

Harmonious Management Pattern of Knowledge Management

NIE Huiping^{[a],[b],*}

^[a] School of Business, Central South University, Changsha, 410083, China.

^[b] Hunan University of Arts and Science, Changde, 415000, China.

* Corresponding author.

Received 19 August 2012; accepted 27 November 2012

Abstract

As knowledge emerges as the primary strategic resource in the 21st century, many firms are beginning to introduce and implement knowledge management (KM). Organizations can benefit from its application for enhancing decision support, efficiency and innovation, thus helping them to realize their strategic mission. However, the previous works on KM mainly focused on the technological solution aspects and cause many examples of failure around the world. In this paper, harmonious management (HM) pattern of knowledge, which is the application of theory of HM to KM, is employed to analyze the cognition and reduction of uncertainty during the KM. It is concluded that, in order to promote KM to be effectively carried out, organization must attach same importance to person and material factor. Through constructing pattern of HM, it will eliminate and reduce the uncertainty and provide the feasible strategic framework for the KM beyond the previous dilemma of KM.

Key words: Knowledge; Knowledge management; Harmonious (Hexie) management

NIE Huiping (2012). Harmonious Management Pattern of Knowledge Management. *Management Science and Engineering*, 6(4), 42-46. Available from: <http://www.cscanada.net/index.php/mse/article/view/j.mse.1913035X20120604.ZR0042> DOI: <http://dx.doi.org/10.3968/j.mse.1913035X20120604.ZR0042>

INTRODUCTION

As knowledge is taking on an important strategic role (LIAO, 2003), numerous companies are expecting their knowledge management (KM) to be performed effectively in order to leverage and transform the knowledge into competitive advantages. According to Kamara, Anumba, and Carrillo (2002), KM is the organizational optimization of knowledge to achieve enhanced performance through the use of various methods and techniques. Also, KM is a systemic way to manage knowledge in the organizationally specified process of acquiring, organizing and communicating knowledge (Benbya, Passiante, & Belbaly, 2004).

Although successful KM cases have been widely reported, such as Microsoft, Samsung (Bong, Lee, & Gil, 2004), many examples of failure have also occurred around the world. Because of the tremendous growth in knowledge-based expert systems, the previous works on KM mainly focused on the technological solution aspects (Kamara *et al.*, 2002). But nowadays, it is demonstrated that the successful knowledge management projects do not result from the implementation of information system alone (Stewart, 1997). Many influential elements determine the success of KM implementation. The elements that require consideration include not only IT issues, but also organizational culture and harmony, human relationships, and many others (Bloodgood & Salisbury, 2001).

This paper includes four parts: (1) An overview of Knowledge and Knowledge management (KM); (2) Theory of harmonious management (HM); (3) Harmonious management pattern of knowledge management and (4) Conclusion. The aim of it will be to analyze an application of theory of harmonious management in knowledge management, which will offer a useful framework for KM.

1. AN OVERVIEW OF KNOWLEDGE AND KNOWLEDGE MANAGEMENT

1.1 The Nature of Knowledge

Orange *et al.* (2000) describe knowledge as the product of learning, which is personal to individual. Knowledge has the ability to utilize information and to influence decisions (Watson, 1999), as well as has the capability to act effectively (Benbya *et al.*, 2004). The power of knowledge is a very important resource for learning new things, solving problems, and creating core competencies (LIAO, 2003). However, for knowledge to make this contribution, it needs to be converted into competencies (Johannessen & Olsen, 2003). There are some peculiar characteristics of knowledge, such as: It is intangible and difficult to measure, discretion and carrier-dependence. Regarding the category of knowledge, the most frequently used distinction is tacit versus explicit knowledge (Roos, R. & Roos, J., 1997). Explicit knowledge bases in data and is converted into information; by contrast, tacit knowledge bases in practice and experience (Johannessen & Olsen, 2003). According to Nonaka and Konno (1998), explicit knowledge can be expressed in words and numbers; whereas tacit knowledge includes subjective insights, intuitions, and hunches, is highly personal and hard to formalize. As Nonaka (1994) indicates, organizational knowledge is created by a continuous dialogue between tacit and explicit knowledge. Hence, LIAO (2002) argues that it is necessary to update and share knowledge in order to conquer the problem of knowledge inertia. So, how to manage knowledge will be crucial to the problem.

1.2 Knowledge Management

It was established from literature that KM refers to the organisational optimisation of knowledge to achieve enhanced performance, increased value, competitive advantage, and return on investment, through the use of various tools, processes, methods and techniques (Snowden, 1999). KM also involves the management of individual and collective knowledge within the context of organisations, and requires an appropriate infrastructure, info structure, and info culture (Pan & Scarbrough, 1999). Thus, the actual practice of KM is likely to reflect the experience and intentions of individual organisations (context), and on the understanding of the meaning of knowledge (content) (Scarbrough & Swan, 1999). Jiewang CHU (2006) argues that (1) KM depends on knowledge and person to hold knowledge; (2) KM is technology, measure and also a new important management thought; (3) KM attaches importance on spiritual stimulation and (4) KM is a compound of information management and human resource management. The knowledge share and innovation base on knowledge contract and cooperation. In order to improve these KM initiatives and link them to business strategy, Maier and Remus (2003) suggest

a process-oriented knowledge management approach to bridge the gap between human- and technology-oriented KM. Because the complicated characteristics of knowledge and KM, approaches that are purely based on information technology (IT) are bound to be less than successful. Therefore, we must apply another solution aspect to manage knowledge.

2. THEORY OF HARMONIOUS MANAGEMENT

The theory of harmonious management (HM) is the application and development of harmonious theory to the management field, the main concern of which is how to achieve harmony in the all subsystem so that can get harmonious purpose as a whole (XI *et al.*, 2001). The gist of HM is that organization aims at harmonious theme recognizing and resolves problems by optimizing material factor and reducing uncertainty in changeable environment. The harmonious theme means, "a key organizational problem is made by the interaction process between person and material factor in special environment". Directed by the new methodology, the basis of the harmonious management will originate from three main hypotheses and auxiliary hypothesis, such as "person is ultimate source of uncertain factor in management action"; "the uncertainty of material factor can be recognized and controlled ultimately within person cognition". Based on the premises, it will abandon the fundamental framework of "planning, organizing, leading and controlling" and divide out correspondingly "He" and "He rules", "Xie" and "Xie rules" according to the cognition of the harmonious theme (XI *et al.*, 2005). "He" mainly aims at person subjectivity, initiative. "He rules", directly derived from "He", deals with person eternal uncertainty in the organization and harmonize coexistence between person, between person and organization, and even between organizations, organization and environment, such as system, regulation, contract, culture etc. which all be included in content of "He rules". While "Xie" mainly aims at the optimization for material factor. "Xie rules", the concept derived from "Xie", refer to any management problem which can be divided to the elements ultimately and can be solved by the way of mathematics or quantity. Therefore, the ultimate aim of HM theory is to bring forward one kinds of comparatively overall solution to a series of management problems with uncertainty in complicated and changeable environment. The theory can explain and foresee all management phenomenon which has already happened, be happening and will happen, can make management practice become accurate, and can simplify and ease the operation (XI *et al.*, 2004).

3. HARMONIOUS MANAGEMENT PATTERN OF KNOWLEDGE MANAGEMENT

The theory of harmony management makes us realize that: Owing to complicated characteristic of knowledge and complexity and uncertainty of person in KM, it makes HM become objectively feasible way for KM. And the reasons that HM can be applied to KM are that person creative and innovative enthusiasm, through “He” and “He rules”, can be moved and person uncertainty can be eliminated and reduced gradually by constructing a harmonious environment. Meanwhile, “Xie” and “Xie rules” can be used to promote person to effectively share and use knowledge by optimization of the material factor.

3.1 Harmonious Themes Recognizing of KM

Based on the definition of harmonious theme, the harmonious theme of KM may be defined as a key organizational problem which is made by the interaction process between person and material factor in KM. Person factor refers to people holding knowledge and material factor refers to all factors except person in KM, including tangible and intangible factors. So KM should divide into management of material factor, management of person factor. According to Gupta *et al.* (2000), he defined KM as “a process that helps organisations find, select, organise, disseminate and transfer important information and expertise necessary for activities”. Liebowitz (2003) considered it as dealing with capturing, sharing, applying and creating knowledge in an organisation to best leverage this resource internally and externally. In its broadest sense, however, KM can be understood as a formalized and active approach to manage and optimize knowledge resources in an organisation. Through above definitions and analyzing knowledge management system (KMS), it is clear that the key problem of KM is knowledge-creation and knowledge-application, which is made by the interaction process between person and material factor in KM. Without knowledge-creation, it does not equal to KM; and without knowledge-application, the knowledge will not be converted into competencies. So, knowledge-creation and knowledge-application are harmonious themes of KM. Knowledge-creation and knowledge-application depend on, on the one hand, the inventor’s quality, the environment and the degree organization’s leader, the value of KM, and on the other hand depend on effective processes, memory, dissemination and application and so on. Therefore, enterprise should, in order to gain the sustained competitively edge, aim at the harmonious theme of KM and consider comprehensively the effect of these elements.

3.2 “He” and “He Rules” of KM

After harmonious theme of HM was established, it will be analyzed further the condition of knowledge-creation and how to enable the person factor to display creative

ability and has creative will. According to the relative theory of Organization Behavior, person’s thinking and behavior pattern will be influenced to a large degree by environment. The creative and innovative enthusiasm of staff will be inspired greatly in good atmosphere. But in the inferior environment, on the contrast, they often have low morale and few spirit in stead of creation. The key to solve this problem is to construct a trusting environment. Because creation and innovation needs stimulation of the specific environment, therefore, constructing environment to stimulate creativity and innovative ability of staff becomes the key of management of knowledge-creation process. According to “He” and “He rules” of HM, construction of management environment should aims at the harmonious theme – knowledge-creation and knowledge-application. “He rules” aims at: (1) Regulating the role and the status of staff enable staff to understand their roles in knowledge-creation process and the responsibility, and let the organization seek for one kind of reasonable disposition between work station and the staff’s ability and make the staff act on the responsibility; (2) regulating the action of staff, such as to advocate honesty, credibility and responsibility, make staff be responsible for their behavior results; (3) regulating the mode of interactive process between staff, such as to request cooperation or competition, evade and dispose organization’s interest conflict, coordinate each kind of intricate interaction relations, and create the environment of a continuous dialogue between tacit and explicit knowledge to stipulate staff to create and innovate knowledge (XI *et al.*, 2004). After the three basic processes are realized, through two important links – establishing common values and goal of knowledge-creation and knowledge-application, establishing competition and stipulation mechanism to promote knowledge-creation, it will gradually eliminate and reduce the uncertainty of staff themselves in the process of knowledge-creation and knowledge-application, and dispose well the uncertainty of the external environment.

3.3 “Xie” and “Xie Rules” of KM

Unlike “He rules”, “Xie rules” mainly aims at the material factor. The theory of HM propose three basic “Xie rules” in the interactive process of the material factor: the first “Xie rules” is a kind of match or uniformity, which is the basic request in the combination process of the material factor; the second “Xie rules” refers to connection relations between the material factor; the third “Xie rules” means optimization of material factor (Xi *et al.*, 2004). Based on the harmonious theme – knowledge-creation and knowledge-application, “Xie rules” requires material factor must satisfy the three sequential processes – matching, connecting, optimizing, otherwise, it will be disadvantageous to competitively sustainable advantage of organization. As for enterprise’s KM, the significances of the three processes of “Xie rules” also lie in: at first, it

must be matched. This kind of match has dual meaning: On the one hand, KM and knowledge must be matched. It includes not only the match between management of the person factor and management of the material factor, but also the match between each links of the person factor, and the match between each links of material factor. On the other hand, KM must match with enterprise's business and culture. KM should be guided and influenced by enterprise's business and culture, forming harmonious relations that mutually affects and matches between KM, enterprise's business and culture. Secondly, it must have interactive relations between each kinds of measures and methods of KM to strengthen each other for the value-creation and make KM form the competitive advantage and the effects of $1 + 1 > 2$ as a whole. Thirdly, enterprise's KM should aim at the quality of knowledge rather than the quantity and optimize knowledge. Through the appraisal for KM, enterprise can understand its knowledge gap and then take the corresponding management measures to optimize knowledge. Based on cognition of physical element, through "Xie rules", some technology and method like cooperative platform

(CP), database management system (DBMS) and data warehouse (DW) etc. can be effectively used to recognize, disseminate, apply and optimize knowledge, which in return promote effective accumulation, exchange and application of knowledge.

The harmonious management pattern of KM is based on two kind of management objects, namely person factor and material factor. After the theme of HM was recognized, through harmonious theme recognizing of KM, it will use "He" and "He rules" of KM and "Xie" and "Xie rules" to manage person factor and material factor respectively. For example, through "He rules", constructing organization's culture, environment, necessary methods of stipulation and competition coordinates interest conflict between individual and organization, establishes internal and external environment of the organization, and gradually enhances ability of knowledge-creation. While through "Xie rules", material factor can be matched, connected, optimized so as to promote knowledge-application. And the optimization measures like IT etc. will be utilized to form consolidation and supplementary function between the object so that enable organization have competitively sustainable advantage. Such as figure below:

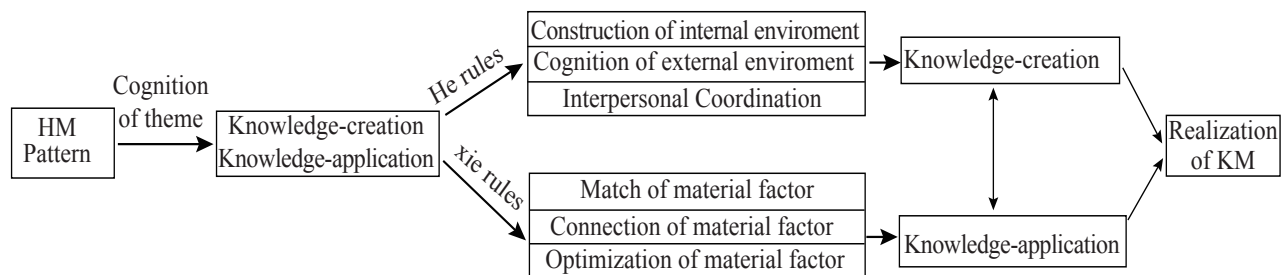


Figure 1
HM Patter of KM

CONCLUSION

The theory of HM aims at the core problem – knowledge-creation and knowledge-application. Through application of "He rules" and "Xie rules", it makes up conventional flaw of KM which only aims at some material factors, but neglects person factor, namely neglecting inspection and management for person thinking and the behavior pattern. It will provide the feasible strategic framework for the KM: Through constructing pattern of HM, it will eliminate and reduce the uncertainty, which is produced by person, in the process of knowledge-creation and knowledge-application, and also enhances the ability the organization cope with the uncertainty of the external environment, promoting recognition, processing and application of knowledge.

REFERENCES

- [1] Benbya, H., Passiante, G., & Belbaly, N. A. (2004). Corporate Portal: A Tool for Knowledge Management Synchronization. *International Journal of Information Management*, 24(3), 201-220.
- [2] Bloodgood, J. M., & Salisbury, W. D. (2001). Understanding the Influence of Organizational Change Strategies on Information Technology and Knowledge Management Strategies. *Decision Support System*, 31, 55-69.
- [3] Bong, S. H., Lee, J., & Gil, Y. (2004). Effective Team Processes for Technology Internalisation with Special Emphasis on Knowledge Management: Successful Late Starter, Samsung Case. *International Journal of Technology Management*, 27(1), 16-39.
- [4] Gupta, B., Iyer, L. S., & Aronson, J. E. (2000). Knowledge Management: Practices and Challenges. *Industrial Management and Data Systems*, 100(1), 17-21.

- [5] CHU, Jiewang (2006). *The Generality of Knowledge Management*. Beijing: Tsinghua University Press.
- [6] Johannessen, J. A., & Olsen, B. (2003). Knowledge Management and Sustainable Competitive Advantages: The Impact of Dynamic Contextual Training. *International Journal of Information Management*, 23(4), 277-289.
- [7] Kamara, J. M., Anumba, C. J., & Carrillo, P. M. (2002). A Clever Approach to Selecting a Knowledge Management Strategy. *International Journal of Project Management*, 20(3), 205-211.
- [8] Liao, S. H. (2002). Problem Solving and Knowledge Inertia. *Expert Systems with Applications*, 22(1), 21-31.
- [9] Liao, S. H. (2003). Knowledge Management Technologies and Applications – Literature Review from 1995 to 2002. *Expert Systems with Applications*, 25(2), 155-164.
- [10] Liebowitz, J. (2003). A Knowledge Management Implementation Plan at a Leading US Technical Government Organization: A Case Study. *Knowledge and Process Management*, 10(4), 254-259.
- [11] Maier, R., & Remus, U. (2003). Implementing Process-Oriented Knowledge Management Strategies. *Journal of Knowledge Management*, 7(4), 62-74.
- [12] Nonaka, I. (1994). A Dynamic Theory of Organizational Knowledge Creation. *Organization Science*, 5(1), 14-37.
- [13] Nonaka, I., & Konno, N. (1998). The Concept of “ba”: Constructing a Foundation for Knowledge Creation. *California Management Review*, 40(3), 40-54.
- [14] Orange G., Burke A., & Boam J. (2000). The Facilitation of Cross Organizational Learning and Knowledge Management to Foster Partnering Within the UK Construction Industry. Paper Submitted to ECIS 2000. Retrieved from <http://is.lse.ac.uk/b-hive>
- [15] Pan S., & Scarbrough H. (1999). Knowledge Management in Practice: An Exploratory Case Study. *Technology Analysis and Strategic Management*, 11, 359-74.
- [16] Roos, R., & Roos, J. (1997). Measuring Your Company’s Intellectual Performance. *Long Range Planning*, 30(3), 413-426.
- [17] Scarbrough H., Swan J., & Preston J. (1999). *Knowledge Management: A Literature Review*. London: Institute of Humanel and Development.
- [18] Snowden, D. (1999). Liberating Knowledge. In J. Reeves (Ed.), *Liberating Knowledge* (pp. 6-19). London: Caspian Publishing.
- [19] Stewart, T. A. (1997). *Intellectual Capital: The New Wealth of Organisations*. New York: D’bleda.
- [20] Watson, R. (1999). *Data Management: Databases and Organizations* (2nd ed.). New York: John Wiley.
- [21] XI, Youming, & SHANG, Yufan (2001). Harmony Management Thought and Contemporary Harmony Management Theory. *Journal of Xi’an Jiaotong University (Social Sciences)*.
- [22] XI, Youming, XIAO, Hongwen, & HONG, Tao (2005). HeXie Management Theory and Its New Development in the Principles. *Chinese Journal of Management*.
- [23] XI, Youming & TANG, Fandcheng (2004). HeXie Management Pattern of Intangible Assets in the Uncertain Environment. *Journal of Xi’an Jiaotong University (Social Sciences)*.