



KNOWLEDGE MANAGEMENT AND ITS ROLE IN ORGANISATION

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ABSTRACT: Knowledge-based economies play an important role on effective management of knowledge. The effective management of knowledge described as to ensure sustainable strategic competitive benefit. The paper reveals that knowledge management is a key driver of organisational performance and a critical tool for organisational survival, competitiveness and profitability. Therefore creating, managing, sharing and utilizing knowledge effectively is vital for organisations to take full advantage of the value of knowledge . To manage knowledge effectively, attention must be paid on three key components - people, processes and technology. In essence, to ensure organisation's success, the focus should be to connect people, processes, and technology for the purpose of imparting knowledge. We will discuss the role of knowledge management in organization in this paper.

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INTRODUCTION

Knowledge management is about making the right knowledge available to the right people. It is about making sure that an organization can learn, and that it will be able to retrieve and use its knowledge assets in current application as they are needed. If information is the currency of the knowledge economy, human expertise is the bank where it is kept, invested and exchanged - the researcher.

“A firm’s competitive advantage depends more than anything on its knowledge: on what it knows- how it uses what it knows – and how fast it can know something new.” – HR Magazine 2009, p.1.

we live in a globalised world characterised by fast information transfer across areas by means of the Internet. The outcome of this globalization is the emergence of knowledge-based



economies where importance is placed on effective management of human capital to ensure that workers continue to create the right value for the economy.. This knowledge based economies require that Knowledge Management (KM) good practices be put in place to improve organisation effectiveness. Knowledge is power. Based on this assertion, it can be said that the management of knowledge is the key to power.

Even noncompetitive organisations (e.g. governmental institutions and nonprofits organisations) succeed or fail based on their ability to provide their knowledge-based assets. In essence, every sector of economy is benefited from knowledge management be it educational, banking, telecommunications, production/manufacturing, and even the public sectors.

Knowledge management is key factor for organizational survival and maintenance of competitive strength because it provide profitability, competitiveness to organization. Organisations that effectively manage and transfer their knowledge are more innovative and perform better.

WHAT IS KNOWLEDGE:

Knowledge refer to body of information. It is set in the form of theories, process, system or it could be voiced in form of opinion, theories, ideas and analysis. Knowledge is more than just mere data and information. Knowledge is insight, understanding, practical know-how that people possess. It is fundamental resource that allow people function intelligent. Knowledge management is an invisible or intangible asset in which complex cognitive process of perception, learning, communication.

MANAGEMENT AS A CONCEPT:

Managers play a critical role in every organisation. The most important activity that a manager is engaged with on a daily basis in most organistaions is decision making. And the effectiveness and efficiency of managers' decisions based on his knowledge, ultimately determine the success or failures of the organisation. He is of the opinion that in order to achieve results, management and organisation need to recognize employees as assets rather than liabilities (Peter Drucker).



THE MANAGEMENT OF KNOWLEDGE

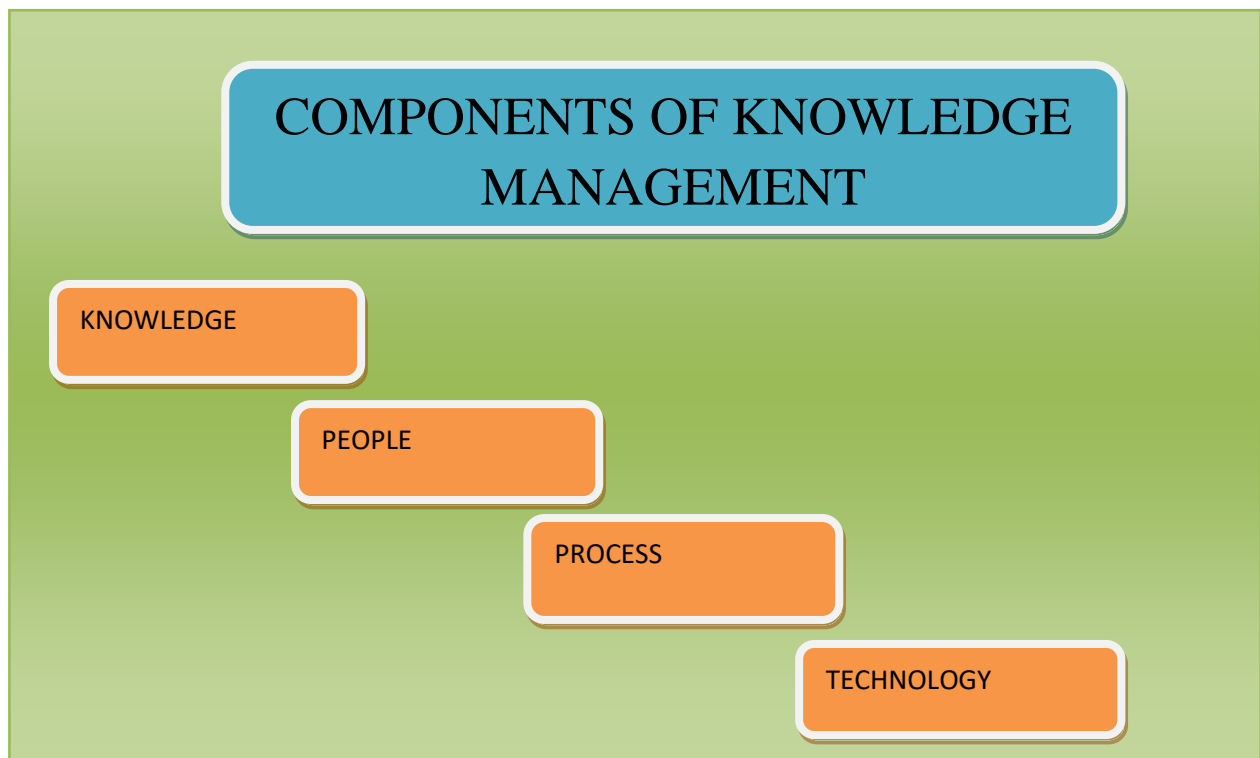
KM is getting the right information in front of the right people at the right time. KM is also more than managing knowledge or sources of knowledge; it involves managing the environment where knowledge is exchanged. This involves the sharing of knowledge between a relatively experienced person (the mentor/coach) and someone less experienced.

Defining KM could be really tasking because KM is a highly interdisciplinary field that attracts scholars and practitioners from various fields (philosophy, information science, library science, economics, management, sociology, engineering, among others).

Knowledge management therefore implies a strong tie to organizational goals and strategy and it involves the management of knowledge that is useful for some purpose and which create value for the organization. Knowledge management may also include new knowledge creation, or it may solely focus on knowledge sharing storage and refinement.

COMPONENTS OF KNOWLEDGE MANAGEMENT

- 1). **Knowledge:** It refers to collection/ body of information.
- 2). **People:** People are source of knowledge. They are creators and consumers of knowledge.
- 3). **Process:** It guides how work is conducted in organization. Process might be made of, and executed by humans, machine, or a combination of two.
- 4). **Technology:** with the advances in information and communication technology, KM can be attained through technological solutions. It does not make organization share knowledge, but if people want to share it, technology can increase the reach.



ROLE OF KNOWLEDGE MANAGEMENT IN ORGANISATION:

KM is a fundamentally important skill for anyone working in any type of organization and has many important aspects that contribute to form a strong knowledge management strategy.

- 1). Knowledge management is needed in every organization whether it is profit as well as non-profit organization.
- 2). An organization must manage its knowledge if it is to survive in to days dynamic and competitive market place.
- 3). It is important because early retirement and increasing mobility of workforce lead to loss of knowledge.i.e, when employees leave an organization, they take the knowledge with them. In other words, staff turnover means an inevitable leakage and loss of knowledge.
- 4). With the help of knowledge management organization will operating optimally and this will result in effective and efficient creation and delivery of product and services lead to



satisfied customers.

5). Knowledge management is key driver of competitive advantages because it enhance the capacity of organization to innovate thereby differentiating itself from competitors.

6). The advent of globalization also driven the need for knowledge management, as organization search to find effective tool and methods for acquiring and sharing knowledge over many structural and cultural barriers.

7). KM help organizations to share valuable organizational insights, to reduce redundant work, to reduce training time for employees, to retain intellectual capital as employees' turnover in an organization and to adapt to changing environments and markets.

8).Retaining employees who possess valuable knowledge should equally be as important an element in an organisation's KM strategy as motivating employees to participate in knowledge activities.

CONCLUSION

The role of management of knowledge in organizations has been discussed. The effective management of knowledge has been described as a significant ingredient for organizations seeking to ensure sustainable strategic competitive advantage, survival and profitability. It has been brought out that processes and technology alone are not enough to drive an organization, but its people (staff) and the knowledge that reside in the people are an integral pivot in organization's success. Therefore, in order for an organization to be successful, attention must be paid, not only on the processes and technology, but on knowledge and its workforce (which are people who are the sources of knowledge). KM is very useful tool for management. If KM fails to add value to the organisation, it is only cost intensive, useless. As Mayo (1998) note, many organisations have been managing knowledge for decades but few of them use KM on a regular basis. In summary, to implement a KM strategy successfully, the creation, organisation, leveraging (sharing) and application of knowledge must be taken into account.



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