prime resource of an organization in this competitive world. It can be defined as combination of data, information, context and experience. Knowledge can be described as a belief, values, religion, cultural, entirety of proficiency and skill that individuals use for problem solving and justified through discussions and action. Knowledge can be shared with others by exchanging information in appropriate contexts.

4.2 Knowledge Management

Knowledge Management is a set of integrative process of coordinating infrastructures and technical and managerial tools, designed towards creating, storing, sharing, capturing, diffusing, and effectively using knowledge by individuals and groups, in pursuit of organizational goals by providing

Volume 7 Issue 12, December 2018

www.ijsr.net

Licensed Under Creative Commons Attribution CC BY

space, time, tools, and encouragement. It is a management discipline (i.e. handle, direct, govern, control, coordinate, plan, organize, facilitate, enable and empower) that seeks to enhance organizational knowledge processing, with the purpose of contributing to the creation and maintenance of an organic, unified whole system, producing, maintaining, enhancing, acquiring, and transmitting the enterprise's knowledge base. In short, Organisation's mission, vision, objectives, plans, procedures, etc. should have a reflection of knowledge management.

4.3 Knowledge Management Practices

Knowledge management practices refer to the knowledge management process which comprises a range of practice used by organizations to identify, create, codify, transfer or share, storage and retrieve, and apply or utilize. In operative definition of the present study, knowledge management practices refer to the scores obtained from the scale which measures the knowledge management practices rated by primary school teachers. The knowledge management practices are divided into five process i.e. knowledge identification, knowledge creation and acquisition, knowledge codification, knowledge transfer or sharing, knowledge storage and retrieval, and knowledge application or utilization.

- a) **Knowledge Identification** is to determine what knowledge has to be taken into account. There are four steps of knowledge identification: scope identification, identification of need, determination of requirements and identification of knowledge maps.
- b) **Knowledge Creation and Acquisition** aims to focus on the development of new skills, new products better ideas and more efficient process. Steps of creation and acquisition are identify new idea, search and select new ideas, analysis of knowledge Management, analysis of knowledge culture, creates knowledge and establishes collaboration.
- c) **Knowledge Codification** is an action of discerning the location and value of knowledge, restraints to knowledge flow, and opportunities to leverage the value of knowledge. It is the process of converting tacit knowledge to explicit knowledge in a usable form for the organizational members. Knowledge codification serves the pivotal role of allowing what is known in the organization to be shared and used collectively.
- d) **Knowledge Transfer or Sharing** is the activities associated with the flow of knowledge from one party or one person to another and from one source or place to another.
- e) **Knowledge Storage and Retrieval refers to** the activities which involves knowledge embedded in a variety of forms like written documentation, electronic database, expert systems, documented organization procedures. One such mechanism identified by the knowledge management community is 'organizational memory'.
- f) **Knowledge Application or Utilization** refers to the process of using of knowledge that has been captured or created and put or stored in organization or knowledge management cycle.

4.4 Knowledge Management Resources

Knowledge management resources are the sources for enhancing the knowledge management practices.

Through an extensive literature survey, it could be realized that, knowledge management resources refer to three sources i.e. people, process and technologies.

(a) **People** are the human in the context of knowledge management who relay past experience and generate new ideas. People play the central role with identification, gaining, creation, saving, structuring, transferring and utilizing knowledge. Managing knowledge involves two groups of people: leader or manager and knowledge worker.

- **Leader** is a person who has influence over other people's behaviour, attitude and beliefs. He is a person who initiate, direct, support, advice, guide, compromise, coordinate, persuade, encourage and create a change in performance of a group in an efficient way.

- **Knowledge Worker** is the worker whose main capital is knowledge. Knowledge workers play a role in the handling and distribution of information. The important roles of knowledge workers are to bring benefits to organizations in a variety of important ways. These include analyzing data to establish relationships, assessing input in order to evaluate complex or conflicting priorities, identifying and understanding trends, making connections understanding cause and effect, ability to brainstorm, thinking broadly (divergent thinking), ability to drill down, creating more focus (convergent thinking), producing a new capability, and creating or modifying a strategy.

(b) **Process** in knowledge management refers to the methods and systems for generating, gathering, analyzing, organizing, disseminating and applying experiences, information and understanding for the benefit of an organization or society.

Knowledge Management System (KMS) and Organizational Culture

These two factors are considered to be affected on knowledge management practices in an organization.

Knowledge Management System (KMS) is one of the effective processes used in the knowledge management. It is a computerized system designed to support the creation, storage, and dissemination of information. Such a system contains a central repository of information that is well structured and employs a variety of effective and easy to use search tools that users can use to find answers to questions quickly.

Organizational Culture is defined as the set of shared values that help organizational members understand organizational functioning and thus guide their thinking and behavior. Organizational culture that leads to effective knowledge management should be focus on formalization, trust, learning and collaboration.

Knowledge Management as a Strategic Tool for Gaining Competitive Advantage

Knowledge Management now has become the latest strategy for the organizational competitiveness. Of course, there is always a link between knowledge and business strategy. By executing the systematic approach in strategic management, organization can ensure that knowledge management is an effective strategy of getting an exact knowledge to the right people at the right time. Therefore organization needs connection between knowledge assets and competitive advantage.

“KM is generally formed by the systematic process for creating, acquiring, disseminating, leveraging, and using

knowledge for the competitive advantage and to achieve organizational objectives”.

Integration between internal and external resources require organization to match. Internal strengths and weaknesses and external opportunities and threats.

Knowledge Management in this Competitive World

- A SWOC Analysis

A SWOC analysis has done in the light of available theoretical literature.

It reveals the following facts.

<p>Strength</p> <ul style="list-style-type: none"> • Knowledge worker and other resources available in the organisation • Availability of exact IT components to apply knowledge 	<p>Weakness</p> <ul style="list-style-type: none"> • Non availability of exact knowledge resources • Internal conflicting situations and Managing stress in the knowledge management process
<p>Opportunities</p> <ul style="list-style-type: none"> • It can be used as a key factor for decision making and formulation of business strategies • It can be coupled with information technology across worldwide and effectively used in change management 	<p>Challenges</p> <ul style="list-style-type: none"> • Management and Maintenance of Knowledge workers and other knowledge resources in the global competitive world • Identification of Internal and External Knowledge Gap

In short, the strength and weakness of an organization can be determined with the application of Knowledge Management Strategies. No doubt, a well conceived Knowledge Management Programme offer several benefits to an organisation to achieve its goals.

5. Conclusion

Knowledge is power. It is evident from the study is that, in today’s competitive world, Knowledge Management act as a key factor for decision making and in formulating business strategies. Knowledge management diagnoses the present problems and predict challenges that the organization will face in future. Recognising that Peter Drucker had identified the need for improving the effectiveness of Knowledge workers, as the “most important challenge of the Twenty First Century” knowledge management has become crucial to organizations world wide. Hence The Knowledge management strategy process should be carefully implemented and applied in the organizations. The very purpose is that it can help organizations to transform strategic vision and mission into action.

References

Books

[1] Al-Hawamdeh, S. (2002) 'Knowledge management: re-thinking information management and facing the challenge of managing tacit knowledge'.
 [2] Alavi, M. & Leidner, D. E. (2001) 'Review: Knowledge management and knowledge management systems: Conceptual foundations and research issues'.
 [3] Alavi, M. & Tiwana, A. (2002) 'Knowledge integration in virtual teams: The potential role of KMS'.
 [4] Ganesh Shermon, “Knowledge Human Resource Management” Himalayan Publishing House, 2007

[5] K. Aswarthappa, G. Sudarshana Reddy, “Business Environment for Strategic Management.
 [6] Knowledge Management – Enabling Business Growth – Ganesh Natarajan & Sandhya She Mahdjoubi, D. & Harmon, G. (2001) Knowledge management: a conceptual platform for the sharing of ideas.

Articles

[7] Ahoy K Johan, “Knowledge Management in Organisations – An Overview , IIMB, Management Review , December 2001.
 [8] Amrit Tiwana, The Essential Guide to Knowledge Management – E Business and CRM Application.
 [9] Deepak Chawla, Himanshu Joshi, (2010) "Knowledge management practices in Indian industries – a comparative study", Journal of Knowledge Management, Vol. 14
 [10] Gene Bellinger ‘Knowledge Management – Emerging perspectives’ (2005) and ‘The Knowledge centred organizations’ and ‘The effective organization’. Gordon P. Petrash (1997) ‘Visualizing, measuring and managing knowledge’, Research Technology
 [11] Sangameshwaran Prasad, “Knowledge Management”; Indian Management, May, 2003.y Management.

Websites

[12] www.knowledge-management-online.com/
 [13] <http://www.kmworld.com/>
 [14] www.brint.com
 [15] <http://www.gurteen.com/>
 [16] <http://kmwiki.wikispaces.com/>
 [17] <http://www.cup.ualberta.ca/>
 [18] <http://www.knowledgeboard.com/>