

Knowledge management as an element of competitive advantage

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ABSTRACT: The power of knowledge has long been recognized, both socially and in business. Through knowledge man evolved into history and managed to prosper. Today, knowledge, as a business resource, is considered a critical factor for success. This is because the modern business world is characterized by globalization and intense competition where everything is judged in detail. Thus, pioneers and innovators are those companies that possess, produce and utilize knowledge. In other words, knowledge management, today, in any form of organization, is considered a factor in achieving a competitive advantage. The following analysis focuses on the concept of knowledge management and its methods as a process that adds value to what an organization produces.

Keywords: Knowledge Management, Competitive Advantage, Knowledge

ones. The treatment of knowledge as such an element and the intensification of its exploitation have led economic subjects to speak of a "knowledge economy". With this wording in mind, it is appropriate to further define the content of the terms "knowledge" and "knowledge economy". Philosophically referring to knowledge we describe it as a "reasoned right belief" [2]. However, this definition introduces restrictions due to the risk that this belief is wrong. Some try to this day to discover knowledge as an absolute and unadulterated spiritual quantity. The methods that have been found so far involve logic on the one hand and memory and verified memory on the other. With this reasoning, knowledge can be acquired, either through productive logic with recourse to concepts, laws and theories, or inductively from specific sensory experiences [3].

I. INTRODUCTION

Every business gathers resources, in whatever quantity and quality it can, in order to produce products or offer services that will be as useful as possible for consumers. What is produced is the combination of materials, but also the know-how and skills that people possess. Traditionally, basic resources are defined as material and human. Now, however, with the vertical and continuous dissemination of information, a resource for businesses tends to be recognized and the knowledge factor. Knowledge is a broader concept than information, as it encompasses personal experience and even human emotion. At the organizational level, knowledge is the set of knowledge possessed by the people who make it up. The management of this knowledge is judged by many scholars that it can determine the course of a business, but also offer it a competitive advantage. Knowledge has now become a key factor in business performance and performance. The Industrial Revolution changed the mix of use of key factors of production, land, labor, and capital. What we need today is to respond quickly to the fourth factor of production [1]. It is an asset of every economic entity alongside the traditional

II. THE UTILIZATION OF KNOWLEDGE CAPITAL IN THE PRESENT ERA

Considering knowledge as something tangible, we must realize that its conquest cannot be easily achieved, either through production or the market. Transforming information into knowledge presupposes a combination of interacting data and events. The difficulty of shaping data - information as knowledge is a barrier to entry into development and this barrier to entry, in turn, helps to create the value gained from knowledge. The process of transforming each new information and data into knowledge is inextricably linked to the experiences, experiences and institutionalized values of the actor. These factors, even in the mental-psychological field of human intuition, act as a catalyst at the moment of its formation and its incorporation into its worldview. It follows from the above that knowledge is closely linked to know-how and understanding. In the business world it exists and is integrated not only in documents, but also in organizational habits, practices and rules [4]. This culture of knowledge and management is acquired by the employee and can be transferred to competing organizations

unless bound by confidentiality agreements. This situation is also a deterrent for other companies that are afraid to store organizational knowledge (explicit knowledge) for fear of leaking information [5].

Transformed information into acquired knowledge sets a specific context in which the individual desires, makes choices, sets goals, predicts, perceives events, winds up in an ever-changing world, and evolves according to his or her needs and goals. We conclude, therefore, that people's knowledge greatly affects the security, efficiency, comfort and satisfaction with which the goals of an individual or an organization are formed and achieved. The knowledge that helps the individual to interpret the situations plays the same important role in the human perception as the data received through the senses. Internalization is the process of integrating explicit knowledge into implicit and is linked to the theory of "learning by doing" [5].

Knowledge has become a protagonist in human progress in the historical becoming, giving the necessary supplies to the culture to evolve through the innovation of invisible and visible protagonists. The rapid progress of state-of-the-art technology in the globalized economy of the present century, in the century of knowledge, after over-intensifying every other factor of the production process and chain, returned to the fundamentals. In knowledge. The second industrial revolution taking place in developed countries has knowledge as its raw material. It is again, obviously, becoming a key lever in business competitiveness by profoundly reshaping the patterns of global economic growth and activity. Translating knowledge into action requires commitment to the concept of change, which is fueled by the kind of knowledge and innovation that contribute decisively to gaining a competitive advantage [6]. Those societies that use people with knowledge, but also the available systems of recognition, identification, preservation and management will cope with this new era, but will also create value and wealth.

III. TRANSMISSION OF KNOWLEDGE THROUGH INFORMATION TECHNOLOGIES

The past twenty years have been marked by the almost universal introduction and widespread and rapid use of information technologies in every part of economic activity. This influence makes it unthinkable today to think of business processes in which there is no degree of involvement and use of information technologies.

The exponential development of these technologies and their application with the participation of people from all over the world have made a significant contribution to culture and the world economy [4]. The degree of penetration and assimilation of communication and information technologies, both by people of higher education and perception, and by the ordinary everyday person - average user is now self-evident and at the same time unthinkable a world without high technology

Developments in technology and especially information systems have required huge investments in the field of knowledge as well. From the stage of simple storage and hoarding of knowledge, advanced economies have started to intensify codification in order to make it easier to exploit this peculiar "capital" of economic organizations. Everything is coded, simple information or already transformed knowledge is stored and is accessible by anyone who is in the mood to look for it first. A positive element of this new situation in human history is the relatively low cost. This reality brings us back to the question of the distinction of knowledge. The balance between coded and implicit knowledge has been radically altered in the total stock of knowledge [7].

In business, they shift their interest from information raw material to information, transforming it into knowledge and leveraging it for profit at an accelerating rate. This entails the will of financial institutions to require highly skilled human resources, which will become an operator and knowledge of information technologies. Of course, we must keep in mind that access to and use of knowledge goes deeper than a simple click on the Internet or the opening of digital television. In addition, the face of technology itself has become more human. Both machines and software are so user-friendly that they could very well be considered real extensions of the human mind. Knowledge management never ends, it requires a special contract between those involved and we must not forget that technology - knowledge management - does not replace human communication [5].

In addition, organizations with state-of-the-art technologies and information systems have been created to act as repositories and as traders and suppliers of information as a product and knowledge as a recombinant improved product event. The gigantism of these organizations and their full specialization in this field reduces the time of acquisition, recognition, coding and therefore the cost of knowledge management. A natural consequence is the dramatic drop in the cost

of disseminating it to client organizations and the increase in productivity since on the one hand the knowledge resource is often already ready for use, therefore higher productivity and freeing time and money to the financial organization for new activities. This is especially true for organizations and institutions that are actively involved in the production, use and distribution of knowledge such as education, research, development, but also businesses as "learning" organizations [8].

IV. KNOWLEDGE MANAGEMENT AS A COMPETITIVE ADVANTAGE

Knowledge management, as a field of study, has existed for more than 30 years. It has gone beyond academic theory to an essential component of organizational life. Gradually, knowledge acquires a central role in the strategy of companies, even those that are not considered knowledge-based. This change of mentality results in the emergence of the field of knowledge management as a distinct pole within the administrative hierarchy of the Organizations. USA. are an example of a change of perspective with a growing percentage of companies appointing executives on this issue. Even the public sector in the country has been moving in this direction since 1996 with the appointment of information directors.

Knowledge management meticulously distinguishes between knowledge and information, noting that not all information is knowledge and that not all knowledge is valuable. It starts with the aspirations of companies and their purposes, going through the processes, where the need for sharing information is highlighted. It is understood in this way that it did not emerge as a size today and is not the product of technology. Knowledge management is not a product or a software. Access to the right information for the business potential to facilitate them to make decisions quickly shapes in our minds the concept of knowledge management as information flow management.

This new idea in business thinking and practice is that the knowledge of the people of an organization is its most valuable resource. The response of a business entity to the challenges it faces on a daily basis and its effective operation also depend on the knowledge factor. The applicant is the possibility of the potential of an Organization to create new knowledge, its distribution in its various units and factors, the best practice of its use at the right time. Generally speaking the transformation of the business environment from

just the intensity of capital and only the intensity of labor to a creative mix of the two: the intensity of knowledge. Creating a knowledge environment usually requires changing organizational values and culture, changing people's behaviors and ways of working, and providing easy access to information resources [9]. In essence, we are not dealing with the creation of a new department within the company or the introduction of a new information system. We respond to the need for minor changes in the way employees work and respond.

The deliberate and with a specific methodology coordination of human resources, processes and organizational structure but also the technological infrastructure in order to add value through reuse and innovation in the final product shape in our reasoning the knowledge management. This coordination is achieved through the creation, exchange and application of knowledge, as well as through the promotion of valuable lessons and best practices in corporate memory, in order to promote continuous organizational learning [10].

The process of knowledge management is essentially a sequence of application of many other sub-processes involved. These are the creation, storage, transfer, recall, retrieval and application of knowledge. It is natural in an organization for the factors of production to participate simultaneously and simultaneously in many such sequences of processes that manage knowledge. Therefore the function of management is not something static but is perceptually diverse, dynamically changing and constantly evolving and appearing. To put it another way: the complexity, resource requirements, and underlying tools and approaches of knowledge management processes vary depending on the type, scope, and characteristics of knowledge management processes [11].

V. THE GROWING VALUE OF KNOWLEDGE MANAGEMENT

Increasingly in today's knowledge economy the ability to manage it is becoming vital. Competitiveness has made the creation and dissemination of knowledge a higher priority. At an increasing rate, knowledge is considered a valuable element that is integrated into products, especially high-tech products, and into the tacit knowledge of highly mobile workers [11]. Organizations use teamwork to integrate new staff into their own production process and to exploit their non-verbal knowledge. Through this aspect of the productive process, inexperienced employees are confronted with a wealth of knowledge, the property of most experienced and trained employees. The importance of teamwork for knowledge

management increases further because it helps the integration of multidisciplinary knowledge, facilitating the acquisition and use of knowledge [3].

Today, the creation and application of new knowledge is essential for the survival of almost all businesses for a variety of reasons [12]. Economic activity has moved from the stage of traditional processing materials to the formation of intangible products, such as ideas, processes and information. Intangibles are gradually gaining an ever-increasing share of the market and world trade. What is now required for a radical presence of the Organizations in the business is the perpetual innovation with the knowledge to be constantly changed and to be constantly transformed and applied in the functional or productive processes. The vanguard of business today is innovation. The application of new knowledge is the only capable advantage in the competition of companies for their survival. In many Organizations the phenomenon occurs that there is a stock of knowledge but the knowledge management mechanism is not developed to support its recall at any time is necessary by any organizational unit regardless of geographical constraints. The result is the unnecessary need to develop and apply specialized knowledge again, employing unnecessary human and other resources. The devaluation of business knowledge is another reason for conquering new boundaries in its management. The rapid evolution of technology with new possibilities of communication and transfer of knowledge makes fifty percent of the occupied knowledge obsolete. Finally, knowledge exchange, which is an important business function, shares its place in business evaluation by learning knowledge productivity.

The value of knowledge management is directly related to the effectiveness with which managed knowledge allows members of a business to deal with current situations and to predict and shape their future [13]. The profitable development of an economic Organization depends on its ability to learn, the method of learning, that is, the utilization of acquired knowledge by reducing it to a matter that touches. This capability will make it flexible, so that it can implement its development plan and its stated goals. Therefore, knowledge management and learning processes in global business are emerging as fundamental elements of an Organization's development strategy.

The ability of an Organization to create a competent business framework for the creation and application of knowledge is inextricably linked to its success. An important role is played by the

ability to absorb talent, develop and retain it by creating and producing innovation, despite traditional efficiency indicators [14]. The human factor is related, both to the difficulty of creating knowledge in companies, and the difficulty of transporting and storing it, highlighting the specificity of these processes.

VI. CONCLUSIONS

Knowledge management is a relatively recent field of research and study that has clearly emerged more strongly and in particular from the technological advances of recent decades. This leap of computer systems dramatically and geometrically increased the volume of information moving, formed new perspectives and highlighted the importance of utilizing it for knowledge production.

More and more companies seem to be investing in knowledge today (especially in the era of coronavirus), as they realize that the greater the amount of knowledge their executives possess, the more competitive they are [15]. Human resources will again be the driving force, will be the perpetrator behind the perpetrator, behind Technology and its achievements in the process of adopting knowledge-intensive practices. The training combined with the experience of the people of the hotels will shape the final product will create conditions of profitability, sustainable development and innovation [8].

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