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CORPORATE EXCELLENCE THROUGH KNOWLEDGE MANAGEMENT

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ABSTRACT

The paper attempts to explain how in an organization the employees share their knowledge through the social media. If used properly an organization can have huge benefits in terms of employee's satisfaction as well as of profits. Organizations can use knowledge management to create and restore values in organizations. And create an interactive learning environment where people transfer and share what they know, internalize it and apply it to create new knowledge. The labor force of India is going to be more educated, they have the good knowledge of the social media. The reason behind this is the entry of multinational companies and recruitment of professionally educated employees in their branches and subsidiaries. Due to increase in the employment and income level of Indian employees the demand of capital goods is also increasing. On line shopping is becoming popular and the advertisements for these products are given on Facebook, What Sapp, Orkut, twitter etc. Social media can be used by the retail sector to enhance their sale,

KEY WORDS: Social Media, Labour Force, Multinational Companies, Industries.

INTRODUCTION

Academics have debated the meaning of "knowledge" since the word was invented, but let's not get into that hare. A dictionary definition is "the facts, feeling or experiences known by a person or group of people" (Collins English dictionary). Knowledge is derived from information but it is richer and more meaningful than information. It includes familiarity, awareness and understanding gained through experience or study, and results from making comparisons, identifying consequences, and making connections.

Managers ask for information to support decisions. This led to the use of IT (information technology) to build transaction support system, data leads to information, but what organizations were really looking for was knowledge. When we refer to knowledge, most of us mainly tend to think of codified and documented knowledge like patents, databases, manuals, white papers etc. with this "explicit knowledge" is important, what is even more important and value adding from the perspective of competitive advantage is the "tacit knowledge" which is embedded in the minds of the people.

Many in industry confuse knowledge management (KM) with business intelligence (BI). According to a survey by OTR consultancy, 65 Percent of consultants did not understand the difference between the two. Gartner consultancy clarifies this by explaining BI as set of all technologies that gather and analyze data to improve decision making. In BI, intelligence is often defined as the discovery and explanation of hidden, inherent and decision-relevant contexts in large amounts of business and economic data (HAMEED, 2004).

KM is described as a systematic process of finding, selecting, organizing, distilling and presenting information in a way that improves an employee's comprehension in a specific area of interest. One of the key benefits of introducing KM practices in organizations is its positive impact on organizational performance.

The research conducted in Croatia suggests that KM positively affects organizational outcomes of company innovation, product improvement and employee improvement.

Three points are mentioned by Powell (2006) and Ferguson in (2008).

- Development is a process which involves change for the better, which in turn involves people doing things differently. Development is fundamentally a knowledge industry.
- Development organizations work with external multiple stakeholders. Knowledge exchange and mutual learning is crucial.
- The development sector is characterized by power inequalities. Mutual learning can contribute to overcoming such inequalities.

HISTORY OF KM

Knowledge management as a conscious discipline, it evolved from the thinking of academics and pioneers such as Peter Drucker in the 1970s, Karl-Erick sveiby in the late 1980s, and No nakia and Takeuchi in the 1990s.

Taking the four cornerstones Knowledge & systems, Structure & processes, People and motivations and Market and strategy and make all four elements work together one have a value-based knowledge management approach. As shown in Figure 1

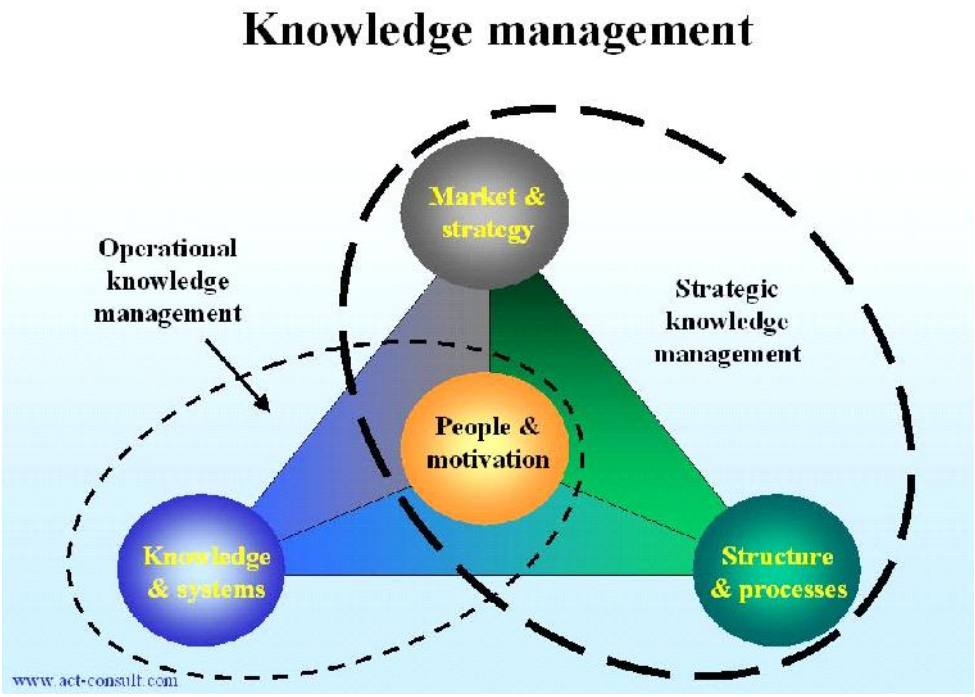


Figure 1 Value based Knowledge Management

In 90"s economic, social and technological changes were transforming the way that companies worked. Globalization emerged and brought new opportunities and increased competition. Companies responded by downsizing, merging, acquiring, reengineering and outsourcing. Many streamlined their workforce and boosted their productivity and their profits by using advances in computer and network technology. However their successes in doing so came with a price. Many lost company knowledge as they grew smaller. And many lost company knowledge as they grew bigger-they no longer "knew what they knew".

By the early 1990s a growing body of academics and consultants were taking about knowledge management as "the" new businesspractice, and it began to appear in more and more business journals and on conference agendas. By the mid-1990s, it became widely acknowledged that the competitive advantageof some of the world's leading companies was being carved out from companies' knowledge assets such as competencies, customer relationships and innovations. Managing knowledge therefore suddenly became a mainstream business objective as other companies sought to follow the market leaders.

Many of these companies took the approach of implementing "knowledge management solutions", focusing almost entirely on knowledge management technologies. However they met with limited success and so questions began to be asked about whether knowledge management wasn't simply another fad that looked great on paper, but in reality did not deliver. However on closer inspection, companies realized that it wasn't the concept of knowledge management that was the problem as such, but rather the way that they had gone about approaching it. The diagram given below gives the knowledge items included in knowledge management

Figure 2 Knowledge Items

A number of reasons can be cited for the limited success of KM some of them are:

- The focus was on the technology rather than the business and its people.
- There was too much hype-with consultants and technology vendors cashing in on the latest management fad.
- Most knowledge management literature was very conceptual and lacking in practical advice.
- Knowledge management was not tied into business processes and ways of working.
- A lack of incentives-employees quite rightly asked the "what's in it for me?" question.
- There wasn't sufficient senior executive level buy in.

Fortunately companies are now recognizing these early mistakes and are beginning to take a different approach to knowledge management-one in which the emphasis is more on people, behaviors and ways of working, than on technology. The following diagram gives the 4Cs of social media.

Figure 3 The 4 Cs of social Media

KNOWLEDGE MANAGEMENT IN SOCIAL MEDIA

Social media has recently emerged as a promising technology for knowledge management (KM) (levg, 2009, Yates & paquette, 2011). It is defined as "a group of internet-based application that builds on the ideological and technological foundations of web 2.0, and that allow the creation and exchange of user generated content" (Kaplan & Heinlein, 2010, p.61). The needs for professional development that can meet today's educators demanding schedules, that uses quality content and resources that are available to teachers from any place and any time, and that can deliver relevant, accessible, and ongoing support has stimulated the development of online teacher professional development programs. Online teacher professional development programs make it possible for educators to communicate, share knowledge and resources, the common difficulties and limitations regarding the implementation of knowledge management into class room's cultures.

The concept of social media that based on the appropriate tool and the medium to deliver knowledge, and helps learners can communicate with each other especially in teaching and learning using the potential of internet network to access with various sources of learning. Equating social media to knowledge management makes sense if there is only one way to create, serve, and consume knowledge. Thankfully there are many ways and that makes social media different from knowledge management.

Knowledge management is what the company tells me I need to know based on what they think is important. Social media is how my peers show me what they think is important based on their experience in a way that I can judge for myself. If social media is not knowledge management, then you need a different approach to create value out of social media – you need to become a social organization. Answering the question of, how do organizations gain value from social media, particularly in situations here they have not been successful with knowledge management rests in a new view of collaboration – mass collaboration.

Mass collaboration consists of three things: social media, a compelling purpose and a focus on forming communities. Social media technology provides the conduit and means for people to share their knowledge, insight and experience on their terms. It also provides a way for me to see and evaluate that knowledge based on the judgment of others. That is important but it is only a part.

OBJECTIVES OF KM

- ⇨ To examine the extent to which people use social media for sharing their professional knowledge.
- ⇨ To find out the hindrances in using social media by employees for sharing their professional knowledge.
- ⇨ To examine the motivational factor for employees in using social media for sharing knowledge.
- ⇨ To study the effectiveness of social media as a platform for knowledge management.

KNOWLEDGE MANAGEMENT IN INDIAN INDUSTRY

Indian companies are increasingly using knowledge management after knowing the experience of western companies. Growing competition in the market place and information technology are the driving forces behind KM in Indian industry. In recent years, Hindustan Lever, Larsen and Toubro, Goodlass Nerolac, Ggilvy and Mather, Tata Engineering has announced KM initiatives. This is because

Indian companies have realized that KM can substantially enhance productivity, reduce costs, and improve competitiveness. But the success in KM largely depends upon an organization's ability to learn. While the initial results are heartening, nobody can guarantee long-term success with KM. the focus of KM should be on organizational learning rather than on technology and systems. The companies that will succeed in the decades that lie ahead are those that allow their people to learn faster and better. This requires giving employees the freedom to experiment with new ideas, rewarding people who are willing to learn, penalizing knowledge hoarders and so on.

- Given normal work pressures, employees need convincing that KM is worth doing.
- Employees are sometimes unsure whether the learning's they contribute are already well-known.
- To ensure regular postings of knowledge, the tools have to be more user-friendly.
- The lack of any immediate reward for participation is a dampener.
- Not all employees are comfortable with typing out insights and learning's.

The Growth trends can be seen from the following diagram

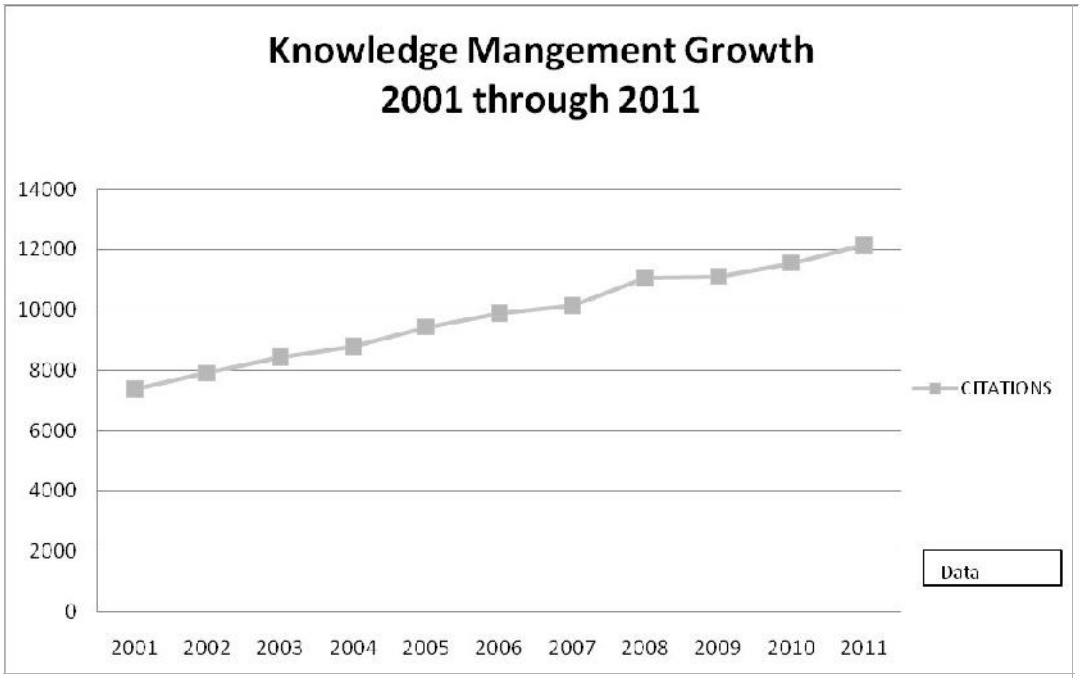


Figure 4 Knowledge Management Growth

KNOWLEDGE TRANSFER WITHIN MNC

The interest in knowledge within MNCs, its sources and transfer, has been expanding (e.g., Gupta and Govindarajan, 2000). MNCs are no longer seen as repositories of their national imprint but rather as instruments whereby knowledge is transferred across subsidiaries, contributing to knowledge development (Holm and Pedersen, 2000). A common theme in this line of research is that MNCs can develop knowledge in one location but exploit it in other locations, implying the internal transfer of knowledge by MNCs. Thus, the competitive

advantage that MNCs enjoy is contingent upon their ability to facilitate and manage inter subsidiary transfer of knowledge. Hedlund (1986) and Bartlett and Ghoshal (1989), for example, focused on how to organize and structure MNCs in order to facilitate the internal flow and transfer of knowledge in MNCs. We define the level of knowledge transfer based on the level of knowledge utilization by the recipients assuming both acquisition and use of new knowledge. Accordingly, the subsidiaries were asked to what extent they utilize knowledge from the parent company and from other MNC units. The questions used a five-point Likert-type scale, where 1 indicates no use of knowledge and 5 indicates substantial use of knowledge (alpha=0.64).

Employees' ability:-

This construct captures employees' potential and ability. It is not a measure of an individual ability, but a measure of the overall ability of subsidiary's employees. This construct was measured by asking respondents to assess the quality of the subsidiary's employees relative to that of its competitors in: overall ability, job-related skills, and educational level. Respondents indicated this on seven-point Likert-type scales ranging from 1='far below average' to 7='far above average' (alpha=0.77).

Employees' Motivation:-

This construct consists of five items. In the same vein, this is a measure of the overall motivation of a subsidiary's employees and not the individual motivation. Two items asked respondents to assess the quality of the subsidiary's employees relative to those of its competitors on motivation and work effort using seven-point Likert-type scales (ranging from 1='far below average' to 7='far above average'). Three items were measured using a five-point scale (ranging from 1=strongly disagree to 5=strongly agree), where respondents were asked to indicate: (1) whether the employees behave in ways that help company performance; (2) whether employees contribute in a positive way to company performance; and (3) whether the subsidiary, compared with the parent company, has a highly motivated group of employees (alpha=0.75).

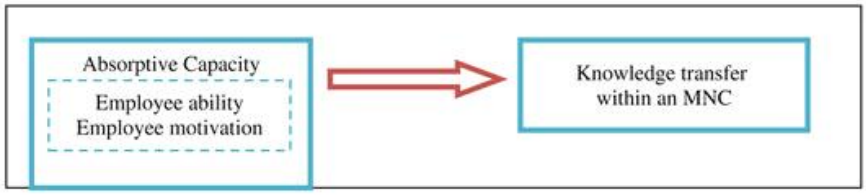
Training:-

The extent to which subsidiaries apply training is measured through two items capturing the number of days of formal training managerial and non-managerial employees, respectively, receive annually (alpha=0.83).

Competence/performance appraisal:-

An index examining the extent to which competence/performance appraisal is used in the subsidiary is used. One item measures the proportion of the workforce that regularly receives a formal evaluation of their performance (in per cent), another measures the proportion of jobs where a formal job analysis has been conducted (in percent), and the final item measures the proportion of new jobs for which a formal analysis of the desired personal skills/competencies/characteristics is carried out prior to making a selection decision (in percent) (alpha=0.66).

Minbaeva et al.'s (2003) model, in which motivation is viewed as an element of absorptive capacity



Proposed model, in which motivation is viewed as a moderating factor between absorptive capacity and knowledge transfer within MNCs

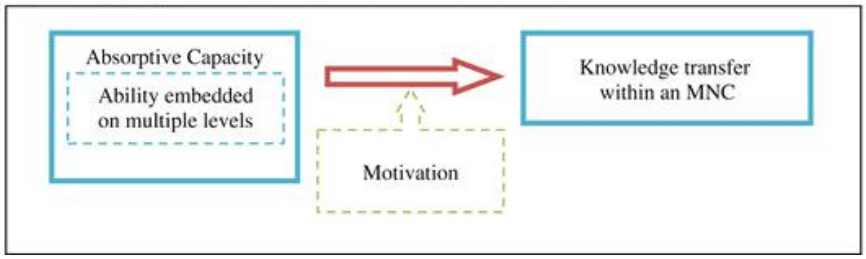


Figure 5 Motivation Model comparisons

WHY DO WE NEED KM FOR CORPORATES

Knowledge management solutions are now the most important strategic technologies for large companies, according to a new report and survey of European executives by the Economist Intelligence Unit (EIU.com, 2003), sponsored by Tata Consultancy Services. In the survey, 67% of companies cite knowledge management/business intelligence solutions as important to achieving their strategic goals over the next three years. To serve customers well and remain in business companies must: reduce their cycle times, operate with minimum fixed assets and overhead (people, inventory and facilities), shorten product development time, improve customer service, empower employees, innovate and deliver high quality products, enhance flexibility and adoption, capture information, create knowledge, share and learn.

None of this is possible without a continual focus on the creation, updating, availability, quality and use of knowledge by all employees and teams, at work and in the marketplace.

CONCLUSION

Nations that fail to foster an inclusive knowledge society will be out of race in all areas in the 21st century. Hence it is imperative that all the developing countries as well as under-developed countries of the world should strive for developing knowledge societies. In the good old days learning was a holistic process. In the GURUKUL system, guru and SHISHYA interacted closely and continuously and individual was at the center of the learning process. Unfortunately, modern classrooms involve less of learning and more of cramming of information. Even at the workplace the focus is more on the daily grind than on learning. According to Peter Drucker."Much of what we call management consists in making it difficult for people to work". People are the most important assets of an organization. People within the organizations must be encouraged to share the knowledge and proper incentives must be given to those who are actively involved in the process of creating new knowledge.

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