

# Knowledge Management in the CR

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**Abstract** Due to technological, social and economic changes, knowledge becomes an important asset of organizations. Many organizations try to implement various knowledge management activities to improve exploitation of their knowledge. It is not as simple as it may look for the first sight to work with and manage knowledge. Knowledge consists of two dimensions, explicit dimension and tacit one. Explicit dimension can be formalized and recorded in the form of data; tacit dimension remains hidden in brain of its holder, the human, and is strongly linked to his/her practical activities. None of these two dimensions can work without the other. Organizations that manage knowledge activities face various challenges. To be successful, they have to analyze their knowledge requirements, choose proper knowledge strategy, adjust their organizational structure so that it supported work with knowledge, motivate and teach their employees to share tacit knowledge, and many others. The article discusses results of the analysis of knowledge management activities in the Czech Republic. The analysis based on six year research shows how our organizations cope with knowledge management and identifies trends.

**Keywords** – Knowledge, knowledge management, explicit and tacit knowledge.

## I. INTRODUCTION

Knowledge is important prerequisite of success of modern organization. The way organization uses it predetermines success or failure of organization activities. Organizations that want to exploit their knowledge adopt various knowledge management activities. Knowledge consists of two dimensions, explicit and tacit. Both dimensions of knowledge are in every organization and wise organizations pay them full attention.

## II. TERMINOLOGY OF KNOWLEDGE MANAGEMENT

Knowledge management works with terms data, information and knowledge. They are not substitutes.

Data is everything we can monitor by our senses, everything we can feel, smell, taste, and hear. It is a set of discrete, objective facts about events. Data can be structured and stored in some type of technology. Data is absolutely objective; it exists even when we do not know about it.

Information is data that the user finds important during the process of their interpretation. The involvement of the user makes information much less objective than data. Information depends on the user and his/her ability to identify it and on context he/she gives it [4].

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Knowledge is a changing system with interactions among experience, skills, facts, relations, values, thinking processes and meanings. Knowledge is always related to human action and emotion. Knowledge is highly subjective.

Knowledge consists of two dimensions, explicit and tacit. Explicit dimension of knowledge can be expressed in formal and systematic language and can be shared in the form of data, scientific formulae, specifications, manuals, etc. It can be processed, transmitted and stored. The term explicit knowledge is equal to the term information.

Tacit dimension of knowledge is highly personal and hard to discover and formalize. Explicit knowledge and intuition, mental models, experience, crafts, skills, etc. create it. It is deeply rooted in action, procedures, routines, commitment, ideas, value and emotions. It is difficult to share and communicate. It is often impossible to turn to explicit knowledge because the process of so called externalization damages it. Both dimensions of knowledge can be identified in organizations. Explicit dimension is usually present in the form of data in some corporate informational system; tacit dimension is in heads of employees [1].

## III. KNOWLEDGE MANAGEMENT

Knowledge management is a discipline of management prior task of which is to optimize the work with knowledge in organization. The term knowledge management appeared in the middle of the 80's of the 20th C (Wiig). Up till now, four phases can be identified in knowledge management development.

During the phase I. the stress was put on development and deployment of information systems supported by information technology. Companies were collecting their information and feeding it in a form of data to their informational systems. The common assumption was that when provided with the right information, manager would be able to make the correct decisions. Companies quickly learned two things. First, there is no correlation between the quality of decision and the information provided to the decision maker. Many managers fail to make correct decision even though they have correct information. Even worse, many managers were caught doing their decision intuitively and then looking for the information that would support it. Just in case... Second, not all human knowledge can be transformed into data. Companies discovered that it is that "non transferable", tacit knowledge that makes the difference between success and failure. So what to do?

Companies became very interested in tacit knowledge which led to the II. phase. The search for tools and methods that would help them to externalize or share tacit dimension of knowledge trapped in heads of employees started.

As both explicit and tacit knowledge proved out to be very important, phase III. can be characterized as a search for possibilities how to manage provision, storage, transmission, use and reuse of both dimensions of knowledge in systemic way and in relation to specific needs of individual companies.

All three phases showed that knowledge is always strongly related to its owner, the human, and it is difficult to separate it from him/her without losing its context. They resulted in the idea that in addition to managing knowledge we should also find the way how to manage knowledge owners, so called knowledge workers.

Knowledge workers have been responsible for the growth of advanced economies over the past decades. So the phase IV., using all knowledge and benefits of previous phases, tries to find answer to questions how to manage knowledge workers, how to improve and measure their productivity.

#### IV. KNOWLEDGE MANAGEMENT IN THE CR

We started the research on knowledge management in organizations in the Czech Republic in 2002. Organizations have been randomly chosen, and they are operating in various industries. We analyze both national and international companies.

In period 2002-2003 fifty organizations were interviewed. All of them worked with explicit knowledge and build information systems supported by information technologies. Those who tried to work with tacit knowledge struggled because they did not know tools and methods how to identify it and share. None of organizations had prerequisites for systemic exploitation and work with knowledge. Their knowledge management activities were strongly limited by improper organizational structures.

In period 2004-2007 seventy five organizations were interview, seventeen of them reported so called combined organizational structure. Combined organizational structure is the structure that fully supports knowledge management activities. Organizations admitted that knowledge management was the reason why they choose it.

Combined organizational structure consists of three layers. The vertical layer is responsible for the management of the company (both day-to-day and strategic) and can be hierarchical. The horizontal layer creates, distributes and uses the knowledge (both tacit and explicit) and it consists of project teams. The third layer, the knowledge layer, sometimes called the library, is responsible for archiving and recording knowledge. All employees of organization are obliged to record their knowledge there.

The philosophy of combined structures stresses that all employees are important and all employees should co-operate on both the vertical and horizontal levels. Combined structure allows creating and using the full potential of different relationships in the company which result in functional and fast knowledge market.

Among 17 organizations that reported combined structure some similarities were identified. Nearly all of them operate on highly competitive markets, and need to innovate, so it is logical that they search for way how to intensify their work with knowledge. Even though they pay big attention to

knowledge management the approach of many of them is not systemic. They usually face problems in work with tacit knowledge, only 3 out of 17 organizations know and use all three tools of tacit knowledge sharing. On the other hand knowledge markets of most of organizations with combined structure (15 out of 17) were functional and well balanced.

TABLE I  
RESEARCH RESULTS

Period	2002-2003	2004-2005	2006	2007
Total Number of Respondents	50	24	32	19
Organizations with Combined Structure	0	3	10	4
Number of Organizations with Combined Structure on Competitive Markets	0	2	10	3
Number of Organizations with Combined Structure and Functional Knowledge Market	0	1	7	4
Number of Organizations with Combined Structure that Know Tools of Tacit Knowledge Sharing	0	0	2	1

[2]

#### V. CONCLUSION

Number of organizations that try to manage knowledge systemically is slowly increasing in the Czech Republic. More and more organizations decide to implement organizational structure that supports knowledge management. Huge inefficiencies are still in work with tacit knowledge. Majority of organizations, even though they understand its importance, do not know how to work with it.

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