

## KNOWLEDGE MANAGEMENT FOR COMPETITIVENESS AND ORGANIZATIONAL PERFORMANCE

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<https://doi.org/10.37602/IJREHC.2023.4202>

### ABSTRACT

Knowledge Management is crucial to the organization's survival and success in competitive global markets and has a strong potential for problem-solving, decision-making, organizational performance enhancements, and innovation. As Wiig (1996) observes knowledge management in organizations must be considered from three perspectives with different horizons and purposes; Business perspective, Management perspective, and Hands-on operational perspective. Therefore the definitions provided by most of the authors will fall under one or more perspectives provided by Wiig. According to Gregory (1996), knowledge management consists of activities focused on the organization gaining knowledge from its own experience and from the experience of others to fulfill the mission of the organization, which in turn underlines the business perspective of knowledge management. Beveren (2002) argues that the main focus for knowledge management should be on human intellectual capital and strategies for human resource management that encourage creativity and innovation within and between employees from a management perspective, In the context of an operational perspective, knowledge management is usually concerned with capturing an organization's know-how and know-what through creation, collection, storage, distribution, and application (Miller, 1999). This paper looks at the relationship between knowledge management and organizational competitiveness and performance.

**Keywords:** Knowledge management, knowledge management for competitiveness, Organizational Performance

### 1.0 INTRODUCTION

For organizations to manage knowledge effectively, they should create a knowledge-sharing culture whose component is trust and consider it from four targets interpersonal, group, organizational, and institutional. Organizational structure should facilitate knowledge sharing and be able to manage tacit knowledge. Also, it should align with organizational strategies, fit the culture and lead to organizational learning by using technology as an enabler. The processes incorporated in knowledge management include collecting, organizing, clarifying, disseminating, and reusing information and knowledge throughout an organization. Knowledge has two types, explicit and tacit. Explicit knowledge can be articulated in formal language and transmitted among individuals; tacit knowledge involves more intangible factors and is personal knowledge embedded in individual experience (Frappaolo, 2002). Both explicit and tacit knowledge must create returns and solve today's problems within an organization. Kalling (2003), and Steele et al (2003) argued, knowledge management as a technique must

enhance organizational performance and competitiveness. Knowledge management in the new economy and the achievement of a sustained competitive advantage in organizations depends on its capacity to develop and deploy its knowledge-based resources. However, not all resources are equally important for the achievement of this competitive edge. In Kenya, most organizations use knowledge management for competitive advantage, as depicted in their policy, for instance, Safaricom limited has a long-term a strategy focused on transforming lives. The turbulent business environment, with global trends and the stringent competition in the world market, resulted in the significant changes that Safaricom Limited should introduce in their current business operations. The changes are necessary for survival in the market. That means that Safaricom should adapt to changes in the external environment and make changes in the internal environment in terms of innovation, increasing competitiveness, employee training, increasing flexibility, improving processes, and business performance.

## **2.0 KNOWLEDGE MANAGEMENT FOR ORGANIZATIONS PERFORMANCE**

A direct and positive relationship between knowledge management and different dimensions of performance including financial performance, quality of goods and services, staff members' performance, innovation, and customers' level of satisfaction in commercial companies. The importance of information technology in knowledge management has also been emphasized in past studies Young, (2020). Kim et al,(2011) have emphasized the important role of the knowledge culture of an organization in the implementation of knowledge management.

The positive and significant effect of knowledge management on the performance of staff has been confirmed by other researchers such as Yang et al (2014), and Sujatha and Chrishnaveni, (2018). Considering the impact of knowledge management on the staff members' organizational performance, Bhatt (2002) self-organized teams and social interactions are key to the development and enhancement of the organizational knowledge base. Such teams create multiple interpretations which not only bring about new realities but also increase the organizational commitment to enriching the organizational knowledge bases. Multiple interpretational processes lead people to moderate and reorganize their belief systems in relation to each other. In order to develop interactions among the staff members, an organization should use various viewpoints such as brainstorming and critical thinking. Through presenting multiple interpretations of knowledge, an organization becomes more sensitive to the environmental impetus in order to understand market realities. Moreover, various viewpoints lead an organization to take a risk in using a particular type of knowledge in different situations. Implementing and applying a wide range of solutions require the staff members' commitment; if the staff members' viewpoints are overlooked by the managers, an organization fails in solving the problems. A positive and significant relationship between knowledge management and customer satisfaction has been confirmed by other researchers such as Kasemsap (2007), and Gholami et al. (2013). Additionally, a positive and significant relationship between knowledge management and the financial performance of commercial organizations has been confirmed. This result has been emphasized and considered by Gold et al. (2001)

The relationship between knowledge management and each of the dimensions of organizational performance I have discussed above has been considered separately, no study has yet touched upon the possible impact of knowledge management on the performance of commercial

organizations in terms of various dimensions (Financial performance, Goods and services quality, Staff members' performance, Innovation, and Customers' level of satisfaction). As such, this study has developed a model for constituent dimensions and factors of knowledge management and their influence on various dimensions of performance in commercial companies. This model can specify the need to implement knowledge management in commercial companies in Developing countries like Kenya

Knowledge exists everywhere in all organizations, but that doesn't imply it provides any value in that organization. When your knowledge is limited to disparate repositories or living in people's heads, it's not beneficial to everyone. But with a Knowledge Management System, everyone in your organization can access the information they need to do their best work and make informed decisions. It breaks down silos to ensure all employees feel empowered to act. This makes the Knowledge actionable for better performance of an organization.

When knowledge is scattered across different individuals and teams, it can be difficult for employees to hunt down the answers they need. Often, they're forced to chase down subject matter experts for information. And if that person is unavailable, it can cause bottlenecks and headaches for everyone involved. With a Knowledge management System, employees will spend less time searching and more time focusing on more impactful activities. This implies that knowledge management systems with eliminated organizational hierarchies aids better performance of an organization.

A Knowledge management System flattens communication and allows everyone including staff in an organization to find information. Team members can rely on and learn from the expertise of others at every level of the organization. Having the right culture and tools to help them find information will enable them to grow within the company (which leads us to our next benefit). Help people find the information they need quickly

Employees are the greatest asset of an organization, but it's becoming increasingly challenging to retain top talent. An organization's most motivated and ambitious employees need opportunities to grow and expand their skill set within the organization, or they'll seek those opportunities elsewhere. Knowledge management System It supports employee growth which is a contributing factor in Organization performance

Communication and data sharing between departments in an organization offer Employees who are aggressive the power to succeed. With access to information that they might not have in an organization that doesn't have a knowledge management initiative in place, they can add value to the company in ways they couldn't otherwise. Instead of taking that expertise elsewhere, they'll be more willing to stay and move up within your organization through a supportive Knowledge management System

### **3.0 KNOWLEDGE MANAGEMENT FEATURES THAT TRIGGER ORGANIZATION PERFORMANCE AND COMPETITIVENESS**

Organizations that are looking for a knowledge management system are likely to be bombarded with choices of features and technical functionalities, which can be overwhelming to identify which elements they need most to suit their functionality. Here are features that organizations would consider as they shop for the right knowledge management system:

**Deep search:** This functionality indexes every word in every file (including text documents, slide decks, PDFs, audio recordings, and videos) so all content is searchable.

**Rich publishing:** This allows you to quickly and easily update information in whatever format you choose without using code.

**Customizable experience:** You should have the option to tailor your experience to your organization's needs. For example, you may need or want to customize categories, create content feeds based on specific criteria, and add your branding or customized widgets to your homepage.

**User-friendly UI:** If a Knowledge Management System is complex or challenging to use, your workforce won't leverage it as much as they should. Ensure you choose software that's intuitive with a clean, easy-to-navigate interface.

**Q&A engine:** This function makes questions and answers searchable so anyone in your company can access knowledge shared by subject matter experts. (This is especially useful for busy customer service teams who spend their workday fielding customers' questions.)

**Integrations:** Before you invest in a knowledge management system, be sure to review the platform's integrations to ensure it will play well with the tools you use every day.

**Reporting/engagement analytics:** User-friendly reporting is beneficial for gaining a deeper understanding of content engagement and what employees are searching for most. This can highlight knowledge gaps you need to address, plus other opportunities for improving your content. It also helps you recognize which knowledge to prioritize.

#### 4.0 CONCLUSION AND RECOMMENDATIONS

Organizations should realize how to create, distribute and utilize knowledge management throughout an organization and how to link it to organizational processes to have a sustainable competitive advantage. Organizations should know the kind of knowledge to seek to enhance organizational activity that will create a sustainable competitive advantage. This paper recommends that knowledge that is isolated in one department or in a specific segment of the value chain is not utilized to its full extent. New knowledge should be harnessed and managed through internal knowledge management systems that create learning opportunities for other departments or product areas within the firm. Internal knowledge management systems may provide platforms for further development of knowledge transfer to external partners. By implementing internal and external knowledge management systems, firms can experience a greater competitive advantage and sustained success over a longer period of time.

The effectiveness of managing knowledge within an organization depends on its ability to monitor and absorb newly acquired knowledge from many sources and integrate this knowledge into its existing knowledge base. Establishing organizational memory via knowledge management systems is an essential task before an organization decides to venture into knowledge sharing with value chain partners. Before developing knowledge management systems, business-oriented organizations need to understand the process of organizational

memory. This paper recommends that organizations can gain significant benefits by integrating knowledge from external sources outside the organization.

Knowledge sharing can lead to increased quality and heightened customer perceptions of brand platforms. Such knowledge stores can be accessed through inter-organizational relationships with customers, suppliers, and other bodies outside the company. This paper notes that the effectiveness of building knowledge within the organization depends on its ability to monitor and absorb newly acquired knowledge from many sources and integrate this knowledge into its existing knowledge base. The paper recommends that organizations become learning centers that can also provide facilities for knowledge management. Some of the facilities include workshops, knowledge management conferences, and refresher courses, among others. When an organization becomes a source center, the staff can share ideas and evidence that generates new ideas which enhance the organization's performance and creation of knowledge. During these sessions, new knowledge will be recorded and stored for use and reuse in the future. This paper further recommends that policymakers should support knowledge management policies by companies since it has become a tool for competitive advantage

These processes will not disrupt the growth of organizations, therefore, the policy makers need to create a level playing field without favoring any firms, apply best practices and adopt a consultative decision-making process to include all stakeholders in the fundamental policy changes in the industry. A further recommendation is for organizations to be tactical in lobbying to avoid confrontation approach in order to foster a good relationship with the policymakers and the regulators. The study also recommends that knowledge management is a tool and important in the organization as a contributing factor to a successful sustainable competitive advantage. In order to execute these, some managerial recommendations are:

Knowledge management is to be considered as an integrated managerial plan which focuses on strategic goals and works based on business processes. Also, it should entail such components as substructure (including human resources, technology, culture, and processes), strategy, establishment, and evaluative models. Developing a strategic knowledge management plan is a key action for organizations. Nevertheless, to develop a strategic knowledge management plan, organizations should consider that the knowledge management strategy of an organization highly relies on their strategy, and is the source of various organizational plans, principles, and organizational strategies.

Human resources are knowledge creators in an organization and carry a considerable proportion of the organizational knowledge in their brains. Human resources and knowledge management are highly interwoven. Indeed, to succeed in a knowledge management plan, the role and status of human resources should be given prominent attention. In this regard, creating a free environment and setting the required scene for expressing the staff members' ideas and comments, training and developing the human resources skills and expertise, and fostering self-organized teams can be helpful.

Technology should be embraced to support the knowledge warehouses and increases accessibility, knowledge transfer, and knowledge environmental facilities, and can facilitate individual, group, and organizational interactions. Identifying and using IT-based knowledge management tools can make a tremendous impact on successful implementation of knowledge and organizational performance.

Organizational culture should be embraced because it can inhibit attempts to change the organizations in knowledge management plans. As such, most researchers have consensus over the fact that organizational culture is the most important factor contributing to successful knowledge management. Developing and fostering knowledge-based culture through senior managers' support is key to successful knowledge management in an organization.

Organizational structure (such as learning organizations) and knowledge processes (managing, keeping, and discarding knowledge, and documenting experiences) play an important role in knowledge management success and should be led in a way that supports knowledge flow among individuals and in an organization. Decreasing organizational hierarchies and moving towards creating flat structures are keys to this action.

Leadership is a concept dependent on knowledge management strategy and applying knowledge management requires senior managers' support (in order to allocate resources and time to the knowledge management strategic plans and programs). Based on these findings, commercial organizations can gain many benefits from knowledge management in favor of their performance. Achieving these benefits requires improving and strengthening IT infrastructure, knowledge culture, knowledge management processes, leadership style, procedures, and organizational structure

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