



INTEGRATED INSTITUTE OF PROFESSIONAL MANAGEMENT

Our Accreditations



Our Standards



Knowledge Management

Key concepts and terms

- Communities of practice
- Explicit knowledge
- Knowledge
- Tacit knowledge
- Data
- Information
- Knowledge management

Learning outcomes

On completing this chapter you should be able to define these key concepts. You should also know about:

- The purpose and significance of knowledge management
- Knowledge management systems
- The contribution HR can make to knowledge management
- Knowledge management strategies
- Knowledge management issues

Introduction

- Knowledge management is concerned with storing and sharing the wisdom, understanding and expertise accumulated in an organization about its processes, techniques and operations. It treats knowledge as a key resource. Knowledge has become a direct competitive advantage for companies selling ideas and relationships.
- Knowledge management is as much if not more concerned with people and how they acquire, exchange and disseminate knowledge as it is about information technology.
- The concept of knowledge management is closely associated with intellectual capital theory, in that it refers to the notions of human, social and organizational or structural capital. It is also linked to the concepts of organizational learning.

- **Knowledge management defined**

Knowledge management is 'any process or practice of creating, acquiring, capturing, sharing and using knowledge, wherever it resides, to enhance learning and performance in organizations.

It focuses on the development of firm-specific knowledge and skills that are the result of organizational learning processes. Knowledge management is concerned with both stocks and flows of knowledge. Stocks include expertise and encoded knowledge in computer systems. Flows represent the ways in which knowledge is transferred from people to people or from people to a knowledge database.

- **Knowledge management has also been defined as 'The process of systematically and actively managing and leveraging the stores of knowledge in an organization.**

Components of knowledge management

- In technical terms, knowledge management involves centralizing knowledge that is currently scattered across the organization and codifying tacit forms of knowledge.
- In social and political terms, knowledge management involves collectivizing knowledge so that it is no longer the exclusive property of individuals or groups.
- In economic terms, knowledge management is a response by organizations to the need to intensify their creation and exploitation of knowledge.

Knowledge management involves transforming knowledge resources by identifying relevant information and then disseminating it so that learning can take place. Knowledge management strategies promote the sharing of knowledge by linking people with people and by linking them to information so that they learn from documented experiences.

- Knowledge is possessed by organizations and the people in organizations. Organizational operational, technical and procedural knowledge can be stored in databanks and found in presentations, reports, libraries, policy documents and manuals. It can also be moved around the organization through information systems and by traditional methods such as meetings, workshops, courses, 'master classes' and written publications. The intranet provides an additional and very effective medium for communicating knowledge.

The concept of knowledge

Knowledge is defined as what people understand about things, concepts, ideas, theories, procedures, practices and 'the way we do things around here'. It can be described as 'know-how' or, when it is specific, expertise.

Types of Knowledge

Explicit and tacit knowledge

- Explicit knowledge can be codified – it is recorded and available and is held in databases, in corporate intranets and intellectual property portfolios.
- Tacit knowledge exists in people's minds. It is difficult to articulate in writing and is acquired through personal experience. It includes scientific or technological expertise, operational know-how, insights about an industry and business judgement. The main challenge in knowledge management is how to turn tacit knowledge into explicit knowledge

Data, information and knowledge

A distinction can be made between data, information and knowledge:

- data consists of the basic facts – the building blocks – for information and knowledge;
- information is data that have been processed in a way that is meaningful to individuals; it is available to anyone entitled to gain access to it.
- knowledge is information put to productive use; it is personal and often intangible and it can be elusive – the task of tying it down, encoding it and distributing it is tricky.

The purpose and significance of knowledge management

The purpose of knowledge management is to capture a company's collective expertise and distribute it to 'wherever it can achieve the biggest payoff'. This is in accordance with the resource-based view of the firm, which suggests that the source of competitive advantage lies within the firm (ie in its people and their knowledge), not in how it positions itself in the market. Knowledge management is about getting knowledge from those who have it to those who need it in order to improve organizational effectiveness.

Knowledge management strategies

Two approaches to knowledge management strategy are;

1. *The codification strategy*

Knowledge is carefully codified and stored in databases where it can be accessed and used easily by anyone in the organization. Knowledge is explicit and is codified using a 'people-to document' approach. This strategy is therefore document-driven. This strategy relies largely on information technology to manage databases and also on the use of the intranet.

2. *The personalization strategy*

Knowledge is closely tied to the person who has developed it and is shared mainly through direct person-to-person contacts. This is a 'person-to-person' approach that involves ensuring that tacit knowledge is passed on. The exchange is achieved by creating networks and encouraging face-to-face communication between individuals and teams by means of informal conferences, workshops, communities of practice, brainstorming and one-to-one sessions.

The choice of strategy should be contingent on the organization; what it does, how it does it, and its culture.

Knowledge management systems and application.

- Creating an **intranet** .
- Creating '**data warehouses**', ie large physical databases that hold information from a wide variety of sources.
- Using **decision support systems** that combine data analysis and sophisticated models to support non-routine decision-making.
- Using '**groupware**', ie information communication technologies such as e-mail or Lotus Notes discussion bases to encourage collaboration between people to share knowledge.
- Creating **networks or communities of practice or interest of knowledge workers** to share knowledge.
- **Mapping sources of internal expertise** by, for example, producing 'expert yellow pages' and directories of communities .

Knowledge management issues

- The pace of change.
- Relating knowledge management strategy to business strategy.
- Technology and people.
- The significance of process and social capital and culture.
- Knowledge workers.

The contribution of HR to knowledge management

Ten ways in which HR can contribute to knowledge management

1. Help to develop an open culture in which the values and norms emphasize the importance of sharing knowledge.
2. Promote a climate of commitment and trust.
3. Advise on the design and development of organizations that facilitate knowledge sharing through networks, teamwork and communities of practice (groups of people who share common interests in certain aspects of their work).
4. Advise on resourcing policies and provide resourcing services that ensure that valued employees who can contribute to knowledge creation and sharing are attracted and retained.

5. Advise on methods of motivating people to share knowledge and rewarding those who do so.
6. Help in the development of performance management processes that focus on the development and sharing of knowledge.
7. Develop processes of organizational and individual learning that will generate and assist in disseminating knowledge.
8. Set up and organize workshops, conferences, seminars, communities of practice and symposia that enable knowledge to be shared on a person-to-person basis.
9. In conjunction with IT, develop systems for capturing and, as far as possible, codifying explicit and tacit knowledge.
10. Generally, promote the cause of knowledge management with senior managers to encourage them to exert leadership and support knowledge management initiatives.

Congratulations