

# Knowledge Management

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## Abstract

*Knowledge society, whose elements begin to materialize in the last decade of XX century, implies a new way of production and social relations functionality, determined by radical reorganization of knowledge. knowledge itself has become an economy resource – the most efficient – in the goods and services production, but also a good which can be commercialized as research and development results, market information, consultancy, professional training. It involves specific investments for education throughout entire life, but in producing and dissemination of knowledge, also.*

**Key words:** *management, knowledge, processes*

Situated in a complex, doubtful and hyper-challenging environment, an organisation stays competitive only if it has developed its own collective intelligence and benefit, for this, of proper knowledge management. Under these conditions, organisations challenge their culture redefinition by reengineering processes and strategy reformulation.

Knowledge management facilitates the existence of an organised framework, designed for the new 20 years old strategic tendencies and managerial, due to explosive development of informational and communication technologies. The novelty of this practice is the crucial role of enterprise knowledge capital and its placement in the core of the managerial and of the organizational practices of continuous innovation, knowledge share and availability.

Knowledge based enterprise theory, in full crystallization process, starts from the following premises:

- knowledge is generated by employees, who, for implicit knowledge, deposit them, also;
- because of their limited cognitive abilities and temporal restrictions, it is necessary for employees to specialise in generation and use of certain types of knowledge.

In each enterprise three main processes regarding knowledge [1] can be determined:

- obtaining by learning processes of employees and organisation itself;
- generation of knowledge, e.g. invention, innovations;
- use of knowledge, by all decisions and actions materialized in products, services, new knowledge commercialised profitably.

Although apparently the enterprise is interested only in knowledge use, actually this is conditioned by the creation and the obtaining of knowledge through learning. The present knowledge revolution consists of conditioning primarily economic performance by the existence

and use of knowledge capital, of course invoking the other forms of capital, too.

In this way it is necessary to envisage and develop knowledge.

Knowledge prevision is the process of prognosis, planning and programming of knowledge required for the entire organization and its components objectives fulfilment, as well as its modalities of assuring the necessary resources.

An important role in the prevision process is played by the knowledge map, which represents knowledge distribution into an organisation according to the processes.

Another aspect, which must be considered in what regards knowledge prevision concerns knowledge dissemination principle. One source of knowledge can satisfy an entire organization needs with information technology and communication help. In this context, there occurs a process of convergence of net necessities from every process to organizational level, where its internal memory is constituted. Internal memory allows for the preservation of the capability to sustain organization processes, detached from internal transformations. In hierarchical organisations, hallmarks of industrialized era, knowledge distribution is irregular and concentrated in top management human resources.

As a science, knowledge management consists of managerial processes and relations based on knowledge, in order to discover its governing laws, and in conceiving of new systems, methods, techniques for improvement of organisation functionality and performance, valuing the great valences of knowledge. In this definition, we started from the premise that positioning in forefront of knowledge (as a resource, product, and strategy) determine a radical change in managerial processes and relations. Hence, new laws emerge – principles, rules, requirements – which govern managerial processes and relations based on knowledge, many of old laws are substantially altered and other are abandoned, becoming obsolete. Of course, under these conditions new management system approaches are necessary, new methods and techniques are required, large parts of managerial tools are changed and not few managerial procedures, techniques, methods, approaches largely used in present are abandoned, becoming battered.

Knowledge management theory is still at the beginning. Practically, it cannot be said that such a theory, science or scientific discipline exists, as we today understand these concepts. Recent years studies offer relative few rigorous elements and for several managerial components, their contributions, although absolutely needed, still being scarce. Anyway, our definition reveals the essence of knowledge management on such general level similar to today management definitions.

Knowledge management theory will have an important multidisciplinary character. Beside managerial elements, it include economic, informatics, sociologic, psychology, technical, law knowledge, of course, considering its specific.

## **Competition Intelligence Versus Competitive Intelligence**

Letitia Andrewartha is knowledge management executive for PricewaterhouseCoopers and she observes differences between competition intelligence and competitive intelligence. As she states it (1999):

“Competition intelligence is an important subtype, but undoubtedly a subtype of competitive intelligence. Essentially, all sum up to products and services, to the fact that it is preferable to be with one step – or even two – in front of competitors and to be assured that your strategy and tactics will make you able to win, to divert or devaluate any challenge them, on the selected market. Good competition intelligence means that you are conscious and ready for possible

actions of your competitors, and it will allow you to react quickly and effective in response to your opposition actions”.

Competition intelligence requires a larger debate because it comprises information regarding the “entire market” and makes it possible for data analysis, from various and many sources, to be comprised on creation, development and implementation of your organization’ strategies. Although it should be focused on each consumer, its field of action should be as wide as possible. Tendencies which, at first sight, tend to be on your business environment boundary can be evaluated and incorporated in planning process that guide, manage your R&D actions and offer R&D development experts the informational tools to develop new products and services.

This entire domain of competitive intelligence is programmed to become increasingly important and influent in terms of surviving companies in the new economy.

Shell Services International initiated a knowledge management based on content framework. This framework split knowledge space into three very different spaces. Information density rise from collaboration to best practice, while information expedience falls (figure 1).

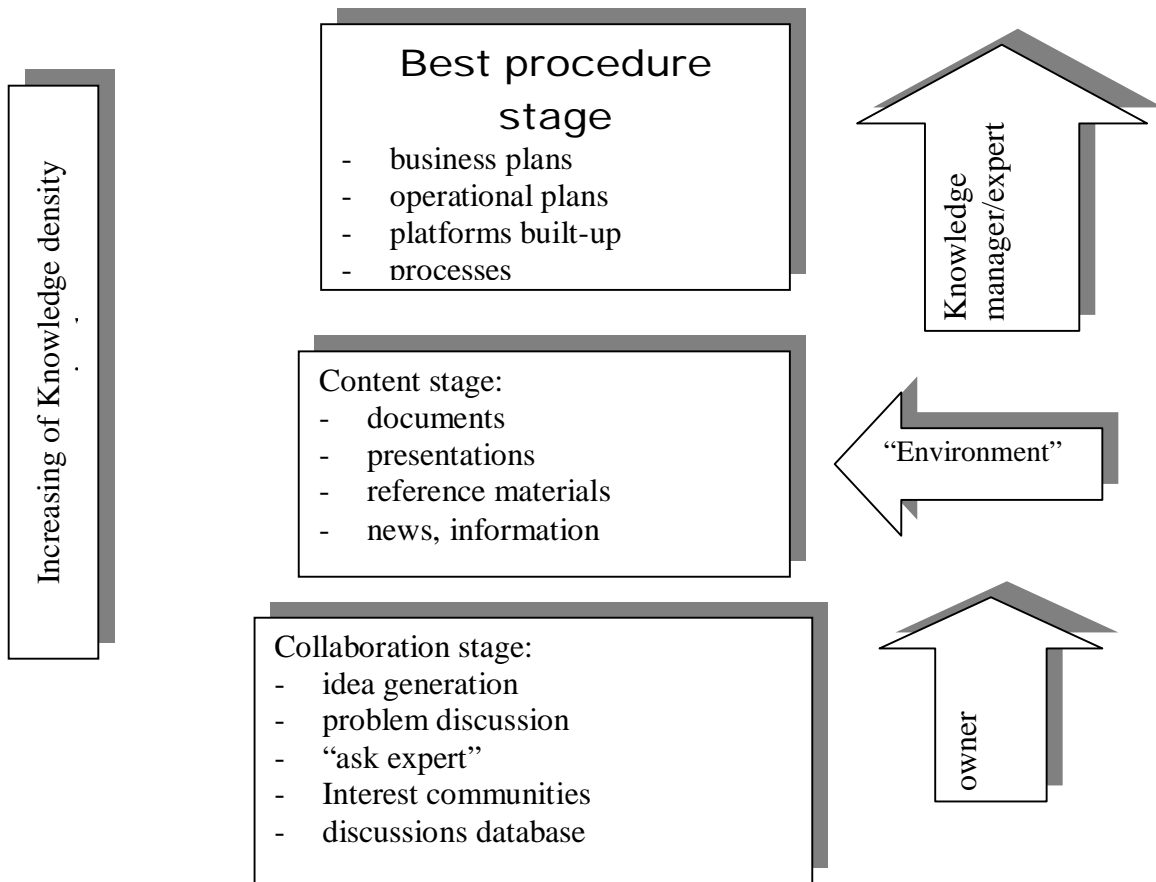


Fig. 1. Knowledge management based on content framework

Differences between knowledge management and competitive intelligence are interesting. Knowledge management “facilitates here and now” says Speh, “focusing on obtaining distributing, and emphasizing people, culture and process roles”.

Competitive intelligence and its counterpart, business intelligence, are more focused on future, opportunities, helping to sketching decisions and emphasizing tendencies, models and the uncertain or unknown today. If knowledge management hopes to improve job effectiveness, competitive intelligence hopes to take better and faster actions.

Similarities between knowledge management and competitive intelligence are:

- Both are focused on intangible values;
- Both require dedication and professionalism;
- Both are based on large communities and sponsorships from the top in order to have a real impact over business.

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## Managementul cunoștințelor

### Rezumat

*Societatea cunoașterii, ale cărei elemente au început să apară în ultimul deceniu al secolului XX, implică un nou mod de producție și de funcționare a relațiilor sociale, determinate de reorganizarea radicală a cunoașterii. Cunoașterea însăși devine o resursă economică – cea mai eficientă - în producția de bunuri și servicii, dar și o marfă ce poate fi comercializată sub forma rezultatelor cercetării-dezvoltării, informațiilor de piață, consultanței, formării profesionale. Ea presupune investiții deliberate în educație de-a lungul întregii vieți, dar și în producerea și diseminarea cunoștințelor.*