Why Knowledge Management Matters?

Knowledge Management (KM) is one of the most attractive terms in contemporary management theory and practice and not without the reason. KM emerged from the need to explain how to capture, share, apply, and leverage knowledge in organizations whose main competitive advantage is created through knowledge embedded in minds and systems.

KM involves three major components: people, process, and technology. These are three main sources and locations of knowledge. Probably the most challenging component of KM are people, because it is difficult to manage experience hidden in human’s minds.

“Knowledge management is the deliberate and systematic coordination of an organization’s people, technology, processes, and organizational structure in order to add value through reuse and innovation; this is achieved through the promotion of creating, sharing, and applying knowledge to foster organizational learning” Dalkir & Liebowitz.

There are many varieties of objectives and potential outcomes from knowledge management initiatives for individual, organization and society. KM helps to find out what are the key resources, employees and critical areas of knowledge in order to build resistance to loss of the knowledge. It also deals with minimizing the loss of organizational memory that happen due to employees turnover and retirement. KM deals with tools and techniques that are used for capturing intellectual capital. KM practices will enable to expand innovative capacities, to enhance the adaptability and agility of the organization and to create knowledge-sharing culture. For society KM means overall advancement of knowledge in region that leads to development of more effective policies.

There are some other benefits of KM in organization:

- bring new hires up to speed more quickly
- capture lessons learned for reuse
- accelerate the rate of learning for all employees
- provide inexperienced employees access to more experienced employees
- improve the relevant competencies
- improve communication and enhance synergy between knowledge-workers
- ensure that knowledge-workers stay with the company
- make the company focus on the core business and on critical company knowledge
- improve decision making and increase the quality of decisions

Please think of what kind of benefits your organization can get from implementing knowledge management initiatives?

What Is the Difference Between Data, Information and Knowledge?

In order to understand Knowledge Management (KM) and its process, it is necessary to recognize the difference between data, information and knowledge. Understanding the differences between these three enables to create KM tools and implement KM initiatives in the most effective way while targeting right content.

**Data** is the set of distinct, objective facts about events or situations. Data denotes the content that is directly observable and verifiable. In organization, data should represent the basic terms that are consistent and nonnegotiable.

**Characteristics of data:**
- It is rather static – if it is gathered and it simply exists
- It has a single meaning across the organization
- It is used to create information

**Example of the data:** organization gathers basic information about subscribers for the application: name, date of birth, address, phone number, preferences etc.

**Information** is the content that represents analyzed data. It is comprised of data arranged into a thoughtful structure. Information must have a sender and receiver and it should be considered valuable to both of them and it should have a purpose. In other words, information is the data that makes a difference.

**Characteristics of information:**
- It is trustworthy only if it is put together from trustworthy data
- Information moves between a sender and a receiver
- Information has value and purpose to the receiver

**Example of the information:** information about the groups of subscribers on the basis of region is sent to marketing department for segmentation purposes.

**Knowledge** is information in context to produce and actionable understanding. It is information combined with specific know-how, which makes it possible to integrate it into specific business processes. Knowledge is a dynamic combination of experience, values and contextual information. Knowledge exists within people.

**Characteristics of knowledge:**
- Knowledge is abundant, but the ability to use it is rare
- Sharing knowledge often increases its value and there is no loss to the original
- Much of an organization’s valuable knowledge walks out the door at the end of the day

**Example of the knowledge:** marketing department developed targeted marketing campaign to increase subscriptions in regions with lower subscription rates.

There is definitely more use of knowledge than just row data. On its own, data or information does not possess much value unless it is converted into knowledge. One of the tasks of KM is to transfer data into information and then into knowledge.

**Question:** Please think about your own job and how would you distinguish between data, information and knowledge created in your work.

**Book** by Tryon, Jr, C. A. Managing Organizational Knowledge, 2012.
What We Know About Tacid and Explicit Knowledge?

Ikujiro Nonaka model of organizational knowledge creation is based on distinguishing between explicit and tacid knowledge.

**Explicit knowledge** covers the knowledge that is possible to write down and share with others. It is formal and systematic; it can be easily communicated and shared. Explicit knowledge comes in the form of documents, formulas, contracts, process diagrams, manuals etc and it is used with the context provided by experience.

**Tacid knowledge** is about know-how, rules of thumbs, experience, insights, and intuition. Tacid knowledge is highly personal, it is hard to formalize and, therefore, difficult to communicate to others. It is deeply rooted in action and in an individual’s commitment to a specific context. Tacid knowledge consists partly of technical skills and partly it involves important cognitive dimension – it contains of mental models, beliefs, and perspectives so embedded that are took by granted, and therefore cannot be easily articulated.

Contrasting **characteristics of explicit and tacid knowledge:**

<table>
<thead>
<tr>
<th>Tacit knowledge</th>
<th>Explicit knowledge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implicit/ non-codified</td>
<td>Codified</td>
</tr>
<tr>
<td>A practice or a process</td>
<td>An object</td>
</tr>
<tr>
<td>Subjective</td>
<td>Objective</td>
</tr>
<tr>
<td>Personal</td>
<td>Impersonal</td>
</tr>
<tr>
<td>Know-how and know-who</td>
<td>Know-what and know-why</td>
</tr>
<tr>
<td>Prescriptive</td>
<td>Propositional</td>
</tr>
<tr>
<td>Context-specific</td>
<td>Universal</td>
</tr>
<tr>
<td>Difficult to share</td>
<td>Easy to share</td>
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</tbody>
</table>

One reason behind the need to make a difference between tacid and explicit knowledge is that they involve different range of **activities.** Tacid knowledge is emerged in unstructured and uncertain situations that require adaptation, learning and sharing common views and understandings. Explicit knowledge involves activities that are related to repeated acts that could be trained; it supports transformation of the vision into operations.

In next episode we will introduce how tacid knowledge transforms into explicit – stay tuned!

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Please think of different examples for explicit and tacid knowledge in your organization. What kind of activities are connected with tacid and explicit knowledge?

**Book** by O’Dell, C., Hubert, C. The New Edge in Knowledge. How Knowledge Management is Changing the Way We Do Business, 2011.
How Knowledge Is Twisted in Knowledge Spiral?

The main task of the knowledge management is to create tools and systems that help to benefit from transforming tacit knowledge into explicit knowledge and in opposite way. Each direction has own purpose and meaning. **Knowledge spiral** is a model proposed by Ikujiro Nonaka to represent how tacit knowledge and explicit knowledge interact to create knowledge in organization, through four processes:

- **Socialization - from tacit to tacit.** Sometimes one individual is sharing tacit knowledge directly with another. Still, socialization is rather limited form of knowledge creation and it cannot easily be leveraged by the organization as a whole.

- **Combination - from explicit to explicit.** An individual can also combine discrete of explicit knowledge into a new whole. For example, if the information is collected from throughout the organization and is put together into report, that report is new knowledge in the sense that it synthesizes information from many different sources. But this combination does not really extend the company’s existing knowledge base either.

- **Externalization or articulation - from tacit to explicit.** This is a process of articulation of vision into words. Probably this process is the most complex while need a set of tools and techniques to support externalization. Also it is necessary to decide which knowledge is critical enough that would need all this effort of turning it into explicit knowledge.

- **Internalization - from explicit to tacit.** New explicit knowledge is shared throughout the organization and other employees begin to internalize it – that is, they use it to broaden, extend, and reframe their own tacit knowledge.

In knowledge-creating company all four of these patterns exist in dynamic interaction, a kind of spiral of knowledge. When one spiral as a process of interaction of knowledge ends, new spiral of knowledge starts all over again, but this time on a higher level. Articulation (converting tacit knowledge into explicit and internalization (using that explicit knowledge to extend one’s own tacit knowledge base) are the critical steps in this spiral of knowledge. Both require the active involvement and personal commitment.

Making knowledge available to others is the central activity of the knowledge-creating company. It takes place continuously and at all levels of the organization.

Please think of your organization and try to answer to the questions about your organization:

- Which is more crucial knowledge in your organization currently tacit or explicit?
- What is the nature of the knowledge conversion required (from tacit to explicit, from tacit to tacit; from explicit to tacit; from explicit to explicit)?

How to Run Knowledge Management Process?

Knowledge management process helps to convert knowledge to action and achieve the results. Still, the way knowledge flows in organizations is often a hidden process. O’Dell & Hubert present the knowledge management (KM) flow that consists of following steps:

1. **Create (innovate or invent).** The creation of knowledge happens every day in many different ways such as new experiments planning activities, collaboration sessions etc. In creation phase innovation or inventions could be found, but not necessarily. Every piece of new knowledge should be appreciated as it could trigger new associations.
2. **Identify (contribute or define).** Locating new or existing knowledge is an important step to keep focus on only critical knowledge. Key areas of knowledge are related to implementation of vision, creating competitive advantage and creating value proposition to the customer.
3. **Collect (capture or organize).** This is the process of collecting, capturing, and storing knowledge. This could be done during different events such as team meetings, or in a medium such as portal, database, or blog.
4. **Review (evaluate, validate, or analyze).** This is the process of validating or evaluating knowledge for relevance, accuracy, and use. Knowledge should be reviewed for example from the relevance point of view.
5. **Share (collaborate or publish).** This step involves publishing knowledge to others trough different channels. There are various ways how to share the knowledge, some examples: blogs, mashup, podcast, RSS, social tagging and bookmarking, social networking, virtual spaces, wikis etc.
6. **Access (find or download).** This is phase of passing the best knowledge asset or expert from one to one or one to many. During this stage knowledge is made accessible to those who are concerned.
7. **Use (transfer, reuse, adapt or adopt).** Knowledge is taken in its current form and applied to another situation to solve a problem, improve a process, or make a decision.

In practice, KM processes are the formal tactics, methods, procedures, and strategies adopted by organization. KM process could be grouped around following core knowledge processes: discovery, capture, organization, use, transfer, and retention.

Please think of some problem in organization that is related to knowledge management and try to run the problem through KM processes: discovery, capture, organization, use, transfer, and retention.

**Book** by O’Dell, C., Hubert, C. The New Edge in Knowledge. How Knowledge Management is Changing the Way We Do Business, 2011.
Who is the Knowledge Worker?

With emergence of knowledge intensive organizations and Knowledge Management discipline, the question rises who is actually the knowledge worker? In terms of abilities, we can say that knowledge worker is someone who is intellectual, creative and non-routine in nature, able to perform abstract and holistic thinking and handle theoretical and tacit knowledge. In terms of competencies, knowledge worker has high degree of expertise, education, or experience, and the main purpose of the job includes the creation, sharing, or application of knowledge.

All jobs involve knowledge to some extent, but knowledge workers are those whose jobs are predominantly knowledge-oriented. Knowledge workers differ from other kind of workers in their autonomy, motivations and attitudes.

**Core competencies of knowledge workers** are considered to be:

- **Holistic thinking skills** that include strategic thinking that involves having a vision, ability to link everyday activities with this vision, to see future trends etc.
- **Continuous learning** which involves constant acquisition of new information and knowledge as well as unlearning and relearning to be in tune with fast-changing requirements of the work.
- **Teamwork** is important skill for knowledge worker as work becomes more complex, projects are done in multiple locations and solutions have to cover many parties. Teamwork requires collaboration, cooperation, and coordination, based on a knowledge-sharing attitude and commitment to knowledge exchange.
- **Creativity and innovativeness** involve the ability to see original outcomes, find new solutions to the problems and to see problems from new perspective as well as skill to apply different idea generation and evaluation techniques.
- **Risk taking** means courage to step out of status quo, to test, experiment and occasionally fail. Risk should be calculated and reasonable, but knowledge worker has healthy “appetite” for risk.
- **Decisive action taking** means that knowledge workers should be willing to embrace professional discipline, patience and determination.

**Facts about knowledge work:**

- 30-50% of all workers are knowledge workers and number is increasing
- In 2036 y 61% of the jobs will be knowledge-intensive jobs
- 80% of all knowledge is „bound to persons“
- Average knowledge worker does 20-25 Google searches each day
- Knowledge work is a key area of economic growth

Please think about your job: can you consider yourself as knowledge worker? Think some more examples of knowledge workers in your organization. What kind on skills you think should be developed to increase quality of work in your organization?