

A Noble Way for Creating Global Enterprises by Managing Knowledge

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Abstract: Under the traditional bureaucratic system now days organizations are facing problems of survival, due to technological innovations on one hand and the need for effective designs to handle future threats and uncertainties of the environment on the other hand. The economic reforms initiated by the Government of India in 1991 marked a watershed in India's economic thinking and aim at lowering protectionism and integrate the country's economy with the global market. Barriers to import and foreign capital are being lowered. Changes in industrial, foreign trade and tax policies have led to a paradigm shift towards market forces and competition. To suit the changing scene, organizations are continuously striving for improvement and are compelled to develop new technologies, to invest additional capital, find new methods of increasing workers contribution and re-engineer the existing system. The new and complex technology has also been demanding new systems of working and management. Dynamism being the most predictable feature of 21st century so in order to survive. old practices need to be replaced by new practices

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I. Introduction

Today's economy is fundamentally different from the economy that was four decades ago. Knowledge and knowledge based assets are important for gaining competitive advantage. In the current economy, employee's skill, innovation and expertise form the corner stone of profitability and economic growth. This in turn, increases demand for highly educated workforce and for continual development of employee skills. This intensified demand of the job market calls for new strategies and practice to be adopted by the organization. The ability to use computer networks for collaboration, creation, and knowledge acquisition is a basic requirement for participation in the IT focused economy. Employees must be exposed to technology intensive environments in order to develop the requisite skills for the job market.

To be focus oriented, the importance of Information Technology(IT) by having their own technology staff and facilities devoted and dedicated to the organisation. Linking business planning and IT planning-looking for ways to affect the company's bottom line through information technology is becoming increasingly important. Information technology also provides additional ways to involve directly with corporations and corporate executives, and vice versa.

Finally need for corporate managers is to keep a balance between BPO and KPO in order to attain sustained economic growth and development of corporate world and avoid lot sided(unbalanced) growth and development of business economy at large and on long term basis.

This new and complex technology has also been demanding new systems of working and management. All these mounting pressures are posing greater challenges for management. There is a realization all around that we can no more continue to manage business in future as was done in the past, because of ever increasing complexity and diversity of business Knowledge is the key strategic asset for the 21st Century and for every organization, that values knowledge it must invest in developing the best strategy for identifying, developing and applying the knowledge assets it needs to succeed.

This is so costly and, good leaders will simply not tolerate, nor be able to afford, such cost inefficiencies caused by knowledge gaps and bad knowledge flows. Those individuals and organizations that can

best sense, become quickly alerted to, find, organize, and apply knowledge, with a much faster response time, will simply leave the competition far behind. All of this can only be achieved through good knowledge leadership that understands the unchanging timeless principles for knowledge, which transforms individuals and organizations to become far more responsive and effective players in a growing knowledge economy.

The most popular form of knowledge based system used by organizations is the—expert system —they ensure capabilities that can be imparted to computers to enable them to display intelligent human behavior. They are designed to replace the functions performed by human experts. The objective is to tap the mind of the experts without the experts having to be present. This expert system aims at formalizing expertise and make it available for repetitive type of business. They use artificial intelligence tools to generate knowledge out of the existing information, existing theories, beliefs and experiences of managers in various business activities. They are not replacements of humans rather help human experts to perform their jobs effectively and are particularly important where expertise is scarce and expensive.

This expertise of experts can be applied in areas like--

Accounting and Finance—help in selecting forecasting models, providing tax advice, credit authorization decisions.

Marketing—establishing sales quotas, responding to customers enquiries, determine rebate policies.

Manufacturing— determine whether process is running correctly or not, deciding product designing and layout, maintaining facilities, analyzing quality and providing corrective action.

Others— assessing project proposals, educating trainees, evaluating performance, developing plans to achieve goals inferring likely consequences of a given situation and many more.

Which provides the benefit of—

- Aiding in planning and decision making.
- Monitoring the activities of employees.
- Diagnosis of different conditions.
- Teach decision rules to the users.
- Timely availability of expert advice.
- Maintains consistency in decision making.
- Being reliable.

Knowledge banks are information portals providing practical information that is readily accessible anytime and anywhere. They are designed to provide data and information as per the requirements of the organisation. It is a virtual organization and not a physical structure and has the fixed assets like idea, data, information, resources, experience, talent and relationships. Here the service itself is the product i.e. the knowledge. It's a concentrate of vital Human and Intellectual Capital. Here individuals work, interact, contribute, and conclude upon research for predetermined and predefined objectives, parameters or hypothesis. It's a place where more than one invests, the more returns, one gets. Outsourcing is not a new phenomenon. It has been a popular management tool for decades. One can safely say, outsourcing has evolved through the following stages—1960's-time sharing, 1970's-parts of IT operations, 1980's-entire IT operations, 1990's-alliances/tie ups, 2000's-IT enabled services.

Outsourcing can take the following forms of —Business Process Outsourcing, Knowledge Process Outsourcing or Business Transformation Outsourcing.

BPO is the process of hiring another company to handle business activities. BPO is distinct from information technology (IT) outsourcing, which focuses on hiring a third-party company or service provider to do IT-related activities, such as application management and application development, data center operations, or testing and quality assurance. Now it is common for organizations to outsource financial and administration processes, human resources functions, call center and customer service activities and accounting and payroll. These outsourcing deals frequently involve multi-year contracts that can run into hundreds of millions of dollars. Dominant outsourcing service providers in the BPO fields (some of which also dominate the IT outsourcing business) include US companies IBM, Accenture, and Hewitt Associates, as well as European and Asian companies Capgemini, Genpact, TCS, Wipro and Infosys.

BPO efforts involve offshoring--hiring a company based in another country -- to do the work. India is a popular location for BPO activities. Frequently, BPO is also referred to as ITES -- Information Technology-Enabled Services since most business processes include some form of automation, IT enables these services to be performed. An offshoot of BPO is *KPO*-Knowledge Process Outsourcing. KPO includes those activities that require greater skill, knowledge, education and expertise to handle.

Also coming into use is the term *BTO* -- Business Transformation Outsourcing. This refers to the idea of having service providers contribute to the effort of transforming a business into a leaner, more dynamic, agile and flexible operation.

Due to large pool and significant cost arbitrage, countries like India are front runners in providing these services. KPO is envisaged as having a high potential, not restricted to Information Technology (IT) or Information Technology Services sectors. It is the high end activity of the BPO industry which will provide a substantial growth over the next few years.

But these outsourcing companies face some challenges like—high attrition rate especially where work is not challenging to the employees skills, high cost of training and tendency to lose the most experienced employees to the clients, ensuring information security and confidentiality especially under varying privacy laws.

India also has a pool of knowledge workers in various sectors ranging from pharmacy, medicine, law, biotechnology, education and training, engineering, analytics, design and animation, research and development, and even intelligence services this talent, as being discovered and tapped across the globe has led to off shoring of knowledge intensive business processes that require specialized domain expertise.

It is not the quality which will matter but it would be its velocity of delivery. Quality and velocity of delivery come from the efficiency only. Efficiency comes from the effectiveness of adaptation and evolution with changing times. Efficiency means optimization of resources, be those material, intellectual, entrepreneurial or capital. A combination of all four is a utopian condition, giving a resultant called '*perfection*'. Thus leaping the globe towards ever impossible '*perfect economy*' based on wealth amassing, still resulting in catalyzation of growth and ensuring welfare and creating optimum firms described in '*economies of scale*'. Ultimately, it paves path for a quality product, with a competitive pricing, into global market places through relationship marketing fundamentals, enforcing customized production, based on individual needs, shunning the mass manufacturing process.

How Knowledge Management Benefits Organisations—

Careful application of knowledge, like other assets, can result in better decisions, particularly, at the working level. It's not decisions made by strategists at the top that make or break a company; but the sum total of the day-to-day decisions made at the front lines of an organization. Better decisions are achieved by spending less time on information gathering and more on the creative process. Decision support systems help with the analysis, but are still driven by the ability to find relevant information. It provides the tools to:

- Increase relevant information access.
- Facilitate collaboration & knowledge sharing.
- Retain institutional knowledge.
- Overcome organizational & geographical boundaries.
- Shorten cycle time.

Resulting in:

But the benefits of knowledge management for improved excellence, is simply '*one side of the coin*'. There is more.

- Effective knowledge management, especially accelerated knowledge creation, is the driver for *innovation*. Increasingly, products and services are becoming '*smarter*' and more knowledge based.
- The organisation's ability to better collaborate in physical and virtual teams, as knowledge workers, is driving the process of new knowledge creation. Ideas can now be turned into innovative products and services much faster.
- Organizations are learning faster, and that means that individuals are learning faster. People are developing their competencies and confidence faster in organizations that practice effective knowledge management.
- Lower cost of doing business.
- Higher quality products, decisions & recommendations.
- Increased productivity.

Thus we can say that the Knowledge Economy is the next booming economy in the world of recession. In a world that is facing economic recession many are starting to ask '*What is going to be the next booming economy, what are its characteristics and, how will it help organisation to grow out of recession?*' It's the rapidly growing global knowledge economy. More individuals, teams, organizations and inter-organizational networks will be restructuring and renewing themselves with the primary purpose of profitably trading their knowledge to add even higher value, predominantly on the World Wide Web. There are enlightened organizations developing and applying the knowledge they have about their industry, customers, partners and stakeholders, as their prime strategic asset, and at the highest point in the value chain. And many are becoming less involved, and more open to profitably outsourcing the other business operations.

One thing is absolutely certain in this rapidly changing world. “The best knowledge will always be in demand.” In, say, fifty years time one can be certain of one thing. Leaders of economies, industries and organizations will always be very interested in finding new and better ways to create and apply knowledge.

Effective Knowledge Management is a timeless and changeless principle.

As a consequence business models would be of “clicks, tricks and mortar” prototype, giving a resultant of *digital economy* where the variable ‘knowledge’ and ‘talent’, will influence every aspect related to the price mechanism, economies of scale and consumer behaviour. It would be possible as well as mandatory to quantify the qualitative elements like knowledge, information and talent into monetary terms and measurable units. This leads to the asset enhancement of the corporations, thus leading to a new era of ‘knowledge wars’ and knowledge bank is a knowledge intelligence network an anti dote to these wars and their incubators. It raises a citadel, when we peep into the future Virtual Econometrics, for the proactive and streamlined path towards total quality knowledge management, creating barriers to the misuse of knowledge and obstructing foul and malicious persuasive communications. It is certain that in times to come those who possess the best of the talent can only win, otherwise one is surely destined to doom. The pioneers, undoubtedly will have an upper edge over others, who follow afterwards. As the new world of business imposes the need for variety and complexity of interpretations of information.

II. Conclusion

When people continually expand their capacity to create the results they truly desire where new patterns of thinking are nurtured. It becomes the means of developing competent organizations which result in achieving excellence in the form of high performance throughout the entire organization.

Every organization needs to invest in creating and implementing the best knowledge networks, processes, methods, tools and technologies. This will enable them to learn, create new knowledge, and apply the best knowledge much faster. Every individual who wishes to successfully participate in the rapidly growing global knowledge economy must now consider the development of their personal knowledge management competencies as an ‘essential life skill’ for the 21st Century. It has been said many times, ‘knowledge will radically and fundamentally transform economies’. The successful organizations and individuals will not allow themselves to keep ‘re-inventing the wheel’ or ‘repeating the same mistakes.

The companies can no longer achieve sustainable competitive advantage by merely developing new technology into physical assets and by excellent management of financial assets and liabilities. In the knowledge economy, wealth creation is tied directly to the creation, transformation and capitalization of knowledge. Knowledge economy companies are built on a new set of assumptions as people around the globe are more connected to each other than even before with information and other related messages which flow more quickly and easily than even before.

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