Knowledge Management

Module-6_Session 1

Topic Covered

❑ Basic Concept of Knowledge Management

❑ Meaning

❑ Types of Knowledge

❑ Assumptions

❑ Benefits

KM Introduction

- Knowledge is reinforced through learning.

- Learning is a process of acquiring new skills or knowledge, which results to a new behaviour.

- Knowledge is the ability and wisdom to use the learned experiences for achievement of individual and organizational objectives.

- Knowledge is a holistic approach, and skill, multi-skilling and competencies are the operational sub-sets of knowledge.

- Skills are operational attributes to attain some goal or accomplish a particular task.

- Multi-skilling is the process to train employees on varied skills cutting across

- Competencies encompass skills, knowledge, abilities and attributes which are observable, measurable and which change over the passage of time.

- Knowledge management is the process of systematically and actively managing and leveraging the store of knowledge in an organization.

Information, Knowledge and Wisdom
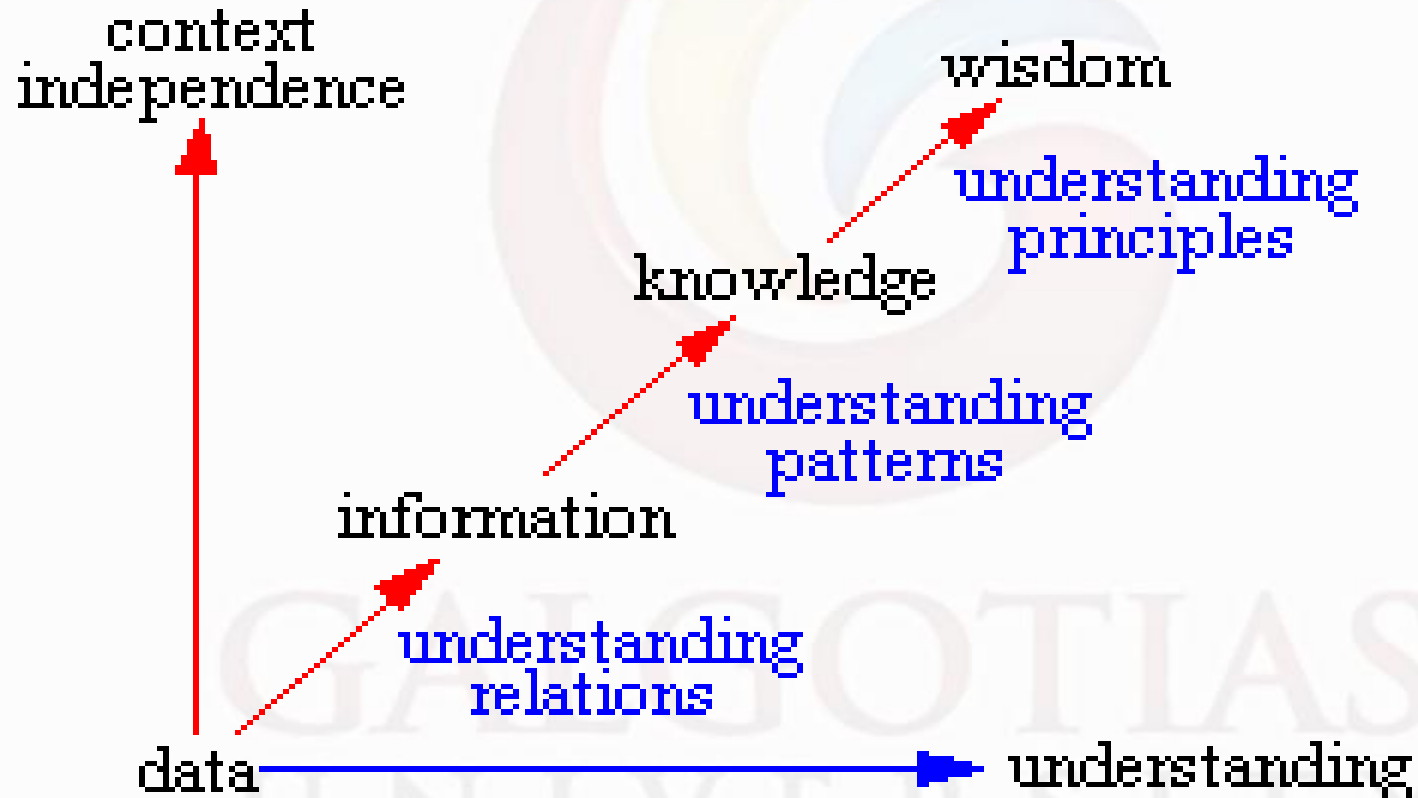
Types of Knowledge

- Data are the factual information.

- Information is useful data communication or receipt of knowledge. Knowledge is the condition of knowing something gained through experience or the condition of apprehending truth or fact through reasoning.

➢ **Knowledge may be tacit and explicit.**

- **Tacit Knowledge** is hidden knowledge which is impossible to imitate or co-opt in its entirety and so it gives a unique and inherently protected commodity to its possessor.

- **Explicit Knowledge** can be shared /codified/structured and conscious and can be stored for reuse. Intelligence is the ability to understand and to apply knowledge for any business solution.

What is Knowledge Management

- Knowledge Management is an organizational function that concerns itself with the capture, storage, and dissemination of the knowledge that is inherent in the organization by using software or a processual tool to capture, store, and disseminate knowledge.

- The objective of knowledge management is to enhance organizational competitiveness, improve performance, the sharing of lessons learnt, and the continuous improvement of the organizational processes.

- Companies like 3M, Pfizer, and Infosys are world leaders in KM. This is because they have a clear set of guidelines for capturing knowledge after every project or product that they rolled out. For instance, these companies have guidelines for project managers to publish the learning's that have accrued after a project and upload them into the KM system.

Why do we need Knowledge Management

❑ Market-places are increasingly competitive and the rate of innovation is rising.

❑ Reduction in staffing creates a need to replace informal knowledge with formal methods.

❑ Competitive pressures reduce the size of the workforce that holds valuable business knowledge.

❑ The amount of time available to experience and acquire knowledge has diminished.

❑ Early retirements and increasing mobility of the workforce lead to loss of knowledge.

❑ There is a need to manage increasing complexity, as small operating companies are transnational sourcing operations.

Integral Components of KM

1. Generating new knowledge

2. Accessing valuable knowledge from outside sources

3. Using accessible knowledge in decision making

4. Embedding knowledge in processes, products, and /or services

5. Representing knowledge in documents, databases, and software

6. Facilitating knowledge growth through culture and incentives

7. Transferring existing knowledge into other parts of the organization

8. Measuring the value of knowledge assets and /or impact of knowledge management

Benefits of KM

❑ Some benefits of knowledge management correlate directly to bottom-line savings, while others are more difficult to quantify.

❑ Effective knowledge management programme can help a company do one or more of the following:

- Foster innovation by encouraging the free flow of ideas.
- Improve customer service by streamlining response time.
- Boost revenues by getting products and services to market faster.
- Enhance employee retention rates by recognizing the value of employees' knowledge and rewarding them for it.
- Streamline operations and reduce costs by eliminating redundant or unnecessary processes.

BOX 17.1   Knowledge management at McKinsey

The knowledge management system at McKinsey is continuously committed to enhancing the ability to assist clients with the idea of making them more knowledgeable. It benefits McKinsey, as customers become professionals in demanding more and more and become captive. Moreover, McKinsey's expertise reduces the risk and failure in critical skill areas, such as managing mergers and acquisitions, strategic alliances, etc. Thus, knowledge management practices at McKinsey benefit both customers and the company.

References

- https://theeconomyofmeaning.com/2018/06/29/the-difference-between-data-information-knowledge-and-wisdom/
- Knowledge Management: Text and Cases, Bholanath Dutta, B. Shivraj, Sr., B. Rose Kavitha