Development, Deployment and Utilization of Intangible Assets through Knowledge Management

Dr Sanjeev Kumar Varshney
Associate Professor, Faculty of Commerce
VeeranganaAvantibai Govt.Degree College, Atrauli ,Aligarh

Introduction

Knowledge management has recently emerged as a strong, interdisciplinary topic area of research, currently drawing a lot of attention both among practitioners and scholars. The fundamental core of knowledge management is the development and astute deployment and utilization of intangible assets, of which knowledge, competence, and intellectual property are the most significant. At present, knowledge management is considered to be one of the most strategically important fields that can be seen to combine all traditional organizational functions, such as production, marketing, management and accounting. The management of information and knowledge, and also related to this, the assertion of organizational learning, are absolute key questions in strategy work.

In business economics the debate on knowledge management is still quite unorganized. In terms of theoretical approaches, almost all contributors in knowledge management debate suggest conceptual models or frameworks to analyze organizational phenomena associated with knowledge management. Knowledge management is an emerging discipline while its key questions have long been discussed in a large number of related disciplines. However, whether it is defined in terms of learning, intellectual capital, knowledge assets, intelligence, know-how, insight or even wisdom, the management of all kinds of information, knowledge and competence is regarded as a one of the most critical factors for an organization's success, shifting the focus from the logistics of storing information to benefiting from the unexplored potential of the human imagination.

Knowledge Management Processes and Goals

Knowledge management is the planning, organizing, motivating, and controlling of people, processes and systems in the organization to ensure that its knowledge-related assets are

improved and effectively employed. Knowledge-related assets include knowledge in the form of printed documents such as patents and manuals, knowledge stored in electronic repositories such as a "best-practices" database, employees' knowledge about the best way to do their jobs, knowledge that is held by teams who have been working on focused problems and knowledge that is embedded in the organization's products, processes and relationships.

The processes of Knowledge Management involve knowledge acquisition, creation, refinement, storage, transfer, sharing, and utilization. The Knowledge Management function in the organization operates these processes, develops methodologies and systems to support them, and motivates people to participate in them.

The goals of Knowledge Management are the leveraging and improvement of the organization's knowledge assets to effectuate better knowledge practices, improved organizational behaviors, better decisions and improved organizational performance.

Although individuals certainly can personally perform each of the Knowledge Management processes, Knowledge Management is largely an organizational activity that focuses on what managers can do to enable Knowledge Management's goals to be achieved, how they can motivate individuals to participate in achieving them and how they can create social processes that will facilitate Knowledge Management success.

Social processes include communities of practice – self-organizing groups of people who share a common interest – and expert networks – networks that are established to allow those with less expertise to contact those with greater expertise. Such social processes are necessary because while knowledge initially exists in the mind of an individual, for Knowledge Management to be successful, knowledge must usually be transmitted through social groups, teams and networks. Therefore, Knowledge Management processes are quite people-intensive, and less technology-intensive than most people might believe, although a modern knowledge-enabled enterprise must support Knowledge Management with appropriate information and communications technology.

Knowledge Management Systems

Knowledge management systems (KMS) are applications of the organization's computer-based communications and information systems (CIS) to support the various Knowledge Management processes. They are typically not technologically distinct from the CIS, but involve databases, such as "lessons learned" repositories, and directories and networks, such as those designed to put organizational participants in contact with recognized experts in a variety of topic areas.

A significant difference between many knowledge management systems and the organization's CIS is that the KMS may be less automated in that they may require human activity in their operation. While information systems typically require that humans make choices in the design phase and then operate automatically, KMS sometimes involve human participation in the operation phase. For instance, when a sales database is designed, people must decide on its content and structure; in its operational phase, it works automatically. When a "lessons learned" knowledge repository is created, people must make all of the same design choices, but they must also participate in its operational phase since each knowledge unit that is submitted for inclusion is unique and must be assessed for its relevance and important.

Organizational Learning

There are various ways to conceptualize the relationship between knowledge management and organizational learning.

By motivating the creation, dissemination and application of knowledge, Knowledge Management initiatives pay off by helping the organization embed knowledge into organizational processes so that it can continuously improve its practices and behaviors and pursue the achievement of its goals. From this perspective, organizational learning is one of the important ways in which the organization can sustainably improve its utilization of knowledge.

An "organizational learning cycle," suggested that "accumulated knowledge… is of less significance than the processes needed to continuously revise or create knowledge". These processes are closely related to the notion of "continuous improvement" through which an organization continuously identifies, implements and institutionalizes improvements. The improvements are embedded in the organization through routines that may be written policies,

prescribed machine settings, quality control limits or "best practices" for dealing with frequently occurring circumstances.

The Knowledge Management Processes Cycle

The process cycle model is particularly valuable in that it uses the generally accepted terminology of Knowledge Management and makes use of alternative paths in order to make important distinctions. The various activities listed as bullet-points under some of the major phases are meant to be illustrative and not necessarily definitional. Knowledge creation involves developing new knowledge or replacing existing knowledge with new content.

The focus of this is usually on knowledge creation inside the boundary of the firm or in conjunction with partners. The four bullet points under "Creation" four modes of knowledge creation – socialization (the conversion of tacit knowledge to new tacit knowledge through social interactions and shared experiences), combination (creating new explicit knowledge by merging, categorizing, and synthesizing existing explicit knowledge), externalization (converting tacit knowledge to new explicit knowledge) and internalization (the creation of new tacit knowledge from explicit knowledge). Illustrative of these four modes respectively are apprenticeships, literature survey reports, "lessons learned" repositories and individual or group learning through discussions.

In contrast to knowledge creation, knowledge acquisition involves the search for, recognition of, and assimilation of potentially valuable knowledge, often from outside the organization.

The bullet points under "Acquisition" illustrate some processes for acquiring knowledge from external sources – searching (as on the Internet), sourcing (selecting the source to use) and grafting (adding an individual who possesses desired knowledge to the organization).

After new knowledge is created or acquired, Knowledge Management mechanisms should be in place to prepare it to be entered into the organization's memory in a manner that maximizes its impact and longterm reusability. Knowledge refinement refers to the processes and mechanisms that are used to select, filter, purify and optimize knowledge for inclusion in various storage media.

Under "Refinement" in the figure, the bullet points suggest that tacit, or implicit, knowledge must be explicated, codified, organized into an appropriate format and evaluated according to a set of criteria for inclusion into the organization's formal memory. Of course, explicit knowledge needs only to be formatted, evaluated, and selected.

The Organization of Knowledge Management

Knowledge Management is conducted in many different ways in organizations. Often, the Knowledge Management function is headed by a Chief Knowledge Officer (CKO). If the organization's Knowledge Management strategy is straightforward, the CKO may lead a Knowledge Management Department. In more complex situations, with a diverse set of Knowledge Management strategies being implemented, the cultural differences that are inherent in different strategies suggest that a single department may not be the best way to organize Knowledge Management. In such instances, the communications linkages among various Knowledge Management groups are of great importance.

Related to this is the perceived role of organizational culture in influencing Knowledge Management practice and success. A "knowledge culture" is one particular variety of organizational culture representing a "way of organizational life that...enables and motivates people to create, share and utilize knowledge for the benefit and enduring success of the organization." Organizational culture is believed to influence the knowledge-related behaviors of individuals, teams, organizational units and overall organizations because it importantly influences the determination of which knowledge it is appropriate to share, with whom and when.

The Future of Knowledge Management

Empirically identified a number of "Knowledge Management issues" through a Delphi study of Chief Knowledge Officers. The resolution of these issues represents a forecast of how Knowledge Management will be different in the future. The top 8 issues were:

➢ How to use Knowledge Management to provide strategic advantage

➢ How to obtain top management support for Knowledge Management

➢ How to maintain the currency of organizational knowledge

➢ How to motivate individuals to contribute their knowledge to a Knowledge Management system

➢ How to identify the organizational knowledge that should be captured in Knowledge Management systems

➢ How to assess the financial costs and benefits of Knowledge Management

➢ How to verify the efficacy, legitimacy, and relevance of knowledge contributed to a Knowledge Management system

➢ How best to design and develop a Knowledge Management system

If all, or most, of these issues are resolved as Knowledge Management matures, the future of Knowledge Management will be largely determined by the manners in which they are resolved.

Conclusion

To understand the true nature of knowledge, it is necessary to recognize that tacit and explicit knowledge are essential to knowledge creation. Knowledge can be created through conversion between tacit and explicit knowledge by four different modes. It is in this very act of conversion from tacit to explicit knowledge that learning is created. Educators must understand the dynamic nature of knowledge itself in order to practice effective knowledge management in multi-disciplinary contexts. It is also crucial for educators to focus on effective methods of delivering content, the media used, and the overall quality of the instruction materials. Then only it will become possible to refashion education in a fundamental way so as to direct students to a knowledge creating culture, which is the need of the hour. It is clear from the study that the appropriate use of online technology helps learners to develop the ability of knowledge management. Educators need to become skilled at converting personal, tacit knowledge into explicit knowledge that can help learners to construct their own knowledge. Multimedia technologies can make a great contribution to the educators'

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