

Knowledge Management: A key for Achieving Sustainability in The Organizations with Special Reference to The Bikaner City

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Abstract

Organizations are complex organisms. In this information age, in order to grow and prosper, an organization must become a learning organization that understands both its roots and can branch out to new ventures. All organizations whether profit making, non-profit, and voluntary, share some of the same needs for sound knowledge management practices. Even non-profit organizations must use sound business practices to ensure prosperity.

Knowledge is seen as a driver for the definition and development of an organizational strategy and a key determinant of sustainable organizational competitiveness. The shift to knowledge as the primary source of value means that knowledge plays a key role in the organizational effectiveness. Knowledge management is a process to gather, store and retrieve knowledge and then help disseminate the information and knowledge to those who need it in a timely manner.

This paper highlights the importance of developing and managing the intangible assets and intellectual capital of organizations to create distinctive and sustainable value. It is an earnest attempt to the use of Knowledge Management as a tool for achieving strategic advantage in today's extremely competitive market scenario, with reference to the industries in the city of Bikaner, Rajasthan. Some of the factors that will impact knowledge management initiatives in the organizations at Bikaner have also been identified.

Keywords: Knowledge, Knowledge management, Knowledge sharing, Strategy, Sustainable competitive advantage

Introduction

"Knowledge can help us unlock the potential of our organizations, but only if all of us are prepared to change the way we think and the way we act." - De Cagna, Jeff

Knowledge management refers to strategic efforts of an organization to achieve a competitive advantage by capturing and using the intellectual capital apprehended by its employees and customers. Efforts to archive best practices and lessons learned, and to make better use of information stored in databases, also fall under the rubric of knowledge management. Advocates of knowledge management believe that capturing, storing, and the distributing knowledge will help employees work smarter, reduce duplication, and ultimately

produce more innovative products and services that meet the customers' needs and offer a good value.

Organizational Competitive Advantage

In the area of strategic human resource management, the most prominent frameworks is the "value-based" theory of competitive advantage, which proposes that sustainable competitive advantage is generated through resources that are "VRIO". This means that the resources are Valuable, Rare, difficult to Imitate, and supported by Organizational structures that allow them to be exploited efficiently (Barney & Wright, 1998). All of these factors are essential for a resource to build sustainable competitive advantage which cannot be easily imitated by competitors. Barney & Wright (1998)

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and Coff (1997) gave several examples showing the contribution of human resources in achieving sustainable competitive advantage. Despite of the factors that make human resources valuable are difficult to measure, somewhat uncertain, complex, and contain many intermediate linkages that must occur, people represent a key source of competitive advantage. When an organization can utilize resources that have multifaceted relationships, it is very difficult for other competitors to replicate them. The key is not only related to the resources themselves, but to the capability to use resources to strategic advantage (Stalk, Evans & Shulman, 1992). The theory of "high performance work systems" represents on increasing systematic evidence that certain "bundles" of "high-performance" work practices (e.g., performance-contingent pay, team-based work structures, selective recruitment and hiring, extensive training, etc.) are associated with higher financial performance of the organization (Arthur, 1992; Becker & Huselid, in press; Ichniowski, Shaw & Prensushi, in press; MacDuffie, 1995; Welbourne & Andrews, 1996). This perspective advocates the synergy of these practices working together creates the elements of strategic advantage. To conclude, it has been recommended that intellectual capital may elucidate the impact of people on organizations. The theory proposes that intellectual capital is well-established in the individuals, their relationships within the organization, and their relationships with customers (Sveiby, 1997). In addition, it has been proposed that both the stock and the flow of such intellectual capital elucidates the ability of organizations to build on their intellectual capital assets, and to utilize them in distinctive ways to achieve competitive advantage.

As a result, the above mentioned theories if taken together explain that the human resources can certainly be a source of organizational competitive advantage. Although they may not put forward an absolute explanation but capture logical mechanisms that recommend the potentially high value of human resources. Besides this they also explain why the value of human resource is not well captured in the traditional system of measurement in the organizations. Boudreau and Ramstad (1997) elucidate that traditional system of measurement in the organizations proceed from a model in which physical and financial capital are the most important resources, and so they are not well suited to

capture the complications of the contributions of human resource to the organization. A useful measurement framework for human resources will not only to provide a means for capturing the linkages between investments in people and organizational outcomes but also help to identify where the vital investments should be made.

Role of Knowledge Management

To remain at the competitive edge, knowledge management helps in aiming to increase the knowledge sharing within the organization. As we all know the main challenge with knowledge management lies in the ability to appraise each person's individual knowledge and its utilization to maximum extent. However, it is not only significant to implement the technology needed for knowledge sharing but also creating an environment that encourages people to actually participate in the knowledge sharing (Hylton, A. 2007).

As there is no conformity as to what comprise knowledge which in result derive that there is no universal definition of knowledge management. Knowledge management is in real meaning an organizing principle, which sets foundation for capturing the potentials of the acquired knowledge within an organization.

Knowledge management intends to leverage and exploit the distinctiveness of the organization to get the most out of the blend of people, processes, services and products that characterize the organizations individuality and position in their competitive market (Abell, A. & Oxbrow, N. 1999).

The content of knowledge of the products and services is going up which in result generate a need to add competence and the knowledge containing the product so as to become more competitive (Hlupic, V., Pouloudi, A. & Rzevski, G. 2002).

When a business faces competition marginally the only difference between the success and the failure may well depend on how effectively and efficiently it manages its knowledge (Davenport, T.H., de Long, D.W. & Beers, M.C. 1998).

The very essence of knowledge management is a mix of skills and experience, a new approach to organization

development, and a new focus on the management of the human resource (Abell, A. & Oxbrow, N. 1999).

The initiative in introducing knowledge management will help the organization to better manage, share, create and distribute its knowledge-based assets (Liebowitz, J., & Wright, K. 1999). Hence knowledge management is the process of creating value from intangible assets of an organization and also finding the best way to control knowledge and increase knowledge sharing (Abell, A. & Oxbrow, N. 1999).

Knowledge Sharing

In fact the significant component of knowledge management is to find out the methods to encourage people to share their knowledge (Beckman, T.J. 1999). The sharing of the knowledge can be done for instance by creating a positive and favorable environment and also by using incentives.

The majority of the organizations pursue knowledge sharing with the intention of fast innovation, to gear up their response to the demands of the workplace and the customers, and also to increase the productivity and the competency of the workforce. Knowledge sharing is a detailed process for creating, acquiring, synthesizing, learning, sharing and using knowledge and experience to achieve organizational objectives and goal. It is not just a simple exchange of information, but also affects relationships among the employees and helps in establishing a positive culture of sharing and learning from each other. As a result knowledge management can be the solution to a number of organizational problems, be it employee turnover, culture conflicts or innovation stagnation.

Significance of knowledge can be observed universally whether in society or a corporate world. In view of the fact that knowledge enlightens the human brain, develop the behavior of the person and also build up the attitude. So in order to make the society, a more civilized one, everyone have the same opinions that, to gain and to share the knowledge is the most important activity for the society and the corporate world as well.

As defined by Prusak and Davenport (1998) that knowledge is derived outcome of experiences, values,

contextual information, and insight of the experts that provide a framework for evaluating and incorporating new experiences and information.

Knowledge sharing can be improved by measuring the performance of the activities in the knowledge management projects. The control over the status of the knowledge sharing within the organization depends on the awareness of the current performance whether it is increasing or not which also helps in managing the project effectively. (Davenport, T. H. and Glasser, J. 2002)

It is important to encourage people to share knowledge instead of hoarding knowledge. And to solve this, it is vital to make sure that knowledge sharing is encouraged and that the people in possession of the knowledge understand the benefits of sharing it. Coleman recommends a vital linkage between knowledge sharing and business benefits which in result may motivate workers to take the time to share their knowledge (Coleman, D. 1999).

Therefore, the mission for every organization is to worth knowledge inputs from its employees. This in result will encourage more knowledge inputs since it will become clear that sharing of knowledge does not mean that to loose it. Sharing of knowledge will only create new knowledge base and increase the value of the organization as well as its employees. The real competitiveness of the organization depends on their employee's willingness to share and not the other way around and also to keep aware the employees who are supposed to do the sharing (Ågren, A, Olofsson, C. & Persson, M. 1999).

The prerequisites for knowledge sharing are also been identified by Ågren, Olofsson and Persson. These prerequisites are an encouraging environment, motivation, forums in which to share, providing relevant information and making it accessible and giving the employees sufficient time to share their knowledge (Hylton, A. 2007).

Conducive Environment for sustainability

The organizations have recognized knowledge as a key source of competitive advantage in the business world, but have little understanding of knowledge creation and

leveraging knowledge in practice. The traditional knowledge management approach is based on capturing existing knowledge within formal systems, such as databases. However in order to improve the knowledge management systematically in an organization, the participation of people who are fully engaged in the process of creating, refining, communication, and using knowledge in practice is required. The new economy has initiated a new dictionary containing words and phrases like knowledge capital, intellectual capital, learning organizations, intangible assets and human capital which illustrate new forms of economic value (Bontis, N.2000). Since last decades, in the global economy, the trend of product-driven economy based on tangible assets has been shifting towards a knowledge economy based on intangible assets (Kaplan, R.S., Norton, D.P.2004). The shift in result means that the knowledge component of products and services becomes a significant strategic resource as well as the dominant component of customer value (Quinn, J.B.1992). As a consequence, the ability to create, discover and unite knowledge into new products and services faster than the competitor can be said to be the only source of competitive advantage which can be leveraged (Davenport, TH, Prusak, L.1998).

The organization's ability to leverage the intangible assets is the main factor affecting the agility and competitiveness of organization in the global economy. And Knowledge is the key determinant of corporate value, as a result the organizations should be capable to identify, manage and measure their knowledge capital.

Hence in order to sustain their competitive edge, the organizations are required to build their intellectual capital and rapidly increase their knowledge management initiatives. These initiatives demand a facilitating and conducive environment that encourages the involvement of employees in knowledge creation. Consequently the organizations should build up the following environmental initiatives such as:

- Creation of a culture of employee involvement.
- Creation of a supportive and collaborative culture in the organization.
- Clear communication of the organization strategy among the employees.
- Alignment of knowledge networks within the organization and corporate strategy.
- Alignment of HRM processes - starting with HR

planning processes -with knowledge management philosophy.

- Building an inclusive culture that encourages employee participation across all hierarchies (e.g. TQM, BPR, IT, process-centric structures).
- Providing an appropriate IT/IS infrastructure and other media to facilitate the codification, diffusion and transfer of knowledge.
- Creation and maintenance of easy-to-use "knowledge maps".

Perspective of Knowledge Management at Bikaner

In comparison to the organizations in developed countries, the organizations in the developing countries do not have appropriate infrastructure for knowledge management projects. Several of organizations in the city of Bikaner certainly fall in this category. The senior management of these organizations has to understand the need for the development of critical knowledge and expertise is exceptionally essential for the success of their companies in future. Hence to find out the techniques and means to conserve the institutional memory and knowledge has turn out to be of vital importance.

The preconditions for the success of knowledge management initiatives requires the organizational culture, leadership, organizational structure, power structure, employee involvement and empowerment, management model, business process management which will encourage knowledge sharing. On most of these counts, the prerequisite conditions of the organizations at Bikaner for knowledge management fall below the acceptable levels.

Hence to accomplish the favorable organizational and societal culture, we come across with a far bigger problem. As some of the factors which act against knowledge management initiatives turn up from the societal culture. The cities like Bikaner are, in general, are not geared to support a knowledge culture. On general observation, the cultures that do not take care of the values of openness and appreciate knowledge sharing will not provide the appropriate human resource to the organizations for their knowledge management initiatives. Organizations have to make much greater effort in unreceptive societal culture as the employees of

the organization get a hold of a specific societal culture with them. As a matter of fact the knowledge management projects and initiatives can hardly be implemented where the societal culture creates “confidentiality” even for the frisky and simple issues.

Knowledge creation is apparently restrained in societies where loss of power is correlated with knowledge sharing. There has to be a shift in this paradigm in the societal culture at Bikaner. The organizations at Bikaner will have to make available the suitable and encouraging environment for knowledge management. As we all know that knowledge is embedded in people and its creation occurs in the process of social interaction. Hence the sharing and building of knowledge will be the resultant of the social processes of group effort. The employees in the organization will only share their tacit knowledge when they will be provided by a supportive culture for knowledge sharing. The real challenge of the organizations in Bikaner appears to be the conversion of tacit knowledge into explicit knowledge.

As a result in order to move further on into the knowledge management environment, the organizations at Bikaner will have to provide a favorable culture, collaborative management style, appropriate leadership, supportive organizational structure, etc.

The organizations at Bikaner require innovative knowledge so as to dominate in the industry by changing the basis for the competition. In fact they need to innovate to formulate new processes and products to facilitate sustainable competitive advantage. Otherwise without innovation, an organization’s value proposition will in due course be imitated, restraining competitive advantage.

Therefore in order to innovate and create new value, the organizations at Bikaner are required to prepare their employees with the appropriate learning and given the exact information about their organization. Hence it is important for the organizations to identify their knowledge assets and have the ability to utilize them.

Competitive advantage originates from the possession of knowledge assets, the foundations of organizational competencies, which in turn lead to process improvement and product innovation (Teece, D.J. 1998). More and more, organizations are transforming

themselves into ‘learning organisations’ so that their knowledge assets can be continuously expanded and the capacity of performance can be enhanced (Senge, P. 1990).

Conclusion

The corporate and the business strategy of an organization illustrates its approach towards value creation for its stakeholders, describes its customer value proposition and the approaches to transform its intangible assets into tangible outcomes.

Value creation can only be sustainable when the core competencies which are the foundations of the customer value proposition, are enhanced. Hence in order to develop the core competencies regularly, the organization must align its knowledge assets that support the organization’s key capabilities with its corporate strategy. (Prahalad, C.K., Hamel, G. 1990).

In the era of globalization, the rules for sustainable competitive advantage has changed as shown in the changing market conditions, stakeholder expectations and a increased awareness of corporate social responsibility (Neely, A., Adams, C. & Kennerly, M. 2002). The financial performance of an organization is not enough to determine the corporate success however the aspects of performance for instance business process efficiency, innovation and stakeholder relationship management are also been required to be managed and measured.

Hence the organizations comprehended that intangible assets that support the value proposition of the organization had to be organized and aligned with the corporate strategy so as to sustain and restore core competencies for continuous process and product innovation.

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