

# KNOWLEDGE MANAGEMENT IMPROVES ORGANIZATIONAL LEARNING AND PERFORMANCE

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**Abstract:** Philosophers, scientists, and educated people have long been fascinated by the idea of increasing knowledge formation, acquisition, transmission, and application. This alchemy may be ancient. The academic subject of "knowledge management" (KM) is just 15–20 years old. Most firms don't optimize data consumption for knowledge management (KM). This reveals human intelligence's limits. Knowledge management (KM) helps firms maximize resources by ensuring the right people get the correct knowledge at the right time. We all know that a company's bottom line will suffer if it can't leverage its data better. When implemented company-wide, OL and KM can enhance performance. In 1988, Levitt and March defined OL as "...encoding inferences from history into routines that guide behavior." Data added from the box will be impacted.

**Keywords:** Knowledge Management (KM), Organizational Learning (OL), Performance Enhancement, Behavioral Routines, Information Flow, Knowledge Formation

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## 1. Introduction

Knowledge, KM procedures and objectives, and knowledge management systems (KMS) are all concepts that must be understood in order to grasp KM and OL.

**Knowledge:** "Knowledge" is commonly understood to be "justified personal belief." There are a plethora of knowledge taxonomies that attempt to classify and catalog the numerous fields of study. When compared to "explicit" information, "tacit" knowledge is the antithesis. People have tacit knowledge, and it's impossible or difficult to describe it (depending on how you read Polanyi's 1966 statement). In the beginning, most data is of the tacit variety, and it is carefully developed over time through trial and error since "the organization does not know what it knows" (O'Dell & Grayson, 1998, p. Some information is gleaned through established ways of doing things and working together inside an organization that have evolved over time.

Words, sentences, documents, organized data, and computer programs are all examples of explicit kinds of knowledge. One of the key problems of KM, at least for those who place emphasis on tacit

knowledge, is the identification, description, and transmission of this "difficult-to-articulate" concept.

You need to "know what," "know how," and "know why" to fully understand a topic.

Knowledge, sometimes known as "know what," is the skill of knowing what to do in response to a given set of circumstances. Someone with sales "know-what" skills, for example, might have researched which items perform best in different conditions.

Having the "know-how" to use sound judgment while selecting how to approach a problem is the next step in expanding one's horizons of understanding. The essence of "know-what" knowledge is the simple programmed correlations between inputs and reactions. It may be challenging to establish a causal association between the patient's symptoms and a medical condition due to background "noise" in the symptom data. The "know how" of an expert allows them to make the best choice even when faced with ambiguous information.

Knowledge at the "know-why" level is the most advanced type of knowledge. This level of comprehension extends beyond the recognition of the

observable stimuli or symptoms to account for the underlying causal linkages, interacting effects, and degrees of ambiguity between them. You need to be familiar with the relevant theory, or have substantial practical experience that has exposed you to numerous out-of-the-ordinary situations and instances of rule breaking.

### **Knowledge Management Processes and Goals**

By making smart use of its human, technological, and organizational capital, a company engaged in knowledge management may ensure that its knowledge-related assets are created and put to good use. Printed materials like patents and manuals, digital repositories like a "best-practices" database, employee knowledge of the most efficient ways to complete tasks, team knowledge of a particular problem, and the knowledge inherent in the organization's products, processes, and relationships are all examples of knowledge-related assets.

Acquiring, arranging, storing, sharing, and using information is what we call "knowledge management" (KM). Within a company, knowledge management (KM) is responsible for organizing these efforts, creating the required processes and tools, and inspiring employees to join involved. Improving knowledge practices, organizational behaviors, decision-making, and overall organizational performance are all aims of knowledge management. Even though each KM process can be carried out by an individual, KM is an organizational activity that focuses on what managers can do to enable the goals of KM to be achieved, how they can motivate individuals to participate in achieving these goals, and how they can create social processes that will facilitate KM success.

People who share a shared interest will often band together to form what are called "communities of practice," while "expert networks" link those with less knowledge to those with more. While it's true that every bit of knowledge has a single point of genesis, successful KM often requires sharing among a group of people. In contrast to popular belief, knowledge management strategies rely heavily on human resources and relatively little on technology. A information-enabled company requires more than just knowledge management today (King, 2008).

### **Knowledge Management Systems**

KMS applications help with different KM processes by making use of the company's CIS (computer-based communications and information systems). Databases, such as "lessons learned" repositories, and directories

and networks, such as those meant to put organization members in touch with recognized experts on a variety of subjects, are common components of these systems, which are not technologically unique from the CIS.

Knowledge management systems (KMS) may be less automated and more reliant on human participation than the company's CIS. In contrast to information systems, which can often run autonomously once they've been designed, KMS may call for human intervention when they're being put into action. During the design phase, choices are made about the database's contents and structure; during the operational phase, the database functions on its own. Each knowledge unit submitted for inclusion in a "lessons learned" knowledge repository is distinct and must be reviewed for its relevance and importance, therefore individuals must be involved in both the design process and the operational phase.

## **2. Related Work**

### **Organizational Learning**

Knowledge management and progress in an organization can be approached from various angles. Knowledge Management (KM) focuses on the content of the information an organization gathers, generates, and uses, whereas Organizational Learning (OL) emphasizes the process involved in doing so.

One other perspective on the connection between OL and KM sees OL as KM's ultimate goal. Knowledge management (KM) initiatives have a positive impact because they encourage the production, distribution, and consumption of knowledge, which in turn aids the organization in incorporating that knowledge into its operations, fostering a culture of perpetual improvement. From this vantage point, it is clear that organizational learning is a crucial strategy for increasing the company's utilization of knowledge over time.

Dixon (1994) developed a "organizational learning cycle" that reflected the reality that "accumulated knowledge" was less important than the resources needed to consistently evaluate and improve expertise. When referring to an organization's attempts to identify, adopt, and institutionalize high-quality improvements, the term "continuous improvement" is often used. Changes are institutionalized through the use of regulations, standard operating procedures, machine settings, quality control limitations, and "best practices" for handling common situations.

### **Knowledge Management in Organizations**

Figure 1 illustrates the positive effects of KM on collaboration, and information sharing. Better decisions, organizational behavior, products, services, and relationships are some of the intermediate outputs of these enhanced organizational processes. That's why these things help boost productivity at work.

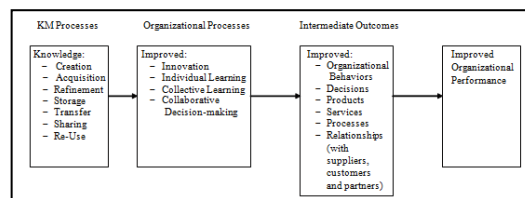
### 3. Knowledge Management Processes Cycle

As can be seen in Figure 2, the KM process operates according to an iterative paradigm. Such iterative models may be helpful for the systematic study of KM techniques. Examples of models that attempt to describe these interrelationships include Davenport and Prusak's (2000) three-stage model ("Generate, Codify/Coordinate, Transfer") and Ward and Aurum's (2004) seven-stage model ("Create, Acquire, Identify, Adapt, Organize, Distribute, Apply").

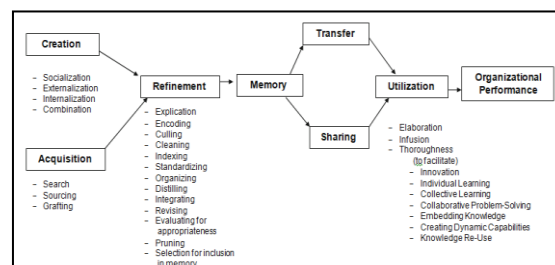
Figure 2 is an instructive process cycle model since it makes use of common KM terminology and a branching logic structure to highlight key differences.

several key business processes, including creativity, Some of the more substantial phases feature supplementary bullet points that are more indicative than obligatory in nature.

The first step in the KM cycle is the creation or discovery of new information within the organization (see Fig. 2). As reported by (Nonaka, 1994) The term "knowledge creation" is meant to embrace both the generation of brand-new information and the expansion of previously acquired information. Examples abound, such as when a company works with an outside group or launches an internal project to expand its knowledge base. The four subheadings under "Creation" map onto Nonaka's (1994) four stages of knowledge creation: socialization (the transformation of tacit information into new tacit knowledge through social interactions and shared experiences), combination (the generation of new explicit knowledge through the combining,



**Fig. 1: KMinan Organization**



**Fig.2: KM Process Model**

It is possible to classify and synthesize explicit knowledge, convert tacit knowledge into new explicit knowledge, and generate new tacit knowledge by internalizing previously acquired explicit knowledge. Examples of these four types of education include apprenticeship programs, research summaries, "lessons learned" libraries, and casual talks with coworkers and superiors.

Knowledge acquisition is the process of actively seeking, recognizing, and incorporating potentially beneficial knowledge, the vast majority of which originates from outside the organization (Huber, 1991).

Several methods are listed under "Acquisition" for gathering external information, including: searching

(as on the Internet) (Menon and Pfeffer, 2003), sourcing (selecting the source to use) (King and Lekse, 2006), and grafting (adding a person who possesses desired knowledge to the organization) (Huber, 1991).

To ensure that freshly created or acquired knowledge is retained in the organization's memory in a way that maximizes its usefulness and longevity, knowledge management (KM) procedures should be in place. What we mean when we talk about "refining knowledge" are the processes and resources that are utilized to sort, clean, and perfect data before it is stored.

The illustration's bullet points under "Refinement" illustrate the elaboration, codification, organization, and evaluation required for tacit or implicit information to become part of an organization's formal memory. Explicit knowledge can be used after only being organized, evaluated, and selected.

The terms "culling" and "organizing" refer to the process of picking the most relevant samples from an ever-growing collection, while "distilling" refers to the process of creating a summary or set of pointers (McDonald and Ackerman, 1997).

The term "organizational memory" is used to describe the sum of a company's information, including the knowledge held by its employees and any electronic repositories where such information may be stored, as well as the knowledge inherent in the company's processes, products, or services and its relationships with customers, partners, and suppliers.

In order to have an impact, knowledge must be spread amongst coworkers, just like the ripples in the illustration. Transfer and sharing can be seen as opposite ends of the same spectrum. Knowledge sharing calls for a level of familiarity between the giver and the receiver, as well as a structured and methodical transmission of information (King, 2006a). To make something available to people outside of the author's immediate social circle is referred to as "sharing" (King, 2006b). Between any two sets of sender and receiver in any process, a wide variety of intermediate states may exist.

Knowledge that has been transferred or shared can be put to use through elaboration (the development of different interpretations), infusion (the identification of underlying issues), and thoroughness (the development of multiple understandings by different individuals or groups) in order to foster innovation, collective learning, individual learning, and/or collaborative problem solving. Knowledge-intensive organizational skills (Levitt and March, 1988) help firms spread their accumulated knowledge throughout their whole processes, from internal procedures to contacts with customers.

At the end of the cycle, where knowledge has the most impact, an organization's performance is affected (right side of Fig. 2). Knowledge management (KM) is commonly misunderstood by those who approach it purely from a theoretical perspective. The value of a knowledge management project is heavily dependent on the organization's aims. Many "experts" in knowledge management "shoot down" otherwise-deserving KM efforts because they fail to adequately assess, anticipate, or argue for the potential influence of KM on the organization's goals of enhanced

productivity, sales, profitability, and return on investment.

#### **4. Knowledge Management Strategies**

Most businesses choose one of two knowledge management (KM) strategies—"codification" or "personalization"—depending on their needs and preferences (Hansen et al., 1999). Knowledge is often codified and stored in electronic document management systems for the ease of transmission and reuse. This tactic is grounded in the "re-use economics" principle of making a one-time investment to get perpetual access to and use of a knowledge asset.

Conversely, personalized approaches highlight the significance of forming relationships between individuals to ease the flow of information and ideas. The idea stems from "expert economics," which stresses the importance of disseminating specialized knowledge to the employees who can make the most use of it inside a business.

Earl (2001) provides a more in-depth analysis of the various "schools of thought" within KM. He came up with these theories after studying the methods employed by various businesses. They are listed below, divided between those who favor uniformity and those who advocate for variety. Codification Earl's approaches to codification revolve around using systems (to build and improve knowledge repositories and encourage content contributions from a wide audience).

Technique (the formation and use of established norms)

Taking care of the business aspects of managing patents, trademarks, and other forms of intellectual property. Competing strategies can be built on the foundation of knowledge (or "knowledge capabilities").

Personalization Some of Earl's tactics that highlight individualization are as follows:

Making "maps" of data or building databases and social networks are all examples of cartography. (highlights the importance of making actual "places" to facilitate communication) geographic (via groupware and intranets to enable professional networks) and social (through socialization as a means of knowledge growth and exchange). Some businesses just employ a single strategy, but the most successful ones typically employ several.

Organization of KM

Organizational KM implementation varies widely. It is common practice to have a Chief Knowledge

Officer (CKO) in charge of the KM group. The CKO may also oversee a Knowledge Management Division company uses an open KM approach. Centralizing KM in one department may not be the optimal answer in increasingly complex environments when a variety of KM techniques are being deployed, due to the cultural variances inherent in different KM methodologies. In such a setting, it is crucial that the channels of communication between the various KM groups be robust (King, 2005; King, 2008).

Organizational culture is thought to influence the efficiency with which knowledge management (KM) is adopted and used. The "knowledge culture" of a company is one that "enables and motivates people to create, share, and utilize knowl- edge for the benefit and lasting success of the organization." Oliver and Kandadi's (2006) study (p. It is considered that organizational culture influences knowledge-related behaviors at the individual, team, organizational unit, and enterprise levels due to the importance of organizational culture in determining which pieces of information are appropriate to share, with whom, and when.

#### Extra-organizational KM

Suppliers, partners, and customers can all play a role in knowledge management (KM), which can involve a wide range of people. It's obvious that a reliable means of communication is essential for KM projects to succeed (Van de Ven, 2005).

To ensure that their warehouses, stockrooms, and shop shelves are always stocked and that deliveries are made on time, large retailers like Wal-Mart utilize "value supply chain" inter-organizational networks to interact with their suppliers. These systems are "automatic" because the participants' knowledge is encoded in the program.

Linux, a widely used open-source operating system, is a great example of how to efficiently utilize a globally

## 5. Conclusion

Knowledge management encompasses a wide variety of methods used by firms today to improve their in-house databases, the soundness of their workers' judgments and actions, and the efficiency of their daily operations. The process of creating, applying, disseminating, and archiving information is the focus

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dispersed collection of educated volunteers. It employs two parallel structures, one of which contains the "approved" version of the system at the present time and the other of which is used for development and testing of enhancements as they are made (Lee and Cole, 2003).

## Future of KM

- The "KM issues" were discovered empirically by King et al. (2002) using a Delphi survey of CKOs.
- How these issues are resolved can be interpreted as a glimpse into the KM of the future. The top ten worries were as follows:
- Knowledge management as a means of improving one's position in the market
- Strategies for Winning Over the Executive Team with Knowledge Management
- How to maintain the relevance of corporate knowledge
- Methods for Increasing Participation in a Knowledge-Sharing Network
- To what extent should organizational knowledge be documented in KM systems, and how can this be decided?
- Techniques for Calculating KM's ROI
- Tools for assessing the credibility of data entered into a knowledge management system
- Methods that have proven effective in the development of KM systems
- The formula for the company's long-term success
- Strategies for Safeguarding Ideas
- The solutions developed as the area develops will be crucial to KM's future success.

of knowledge management (KM). Organizational methods like this encourage creativity, personal development, teamwork, and shared decision making. "Intermediate outcomes" of KM include enhanced organizational performance in areas such as practice, decision, product, service, process, and relationship effectiveness.

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