

Chapter 8

Knowledge Dynamics in Supply Chain Management

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ABSTRACT

The main purpose of this paper is to examine usage and peculiarities of knowledge management in supply chain. The paper first emphasizes the role and importance of knowledge management in contemporary organizations and heightened need for management of knowledge in organizations. In nowadays business environment, there is an intensive collaboration between organizations outside their boundaries and where supply chains are becoming important element, knowledge management represent an important tool for knowledge application process among supply chain partners. The paper examines usage of knowledge in frame of supply chain and outline potentials and possible drawbacks of knowledge utilization in supply chain. Results reveal that knowledge management is not among top used management practices worldwide and well-developed areas, like North America and well-developed parts of Europe, while knowledge management is higher ranked in emerging economies from Central and East Europe (i.e., Slovenia and Croatia) than other areas, like North America, Latin America, well-developed part of Europe.

INTRODUCTION

Knowledge management and especially knowledge application process plays an important role in organizations for a long time, although its importance has been clearly emphasized and established through the concept of learning organization (Senge et al., 1994). Simple definition describes learning organization as an organization in which everyone is engaged in identifying and solving problems, enabling the organization to continuously improve its performance (Daft, 2000). Recently becomes evident, that for

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the realization of aims of learning organization, there is increased need for knowledge application. Simple definition defines knowledge management as the process which involves the acquisition, integration, protection, innovation and dissemination of knowledge at every level of the organization, with the aim to help organization to respond rapidly to changing environment (Yang et al., 2013).

The conception of the knowledge management in the academic society was started to be analyzed since the end of 1980 and there are submitting opinions of various scientists about the start of knowledge management's discipline. Some scientists have stated that knowledge management is not a new concept – just systematized newly and is supporting by new methods, measures, technologies. Authors, who accept this opinion, say that the knowledge management history starts in the ancient civilizations – the first manifestations of knowledge management, such as knowledge notation, saving and using, appeared three thousand years ago, when the cuneiform was starting to use. Despite the long history of the development of knowledge management, the knowledge management is the science and training discipline which is still in the formation process, is the inter-dimensional and multi-disciplinary concept, involving the most activities of organization (Wilson, 2002; Becerra-Fernandez et al., 2004; Chen et al., 2005; Jashapara, 2005; Ruževičius, 2005; Atkočiūnienė, 2006; Zalieckaitė & Mikalauskienė, 2007; Kebede, 2010; Raudeliūnienė, 2012). The importance of knowledge management in organizations has been heightening in recent years very steadily, which is reflected in various knowledge management practices applied worldwide (Dwivedi & Butcher, 2009; Klafke et al., 2016)

The knowledge management as a discipline satisfies challenges of knowledge economy, knowledge creation, use and spread. The effective knowledge use is becoming crucial in the dynamic environment by the economic, social development, when it is important to make reasoned decisions connected with a knowledge and creation of its products, effective development to create and safe the uniqueness of organization's implemental activity.

Scientists have stressed that knowledge management, as a separate theoretic conception, is one of the newest management paradigms and researches objective (Sutherland & Canwell, 2004; Van Assen et al., 2009). The knowledge management is very relevant for the knowledge economy which becoming prevalent and dictating new rules to organizations.

In that framework importance of knowledge management should be also considered beyond organizational boundaries, due to the intensive collaboration of organization outside their boundaries, which reflect in numerous supply chains in contemporary business environment (Simchi-Levi et al., 2009; Christopher, 2011; Myerson, 2012).

In the times, when the boundaries between organizations are more and more blurred, increased globalization and more collaborative relationships between organizations are established. In that framework, every organization nowadays is a part of one or more supply chain (Christopher, 2011; Myerson, 2012). A simple definition defines supply chain as integrity of all parties involved, directly or indirectly, in fulfilling a customer's needs. The supply chain includes suppliers, manufacturers, customers, distributors, warehouses, retailers (Chopra & Meindl, 2013, p. 13).

Each organization tries to apply the necessary knowledge on the suitable time and in the most convenient way that it could satisfy needs of organization's partners and customers more effectively and create supply chain value. So the importance of knowledge application process is based on effective existing knowledge use to solve problems, to manage processed of supply chain and to create appropriate work environment for knowledge use. The knowledge application process is describing as a stage of knowledge management realization when the knowledge is transforming into the specific supply chain results.

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