



## Knowledge Management and Organizational Competencies: A Harmonic Collaboration

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**Abstract:** *In today's organizations, use of knowledge management and development of competencies go hand in hand. For any type of organization, it is imperative that the competencies should not only be identified, but also cultivated and groomed. For this, there should be a proper and expert system for this whole process, which is commensurate with the pains being taken for the ergonomics of the organization. Knowledge Management leads the way in this direction. It has brought down a paradigm shift in the way this process was carried on.*

**Keywords:** *Competency Analysis, Information Technology, Knowledge Management, Knowledge Management Techniques, Organizational Competencies.*

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### I. INTRODUCTION

Knowledge is spread everywhere, from the deep crevices of human brain to paper documents and electronic/ magnetic media like disks. Every medium has a different way to codify and express knowledge. Knowledge Management is one umbrella which unifies knowledge collected from all the different media sources, and creates a system or network between the two main resources, the humans and the available technology. It is a scientific process that initiates its working by amassing knowledge (both tacit and explicit), filtering it, structuring or restructuring it, storing and finally disseminating it. The dissemination process of the already stored knowledge is again very crucial, as it should also be in such a manner that

- The access to knowledge is timely, accurate and easy.
- The accessed knowledge aids adequately in decision making, and
- The available knowledge facilitates in creation or generation of new knowledge.

In order to manage this intellectual asset, that every organization possesses, there is a dire need for managing the organizational competencies also, in the most optimized manner. Knowledge management and organizational competencies in a way harmonize each other. The better managed is the knowledge, the higher goes the graph for the efficient deployment of organizational competencies. Similarly, better employment of organizational competencies rewards the organization in effective knowledge management, thus resulting in fruitful decision making.

### II. COMPETENCE – THE FUNDAMENTALS

The issue that this paper addresses is that the knowledge management and organizational competencies complement each other. Knowledge management strategies are construed and endorsed by individuals in diverse organizations through individual competencies only. Competencies act like a bridge to connect the job requirements with the desired skill set (of an individual) through appropriate training, development and further research. Organizational goals are fulfilled and strategies are implemented satisfactorily through sharpening of competencies by way of using advanced Knowledge Management tools & techniques.

The term competency is derived from the Latin word “competere” which means “to be suitable”. *Competencies* are a set of clearly defined skills, behaviors and knowledge that are used to evaluate, assess and develop people [1]. According to

McClelland, competence is the knowledge, skills, traits, attitudes, self-concepts, values or motives directly related to job performance or important life outcomes and shown to differentiate between superior and average performers [2]. United Nations Industrial Development Organization (UNIDO) has defined competency in a very succinct way as a set of skills, related knowledge and attributes that allow an individual to perform a task or an activity within a specific function or job [3]. Within an organization, competency for an employee are well discussed by Sinnott et al [4], as, characteristic of an employee that contributes to successful job performance and achievement of organizational results. These include knowledge, skills, and attributes plus other characteristics such as values, motivation, initiative and self-control.

Skills are seen as 'knowledge representation formalism' for which we have to build a meta-processor supporting operations such as defining, evaluating, aggregating, distributing, matching and visualization of skills. The skill model and the described skills must be understood by all participating parties in the same way. This leads to the usage of taxonomies or ontologies and a common exchange format [5].

According to Cheetham and Chivers [6], overall, effective performance within an occupation may range from the basic level of proficiency to the highest levels of excellence. A competence consists of four main components, namely, knowledge/cognitive competence, functional competence, personal or behavioral competence and values/ethical competence. *Knowledge/cognitive competence* is defined as "the possession of appropriate work related knowledge and the ability to put this to effective use". *Functional competence* is defined as "the ability to perform a range of work based tasks effectively to produce specific outcomes". *Personal behavioral competence* is defined as "the ability to adopt appropriate, observable behaviours in work related situations". *Values/ethical competence* is defined as "the possession of appropriate personnel and professional values and the ability to make sound judgments based upon these in work related situations".

### III. COMPETENCY ANALYSIS IN ORGANIZATION

Competency analysis is indispensable for any organization because it helps in deciding the right combination of employee and job, which further enhances the productivity of the employee. Competency analysis is mainly a procedure which involves four steps. The first one is *workforce planning*. After this, follows the process of *sourcing, recruitment and selection*. *Career planning and development* is the third step and *performance management* is the last to follow.

Competency Analysis has use in:

- a) *Developing Competency Models* – the analysis helps in determining specifically which kinds of knowledge, abilities and other performance characteristics are critical for job success.
- b) *Performance Management* – it provides assistance for coaching and appraisal purposes.
- c) *Developing Learning Materials* – with information gained from the analysis, real-life cases, behavioural simulations, etc. can be developed that are not only relevant to the job but also have the significant impact on learning.
- d) *Developing Selection Guides* – detailed selection questions, etc. can be developed for target jobs.

The purpose of the competency movement needs to be defined in relation to work and with a focus on the efficiency of management learning. The dimensions included in this process are [7]:

- a) *Micro to Macro*: from the micro level (the individual); where they are defined, measured, applied and achieved at work through learning, all the way to the macro level (the HRM, organisational and the labour market) where the labour market and the vocational training system implement work in terms of competency philosophy.
- b) *Theoretical to Practical*: from the theoretical point of view that influences the ideas and its application to the practical points, where they implement these theories both at the micro and the macro levels.

According to Jürgen Dorn & Markus Pichlmair [5], the competencies consist of four components called knowledge, skill, attitude and capability. The levels of competency analysed are

- a) *Practical competency* (an employee's demonstrated ability to perform a set of tasks)
- b) *Foundational competency* (an employee's demonstrated understanding of what and why she/he is doing)
- c) *Reflexive competency* (an employee's ability to integrate actions with the understanding of the action so that she/he learns and adapts to the changes as and when they are required)

- d) *Applied competency* (an employee's demonstrated ability to perform a set of tasks with understanding and reflexivity)

The competencies are structured hierarchically and contain a differentiation between practical and theoretical competencies/knowledge. For each competency instance, exist two values estimating the strength of the theoretical and practical value. Evidences are necessary for computing the strength of a competency as well as achieving trust into certain claims. Learning objects are used to develop or improve competencies.

#### IV. KNOWLEDGE MANAGEMENT IN RESPECT TO ORGANIZATION

KM is a combination of data, information, experience, context, interpretation and reflection, and provides a more focused and coherent solution to an organization [7]. KM is a systematic, explicit and deliberate building, renewal and application of knowledge to maximize a firm's knowledge-related effectiveness and returns from its knowledge assets [8]. Salleh and Goh's [9] definition of KM states it is a 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.

Part of understanding and building up an organisation, is for the organisation to be able to interact within its environment and know how to create, distribute and manage information and knowledge, and innovation [10]. Polanyi argued that the individual's commitment is what makes them active in creating knowledge, therefore it is considered to be the most important element in promoting the formation of knowledge within the organization [11]. The knowledge involved in the competency concept can be considered to be either *explicit knowledge* – theoretical knowledge, environmental knowledge, procedural knowledge, formal know-how – or *tacit knowledge* – empirical knowledge (abilities), cognitive knowledge, knowing how to be (attitudes and behaviours) emotional resources, etc. [12].

Information technology has become the backbone to knowledge management. The working of an organization can be variedly categorized/segmented as per the requirements. For differentiated segments, a large number of knowledge management tools, techniques and applications are used, which multiplies efficiency and effectiveness. These could be ascribed (could be overlapped for the segments) as follows in Figure 1:

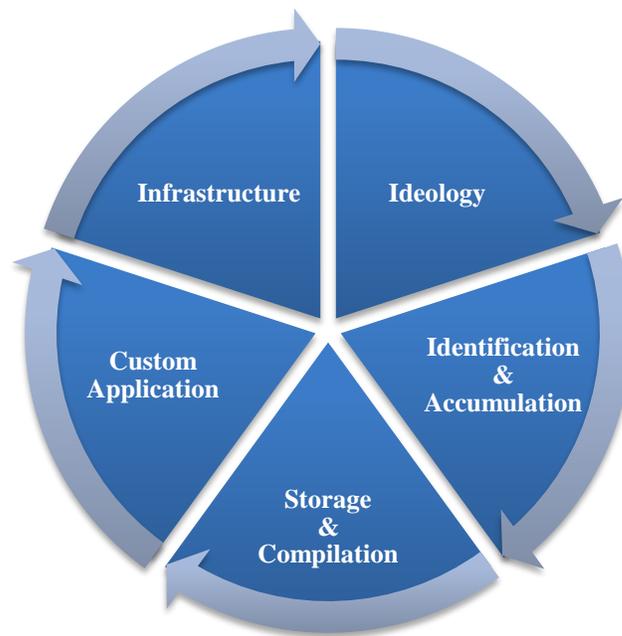


Figure 1: Knowledge Management Tools & Techniques used in an Organization

- a) *Infrastructure*: groupware, intranets, documents & summaries, knowledge management suites, knowledge maps  
b) *Ideology*: concept mapping, creativity tools

- c) *Identification & Accumulation*: search engines, data mining, intelligent agents
- d) *Storage & Compilation*: OLAP, data warehousing, metadata, XML
- e) *Custom Application*: expertise profiling, CRM, competitive intelligence

## **V. COMPETENCY DEVELOPMENT THROUGH KNOWLEDGE MANAGEMENT**

Hong and Stahle [13] describe the commonalities in competence and knowledge management's development: they both shifted their focus from documentation and identification to leverage and integration, and, finally, the generation of knowledge and competence.

On the organizational level, Competency based learning is carried out by human resource development activities. Staffing, learning, and performance management are therefore carried out around competence profiles to enhance the human resource potential [14].

Knowledge in an organization can be ascribed to the four main aspects which are described as under and also with figure 2:

### ***Organizational Culture & Environment –***

- 1. Environment should encourage informal networks
- 2. An ambience of mutual trust and empathy should be created
- 3. Freedom to knowledge sharing be encouraged
- 4. Easy access to help/advice be available
- 5. Coaching and mentoring should be promoted

### ***Organizational Knowledge Base –***

- 1. Adequate documentation and usage of reports
- 2. Work manuals be maintained
- 3. IT-based Databases be compulsorily used
- 4. Work related summarization be encouraged
- 5. Usage of Groupware & Knowledge maps

### ***Edifice of Organization –***

- 1. Limited hierarchies should be maintained
- 2. Inter-departmental communication be encouraged & rewarded
- 3. Channels of communication should be identified. Regular but informal monitoring of the channels should be carried out for further development and creation of new channels.

### ***Organizational Guidelines –***

- 1. Policies should be fostered for promoting and rewarding knowledge dissemination
- 2. Cross-functional teamwork be encouraged
- 3. Regular sharing & up gradation of organizational goals, objectives, and visions
- 4. Adequate autonomy for putting forward new initiatives or proposals for knowledge creation and sharing

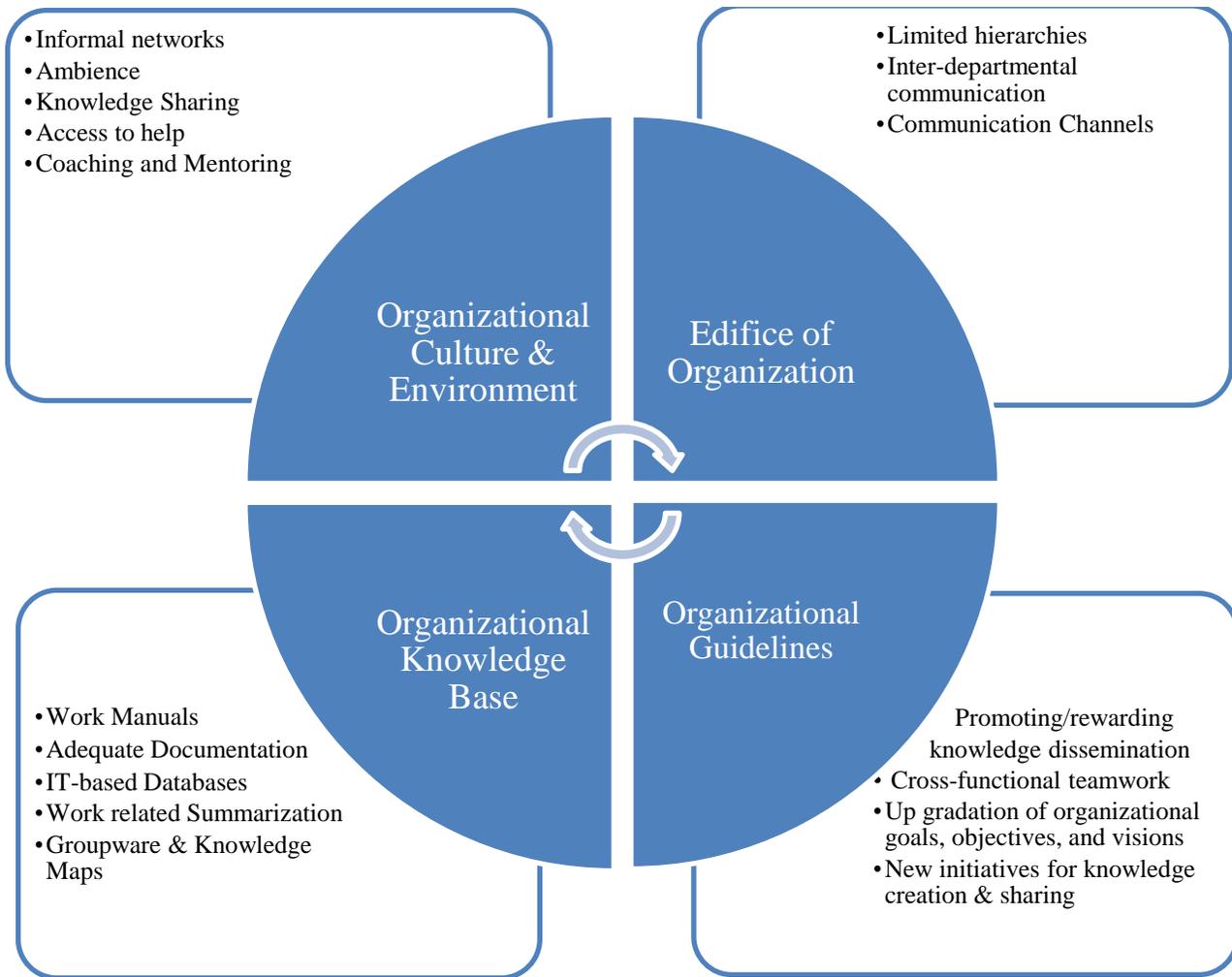


Figure 2: Organizational Aspects in reference to Knowledge

Knowledge management techniques for the following organizational competencies need to be developed and explored:

- a) *Knowledge Management techniques for competence recognition:* The most general technique is use of structured or unstructured interview techniques [15]. For the identification of new and formerly unidentified competencies, a goal oriented modelling may be envisioned, focusing on the mission or the objective to be achieved [16].
- b) *Knowledge Management techniques for acquiring competence:* With a set of available/possible learning resources, advanced e-learning system (with interrelated archives) should be designed, which should help the employees to decide and to plan his/her own learning [17].
- c) *Knowledge Management techniques for assessing competence:* Monitoring systems built within e-learning system modules which can detect any type of inconsistency and deviations and report and compile it in a structured way. A slight higher version to this could be development and implementation of customized expert systems.
- d) *Knowledge Management techniques for optimal utilization of competencies:* Coaching and mentoring with IT-based tools and work manuals would be the best practice for optimal utilization of organizational competencies. Besides, for new recruitments, the existing and regularly updated ontological setup will help to get the best outcome.

## VI. CONCLUSION

A good knowledge management programme is indispensable for the knowledge related processes, from inception to culmination. As KM is pivot to the development of personnel in any organisation through the required competencies, futuristic advancement in this field is always welcomed. Development of organisational competencies through knowledge management creates synergies that further assists in achieving organisational goals. If the activities are not associated or linked to the achievement of these goals, then it cannot be termed as knowledge management in its true essence.

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