What is Knowledge Management?

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Abstract

Knowledge Management (KM) is an essential discipline focused on the creation, sharing, utilization, and preservation of knowledge within organizations. As knowledge increasingly becomes recognized as a vital asset, effective KM practices enhance operational efficiency, foster innovation, and maintain competitive advantage. This paper examines the definitions, historical evolution, key components, and significance of KM in contemporary organizations. It differentiates between tacit and explicit knowledge, emphasizing the necessity of integrating both for organizational success.. Additionally, it explores how organizational structure, culture, and leadership impact KM effectiveness. This paper posits that understanding and leveraging KM is crucial for organizations to thrive in the knowledge-based economy, offering numerous benefits such as improved decision-making, enhanced communication, and increased employee engagement.

Keywords: Knowledge Management, KM History, Tacit Knowledge, KM Components

Knowledge management (KM) is a multifaceted discipline that encompasses the creation, sharing, utilization, and preservation of knowledge within organizations. As organizations increasingly recognize the importance of knowledge as a critical asset, KM has emerged as a vital practice in enhancing operational efficiency, fostering innovation, and maintaining competitive advantage. This paper explores the definitions of KM, its historical evolution, key components, and the critical role it plays in organizations today.

Knowledge Management Defined

KM refers to the systematic process of identifying, capturing, sharing, and utilizing knowledge to enhance an organization's effectiveness and efficiency. Various definitions of KM have been developed. Nonaka & Takeuchi (1995) define KM as the process through which organizations create value from their intellectual and knowledge-based assets. This includes the identification and sharing of knowledge to promote innovation and strategic advantage. Davenport & Prusak (1998) describe KM as the "art and

science of enabling individuals to collectively and systematically create, share, and apply knowledge to achieve organizational objectives." Tiwana (2000) defines KM as the management of an organization's knowledge assets for creating value and meeting tactical and strategic requirements. These definitions encapsulate the essential functions of KM: the creation of knowledge, the sharing of knowledge among stakeholders, and the application of that knowledge to achieve organizational goals.

The History of Knowledge Management

The concept of knowledge management has roots that trace back several decades, evolving through various stages influenced by technological advancements, organizational behavior theories, and the globalization of markets. Its foundation can also be linked to early concepts such as organizational learning and information management.

The rise of information technology in the 1980s contributed to the development of systems designed to manage and store information, setting the stage for KM. This period focused primarily on information retrieval and data management rather than the holistic approach that KM encompasses today.

The term "Knowledge Management" gained prominence in the early 1990s. During this period there was an increased recognition of Knowledge as an Asset. Organizations started to appreciate that Knowledge is a vital asset, akin to physical and financial resources. The shift towards a knowledge-based economy prompted businesses to rethink their strategies. Companies like the British Petroleum (BP) and the World Bank began implementing KM practices, focusing on capturing and sharing best practices to enhance organizational performance.

Tacit and Explicit Knowledge

In KM, knowledge is typically categorized into two main types: tacit and explicit knowledge. Each type has distinct characteristics and implications for how organizations manage knowledge. Tacit knowledge is personal, context-specific, and difficult to formalize or articulate. It includes insights, intuitions, experiences, and skills that individuals acquire over time e.g. A manager's ability to read team dynamics or navigate office politics.

Explicit Knowledge is structured and can be easily articulated. This type of knowledge is readily documented and shared. It includes facts, procedures, and data that can be easily transmitted. E.g. Standard Operating Procedures and Policy.

KM recognises both tacit and explicit knowledge as essential for organizational success. Tacit knowledge often drives innovation and problem-solving, while explicit knowledge provides the necessary framework and information for effective decision-making.

A KM Strategy should integrate both types of knowledge, using explicit knowledge to support and enhance the sharing of tacit knowledge, thereby fostering a holistic knowledge culture.

The Components of Knowledge Management

People, Processes, Technology; sometimes referred to as the Golden Triangle (Lee , 2016) are the key components of Knowledge Management. Since the early 1990s, organizational leaders have used this

combination to guide initiatives and lead organizational change. It's important to have the right combination of each of these components.

People are at the heart of Knowledge Management (Igbinovia & Ikenwe, 2018). They are the generators, custodians and users of Knowledge. Key persons at organizations are required to get involved before focusing on the process and investing in technology aspects. People who have expertise on various aspects of the organisation must be willing to share what they know and there must be visible Leadership support for KM. Further, creating roles with specific responsibility for KM strategy will be useful to its success (*APQC*, 2019).

Technology improves the organization's performance by providing people with the correct information at the right time to make decisions. It is a significant player in integrating knowledge and organizational process to enhance performance and competitive advantage (López et al., 2009). The advancement of digital technology, including intranets, knowledge repositories, collaboration tools, Learning Management Systems and Business Analytics has revolutionized the practice of KM by enabling sharing and management of knowledge, not just within organizations, but across geographically dispersed teams. As of late, Artificial Intelligence (AI) technologies are being integrated into KM systems to enhance knowledge discovery, facilitate personalized learning, and automate knowledge capture. It must be noted, however, that there is a misconception that knowledge management is solely about technology. In fact, a study done by (Franco & Mariano, 2007) stated that it is estimated that almost 70% of publications on knowledge management (KM) focused on the design of IT systems. This reinforces how much emphasis organizations place solely on the role of Technology in KM, without considering the other components of people and processes. Technology is a critical facilitator of KM processes and without training and an understanding of its usage among employees, technology investments will not yield the desired returns (López et al., 2009).

The process component of Knowledge Management refers to the strategies or approaches used for managing Knowledge at an organisation. It involves several stages; the KM Cycle (Igbinovia & Ikenwe, 2018). These include:

1. **Knowledge Creation**: This is where new knowledge is generated through innovation, collaboration, research, and experimentation. It can come from various sources, including employees, customers, and external partnerships.

2. **Knowledge Capture**: Once knowledge is created, it needs to be documented and stored. This involves codifying tacit knowledge (personal insights and skills) into explicit formats (documents, databases) for easier access.

3. **Knowledge Sharing**: The captured knowledge must be disseminated throughout the organization. This can be done through training sessions, collaborative platforms, and informal networks, encouraging communication and collaboration among employees.

4. **Knowledge Application**: At this stage, the shared knowledge is utilized in decision-making, problem-solving, and operational processes. Applying knowledge effectively can lead to improved performance and innovation.

5. **Knowledge Evaluation**: This involves assessing the effectiveness of KM processes and the impact of knowledge on organizational goals. Feedback is gathered to identify areas for improvement.

6. **Knowledge Retention**: Organizations must ensure that valuable knowledge is preserved, especially when employees leave. This can involve creating knowledge repositories and establishing processes to retain critical insights.

The KM cycle is iterative, meaning that insights gained from evaluation and retention can lead back to creating new knowledge, fostering a continuous loop of learning and improvement within the organization.

Other components such as Structure, Culture and Leadership are factors which impact effective Knowledge Management. An organization's structure shapes how knowledge flows, is managed, and is leveraged, directly impacting its effectiveness in utilizing knowledge for strategic advantage. In more Hierarchical structures there is a greater probability of knowledge silos as knowledge can flow slowly. Flatter structures promote quicker sharing and collaboration, enabling faster access to knowledge across teams. Structures that encourages cross-functional teams fosters collaboration and diverse perspectives, which can lead to richer knowledge creation and sharing. Organizations with a mix of formal (structured teams) and informal networks (social interactions) can leverage both to facilitate knowledge sharing. Informal networks often enhance trust and communication, making it easier to share tacit knowledge. It is important that Agility is built into organizational structures as this promotes and ability to respond quickly to changing knowledge needs, allowing for rapid adjustments in KM strategies and practices.

A supportive organizational culture is essential for fostering effective KM practices (Kathiravelu et al., 2014). By promoting trust, collaboration, and continuous learning, organizations can enhance their ability to create, share, and apply knowledge effectively. Leadership of an organisation also plays an important role in Knowledge Management (KM) by shaping the environment and practices that enable effective knowledge sharing and utilization (Schein, 2010). Leaders must communicate the value they place on effective Knowledge Management and promote behaviors that are in alignment with a knowledge sharing culture; Leadership will set the tone for KM in the organisation (Usman et al., 2021)

The benefits of Knowledge Management

KM is a critical strategy that plays a vital role in helping organizations to achieve its strategic objectives and succeed in the current global knowledge-based economy. Hence, for organizations to prosper and succeed in the current state of the knowledge-based economy, it is critical that they understand and exploit the role of KM. The benefits to be derived from KM includes saving time, shortening timeframes for strategy development, improving project management, building employee expertise, enhancing communication, improved staff morale, capitalizing on the tacit knowledge of employees , better serving stakeholders , reducing problem-solving time, and providing better measurement and accountability .

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