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Companies are increasingly investing in knowledge management projects. But knowledge management in companies is still quite limited. Knowledge management can help companies identify their inefficiencies in organizational processes, and subsequently recover them on an instantaneous basis which enables executives to prevent further operational risk.

THE QUESTION REMAINS. How can executives manage knowledge in organizations? With a clear understanding of knowledge management, executives can make more effective managerial decisions. Knowledge management has been evaluated from various perspectives. This variation may be differ because knowledge management is understood in many different ways and therefore different scholars focus on different aspects of it and offer several options of managerial application. These perspectives are discussed below.

Tech Perspective

Executives know that they can take a technological perspective. In this case, the executive understands how knowledge management as facilitating organizational processes and activities uses information technology to organize existing information. Executives have found that knowledge management embraces information technology to convert individual knowledge into valuable resources for their organization.

Executives focus on individuals as the major source of knowledge, and show how follower's ties together so that they can affect the sharing, storage, transfer, and apply knowledge within organizations. Executives, therefore, see these connections, and the related shared knowledge and memory, as central to the effectiveness of knowledge management.

Economic Perspective

Executives agree with Doyle McCarthy, who sees society as a product of knowledge. Defining culture as various forms of knowledge and symbols that make up an organizations culture. However, knowledge is a by-product of culture and knowledge's role in guiding and facilitating people's action is key to executive decision-making. Four scholars by the names of Bernard Marr, Oliver Gupta, Stephen Pike and Goran Roos define knowledge management as a set of activities and processes aimed at creating value through generating and applying intellectual capital.

Executives direct practices that create value from intangible organizational resources. For executives, it is clear that the objective of managing knowledge is to add value to organizations. The focus here is that executives consider the fact a firm's knowledge is positively associated with its outcomes.

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Process Perspective

The process perspective focuses on knowledge flows that executives use through embracing the processes of knowledge management for strategic management decision-making. Managing knowledge is not anything new, scholars have considered the various processes involved.

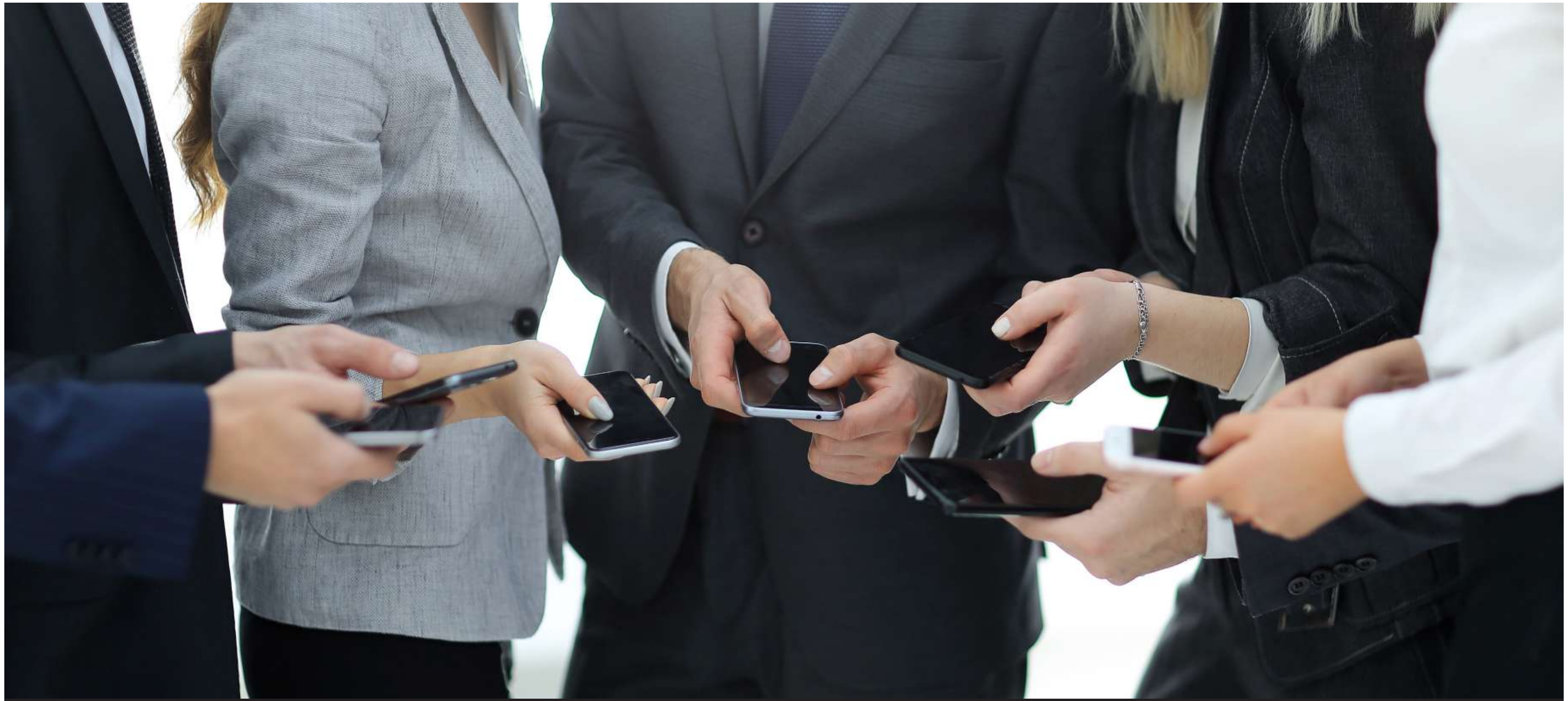
A good example of this, executives can look at three step processes of knowledge accumulation, integration, and reconfiguration. Jang-Hwan Lee and Young-Gul Kim's model for managing knowledge takes a strategic process oriented approach and is relevant to executive leadership.

Knowledge is firstly accumulated by acquiring this knowledge from external environments. The knowledge acquisition from external sources enhances the capabilities of executives to play the role of inspirational motivation, and enables executives to directly set highly desired expectations to recognize possible opportunities in the business environment. It also helps executives develop a more effective vision, including a more comprehensive array of information and insights about external environments.

Executives can inspire people to create new ideas and develop effective mechanisms to acquire knowledge from various sources such as suppliers, customers, business partners, and competitors. This is similar to a value-chain approach. Executives need to first support this approach for the model to work because they play a strategic role in expanding the knowledge accumulation through applying incentives as mechanisms to develop a more innovative climate and managing effective tools to acquire knowledge from external sources.

Executives then integrate knowledge internally to enhance the effectiveness and efficiencies in various systems and processes, as well as to be more responsive to market changes. Knowledge integration focuses on monitoring and evaluating knowledge management practices, coordinating experts, sharing knowledge and scanning the changes of knowledge requirements to keep the quality of their production or services in-line with market demand. Executives can promote knowledge integration by creating expert groups or steering committees to enhance knowledge quality and evaluate knowledge assets. Follower's diversity of skills and interpersonal relations that is based on trust and reciprocity can improve the performance of group cohesiveness.

In the knowledge integration, knowledge enters organizational processes and provides valuable contributions to products and services. Executives as leaders steering the organizational strategy facilitate this process, by undertaking initiatives that enhance dynamic relationships among employees and departments and improve knowledge transfer, thus enhancing the performance of employees and the implementation of effective changes to



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maintain the quality of products and services. Therefore, the burden of success when effective implementation of knowledge integration is concerned is heavily dependent on the capabilities of the organization's executives.

Executives must also curtail the knowledge within organizations. In doing this, knowledge needs to be reconfigured to meet environmental changes and new challenges and at the same time should not be leaked to the competition in any shape or form unless agreed upon by senior executives.

When executives agree to share knowledge with other organizations in the environment, knowledge is often difficult to share externally. One reason is that other organizations have too much pride to accept knowledge or are apprehensive to expose themselves to the competition. Therefore, executives may lack the required capabilities to interact with other organizations , or distrust sharing their knowledge. In addition, just the notion of creating an expert group or steering committee may be shortsighted because such groups may not have sufficient diversity to comprehend knowledge acquired from external sources.

Based upon these limitations whether natural or caused, networking with business partners is a key activity for companies to enhance knowledge exchange and it should not take an award to be the impetus to initiate interaction. Networking is a critical concern for executives in this process is developing alliances with partners in external environments. Executives and their expert groups and/or steering committees are the ones who can make final decisions about developing alliances with business partners.

Networking with external business partners may enhance performance, thereby developing a more effective vision incorporating various concerns and values of external business partners. Knowledge transference among business partners can also improve corporate learning, which enables executives to empower employees through creating new knowledge and better solutions. Therefore, if executives in senior positions effectively implement knowledge management then they may be able to improve performance at the organizational level through increased learning opportunities.

In Conclusion

Executives began to listen and respond to the plethora of information in the form of articles, books, and models attempting to provide knowledge management as an asset when competing with rivals. This article blends scholarly concepts with real world application and places a great deal of emphasis on the literature of knowledge management as a significant indicator for business success. It's a different approach and introduces a new and dynamic perspective of knowledge management by showing how executives can effectively create and disseminate organizational knowledge.

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