

Current Trends in Knowledge Management

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There has been a growing realization that investments in information technology have not paid off in performance (Malhotra, 2005a). There has been too much emphasis on treating people as passive recipients of technology and not enough emphasis on individual enterprise. Buying a typewriter does not make one a better writer (BRINT Institute, 2005). Similarly, if a company buys new information technologies, it does not make an organization better at managing knowledge. What is critical is acceptance and effective utilization of the technologies. The key to success is not [just] the system but what people make of it. Knowledge Management (KM) is an evolving discipline that can be affected by new technologies and best practices, but there are some things that we do know for sure (Tobin, 2003). There is a systematic approach to successfully implementing KM and if you analyze what you are trying to accomplish, map out a strategy, garner support from the organization and have a way to measure it, then you are much more likely to be successful.

Intellectual Capital

Tom Stewart defines intellectual capital as the sum of everything everybody in a company knows that gives it a competitive edge: "It is the knowledge of a workforce: The training and intuition of a team of chemists who discover a billion-dollar new drug or the know-how of workmen who come up with a thousand different ways to improve the efficiency of a factory. It is the electronic network that transports information at warp speed through a company, so that it can react to the market faster than its rivals. It is the collaboration--the shared learning--between a company and its customers, which forges a bond between them that brings the customer back again and again." He considers intellectual capital as collective brainpower: a composite of knowledge, information, intellectual property, and experience (Malhotra, 1997).

He, too, has argued that knowledge and information are the primary raw materials of today's economy.

New Trends

In the years to come, many of business paradigms will change (Surjanovic, 2005). The way we made success in the past, will NOT be the same in the future. The world changes very fast. Mr. Tom Peters, best selling author, calls this phenomenon “the nanosecond society”. Today, many leading global management consultants agree that the IDEAS and INNOVATIONS will play the most important role for corporate success. The most important resource for success will NOT be physical resources, like the size of the company, the production equipment, or the engaged capital. The key resource will become the brain, and the ideas. After industrial and information age, the new IDEA AGE is arising. Here is the list of the 12 new trends, or new points to focus on.

1. Innovation and creativity. Encourage taking risks with new ideas, rather than "playing safe".
2. The consumers (Instead of focusing on internal problems in the organization).
3. Feelings, emotions (Instead of focusing primarily on "left brain, rationale thinking", such as price/quality ratio).
4. Adding value (Instead of compromising the quality).
5. Excelling (Instead of fulfilling expectations only).
6. Customers' delight (Instead of focusing on customer satisfaction only).
7. Proactive strategy (Instead of reactive strategy).
8. PULL strategies (Motivate the customer to ask for the merchandise), rather than PUSH strategies (pushing the merchandise toward the consumer).
9. Effectiveness (doing right things), rather than efficiency (doing the things right).

10. Decentralization (rather than centralization of organization).
11. Empowering employees (rather than practicing command-and control type of management).
12. Team work and adhocracy (rather than bureaucracy).

Change

Everything in our world -- from marketing to technology to distribution to capital markets -- is changing faster than ever (and not always in the same direction) (Matcho, 2002). Yet most companies are clueless about what's causing the change, how it might affect them, and, most important, what to do about it. Successful businesses hate change. People with great jobs hate change. Market leaders seek out and cherish dependable systems. But upstarts and entrepreneurs love change. Turbulence scrambles the pieces on the game board; entrepreneurs get a chance to gain market share and profits. And since there are always more competitors than market leaders, there's a huge demand for change. More innovation! More competition! More change! It won't go away. It will only get worse. However, companies, from Kinko's to Starbucks to Viacom, almost never follow a master plan to success. Instead, they morph and grow and change until they become successful. As the company gathers steam, it will distance itself from its competitors and dominate markets by embracing the changes that will inevitably come.

Summary

The most significant trends in knowledge management are rapid changes, new technology, and recognizing the value of employees' knowledge. In an environment where an individual's knowledge is valued and rewarded, establishing a culture that recognizes tacit knowledge and encourages employees to share it is critical (Santosus & Surmacz, 2001). The need to sell the KM concept to employees shouldn't be underestimated; after all, in many cases

employees are being asked to surrender their knowledge and experience — the very traits that make them valuable as individuals. Ideally, participation in KM should be its own reward. If KM doesn't make life easier for employees, it will fail. Businesses should foster innovation by encouraging the free flow of ideas. A creative approach to KM can result in improved efficiency, higher productivity and increased revenues in practically any business function. Some benefits of KM correlate directly to bottom-line savings, while others are more difficult to quantify. In today's information-driven economy, companies uncover the most opportunities — and ultimately derive the most value — from intellectual rather than physical assets. To get the most value from a company's intellectual assets, KM practitioners maintain that knowledge must be shared and serve as the foundation for collaboration. Yet better collaboration is not an end in itself; without an overarching business context, KM is meaningless at best and harmful at worst.

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