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RESEARCH ARTICLE

IMPACT OF KNOWLEDGE MANAGEMENT ON ORGANIZATIONS.

Nishi Verma¹ and Dr. Sanman Jain Nellikar².

1. Asst. Professor, School of Business Studies, Shobhit University, India.
2. Asst. Professor, University of Nizwa, Oman.

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Abstract

Knowledge Management has become the most important asset in today's competitive environment. Knowledge Management involves processes that embodies management and which helps organizations to imitate to changing environment Knowledge management is an approach in which an organization reinforces the collection, capture, assessment, sharing, and assimilation of its members experience and learning for the accomplishment of the organization's mission. It analyzes knowledge perspectives of organization and gives possibility to improve use of knowledge. The paper examines the components and dimensions of the knowledge management. The study also analyses the impact of knowledge management on organizations.

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Introduction:-

The three concerns of production, labour, land and capital helping the companies for carrying out their operations while the forth concern is creating a barrier for companies to grow. This is "knowledge", which is the heart of today's global economy and managing knowledge has developed to be vital for company's success. Knowledge has been recently recognized as one of the most significant resources of organizations. "Knowledge is a familiarity, awareness or understanding of someone or something, such as facts, information, descriptions, or skills, which is acquired through experience or education by perceiving, discovering, or learning". Knowledge manages to seek knowledge management. Knowledge Management System has a great opportunity to support knowledge management in organizations [1]. The recent emphasis on knowledge management arises out of the need for organizations to manage resources more effectively in a hyper-competitive, global economy. In order to create a structure of relationships, roles, processes, technologies and governance that an organization puts in place that permits knowledge to be treated as a collective asset, and which allows relevant know- how, insight and experience from others to be retrieved and applied to business problems came the concept of knowledge management. The application of knowledge management techniques in organizations should enable long-term competitiveness, better performance, and a higher level of created value in the economy, which should stimulate overall social development [2]. Knowledge Management promotes systems and processes to acquire and share intellectual assets. It increases the amount of useful, actionable, and meaningful information, and strives for to increase both individual and team learning. In addition, it will increase the value of an organization's intellectual base, across miscellaneous functions and different locations.

Corresponding Author:- Nishi Verma.

Address:- Asst. Professor, School of Business Studies, Shobhit University, India.

Meaning of Knowledge Management:-

Knowledge management is the deliberate and systematic coordination of an organization's people, technology, processes, and organizational structure in order to add value through reuse and innovation. This is achieved through the promotion of creating, sharing, and applying knowledge as well as through the feeding of valuable lessons learned and best practices into corporate memory in order to foster continued organizational learning (Kimiz Dalkir). The emphasis of Knowledge Management is on 'doing the right thing' instead of 'doing things right'. Knowledge Management is aimed at providing the right knowledge to the right people at the right time in order to improve organizational performance [3]. It provides a structure within which the organization sights all its processes as knowledge processes and all business processes involve creation, propagation and application of knowledge towards organizational sustenance and existence.

Objective of Knowledge Management:-

The objective of the Knowledge Management process is to share perspectives, ideas, experience and information; to ensure that these are available in the right place at the right time to enable informed decisions; and to improve efficiency by reducing the need to rediscover knowledge. The goal of knowledge management as a process is to improve the organization's ability to execute its core processes more efficiently. These objectives of Knowledge Management are as follows:

1. The objective is to create knowledge repository. This knowledge repositories will consist of structured documents with knowledge embedded in them — memos, reports, presentations, articles should be stored in a way that they can be easily retrieved.
2. Improve the quality of management decision-making by ensuring that reliable and secure knowledge, information and data is available to them.
3. It helps to improve knowledge access by facilitating the processes of knowledge transfer between individuals and between organizations.
4. It will enhance the knowledge environment by proactively facilitating and rewarding knowledge creation, transfer and use.

Components of Knowledge Management:-**Knowledge:-**

Knowledge is derived from information. It results from making comparisons, identifying consequences, and making connections. Knowledge simply refers to the condition of knowing something. It is the information, facts, principles, skills and understanding etc. that is acquired through education and experience. Knowledge is a set of conceptual structures held in human brains. Knowledge cannot be transferred by speech or any form of writing, but can only be hinted at. Using knowledge in your business is not inevitably about thinking up about new products and services, or inventing creative new ways of selling them. It's much more straight forward. It is a deliberate resource for increasing productivity; stability factor in an unstable and vigorous competitive environment. In organizations, knowledge becomes embedded not only in documents or repositories, but also in organizational routines, processes, practices, norms and cultures.

People:-

People are the main source and consumers of knowledge in organizations. Knowledge and experiences are the greatest assets that organizations must leverage upon to remove redundancies and increase learning curves. Man is equipped with unbounded knowledge. Every human being has a thrust for knowledge. Knowledge brings power to life. Those who have knowledge are capable of commanding others and ruling the world. But the power that comes from knowledge should be used for the progress of mankind. People signify how to increase the ability of individuals within the organization to influence others with their knowledge. People with unbounded knowledge has prompted human progress and civilization. The major challenge in knowledge management is to make certain that involvement and cooperation of the people or employees in the knowledge sharing for the accomplishment of business objectives. In many organizations, this requires changing traditional mindsets and organizational culture from "knowledge-hoarding" to "knowledge-sharing" and creating an atmosphere of trust.

Processes:-

A process is a set of activities that interact to achieve a result. Process is important because they describe how things are done and then provides the emphasis for making them better and how they are done regulates how successful the outcomes will be. If organization focuses on the right processes, in the right way then employees can design their way to success. A process outlook gives the needed integration, ensuring that the realities of work practice are

linked explicitly to the firm's overall functioning. In order to improve knowledge sharing, organizations often need to make changes to the way their internal processes are structured, and sometimes even the organizational structure itself. Processes involve how to establish best practices and governance for the efficient and accurate identification, management, and dissemination of knowledge. Processes govern work in organization and so are critical to the functioning of organization. It is therefore relevant for knowledge management program to recognize the importance of processes. Processes might be made of, and executed by, humans, machines, or a combination of the two. A properly implemented process should result in a work environment where all team members are aware of their responsibilities. If the process is not structured and performed well, the results may yield confusion, frustration, loss of efficiency, and limited effectiveness. To ensure that knowledge in the company is properly created, stored, and used, it is vital to implement the internal processes the right way. Company policy and procedures govern the way employees interact with each other and the organization itself, if the organizations are looking to adopt knowledge management effectively and efficiently. An important requirement for knowledge management is to understand work processes and how to map them. By doing so, inputs, outputs, personnel, resources and work being conducted in a given process can be easily described. Charting of processes helps to depict what is really going on in the organization and how tasks are being accomplished.

Technology:-

Other component of Knowledge Management is technology, which enables knowledge management to function in a healthy manner. Technology is a modern phenomenon that has intensely changed the daily lives of individuals and businesses throughout the world. Technologies are vital to company operations and leveraging technology for business success is a key to survival in the modern business world. Technology is the collection of techniques, skills, methods and processes used in the production of goods or services or in the accomplishment of objectives. The knowledge management process requires technology to support the capture and sharing of people's knowledge, promote collaboration, and provide unrestricted access to a wide-ranging range of information. Technology helps business processes by keeping them connected to suppliers, customers and their sales force. It has the ability to simplify operating costs; technology delivers immediate access to supplies and information, so businesses are better able to offer affordable pricing of goods and services without sacrificing quality. The success of every business depends on certain factors. Some of which are accurate analysis, choosing the right technology and the future vision. It addresses how you choose, configure, and utilize tools and automation to enable knowledge management. Technology has provided a major impetus to knowledge management by implementation of Knowledge Management System. Technology that provides support to knowledge management include databases decision support systems, enterprise resource planning systems, expert systems, management information systems, artificial intelligence, expert system and many others. Leveraging knowledge successfully requires the use of technology, and thus organizations need to begin harnessing those technologies to realize the possible capabilities and value of knowledge management. Although knowledge management in organizations is more than just implementation of technology, it requires technology as enablers that can promote knowledge creation, store, distribute, and retrieve knowledge for reuse. These activities of knowledge management cannot be achieved without technology as enablers in this 21st century where the need for quick access for pertinent knowledge is rising tremendously. The best way of applying technology to knowledge management is probably a combination of two factors: on the one hand, the awareness of the limits of technology, and of the fact that any IT deployment will not achieve much, if it is not accompanied by a global cultural change toward knowledge values; on the other hand, the availability of information technologies that have been expressly designed with knowledge management in view.

Dimensions of Knowledge Management:-**Personal Knowledge Management:-**

Personal Knowledge Management is an approach as the idea is to add value to performance, well-being, and outcome through understanding and applying knowledge which has been well treated and competently applied in a systematic setup to achieve personal and non-personal goals. Personal Knowledge Management concentrated on personal productivity, upgrading of knowledgeable workers in their working environments. As focus is on the individual therefore the goal of personal knowledge management is to assist individuals to operate better both within the formal structure of organizations and in looser work groupings. Personal Knowledge Management makes each individual responsible for seeking, sense-making, and sharing knowledge. Personal Knowledge Management is a remedy to insecurity and change that affect the effectiveness and value of individual as resource based on two factors: information overload and the changing nature of work. It is important for all people and organizations visualizing for enhancing their productivity to keep abreast with the newest information literacy skills and compete in the global environment. The main drive behind personal knowledge management is to leverage a personal

knowledge database and through it organizational knowledge and productivity. There are three critical aspects to disciplined personal knowledge management:

Capturing knowledge:-

It is the foundation, and drives value up the chain, enabling sharing of knowledge and the ability to take action on that knowledge. It encompasses finding, identifying, filtering, or even stumbling across useful information that we can then merge with our own body of knowledge and experience.

Developing knowledge:-

It means to make sense of what has been captured, think critically about how it reconciles with our previous perspectives and experiences and to be creative with how to use the new information, synthesize new ideas by combining the new with the existing, and put new ideas into action.

Sharing knowledge:-

It is using any number of media to share knowledge that fit personal needs, work styles, and professional social networks.

Inter organizational Knowledge Management:-

The inter-organizational perspective is new in the area of knowledge management. Knowledge and its inter-organizational management become critical factors for gaining and sustaining competitive advantages. Therefore, dealings with other organizations for exchanging and acquiring knowledge become one of the crucial roles for management. Inter-organizational knowledge is referred to as a set of explicit knowledge formalized and produced by other organizations. In the network, the formalized inter-organizational knowledge is reusable such that it can be recovered by any organizations to support individual knowledge management processes in terms of creating, storing, and disseminating, using and evaluating knowledge. The exchange of implicit knowledge, especially values and standards, is possible through a creation of a common perspective. This entails an exchange of attitudes and opinions which also administers an internal learning process among the partners. Knowledge is 'extracted' from the person who developed it, made independent of that person and reused for various purposes [4]. If new organizational divisions are created in which members of all participating partners are working together and it will be of key importance to transfer, save, and utilize the newly created knowledge back in all participating organizations. Preparation in the context of inter-organizational knowledge management refers to the monitoring of potential knowledge objects, their identification, classification, and matching with respect to a specific knowledge goal. Hence, in order to inspect the request for and the supply of knowledge and its relevance, intensive communication and interaction is essential. This way, individual knowledge can be identified and collective processes of argumentation can be initiated. For managing knowledge inter-organizational networks can be of three types:

1. **Extra Network:** - It is a network that transcends firm's boundary but participation in this kind of network is restricted because only specific individuals and organizations are allowed to participate.
2. **Inter Network:** It is a network that transcends a firm's boundary but participation in the network is not restricted as this type of network is open to anyone who wants to join and participate.
3. **Open network:** It is a network which is open for anyone who is interested and willing to participate in knowledge sharing and creation.

Organizational Knowledge Management:-

Knowledge Management should allow for creating organizational knowledge. It is new knowledge created by groups of employees from different subunits of the organization [5]. Organizational Knowledge is a process in so far as a stock of knowledge progresses over time gets polished and revised, and new knowledge is added to it. The management of knowledge in organizations is the main and essential factor for organizational survival and maintenance of competitive strength. Knowledge management in organization is identified as a framework for designing an organization's strategy, structures, and processes so that the organization can use what it knows to learn and to create economic and social value for its customers and community. Most organizations have boarded an "organizational knowledge management" approach. The purpose is to introduce a knowledge management strategy and a supporting infrastructure for better creating, storing, sharing and apply knowledge across the entire organization. This approach is primarily a "top down approach". It starts by identifying the significant knowledge asset of the organization that is needed to achieve its objectives and then sets out to develop and leverage those assets as fast as possible. The strategic management view centers on the outlook of organization knowledge as the core competencies that describes the distinctive value that the organization provides to its customers, shareholders

and other key stakeholders. These core competencies determine its capability to compete in an open marketplace. This includes the capability of the organization and its members to deal successfully with changing market environments. To achieve this, organization sets up an organization-wide infrastructure to enable the identification, capturing, storing, sharing, and applying of knowledge, retention and the re-use of knowledge assets. Continuous and collective processes need to be identified to capture new learning's and ideas before, during, and after work events, and then turn them into good practice and knowledge repositories are implemented. Successful organization's knows why they must manage knowledge and develop plans for how to achieve this objective and give time and energy to these efforts. The potential for knowledge management to create competitive advantage is positively linked to organizational performance [6]. This is because knowledge management has been termed as a key driver of organizational performance and one of the most important asset for the survival and prosperity of organizations. Therefore managing and utilizing knowledge effectively is vital for organizations to take complete advantage of the value of knowledge. Three different types of organizational knowledge are systemic, socio-political and strategic.

1. **Systemic Knowledge:** Systemic knowledge is knowledge that is embedded in systems, policies, processes and procedures that directs how and what gets done in organizations .In its explicit form it is strictly encoded in practices, procedures and routines and includes the acquisition and implementation of new techniques such as statistical quality control or the structure of compensation plans. Tacit systemic knowledge is the primary reason for why things are designed in a definite way and what they are projected to accomplish in terms of outcomes such as desired behaviors or actions.
2. **Socio-Political Knowledge:** This type of organizational knowledge is socio political which refers to knowledge of the social and political composition of the organization including its people, roles and responsibilities as well as coalitions, influence networks and formal and informal decision-making processes.
3. **Strategic Knowledge:** This type of organizational knowledge refers to the context of the organization concerning its external environment and includes its history, status and position in the industry and society, its strategic plans, core competencies and competitive position.

Team Knowledge Management:-

Companies exist in today's environment because to a large extent, working collectively is more productive than working as individuals. Teams can be termed as the powerhouse of the effective enterprise. By their diverge nature teams creates a great compact of new knowledge, which is of high value to the enterprise. However, what knowledge they created, how and why knowledge created, is more difficult to avail at an individual's level knowledge. Since knowledge exists in people with diversity and are created in continuous interaction, which can be very efficiently used for organizations. A several organizations have implemented a knowledge management strategy for enhancing the concept of team knowledge management. This is an approach that comes from the insight that teams are the knowledge engines of the organization. The team members should have a good mix of business knowledge, technical competence and social competence. Specific skills should include communication, leadership, negotiation skills, strategic planning, understanding of knowledge management methodologies and information technologies and expertise in internal business processes. It has been accepted that a team that 'collaborates' well and transfers knowledge between members much faster notably is a powerful initiator of new knowledge. Rapid access to information by employees increases the response rate to customer inquiries, thereby lowering cost per transaction [7].A better understanding of team performance as being a function of knowledge management practices and team strategic competences will help concretize the explanatory power of knowledge based view and team learning theory .Team Knowledge Management approach is based on share and share alike strategy where all people have access to the knowledge management database. . It is also based on team knowledge plans. When work and innovations are the result of teamwork then the competitive advantage is better protected. Benefits of team knowledge management are:

1. It helps in avoiding past mistakes
2. It motivates people by empowerment
3. People make more accurate and quicker decisions
4. Members have a clear picture of the situation

Impact of Knowledge Management on Organizations:-

The goal of knowledge management system is to share knowledge in the organization in the most effective manner and refining performance in the process. Knowledge Management is a new perspective for organizations which considers that if organizations want to be successful, they must access to knowledge and have a deep understanding of it in all layers. It is believed that Knowledge Management System give huge opportunities to break down barriers

by making the information presented at every level and units in organization hence it will help to enhance organization becomes more effective [8]. It has the potential to help organizations to select, organize, capture, distribute, and transfer important information, knowledge, and expertise which facilitates improvement in organizational performance. An organization with knowledge management ability will use resources more efficiently and will become more innovative to perform better. By implementing knowledge management practices an organization could obtain better results as compare to its competitors. It also supports to launch new business processes to attain better performance outcomes. Business processes plays a role of facilitator for knowledge management enabled performance in value creation process.

Knowledge Management practices are directly related to intermediate measures (business process capability and organizational learning, etc.) and in turn these intermediate measures generate positive and significant relationship with overall firms' performance. It influences the organization's employees as they can enhance their knowledge through different sources and in turn this knowledge allows the organization to become constantly growing and changing in response to the market and the technology. Every member of the organization contributes to the organization by sharing knowledge on a business matter for strategic positioning of the organization. Knowledge Management provides employees with solutions to problems they face, in case those same problems has been faced earlier and has been effectively addressed by the organizations. Knowledge Management practices are directly related to numerous intermediate measures of strategic organizational performance (viz., customer intimacy, product leadership, and operational excellence), and that those intermediate measures are, in turn, associated with the financial performance of the organization. It identifies appropriate resources by assisting the identification and acquisition of appropriate knowledge. Knowledge management supports the adaptation of knowledge by constructing and organizing a firm's knowledge stock and also encourages the transformation of knowledge embracing the combination of prior and newly acquired and adapted knowledge by providing means to update and share knowledge.

In order to be effective, organizations must accomplish the goals of core business processes (i.e. work processes, procedures and methods), using plant and equipment, people, and information technology infrastructure. It is generally recognized that all of these factors need to be allied to organizational objectives to achieve organizational performance. Knowledge management enables organizations to produce innovative solutions to problems as well as to develop more innovative organizational processes through increasingly rely on knowledge shared across individuals. It helps in the improvement of organizational culture. Organizational Culture can change in the direction of knowledge sharing culture where employees are driven to generate and share knowledge for the purpose of organizational improvement. Employees are motivated to share their knowledge because they feel more valued for their intellectual capabilities and skills when they can see their contribution towards improvements in the organization

Conclusion:-

Knowledge Management is an effective tool to manage organization's knowledge assets which in short run makes profits and in the longer run nurtures creativity. It influences organizations knowledge internally and externally to create and endure a competitive advantage. Knowledge management is a practice that converts individual knowledge into organizational knowledge. There is positive relationship between knowledge management and organizational performance. A well designed knowledge management system gives employee flexibility and cuts design time and organizational costs. Knowledge Management needs an organizational culture to enable knowledge sharing and it should be maintained by an organization structure so that it can result in organization learning and fits in the open cultural environment. Thus knowledge management is the evolution of good management practices sensibly and purposively applied. It provides a major shift in focus regarding the development and use of knowledge and information in increasing the effectiveness of any organization.

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