

An Examination of Knowledge Management and Organizational Learning for Sustained Firm Performance

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Abstract: Even though anecdotal verification and individual case analysis recommend that useful knowledge management (KM) proposals add to greater firm performance. On the other hand, quantitative empirical studies are limited, as well as whatever is available they are all established on insights of the survey with reference to the firms that were being considered. Furthermore, studies examining the query whether better KM performance can forecast finer market-based assessment do not exist. Yet the materialization of knowledge-based economies has laid significance on efficient management of knowledge. The successful management of knowledge has been portrayed as a decisive component for the organization in quest of ensuring sustainable planned competitive benefit. It can be established that knowledge management is a significant driver of organizational execution and a decisive tool for organizational endurance, competitiveness, and gainfulness. Consequently creating, dealing, sharing and using knowledge successfully is crucial for organizations to acquire full gain of the worth of knowledge. If organizations have to deal with knowledge efficaciously, consideration of three key factors becomes a must - people, processes, and technology. Quintessentially, to guarantee organization's achievement, the focal point should be to link people, processes, and technology to leverage knowledge.

Keywords: Knowledge Management; Knowledge Management Capabilities; Knowledge Management Process; Creative Organizational Learning; Organizational Performance, Firm Performance, Km, Knowledge Chain Theory, Knowledge Management, Organizational Learning, Management of Knowledge.

I. INTRODUCTION

It can no more be argued that the world today is a globalized one qualified by swift information transfer through huge geographic regions using the Internet. The outcome of this globalization is the outgrowth of economies based on knowledge where effective human capital management is important so as to assure workers keep on creating the precise worth for the economy. These days' organizations do not compete exclusively on the basis of financial capital plus strength. But knowledge is now the innovative plus competitive benefit for a business. In actual fact now the yardstick for determining the GDP (Gross Domestic Product) development rate is among other factors, the quantity as well as the quality of knowledge stock tackled and enforced in the manufacturing course in the economy sectors. This knowledge dependent economies demand Knowledge Management (KM) excellent practices is in place so as to enhance organization efficiency.

A very popular saying goes like this 'knowledge is power'. Hence we can assert that management of knowledge is the key to power.

According to Gates 1999¹ the competitive and vibrant business environment today, enforce KM as one of the planned applications that make procedures more competent and render competitive benefits in the marketplace. Correspondingly, a lot of organizations have vested considerable resources in KM initiatives during the previous decade. For example, "International Data Corporation (IDC), a market research and analysis firm, estimates that the global business spending on KM was \$4.8 billion in 2007², and the spending in the US reached \$2.9 billion in 2006³." In the meantime, research workers have dedicated significant attention to comprehending KM, ranging from finding the fundamental elements of KM incidents to how to perk up knowledge creation and understanding processes. as KM is measured as a rationale achievement feature, much of the emergent literature on KM in businesses cuddles, openly or unreservedly, the conception that KM can bring vital strategic results to organizations – speeding up business development, ameliorating the competitive situation, attaining higher corporate assessment, and so forth⁴.

KM has produced significant interest in business as well as management circles due to its potential to convey to organizations, tactical results pertaining to productivity, competitiveness, and competence augmentation⁵ & ⁶. The management of awareness is advanced as an imperative and essential feature for organizational endurance and preservation of competitive power. KM is acknowledged as a structure for conniving an organization's plan, frameworks, and procedures so that the business can apply what it knows to discover and to produce economic as well as social worth for its clients as well as the community. Organizations require an excellent capability to preserve, expand, arrange, and use their employees' capacities so as to continue at the front and have an advantage over its competitors. Knowledge plus its management is considered as an imperative attribute for continued organizational existence; whilst the key to comprehending the successes plus failures of KM in organizations is the recognition of sources that let organizations to identify, produce, convert and allocate knowledge. Organizations that efficiently manage as well as transfer their knowledge are more advanced and execute better. Triumphant organizations currently appreciate why they have to deal with knowledge, expand plans as to how to achieve this object and dedicate time and power to these endeavors.

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This is as KM has been distinguished as a fundamental driver of organizational presentation⁷, and one among the most significant resources for the continued existence and affluence of organisations^{8&9}. As a result managing plus using knowledge efficiently is imperative for organizations to call for the full benefit of the worth of knowledge.

By KM functioning, we denote the amount to which KM activities connect organizational sources to attain the objectives or intentions of KM initiatives. This substance is aligned with Darroch's¹⁰ view that efficient KM processes as an aligning means for transforming all accessible resources into capacities and thus lets a firm to gather better value from the resources. We acquire the general outlook that a firm's market-established assessment is suggestive of its execution and performance aspects.

II. KEY FACTORS OF KM

A lot of organizations have recognized that technology-founded competitive vantages are temporary and that the single feasible competitive benefits they have are their human force and so to stay on at the front and preserve a competitive edge establishments must have a superior capability to preserve, expand, manage, and use their employee capabilities¹¹. The understanding came that procedures and technology unaided are not sufficient to force an organization but its human force is a very essential pivot in the success of the organization. Consequently, with the intention of managing knowledge successfully, care must be given to the four key constituents: Knowledge, People, Processes and Technology (KP²T)¹². In reality, the spotlight of KM is to bond people, procedures, and technology to leverage knowledge.

Knowledge is the perceptivity, understandings, as well as sensible knowledge that people have. It is the basic resource that lets people operate shrewdly. Thus knowledge is an imperceptible or ethereal asset, in which its acquirement calls for multifaceted cognitive procedures of insight, knowledge, contact, organization, and way of thinking¹².

The 2nd element of KM is people. Human resource is the sources of knowledge. The capability of humans to reflect imaginatively and exclusively, linked with talents and experiences, make humans precious origins of knowledge. In fact, people are the creators as well as consumers of knowledge as individuals consume knowledge from a variety of sources on a day by day basis, besides creating knowledge. Fundamentally, KM starts, rotates about, and ceases, with people. It is consequently relevant to regard people in KM scheme and performance. People confront developing knowledge needs as a fraction of daily task or habit. And these requirements should be coped with via devices, procedures; systems as well as protocols to find put together and enforce applicable knowledge. According to Drucker¹³; "workers (people) need to be able to seek out knowledge, experiment with it, learn from it, and even teach others as they innovate so as to promote new knowledge creation. Having a KM program that enables the sense of the importance of people is a very important to organizational success".

Baloh et al¹⁴ describe processes the 3rd KM component, as automatic and reasonable artifacts that guide how work is

carried on in organizations. Processes direct work in organization Moreover is significant to the performance of the organization. It is thus relevant for a KM plan to distinguish their significance. Progressions are made of and accomplished by, humans, machines, or a combo of the two. An important prerequisite for KM is to comprehend work processes as well as how to plot them. By so acting, inputs, outputs, workers, resources as well as work being carried on in a prearranged process can be effortlessly described. Mapping of procedures facilitates to portray what is actually happening in the organization as well as how duties are being fulfilled. Knowledge essential to achieve tasks can then be formulated and necessary technology or human involvement can be distributed to convene these demands with the objective of raising efficiency and effectiveness in the organization.

Technology is the last element of KM. Technology is a decisive facilitator and introductory component of a KM plan. With the developments in the field of ICTs (Information and Communication Technologies), KM can be achieved via technological solutions. ICTs make easy collaboration amongst people plus teams which are purely spread. ICTs as well make easy KM activities via the codification of knowledge and rich and interactive types of communication via the Internet. Even as technology is significant and can considerably facilitate KM, it is relevant to declare that it is not a result in and of itself. Technology doesn't make organization allocate knowledge, however, if people wish to allocate it, technology can augment the reach as well as the scope of such substitutes. Placing an ICT-reliant KM scheme in position is not in plus of itself going to build people use it, but the achievement of KM openings necessitates regarding the sociocultural elements which restrain people's readiness to apportion knowledge, for instance, disagreement, faith, time or anxieties concerning the loss of power/status¹⁵.

III. DIMENSIONS OF KNOWLEDGE

According to Blackler¹⁶ knowledge has 5 separate forms: embodied, embedded, embrained, encultured, and encoded. He specifies embodied knowledge as the one that is derived via training of the body to carry out a job, and various authors suggest that it is impossible to totally free this knowledge from individuals.

Knowledge is set up in acts and schemes. Organizational ordinary tasks, functions or the usual ways people get on with their jobs can cling to embedded knowledge, as the procedures help to learn amid the employees that exceed their job tasks. Hislop¹⁷ confirms this detail by submitting that "knowledge is embedded, and inseparable from, practice. That is, the knowledge that is embedded in work practices is simultaneously embodied by the workers who carry out these practices"^{18 & 19}.

Embrained is termed as that knowledge possessed by a person, but expressing in words or even sharing it with others is difficult. It is further expressed that this knowledge is one which cannot simply be written down,



Talked about with others, or symbolize with pictures or other devices. One can gain it over time through experience and may mirror one's insights, impressions, values as well as morals.

Encultured knowledge is termed as a set of knowledge that is apportioned among groups of individuals who under a similar atmosphere or culture, for instance, what is assumed, what actions plus opinions are regarded normal, and what conducts are anticipated of people.

Encoded knowledge is a type of knowledge that can be without difficulty written down, conveyed in words or drawings, and is transferable via numerous channels plus means. Consequently, in the organization, it can be supposed that organizational knowledge is embodied and embrained in the staff embedded in routines or common tasks, encultured among the staff, and encoded in manuals, guidelines plus procedures.

In whatsoever measurement knowledge survives, the transmission is in huge fraction an exchange of info. Knowledge is the creation of the communication of clear and unspoken knowledge and the procedure of producing knowledge effects in an escalation of knowledge gaining. It begins with people sharing their inner silent knowledge by socializing with others or by arresting it in digital or parallel form. Others then internalize the imparted knowledge, and that progression produces new knowledge. These individuals, with the freshly created knowledge, share it with others, and the process starts again. Hibbard²⁰ enunciates this action as modernization. Tacit as well as explicit knowledge are being progressively more stressed in both practice as well as literature, as an administration instrument to be tapped for the maneuvering of organizational knowledge which is pooled through repositories, groupware, databases, list serves, intranets, and human ware.

Since knowledge is mainly unspoken and owned individually, it is not easy to have charge of, plus control over it. To make use of knowledge more powerfully organizations must codify plus store the knowledge of the individual. This necessitates making silent knowledge open and interchanging individual knowledge into organizational knowledge. These alteration processes are feasible via ICTs. The task of an organization with KM should concentrate on interchanging unspoken knowledge into implied and open and assure that individual knowledge turns into organizational knowledge. This can be explicated not merely by a demand for organizations to manage knowledge in a better way by ascertaining nucleus competencies for individuals, estimating accomplishment and performance pointers through appreciation of imperceptible assets, but as well for organizations to endeavor to become a ground-breaking organization as well as a learning organization with a knowledge partaking culture²¹.

IV. THE MANAGEMENT OF KNOWLEDGE

Hislop (2013, p. 56) define KM as "an umbrella term which refers to any deliberate efforts to manage the knowledge of an organisation's workforce, which can be achieved via a wide range of methods including directly, through the use of particular types of ICT, or more indirectly through the

management of social processes, the structuring of organisation in particular ways or via the use of particular culture and people management practices".

The functioning origin of KM came up in the consulting community, having made the prospective of the Intranet essence of the Internet for bonding together geographically spread and knowledge-founded organizations. This recognition emerged when information and knowledge were accepted as necessary assets for the success of any organization. And hence the central point in KM is to arrest the info and knowledge that subsist in people's heads as it were, and ones which have never been openly narrated and made accessible, so it can be utilized by others in the organization. Koenig²² states that "the initial stage of KM was driven primarily by Information Technology (IT), about how to deploy IT to accomplish more effective use of information and knowledge and the hallmark phrase of this stage was termed best practices".

The growth of KM also co-occurred with the growth of the worldwide knowledge based economy in which stress has been changed from conventional features of production, explicitly capital, land plus labor, to knowledge. The temperament of work has altered extremely with the transfer from an industrial economy, concentrating on commercial products, to a knowledge founded economy, where service, as well as expertise, is the major business consequences¹².

V. THE REQUIREMENT FOR M ORGANISATIONS

Why is there a need to administer knowledge? The imperative aspects that are motivating the want for KM are organizational endurance, competitive separation, globalization results and senescing workforce. Taking into consideration the management dynamics of today, the responsibility of managing knowledge calls for greatest concentration as the majority of the work is information based. It is an acknowledged fact that organizations contend on the source of knowledge, as products plus services are getting more and more multifaceted. Hence the necessity for lifetime learning has become an inevitable realism and KM has become significant because marketplaces are more and more aggressive and the price of innovation is increasing.

Retrenchment also produces a requirement to reinstate informal knowledge with prescribed methods. KM is in addition important as early superannuation and rising mobility of the labor force pilot to loss of knowledge while alterations in planned direction may up shoot in the loss of knowledge in some precise areas. put differently, knowledge, as well as info, have turned out to be the medium in which business issues crop up. Consequently, managing knowledge constitutes the basic chance for attaining considerable savings, noteworthy developments in human performance, and reasonable advantage.

Another significant feature that is pushing the requirement for KM is the recognition that an organization must deal with its knowledge if it has to survive in the dynamic plus competitive market of today.



Survival concerns are not restricted to commercial firms as not-for-profits, as well as public agencies, have all recognized the worth of KM. Desouza²³ points out that without sufficient care in how knowledge is handled, organizations cannot operate optimally and this results in the unproductive and unproductive creation and release of products plus services contributing to discontented customers, which ultimately contributes to the end of the organization. The next widespread reason for carrying on KM is to aid in competitive discrimination. Irrespective of the fact it is a for-profit or not-for-profit organization, content within a segment. KM is a significant driver of aggressive advantages as it augments the organizations capacity to innovate thus distinguishing itself from its contenders. Organizations that are not able to innovate at a sustainable speed will be short of the capability to incessantly draw new customers, resulting in their demise. But those organizations which innovate can secure, and even hold on to, their competitive spots in the marketplace²³.

The beginning of globalization has also determined the want for KM, as organizations hunt to find efficient tools and techniques for developing and sharing knowledge over a lot of structural and cultural roadblocks. As a result, globalization has produced a vital need for organizations to capably manage knowledge throughout countries and continents.

Another want for KM is aging labor force. The majority organizations are confronting a graying of their labor force and soon a great deal of knowledge is leaving the organizations. This cerebral capital must be captured so that potential generations in these work environs don't have to reiterate mistakes and recreate knowledge. Epetimehin and Ekundayo¹² state that "KM efforts help organizations to share valuable organizational insights, to reduce redundant work, to avoid reinventing the wheel, to reduce training time for employees, to retain intellectual capital as employees' turnover in an organization and to adapt to changing environments and markets. KM organizations that are competitively conscious therefore need to effectively implement KM systems".

This includes implementing a connection between the filed away organizational 'top practices' plus the actions taken by organizational members founded on that information. This is where the notice organizational imagination and innovation comes to the forefront. KM is a basically significant skill for anyone functioning in any kind of organization and has a lot of significant aspects that add to form a sturdy knowledge management strategy.

VI. CONCLUSION

The efficient management of knowledge has been depicted as a decisive ingredient for organizations looking for ensuring sustainable planned aggressive vantage. It has been disclosed that processes plus technology unaccompanied are not adequate to steer an organization, but its people and the knowledge that dwell in the people are an essential pivot in organization's achievement. Thus, for an organization to be triumphant, attention has to be paid, not alone on the processes plus technology, but on knowledge as well as its labor force the sources of knowledge. KM has as well been

established to be strongly linked to objectives and business schemes of the organization and hence a very helpful tool in management. If KM is not able to add value to the organization, it is simply cost demanding, ineffective, or harmful. A relevant query is whether knowledge is forever something superior? Knowledge is at all times supposed to be normally positive. Nevertheless, it is tricky to presume that knowledge is forever positive plus good. It has been discussed in this article that knowledge is one of the resources that renders organizations with sustainable aggressive advantages. on the other hand, knowledge on its own will not have a lot of value for the organization in developing its competitive advantages, but with the pertinent knowledge and the aptitude to leverage and supervise knowledge is a planned management tool. It is consequently necessary for management in organizations to seek means to gain, preserve, and leverage knowledge to attain a guide to advanced levels of achievement for organizations. As Mayo²⁴ observe, several organizations have been overseeing knowledge for decades but not many of them employ KM on a usual basis. To sum-up, to employ a KM policy productively, the formation, organization, leveraging as well as the application of knowledge ought to be considered.

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