

## **KNOWLEDGE MANAGEMENT: STUDY OF COMPANIES WITH A+ KM SKILL**

Arjita Bhandari

Assistant Professor, Department of Commerce, GNIOT-IPS, Greater Noida, Uttar Pradesh

---

### **ABSTRACT**

Knowledge Management is the process of generating, sharing, utilizing and managing the information and knowledge which is available in an organization. Knowledge Management continues to be an important strategy for achieving competitive advantage. Knowledge Management System is basically an information system that control, store, retrieve and disperse knowledge among various individuals. Many theoretical researches had been done on Knowledge Management and Knowledge Management system, as this is considered an important tool for companies to take competitive advantage. In this paper, effort has made to describe the concept of Knowledge Management system and also an analysis has been done of such companies who had adopted Knowledge Management System. Through this paper, effort have made to conclude the factors which leads these companies to adopt Knowledge Management System and what are the implications of adopting Knowledge Management System.

**KEYWORDS:** Ford, GE, Knowledge Management, Knowledge Management System.

---

### **I. INTRODUCTION**

Knowledge management was primarily known as process of putting systematic approach for identifying, organizing and spreading of knowledge within organization so that work can be done more faster, retrieve more easily and cost of reproducing the knowledge regarding particular project can be reduced (Nonaka and Takeuchi, 1995; Pasternack and viscio, 1998; Pfeiffer and

suton, 1999; Ruggles and Holtshouse, 1999). A good organization is one which values both explicit knowledge and intellectual knowledge.

Today's organization most important asset is knowledge which is held by their employees. But there is always a risk of losing such business value because of retirement, turnovers and competition. Therefore, it is required on the part of organization to incorporate knowledge management in such a way that knowledge which have been identified or created should store in such a manner its retrieval and reuse is possible in future. Knowledge management is concerned with capturing, eliciting, codifying, sharing, storing and creating knowledge which is available in the organization. But still there is a question of definition of knowledge management. According to Nickols(2000), "The basic aim of Knowledge management is to leverage knowledge to the organizational advantage".

According to Peter Drucker, "The coordination and exploitation of organizational knowledge resources in order to create benefit and competitive advantage"

According to Sveeby, "The art of creating value from an organizations intangible asset"

Knowledge management includes everything to do with knowledge multidisciplinary nature of knowledge management; it provides an organization a double edge weapon, where anyone from any field can take advantage of knowledge, as shown in the figure 1 there are different disciplines in this process which help the employees of an organization at different levels.

Figure 1 Different Disciplines of Knowledge Management



Source: Kimiz Dalkir, Knowledge management in theory and practice

## II. HISTORY OF KNOWLEDGE MANAGEMENT

KM first came into existence as a pure ICT method in 1990s. Written or electronically preserved material was thought to represent knowledge. Answers to knowledge management questions were sought in ICT technologies such as relational databases, (online) libraries, and so on. Its progress is shown in the table 1 below.

Table 1: History of Knowledge Management

| YEAR      | PHASES IN KM   |
|-----------|--|
| 1969      | <ul style="list-style-type: none"> <li>• ArpaNET</li> </ul>  |
| 1985-1988 | <ul style="list-style-type: none"> <li>• Proliferation of IT</li> <li>• Organizational Learning</li> </ul>                         |
| 1988-1991 | <ul style="list-style-type: none"> <li>• Knowledge creating companies</li> <li>• Measurement of intellectual Assets</li> </ul>     |
| 1991-1994 | <ul style="list-style-type: none"> <li>• Emergence of virtual organizations</li> <li>• Knowledge management foundations</li> </ul> |
| 1994-1997 | <ul style="list-style-type: none"> <li>• Communities practice</li> </ul>   |

|           |  |
|-----------|--|
|           | <ul style="list-style-type: none"> <li>• Balance score card</li> </ul>   |
| 1997-2000 | <ul style="list-style-type: none"> <li>• Certification of knowledge</li> <li>• Innovation standards</li> </ul> |
| 2000+     | <ul style="list-style-type: none"> <li>• First KM program in universities</li> </ul>                           |

Source: Compiled by Author

### III. IMPORTANCE OF KNOWLEDGE MANAGEMENT

Organizations are realizing that intellectual capital or corporate knowledge is a valuable asset that can be managed effectively. Knowledge management is a source through which information is created, disseminated. It provides strategic advantage in the organizations by utilizing effectively and efficiently the knowledge available in the organization.

Many of the current reasons which leads an organization to manage the knowledge

- A. Increasing turnover rates
- B. Increasing competition firms
- C. Early retirements
- D. Change in strategic decisions
- E. Increasing complexities due to transnational sources
- F. Rapid increase in Technology and innovation

The need of knowledge management states that by introducing KMs in the organization, there will be positive impact on organizational performance. According to the study of Kiessling and its associates in 2009, suggested that “KM will bring positive outcome of the organizations innovation, product improvement as well as employee improvement”. The basic concentration of Knowledge management is to connect people, process and technology for the purpose of leveraging corporate knowledge.

### IV. LITERATURE REVIEW

- Colin TingSi Xue (2017), conducted study to give an overview of knowledge management and its importance to other organizations. The study showed that KM is the key to the

organization for gaining competitive advantage, Author considered KM as a valuable source for the organization to gain strategic advantage and to enhance the performance. It was also stated KM leads to creation of innovation and ideas which make an organization different from others.

- Leila Halwai. *et. al* (2017), studied the concept of KMS and explained the transformation of organizations to success by studying two cases. They had identified common success factors between two case studies of company namely Seimens AG and Titan industries. The most common found are “Senior management support”, “Bottom approach to KMS Development”, “Metrics to define KMS support”, “Defined process of keeping knowledge up to date” and “System ease of use”. Through analysis they identified that organizations incorporating KMS were achieving highly successful results.
- Nikhil Mehta (2008), evaluated framework to examine software companies with KMS programs for creating KM enabled value. By the way of analysis, author states that firms with KM programmes develop three scientific capabilities namely, “Facilitating Knowledge flows to enable innovation”, “Assessing KM value”, and “KM strategic intent”. Author suggested that when these capabilities are developed firms are able to create KM-enabled value.
- Negar and Jean (2017), studied different aspects related to knowledge sharing. Study had been made taking into consideration five factors, “Trust”, “Commitment”, “Job Satisfaction”, “Learning”, and “Organizational Communication”. The results showed that KM was not accepted by all employees whole heartedly, while some employees accepted and founded effective in terms of growth. It was determined that low presence and levels of importance of these aspects at IROSE hindered the successful implementation of KM.

## V. OBJECTIVE OF THE STUDY

Following are the objectives of the study

- A. To understand the concept of Knowledge management.
- B. To analyze the companies with A+ Knowledge management skills.

## VI. METHODOLOGY

The research was purely based on secondary data. Reliable authentic data is accessed and used for the study.

## VII. FINDINGS

### A. FORD Motor Co.

An automaker company founded by Henry Ford in 1903. Ford Motors is the leading automaker company following the company sales volume. Ford Company includes more than 360000 employees and company considers its employees knowledge as a greatest assets for the company.

The company has realized to capitalize and effectively tap the available talent. The company showed the desire of getting closer to the customers, understanding their needs and identified that this can be done by optimizing the techniques employed in management of knowledge, for improving the business process.

The ford co. adopted knowledge management in product verification process, basically for development of product. For this reason company initiated KMS and practiced the company no. of methods which are adopted to improve the quality like six-sigma method, but the basic problem which the company is facing is the issue of replication. In 1995, the co. identified web-based knowledge management platform called BPR (Best Practice Replication). BPR is an application that is intranet based used by the company to share best practices of replication with other companies. This early adoption of web based KM enabler help in raising the initial quality by 18% and reduced its warranty cost by \$ 1 million.

### B. General Electric (GE)

Organization environment and its culture have deep impact upon the employee's willingness to share and use organizational knowledge. If the organization has open culture, concept of team work, the workforce will accept KM easily. Knowledge is an important asset of the organization, it makes imperative to effectively create, retain, maintain, access and share it through the organization. Jack Welch identified that an organization must have two characteristics to be successful first is boundary lessners and

learning culture. At GE, Knowledge sharing was considered essential and for this reason integrated diversity to share their core competencies to increase profitability.

A web based portal called ‘Support central’ was designed to enable Knowledge sharing across the organization. GE is the largest conglomerate corporation in the world, products ranging from health care to electronics. Organization is all time involved in R&D and innovation, for this they need hybrid strategy that supports codification and personalization. The support central was designed to support both strategies. It is a portal where employees are given access 24x7, large content of knowledge repositories and directory of experts. It is accessible by employees, contractors, vendors and suppliers.

Not only has this GE set up corporate executive council, where management meets for two days for sharing information and experience. This knowledge sharing at broadest level leads to get grip on business success.

### C. Prat-Whitney

Prat- Whitney is an international aerospace manufacturing based in Connecticut. Prat-Whitney is a leader in manufacturing and designing and servicing of air craft engines etc. PWR (Prat-whitney Rocketdyne) is a subsidiary of Prat-Whitney. Before 2001, every employee of the organization had own ideas of managing the knowledge which resulted in knowledge Silos, which means ideas and knowledge were not shared among product groups and peers. Not only this, there was generation gap between experienced and newly recruited employees which created unwillingness among them to share their knowledge. Later on PWR, realized that threat of losing knowledge as more than 50% of its employees are going to retire, which will lead to drain of knowledge. For that purpose KM team was build up and implemented. Askme, a software application were scientist can share knowledge, identify themselves as experts and can conduct chats and blogs sessions. Askme provided centralize access to knowledge. After sometime in 2003, another advanced KM software application was introduced name called ‘Goldfire’. The goldfire used semantic language to perform advanced searches across the organizational sources. This practice allowed the company to save money over \$ 25 million. After implementation of KMS, the company reported length of successful practices which reported increase in operating profit and revenue.

**D. CISCO**

Cisco Systems is an American multinational conglomerate company. Cisco develops, manufactures and sell networking hardware, technology services and products. The emerging technologies at CISCO leading in finding out the solution to the problem of accessing, organizing documents through network based intelligence system. Company made an effort to provide a platform for accessing and sharing knowledge known as ‘Cisco Pulse’. This platform turns out to be a good place to process the information. The approach of company was vocabulary-based tagging and search.

The platform Cisco Pulse attaches content and behavior in electronic communication to match the vocabulary, presenting information and knowledge sharing across the organization. An open-source system ‘Solr/Lucene’ is created so that Cisco pulse can tag data in real time. It leads to publicly access the data and transparency to see and control the operations.

**E. AMAZON**

After entering into e-commerce in the late 90’s, Amazon is excelling in knowledge management. To fulfill the needs of the employees, Amazon is applying various core knowledge management skills and user experience principles. Every business has different approach towards knowledge management. The common ground for all such businesses is commitment to knowledge management practices and analyzing how they get implemented in their business. Amazon is one of the best leading companies with A+ knowledge management skill.

**F. WORLD BANK**

World Bank, an international financial institution and best example of philanthropic sector. Like other organizations World Bank also had sheer volume of explicit knowledge and implicit knowledge. The institution wanted to ensure quality in its content and for this, World Bank shows its aspiration to utilize knowledge management system so that employee’s efficiency and effectiveness can be achieved. Four areas are identified for knowledge management such as information, personal thinking, discussion and knowledge synthesis. To implement this KMS, the World Bank build communities of practice for



sharing information and building knowledge. Organizational culture is shifted to knowledge sharing culture where personnel evaluation system, knowledge fair and knowledge sharing awards were introduced. The institution also rolled out KM pilot program called Educational KMS to facilitate knowledge needs. World Bank is trying to formulate robust action plans to boost KM by capturing explicit knowledge as well as implicit knowledge.

## XI. CONCLUSION

In short, KMS offers lot of attractive features and facilities which help users to store and retrieve information in structured manner. In the study, according to the objectives of the study, an effort has been made to identify KM efforts made by the global companies and what impact has been seen due to adoption of KMS. After analysis, it has been found that all companies has made provision for KMS by providing web based platforms to create, access, store and retrieve the information. But in order to get success in KM, it has to keep eye on what is important to their workers, what type of knowledge value to them. It is required on the part of KM to get balanced right.

## XII. REFERENCES

- [1]. Bontis, N., & Serenko, A. (2009). A follow-up ranking of academic journals. *Journal of Knowledge Management*, 13(1), 16-26.
- [2]. Kakada, P. (2023). Knowledge Hiding: The Effect on Organizational Learning. *Research Highlights in Language, Literature and Education Vol. 4*, 125-132.
- [3]. Lee, C. W., & Chang, C. K. (2020). A Study of Evaluating Organizational Performance Based on Balanced Scoresheet Viewpoint. *Advances in Management and Applied Economics*, 10(6), 43-62.
- [4]. Mehta, N. (2008). Successful knowledge management implementation in global software companies. *Journal of knowledge management*. 12(2), 42-56
- [5]. Minoja, M., & Romano, G. (2021). Managing intellectual capital for sustainability: Evidence from a Re-municipalized, publicly owned waste management firm. *Journal of Cleaner Production*, 279, 123-213.
- [6]. Mitra, D., & Golder, P. N. (2002). Whose culture matters? Near-market knowledge and its impact on foreign market entry timing. *Journal of Marketing Research*, 39(3), 350-365.

- [7]. Serenko, A., & Bontis, N. (2022). Global ranking of knowledge management and intellectual capital academic journals: a 2021 update. *Journal of Knowledge Management*, 26(1), 126-145.
- [8]. Si Xue, C. T. (2017). A Literature Review on Knowledge Management in Organizations. *Research in Business and Management*, 4 (1), 30.
- [9]. Talbot, D., & Boiral, O. (2018). GHG reporting and impression management: An assessment of sustainability reports from the energy sector. *Journal of Business Ethics*, 147, 367-383.
- [10]. Yan, M. R., Chien, K. M., & Yang, T. N. (2016). Green component procurement collaboration for improving supply chain management in the high technology industries: A case study from the systems perspective. *Sustainability*, 8(2), 105.

