

# CKPIM BUSINESS REVIEW



## Leveraging Knowledge for developing a Knowledge Society

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### Abstract

In recent times knowledge has been recognised as a major source of efficiency, competitiveness, and economic growth and the resulting 'Knowledge Society' is supposed to be more open and flexible. Whether this happens depends on the level of penetration of the 'Knowledge Economy' (KE), its linkage with other sectors, the nature of the jobs created, and whether different stratum of society benefit from it equally. This paper focuses on how knowledge that exists or required to be created can be better utilized for developing a sound Knowledge Society. The paper suggest some measures for attaining the said objectives by drawing enabling policies, investment in scientific research, standardisation of working conditions, and the building up of physical and social infrastructure.

### Introduction

As young students we were taught 'knowledge is power' but never understood its true meaning, it is only in the past decade that people have started realizing why managing knowledge is such a powerful tool of change and how it can help in shaping the destiny of billions across the globe. However, the process of collecting and sifting information to seek useful knowledge and storing and sharing this knowledge in a manner that individuals and organizations can convert it into wisdom is a major challenge. It is ultimately the wisdom which matters because the knowledge comes and goes. According to Calvin Collidge, "knowledge comes, but wisdom lingers. It may not be difficult to store up a vast quantity of facts within a comparatively short time, but the ability to form judgements requires the severe discipline of hard work and the tempering heat of experience and maturity". This is as much applicable to organization as it is to individuals.

Knowledge Management (KM) involves the identification and analysis of available and required knowledge assets as also knowledge assets related processes and subsequent planning and control of actions to develop both the assets and processes so as to fulfil organizational goals and objectives. Goals are targets that any organizations hopes to/ wants to accomplish in a future period of time. Goals are broad in nature as compared to the objectives which are the ends that state specifically how the goals shall be achieved. Every organization, whether a company or a hospital or a university or an army unit, must clearly define their goals and objectives to fulfil the purpose of their existence. KM helps in attainment of goals and objectives of the organizations.

What constitutes knowledge and needs to be managed? Useful information that fulfils a purpose is knowledge. Organization need to know what their knowledge assets are and how can these assets be used to meet their goals and objectives. Most organization in India have been focussing on the management of materials because of the perceived scarcity of materials. This focus has shifted in the recent past to the management of human assets and many professionally managed companies have full-fledged HRD departments making very useful contribution to their organizations. Knowledge

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should not be confused with data and information, because there is a subtle difference. Data is, in fact, the raw material that generates information. Data alone in any form, facts, figures, sketches and pictures is meaningless unless and until a relationship to the goals and objectives, whether of individuals or of organizations, is established. Hence, information is that data which has been converted into something meaningful and useful for a particular purpose. Knowledge is much wider in its content, scope and application. It helps linking different type of information and ultimately it must be used in decision-making. What good is that knowledge which does not contribute to the improved quality of decisions which take the individuals, groups, teams and organization closer to their vision ?

Today we are living in the knowledge society and individuals as well as organizations have started realising the importance of 'Knowing what they know'. The emphasis has shifted from the conventional 5 Ms (Man, Machine, Maternal, Method, Money) to the management of knowledge which has become an important competitive advantage. Growth and evaluation of today's organizations is the direct outcome of their competence management i.e. continuously improving competencies, so that higher and better performance is possible. This process is directly related to the philosophy, vision, strategy and objectives of the organizations. Essential for competence management is new learning and KM is the process of new learning. Learning takes place at the level of an individual, team, group or organization. Individuals think that they know when in reality they don't. The realization that they don't know is the first step towards the learning process. It is said that the more you know, the more you realize that how little you know. Specific effort is needed to know ourselves and for opening 'windows' to the outside world. Many individuals and organizations fail to realize the importance of this first step of learning. Rudyard Kipling felt the worst sin of all was ignorance – unwillingness to learn about new things, new organizations, new processes and new human beings. Indeed this is the sin of pride and self-sufficiency. Learning can make us grow and without growth there is no life. Organizations can learn like individuals and they must behave like individuals if they really want to learn, they must seek information, process it and convert it into knowledge and ultimately convert that knowledge into wisdom. Learning knowledge – cantered organizations must make conscious efforts to remove the blocks to learning. The biggest block in the learning process of organizations is their inability to share the knowledge and competencies. In our organizations, knowledge sharing is going to be a new experience. Our organizations have maintained closely guarded secrets of 'the tricks of the trade' and make what they know as sacrosanct. Sharing the knowledge by individuals and companies demands the right attitudes. Companies do not promote sharing of knowledge amongst their department and their employees. Selfish attitude of individuals and companies throttles the growth of others and ultimately their own. Attitude is infectious, one company's attitude of self-sufficiency spreads to the others and every one learns to live in the airtight compartments to the disadvantage of every one. How can this damaging situation be corrected? There is only one way, if the companies don't learn it on their own, the competition will teach them the hardway. Can a company or for that matter a professional survive in today extremely competitive environment where in the changes takes place so fast that anything that is functioning is obsolete as some one somewhere has created a better process and better product ? It is indeed in the interest of the individuals and companies to learn to share knowledge with others.

Success in an ever changing and extremely competitive environment, is becoming a function of the quality of knowledge assets of organizations and their ability to share the knowledge. The challenge of using the knowledge assets to their advantage is getting more crucial with the passage of time as

market place becomes highly competitive and rate of innovation increases, as pressure on company to become lean and smart and shed fat increase and as the management challenges of future demand focus on customer value. Also, knowledge takes time to experience and adopt and worker's time to do this is reducing everyday. Employees are burning out easily leading to loss of knowledge.

Knowledge engineering tools and methods have been sharpened over the last decade and more and more organizations are learning to use these, yet there are many problems associated with identifying the knowledge assets and using them in an efficient and cost effective manner. Correct understanding of knowledge demands an industry/ organization-wide vocabulary and a culture that encourages knowledge sharing. Unfortunately both those aspects are woefully lacking in our organizations.

Manual work is getting relegated to only the developing countries, the concern of the developed countries is to make knowledge workers more productive. Knowledge workers are becoming the most important work force in developed countries like USA where two fifth of the work force comprises of knowledge workers. Corporations are investing heavily in building their KM systems, they are busy in developing their knowledge centers where they try to get the best of their knowledge workers who are managed by the knowledge executives. Many companies boast of their Chief Knowledge Officers (CKO) KM must be seen by corporations as a business process, the process though which the firms create and use their knowledge assets.

There is no doubt that the only sure way of returning lasting competitive advantage whether with organizations or individuals, under any type of environment is KM According to Prahalad and Hamel (1990) 'an organization's capacity to improve existing skills and learn new ones offers the most defensible competitive advantage of all'. Here in lies the nature and rationale of knowledge management in organizations Successful organizations must consistently create new knowledge, disseminate it to every department and every worker and adopt it in new technologies, processes and products. The organization which act and function as living organization create new knowledge through employee sense of identity with enterprise and its mission as also the personal commitment of the workers. New knowledge always begins with the individual and this has to be transformed into organizational knowledge so as to make it useful to the organization as a whole. Knowledge can be broadly divided into two categories, Explicit and Tacit. Explicit knowledge is formal and systematic and can hence be easily communicated and shared. Tacit knowledge is highly personal and consists of technical skills or the 'know-how' and mental models, beliefs and perspective deeply ingrained in a person.

Having established the need of organizations to create and share knowledge, let us understand what are the problems and difficulties of implementation of KM. It is neither easy nor simple. A survey of literature reveals many implementation challenges.

- \* Motivating workers of any organization to search, accept and adopt good and healthy practices which directly contribute to an organizations competitive edge, and keep it trim and smart is easier said than done. More than 80 percent of the employees are so bogged down in the routine and 'rituals' of functioning that they refuse to see beyond their noses. Behavioral scientists tell us that majority of the workers in Indian organizations operate at 30-35 percent of their potential. How to motivate employees to 'look beyond' has always remained a major challenge all over the world, especially in our environment where earning bread is the basic motivator.

- \* If employees of an organization do search and adopt knowledge, they are selfish and do not want to share. The first reaction of a worker is to use a new process he has learnt, to get a personal advantage of a money related benefit, promotion, more pay or suitable transfer. Motivating him to share what he initially had and subsequently picks up is a very difficult task.
- \* Making knowledge useable is another challenge giving the knowledge the shape and form that it is easily understood by every worker so that they are able to relate it to their sphere of work is by no means an easy task.
- \* Identifying suitable people to manage the KM implementation programme. Knowledge workers are easy to find, knowledge management is much more difficult task, it demands a multi-disciplinary background and human relations skills of a very high order.
- \* Most of the organizations fail to realize that the knowledge predominantly resides in the heads of individuals. This attitude of weak commitments of the top management further compounds the difficulties of developing a suitable KM programme.
- \* Organizations are not able to clearly define knowledge and lack an understanding of what knowledge- driven organizations are all about. Many good Indian companies are not sure of their role in the KM process.

IT as infrastructure support system for KM operations is facilitated and sustained through a requisite infrastructure and support system. Facilitating connectivity through computer networks, e-mail, internet access etc. This can enable active collaboration among different workers at different levels of operations and at different locations

One basic demand of IT support system is creating internal and external as also formal and informal Knowledge Repositories in the form of expert systems, intelligent database and decision support systems. Devices for searching information such as internet browser, software agents that seek out information, knowledge maps etc. which categorise and summarize information. Another aspect of infrastructure support is developing distance learning facilities and devices that help workers learn and acquire knowledge.

Some of the world's leading companies have created highly sophisticated IT infrastructure for their KM activities. Electronic Data Systems (EDS) a multi-million dollar global IT services company considers innovation a competitive differentiator to sustain its leadership. Recognizing that knowledge is the fuel that powers its innovation engine, EDS has made significant investments in both aspects of KM, information-based codification and people-based connectivity. At Fujitsu Consultancy (FC) the road to start of formal KM practices was bumpy, what they now call 'best practices' were practiced as 'the method' in 1980s. They have created Knowledge Access System (KAS) and formed a community called 'The knowledge underground' and Knowledge Support Office (KSO) working round the clock in different time zones.

Madanmohan Rao, a Bangalore based consultant whose compilation and study of KM practices around the world in considered an asset in this field has evolved 8 C's. which he considers critical for the success of KM practices (Leading with knowledge & Tata Mc-GrawHill 2003). The first on his list is Connectivity to a Web-based KM architecture and other knowledge workers as a critical requirement for KM in the digital age. Content is the other C which is high on his priority. To begin

with an organization must conduct an enterprise knowledge audit to determine internal and external knowledge levels. A growing number of organization have instituted content management systems for best practices, lessons learned, product development knowledge, customer knowledge, human resources management knowledge and methods-based Knowledge. The third C identified is Community. Much of the success of organizational KM depend on community dynamics i.e. identifying, nurturing and supporting different people who work on goal – relevant subjects across organizational boundaries. Key components of KM culture are the visible support and vision of top-management shared sense of direction, trust, openness, excitement and a willingness to continually learn from peers. KM Capacity needs to be built up by HR professionals who need to devise creative ways to do so. For instance KM Capacity at NASA is built via training and mentoring via the Academy of Programme and Project Leadership which conducts classes, team-targeted training, just-in-time on line learning etc. Cooperation is a key KM success factor as workflows in knowledge organizations are becoming increasingly interlinked and cooperative in nature as opposed to sequential or parallel. Blocks to Cooperation such as ‘not invented here syndrome’ need to be tackled. Commerce is another important ‘C’ as commercial and other incentives to embrace KM discipline need to be implemented, especially in early stages of KM roll out. Capital is of course the backbone of any KM programme as all the support for KM, infrastructure, community roles, learning workshops, external consultants and the like calls for serious capital investment by the organization. Mckinsey spends ten percent of its revenue on KM and Ernest and Young spends 6 percent. In India this is unheard of.

**Conclusion:**

Individuals and organization are learning very fast that they cannot survive in an extremely competitive future environment unless they adopt KM culture. The economic value of knowledge does not lie in possessing it but in using it. Pilot projects for KM must have clearly defined measurable objectives that can be achieved in less than six months. However, the changeover to a knowledge-based organization involves a change process that can span several years.

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