

CHARACTERISTICS OF THE MANAGEMENT BASED ON KNOWLEDGE

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Abstract: The decisive role held by knowledge in all domains of economic activity through the impact exerted upon the functionality and performance of the organization, asks for the promotion of the management based upon knowledge. The characteristics of the management based upon knowledge show its increased complexity and the significant role of the human factor in creating, implementing and exerting it efficiently.

Key words: knowledge, information, management based upon knowledge, a learning organization, culture of knowledge.

The quick and deep changes that take place within the global economy under the impact of the influences exerted by the revolution of knowledge emphasized the necessity of an economy based upon knowledge and its approach in a pragmatic and prospective way. In the same direction with the interests of the high developed countries of the world, there can be noticed the strategy of the European Union as well, adopted within the summit from Lisbon in 2000, whose strategic objective until 2010 is to become the most competitive economy in the whole world, based on knowledge, capable of a lasting development and generating new places of work.

Taking into consideration the current conditions, in which “information is often assimilated with power” the major interest for most organizations stands in collecting the necessary knowledge at a high qualitative level and using it with maximum efficiency, through its materialization into adequate managerial conducts, actions and decisions. Together with the assurance of the material, human resources, both international and financial, the performing organizations are more and more preoccupied by the production, transmitting, usage, depositing and protection of knowledge, especially of the strategic ones, essential for the companies’ development. The information became more and more a resource, a major asset, a main product and at the same time a strategic advantage for organizations, fact that has a significant influence over the content and the way of manifestation of the management, imposing with acuteness the promotion of the management based on knowledge.

From Michael Lester’s point of view, the management based upon knowledge is a key process, that through the capitalization of changes determined by both digital technologies and internet, contributes to the obtaining of economic performance in the countries, companies and the involved industrial branches, thus determining an increase of the life standard of the population. This approach shows the vision of the IT staff and gives a great importance to knowledge and innovation, the analysis of the managerial problems being tightly connected to the top information technologies. From the management specialists’ point of view, one can notice the remarks belonging to Christina Rollo and Thomas Clarke that state the fact that management based upon knowledge is not a goal in itself but derives from the actual

interests of the organizations in developing the field of production and the knowledge flow with the purpose of adding economic value.

The functionality and efficiency of management based on knowledge derive from its **characteristics**, namely: acting like an organization that is willing to learn; creating a tradition in knowledge; using data bases that include knowledge; mapping knowledge; dividing knowledge between employees and the other stakeholders; developing communication based on knowledge; leadership manifestation; using team work; learning from negative and positive practice.

In order to carry out some competitive activities it is necessary that the companies should maintain and develop continuously their knowledge portfolio that is they should be transformed into **organizations that are collecting information all the time**. The success of this step is conditioned by the fact that all the employees should become aware of the necessity of transforming the knowledge into the main resource of the company, as an intensive involvement of the managers within this process. Knowledge accumulation and the efficient usage of these are achieved either through the process of individual learning, at the level of each employee, or through the organizational teaching, achieved through a great scale of methods: allotting consultancy and specialty assistance, special programs of perfecting outside the organization, training courses inside the organization, etc.

Within the successful implementation of the management based on knowledge, a decisive role has the organizational culture that according to Adam Flor, can represent “either the greatest enemy or the greatest ally”. That’s why it is necessary the “**construction of a knowledge culture**” whose definitive elements should be as it follows: is receptive at new things, at the innovation within all the activities of the organization; situates in the first line people and knowledge and not material things or elements; is focused on the individual and organizational learning and the intensive participation of the employees at taking decisions; is motivating in taking risks, actions and performance and tolerant in front of failures and errors, especially within the innovation process; lays the accent on the development of agreement, collaboration and cooperation among specialists based on knowledge; is open for both internal and external stakeholders, the relations among these being based on mutual respect and correctness.

As in the current context knowledge exerts a significant impact upon the performance and functionality of the organizations, it is necessary the **usage of data bases that include knowledge**. These include the assembly of knowledge within a company, structured according to the way they are obtained, the form of presentation and the domains of usage. As a rule, the knowledge used within a company is divided into two main categories, namely: external and internal, which in their turn are individual and organizational. The structure of knowledge is necessary because the costs of identification, getting, integration, usage, protection and capitalization are sensitively different.

Within the companies that use an impressive volume of complex and diverse knowledge, that have a crucial impact upon the obtained performance, there is often used the **mapping of knowledge**. This stands for a process that has as a goal the identification of the main resources of the existing knowledge and their usage among the stakeholders of the organization.

The success of the promotion of management based upon knowledge is conditioned by the induction to the staff of the organization of the conception and

conducts according to which *the parting and usage of knowledge between employees and the other stakeholders* is a normal and efficient approach both individually and organizationally. For this thing it is necessary the existence of a strong material and moral motivation, that should make the knowledge possessors share others as well and help them to use it. They should be convinced that after this process, through feed-back and other generated connections there can be obtained the amplification of the initial knowledge value, simultaneously with the increase of prestige and the development of the initial possessors of knowledge. This process is influenced by the existence of an organizational culture that promotes the sharing of knowledge among employees.

Altogether with the increase of dynamism and the complexity of the socio-economic phenomena, with the increasing tendency of change in all the domains of activity, it is more and more obvious the fact that the obtained results are influenced directly by quantity, quality and opportunity of the available information, provided through communication. The increase of complexity of the managerial process, the appearance and the usage of some perfected means of communication and decision make that the technology of information be viewed as an indispensable instrument for management, because as Robert Heller stated, the manager should be “excellently informed”. The intensification of the organizations’ interests for the promotion of management based on knowledge determines *the development of the communication based on knowledge*, because one of the “keys” of the efficiency in management is the achievement of good communication at all hierarchical levels.

In order to put into value the multiple features of the management based on knowledge it is necessary the existence of a strong *leadership*, more intensive and stronger than the one exerted within classic organizations. This derives from its accent laid upon knowledge and innovation and at the same time from its role of putting into value the silent knowledge of the stakeholders. *The main parameters of the leadership of the organizations and of the management based upon knowledge* are:

- directing the leadership towards a daring vision, that is simultaneously dynamic, creative and communicational;
- focusing on ideas, on knowledge value and the promotion of the “new”;
- paying an increased attention to the harmonization of the roles, responsibilities, rewards and the estimation of the other stakeholders of the organization;
- using on a large scale the “populist” communication at the level of the whole organization and at all hierarchical levels;
- possessing a great capacity of work and a permanent curiosity every time for everything that is around;
- the leader’s possession of knowledge, multiple abilities and capacities, fact that will permit him/her to encourage diversity, creativity and initiative among the members of the organization.

Another important characteristic of the management based on knowledge is *the usage of the work in team*. Team activity favors the dynamic effects that keep alive the continuous development, stimulates the individual qualities favorable for cooperation and interdependence and the active communication is favorable as far as some pre-established targets are settled, strengthening the cohesion inside the organization.

From the analysis of the functionality and performance of the organizations based on knowledge there came out several pragmatic conclusions, *some major errors in putting into application the new type of management as well as some key aspects in*

perfecting and increasing the managerial efficiency. These elements with a general character that appeared from the experience of the organizations that promote management based upon knowledge represent extremely useful reference points for the managers of the organizations, for consultants, trainers and examiners in specific domains.

The studies made by specialists in domain has shown a series of *errors* within the implementation of the management based upon knowledge namely: focusing with priority on the stocks of knowledge in the disadvantage of the flows of knowledge; the consideration that human beings are not rational all the time and from here the consequence reflected in neglecting the process of thinking; replacing the human nature contacts and the direct communication with contacts and communication based on technologies; the approach stressing the systematic leading of the place of work just as simple as a car is driven; the separation of knowledge from its usage and asking for measurements and direct estimations of these, etc.

In a similar way, *the major aspects with a determinant role in the efficiency of the management based on knowledge* are: identifying the knowledge and information that people need and providing it on time; integrating the creation and usage of knowledge within the economic process both inside and outside the organization; creating communities based on knowledge within the key area of the economic process; connecting people to the process of treating information with the purpose of achieving economic performance, etc.

All the characteristics presented above state the increased complexity of the management based on knowledge and the decisive role of the human factor in creating, implementing and exerting it efficiently. Through implied logistics, used specialists and permanent process of actualization, development, usage and protection of knowledge it attracts considerable costs, being a very expansive management. Although not practicing the management based upon knowledge is even more expansive having negative effects upon the obtained results, on a long period of time determining even the collapse of the organization.

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