

# Review

## MANAGING KNOWLEDGE

# 12

Explain how the KM infrastructure contributes to organizational effectiveness

Explain what is meant by the knowledge based view (KBV) and evaluate the role of knowledge resources in developing sustainable competitive advantage

Explain the roles of technology, people, structure, culture and processes in knowledge management

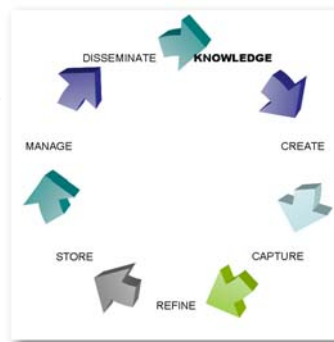
Explain how knowledge is managed within the MNC and between alliances, partnerships and joint ventures

Discuss KM processes



The theories and concepts presented throughout this chapter are identified in the framework, see Figure 12 - 14. In turbulent environments and in the face of competition, (learning) organizations must develop and access knowledge resources continuously and then diffuse throughout the organization. Organizations may learn from others by imitation or may learn from their own history, experimentation, trial and error. They may also recruit talented individuals into their pool of knowledge capital. Quality management processes (TQM and BPM) enable learning through a continuous improvement culture, tools and techniques.

Organizations learn so that they can adapt to new environmental challenges. We distinguished between learning processes, the learning climate and culture and the content of learning. It is the latter which exists as a resource to be used by the organization. This resource may exist in the heads of individuals, culture, procedures, and routines and may be tacit or explicit. Given that no one person holds all of the organizational knowledge required for transformational processes, integration processes and mechanisms are required in order to bring a range of knowledge resources together and integrate them as difficult to imitate capabilities and competencies.



Integration is supported by structure, culture, processes and technology – the organization’s knowledge management infrastructure. Knowledge is also transferred and integrated through group work and decision-making and may be transferred between individuals, groups and organizations. Capabilities and competencies represent the clusters of knowledge and other resources used in work, in the transformation process. However, not only must capabilities exist, human resources must be motivated to develop, share, integrate and use knowledge resources in value adding activities. In some cases the organizational and national culture may support or inhibit the use of such resources.

Resources are used in work activities, the output of which may be products or services. Ultimately, knowledge resources ensure organizational goals are attained in an effective and efficient manner. They may also be rare and difficult to imitate; in which case they may confer a sustainable competitive advantage to the organization. However, when knowledge only exists in employees it may leak out of the company to competitors. As a consequence of the above, organizations rely heavily on HR and IT specialists to support their knowledge management efforts through both “hard” and “soft” approaches. Common to both sets of professionals is the recognised need to build networks for communication in support of knowledge sharing.

## Key Terms

### TACIT KNOWLEDGE

The knowledge that is usually in the domain of subjective, cognitive, and experiential learning. It is highly personal and hard to formalize.

### CODIFICATION APPROACH

A knowledge management strategy with reliance primarily on repositories of explicit knowledge

### PERSONALIZATION STRATEGY

The knowledge management approach that attempts to share knowledge mostly through person-to-person contacts. The opposite is the codification strategy.

### EXPLICIT KNOWLEDGE

The knowledge that deals with objective, rational, and technical knowledge (data, policies, procedures, software, documents, etc.).

### LEARNING ORGANISATION

"The learning organisation is capable of continual regeneration from the variety of knowledge, experience and skills of individuals within a culture which encourages mutual questioning and challenge around a shared purpose or vision."

### KNOWLEDGE MANAGEMENT

"The combination of activities involved in gathering, sharing, analysing and disseminating knowledge to improve an organization’s performance."

### KNOWLEDGE REPOSITORY

a database storing knowledge

### KNOWLEDGE-BASED ECONOMY

The new, global economy that is driven by what people and organizations “know” and not only by capital and labour.

### KNOWLEDGE-BASED VIEW OF THE FIRM

a view that knowledge should be the resource on which to base strategy