



Practical and Implementation Issues of Knowledge Management within the Organization

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Abstract

The category "knowledge" is multilateral, complex, hierarchic, and is constantly developing. Knowledge development (KD) is primarily a management philosophy, which gives an account of the new economic elements based on knowledge, and introduces them to the existing and well developed, or to the brand new management instruments and approaches. This is why, before taking any initiative in the area of KD the manager should have a good understanding of their own business needs and business goals within the framework of economics based on knowledge. They need to give an account of the new areas of producing competitive advantage and differentiation from the other companies, like for example the employers' innovation and creativity, good use of the collective non-evident knowledge, etc. Only then managers will be able to ensure the appropriate and efficient instruments for KD in their business. In relation to that, a research was made among 118 organizations, and the results regarding the environment of knowledge generation, the infrastructure of keeping knowledge, and the manner of providing knowledge in these organizations, were presented. The research is based on the modern concept of knowledge management and distribution, as it differs with complexity and gives the ability of a modal approach. Subject of research through the empiric research are the communication techniques, procedures and infrastructure used for the implementation and use of the real knowledge development system.

Keywords: Knowledge development, Knowledge development system, Learning

Knowledge is a wide conception which is in the base of an issue dating back to the ancient Greeks. In recent years there is a trend for knowledge to be seen as a significant organizational resource. Knowledge management is a system of different management practices for knowledge recognition or creation, transfer and storage within the organizations. The effective knowledge management systems are bound with the company business goals, resulting in shared intelligence, better performance, competitive advantage or higher levels of innovations. For example, they include the creation of professional communities, use of Internet systems, document management systems, wiki-based systems.

What most clearly distinguishes the knowledge management programmes from initiatives for continuous organizational learning is the focus on specific intellectual assets management and the use of the organizational channels through which knowledge flows. Taking into account its significance, the researchers launch the idea for specific type of information systems called knowledge management systems /KMS/. The purpose of these systems is to support knowledge creation, transfer and application as a part of different organizations management.

In order to be more comprehensive, the studies on knowledge management system development shall carry out an analysis of numerous literature sources that exist in several but interconnected areas. In this context, the purpose of that article is by surveying the literature sources to carry out synthesis of a model for knowledge management and examine the aspect applied to the model when introduced to Bulgarian enterprises. **

Knowledge management studies the process by which the organizations manage the tacit and explicit knowledge, as well as know-how for products production, services, organizational systems and intellectual property. Specifically, knowledge management embodies the strategies and processes the organization employs in order to acquire and use in their favour the „corporate memory“. [1]

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The knowledge management nature can be represented by the following diagram1: [2]

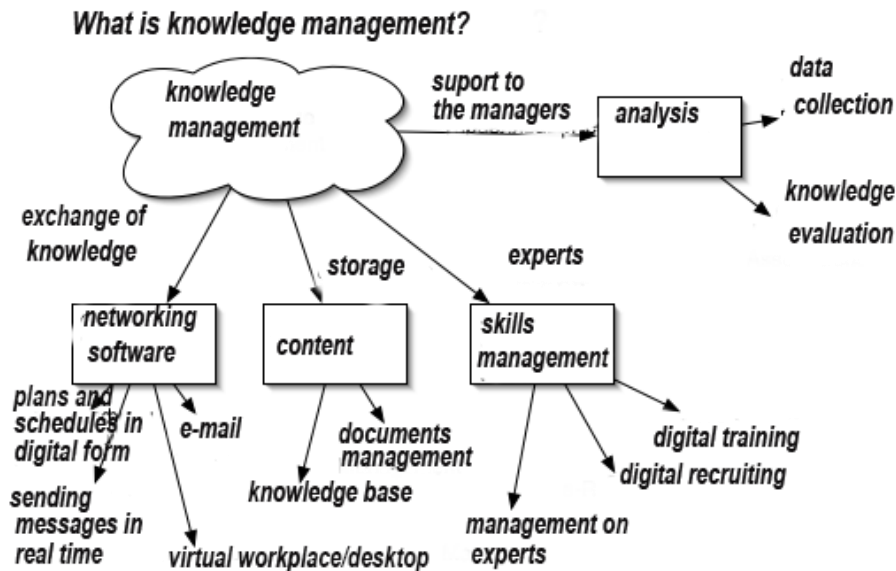


Fig. 1 Knowledge management nature

According to Miklos Sarvary “knowledge management consists of much more than technologies themselves. Knowledge management is a business process by which the organization creates and uses its institutional and collective knowledge”. [3]

Other authors emphasize that „the knowledge management system is based on information technologies, providing knowledge creating, acquiring and sharing, and transfer of expertise in information”.

Knowledge management systems (KMS) are a type of information systems applied to the knowledge management in the organizations using online directories and databases; knowledge sharing and operation in virtual teams; access to information about past projects /KPMG 1998/.

Creation of corporate knowledge directories is also known as creation of a map of internal expertise. It is a good alternative, because much knowledge in the organization remains uncoded and the map enables to understand which its potential source is. /Ruggles, 1998/. A survey found, that 74% of respondents believed that their organization’s most useful knowledge was inaccessible and 68% thought that in practice mistakes were reproduced many times /Gazeau, 1998/.

Third common application of knowledge management systems is the creation of knowledge networks /Ruggles, 1998/. When “Chrysler” reorganized its system from functional to platform-based organizational units, the company realized that suspension specialists could communicate each other across the platforms. Otherwise, their task would deteriorate. For that reason “Chrysler” created Tech Cul, making possible meeting people face to face or virtually in order to exchange their experience and knowledge in different areas of the automotive industry. In this case, the knowledge management focused on bringing experts together so that knowledge was shared and added. “Ford” found, that just by the adequate communication for intensified knowledge sharing, the development time for new cars was reduced from 36 to 24 months, the delivery time reduced from 50 to 15 days.

To achieve practical usefulness of the analysis, we carried out a survey of the practice of knowledge management in Bulgarian enterprises. The survey range included 118 organizations in total, 50% of which employ over 100 people (fig. 3). Most of them are private sector organizations taking part in the survey (89%), as 47% of them develop their international business. In areas of activity the respondents are distributed as shown in (fig. 3). The size of the target group is limited by the presence of small number of end objects that share to some extent some knowledge and knowledge management practice. In developing the survey methodology was used the Likert scale, i.e. 5-point scale assessment of previously proposed statement, as the relative parts of receiving/non-receiving or determining by 5-degree scale their agreement/disagreement survey’s respondents are estimated in the questionnaire responses.

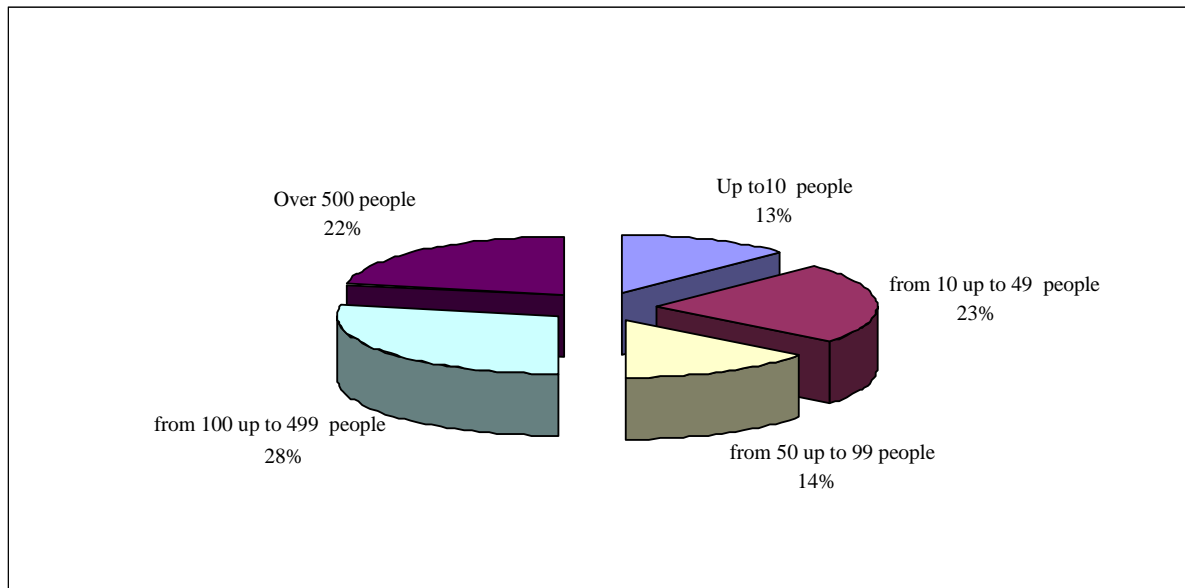


Fig.

2 Allocation of the enterprises taking part in the survey according to their size

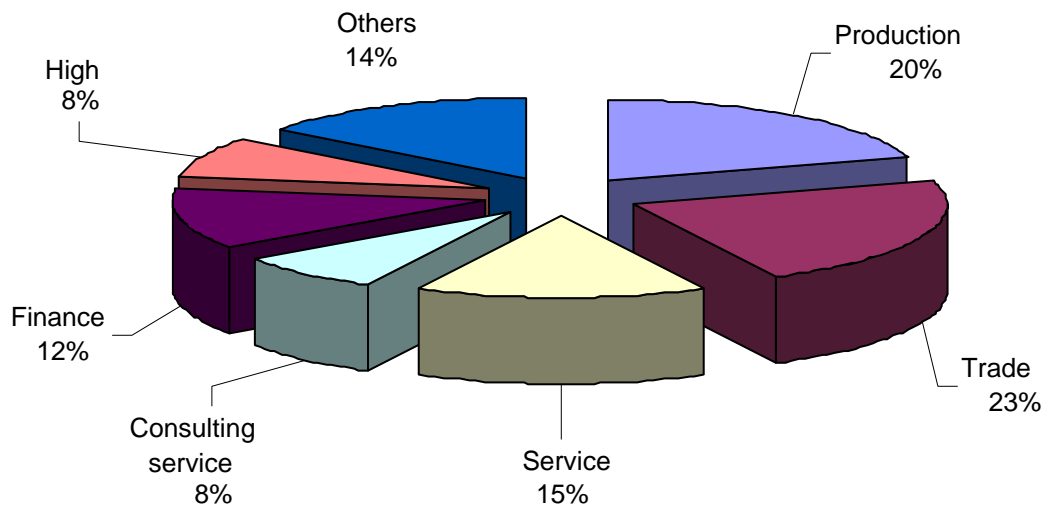


Fig.3: Distribution of the enterprises according to their activity area

The hypotheses provided for assessment are the following:

- Organizational culture is a factor for facilitating the generation of knowledge.
- Information technologies improve knowledge generation.
- Shared (limited) connections, based on the internal communication encumber the adoption of external



knowledge.

On the question: Is it true the statement “Organizational culture is the most important factor for knowledge generation in your organization”?, the average assessment by 5-point scale is 4.27, which value will be used to determine the factor’s relative importance in general conditions for stimulating the knowledge generation.

On the question: Is the statement true: “Computing information system is the most important factor for knowledge generation in your organization”?, the average assessment is 4,09, which value defines lower level of factor influence than the organizational culture. Nevertheless, the most responds are in the scope of statement establishing which confirms the hypothesis for its importance at that stage of knowledge generation. As Tsvetana Stoyanova states, „the appearance of new information and communication technologies have created the preconditions for the revolutionary development of the “knowledge economy”. Increasingly strong specialization and accumulation of huge amounts of dispersed over long distances and among a lot of people information and knowledge requires the creation of communication and exchange networks which are supported by information infrastructure. It should be remembered that the new technologies are mostly the means for more effective and quick collection, processing, management and distribution of information and knowledge, they are not only an objective in itself. Purchase and installation of super modern technologies at places where there is a lack of knowledge and skill for it to be used, guarantee only higher costs and losses but not better results. The information infrastructure in Bulgaria is the most developed element of the “knowledge economy”, but it does not guarantee a rapid overall development. However, the presence of such infrastructure enables a rapid progress when good training and available information are provided.”

As a factor for knowledge generation, the internal communications (regular staff meetings, internal information system, tutorship, coaching etc.) assessment value is 3,62, which refutes the hypothesis that they encumber the knowledge generation. That issue has been examined in the literature separately by a number of authors to determine how closely cooperation in a shared space is required in order to improve and speed up the knowledge generation /El Sawy, 1998/.

On the question: Is the statement true that “Good internal communications discourage the activity in searching for knowledge from external source”, the assessment value is 4,02, which shows that in practice developed and structured internal communications stimulate knowledge distribution within the working groups and teams and thus make the effort to obtain external knowledge useless in certain degree. With their proven strong influence on the knowledge sharing and distribution the information technologies play the role of key factor at this stage. Knowing the diverging forces of that influence is only an additional condition to build an adequate communication environment for carrying out the organizational processes.

Overall, based on the results of the survey carried out in Bulgarian enterprises, we can make the following recommendations:

- To promote the motivation for knowledge exchange by means of awards/rewards.
- To transfer knowledge from one project to another. In many companies this kind of knowledge transfer is done in an informal way, but it would be better to form formal, standardized and deliberated channels.
- To introduce the interview with the project participants and responsible people in order to analyse what happened, why happened and how it can be improved.
- Knowledge “mapping”, meaning to keep records with information and required knowledge, for example where is it possible to take some information, who keeps it, whose competence it is, etc.
- To organise groups in interests which share common passion for something they do and learn how to do better with regular interaction among them.
- To transfer the best practices without copying them, but by adapting to the specific conditions of the organisation.
- To manage competencies, i.e. the competencies of the company’s individual members shall be estimated and planned regularly. Thus, the current and future needs of competencies will be identified, the integral communication between business units regarding their training followed by conversion of the goals in business results will be facilitated.
- To implement effective interaction between skilled employees and newly appointed ones. Well trained employees shall be retained in the company to keep the knowledge.



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- To exchange information through technologies of cooperation (software for group work etc.). Thus, groups working apart can easily communicate with each other.
- To create knowledge storages (databases, computing systems), which continuously collect and analyze the company's knowledge assets.

Knowledge management involves different but dependent processes: generation, storage, access, transfer and application of knowledge. At any time and any place the organisation and their members are bound in a chain of knowledge management processes. That is why it is a dynamic and constant organisational phenomenon. Knowledge management complexity, resource requirements, instruments and approaches vary on the base of the process type, size and characteristics.

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