

## **KNOWLEDGE MANAGEMENT WITHIN ORGANISATIONS**

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**Abstract** The organisation and the coordination of specific knowledge every organisation has, known as the „knowledge management” plays an increasing role in Romanian organisations. Knowledge management contains multifarious activities such as: knowledge creation and keeping them within organisations as long as it is possible, knowledge communication to employees or their application.

Managers can take the best decision within a reasonable period of time only if they have the necessary knowledge in order to carry out the planning, organizing, coordinating, leading and controlling processes.

### **1. INTRODUCTION**

Just over a century, the mankind has evolved from a farmers' and artisans' society, to the industrial society and, finally, to the informational society. Three revolutions took place in the economic environment: the second industrial revolution (business development boom, mass production), the informatic revolution (digitizing company) and, finally, the knowledge revolution (digitization of business and society, building a comprehensive network knowledge). One can say that in business, the theory of value-oriented to work is replaced by the value-oriented to knowledge- a view surprised by the father of modern management, Peter Druker, so "we need a new Adam Smith and David Ricardo to generate an economic theory that puts the center the knowledge; only one such a theory could explain the today society [Druker, 1993].

It is possible that in future the knowledge to be widely regarded as a basic resource for the organizations, the production process taking place through also the stages of market research knowledge (libraries, scholarships, knowledge cafes), assimilation and integration of new knowledge into the system, investment in knowledge (identification, sorting and transferring only the necessary knowledge), working knowledge (changing into their products and services), distribution of knowledge (to customers through specific channels of transmission) and finally, by the resumption the network by the feedback process between customer and organization.

### **2. KNOWLEDGE WITHIN ORGANIZATIONS**

In the today's economy, the learning and knowledge have become the key successful international factors and intangible resources are of vital importance. Struggle between competing firms moved from the tangible resources environment (capital, raw materials, land, machinery and equipment, etc..) to the intangible resources environment, where factors such as knowledge and ability to use them (knowledge management) have a crucial role. Knowledge has become the basic resource of the firms, the way they gain power, prestige and wealth in modern society and economy. The generation, the acquisition and use of knowledge are critical for the sustainable economic, social and cultural development. This principle equally applies to individuals, organizations, public institutions, companies, regions or even states.

**Knowledge** is defined, usually as *the power to understand and capture the essence of the facts, recovery certainties and information* obtained form of experiences and lessons. The operation of such organizations, are crucial processes designated by the generic term the "3 I", that *innovation* (creating new knowledge), *instructing (learning)* (assimilation of new knowledge) and *interactive partnership* for knowledge.

**Knowledge** is a concept that draws rule, much discussion and controversy. The information consists of organized data, while knowledge is the ability to use information effectively, giving him the meaning of *"cognitive structures that guide action*.

To know is to be able. Such knowledge is lived and felt experience, the use that may lead to several results.

**Knowledge** is processed information, which may have a long existence, forward ideas and appear in a certain context, which determines their actual field to be used. As the deposit is not a resource management system, so a lot of information is not a knowledge management system. Usually, knowledge represent packages of information produced as a result of individual experiences, and may for this very reason, are most searched for product knowledge in a society in which exchange of data and information held with dizzying speed.

The organizational knowledge is a "hot" topic in specialized literature in the last two decades. *"The function of the organization is to make knowledge productive Individual acknowledge, as they are, there are sterile. It is the organizational task, its reason to be, to gather them in a single knowledge and transform them into a productive factor"* [Drucker 1993]. In this context, the cognitive model (the current trend in the organizational theory) [Argyris, 1977, Senge, 1990; Kreitner, 1999] is based on the central idea that a good strategy for managing the staff's expertise and experience will lead to general prosperity by continuous renewal and improvement of supply of goods and services. Although there is a statement on intellectual capital in an organization, often using the term „knowledge resources”, the concept of intellectual capital and intangible resources rarely occur throughout the document.

These knowledge resources are classified in four categories, which correspond to a large extent, however, in existing classifications within the various intellectual capital valuation models (Intellectual Capital Statements-The New Guideline, 2003)

- **the organization's employees** - this component includes the employees' skills, their experience, their motivation, commitment to the company, willingness to adapt;
- **the organization's customers** - this component refers to the relationships that an organization is developing with the users and customers satisfaction and loyalty, they make recommendations about the organization, ability to understand their needs and level of cooperation between the organization and client developing products and processes;
- **the processes taking place in the organization** - refers to the knowledge that is explicit form of organizational procedures and rules,
- **the technologies within the organization** - refers to the technological support for other elements.

Thus, in the P. Drucker's opinion, the human role has been reconsidered from passive resource that provides the third factor of production, work in a pre-set, the pro-active resource used to manage a changing environment, in a modern organization. He said that creative workers (knowledge workers) [Drucker, 2001], are characterized by initiative, they use environmental information and past experiences in order to continuously review its system of values in order to obtain a bonus issue of efficiency or innovative ideas . At the organizational level, knowledge is generated by interaction between tacit knowledge (in the mind of individuals) and explicit knowledge (formalized and stored), a process known concept of "knowledge conversion [Nonaka & Takeuchi, 1998].

The knowledge measuring assets refer to the evaluation, monitoring and managing business success through a number of increasingly large intangible factors. The name of intangible (incorporeal) associated with these activities reveals their immaterial form,

characteristic makes them especially difficult to identify and assess. From the historical point of view, the intangibles were classified as "goodwill" and intellectual capital as part of "goodwill." In all assets that can be described as goodwill, business owners find personal reputation or employees of the general public, customers, other employees, skills, specific skills of employees, including their technical knowledge, "the spirit of management (leadership) mark, copyright site, methods, formulas and secret processes, patents, licenses. Value within an organization is created by the knowledge and skills of employees. Because of this, the human capital must be maintained and developed.

### **3. KNOWLEDGE MANAGEMENT IN ORGANIZATIONS**

Knowledge management field is a branch of knowledge management in charge of carrying out actions on knowledge (*knowledge actions*), such as organization, blocking, filtering, gathering, storing, sharing, dissemination and use of objects of knowledge (*knowledge objects*), identified as the information, data, experiences, evaluations, surveys and initiatives.

Knowledge Management involves capturing knowledge where knowledge is created by sharing it and its applications in a production process.

Knowledge Management was developed as a philosophy and applications by companies, but it offers a number of concepts and models which can be expanded regionally to generate significant positive impact on regional development.

This is due to the fact that developments in theoretical and applied knowledge management are congruent with the defining elements of the game competitive and competitive type prevalent in business life.

A key principle used is that education and knowledge are considered assets of a business productive, as they may be primary factors in making a most valuable product or service.

The knowledge management seeks to preserve, sharing, in good condition, data, information and theoretical and practical lessons issued by organizations about processes, methods and its operations. This working methodology treats knowledge as a key but unfortunately not new resource.

Knowledge Management is the identification and analysis of knowledge but also the necessary available knowledge and related processes, planning and subsequent control of actions to develop both knowledge and processes necessary to achieve organizational goals (J. Kingston, A. Macintosh).

The definition above implies the need for organizations to:

- capture and represent knowledge;
- share and reuse knowledge for different applications and different users, this implying that this knowledge should be available where it is needed;
- create a culture that encourages knowledge sharing and reuse.

Knowledge Management, is obtaining the right of individuals to correct information in a timely manner so they can make the best decisions "(Gordon Petrash).

The knowledge management place in the first range people and how they acquire, use, transmit and exchange knowledge between them, wherever they are, in order to improve organizational performance.

Tan defines knowledge management as "the management and operational active administrative system of the knowledge stockexisting in an organization."

The scope of knowledge management in Romania is the process that occurs in the organization and coordination of knowledge of each organization separately. To every organization that process involves:

- Grouping knowledge on types of knowledge starting from the primary sources of the organization until the formation of internal memory.

- Storing knowledge seeking to knowledge stored in knowledge infrastructure of the efficient organization.
- Classification of knowledge for assessing and granting priorities that reflect the quality and adaptation of knowledge
- Selection of knowledge, which allows the user to use criteria for identifying the most appropriate knowledge.
- Disseminate knowledge, through which knowledge stored in various forms (tacit or explicit) are accessed by all members of the organization and even by its stakeholderi-customers, suppliers, etc.

#### **4. CONCLUSIONS**

Determined, we can say that knowledge management is not an end in itself. Businesses do not exist in order to propagate and advance knowledge - they exist to sell products and services.

Knowledge management within firms is existing since always in the form of discussions between team mates or by organizing various trainings. Nowadays, the concept is applied in a formally organized way, within specialized departments and by the performant IT systems support.

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