A Comparative Analysis of Knowledge Management Practices in Times of Crisis in the Digital Age: Evidence from an Emerging Economy

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ABSTRACT

Time of crisis is an extraordinary state. Knowledge based crisis management reduces uncertainties in the management process, supports decision-making process and assists executives to overcome the crisis. However, as knowledge management (KM) increasingly becomes important in time of crisis, organizations reduce KM practices to optimize their costs. The objective of this study is to compare the KM practices of top 500 industrial companies of Turkey before and after the Global Financial Crisis by comparing 2008 data with the findings of 2004 study of the author. The results of this study show that there are several developments of KM applications in time of crisis, particularly decreased use of some significant knowledge management technologies such as decision support systems, document management system, and data warehousing/mining.

Keywords: Crisis, Crisis Management, Knowledge, Knowledge Management

INTRODUCTION

Knowledge has become one of the most important key factors for organizations to gain sustainable competitive advantage in the digital age. Developments of knowledge technologies started to change the structure of the competition among organizations and countries. Thus, knowledge-intensive products and services form the basis of global competition. The most prominent factor behind the success of organizations in a dynamic and highly competitive environment is to manage knowledge well in the market. Organizations can take measures, see and overcome the crisis owing to the provision relevant, sufficient and reliable knowledge. Knowledge based crisis management reduces uncertainties in the management process, supports decision-making process and assists executives to overcome the crisis. However, as knowledge management (KM) increasingly becomes important in time

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of crisis, organizations reduce KM practices, technologies and applications to optimize their costs. The objective of this study is to compare how top 500 industrial companies of Turkey perceive KM and what are their existing KM practices before and after the crisis period. In the first section, the knowledge and knowledge management literature have been discussed. In the subsequent sections, KM practices of the aforementioned companies have been compared for the periods of 2004 and 2008.

KNOWLEDGE

Although knowledge is in a very close relationship with data and information, it is neither data, nor information. Data is a function of a source in communication process and generally created as a message and sent through communication channel. In order to that, information emerges as a function of communication channel. When information is arrived in as a message to one or more receivers, it may be perceived differently by each receiver. According to that, evaluation process and knowledge that attained may vary (Ayyıldız, 1998). Also, one’s knowledge can be other’s information; if one cannot understand and use the information, it stays as only information. On the other hand, other person can understand the same information, interpret with previous experiences and practice it in decision making or in redefinition of a laboratory process (Lee and Yang, 2000).

O’Dell et al. (1998) define knowledge as a dynamic phenomenon that is occurred in an organization as a result of the interaction and behaviors of the employees - basically, a mobilized form of information. Within this view knowledge can be defined as: information that is formed of experiences, intuition, ideas and personnel values (Clarke and Rollo, 2001). Knowledge occurs when the information is used. As an example; if the information helps to reduce costs, development of product and process performance or new market growth, then knowledge arises. Hence, knowledge is used for a specific position of an organization can be seen an upper form of information (Beckett et al., 2000). As a result, knowledge transforms data and information into manageable courses. In other words, knowledge is characterized by information, talent and attitude. It is a set of factors such as experience, talent, culture, character, personality and emotions etc. (Beijerse, 2000). As Baker’s (1997) formulation;

Knowledge = Information + (Talent + Experience + Personal Skill)

There are two types of knowledge in the basis; explicit and tacit knowledge (Nonaka and Takeuchi, 1995). Explicit knowledge is generally expressed by words and numbers that are easily transferable in forms such as; scientific formulas, computer files, hand written records, documents and any standardized procedures (Beijerse, 2000). Explicit knowledge is embedded and systematic, so that it can be transferred in a formula or computer programme. Text, table, figure, diagram, technical drawing, chart or photograph are also the forms of explicit knowledge, by the help of those, knowledge becomes clear and ready to be shared and used. Other type of knowledge is tacit knowledge that is related mainly upon senses, motional ability, individual perception, physical experiences, common sense and intuition (Krough et al., 2000). Tacit knowledge differs as it is personal and hard to formulate and share and transmit. Tacit knowledge is formed from personal experience- it is heuristic. Considering an organization, tacit knowledge is stored in brains of employees or appears during long term practices (Tiwana, 2000; Beckett et. al., 2000). For these reason it is required to have subjective intuition, foresight ability and comprehension (Nonaka et al., 2000).

Knowledge Management

Knowledge Management concept has many definitions such as- “the art of creating value from intangible assets” (Sveiby, 1996) or “a systematic and an organized attempt to use knowledge within in an organization to trans-
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