Knowledge Management, with the Emphasis on the Key Success Factors and the Cycle of Active Knowledge Management System

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ABSTRACT

We live in a world that is under fast and inevitable changes due to globalization. In such a world, the economy is moving toward the knowledge-based economy and it has faced the today's considerations of the countries to challenges which are because of communication and information technology. Some of the organizations believe that with a complete focus on individuals, technology and arts we can manage the knowledge. The most important variable of comprehensive growth of organizations and economical agencies in the present time is the knowledge. The organizations are seeking the perfect and on-time revenue of their knowledge sources and the surrounding environment. Such event has developed a new concept as the knowledge management. Knowledge management is a unified event to identifying, acquiring and extracting, marketing, sharing and creating all sources of the organization knowledge so that it helps the organization to get its organizational purposes. The goal of knowledge management is to create a relationship between experts and experienced people of the organization and the individuals that need a specific knowledge. Making such a relationship is simplified by the help of processes and tools of knowledge management. The success in the field of knowledge management needs a new working environment in which the knowledge and experience can be divided easily. Centralization of knowledge management is on the improvement of organization ability. Nowadays, most of the experts believe that the organizations should follow the effective methods to distribute the organizational knowledge among different levels of human forces throughout the organization so that they could record, register and convey the knowledge of individuals in the organization by the help of knowledge management. The library method was has been used in this method and the topics of knowledge, knowledge management, the basis of knowledge management, the benefits of knowledge management, knowledge management cycle, the effective individuals in success of knowledge management and the factors involving the success of knowledge management have been taken into consideration. The purpose of this study is the significance and considering the knowledge management and a feeling of its vacancy in the organizations.

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INTRODUCTION

In recent years, knowledge management has been one of the most interesting and challenging topics in business and working and its application field is expanding by other subjects in the domain of management. Knowledge management is a process that helps the organizations in identifying, selecting, organizing, distributing and conveying the significant information and skills which are parts of the organization precedent and generally exist in the organization in a non-organized form [15].

Since the knowledge management has roots in expert systems, organizational learning and innovation, it is not a new idea by itself. The successful managers have always used the thinking capitals and identified its value. However, these efforts have not been organized and there was no guarantee that the acquired knowledge was suitably shared and distributed for the organization’s most interest [15], whereas knowledge and thinking capital are the basic points of original suitability and also ways for better operation. Knowledge has the efficient role if the organization can use it in the activities for value making and revenue the knowledge for making the present opportunities in the competitive market operational. Because it is impossible for the companies to keep the advantage of their competition by doing tasks better and faster, but the competitive advantage becomes possible when something is done and is not imitated by the others. In gaining the advantage of stable competition both considering the existed knowledge and using it and making a structure for using the new knowledge are of great importance.
importance. The organizations need to pay attention to all issues, since the knowledge management acts as a working strategy in the whole organization simultaneously and is considered an improving tool for the general program of an organization.

Definition of knowledge:
In Oxford dictionary the definition of knowledge is this: “knowledge is comprehension or knowing resulted from experience and information.” to expand this view, Dowport and Prosak (1998) add the term of framework to the definition of knowledge: “knowledge is an unstable combination of experiences, values, background information and the experts’ attitudes that gives a framework to evaluate and merge the new experiences and information.” [4]

Generally, the origin of making knowledge is the input. Inputs are realities and raw scores; input is a reality of a situation or a case of a specific field without its relation to the other things. Information is formed by putting the inputs in a specific ground. [4]

Knowledge consists of thoughts and imaginations, understanding the learned lessons that the individual gains them through experience, reasoning, insight, learning, reading and hearing. When the others share their knowledge with the person, the knowledge will expand and when the person’s knowledge is combined with others’ knowledge a new knowledge will be created. Knowledge has an individual essence, because it has an alternate relationship with the individuals’ values and beliefs and their comprehension of the world and the others. In addition, knowledge appears in the context and ground of inter individuals’ relationships. It should be mentioned that knowledge is more meaningful and richer than the information. [9]

Definition of Knowledge Management:
Voon Kro cites from Prosak that knowledge management is the effort to discover the hidden asset in the individuals’ mind and changing this hidden treasure to the organizational asset so that a large number of people who are involved in making decisions in the company have access to it and can use it. [17]

In Jones’ idea, knowledge management is a unified systematic event to identify, manage and share all the information assets of an organization that includes data banks, documents, policies and procedures. [10]

Also, knowledge management as a systematic application is known as a measure to control and conduct the observable and unobservable knowledge assets of the organization that are considered by the use of the existed internal and external knowledge to activate the process of creating the new knowledge, making values, creativity and improvement. [18]

In the opinion of Smith, knowledge management cares a new working environment in which the knowledge and experience can be shared easily and also it activates the information and knowledge to go toward the real people and in the real time for a better and more efficient performance. [14]

The organizational knowledge, with the effort of successful managers in the world, is one of the most important companies’ capitals in the 20th century in which the efficient management causes the organization quality level to improve.

The knowledge management is a term that has been very popular in management literature and working and those who work in this field know well how many professional domains exist behind it on which the researchers are studying and investigating. The experts in this field have expressed numerous key factors in successful implementing of the knowledge management.

The basis of knowledge management:
The given definitions and concepts about knowledge management are somehow expressing the basis of knowledge management. Nevertheless, Dowport and Prosak in their book “the Job Knowledge” mention the basis of knowledge management as follows:
1. Knowledge is derived from the people’s thoughts and is placed in their thoughts.
2. Dividing the knowledge needs trust.
3. Technology makes new knowledge behaviors possible.
4. Dividing the knowledge should be encouraged and be followed by rewards.
5. The managers and basic sources’ support is necessary.
6. Knowledge has a nature that can be created and encouraging people causes the development of knowledge in an unexpected way. [4]

Knowledge management is a process that helps the organizations to identify, organize, distribute and convey the important information and skills and generally exist in the organization in an unorganized form. By the help of knowledge management, the concepts and methods are clear, and also the challenges are obvious and we can overcome them, the interest are identified and can be considerable. The crucial things here are executive support and the technological issues are not of great importance comparing to them. In order to be successful in knowledge management there are various key elements that are different in different cultures.
The advantages of knowledge management:

Touroouch (2004) delivers four basic reasons for the centrality of knowledge in the new economy which is based on the knowledge:

1. The great volume and increasing of the goods that the basic source for producing them is knowledge and their profitability highly depends on the knowledge used in it not on the way it is distributed.
2. Knowledge intrinsically tends to break into different branches during the growth and the fast and effective reproduction of the knowledge equals the basic source of competitive point.
3. Estimating the value of knowledge investing is a hard task since its result can be whether frustration and disappointment or perfect growth and profit.
4. Even when investing on knowledge results in a considerable economical profit it is impossible to identify the effect of knowledge investing on it. In the knowledge-based economies the competitive advantage of the organization in having relative preference over their coordinates is defined in that field that is just possible with the potential to produce, preserving and knowledge management. [16]

Also Downport & Grore (2001) introduced eight advantages of knowledge management from Denham Gary as follows:

1. preventing knowledge falling
2. improvement in decision making
3. flexibility and conformity
4. competitive advantage
5. asset development
6. increasing production
7. managing the customers
8. applying the investments in the human capital sector [15]

In a world that Peter Draker called it knowledge society, the pressure of competition in the universal markets is so increasing that quality improvement, reduction of expenses, meeting the citizens and customers’ needs on time, and management responding is not considered a choice, but a strategic necessity. The high universal and competitive environment has caused some topics such as the management of communicating with the customers, pattern taking, renewed engineering, comprehensive quality management, humiliating and Outsourcing, strategic programming, organizational learning and knowledge management be the center of attention by the organizations.

The secret of success of organizations in 21st century:

Peter Draker believes that “the success secret of organizations in the 21the century is the correct knowledge management.” So implementing the knowledge management in the third millennium organizations is necessary and the institutes have to take action with a program to implement it. Success of the organizations is considerably depends on this issue that how an organization can collect, save and recover the knowledge among the employees in different levels. [13]

The knowledge management systems point to the use of new information technology (such as internet, internal net, external net, software filters, data banks) to organize, improve and acceleration of the knowledge management in and out of the organization. [11]

Knowledge management systems are trying to help the organization to adjust to the conditions such as forces reduction, quick changes and shortening the organization with providing the possibility of getting access to the human capital skill in the organization.

System of active knowledge management:

An active system follows six steps in a cycle. [15] the system ids like a cycle because the improvement of its searching is during the time. In a suitable system of knowledge management, the knowledge never ends, since trough the time the environment changes and the knowledge should be updated to be able to reflex these changes. The cycle of knowledge management system acts as follows:

a. Creating the knowledge: The knowledge is created when the individuals acquire the new methods of works or learn a new skill. Sometimes an external knowledge enters the organization.

b. Acquiring the knowledge: The new knowledge should be regarded valuable and delivered in a logical way.

c. Refining the knowledge: The new knowledge should be adjusted to the new conditions and become applicable in this way. It is here that the humans’ insights (tacit potentials) need to be applied in the exact facts.

d. Saving the knowledge: Then the useful knowledge should be saved logically in a store so that the others in the organization also have access to it.

e. Knowledge management: Knowledge should be kept updated like a library. The necessary investigations to confirm its relativity and correctness should be done continuously.
f. Propagation of the knowledge: The knowledge should be accessible everywhere and every time in a suitable frame for everyone who needs it in the organization.

Delivering a system of knowledge management needs a great effort and like the other information technologies start, commission and taking advantage of it needs a considerable effort.

**Fig. 1:** the cycle of knowledge management system [15]

_The role of the individuals in knowledge management (S. Chenior, 1996):_

There are many different issues in relation to managing the individuals and cultures that should be taken into consideration to have a successful knowledge management. Now, we investigate these individuals:

Knowledge assistant: The support and cooperation of the chief manager of an organization is necessary to facilitate implementing the behavior-based projects. Most of the institutions that try to develop the systems of knowledge management have introduced a rank in the superior level as knowledge assistant. The nature of knowledge assistant’s role is to maximize the knowledge capital of the institution, planning and implementing the strategies of knowledge management, internal and knowledge capitals in an effective way and propagating the use of knowledge management system.

General Director: senior employees and the managers of the organization: General Manager in front of knowledge assistant is responsible to defend the activities that are related to knowledge. He should be sure that the knowledge manager is efficient and skillful and is able to provide all sources needed for the project success. He should get an expanded support to help and apply the system of knowledge management. In addition, the general manager should prepare the organization for the expected changes resulted from the commission of knowledge management system. Supporting the knowledge management system and information management is of the most vital duties of a general manager.

Other senior employees of the organization: They should generally provide the necessary sources for the knowledge assistant to do his responsibilities. The financial assistant should get the confidence of the existence of the necessary financial sources. The general manager should get the assurance that the individuals have placed the activities of knowledge management in their daily procedures.

Managers: They should support the activities of knowledge management and make it possible to get access to the knowledge sources.

Reaction groups: The success of many systems of knowledge management has always depended on the active contribution of individuals who shared the knowledge and took advantage of it. So, forming the reaction groups in the organizations related to the knowledge management activities is of great significance. A reaction group is consisted of the individuals in the organization with the same professional interests. In ideal conditions, all the knowledge management system users need to be the member of at least one reaction group. Appropriate creation and development of reaction groups is one of the factors in the success of knowledge management.

The expanders of knowledge management system: They are, in fact, the members of a team that create the system. They work under the supervision of knowledge assistant. Some of them are the experts of the organization who identify some strategies to propagate and manage the change of organizational culture. The others select the software and hardware, programming, testing, implementing and saving the system. At last, they are in charge of training the employees in the knowledge management system.

Nowadays, the importance of knowledge management is clear to many organizations and the managers are seeking for the basic reasons and factors to be successful in planning and implementing the system of knowledge management in their organizations. [1]

There are many factors that implementing them the knowledge management in the organizations can be performed successfully.
The key factors in the success of knowledge management system:

1. Saving the knowledge: Saving the organizational knowledge (tacit and evident knowledge) is one of the main elements in a system of knowledge management. Data bankabout database of skills and expertise.

2. Knowledge audit: Knowledge audit has been used as investigating and measuring the knowledge used in the system of knowledge management and it has also been defined as a means for valuing the knowledge and identifying the opportunities for knowledge management and its problems. [1]

3. The knowledge strategy: One of the main factors in the success of the knowledge management is to have a clear and well-developed strategy. [11]

   This factor is a base that how an organization can progress and provide its capabilities and sources toward the success in knowledge management.

4. Educational programs: The employees should be completely and deeply familiar with the knowledge concepts in order to be able to distribute the knowledge policies in the organization. Therefore, the educational programs are very important for an organization that is related to the knowledge management.

5. The support and commitment of general manager of the organization: The success of planning the system of knowledge management in the organization is directly related to the support and commitment of the general manager of the organization. Certainly, a program of knowledge management needs the support of the general manager of the organization to be successful in the procedures of planning and implementing. Also, saving the tacit and evident knowledge are as important as the system of knowledge management itself.

Conclusion:

The main comprehend the knowledge management and how to implement it. Today, one of the biggest desires of every organization is defining a suitable system of knowledge management and managing it in a successful way. Undoubtedly, Azad Islamic University should appear in the role of a proponent organization as a knowledge-based organization in implementing and settlement of the suitable systems of knowledge management and this requires identifying the success key factors and taking practical steps based on these effective factors in different processes of planning and settlement of knowledge management system. Generally, to get a successful knowledge management one needs to consider the following items:

   1. Development, convey and support the knowledge
   2. Knowledge-based strategic orientation and developing innovation technology
   3. Developing the competences and competent-based management.

   It is hoped that we can apply the great potentials of human capitals in knowledge management, organize them and reduce the many problems of the organizations that are resulted from the lack of necessary and sufficient knowledge.

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