

Chapter 4

Knowledge Management Approach as Business Model: Service Industry Prospective

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ABSTRACT

Knowledge management (KM) has been sprouting as one of the outstanding conversant factor strongly in trust, and trust is a critical precondition to knowledge learning and sharing management concepts (Mathew, 2008). The chapter intended to bring forward various KM strategies specially framed for the service industries looking forward for the global market and need to create advantage in providing customer satisfaction and enhancing the growth prospects, applications in organizations, indicate how to improve knowledge based performance and act a base for the service industry for developing innovation, creating global opportunities for better service. The case study highlighting knowledge strategies is designed to achieve the required knowledge sharing and output. Open-ended and closed-ended strategies plays a significant role in collaborative learning, development, building the potential and providing the knowledge creation and sharing capacities needed for strategic formulation and decision making to create competitiveness.

INTRODUCTION

Sharing of knowledge is extremely important that the organization should be encouraged through

various means and method enabling to depend on its own sources. Knowledge sharing within the organization enables the employers to share insight which help them to adopt appropriate faster and cost effective move towards the achievement of organizational goals. Organization exist due

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to people, process and profit which are the most essential elements guiding different terms like organizational growth, competitive advantage, and development. Some of the analysts believe that the information and technology are the key drivers for the today's business and plays a vital role affecting both individual and organization. Ages back, information has been extremely important that creates benefits to the organization. The organization looks for the information which can be used by the people, for the process to gain profit and advantage. Information system transformed to knowledge system in last decades where knowledge are the source for gaining advantages. Knowledge and its management is not just technology based but also have human factor. Information technology is a key driver for knowledge management (Soliman & Spooner, 2000).

Knowledge management has become an important area of focus for many organizations in order to be successful in today's business environment. There are many reasons for this; the foremost is the difficulty in establishing regular improvement system and loss of knowledge in an undertaking. Secondly, finding the cause and effect about the management process and finding business outcome. The number of steps required to show a connection to relate the knowledge management benefits and business outcomes can be highlighted as:

1. Need to be a strategy assessment with respect to knowledge management
2. Knowledge audit
3. Strategy needs to be aligned with the business strategy
4. Identify any gaps.
5. Searching new opportunities for knowledge programs
6. Build justification

BACKGROUND

Importance of KM Initiatives

The increasing globalization, efficiency in process, competitive advantage, organizational learning, and development of technology (Davenport & Prusak, 1998) has pressured to gain knowledge assets within the organization for improving its system. It has been said knowledge has become the key economic resource and the dominant source of competitive advantage (Drucker, 1995). Salleh and Goh's (2002) defined knowledge management as process of leveraging knowledge as means of achieving innovation in process and products/services, effective decision-making, and organizational adaptation to the market for creating business value and generating a competitive advantage to organizations. If the above statement is true, then it is extremely important that an efficient knowledge-intensive process must be established to meet the demands of improved enterprise performance (Quinn et al., 1996).

'Knowledge' is considered to possess key properties like experience, truth and decision making, and is typically associated with so-called knowledge-intensive firms (Alvesson, 1995, p. 6). Sharing of knowledge is considered as the most important in KM process. Effective flow of knowledge is only possible through the people through appropriate technology and mutual understanding (Egan, 2003; Geraint, 1998). People remain vital in the knowledge sharing and because lack of these factor knowledge management initiatives fail (Carter & Scarborough, 2001). Knowledge based business establishment tries to create a knowledge culture where learning through various methods has been established. The people and technology are combined to share and flow of knowledge. KM is dependent directly on people and at some percent on technology. Knowledge officers play a major role in contribution of knowledge process and determine the knowledge flow. Hislop (2003); Greengard (1998b) recommended

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