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KNOWLEDGE – INDISPENSABLE RESOURCE OF MODERN COMPANY

Abstract: *In the new era of business market where only changes are constant and everything else is unpredictable, only those companies that are ready for the challenges, changes and accepting continuous knowledge are able to survive. The fact is that inflexible companies as well as knowledge resistant does not have opportunity to develop or survive at all. Main purpose of this paper is to point directly to those that are willing to accept new, modern concepts of knowledge. Those ones are ready for long term learning, they are aware of importance and they see advantage over the competitors.*

Keywords: *knowledge, company, modern company*

1. INTRODUCTION

Companies that are present at today's market are surrounded by very strong competitors, well-developed distribution channels, and there is goods/services more than needed. In order to survive in such an environment it is not enough to be an average, should strive for the top in order to achieve business excellence.

Of course you have to have knowledge to survive this environment, and to know how to prepare the plans, strategies, objectives, and at the end to make the right decisions in implementation.

Let's look at the company as a living organism that is constantly changing, growing, and developing. As well as in the business, life of company is going through constant changes, and inside of the company dynamic business process is taking place.

Modern organizations must be aware of the current situation. If it is willing to survive and continue business it must be adjusted to the changes.

The changes include the various stages that the company undergoes. Each

phase of company-life has its own significance for company in the way of work, organization and management, and each phase needs manager of special features. Hence, we can conclude that the overall company must go under the changes.

Applying the concept of knowledge presents a challenge for some companies but for others, it is uncertainty and discomfort and also there can be resistance among employees. That mostly happens in traditionally oriented companies, as well as in state institutions where it is very hard to implement something new.

This paper aims to propose, present the advantages brought by application of modern tools and knowledge concept all in order to improve business excellence of modern company.

2. KNOWLEDGE

2.1 Historical overview

In this part of paper author will present firstly the overview of fundamental changes that human civilization has passed

through. Explanation that is given below is pointing to the three waves of human civilization according to Toffler [1].

The first one has started when man has abandoned a life of nomadic hunting and gathering to agriculture between 8 and 10 thousand years ago. The second transition was so called industrial age, launched by mechanical inventions in Europe in the eighteenth and nineteenth centuries. And the third one (now in progress) is the advent of the so called "Information Age". Different authors are using variety of terms and have other ways of describing this phenomenon. For instance, Daniel Bell described it as the "post-industrial society," on the other side Zbigniew Brzezinski coined the term "techno-tronic" era, while others refer to it as the Information Age.

No matter what we call it, it has the potential to change society as profoundly as the invention of agriculture and industry did in previous eras. Basically, it's related to the invention of the computer, a

breakthrough that earlier futurists had not anticipated [2].

If we look the positive side, the Information Age could be very liberating, by freeing people from menial mental tasks and unfolding a world of human knowledge, contacts and experiences via electronic means. So we can conclude it has been developed to help, simplify, and facilitate.

Aim of Table 1 is to point and give some overview of technical and technological changes in the form of technological revolutions that have marked today's civilization.

It is quite reasonable to expect that the 5th revolution will create the basic reference for a new, more modern and progressive, the sixth technological revolution.

In this today's information economy, knowledge is main factor that simultaneously creates a new, value-added but the new kind of knowledge as well.

Table 1. Technological revolution era

<i>Each revolution</i>	<i>Characteristic</i>	<i>Importance</i>	<i>In focus are</i>
1 th	The appearance of steam, generating machine, steamships, railroads	Animal and human physical labor	
2 th	The appearance of electricity	Electronics, machinery, assembly line, telephone, radio, automobile, airplane	experts
3 th	computers, microprocessors, rockets, televisions, robots	Faster/better communication, information flow, bases for future development	IT specialists
4 th	The first appearance of atomic fusion, biochips, artificial materials, biotechnology, genetic engineering	Speeding the development of technology, the appearance of nanotechnology, robotization	scientists, researchers
5 th	Based on the development and achievements of previous technological revolution; where it certainly will take a place in 21 st century; and in the focus should be teams of scientists and researchers		

Focus is no longer availability of capital but of information. In this context, the new economy is a knowledge-based economy, high technology, developed infrastructure with information and ideas, and innovation as the most important source of improving living standards and creating jobs.

If we understand the increasing competition in the global market, developing new technologies can play an important role in the economy of any country, and that is why it is necessary to have a good education and high quality research and professional staff that will be able to apply scientific discoveries to develop or implement new ones, either to be able to recognize and convey other people's discoveries.

2.1. A few basic definitions

According to Russell Ackoff the

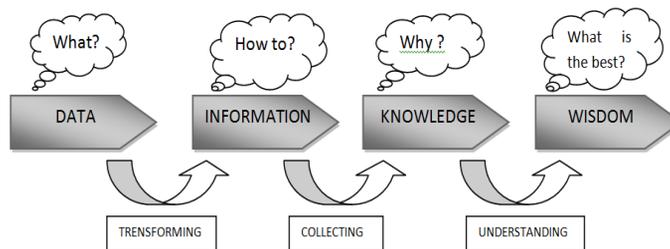


Figure 2. Hierarchy from data to wisdom

The difference between understanding and knowledge is the difference between "learning" and "memorizing". The last one is wisdom, at the top of the piramide. Wisdome is something that machines could never achieve, since it is a state of mind, demands soul simply said it is dedicated only to humans.

It helps people to distinguish right from wrong side.

The Figure 2 points the order from data as basic to the wisdom that is ultimate state.

content of the human mind can be classified into five categories [2, 3]:

- 1) **Data**
- 2) **Information**
- 3) **Knowledge**
- 4) **Understanding**
- 5) **Wisdom**

Data is "raw material", unorganized and unimproved. It simply exists and has no significance beyond its existence . It can exist in many forms, usable or not. It does not have meaning of itself.

Information is actually data that has been given meaning by way of relational connection.

Knowledge is the appropriate collection of information. It is determined. The result of simplify memorizing is collected knowledge but accumulated one with no order or systematization. Completely opposite – understanding is cognitive and analytical process.

3. PROBLEM STATEMENT

The question is how the above explained hierarchy of data, information, knowledge, understanding and at last wisdom to make useful in modern organization where the business environment and demands are as already explained (unprediscatable, tricky, full of constant changes). How to become aware of significance of implementing such a tool as knowledge management in mind of employee? How to "know how" and when

is the perfect moment for the company?

4. KNOWLEDGE IN MODERN COMPANY

During the period of industrialization, people knowledge was adopted to orders, current processes and products; and the main role of knowledge was in function of increasing the productivity of human labor. That was valueable in the period of mass production and when it was easy for “products to find buyer’s”. However, today’s market policy has been completely changed; competitive advantage is no longer quantity, but quality. A high-quality products consists of not just raw material but knowledge too, all in order of added value. So, therefore information becomes very important companies` resource, and ICT is becoming the underlying infrastructure for the same.

Advantage of modern company is not only saving knowledge, but creating the new one as well.

4.1. Knowledge Flow in (into) company

Here is proposed Figure 3 that aims to present a few flows of knowledge in (into) the company.

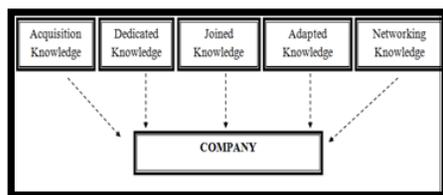


Figure 3. Knowledge Flow

- 1) **Acquisition Knowledge** is coming from customer`s side by ordering. By collecting orders company can, see what are customers needs, demands or suggestions . What is the trend of certain products or services and in which direction to align the

organization in order to achieve the highest possible customer satisfaction

- 2) **Dedicated Knowledge** is actually a segment of a company, that is responsible for creating new knowledge; it has resources intended for internal knowledge management.
- 3) **Joined Knowledge** is when one company buys another and they bind together`s knowledge and recources into one in aim of creating new knowledge.
- 4) **Adapted Knowledge** – in the process of creation of the organization there are the many changes that the organization needs to adapt in order to survive. In such process company acquires a lot of knowledge regarding the structure of the organization, starting to the markets in which the organization participates ect.
- 5) **Networking Knowlwdge** - involves connecting two or more knowledge sectors inside the organization e.g. creating a database that will be used simultaneously purchasing and production company with the intention that the data are valid and timely updated.

Modern company that is ready to share knowledge does it

- Inside the company (between different sectors, people, employees).
- In customer relation (educate customers how to grow sales, use the products ect.).
- Outside the company (in relationship with Universities, where the aim is to share knowledge with beginners, future entrepreneurs).

4.2. Competences in modern company

Knowledge based company possesses new competences those competences can be divided into 3 groups.

Competences that help us learning from information.

Sourcing means where to look for information and how to search

Questioning means transforming data into information, but to insure to get the right answer; knowing the question is a half way

Sensibility being capable for new informations; it is listening of opened mind, observation and experiencing

Competences that help us improve Thinking.

Analyticity is developing Competence that is based on logic, system thinking and mental forming. that is rational approach to thinking

Creation allows free movement of mind.

Reflection is capability of comparing and thinking about learned as well as developing of self-reflection.

Social competences that help us to establish a better relationship with the world around us.

Networking is vital, it helps creating closed circle where it is easy to find information

Team work is helping in developing abilities for cooperation and knowledge exchange.

Dialogue is ability of releasing of self mind, carefully consideration of all arguments, with no attempt of imposition self opinion or ideas.

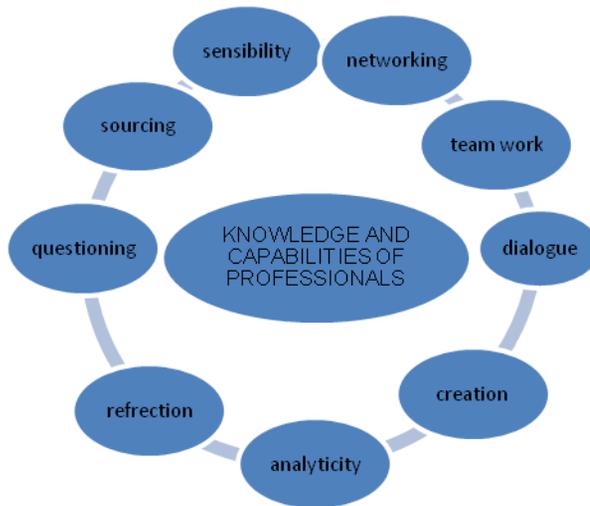


Figure 4. Competences in KB company

4.3 Possible Problems

Since changing of organizational culture in terms of knowledge sharing could be difficult process accompanied by many potential problems, some of them will be presented in this part of paper as well as ways of overcoming ones.

There is no adequate appreciation or award when you share knowledge.

Employees have attitude of competitors between themselves (colleagues), so they don't share knowledge because they feel they are losing. They think that if they share the idea, it would reduce the chance of getting advantage over the colleagues. Another problem is fear of accepting others ideas, because there could be misunderstanding or unexpectedly becoming dependent on others. There is

also potential culture disagreement that can slow, delay or disable transfer of knowledge. Those are:

- Lack of confidence
- Different culture, language
- Lack of time and place for meeting
- Status and recognition to knowledge owners
- Lack of absorption capacity of recipient of knowledge
- The belief that knowledge is privilege of certain groups intolerance of mistakes and help needs ([4],[5]).

4.4 How to overcome problems

Leaders, managers, and owners must act together with same aim e.g. to form such a climate in the company where employees are going to look forward to share knowledge. It is very important to build a team working people, where sharing ideas, knowledge is everyday process. Above all, is the importance of constant review, and wish to improve, support employees to take a part in all activities that encourage sharing knowledge as well. If the company wants to give a business reply to all challenges in environment it has to have:

- High level of autonomy of individuals
- Respecting skills, knowledge and talent;
- Reduction of bureaucratic behavior;
- Rewarding active knowledge sharing;
- Supporting communication and coordination between individuals, and in or between other parts of groups or teams.
- Building a climate of trusting and respecting.

So as already told, company must motivate all human resources regarding to accomplish its goals. Those methods must be very carefully selected, depends of man's profile, whether it will be money, awards or something else.

5. MOTIVATION IN MODERN COMPANY

According to Blomgren, "motivation and ability without direction is equal to incompetence with energy".

People are aware of motivation influence in certain company, but still there is no integrated developed framework.

Basically, there are two main types of motivation.

The first one is extrinsic motivation based on external incentive that is salary, advancement, awards ect.

The second one is intrinsic, that is motivation based on internal drivers as commitment and evaluation of work. Motivation is closely related to wishes of employee, strivings, aims, successes and actions. Here is proposed Figure 5 with aim to present that motivation is much more than salary in today's business environment.

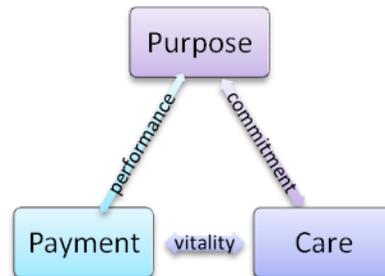


Figure 5. Motivation - More than salary

In modern firm, payment is no more key motivation; employees are mostly motivated by opportunities for getting meaningful work, getting care by the firm and combining with fair share of the profits.

6. CONCLUSION

The era of knowledge has already begun. It is very important that flow of knowledge is undisturbed and continuous.

Only those companies that are ready for new aspects, accepting knowledge on all organization levels could survive. They must review all the activities and processes, improve the business and create new knowledge as well, all with aim of getting new added value to a be prosperous.

The faster and more effectively the company share ideas, the better it can

- make product,
- serve customers
- build a committed team of employees earn profits

Knowledge based company must keep competitiveness as advantage by keeping employee, make their motivation stronger, improving systems of award.

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