

Demystifying knowledge management

Rajesh K. Pillania

Rajesh K. Pillania is Professor, Management Development Institute, Sukhrali, India and Visiting Fellow (2006-2009), Northumbria University, Newcastle upon Tyne, UK.

Introduction

The post-industrial society is widely classified as information economy or knowledge economy (Toffler, 1990; Pillania, 2008a). Knowledge has gained center stage in this knowledge economy (Pillania, 2005a, 2006a, 2007a, 2008b). There has been significant lack of clarity regarding the concept of knowledge management (KM) creating a lot of confusion and complexities.

This paper attempts to clarify the concept and explain what is meant by KM, showing what it is and what it is not.

This paper consists of six sections, including this introductory section. The second section defines knowledge and KM. The third section clarifies what KM is not. The fourth section explains what KM is; the fifth section highlights the implications; and the last section provides the conclusion.

Definitions of knowledge and KM

We define knowledge as a whole set of intuition, reasoning, insights, experiences related to technology, products, processes, customers, markets, competition and so on that enables effective action. And knowledge management (KM) is defined as a systematic, organized, explicit and deliberate ongoing process of creating, disseminating, applying, renewing and updating the knowledge for achieving organizational objectives (Pillania, 2004, 2005b).

What KM is not

This section of the paper clarifies the most common mistakes and misnomers for KM.

Data management is not KM

Data management is not KM. At best, it can be described as data management systems and not KM. There is difference between data and knowledge. For example, "9 pm" is a datum. It does not convey any meaning or involve any judgment or experience. So all the systems dealing with such data, at best can be described as data management systems and not KM.

Information management is not KM

There is a difference between information and knowledge. For example, "The class begins at 9 am", is a piece of information. It is not knowledge. When we add our experience and judgment, we may come to know that the class timing is 9 am but it starts at 9.10 or 9.15 am or the train time is at 9 pm but it comes at 9.30 or 10 pm. Thus, systems dealing with all such information at best can be described as information management systems and not KM.



Information systems or information technology is not KM

An information technology (IT) or information system helps in sharing information and knowledge. It makes it easier to share information across geographical distances. It is a very important tool for communication. However, it is not KM *per se* (Pillania, 2005b, 2008c). For example, scissors are very important for surgery as they help in the operation process. They are a very important tool in the surgery process. However, we cannot say that scissors are surgery.

Human resource management is not KM

The human mind has the capacity to think and create. People are a very important element for KM process. They are the vehicles for knowledge creation, sharing and implementation. Knowledge is created and applied by human beings, but it is true for anything on the earth. Thus, human resource management *per se* is not KM (Pillania, 2006b). For example, rockets are driven by human beings; we do not start calling rocket science human resource management.

Intellectual property rights management is not KM

Knowledge creation is a tough task and requires a lot of time and money. Thus, it is very important to protect the intellectual property rights (IPR) (Pillania, 2006c, 2008d). It helps in better KM as people can be assured of their ownership and profits coming from their hard created knowledge and intellectual property. However, IPRs management *per se* cannot be termed as KM. It is just a system for protection of the knowledge created and thus only one component of KM process.

What is KM?

KM basically involves three things – knowledge creation, knowledge dissemination and knowledge implementation. It is a wide field and draws from various disciplines. Globally, management scholars recognize knowledge as the key resource and KM as key concept for achieving sustainable competitiveness (Nonaka, 1991; Barney, 1991; Leonard-Barton, 1992; Nonaka and Takeuchi, 1995; Grant, 1996; Drucker, 1997; Teece, 1998; Zack, 1998; Thurow, 1999; Stewart, 2001; Pillania, 2007b, 2008e). KM is a strategic management concept because knowledge is recognized as a key strategic resource and also because, like strategic management, it is a unifying concept drawing from various disciplinary areas like information systems, human resource management, economics, operations management, etc.

Historically, the concept emerged from three different continents in different ways. The focus of KM in Europe was on measuring intangibles and intangible accounting. The focus in Japan was on creating new knowledge. The focus in the USA was on exploiting existing knowledge and information using information systems. Later the three concepts merged together and a holistic concept for KM emerged. Unfortunately, as time passed, the US model became more prominent and in a way it killed the very spirit of KM. In a rush to claim that KM belonged to data management, information systems, record management, human resource management and other functional areas, the concept of KM has been diminished.

Implications

There are serious implications for the lack of clarity regarding the concept of KM for researchers and practitioners. Some of the implications are as follows:

- The fight for ownership of the concept among various functional areas particularly IT and human resources has created confusion among the adopters of the concept in the market place and students in the universities and business schools.
- The confusion and misinformation created around the concept has made it look more complex and complicated. Also, it has raised questions on the credibility of the very concept.



- By focusing on and bringing it into functional domain like IT, the concept is forced to under perform. It is used more as a risk minimization strategy. For example, KM is used to codify as much tacit knowledge as possible and document into explicit form so that, if the concerned employee leaves the company, some part of his knowledge still remains with the company. However, if the concept is used in its true spirit, it can lead to sustainable competitive advantage (Pillania, 2008f). Thus, it is essential to look at the concept in comprehensive way and in the true spirit of the term.

Conclusion

There is a significant amount of divergence regarding the concept of KM. In the rush to stake ownership of the concept, different disciplines and different interest groups have created a lot of confusion. In this converging and interconnected world, concepts are related to each other, but it is very important to be precise about the core or the spirit of terms and concepts or things because it ultimately does more harm than good to the very concept or term. This paper is an attempt to put things into perspective and clear the confusions and complexities around the concept of KM. In particular, information systems and human resource management are two important pillars of KM but none of these *per se* can be termed as KM, which is a much bigger and comprehensive concept.

References

- Barney, J.B. (1991), "Firm resources and sustainable competitive advantage", *Journal of Management*, Vol. 17 No. 1, pp. 99-120.
- Drucker, P.F. (1997), "The future that has already happened", *Harvard Business Review*, September-October, pp. 18-33.
- Grant, R.M. (1996), "Prospering in dynamically-competitive environments: organisational capability as knowledge integration", *Organization Science*, Vol. 7 No. 4, pp. 375-87.
- Leonard-Barton, D. (1992), "Core capabilities and core rigidities: a paradox in managing new product development", *Strategic Management Journal*, Vol. 13 No. 5, pp. 363-80.
- Nonaka, I. (1991), "The knowledge-creating company", *Harvard Business Review*, November-December, pp. 96-104.
- Nonaka, I. and Takeuchi, H. (1995), *The Knowledge-creating Company*, Oxford University Press, New York, NY.
- Pillania, R.K. (2004), "State-of-art of knowledge management in indian industry", *Management and Change*, Vol. 9 No. 1, pp. 41-7.
- Pillania, R.K. (2005a), "IT strategy for knowledge management in Indian industry", *Journal of Information and Knowledge Management (JIKM)*, Vol. 4 No. 3, pp. 32-41.
- Pillania, R.K. (2005b), "Leveraging knowledge: Indian industry, expectations and shortcomings", *Global Business Review*, Vol. 6 No. 2, pp. 36-48.
- Pillania, R.K. (2006a), "Knowledge management for high performance: Indian industry perspective", *Productivity*, Vol. 47 No. 1, pp. 32-45.
- Pillania, R.K. (2006b), "State of IPRs in Indian industry", *Management of Organizations: Systematic Research*, Vol. 37 No. 2, pp. 12-22.
- Pillania, R.K. (2006c), "Leveraging knowledge for sustainable competitiveness in SMEs", *International Journal Globalization and Small Business*, Vol. 1 No. 4, pp. 23-34.
- Pillania, R.K. (2007a), "Leveraging which knowledge in the globalization era?: Indian facet", *The Learning Organisation*, Vol. 14 No. 4, pp. 313-20.
- Pillania, R.K. (2007b), "Organisational issues for KM in SMEs", *International Journal of Business and Systems Research*, Vol. 1 No. 3, pp. 367-79.
- Pillania, R.K. (2008a), "Knowledge storage and access in automotive components SMEs in India", *International Journal of Electric and Hybrid Vehicles (JEHV)*, Vol. 1 No. 4, pp. 333-41.
- Pillania, R.K. (2008b), "Knowledge management in SMEs in India – a study of auto components sector", *International Journal of Electric and Hybrid Vehicles (JEHV)*, Vol. 1 No. 3, pp. 32-43.



Pillania, R.K. (2008c), "Information technology strategy for knowledge management in SMEs", *Knowledge and Process Management*, Vol. 15 No. 3, pp. 203-10.

Pillania, R.K. (2008d), "Knowledge protection in Indian software industry", *International Journal of Knowledge and Systems Science*, Vol. 5 No. 4, pp. 11-19.

Pillania, R.K. (2008e), "Creation and categorization of knowledge in automotive components SMEs in India", *Management Decision*, Vol. 46 No. 10, pp. 1452-64.

Pillania, R.K. (2008f), "Strategic issues in knowledge management in small and medium enterprises (SMEs)", *Knowledge Management Research and Practice*, Vol. 6 No. 4.

Stewart, T.A. (2001), *The Wealth of Knowledge*, Currency, New York, NY.

Teece, J.D. (1998), "Capturing values from knowledge assets: the new economy, markets for know-how, and intangible assets", *California Management Review*, Vol. 40 No. 3, pp. 55-79.

Thurow, L. (1999), *Building Wealth: The New Rules for Individuals, Companies and Nations in a Knowledge Based Economy*, Harpers, New York, NY.

Toffler, A. (1990), *Powershift: Knowledge, Wealth and Violence at the Edge of the 21st Century*, Bantam Books, New York, NY.

Zack, H.M. (1998), "Developing a knowledge strategy", *California Management Review*, Vol. 40 No. 3, pp. 35-46.

Further reading

Davenport, T.H. and Prusak, L. (1995), *Working Knowledge: How Organisations Manage What They Know*, Harvard Business School Press, Boston, MA.

Corresponding author

Rajesh K. Pillania can be contacted at: r_pillania@yahoo.com

To purchase reprints of this article please e-mail: reprints@emeraldinsight.com
Or visit our web site for further details: www.emeraldinsight.com/reprints



Reproduced with permission of the copyright owner. Further reproduction prohibited without permission.