

Role of Information System and Knowledge Management Initiative in Multinational Companies

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Abstract – *The concept of Knowledge Management (KM) is a fundamental to business world in current situation. This reality is demonstrated when we experience the present business, management, technology and organization literature. This paper provides a survey and understanding of knowledge management written works in multinational corporations. This paper provides a nitty gritty process view of organizational knowledge management with an attention on the potential part of information technology in type of Knowledge Management Systems (KMS) in different sorts of multinational corporations. Drawing upon the writing audit and examination of knowledge management processes, we talk about a few essential research issues encompassing the utilization of Knowledge Management systems in support of these procedures. The fundamental reason for this review is the arrangement of writing on Knowledge Management (KM) and to comprehend the essential ideas/key terms, customary definitions required to Knowledge Management (KM). This paper also presents different ways to deal with Knowledge Management (KM) prepare and their associations and contrasts are talked about. Toward the end we have compressed the benefits of Knowledge Management (KM).*

Keywords: *Knowledge, Knowledge Management (KM), Knowledge Management Systems (KMS), KM Benefits.*

INTRODUCTION

We live in the realm of knowledge economy where information plays an imperative part. To get the information, business utilizes diverse sorts of information systems. Information is all around and it relies on upon us how to gather this information and utilize it for our business purpose. Information must be refined and put away into the database also called knowledgebase. The accomplishment of organization depends on how that organization is managing the information. The world is changing quick which is basic to the accomplishment of firms in the quickly changing setting of knowledge arena. Achievement in today's worldwide, interconnected economy springs from the quick, compelling and productive sharing of information so that successful choice can be taken on time. Knowledge Management is a key idea in today's business world. It is extremely developing documented which can and contributing a great deal to different sorts of multinational organizations. This is clear from the literary works of different teaches, for example, current business,

management, organization and innovation. At direct its looks as though knowledge management just showed up toward the finish of the 1990's. Some see knowledge management as a business fad or fever (Swan *et. al.*, 1999), however a nearer examination of the idea uncovers that there has been significant thought and research into it, and a large portion of the world's best corporations, businesses, and organizations are putting extensive assets in this venture (Alvesson, & Kärreman, 2001). Prusak (Prusak, 1999) assessed that around 80% of the worldwide 1000 organizations are leading information ventures in progress. Participation in Knowledge Management (KM) conferences, workshops and so on is expanding and there are many books, articles and uncommon issues on knowledge and its management during the most recent couple of decades is a reality recognized by all.

KM had start taking shape and come into focus on the maps of workshops and conference organizers in the beginning of 1990s, however it is vital to note here that verbal confrontation had begun significantly before (Hayek,

1945). (Bell, 1978). Drukes Druckes, P. (1964) was the first to coin the term knowledge worker. Organization can gain from past encounters put away fuse memory systems (Senge, P. (1990). (Barton-Leonald, 1995). Documented the instance of chappual steel as KM example of overcoming adversity (Nonaka and Takeuchi, 1995). Studied how knowledge is created, utilized, and diffused within organizations and how such knowledge contributed to the dispersion of advancement. Various individuals, seeing the benefit of measuring scholarly resources, perceived the developing significance of organizational knowledge as an aggressive resource (Sveiby, 1996). (Nortan & Keplan, 1996). (Edvineson, & Malone, 1997). Many of the practices set up in organizations can be extensively interpreted as adding to the knowledge agenda. These knowledge projects extend from setting up an intranet, utilizing Lotus Notes or other group arranged programming, making individual development plans, coaching, or sharing data on best practices. Progressively, organizations are making particular activities or projects with a knowledge focus. Knowledge teams and knowledge leaders are developing in multinational organizations.

The study of human knowledge has been a focal topic of rationality and epistemology since the antiquated Greeks. A historical perspective of KM uncovers that it is an old journey sought after both by Eastern and Western philosophers. Eastern philosophers, Tzu and Confucius in China and their counterparts in India, have a similarly long and all around recorded convention of underlining knowledge and understanding for the lead of otherworldly and mainstream life. Practical knowledge or "know how" has dependably been essential despite the fact that KM was, regularly still is, an understood assignment. The main endeavors at KM, for example, catch, stockpiling and recovery, started with the Cuneiform dialect in around 3000 BC. Knowledge was engraved with a stylus in wet dirt and after that heated. Through hundreds of years, new advances discovered their way in impacting KM processes. For instance, the art guild culture of the thirteenth century presented more express and efficient KM practices (Nada *et. al.*, 2003).

KNOWLEDGE:

The last century has seen the re-disclosure of the knowledge debate, beginning with researchers from economics (Hayek, 1945), (Arrow, 1962), (Marshall, 1965), hierarchical hypothesis (March, Simon, 1958) and philosophy (Polanyi, 1966). These viewpoints worried with the qualities of knowledge and its part inside the organization has prompted to animating civil argument among researchers and experts from different trains in the most recent decade. Knowledge received unequivocal acknowledgement in monetary investigation by the neo-

established financial specialist, Alfred Marshall (Marshall, 1965) who contended that capital comprises, in the larger part, of knowledge and organization and that knowledge is the most powerful engine of production organizations increasingly engaged on management. In 1959, (Drucker, 1993) begat the expression "knowledge worker" and later contended that, in the "knowledge society", the fundamental financial asset is no longer capital, regular assets or work however is, and will be, knowledge. The capacity to utilize scholarly ability and make new answers for human needs now assumes focal position in the worldwide data economy. Human knowledge and capabilities have dependably been at the center of significant worth creation, yet this axiom has turned out to be more obvious in the data age where the "intellective" part of work is progressively critical (Zuboff, 1988). For a considerable length of time, organizations paid lip administration to the management of knowledge, being worried with more unmistakable and physical resources. The knowledge component of the esteem chain had been darkened by the propensity to consider work in a general sense a physical activity (Zuboff, 1988)). Knowledge is seen at the focal point of worldwide economic transformation (Bell, 1978), competitive advantage of an organization (Mayo, Lank, 1994) and a move from "information war" to "k-fighting" (knowledge warfare) (Baumard, 1996) Progressively, knowledge is seen as overwhelming conventional assets, for example, land, work and financial capital and is viewed as the key wellspring of near or competitive advantage (Grant, 1996). For a few, knowledge is "economic ideas" or "intellectual capital" and is discussed as far as "stockpiles", "supplies", "trade", "catch" and "usage", without addressing whether it can really be overseen or comprehension its epistemology - knowing it exists and comprehension its unique circumstance and, subsequently, its importance.

The terms "knowledge "and "information "are frequently utilized reciprocally in the writing and praxis however a refinement is useful. The chain of knowledge flow is information data acknowledgment activity/reflection-insight (see Figure 1)



Figure 1 Chain of knowledge flow

Data represents observations or realities outside of any relevant connection to the issue at hand that are, along these lines, not straightforwardly important. Information results from setting information inside some significant

substance, regularly as a message. Knowledge, as a "legitimized genuine conviction", is what individuals accept and esteem on the premise of the important and organized accumulation of information (messages) through experience, correspondence or surmising. To get information that one needs and to evaluate the estimation of information, one has, or needs, to gain both hypothetical and practical knowledge - it suggests operation of train or activity. Accordingly acknowledgment/("knowledge") can be thought about as data put to beneficial utilize. There is an assortment of writing on KM managing important issues, for example, the qualification amongst unequivocal and tacit knowledge (Polanyi, 1966) the synthesis and organization of knowledge and the frameworks and structures for ideal viability. It outlines an expository space and, in comprising of a region of knowledge, gives the premise to activity and intercession [78]. Through activity and reflection one may likewise pick up astuteness. Knowing how to utilize data in any given setting requires insight. Shrewdness is a method of typical handling by an exceptionally created will. It is an argumentative coordination of all parts of the identity: including influence, will, and insight and life experience. Table 1 gives a synopsis of knowledge flow and its connections. In any case, there is a scope of theoretical positions managing the "movement" of knowledge. For case there is the "stickiness" of knowledge and the components restraining the stream of knowledge from one area to another, the qualities of that information speed of exchange and the differentiation between knowledge and knowing.

Table 1: Knowledge links

	Data	Information	Realization	Action and reflection	Wisdom
Content	Events	Trends	Expertise	Commitment to course of action	Life experience
Knowledge component	Observation - explicit	Evaluation - explicit	Learning - explicit and tacit	Reflective and integrative approach to thinking	Understanding pre-suppositions and meanings as well as limitations within context and time
Context component	Context free	Context insensitive	Context sensitive	Appreciation in environment of depth of understanding	Life-span contextualism
Value test	Building block	Uncertainty reduction	New understanding	Will to act	Value guiding (What one ought to do?)

Knowledge could additionally be arranged into two sorts, express and tacit knowledge. Tacit knowledge is gotten by interior individual process and put away in person like understanding, reflection, disguise or individual ability. Explicit knowledge is conceivable to be put away in a mechanical or technological way, as in handbooks or information systems, or database, manual, internal newsletter and documentation. You can refer table 2 for the attributes of implied and explicit knowledge and table 3 for non-specific knowledge types.

Table 2: The characteristics of tacit and explicit knowledge

TACIT KNOWLEDGE	EXPLICIT KNOWLEDGE
Inexpressible in a codifiable form	Codifiable
Subjective	Objective
Personal	Impersonal
Context Specific	Context Independent
Difficult to share	Easy to share

Table 3: Generic Knowledge Types

	INDIVIDUAL	SOCIAL
Explicit	Conscious	Objectified
Tacit	Automatic	Collective

Explicit Knowledge: The increasing reliance on numerous decision makers in organizations has expanded the requirement for individuals to develop and share their accrued knowledge. Explicit knowledge is knowledge that can be imparted to others-it can be documented, categorized, transmitted to others as data, and showed to others through showings, clarifications and different types of sharing. Declarative knowledge, that is, sets of standards and actualities which can be disclosed to others, and procedural knowledge, which empowers the application of processes, are two noteworthy types of explicit knowledge. Explicit knowledge is a key organizational resource which is progressively imperative as the way of work develops towards a knowledge center. Many work parts are presently in view of preparing, delivering or disseminating knowledge inside or past the work environment. Specialists who invest the vast majority of their energy creating, applying or conveying knowledge are called knowledge workers. Explicit knowledge is key asset for such specialists and the organization, in that it has the ability to be disseminated, shared and adjusted. Be that as it may, it is just a single component of the knowledge which supports organizations.

Tacit Knowledge: It can be difficult for individuals to clarify how they apply their skill to determine new challenges. Expert knowledge is difficult to copy, supplant or decipher, as it is grounded in a mix of experience, research and enlistment which may have been refined over numerous years. A starting specialist, for instance, may set aside noteworthy opportunity to dissect data about a patient, analyze master assets and maybe look for counsel. An exceptionally experienced specialist, then again, will have the capacity to draw inductions and direction from a scope of those investigated by the lesser specialist. In spite of the

fact that they will generally stay escaped an observer. Knowledge which draws on the collected understanding and learning of a man and which is difficult to replicate or impart to others is called tacit knowledge. In spite of the fact that tacit knowledge is difficult to archive, order and share organizations depend on it to guarantee great quality decisions and judgments. In a work setting, many staff will have abnormal amounts of tacit knowledge which they have developed through their experience, learning and progressing examination of sources. The trouble of deciphering this knowledge into a substantial item or process raises two issues for organizations: How to recognize who holds such knowledge, and how to empower others to get to it when they require it. This is a key worry of knowledge management.

ORGANIZATIONAL KNOWLEDGE:

Organizations seek to utilize a scope of definitive sources, including knowledge held by people and inside knowledge systems kept up by the organization. Organizational knowledge draws on various organizational knowledge sources, incorporating information housed in organizational records and frameworks, unequivocal knowledge which is recorded and open, and tacit knowledge held by employees, customers, shareholders and different organizational stakeholders. Some major corporate knowledge systems incorporate information databases, the organization site, the library and archives. Figure 3 shows the assortment of sources which may add to organizational knowledge. At the point when critical choices should be made, it is normal to look for direction from these fluctuating legitimate sources, and to manufacture a wealthier and more educated reaction by learning and considering the alternate points of view each may offer. Soliciting feeling, looking at past understanding, and breaking down realities and measurements are important processes when creating organizational knowledge. The making of compelling organizational knowledge depends on numerous things. To begin with, the wellsprings of knowledge that can be gotten to should be known, accessible and valuable. An organization relies on the knowledge held by people. Expert knowledge sources are key vital strengths which ought to be perceived by others and accessible to them.

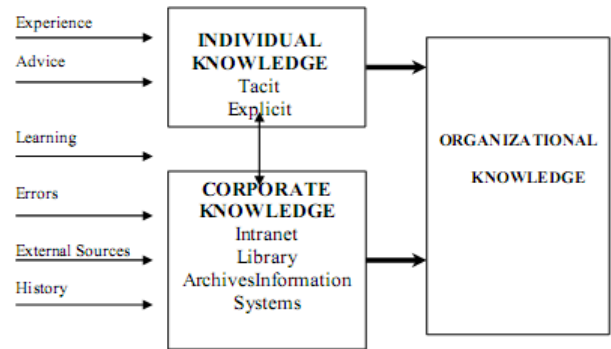


Figure 2: Sources of Organizational Knowledge

Increasingly, organizations perceive the significance of exploiting and developing the individuals who can guide and upgrade the vital needs of the organization. Strategic knowledge-mastery and understanding that bolster the strategic direction of the organization-is progressively esteemed as an organizational asset. The test for an organization is to have a reasonable comprehension of alluring strategic knowledge and the wellsprings of such knowledge in its group. An organization aiming to create a knowledge base first needs to distinguish the wellsprings of knowledge available, and after that to catch and deal with these sources appropriately

KNOWLEDGE MANAGEMENT:

Knowledge management (KM) is very important for organization since it will help organization to have competitive advantage and successful work through sharing and re-utilization of knowledge in an organization. In the commercial center of e-business, KM activities are utilized to efficiently use information and skill to improve organizational responsiveness, innovation, competency and productivity. There are many reasons why knowledge should be overseen legitimately in an organization. Among the reasons are as per the following: information overloads, technology advancement, expanded proficient specialization, rivalry, workforce versatility and turnover, and benefits from organizational knowledge. Knowledge Management is about building organizational intelligence by empowering individuals to enhance the way they work in catching, sharing and using knowledge. It includes utilizing the thoughts and experience of workers, clients and providers to enhance the organizations' performance. Expanding on what functions admirably prompts to better practice, strategy and policy. Assortment of controls have impacted and educated the field of KM thinking and practice - noticeable being rationality, in defining knowledge; subjective science (in understanding knowledge workers); sociology (understanding motivation, people, interactions, culture, environment); management

science (streamlining operations and coordinating them inside the venture); data science (building information related capacities); knowledge engineering (inspiring and codifying knowledge); artificial intelligence (mechanizing routine and learning concentrated work) and financial aspects (deciding needs). Subsequently, there are a large group of working meanings of KM and embryonic theories coursing in the writing and around corporations of the world.

KNOWLEDGE MANAGEMENT ARCHITECTURE:

In the literature on knowledge management, four components of knowledge management architecture have been described. The analysis plans and actions are usually formulated in terms of the four basic operations on knowledge that can be found in organizations: development, distribution, consolidation and combination. These four basic knowledge processes are described as follows:-

1. **Developing knowledge:** Companies survive by the continuous development of new knowledge based on creative ideas, the analysis of failures, daily experiences and work in R&D departments. Corporate memories can support these processes by, for instance, recording failures and successes.
2. **Consolidating knowledge:** Knowledge must be safeguarded against lost due to different causes (e.g. people retiring, documents that cannot be accessed any more, etc.). Consolidation could be supported by, for instance, corporate memories, knowledge transfer programmers, etc. The knowledge, thus stored, must be available at the right time and place.
3. **Distributing Knowledge:** Knowledge must be actively distributed to those who can make use of it. The turnaround speed of knowledge is becoming crucial for the competitiveness of companies. To support this process, corporate memories need a facility for deciding who should be informed about a particular new piece of knowledge. Actions to improve knowledge distribution include the installation of help desks and the use of intranets.
4. **Combining Available Knowledge:** A company can only perform at its best if all available knowledge areas are combined in its new products. If an organization is unable to combine the knowledge available, it will miss opportunities and eventually lose market share. Products and services are increasingly being developed by multi-disciplinary

teams. Corporate memories may facilitate this by making it easier to access knowledge developed in other parts of the organization.

KNOWLEDGE MANAGEMENT BENEFITS:

In this section we might want to expand KM benefits in multinational corporations or organizations. In this information based economy, organizations increasingly need to manage issues like items and procedures multifaceted nature, expanded relevant knowledgebase both specialized and non-specialized, shorter item life cycles, expanded concentrate on the center skills, and so forth. KM can facilitate organizations to experience different issues identified with the rise of the learning based economy. The various benefits can be accomplished through actualizing KM. Many creators have examined the potential benefits of utilizing KM in the organizations according to the literature survey which are given below:-

- ♣ Improved responsiveness
- ♣ Enhanced products or services quality
- ♣ Better management of intellectual capital
- ♣ Improved revenues through licensing of patents
- ♣ Best decision making
- ♣ Smoother collaboration
- ♣ Enhanced learning
- ♣ Improved communication
- ♣ Improved employee skill
- ♣ Improved productivity/efficiency
- ♣ Increased empowerment of employees
- ♣ Increased sales/profits
- ♣ Cycle time reduction
- ♣ Develop new business opportunities
- ♣ Developing core competencies
- ♣ Improved business processes
- ♣ Faster new product development
- ♣ Increased employee satisfaction

- ♣ Better way of working
- ♣ Sharing best practices
- ♣ Enhanced the continuity of the organization
- ♣ Improved employee loyalty and retention

CONCLUSION:

Knowledge Management assists a learning group with learning all the more effortlessly and successfully. Knowledge Management and Knowledge Management Systems are critical for any multinational organization. In this paper we have attempted to concentrate the ideas of Knowledge Management, and Knowledge Management Systems in multinational organizations. In this worldwide situation, knowledge creation and management has been the key question that has pulled in light of a legitimate concern for the analysts from different areas. Different Studies demonstrates that number of articles, books have been published on a hypothetical level on the topics Knowledge, KM and KMS. We have gotten through the conclusion that Knowledge Management does not have a place with one territory. Individuals from various orders are chipping away at it. Through our writing study we have taken a stab at making the peruser to comprehend about the part of knowledge management and is favorable circumstances in multinational organizations. We have incorporated essentials identified with the idea of Knowledge, Knowledge Management, which gives thought regarding the recorded foundation, commitment of various creators and researchers, fundamentals and concepts, definitions of Knowledge, KM and KMS. In Last the concentration of this review has been on the various advantages that can be accomplished through actualizing knowledge management in multinational, organizations. Different issues like items and procedures unpredictability, expanded significant information base both specialized and nontechnical, shorter item life cycles, expanded concentrate on the center capabilities, and so on. We have arrived at conclusion that KM and KMS are devices which uses our assets in a more astute and effective approach to accomplish higher business goals beneficially. Trust this paper will help peruser and KM practioners decidedly by growing new open doors, making esteem, getting competitive advantages and improve performance to accomplish the organizations objectives.

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