A New Approach to Knowledge Management Strategies: Relation Strategy and Substitution Strategy

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ABSTRACT

Knowledge management (KM) has been regarded as a critical issue for the practitioners and academicians in these years. Recently, knowledge management strategies have been highly considered in organizations. The article tries to explore knowledge management strategies from different aspects and explains the most important factors in its success. Here, nine main factors are considered for the success of the knowledge management strategies and it has been tried to present a new framework for knowledge management strategies based on experts’ opinions and exploring two case studies. The presented strategies for knowledge management include two relation and substitution strategies. Also, characteristics of each strategy are investigated and the differences with current strategies in the field are discussed.

Keywords: Codification Strategy, Knowledge Management (KM), Personalization Strategy, Relation Strategy, Substitution Strategy

INTRODUCTION

The increasing importance of knowledge as a critical resource is mirrored by theoretical approaches underlining the relevance of knowledge. The knowledge-based view of the firm considers knowledge and the ability to integrate individual knowledge in the context of a common task fulfillment to be essential for the creation of competitive advantage (Lindner & Wald, 2011). Nowadays, Knowledge-based assets are now widely considered as one of the most valuable resources of any organization and appear to be necessities for organizational effectiveness in the new century and, particularly tacit knowledge, can be a source of advantage because it is unique, imperfectly mobile, imperfectly imitable and non-substitutable (López-
Nicolás & Meroño-Cerdán, 2011). However, the mere act of processing knowledge itself does not guarantee strategic advantage (Zack, 2002); instead, knowledge has to be managed. In next years firms that create new knowledge and apply it effectively and efficiently will be successful at creating competitive advantages. From a practice standpoint, firms are noticing the importance of managing knowledge if they want to obtain and sustain competitive advantage (López-Nicolás & Meroño-Cerdán, 2011) and grow (Salojärvi, Furu, & Sveiby, 2005). Thus, many organizations are beginning to actively manage their knowledge (DeTienne, Dyer, Hoopes, & Harris, 2004): most large companies in the USA, and in Europe, have some sort of KM schemes in place (Davenport & Völpel, 2001). Several scholars emphasize on the role of KM on the organizations performance (Choi & Lee, 2003; Kalling, 2003; López-Nicolás & Meroño-Cerdán; Vaccaro, Parente, & Veloso, 2010; Yang, 2010; Yim, Kim, Kim, & Kwahk, 2004; Yu, Kim, & Kim, 2007) and it is demonstrated that knowledge management performance (KMP) has meaningful effects on corporate performance that directly links to company profit (Wu, 2007) which implies the high importance of KM activities in organizations. Nevertheless, high failure rates of over 80% in KM implementation projects due to diverse reasons, such as an over focus on IT, ignorance of KM consequences, or inappropriate KM strategies, is a real challenge (López-Nicolás & Meroño-Cerdán, 2011).

Regarding the importance of knowledge management strategies in successfully implementing the system, the aim of the study is to provide two more practical strategies in KM projects. To this end, at first, the subject of KM and KM strategies are explored and the success factors of KM strategies are explained. Then, the nine fold factors are investigated in personalization and codification strategies considering viewpoint of 36 experts in the field. Afterwards, two relation and substitution strategies are introduced, that have competencies over two traditional personalization and codification strategies. Finally, two case studies are explained and two proposed strategies are applied on cases.

It should be noted that presented strategies do not overlook conventional strategies, but support and strengthen them with a more practical approach in organizations. The authors hope that the results of the research can help organizations in better implementation of KM strategies as well as gaining desirable results.

LITERATURE REVIEW

The three basic elements of this research are: the knowledge, the KM and the KM strategies. These elements are described below in regard to the nearest relevant literatures.

Knowledge Management

Knowledge can be defined as a fluid mix of framed experience, values, contextual information, and expert insight that provides a framework for evaluating and incorporating new experiences and information (Davenport & Prusak, 1998). Nonaka (1994) suggested two types of knowledge as tacit and explicit knowledge. Tacit knowledge is knowledge that is internal to a person, including cognitive learning, mental models, and technical skills. On the other hand, explicit knowledge is the kind of knowledge that can be codified and expressed by speech. Tacit knowledge as the private knowledge that’s hardly accessible and placed in the minds of people. Another classification scheme, categorized the knowledge types to explicit, tacit and implicit knowledge (Kim, Yu, & Lee, 2003). They defined implicit knowledge as the type that can be externalized if needed but has not been externalized yet.

Knowledge management is a process wherein, organizations produce wealth using their knowledge or intellectual properties (Nonaka & Takeuchi, 1995). The subject of KM can be considered from three different
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