

“Knowledge Management: The Cutting Edge for the 21st Century “

According to Leonard- Barton (1995), the traditional paradigm of information systems is based on seeking a consensual interpretation of information based on socially dictated norms or the mandate of the company bosses. This has resulted in the confusion between 'knowledge' and 'information'. However, knowledge and information are different! While information generated by the computer systems is not a very rich carrier of human interpretation for potential action, 'knowledge' resides in the user's subjective interpretation and decision to act.

Knowledge Management (KM) is essential for organizational growth in the 21st century. O'Dell and Grayson in their book “If only we knew what we know”, emphasize that ‘knowledge matters’ and that benchmarking best practices is essential for the organization today. What does this mean? Each company must have benchmarking strategies to further the transfer of knowledge, specifically the effective management of knowledge within an organization. Eventually when benchmarking and KM come together they can accelerate change.

Karl Erik Sveiby, the author of *The New Organizational Wealth: Managing and Measuring Knowledge-Based Assets*, contends that the confusion between 'knowledge' and 'information' has caused managers to sink billions of dollars in technology ventures that have yielded marginal results. He asserts that the organization managers need to realize that unlike information, knowledge is embedded in people... and knowledge creation occurs in the process of social interaction. On a similar note, Ikujiro Nonaka, the renowned Professor of Knowledge Management, has emphasized that only human beings can take the central role in knowledge creation. He argues that computers are merely tools, however great their information-processing capabilities may be. A very recent *Harvard Organization Review* special issue on Knowledge Management seems to give impetus to this point of view. This issue highlighted the need for constructive conflict in organizations that aspire to be leaders in innovation and creation of new knowledge.

How do organizations build on information for a Knowledge Management Strategy?

Knowledge Management focuses on identifying knowledge, helping transition of tacit knowledge to explicit knowledge so that this can be shared in a formal manner and thus creating knowledge repositories which will enable reuse. Knowledge Management enables the communication of knowledge from one person to another so that it can be used by the other person. The domains in which knowledge concepts are leveraged in organizations through knowledge initiatives are:

- Sharing knowledge and best practices
- Instilling responsibility for sharing knowledge
- Capturing and reusing best practices
- Embedding knowledge in products , services and processes

- Producing knowledge as a product
- Driving knowledge generation for innovation
- Mapping networks of experts
- Building and mining customer knowledge bases
- Understanding and measuring the value of knowledge
- Leveraging intellectual assets

According to O'Dell and Grayson (1998) there is no conclusion to managing KM and transferring best practices-“it is a race without a finish line” (p.219). The enduring principles that will assist organizations in becoming the cutting edge are:

- Business values drive the transfer of knowledge
- Transfer of best practices is the most common
- KM must be woven into the organizational structure
- KM funding is rare
- Having the right culture is critical
- Successful KM efforts employ a “push-me-pull-you” approach
- It if works it really works!
- Top level support is a must
- Technology is only a catalyst- human capital is the asset
- Mature KM efforts lead to successful transitions

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