

Benefits of knowledge management from the perspective of human resources used in the management of enterprises

PETR MORA

Vysoká škola manažmentu v Trenčíne, Bratislava, Slovakia

IGOR ROZENBERG

Vysoká škola manažmentu v Trenčíne, Bratislava, Slovakia

Abstract: Knowledge are of practical importance only when it leads to a very specific action. The chosen topic explains the benefits of implementing knowledge management in firms with active and targeted delivery of knowledge into business processes through human resources, which are heavily dependent on knowledge (knowledge-intensive processes) based on the implementation of applied knowledge management.

Knowledge management deals with the management of knowledge, ie identifying the knowledge already existed, or the creation of new, subsequent formalization, storing, disseminating, sharing, selection, processing, exploitation, development and evaluation of their effectiveness through feedback. The knowledge management is also promoting mutual communication, cooperation, creating a friendly non-competitive environment for the dissemination of knowledge, removing barriers, motivation, development of learning cycles, engage people in collective networks, etc. From this it is clear that knowledge management pervades all managerial activities and activities in business. If they will discuss in more detail, we find that it is not entirely new discipline. Includes area reengineering processes, human resources management, project management, change management, creating the right organizational structure, motivation, etc. The aim of knowledge management is to have the right knowledge at the right time for those who need them.

The following are the most common barriers to knowledge management. Basic category TOP obstacles, or barriers to technological, organizational and human (Technology, Organisation, People). In this paper we deal with organizational barriers. Knowledge management, organizational structure, work organization and communication.

Key words: Knowledge management, human resources, knowledge-intensive processes, implementation of organizational barriers.

1. Introduction

Knowledge management is the foundation of innovation, adaptability and value-added arising from the intellectual capital of the organization. [7] Under the management of knowledge we mean a systematic approach to the creation, capture, storage, dissemination, sharing and active use of knowledge to improve the performance of the organization. [9] It is important to realize that knowledge is applied only when based on them perform specific actions! [3] For businesses is not of mere gathering of information or knowledge. [4] Effective knowledge management is applied. [8] As a result, the management and forced reflow knowledge into action based on awareness of the need for knowledge. Applied knowledge management emphasizes the management of the flow of knowledge around business processes and knowledge systems, and knowledge workers around them takes knowledge as a way to optimize processes, not as an end system. [2]

2. Organization heavily dependent on knowledge

Knowledge management is becoming recognized by the Czech managers as a tool to support the management of intellectual capital, because the vast majority of companies engaged in or in the short term plans to deal with knowledge management. Czech business managers know that competition intensified planned accession to the European Union is forcing much harder to deal with the use of intellectual capital and its expansion. [1] The Czech Republic will become a European "expensive" countries and companies will no longer be able to benefit from cheap labor, especially for university graduates. Knowledge management is the actual tool that can significantly determine the near future of Czech enterprises. Organizations that are heavily dependent on information management and knowledge around business processes include [7]:

- companies with large research and development (eg ICT industry companies with large in engineering (manufacturing and construction companies inženýringové)
- Companies that depend on the precise procedures, expert knowledge and their documentation (pharmaceutical, chemical and medical companies)
- consulting firms, auditing and consulting company
- software companies and system integrators
- insurance companies and banking institutions.

3. The benefits of established knowledge management

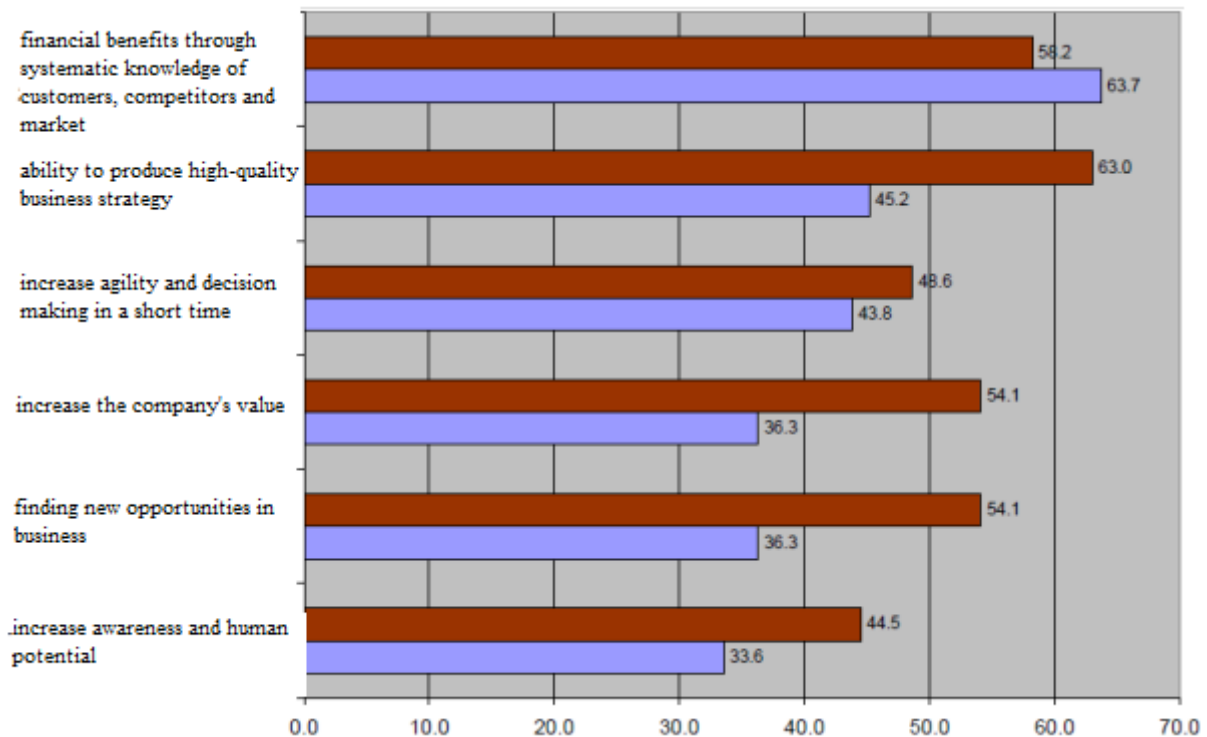
According to the methodology Nabla Per Partes [2] are the primary benefits of knowledge management as follows:

- Financial benefits through systematic knowledge of customers, competitors and market
- The ability to form good business strategy
- Increasing the ability of decision-making in a short time
- Increasing the value of
- Finding new opportunities in business
- Increase awareness and human potential
- Reducing the cost of re-inventing
- Gaining flexibility and adaptability
- Increased teamwork in the organization
- Increase innovation.

Survey of the state of knowledge management in Czech enterprises

In a survey of the state of knowledge management in Czech enterprises [1] was determined that the benefits of Czech companies consider most important.

Fig. First Percentage of responses to the question: "Which of the benefits of knowledge management as the most important?" Expectations in 2005 (dark) is even higher than today (light). The survey is based on the findings of the 150 respondents of the leading Czech organizations. [1]



As can be seen from the graph, the largest Czech companies expect changes from an increased ability to create business strategies by increasing the value of the company and find new business opportunities. For the year 2005 shows that out of all the benefits of strengthening the financial importance. The importance of good business strategy gets back in 2005 at the first level of the benefits from the financial benefits that businesses today see as most important.

Business strategy to meet the expectations of managers, must be based on knowledge and new knowledge systematically modified and refined. The introduction of knowledge into the company serves Knowledge systems (KM system).

4. Architektura process of KM

Per partes the company has developed a method of introduction of knowledge management based on the analysis of knowledge-intensive processes, whose patterns are listed below in the post. In our experience, knowledge intensive process of examining the best way to start building or regeneration of knowledge management in the organization.

Process implementation process of knowledge management

There are several approaches to the issue of knowledge management:

- theoretical, aimed at defining the difference between information and knowledge seeking and types of knowledge
- system, centered around the building management system and knowledge management
- organization focused on knowledge workers and the organization of knowledge communities
- personnel, highlighting the need to work with people and their motivation to share knowledge
- technical, emphasizing the enabling and supportive role of technology for knowledge management
- Process, showing the processes that are based on knowledge.

Process approach to knowledge management is much more natural than other approaches. It makes much closer to balancing the benefits, costs and risks associated with the introduction of knowledge management (called Total Value of Ownership). Allows you to focus on the processes that are critical for the organization, and allows to distinguish the processes of interest in various organizations.

Flows of information and knowledge into business processes in organizations are not adequately managed and controlled. It is not only to implement the information and knowledge of the processes respectively. operations and activities within the process from those who have it to those who need it, but the information and knowledge on the identified beneficiaries "to stuff" (information and knowledge push). Experience with the implementation of knowledge management process approach [2] using the knowledge optimization of knowledge-intensive processes led by Per Partes the new scheme architectural knowledge system. KM system consists of five elements - knowledge, work processes, knowledge processes, people & organization and technology.

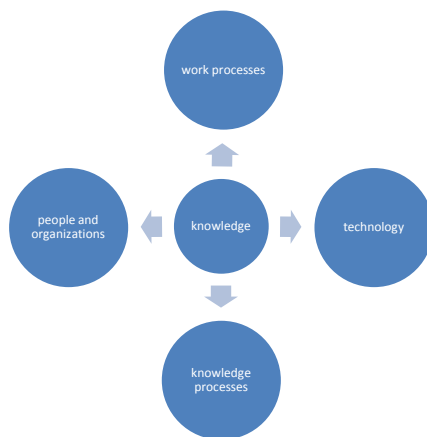


Fig. Second Procedural status of the knowledge system. [2]

A. Knowledge

In the center of the inherent knowledge understood as "knowledge capital organization" includes all types of knowledge belonging to the intellectual capital of the organization. It is therefore a knowledge-based content stored in the knowledge base [3].

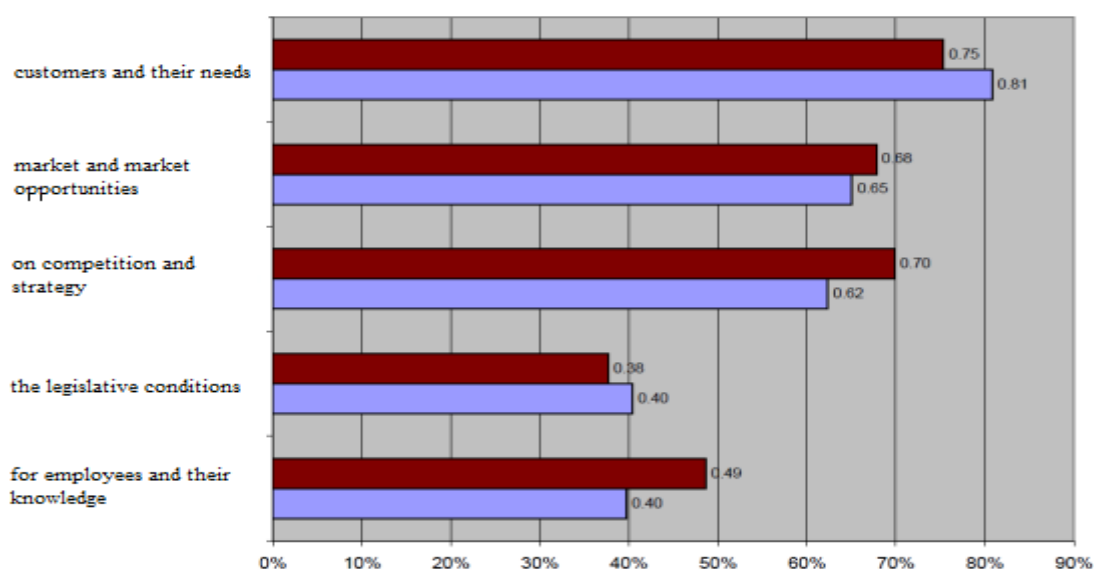


Fig. 3rd Percentage of responses to the question: "Which of knowledge are critical to your organization's business?" Today's situation (light) is almost identical to expectations in 2005 (dark). [1]

Survey of the state of knowledge management confirmed that critical knowledge today from the company primarily in three major areas:

- Know your customers and their needs,
- knowledge of the market and the market
- Knowledge of competition and strategy.

Fully 81% of respondents stated that currently critical to them knowledge about customers and their needs. These areas remain the focus of the organization in 2005. In 2005 there is also an increased interest in gaining knowledge about the competition and its strategy. Czech enterprises are responding to increasing competition ability in the field of knowledge management as a valid reason to initiate their own activities. Only this reason, for them knowledge about the competition extremely important.

B. Work Processes

The knowledge system is a knowledge worker processes that are heavily dependent on information and knowledge - the knowledge-intensive business processes. According to the methodology Nabla Per Partes among knowledge-intensive processes, those of them that address the following seven tasks:

- Active strategic management
- Active management performance
- Active adaptation and innovation
- Active Customer Relationship Management
- Active management of employee development
- Active management of business and partner networks
- Active competitive intelligence

C. Knowledge processes

Around the workflow to develop a knowledge-based processes for the collection, codification and dissemination of knowledge of knowledge-intensive work processes and vice versa to them. [4] [5]

D. People & Organization

Knowledge workers engaged in carrying out knowledge-based processes and the overall setting and knowledge management system. [8]

E. Technology

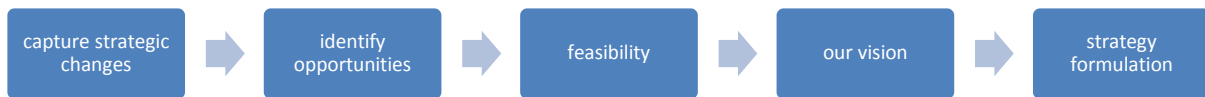
Appropriate technologies for knowledge management include: [8] [3]

- tools for obtaining information (information retrieval) and profile information (information push)
- Document Management System (EDMS)
- Automation of processes (workflow processing)
- cooperation management working. groups (groupware)
- Integration of information for decision making and control (DW)
- analytical OLAP applications (MIS, EIS)
- management of knowledge transfer electronic discussions
- video conferencing to create virtual teams.

5. Tasks process of KM

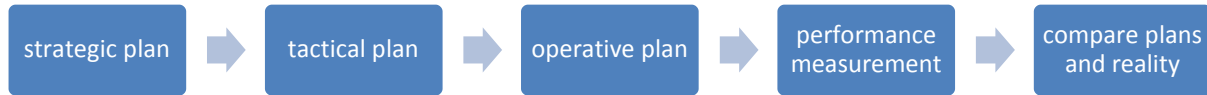
Knowledge of tasks for process implementation KM system [2] [3] is the foundation of a successful system implementation built on gaining immediate benefits. The following is a list of tasks showing key processes in each of the given tasks and specifying measures of success implementation process.

1. Active strategic management



A typical business process of creating and updating strategies. The measure of success is the competitiveness of the process, the timely capture trends and quickly convert vision into strategy.

2. Active Performance Management



Corporate planning and performance monitoring. The measure of success is the conduct of the staff at all levels in line with the strategy to achieve strategic objectives and adaptability and responsiveness to change of strategy.

3. Active adaptation and innovation



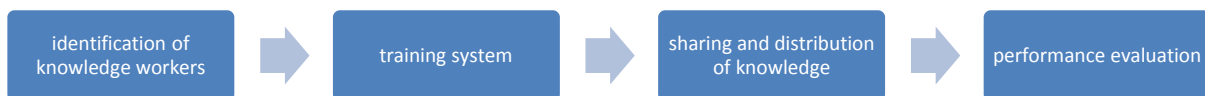
A typical business process - an innovative development cycle of products and services. Among the processes depend on the ability to adapt and innovation. The measure of success is the acceleration of the process lifecycle, reducing the re-discovery and product success.

4. Active customer relationship management



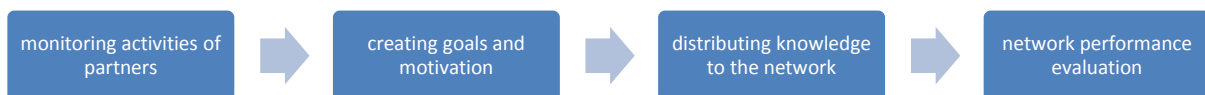
Business process, customer relationship management is based on knowledge about customers and their needs. The measure of the success of the process is customer satisfaction and customer requirements embodied in the product as a result of the forward estimates.

5. Active management of employee development



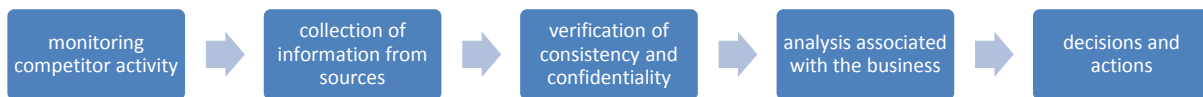
Business process management knowledge development of employees is directly connected to the system for knowledge management. The measure of its success is the accurate application of knowledge and skills of the staff, targeted training and training and a good employee motivation.

6. Active management of the business and partner network



Business process management and business partner network. The measure of success is to strengthen the network of business partners, network compactness and competitiveness in the alliance.

7. Active competitive intelligence



A typical business process, a competitive intelligence. The measure of success is to gain reliable information, finding a direct relation to their own business and increase competitiveness.

6. Experience with the implementation of KM systems in organizations

A truly functioning knowledge-based system has very few Czech companies. Functional KM system have some branches of foreign companies, but there is more of a passive role in the KM system. This representation using KM system as a source of know-how from abroad, not as part of their processes in terms of process-oriented KM system.

1. At what stage of the use of knowledge, the company is located?

In a survey [1], only 23% of respondents indicated that the use of the results of completed knowledge projects. The highest percentage of respondents (44%) now indicates that they are at the stage of drawing up projects and managed initiatives to achieve the objectives formulated knowledge. 41% of companies are considering the benefits and possibilities of knowledge management for business and 37% produces a real corporate strategy for understanding the issue of knowledge management.

In 2005, according to respondents, the situation dramatically different. More than 54% of companies intends to use the results of completed knowledge projects. On the other hand, very few companies (17%) will consider the benefits and possibilities of knowledge management for business because through this stage right now.

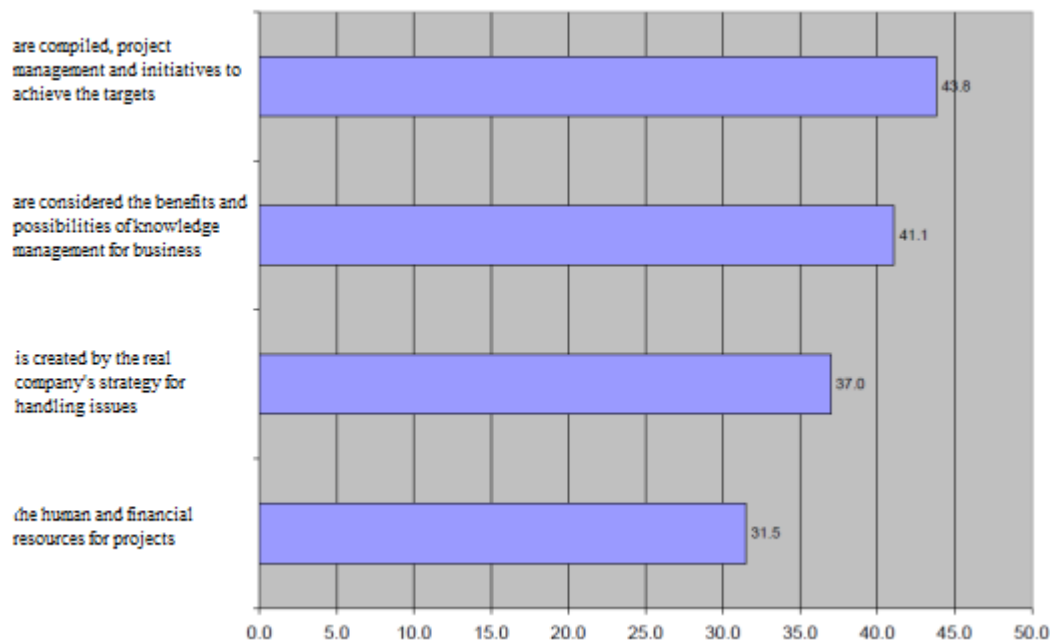


Fig. 4th Percentage of responses to the question: "At what stage of the use of knowledge is now in your company located? 1]"

2. Where is knowledge in enterprises managed?

Currently managed inside knowledge and competence of individual units, ie knowledge management is not grasped as a whole and knowledge are managed centrally specialized department. In this situation threatens to collapse teams and the departure of key personnel are lost and knowledge of the organization for a long period of use to your business. In the context of the critical needs of customers and understanding their needs, and market competition means that companies are due to the lack of enterprise-wide knowledge management very vulnerable, especially in the case of a high turnover of employees with these skills (ie workers on the contact

area with the customers) or bad staff work with human resources. However, even with good management and motivation of human resources at risk in this position knowledge management potential loss of knowledge when leaving workers constructed with ties to customers and experience of market behavior and competition in retirement. This was confirmed in a survey of knowledge management in the Czech Republic 63% of the companies surveyed.

3. It is part of the company's knowledge management strategy?

In our experience, management expertise developed in some process areas, particularly in the area of customer relationship management. In response to a question on the status of knowledge management in the company, however, almost 45% of respondents indicated that the management of knowledge is part of their corporate strategy. It means that this issue today enforces the strategic attention of senior management.

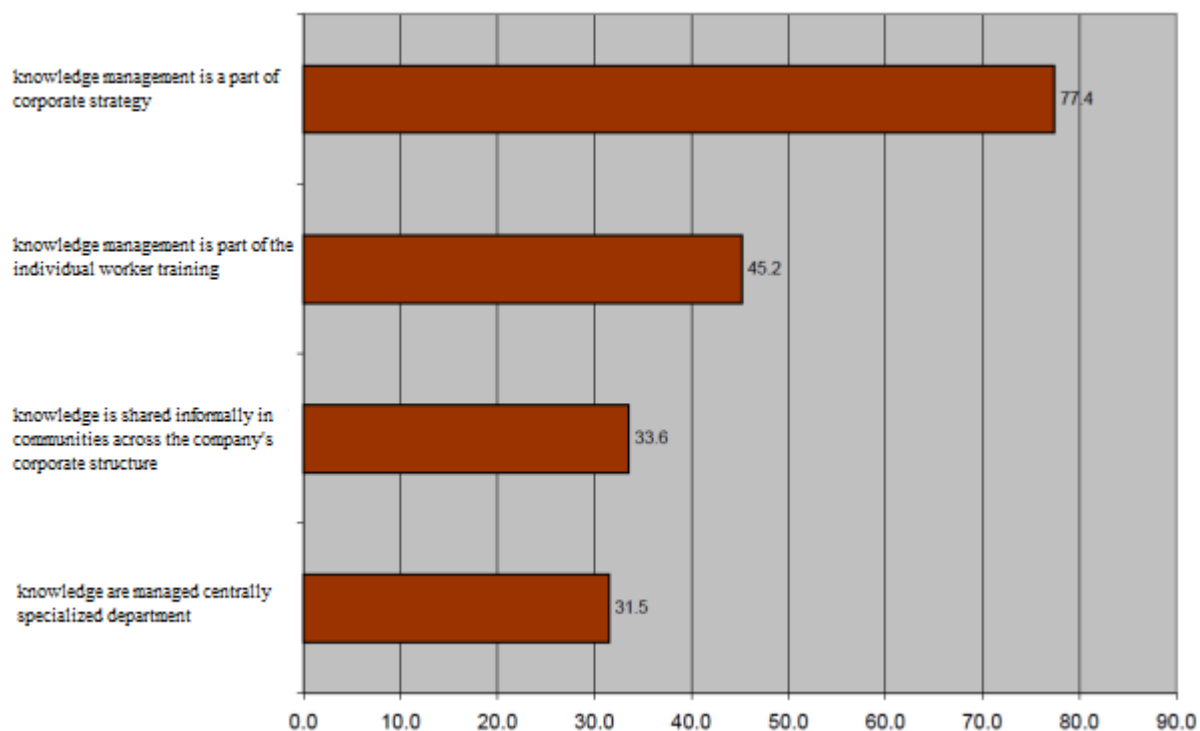


Fig. 5th Percentage of responses to the question: "What position will hold the 2005 management knowledge in your company?" [1]

4. Where are the barriers to the introduction of KM?

The most important barrier to the application of knowledge management is a corporate culture unprepared for knowledge sharing among employees. Unwillingness to share knowledge workers in a survey said nearly 62% of respondents as the greatest barrier to implementation of knowledge management in their organization. In 2005, according to a survey even this barrier increases (70%).

Another barrier in companies is the inability to grasp the knowledge of the business as a system, making it difficult to link knowledge and those who need it. In the survey, because over 40% of the respondents say that the risk of flooding with useless knowledge, which sees a parallel information explosion in fields of knowledge. Clearly defined barrier to the introduction of KM is disagreement about the benefits of knowledge management between management companies. This means that even management knowledge uniquely qualified for the clearly defined management disciplines and senior management of the companies it still does not have enough information. Disagreement about the benefits of knowledge management in the management of companies in 2005 will very likely have been removed, however, a new problem appears. This is the difficulty in determining the person responsible for the management of knowledge. I could realistically be focused efforts on companies buying up drain (knowledge managers) that will bring knowledge about the implementation of knowledge management.

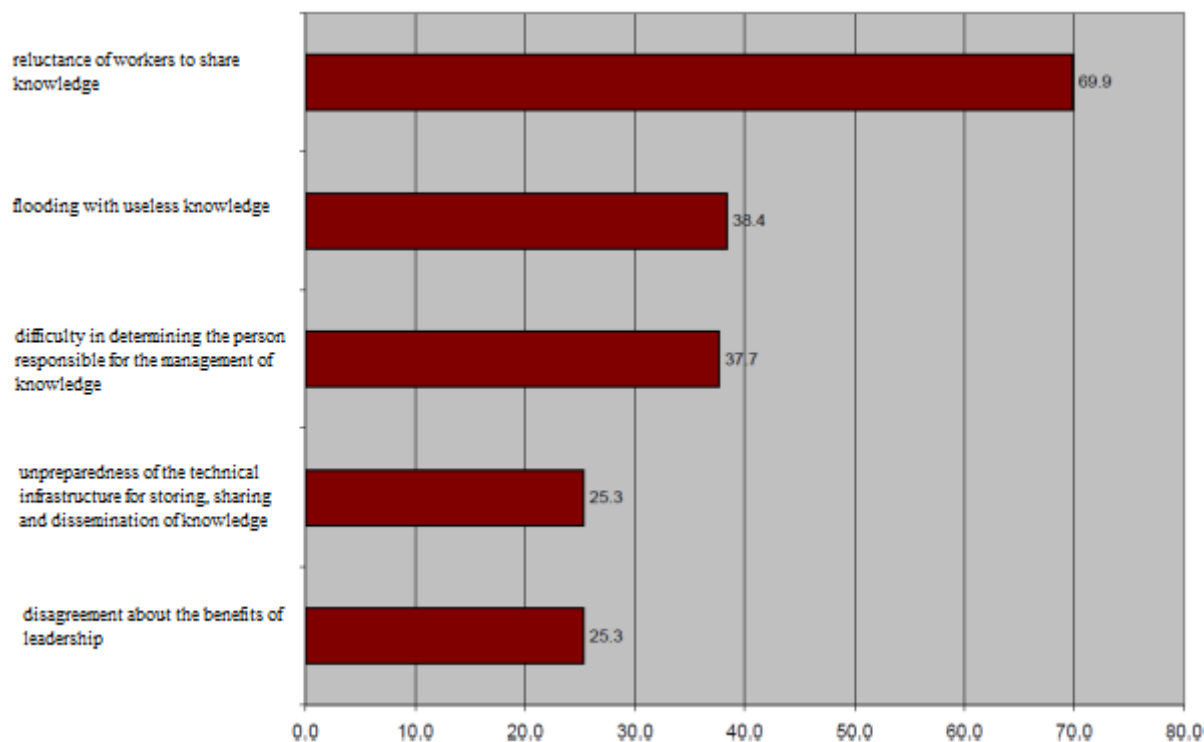


Fig. 6th Percentage of responses to the question: "Which barriers and risk management knowledge will be most up to date?" [1]

Summary

The sense of a KM system is an active and specific supply of knowledge to the work processes which are strongly dependent on knowledge – so-called knowledge intensive processes. In the paper there is described a process approach to implementation of a knowledge management system and the most suitable work processes for the implementation. At the same time there are discussed benefits that comes from applied knowledge management. A characterised knowledge management system is based on implementation tasks defined by the Per Partes methodology. The methodology includes the following basic KM tasks:

1. Active Strategic Management
2. Active Performance Management
3. Active Adaptation and Innovation
4. Active Customer Relationship Management
5. Active Human Resources Development
6. Active Knowledge Chain Management
7. Active Competitive Intelligence.

Knowledge has meaning only as part of a process or a capacity to act! The process approach enables to disseminate knowledge directly into work processes.

Competition can't beat the size, but must overtake thinking. "R.Solow

Literature

- [1] Per Partes Consulting, s.r.o. : Průzkum stavu managementu znalostí v České republice
- [2] Per Partes Consulting, s.r.o. : Nabla Per Partes©. Interní metodologie pro řízení komplexních projektů postavená na aplikaci Complexity Science.

- [3] Per Partes Consulting. s.r.o. : Žurnál Per Partes o managementu znalostí – Znalosti v akci. ISBN 80-238-8941-9
- [4] P. Hujňák: Hodně dat, málo informací a skoro žádné znalosti, Lots of Data, Very Little Information and almost No Knowledge?, Computerworld, dvojjazyčné vydání, č. 25, ročník 1999.
- [5] P. Hujňák: Od dát k informacím, od informací k znalostiam. Hospodárske noviny ročník 5 – rok 2000, číslo 1, příloha Informačné technológie.
- [6] P. Hujňák: Klíčová úloha konvergence digitálních technologií- Hospodárske noviny ročník 4 – rok 1999, číslo 9, příloha Informačné technológie.
- [7] P. Hujňák: Demontrace hodnot managementu znalostí,. Elektronický sborník Corporate Lectures HotTop, ročník 1999, www.HotTop.cz, www.KM.cz
- [8] P. Hujňák: Změny informačních strategií vlivem managementu znalostí. Elektronický sborník Corporate Lectures HotTop, ročník 2000, www.HotTop.cz, www.KM.cz.
- [9] P. Hujňák: Knowledge Management – reálný přínos řízení intelektuálního kapitálu. Elektronický sborník Corporate Lectures HotTop, ročník 2001, www.HotTop.cz, www.KM.cz.
- [10] P. Hujňák, Znalosti v akci, časopis IT Systems, ročník 2000.
- [11] P. Hujňák: Transformační management, Computerworld č. 25, ročník 2000.
- [12] P. Hujňák: Co je to Extended Enterprise?, Business World č. 6, ročník 2001

Contact data:

Ing. Petr Mora, M.B.A.

Vysoká škola manažmentu, Panónska cesta 17, 851 04 Bratislava, Slovakia
morapetr@seznam.cz

Mgr. Igor Rozenberg

Vysoká škola manažmentu, Panónska cesta 17, 851 04 Bratislava, Slovakia
igor.ziar@gmail.com