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The Significance of Knowledge Management

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Sharing knowledge is not about giving people something, or getting something from them. That is only valid for information sharing. Sharing knowledge occurs when people are genuinely interested in helping one another develop new capacities for action; it is about creating learning processes – Peter Senge

I. INTRODUCTION

Knowledge Management is one of the hottest topics today in both the industry world and information research world. In our daily life, we deal with huge amount of data and information. Data and information is not knowledge until we know how to dig the value out of it. This is the reason we need knowledge management. The simple definition of Knowledge Management (KM) is 'It refers to a multi-disciplined approach to achieving organizational objectives by making the best use of knowledge.' KM focuses on processes such as acquiring, creating and sharing knowledge and the cultural and technical foundations that support them.

Knowledge Management may be viewed in terms of:

People – how do you increase the ability of an individual in the organization to influence others with their knowledge
Processes – Its approach varies from organization to organization. There is no limit on the number of processes
Technology – It needs to be chosen only after all the requirements of a knowledge management initiative have been established.

Or

Culture –The biggest enabler of successful knowledge-driven organizations is the establishment of a knowledge-focused culture
Structure – the business processes and organisational structures that facilitate knowledge sharing
Technology – a crucial enabler rather than the solution.

Knowledge management draws from a wide range of disciplines and technologies like Cognitive science, Expert systems, artificial intelligence, knowledge base management systems (KBMS), Computer-supported collaborative work (groupware), Library and information science, Technical writing, Document management, Decision support systems, Semantic networks, Relational and object databases, Simulation, Organizational science, Performance support systems etc

II. THE VALUE OF KNOWLEDGE MANAGEMENT

Some benefits of KM correlate directly to bottom-line savings, while others are more difficult to quantify. In today's information-driven economy, companies uncover the most opportunities and ultimately derive the most value from intellectual rather than physical assets. To get the most value from a company's intellectual assets, KM practitioners maintain that knowledge must be shared and serve as the foundation for collaboration. Yet better collaboration is not an end in itself; without an overarching business context, KM is meaningless at best and harmful at worst. Consequently, an effective KM program should help a company do one or more of the following:

- Foster innovation by encouraging the free flow of ideas
- Improve decision making
- Improve customer service by streamlining response time
- Boost revenues by getting products and services to market faster
- Enhance employee retention rates by recognizing the value of employees' knowledge and rewarding them for it
- Streamline operations and reduce costs by eliminating redundant or unnecessary processes

These are the most prevalent examples. A creative approach to KM can result in improved efficiency, higher productivity and increased revenues in practically any business function.

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III. KNOWLEDGE MANAGEMENT DRIVERS

The main drivers behind knowledge management efforts are:

Knowledge Attrition: Despite the economic slowdown, voluntary employee turnover remains high. A recent survey by the global consulting firm Drake Beam Morin revealed an average voluntary employee turnover rate of 20 percent with 81 percent of organizations citing employee turnover as a critical issue. Estimated annual costs of employee turnover were a staggering $129 million per organization. Much of this cost is due to knowledge attrition, which can be effectively minimized using knowledge management techniques.

Knowledge Merging: Since 1980, the annual value of mergers has raised 100 fold reaching a cumulative $15 trillion in 1999. Over 32,000 deals were announced; triple the number of 10 years earlier and more than 30 times as many as in 1981. The recent frenzy of corporate mergers coupled with the increased need to integrate global corporate communications requires the merging of disparate and often conflicting knowledge models.

Content Management: The explosion of digitally stored business-critical data is widely documented. Forester Research estimates that online storage for Global 2,500 companies will grow from an average of 15,000 gigabytes per company in 1999 to 153,000 gigabytes by 2003, representing a compound annual growth rate of 78%. As the volume of digital information expands, the need for its logical organization is critical for purposes of information retrieval, sharing and reuse.

E-Learning: As the economy becomes more global and the use of PCs more pervasive, there has been a dramatic increase in e-learning, also known as computer based training. E-learning is closely linked to and overlapping with, but not equal to knowledge management. E-learning can be an effective medium for knowledge management deliverables.

IV. ETHICAL ISSUES IN KM

There are many aspects of KM which include KM Strategy, KM Systems, and KM Culture etc. But, of all these constituents of KM, one important and essential ingredient is Ethical issues. According to the Webster dictionary, “Ethics is the part of philosophy that studies foundations of the morals; it is the set of moral principles which is the basis of someone’s conduct”. Ethics generally include morals that answer the questions: “what should I do?”, “is it wrong or right?”, “am I doing the right thing?” etc.

In this world of Globalization, businesses and organizations resort to quick and illicit solutions or means of production. This is where Ethical and Legal issues arise in KM. If KM is approached rightly, it will address logical, social, organizational and ethical issues while maintaining a focus on business ethics.

However, the building of intellectual capital is vulnerable in many ways. For example, people's intellectual capital is impaired whenever they lose their personal information without being compensated for it, when they are precluded access to information which is of value to them, when they have revealed information they hold intimate, or when they find out that the information upon which their living depends is in error. The social contract among people in the information age must deal with these threats to human dignity. The ethical issues involved are many and varied; however, it is helpful to focus on just four. These may be summarized by means of an acronym -- **PAPA.**

Privacy: What information about one's self or one's associations must a person reveal to others, under what conditions and with what safeguards? What things can people keep to themselves and not be forced to reveal to others?

Accuracy: Who is responsible for the authenticity, fidelity and accuracy of information? Similarly, who is to be held accountable for errors in information and how is the injured party to be made whole?

Property: Who owns information? What are the just and fair prices for its exchange? Who owns the channels, especially the airways, through which information is transmitted? How should access to this scarce resource be allocated?

Accessibility: What information does a person or an organization have a right or a privilege to obtain, under what conditions and with what safeguards?

One conclusion from the paper is that the legal rules that define who own knowledge are yet to be clarified. The question that comes up before various technical, organizational, academic and government groups dealing with knowledge management are what rules should be instituted to govern knowledge ownership? Who will make and enforce those rules? Another area of concern is the long range effort of continued knowledge hoarding as a way to safeguard knowledge embezzlement. Management must focus on legal and protection issues surrounding ownership. It is important to develop a code of ethics unique to the country or region.

V. ETHICAL DECISION CYCLE

The ethical decision cycle is made up of a number of elements:

1. The nature and essence of the act
2. The consequences of the action or inaction on the parties involved

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3. The far-reaching consequences of the action or inaction on the organization, community and society.

The ethical decision cycle is composed of the following stages: the act, evaluation of the alternatives, action (decision), outcome (consequences) and organizational and societal feedback. In evaluating alternatives, an individual is influenced and may receive feedback from some of the following systems.

1. Social and cultural values that impact the individual. How would the individual's social and cultural environment view the action and consequences?
2. Individual belief system: religious values and beliefs developed in an individual's spiritual or religious environment .What consequences are there for a particular action, given religious and spiritual views?
3. Personal values: individual's personal goals, experiences, and moral level Influences here can include an individual's tolerance to stress, guilt (doing or not doing something), and conscience.
4. Personal environment: influence of family, peers, and significant others. The values of those within an individual's personal environment can often provide the most immediate positive or negative feedback for a given line of action.
5. Professional environment: codes of conduct and professional expectations A code of ethics is the 'mechanism by which a profession ensures that its members will use their knowledge and skills for the benefit of society'. The main underlying principle of any code of ethics is to avoid harm to others. A code of ethics provides guidelines which can assist individuals in making decisions, rather than hard rules that should be followed without consideration of the individual circumstances.
6. Legal environment: law, legislation, government. Are there legal repercussions to a particular action or inaction that influence the decision? Consideration needs to especially consider the repercussions of an action or inaction that is not legal.
7. Business environment: corporate goals and profit motive these environmental influences can have positive and negative consequences on the decision made. If the personal environmental influences are at odds with the legal environment, for example, then the decision may receive positive feedback from the family but negative feedback from the legal environment.

VI. DISCIPLINES IN SUPPORT OF KM

1. Business Theory & Economics to create strategies, determine priorities, and evaluate progress.
2. Cognitive Sciences to understand how best to support knowledge workers' mental functioning required by their work settings.
3. "Cybrary" Sciences to bring knowledge- related services to everyone.
4. Ergonomics to create effective and acceptable work environments.
5. Information Sciences to build supporting infrastructure and special knowledge-related capabilities.
6. Knowledge Engineering to elicit and codify knowledge.
7. AI to automate routine and assist knowledge intensive work with reasoning and other high-level functions.
8. Management Sciences to optimize operations and integrate KM efforts with other enterprise efforts.
9. Social Sciences to provide KM-related motivations, people processes, and cultural environments.

VII. GENERAL PRINCIPLES FOR EFFECTIVE KM

1. Systematic and explicit KM to maximize the effectiveness of the enterprise business drivers.
2. Knowledge-Based vision to provide the long-term basis for a broad KM practice.
3. Identification of knowledge requirements for individual functions to determine which knowledge to make available.
4. Determination of Knowledge TOWS (Threats, Opportunities, Weaknesses, and Strengths) to set priorities and develop needed KM tasks.
5. Alignment of knowledge efforts & enterprise direction to realize the best value of the KM practice.
6. Systematized knowledge-related efforts to make the KM practice effective.
7. Implementation of KM with priority and purpose to minimize waste and maximize KM value.

VIII. KM MUST JUSTIFY ITS EXISTENCE

Most organizations still pursue KM without ascertaining hat hard business reasons require it. This is changing–and for good reasons. The premises are that competitive knowledge backed by deliberate KM are important for sustained success and viability and that the enterprise value largely comes from IC. It may therefore be irresponsible to pursue KM without having explicit understanding of how the efforts will be of value. There are several reasons for establishing the effects and benefits of potential KM actions. Intermediate and final effects of the KM effort should be explicated for five major purposes:

1. To support KM planning, decision making, and priority setting, and to obtain estimates of magnitude and timeframe of potential benefits, costs, and risks.

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2. To delineate the nature of expected and desired KMrelated events and agree with stakeholders about suitable descriptions of expected events and their benefits or associated risks, and provide a graphical (visual) framework to support the collaborative KM planning process.
3. To enable the desired outcomes from KM efforts, delineate the various effects that are sought or expected with identification of ancillary activities that must be considered.
4. To promote understanding of desired effects to support implementation over the life-time of the process by describing the events and associated characteristics.
5. To monitor the KM-influenced event process to manage it appropriately, and provide sufficient understanding of the anticipated events by outlining expectations over time in sufficient detail.
6.

The proposed KM efforts–and later, KM implementation need to be outlined in some detail to support these purposes

IX. CONCLUSION

Organizations are realizing that intellectual capital or corporate knowledge is a valuable asset that can be managed as effectively as physical assets in order to improve performance. The focus of knowledge management is connecting people, processes and technology for the purpose of leveraging corporate knowledge. The understanding of knowledge processes and its management will provide valuable insights to the policy makers, learning organizations, knowledge professionals, individual citizens to focus their investment in learning, unlearning and life-long learning. In short, the challenge is to help provide the decision makers at all ages, at all levels and at all places with the necessary intellectual capital to be competent performers and proactive opportunity creators in the evolution of the global knowledge based economy of the 21st century.

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