

KNOWLEDGE MANAGEMENT IN SOCIAL-ECONOMIC SYSTEMS AS AN INTEGRATED FUNCTION

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Abstract: *The article deals with the analysis of existing theoretical approaches to knowledge management phenomenon. The peculiarities of knowledge manufacture and knowledge consumer in socially useful activities as one of the most important factor of innovative development of society are focused here. The problems of knowledge management system implementation into social-economic systems are revealed.*

Keywords: *knowledge management, innovative development, social-economic systems management.*

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Knowledge has been an essential factor of its intellectual and social-economic development during the whole human history. However, knowledge is becoming the most important resource of countries, regions, and organization development today. Knowledge market is about to play the leading role in economy, thus stepping ahead the commodity market in its development.

Knowledge economics, in focus of which the manufacture peculiarities and knowledge application in socially-useful activities are concentrated, is becoming the most significant factor of society innovative development. That is why social-economic systems in search of competitive advantages, realizing knowledge importance as a strategic development of resources are creating successfully the new management function – knowledge management. It is not mere chance that quite serious works in scientific literature have appeared recently; they are devoted to the problems of economy based on knowledge (Желена, М., 2002).

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Despite the fact that the term “knowledge management” has been entering scientific literature and managerial practice more intensively, the existing uncertainty of the definition of the very notion “knowledge”, existing in epistemology, and its numerous definitions which are different in various cultures and philosophic schools, the absence of a single opinion on this new sphere of managerial activity can complicate solving the problems of applied character considerably (Пикалов, В., 2008). Such a situation in economy, which is based on knowledge, stipulated the appearance of different approaches, techniques and methods of knowledge management.

The goal of this article is the analysis of theoretical approaches to knowledge management phenomenon and some problems of knowledge management system application in social-economic systems.

Besides, the researches carried out by the authors indicate that the object of knowledge management in social-economic systems is its intangible assets united by the notion “knowledge” – specific assets, which due to the absence of definite shape, are able to bring benefits during the long-term period of their usage (Пикалов, В., Павлова, В., 2008). To add more, in epistemology one can observe particular general signs of the notion “knowledge”, “data”, and “information”, the significance of knowledge for new knowledge revealing, the dependence of definite knowledge on other knowledge and inseparability of knowledge from its bearer. Moreover the authors understand the meaning of the notion “knowledge” in such a way: “Knowledge” – selective, regulated, definitely obtained information, arranged in accordance with some norms, which has social significance and recognized as the knowledge itself by a particular social subjects and the society as a whole. Knowledge is the result of the process of reality cognition, checked by social-historical practice, its adequate reflection in a person’s consciousness in the form of ideas, notions, judgments, opinions, theories” (Философский энциклопедический словарь, 1983).

In their gradual transition into information society the social-economic systems are being involved into the turbulence zone, which requires absolutely new approaches to those systems management. Social-economic systems belong to the open stationary system that is why their development is possible only when the society could assimilate the system thinking, built on single regularities of the world economic system development. Moreover the society needs deep knowledge of methodology of social-economic systems development and their transformation process management

(character changes of productive forces, and production relations – for macroeconomic systems, and innovative transformations – for the subjects of management).

The objects of knowledge management in social-economic systems are, first of all, the process of their creation, storing, dissemination, usage and timelessness, as well as people who possess the necessary for the systems development knowledge. Knowledge must be fixed, disseminated, transferred, and captured by their addresses. Only in such a case knowledge works in the system of scientifically-technical and social progress.

In this sense one can state that the biggest gaps of the mankind both in theoretical and applied aspects are in the very sphere of knowledge conversion mechanism (in particular which singled out of formalism) of separate individuals to the organizational knowledge (knowledge of organization members). That's why one of the most important tasks to knowledge management in social-economic systems is the elaboration of organization forms and methods, which can contribute considerably to enlightening and applying the creativity if an individual, organization members and society as a whole, providing the conversion of individual innovative knowledge into innovative knowledge synthesis, which is oriented to practical expediency and effectiveness, and achieving synergy. To learn the cost evaluation on the basis of intangible assets, to master their management – these tasks are becoming primarily in all activities connected with providing the continuous and stable social-economic systems development.

Knowledge management process is considered to be a practical activity, which means adding some definite value to existing information and imparting a consumer look, good for use, to knowledge. We mean:

- capturing knowledge (usage and applying those knowledge, which has already existed);
- adopting knowledge (providing continuous education, creating opportunities to train a person for all his life);
- transmitting knowledge (usage of informational and TV communication technologies on the basis of competitiveness, proper legal regulations and providing access to information resources).

Knowledge management as a kind of management activity and a special function has a number of peculiarities. First of all, knowledge is both a resource, and an object of management almost in all parts and within

every function of social-economic systems. The second, knowledge management is directly connected with the usage of modern IT, Internet, and other widespread and universal nets, which could give the opportunity to accumulate and expand the necessary knowledge. The third, knowledge management function plays an integral and coordinated role in the process of personnel organizational training. Taking these peculiarities into account the knowledge management process is divided into a number of stages, every of which has the definite methods of management. The gained experience shows that the most typical elements are (Мильнер, Б., 2003):

- definitions (which knowledge is the most significant for the success of definite social-economic systems);
- gaining (capturing existing knowledge, experience, methods and qualifications);
- selecting (captured, regulated knowledge flow, the evaluation of its value);
- storing (selected knowledge is classified and put into organizational memory – personnel, on paper and e-document);
- disseminating (knowledge becomes available for usage from the organizational memory);
- using (while assignments performing, solving problems, making decisions, searching ideas and during learning);
- creating (new knowledge is revealed by: clients observing, feedback links, reasons analysis, etalon testing, experience, research, experiments, creative thinking, and data design);
- selling (on the basis of intellectual capital – new products and services which could be realized outside the system-owner).

Knowledge management is becoming an important tool of management effectiveness increase within social-economic systems development, because:

- modern technologies give a possibility to exchange ideas and information on continuous and stable basis;
- decisions are made with less expenses, they are more well-grounded;
- cooperation gets stronger due to assistance of groups of people who can organize themselves;
- knowledge of products consumers economic systems increases the effectiveness of relations with them;
- knowledge, captured together with consumers, can stimulate innovations, introductions and creating improved products;

- learning organizations can become the effective form of changes in management.

Considerable expansion of knowledge access, which becomes possible due to the information revolution, is changing the nature of relations between a professional and non-professional, between an organization and an employee, between a source and consumer. Knowledge excludes static state and one-direction orientation, because it creates the basis for continuous information exchange with the help of both founders and consumers. Individuals education background, their professional training and qualification, an increase of their professional skills and knowledge level in conformity with labor market demands, to add more, innovative thinking support, have quite an important significance for the development of social-economic systems of different level hierarchy under circumstances of information society creating which is base on knowledge. Nowadays intellectual activity becomes a central phenomenon of social-economic system development. That's why those components (intellectual activity presence or absence, the peculiarities of its renewal) can create the basis of knowledge management system. This system converts social-economic systems into self-learning organizations which make the whole personnel enter searching and discovery.

Although the social-economic system development is revealed mainly under circumstances of some sort of struggle between them (in particular, between states, social classes, nations and corporations, which compete, for reaching the goals and interests by each of the parties), but new progressive trends are gradually breaking through in the development of the whole Earth civilization. First of all, we can observe the priority growth of common human values and ideals, (in politics, economy and social life of the countries), which are smoothly becoming a direction in the relations between peoples, which are being realized successfully in this or that form in some states. The second, the problem of environmental protection, transition to waste disposal technologies, providing ecological well-being and human survival are nowadays becoming one of the most important for the social-economic system development. The third, a human desire to disarmament, piece between nations based on realizing of war and social cataclysms inadmissibility under circumstances of highly-organized fragile infrastructures of economy and energetic industry of electronically-nuclear century and huge destructive power of modern military equipment is expanding now. The fourth, states' integration, their economy and culture,

peoples' cooperation for the sake of mankind progress and keeping life as the highest value are developing quickly. So, from our point of view, we can observe that today the understanding of social-economic system development not as the projects which might be counted under elementary laws of linear perspectives, but as the systems which can be self-organized and can function in accordance with nonlinear laws.

In view of the abovementioned, the primary task of the economy, based on knowledge, is the theory elaborating and putting into practice the integration systems of different social-economic systems management, the most important component of which is the knowledge management function.

Examining management function as an action and, at the same time studying its semantic, important and valuable role, the authors consider singling out the following functions of knowledge management:

- analytical one, which provides the search and selection of original data and initial information, ready-made knowledge in information flow, effected into resources selection, analysis of activity methods, personnel experience and qualification, giving additional value to obtained information by its generalizing;
- disseminating one, which promotes knowledge regulation, evaluation of the level of its usefulness, and also classification according to the definite criteria of existing knowledge, gained experience, methods of work and personnel qualification, putting the classified knowledge to corporate memory;
- integral one, oriented into taking knowledge from the corporate memory by the exchange of knowledge and experience of employees between departments and levels of corporation management as well;
- safeguard, providing the barrier creating before possible knowledge and information flow away. It can cover operating processes, knowledge about clients, financial results, gained experience, strategic plans, and goals as well;
- creating new knowledge, based on researches and experiments, general characteristics of customers, feedback and solving problems of social-economic systems.

It is important to remark that the enumerated functions possessiveness is versatile, their measures are diffused, and they are naturally transformed into one another on definite levels. Within the frame of analytical function

the information with the help of summarizing, aggregation, finding reasons-consequences links between different factors, comparison with existing experience is converting into new knowledge. Besides in the process of knowledge regulation the analytical function (by creating the database and knowledge base, document circulation management system, and expert systems as well) is smoothly converting into dissemination function of knowledge management. According to the criteria of value and application sphere knowledge structuring contributes greatly to operational circulation and necessary knowledge dissemination, its concentration for problem-solving tasks.

Knowledge management is initially some safeguard barrier for unfriendly environment; it contributes to unfavourable external factors neutralization. Legal defence of intellectual property objects is one of the important mechanisms of knowledge protection. In its turn, safety protected corporative knowledge base helps keeping knowledge properties, which is of additional special value.

Integration knowledge management function lies in the usage of innovative managerial, marketing and information technologies, and innovative and creative activity as well. Knowledge integration contributes to risk minimization encouraging employees to self-learning and interactive training environment.

Thus, as a whole, knowledge management includes functions of additional value to existing information by revealing, selecting, synthesizing, summarizing, storing and disseminating knowledge; to add knowledge some consumer character, available for users; creating an interactive training environment, which provides quite enough level of information and knowledge exchange and circumstances suitable for new knowledge mastering as well. Corporation competitiveness is dependent significantly upon the level of effectiveness of each knowledge management function realization in the modern world.

Knowledge management is closely connected with information management but is different by those which are much wider notion, because it covers such processes as knowledge identification, its development and usage and also new knowledge generation. So, knowledge management function in social-economic systems provide knowledge capturing, using, disseminating and transferring aiming at competitive advantage accumulating towards abovementioned systems. In the process of

knowledge management, social-economic systems strive to create and maintain their advantages, to convert the organization into the systems capable to be adapted to the environment, which change regularly, and realize professional and individual capabilities of personnel greatly.

Knowledge management in social-economic systems creates conditions under which education is converted into some kind of effective investment; moreover the professional experience is becoming its highly-available asset. At the same time knowledge management process is in full harmony with a definite individual and with requirements of a working situation.

The main goal of a knowledge management function is to accumulate intellectual capital, to capture and disseminate the existing information and experience, to create conditions for distribution and transference of knowledge. In practice to perform such a function means a regular forming, refreshing and applying knowledge aiming at corporate value maximizing. Besides, this function can make the access to practical experience, knowledge and expert data much easier, which can create new opportunities contributing to corporation activity improvement, which stimulates innovations and accumulates consumer value of their products, processing or services.

Up to the moment, knowledge management as function and a kind of management activity in corporations covers the following main tasks accomplishment:

- to add some extra value to existing information by knowledge capture, selection, synthesis, summarizing, storing and disseminating;
- to implement knowledge to products, services, documents, database and software;
- to create an interactive training environment, where employees having knowledge, can change information regularly and use all situations to generate and master new knowledge;
- to evaluate knowledge, to measure and use organization intangible assets;
- to make control of knowledge usage effectively.

So, knowledge management in social-economic systems can be considered as a process with help of which the organizations can obtain benefits from those knowledge repositories in use. Intellectual capital usage and personnel professional competence, connected with it, are the most important factors, which provide survival and economic success of social-

economic systems under the circumstances of economic crises. Knowledge itself is becoming the most significant source of high productivity, innovations and competitive advantages of those social-economic systems performing within an environmental turbulence.

The authors consider as quite a perspective approach to examine the corporate system of knowledge management as a whole complex of strategies and processes towards capturing, gaining, disseminating, using, controlling knowledge and its exchange to provide business competitiveness. At the same time knowledge management corporate strategies must be oriented towards the process of creation of additional value, realized in products, operations or services on the basis of creating, accumulating and using knowledge. In its turn, knowledge management strategies realization contributes raising the effectiveness of using every available resource in the organization, decreasing losses from unused intellectual assets, improving clients servicing, designing and implementing innovations as well.

It's advisable to add that in the process of knowledge management strategy design quite an important factor is an identification based on knowledge, unique and inflexible for imitation, the most significant for a definite corporation resources and intellectual capabilities, which provide the competitiveness of the products and corporation market position. Under competitiveness one can observe different strategies, but it's possible to suppose that the best result might be reached only when the corporations can design and realize knowledge management strategy in full conformity with strategic goals and key aspects of a common corporative strategy, and in interrelations with other functional strategies as well.

Besides, if the corporation is eager to obtain a competitive advantage on the basis of high quality to consumer services, it should bend its efforts, first of all to:

- capture knowledge of consumers, their demands, wishes, views, advantages, motivation, purchasing power, loyalty;
- expand knowledge of consumers, their place on the market, values for users, possible cost value in future;
- accumulate knowledge of business-processes, methods of their management and possible system, innovation;
- create internal information system aiming at a wide use of it by the company employees;
- teach personnel the methods and forms of work with clients in order to develop links and stable relations with consumers and clients.

As the methods of realization of knowledge management strategy in this case we can suppose regular consumer polls, forming database of clients and their advantages. Knowledge, gained in such a way, used to improve products and consumer servicing quality, is becoming the most significant factor of competitiveness growth. Within the frame of this strategy, on the basis of information about individual wishes, stored in a special repository, corporations may perform an individual service of clients, to transfer them additional information about consumer peculiarities of goods realized for their effective use.

Within the frame of knowledge management concept social-economic systems may concentrate their efforts either on definite kinds of intellectual capital or on separate aspects of knowledge management. Moreover, it's possible to use either strategies, oriented to training, developing creative and mental personnel abilities and skills, experience of knowledge exchange, employees communication as well, or strategies of creativity and development of corporate management systems on the basis of modern IT which require considerable care in the process of procedures design, technical software support.

It is possible to single out such a perspective strategies which are oriented to the development of intellectual property by effective managing such intellectual assets as patents, licenses, copyright and trademarks.

In the process of creating the corporate knowledge management system, undoubtedly, it's necessary to consider the intellectual company capital as a whole, to use integral management strategies and the whole complex of knowledge management methods. Nevertheless, knowledge management implementation into company practice in a number of cases cannot be turned successful, mainly due to the absence of adequate method, capture and handling knowledge and also an access failure of particular personnel to knowledge. Although the realization of a knowledge management function can be subordinated by standard recipes and rules, but the practice has already elaborated some definite basic principles which put into the basis of the whole range of this kind of activity.

First of all, a knowledge management function is applied simultaneously to the person, process and technology; it must be performed as a single integration system which maintains communities, communications, and personnel joint efforts. It is knowledge itself, which as to its natural integration capability, let single out the sense of complex and often disputable information.

The second, social-economic systems have to create the conceptual management system to direct their activity and measure the process, to share common ideas and use knowledge effectively, to provide the opportunity for different groups of employees having the common basis for knowledge exchange and cooperation. Such a system has to be quite simple and clear for creative and communicative knowledge interpretation, has a definite structural flexibility in order to adapt to individual peculiarity of a person. Moreover, knowledge management processes have to be not only formally accepted, but they have also been adapted to external and internal environment of the social-economic system.

So far as the main task of knowledge management system is to create some extra value, it's necessary not only to accumulate knowledge volume, but also make it as a starting tool of all activities of social-economic system. Knowledge is an action potential; it becomes valuable only in case of its usage, and to add more, it must be used in those places where it will have the highest economic potential. Knowledge must be directed at those business-processes, which give the significant efficiency of investment thanks to assimilated innovations or realized improvements.

While performing knowledge management function one can meet some definite difficulties of technical character, among which it's possible to single out the following main problems.

The first one, the process of integration, dissemination and usage of knowledge in everyday life has both cultural and technological aspects. The exchange of knowledge and everyday practice of such a change may be possible only in a proper cultural environment of the corporation, where such activity is encouraged, accepted and rewarded. Here as the best result we can consider the learning process as an important component of the personnel everyday work on the basis of available, reliable cooperation technologies, connected with software support of cooperation technologies.

The second, storing knowledge in an adequate form for the effective usage requires knowledge codifying in order to preserve its distinctive, often quite illusive peculiarities, which give knowledge some special value.

The third, there is some confrontation between the standardization necessity and keeping specific features of knowledge. Knowledge potential peculiarities reveal in its specificity – individual experience and non-standard situation, whereas systems, providing effective access of knowledge in corporations, have to be built on the basis of commodity used terminology and standard procedures.

In the authors' opinion, the perspectives of implementation and development of knowledge management system in social-economic systems are held in through the absence of objective approaches to the evaluation of investment recoupment to knowledge, which in its turn requires designing clear and concise parameters of knowledge evaluation itself. Undoubtedly, such a value is not an easy one. Knowledge value is determined by the importance of decision. This decision may be made while assimilating this knowledge and its value will depend upon the contents of the task being solved and time limit.

The effectiveness of a knowledge management system is determined, first of all, by the level of the stable development of a subject, and it depends upon the level of application of organization knowledge in social-economic systems.

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