Knowledge management: Benefits and its advantages

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ABSTRACT: Now, uncertainty is accepted as the main hypothesis, the organizations are obliged to create new knowledge. Thus, in recent years, knowledge management is considered by the organizations and it is used to achieve competitive advantage in the market and increasing organization effectiveness. Knowledge management and the related fields emphasize on the fact that in the global new economy, achieving the stable competitive advantage is contingent upon the ability of the organization in development and correct use of knowledge-based resources in the organization. Knowledge management is including possession of knowledge, wisdom, experience with value added of the employees in the organization, easy recovery and its maintenance as the corporate finance. Knowledge management deals with important issues as organizational adaptability, sustainability in coping with the incremental environmental changes and knowledge management attempts for synergic combination of information processing, IT and inventive ability of human beings. Technology is the information of instruments and the dominant thought is the main element of producing knowledge. Knowledge management is used for the following reasons: Increasing collaboration, improvement of customer services, increasing the organizational awareness of organizational knowledge, improving effectiveness, and effectiveness is a measure to evaluate the performance of the systems and determining the success or failure in achieving the system aims based on consuming the resources.

Keywords: Knowledge management, Merits and demerits, Knowledge management concept, Knowledge management aims

INTRODUCTION

Today knowledge is used as valuable source for the growth of the organizations due to its intangibility and it is the only stable competitive advantage. In the studies done in 2003, knowledge management is applied in all business fields and performance regions, delivery of services, in strategy in research and development, etc. Most of the organizations apply knowledge management projects. Moving toward the knowledge-based community is the issue that is discussed extensively. The emergence of IT and its influence to all dimensions of life brought new paradigms to all people and changed the human beings life. The organizations were not exception and they were changed considerably. In the increasing changes, the organizations to achieve the competitive advantage and continuing life and coping with the environmental variables apply new management instruments and techniques. Knowledge management is raised as one of the latest organizational issues and helps the organizations in this field. The most basic feature of intelligent organizations in 21 century was emphasis on knowledge and information. Knowledge is powerful instrument that can create some changes in the world and make the innovations possible (Mohammadi Fateh et al., 2008).

Today, in rapid changes of technology that the view of the schools is changed considerably, enjoying the teachers and managers with knowledge, information, techniques and educational strategies is not adequate alone and organizing and appropriate use of information in educational environments are necessary (Rahimi, Najafi, 2007). Scientifically, knowledge management and education are the basic forms of the growth of software movement and knowledge production in the schools in information time. The management that starts the organizing, recognizing and transfer of knowledge from the schools and use intellectual capital of students by creating strategic motivations and facilitates the knowledge life cycle establishing organizational learning in the society (Karamipour, 2003).

Knowledge management is possessing knowledge, wisdom and experiences with value added of the employees in the organization, easy recovery and its maintenance as the corporate finance. Knowledge management deals with some important issues as organizational adaptability, sustainability in coping with incremental environmental changes and knowledge management attempts for synergic combination of
information processing, IT and inventive ability of human beings. Technology is the information of instruments and the dominant thought is the main element of producing knowledge. Knowledge management is used for the following reasons: Increasing collaboration, improvement of customer services, increasing the organizational awareness of organizational knowledge, improving effectiveness, and effectiveness is a measure to evaluate the performance of the systems and determining the success or failure in achieving the system aims based on consuming the resources.

Knowledge management is consisting of 5 stages of knowledge validate, organizing, dissemination and application of knowledge. According to Peter Draker, the success of the organizations secret in 21th century was knowledge management. Thus, the organizations management by relying on better wisdom can take reasonable decisions in important issues and improve knowledge-based performances.

**The definition of knowledge management**

Before the definition of knowledge management, it is required to have a brief definition of knowledge concept. In IT concept, knowledge is distinct from data and information. While data is a set of measured facts, statistics, information, organized data or processed data as precise. Knowledge is the relevant conceptual information and it is practical.

There are various definitions regarding the knowledge management. Simply, knowledge management is defined as: It is scientific field promoting the method of enjoying mutual support for creation, possession and using information. In another definition, knowledge management is considered as IT being designed as a system for supporting the knowledge of business activities (organizations) and it is covering some items as the systems supporting the decision, data bank, video conference, computer activities, internet, qualification systems and etc. Knowledge management is organizing the knowing, a coordinated attempt to possess vital organization memory to improve decision making, increasing effectiveness and innovation. Knowledge management covers possession of knowledge, wisdom, experience with value added of the employees in the organization, easy recovery and its maintenance as the corporate finance. Knowledge management is an attempt to change the knowledge of employees (human capital) to common corporate finance (structural intellectual capital).

**Different kinds of organizational knowledge**

Depending on the fact that where the knowledge is located physically, it is divided into two parts:

**Explicit knowledge**

Explicit knowledge is logical. In other words, explicit knowledge is a set of procedures, policies, software, documents, instructions, reports, design and goals of each organization. Explicit knowledge can be expressed in the words and figures and as scientific formula of details of guidance book given to the others. This type of knowledge easily can be transferred to people systematically and formally. This knowledge is considered more in the west.

**Tacit knowledge**

It versus explicit knowledge, deeply personal experience and hardly it can be turned into special form and it is shared hardly. Mental visions of direct guesses are in this type of knowledge. Tacit knowledge is mostly applied in the activities, experiences, ideals, values and feelings of people. Most of the Japanese consider the knowledge principle tacit, the knowledge that is not observed easily (Bahramzade, Motamedi, 2007).

**The goals of knowledge management**

The knowledge management is aimed to create a learning organization and participation by creating the relation between the data reserve created by the people in different parts of company (financially, performance, competitive intelligence, etc) and relating them to each other.

Most of the people and organizations apply knowledge management for the following reasons:

Increasing collaboration
improving effectiveness
encouraging and enabling innovation
Dominating much information and delivery of the necessary items.

Facilitating the knowledge trend from the providers to the receivers without time and space restriction.
Easy sharing of knowledge between the employees and prevention them of re-invention.
Possession and record of the knowledge of the employees before they leave the company, to be sure that valuable knowledge is not lost by employee leave.
The increase of organizational awareness of the shortcomings of the organization
Helping the companies to be proactive by increasing their awareness of the strategies, products and the best functions of their competitors.

The benefits of knowledge management
Being responsive to the consumers In management process, a person can establish interaction with the clients and customers.
Operating effectiveness and the lack of concentration of the tasks: A comprehensive management without any structure can develop operating effectiveness by developing participation between people and organization units by helping the workers to direct the operation.
Better recognition of the organization and its consumers
Achieving knowledge division process

Demerits of knowledge management
Tacit knowledge and organization culture: The purpose of knowledge management is investing on tacit knowledge of the employers and achieving it is difficult from scientific view. If in the organization culture, perpetual learning, participation and open thinking are not supported, people in the organization are not inclined to share their tacit knowledge with their co-workers.
Skills and expertise: In knowledge management, we required different types of skills and expertise.
Cost: The application of knowledge management is time-consuming in terms of financial resources and human resources in the organization.

Knowledge management process
Knowledge management process is consisting of 5 stages as knowledge creation, validate, organizing, dissemination and knowledge application. These five stages in knowledge management field provide training, feedback, re-training or elimination of training in an organization that are required for creation, maintenance and renovation of the organization capabilities.

Knowledge creation
Knowledge creation refers to the ability of the organizations in creating the new ideas and solutions (Marakas, 1999). The organizations by development of the previous and present knowledge structure created the new concepts by different methods. Knowledge creation is an important process in which motivation, suggestion, experience and luck play important role (Leen et al., 1996). The evaluation measure of new knowledge is its role in solving the new items and innovation in the market. It is not recommended that the organizations try to create new knowledge under any condition. There are various methods by which the experiences are tested again (Bat, 2000).
For example, any organization can create a part of the existing knowledge by imitation, repetition and replacement strategy.

Knowledge validate
Knowledge validate refers to the range the companies can affect knowledge and evaluate its effects on organizational environment. As a part of past knowledge over the time should be reviewed and adapted with the current facts. The continuous and multi-functional contrast between technology, techniques and people are required for evaluation of the validity of knowledge (Bat, 2000). For example, when an organization applies a new set of technologies, tools, procedures and processes, it requires improvement and updating the skills of the employees to be consistent with the new competitive facts. Thus, knowledge validate is control, test and continuous improvement of the basic knowledge to reach the existing and potential facts.

Organize knowledge
Organizing is the methods by which knowledge is recorded in a special place (database) and it is given to the members of the organization. Generally, the organizations can take various methods to create basic knowledge. Organizational knowledge is distributed in different positions with different trends and in different media, restructuring and establishment of the knowledge from the separate resources is difficult for the organization members.
It is possible that in an organization each department processes the data differently as there is no standard for a similar format.
Knowledge distribution

It is required that the knowledge is shared before being used at organization levels inside the organization. The interaction between the technologies of the organization, techniques and people can have direct effect on knowledge distribution. Using E-mail, internal network, bulletin and News group help the better distribution of knowledge inside the organization and by them the people can exchange views on various aspects.

Knowledge application

The organizational knowledge should be applied for the products, services and organizational process. If an organization can not define the correct form of knowledge easily, it will have problem in competitive fields. When creativity and innovation are victory methods in the current world, the organization should use the suitable knowledge. The organizations take various methods in using their knowledge resources. For example, the existing knowledge can be obtained of various internal contents, take suitable measurement standards and encourage people to think innovatively and use their perception to improve the products, services and organization processes (Bahramzade, Motamedi, 2007).

The evolution of knowledge management

The lowest information unit in management is the assumption (data) leading into hierarchy of wisdom. This hierarchy is as:

Assumptions

The main element of information in the organization is as assumption (data). By these assumptions, the organizations go proactively to environmental conditions. The present study defined the knowledge management, its goals, merits and demerits, knowledge management process, evolution, etc and they are investigated.

Data

Collecting and data analysis to define the models and trends. Most of the collected assumptions are combined by duty process in the organization.

Information

Each element is a component of an exchange and to change into the information they should be combined with other assumptions. If we can create a logical relation between them, we can create information.

Analyze

If the collected data in the previous stages are analyzed, their value is increased; information analysis forms the models and relations and increase the power of decision making of the managers.

Knowledge

The knowledge is created of the previous stages (assumptions, information, and analysis) and it is possible that the new knowledge is extracted of the existing knowledge.
Wisdom
Using the knowledge for creating high level of information perception.

The significance of needing the knowledge management

Knowledge management has increasing significance for the organizations to face with the risks being created by knowledge based economy. The risks are considered in the following aspects (Erfaninia, 2004). Knowledge is turned into an important aspect for competitiveness in public sector. Giving services and policy making are two main activities of the governments. In a knowledge-based economy, the governments are faced with the international and national competitiveness. For example, at international level, non-governmental organizations and governmental organizations compete with external organizations presenting similar services. The research institutions compete with each other to absorb the best researchers and investors. While the universities try to get the best investment, students and lecturers.

Knowledge management and commercial competitiveness

Resources-based view allows us to perceive the method of combining the resources by organization, the factors achieving the stable competitive advantage and resources nature in the organization. In this theory, the organization is considered as unique resources reserve but with different features. The organizational resources are financing corporate empowering it to establish the strategies with the aim of increasing the effectiveness and the growth of competitiveness of the organization. Is any type of organizational source with any feature has such effect?

Organizational sources to create stable competitive advantage should have a series of definite features. For example Barni (1991) believed that organizational resources should be rare, valuable, and inimitable. In 1989, Diriks and Kul proposed the followings for the features of organizational resources:
The organization resources shouldn’t be commercialized; they should be designed, developed and produced inside the organization.
The resources should play good role against the social complexities of external environment.
The resources should be based on the organizational skills and experiences.
The resources should be stable and be interrelated with the organization.
Its development is determined based on the past trend.
Based on learning level, investment, stock value and previous activities.

CONCLUSION

Today, most of the companies found that measurement and knowledge management and intellectual capital can provide competitive advantages for them. The intellectual investment of a company is the sum of human capital, structural capital and relation capital. Having control on these financing allow the organization to have effective domestic government and have successful relations with the customers, suppliers and others. It is required that the company takes some measurements for management, control and reporting the intellectual capital. The successful organizations are the ones that by full knowledge of environmental conditions are proactive in this field. The present study dealt with the definitions of knowledge management, its goals, merits and demerits, knowledge management process, evolution, etc.
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