

# Knowledge Management for a Small Organization

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## Abstract

Every organization kicks off with less number of people, with task uncertainty and with trials to establish its products and processes in the market. Processes which are yet to be standardized leads most of the employees to remain in learning phase. Knowledge tends to be tacit rather than procedural. Since solutions are not readily available for the problems in the inception stage of the small organizations, an extra effort is required to come up with the appropriate solutions. When it comes to the aspect of problems and solving them, tacit knowledge plays a vital role. The absence of tacit knowledge leads to high employee attrition rate. Thus knowledge management in the small organization is of the utmost importance without which the transition of the organization into next phases i.e., knowledge applying stages will be difficult. It is the responsibility of the entrepreneur and the manager to administer the knowledge in the small organization. They also need to identify the need for the knowledge management system which lies beyond possessing computers or automation; like the decisions arrived at after brain storming.

**Keywords:** Knowledge Management System; Tacit; Procedural; Employee Attrition; Brain Storming.

## Introduction

### Nature of knowledge in an organization

Knowledge Management (KM) focuses on organizing and making available important knowledge, wherever and whenever it is needed. It builds intellectual capital, increases competition, accelerates change, enhances responsiveness and escalates employee turnover rates which are some of the driving factors for the effective knowledge. These kind of situations make it difficult for the inexperienced entrepreneurs and budding managers to make quality decisions. KM stands vital for organizations which face downsizing or where employee attrition rate is high.

Knowledge Management Systems (KMS) comprises of latest technologies i.e., IT, Social or Structural mechanisms. It can be categorized into the below mentioned 4 parts out of which Knowledge Capture Systems are important.

There are four parts of KMS which are

1. Knowledge Discovery Systems
2. Knowledge Capture Systems
3. Knowledge Sharing Systems
4. Knowledge Application Systems

For a small organization, the Knowledge Capture Systems and the Knowledge Sharing Systems are salient. Depending upon the strategies for innovation in a small organization, the Knowledge Discovery Systems may be required. Experience Management is another significant component in KMS.

## Review of Literature

“Effective KM is not about making a choice between software vs. wetware, classroom vs. hands-on, formal vs. informal, technical vs. social...uses all the options available to motivated employees to put knowledge

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to work ...[and] depends on recognizing that all of these options basically need each other" [Stewart, 2002]. Also user involvement is highly important in KMS in a small organization. It should be user driven but not top management driven.

Effective knowledge management can be due to the contribution of people upto 80% whereas the contribution of technology is only 20%.

1. Knowledge is first created in the people's minds. KM practices must first identify ways to encourage and stimulate the ability of employees to develop new knowledge.
2. KM methodologies and technologies must enable effective ways to elicit, represent, organize, re-use, and renew this knowledge.
3. KM should not distance itself from the knowledge owners, but instead celebrate and recognize their position as experts in the organization. [Becerra-Fernandez, et al.,2004]

### Objectives of the Study

1. To understand Knowledge, Knowledge Management and the Knowledge Management System.
2. To study the impacts of KMS practiced in the small organizations.
3. To identify the suitable KM processes for small organizations.

### Research Methodology

The sources for data collected in studying the KMS in small organizations are:

*Primary:* Data on processes and products were collected from small organizations in and around Hyderabad orally.

*Secondary:* The study is also based on the secondary data i.e., from published and unpublished sources like books, magazines, websites, journals, articles, etc.

This paper is a collaborative understanding of data collected from the primary and the secondary sources.

### Impact of KM on Organisation

KM impacts organization i.e., it's processes, it's people, it's products and it's overall performance. It results in retaining employees with good expertise, enhancing customer satisfaction with company's products or services. KM facilitates employee

learning. Employees job satisfaction increases through flexible practices of KM.

Employee learning can be impacted by externalisation, internalization, socialization and communities of practice. Employees when interact are likely to adopt more, accept change and respond to change readily. Employees turnover rates decrease when they share knowledge. Unlike traditional practises, KM provides better solutions to problems faced by the employees.

KM enables improvements in processes which are clearly visible like improved efficiency, effectiveness and degrees of innovation in the process.

#### *Impact on Process Effectiveness*

- KM can enable organizations to become more effective by helping them to select and perform the most appropriate processes.
- KM enables organizations to quickly adapt their processes according to the current circumstances, thereby maintaining process effectiveness in changing times.

#### *Impact on Process Efficiency*

- Managing knowledge effectively can also enable organizations to be more productive and efficient.

#### *Impact on Process Innovation*

Organizations can increasingly rely on knowledge shared across individuals to produce innovative solutions to problems as well as to develop more innovative organizational processes.

Process effectiveness leads to fewer mistakes, rapid adaptation to changes in circumstances. Process efficiency can be viewed as improved productivity and cost savings. Process innovation can be viewed as improved brainstorming and better exploitation of new ideas.

KM results in value added products and knowledge based products i.e., customer specific products.

Overall, for an organization KM increases revenue or profit through process innovation. It can become an intellectual leader which in turn increases customer loyalty. It will be in an advantageous position among competitors. For even producing economies of scale or economies of scope, the organization should have good KMS.

*Factors Influencing KM*

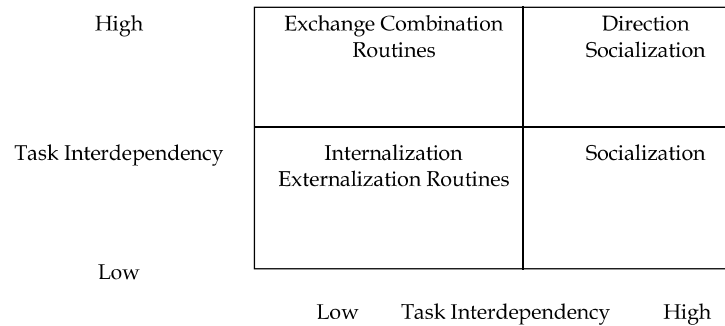
Factors influencing KM are environmental characteristics, organizational characteristics, task characteristics, knowledge management characteristics, knowledge characteristics. knowledge processes that are suitable for an organization.

They are dependent on the nature of the tasks performed in the organization. When the task difficulty and the task uncertainty are more in an organization then the knowledge application is not

simple. It depends on direction. The tasks are not formally structured.

When task uncertainty is high, knowledge remains tacit. Externalization and internalization are not alternatives. Direction or socialization are both good choices.

When task uncertainty is low, routines are performed in the organization. Externalisation, internalization, combination and exchange are better choices for an organization.



**Fig. 1:** Factors influencing KM

**Table 1:** Effects of knowledge characteristics on knowledge management

Km Processes/Type of Knowledge	Sharing	Capture	Discovery	Application
Tacit	Socialization	Externalization	Socialization	Direction
Explicit	Exchange	Internalization	Combination	Routines

When tasks are interdependent, performance mainly relies upon dynamic interaction in which the knowledge units are combined and transformed through communication and coordination. For independent tasks the performance relies on individual knowledge units like functional knowledge of a specific group, data base etc.

*Findings*

The study reveals that the following are the suitable KM processes for small organizations.

- Knowledge sharing by socialization
- Knowledge capturing by externalization and internalization
- Knowledge discovery by combination and socialization
- Knowledge application by direction.

**Conclusions and Suggestions**

When a small organization has task uncertainty and task interdependency it should go for the choice of direction and socialization process of KM. Top management should provide direction for the tasks i.e., perfect demand assessment or changed customers interest. Also the cross functional teams should be allowed to freely share their views about processes and tasks. Formal meetings and informal meetings are to be scheduled which will be a venue of free interaction. Brainstorming is to be encouraged and should take place frequently.

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