

THE ENTERPRISE MEMORY IN KNOWLEDGE MANAGEMENT OF MODERN ORGANIZATION

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Abstract

The article considers the corporate memory of the organization as a modern management tool. Intuitive management of a modern organization comes to a new basic competence and the main competitive advantage of business in conditions of innovation and crises - knowledge management. Corporate memory of a modern organization as a structural element of knowledge management allows to increase efficiency of use of the experience of the organization itself, to ensure transition of corporate knowledge when changing generations of managers and employees of the organization, to reduce costs of access to sources of information.

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JEL Codes: *M10, M14, M21*

Introduction

The viability of a business is tested by its sustainability under the influence of many negative factors that limit development.

The industrial revolution over the past two centuries has defined the rules of doing and developing business. In the conditions of social and economic crises, the principles of business management that have become commonplace are being leveled off and new ones are emerging. Business in the early XXI century is characterized by bureaucracy, organizational fragmentation and impersonality. Managers of all levels and employees themselves are involved in a continuous cycle of routine mechanical activity. Competitive advantages were gained by types of business whose personnel were involved in the processes of managing the organization, analyzing opportunities and planning strategic priorities.

Management technologies and communications, which demonstrated efficiency during the period of industrialization, began to hinder the transformation of the organizational structure and business culture. Intuitively, management comes to a new core competence and the main competitive advantage of business in an innovative environment - knowledge management.

Knowledge management as a business philosophy should form a "portfolio" of new intelligent management technologies that allow decisions to be made in difficult economic conditions.

Review of literature

Drucker believed that "knowledge has become a key economic resource and the dominant, if not the only source of competitive advantage" (Drucker, 2004, p. 272).

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From the author's point of view, knowledge management is a methodology for the acquisition, accumulation and development of corporate knowledge and experience, which are an integral part of the market value of a modern organization. Knowledge management as a management philosophy was recognized in Russian science and management practice in the mid-1990s, but has not yet become widely accepted. The world budget of knowledge management systems at the beginning of the 21st century was already estimated at \$2 billion and is still growing (Gavrilova & Muromtsev, 2008, p. 488).

Updating of knowledge management took place at the time when the Coronavirus pandemic was declared. It turned out that the world infectious threat and its course, in contrast to economic phenomena, is not amenable to economic and mathematical modeling and expert analysis of intellectual systems. Management, which introduces an economy based on knowledge and management into organizational practice, builds a business strategy that allows increasing the speed and efficiency of reaction, transformation of business forms to changes in the business environment by influencing the most valuable corporate resources - collective know-how and competence of personnel.

Knowledge management does not shift to a policy model of management, the focus of management attention shifts to the creation of a corporate culture that should encourage knowledge sharing and creative thinking of staff. The key asset of the organization - core competence and intellectual capital - is being reassessed.

At the heart of industrialization is reengineering, which can offer a temporary solution to the problem, adapting the basic product of the organization to the market. At the heart of reengineering lies a provision that the investigated market conditions remain invariable, and in the former corporate memory the outdated information on external conditions, goods, processes remains. During the reengineering process, databases and marketing technologies are actively developed, the purpose of which is to promote the organization's basic product in the market. The reengineering activities repeated by the organization in the conditions of social and economic crises are burdened with irrelevant corporate memory. It is obvious to managers - analysts that the solution of the situation is in the competence of knowledge management.

There is now considerable interest in knowledge management from commercial and industrial companies, which have begun to realize the high application potential of corporate memory for a range of information processing applications, and to invest in research in this area.

Reasons for addressing the knowledge management philosophy:

- organization personnel spend a large amount of time meeting information needs;
- experience of leading and most qualified specialists is not distributed systemically in the organization and is used only by them;
- valuable information is "buried" in a large number of documents and data, access to which is limited and difficult;
- costly mistakes are repeated due to lack of awareness and disregard of lessons learned, and subjective position of management.

The novelty of the philosophy of Knowledge Management (KM) lies in the fundamentally opposite task - to save not disparate information, but knowledge, i.e. patterns and principles that allow to solve production and business tasks.

Existing methods of knowledge management ignore knowledge engineering and methods of work with knowledge, propagandizing economic scheme of life cycle, in particular (Bukovich & Williams, 2002, p. 504; Nonaka & Takeuchi, 2011).

Methodology

It can be assumed that by combining an economic approach with knowledge engineering regulations, knowledge management is a process involving steps:

1 - diagnosis of the need of the organization as an economic system in knowledge and its volume and available access to the accumulated experience and knowledge of the system itself and beyond (documents, data, knowledge);

2 - knowledge acquisition, including extracting and structuring;

3 - distribution of knowledge among personnel in various forms (content), including corporate training, and implementation of core competencies;

4 - use, including collaboration to supplement knowledge, relevance assessment, archiving and support (repositories), liquidation.

Features of knowledge management, in comparison with information flow management, is that it depends not on the amount of accumulated information, but on the branching of the network that provides staff access to available corporate memory. The structure of corporate memory should be at a level depending on the needs of the subject participating in decision-making: the level of explicit information and the level of hidden (implicit) information.

Knowledge management focuses on providing personnel with access to corporate memory - information through the value chain of special procedures. The "knowledge chain is formed by four links" (Koulopoulos & Frappaolo, 2008, p. 224), which determine the ability of the organization to innovate and be effective and which management should design:

1) internal awareness - the ability of the organization to quickly access experience and core competencies, and to abandon the functional organizational structure;

2) internal response - the integrativeness and speed of transformation of the core competence to opportunities and emerging threats;

3) external reaction - ability of the organization to develop strategies with a wide range of goals and tactical methods of response to competitors' actions;

4) external awareness - the ability of the organization to design and implement new business models as a response to consumer behavior taking into account market trends, competitors' actions, government regulation and other factors affecting the organization in its external environment.

Corporate memory is a process of analyzing data, identifying hidden patterns and causal relationships using an economic and mathematical apparatus, methods of encoding information and software.

Let's highlight basic knowledge strategies for building enterprise memory:

- strategies based on secondary information are needed in the absence of experience within the organization itself, especially at the beginning of the life cycle: learning when many business examples are the source of knowledge; Acquisition of knowledge using appropriate software tools or texts of specialized literature;

- the strategy based on primary information when the organization itself begins to integrate knowledge: formation of knowledge with use of programs of corporate training in the presence of representative selection of own examples by types of economic activity and the functional fields of management, and the appropriate application programs; Knowledge extraction - without the use of software tools through direct contact of leading specialists with the personnel of the organization.

The method of structuring the knowledge of corporate memory is also updated. In the classical sense, they are subdivided into visual (hierarchical, network, linear, graphic) and symbolic (table and text). Symbolic methods are recommended in organizations where the subject area is well structured, visual methods in less formalized and creative activities.

Results and discussion

In the formation of corporate memory, the following questions will be answered for stratification of knowledge of the subject area of the organization:

The purpose and functions of the economic system;

Who? - developers and users of corporate memory;

What are the main components of the activity and its conceptual (categorical) structure;

How? - hypotheses and models of making management decisions;

Where? - space of corporate memory usage (environment, equipment, communications);

When? - time of accumulation and period of information relevance (time parameters and restrictions on use);

Why? - causal relationships between information modules and channels of knowledge transfer;

How much? - is the economics of corporate memory (resources, costs, profits, payback).

As the simplest application approach to building corporate memory, organizations beginning to apply a philosophy of knowledge management can suggest the following algorithm:

1 - definition of input and output data (what documents and knowledge are needed for activity in the subject area);

2 - preparation of a dictionary of terms and sets of keywords (terminology of processes and operational activities);

3 - identification of objects and concepts on functional areas of responsibility of management and personnel;

4 - identification of links between objects and concepts (causal links of subordination and co-submission);

5 - identification of meta-concepts and detail of concepts (area of key competence of the organization);

6 - construction of "pyramid" of knowledge with definition of information needs by hierarchy of management;

7 - definition of relations as a zone of coordination of information fields and influence on decision making;

8 - definition of management decision-making strategy.

Corporate memory management forms can take a variety of positions and responsibilities, ranging from a knowledge manager with no specific place in the organizational structure or structural unit for strategic management. Systematization of positions and duties is a competence of the organization, it is possible to mark out categories of management of knowledge only: the managing director of knowledge - the manager on management of knowledge - the analyst of management of knowledge - the technologist (engineer) of management of knowledge.

Effects of formation and use of corporate memory, first of all, will be manifested "at" and "from" corporate training of personnel.

When budgeting the costs of corporate training of personnel, it is necessary to take into account that they are the largest item of expenditure after wages. According to the accounts of large organizations, they spend from 2 to 10% of the wage fund (or from 2.5 to 11% of the profit) on training, but in the context of socio-economic crises these volumes significantly decrease. This will mean losing competitive positions and "rolling back" to the path already

travelled. Corporate memory is a constant source of experience and knowledge that has already been paid for and does not require additional costs.

Conclusion

Using corporate memory offers a fundamentally new approach to learning for those managers who value their time. Today, even the most qualified work on the team inefficiently because of the availability of behavioral patterns that have been successfully used in the past, and do not understand how far they lag behind in new, rapidly changing environments. The corporate memory of the organization will not allow to "forget" about its key competence in the business community and society, will allow to analyze the events, form adequate attitude and patterns of behavior, promptly and constructively change the order established in the organization.

Thus, knowledge management allows any economic system to form corporate memory and make it actual and accessible to the decision of commercial and industrial, financial problems, providing stability and development in the most difficult conditions of activity.

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