

# Knowledge Management in Multinational Organizations: A Literature Review

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## **Abstract**

The concept of Knowledge Management (KM) is an integral to business world in current scenario. This fact is proved when we go through the current business, management, technology and organization literature. This paper provides a review and interpretation of knowledge management literatures in multinational corporations. This paper provides a detailed process view of organizational knowledge management with a focus on the potential role of information technology in form of Knowledge Management Systems (KMS) in various types of multinational corporations. Drawing upon the literature review and analysis of knowledge management processes, we discuss several important research issues surrounding the use of Knowledge Management systems in support of these processes. The main purpose of this study is the compilation of literature on Knowledge Management (KM) and to understand the basic concepts/key terms, traditional definitions involved to Knowledge Management (KM). This paper also presents various approaches to Knowledge Management(KM) process and their connections and differences are discussed. At the end we have summarized the benefits of Knowledge Management (KM).

**KEYWORDS:** Knowledge, Knowledge Management (KM), Knowledge Management Systems (KMS), KM Benefits

## **Introduction**

We live in the world of knowledge economy where information plays an important role. To get the information, business uses different types of information systems. Information is everywhere and it depends on us how to collect this information and use it for our business purpose. Information must be refined and stored into the database better known as knowledge base. The success of organization depends on how that organization is dealing with the information. The world is changing very fast which is imperative to the success of firm's in the rapidly changing setting of knowledge arena. Success in today's global, interconnected economy springs from the fast, effective and efficient sharing of information so that effective decision can be taken on time.

Knowledge Management is a key concept in today's business world. It is very emerging field which can and contributing a

lot to various types of multinational organizations. This is clear from the literatures of various disciplines such as current business, management, organization and technology. At first hand it looks as if knowledge management just appeared toward the end of the 1990's. Some regard knowledge management as a business fad or craze [1], but a closer examination of the concept reveals that there has been considerable thought and research into it, and many of the world's most successful corporations, businesses, and organizations are investing considerable resources in this enterprise [2]. Prusak [3] estimated that approximately 80% of the global 1000 businesses are conducting knowledge projects underway. Attendance in Knowledge Management(KM)conferences, workshops etc is increasing and there are many books, articles and special issues on knowledge and its management during the last few decades is a fact recognized by all.

KM had start taking shape and come into sight on the maps of seminars and conference organizers in the beginning of 1990s, but it is important to note here that debate had started much earlier ([4];[5]). Drukes [6] was the first to coin the term knowledge worker. Organization can learn from past experiences stored in corporate memory systems [7]. Barton-Leonard [8] documented the case of chappual steel as KM success story. Nonaka and Takenchi [9] studied how knowledge is produced, used, and diffused within organizations and how such knowledge contributed to the diffusion of innovation. A number of people, perceiving the value of measuring intellectual assets, recognized the growing importance of organizational knowledge as a competitive asset ([10]; [11]; and [12]). Many of the practices set up in organizations can be broadly construed as contributing to the knowledge agenda. These knowledge projects range from setting up an intranet, using Lotus Notes or other team-oriented software, creating personal development plans, mentoring, or sharing information on best practices. Increasingly, organizations are creating specific initiatives or programs with a knowledge focus. Knowledge teams and knowledge leaders are emerging in multinational organizations.

Why are businesses and organizations devoting considerable money, time and effort into knowledge management projects? The answer is they want to survive. McCampbell, Clare, and Glitters [13] maintain that in an economy of uncertainty, the

only sure source of lasting competitive advantage is knowledge.” Successful companies are those that consistently create new knowledge, disseminate it widely throughout the organization, and quickly embody it in new technologies and products” (p.172) .They argue that the new business environment is characterized by radical and discontinuous change. The environment requires organization members to anticipate changes and carry out a faster cycle of knowledge creation and action based on the new knowledge [13, P.173].

The study of human knowledge has been a central subject matter of philosophy and epistemology since the ancient Greeks. An historical perspective of KM reveals that it is an old quest pursued both by Eastern and Western philosophers. Eastern philosophers, Tzu and Confucius in China and their contemporaries in India, have an equally long and well-documented tradition of emphasizing knowledge and understanding for the conduct of spiritual and secular life. Practical knowledge or "know how" has always been important although KM was, and often still is, an implicit task. The first attempts at KM, such as capture, storage and retrieval, began with the Cuneiform language in about 3000 BC. Knowledge was inscribed with a stylus in wet clay and then baked. Through centuries, new technologies found their way in influencing KM processes. For example, the craft guild culture of the thirteenth century introduced more explicit and systematic KM practices [14].

Table-1 presents some of the important research contributions to the field of KM, which are considered today as reference points for further research.

**TABLE-1: IMPORTANT RESEARCH CONTRIBUTIONS TO KM[15]**

S.No.	KM Topics	Generation	Authors
1	Explicit, Tacit and Implicit knowledge	I <sup>st</sup> Gen	Polyani [16]; Nonaka and Takeuchi [17]
2	KM fundamentals	I <sup>st</sup> Gen	Wiig[18],Liebowitz & Beckman [19]
3	KM frameworks	II <sup>nd</sup> Gen	Holsapple and Joshi[20] , Rubenstein et al.[21]
4	KM projects	II <sup>nd</sup> Gen	Davenport et al. [22]
5	KM and AI	II <sup>nd</sup> Gen	Fowler [23], Liebowitz, [24]
6	KM and decision support	III <sup>rd</sup> Gen	Courtney[25], Bolloju et al. [26]
7	KM surveys	III <sup>rd</sup> Gen	Liao[27] , Kakabadse et al. [28], Singh et.al.[29] Anantatmula & Kanungo[30], Wong & Aspinwall[31]
8	KM software tools	III <sup>rd</sup> Gen	Tyndale[32]
9	KM in SMEs	III <sup>rd</sup> Gen	McAdam and Reid [33], Wong & Aspinwall [34]
10	KM in higher education	III <sup>rd</sup> Gen	Rowley [35]; Metaxiotis and Psarras [36]
11	KM standardization	III <sup>rd</sup> Gen	Weber et al.[37]

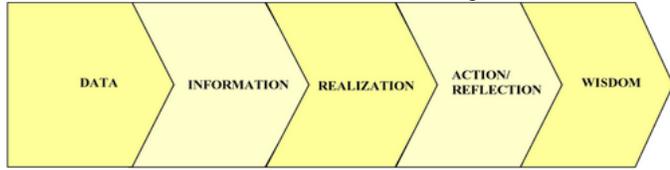
## Knowledge

The last century has seen the re-discovery of the knowledge debate, starting with scholars from economics ([38]; [39]; [40]), organizational theory [41] and philosophy [42]. These perspectives concerned with the characteristics of knowledge and its role within the organization has led to invigorating debate among scholars and practitioners from other disciplines in the last decade. Knowledge received explicit acknowledgment in economic analysis by the neo-classical economist, Alfred Marshall ([40], p. 115), who argued that capital consists, in the greater part, of knowledge and organization and that knowledge is the most powerful engine of production organizations increasingly focused on management. In 1959, Drucker [43] coined the term "knowledge worker" and later argued that, in the "knowledge society", the basic economic resource is no longer capital, natural resources or labor but is, and will be, knowledge. The ability to use intellectual capability and create new solutions for human needs now takes central place in the global info-economy. Human knowledge and capabilities have always been at the core of value-creation, but this truism has become more visible in the info-age where the "intellectual" component of work is increasingly important [44]. For years, organizations paid lip service to the management of knowledge, being concerned with more tangible and physical assets. The knowledge component of the value-chain had been obscured by the tendency to think of work as fundamentally a physical activity [44]).

Knowledge is seen at the center of global economic transformation [45], competitive advantage of an organization [46] and a shift from "info-war" to "k-warfare" (knowledge warfare) [47]. Increasingly, knowledge is seen as outstripping traditional resources such as land, labor and financial capital and is considered the key source of comparative or competitive advantage ([48]; [49]). For some, knowledge is "economic ideas" [50] or "intellectual capital" ([51]; [52]) and is talked about in terms of "stockpiles", "reservoirs", "exchange", "capture" and "utilization", without questioning whether it can actually be managed or understanding its epistemology - knowing it exists and understanding its context and, hence, its importance [49].

Plato [53] first defined the concept of knowledge as "justified true belief" in his *Meno, Phaedo and Theaetetus*. Plato's [53] concept was debated from Aristotle [54], a student of Plato, throughout continental rationalism [55]; British empiricism [56]; German philosophy ([57];[58];[59]) to twentieth-century philosophers([60];[61];[62];[63];[64];[65];[66];[67]; [68]; [69]; [70]). Although imperfect in terms of logic, this definition has been predominant in Western philosophy [71].

The terms "knowledge" and "information" are often used interchangeably in the literature and praxis but a distinction is helpful. The chain of knowledge flow is data-information-realization-action/reflection-wisdom (see Figure 1).



**Figure 1** Chain of knowledge flow

Data represents observations or facts out of context that are, therefore, not directly meaningful [72]. Information results from placing data within some meaningful content, often in the form of a message [72]. Knowledge, as a "justified true belief", is that which people believe and value on the basis of the meaningful and organized accumulation of information (messages) through experience, communication or inference ([73]; [74];[75]). To obtain information that one needs and to assess the value of information, one has, or needs, to acquire both theoretical and practical knowledge - it implies operation of discipline or action [76]. Thus realization/("knowledge") can be conceived of as information put to productive use. There is a body of literature on KM dealing with important issues such as the distinction between explicit and tacit knowledge ([42]; [71]), the composition and organization of knowledge [70] and the systems and structures for optimum efficacy ([72];[77]). It delineates an analytical space and, in consisting of an area of knowledge, provides the basis for action and intervention [78]. Through action and reflection one may also gain wisdom. Knowing how to use information in any given context requires wisdom. Wisdom is a mode of symbolic processing by a highly developed will. It is a dialectical integration of all aspects of the personality: including affect, will, cognition and life experience [79]. **Table 2** provides a summary of knowledge flow and its links. However, there is a range of theoretical positions dealing with the "movement" of knowledge. For example there is the "stickiness" of knowledge and the factors inhibiting the flow of knowledge from one location to another ([80]; [81]; [82]), the characteristics of that knowledge [83], speed of transfer [84] and the contrast between knowledge and knowing [85].

	Data	Information	Realization	Action and reflection	Wisdom
Content	Events	Trends	Expertise	Commitment to course of action	Life experience
Knowledge component	Observation - explicit	Evaluation - explicit	Learning - explicit and tacit	Reflective and integrative approach to thinking	Understanding pre-suppositions and meanings as well as limitations within context and time
Context component	Context free	Context insensitive	Context sensitive	Appreciation in environment of depth of understanding	Life-span contextualism
Value test	Building block	Uncertainty reduction	New understanding	Will to act	Value guiding (What one ought to do?)

**Table 2:** Knowledge links

According to Nonaka and Takeuchi [17] knowledge could also be categorized into two types, explicit and tacit knowledge. Tacit knowledge is obtained by internal individual process and stored in human being like experience, reflection, internalization or individual talent. Explicit knowledge is possible to be stored in a mechanical or technological way, like in handbooks or information systems, or database, manual, internal newsletter and documentation. You can refer **table 3** for the characteristics of tacit and explicit knowledge and **table 4** for generic knowledge types.

TACIT KNOWLEDGE	EXPLICIT KNOWLEDGE
Inexpressible in a codifiable form	Codifiable
Subjective	Objective
Personal	Impersonal
Context Specific	Context Independent
Difficult to share	Easy to share

**Table 3:** The characteristics of tacit and explicit knowledge [89]

	INDIVIDUAL	SOCIAL
Explicit	Conscious	Objectified
Tacit	Automatic	Collective

**Table 4:** Generic Knowledge Types [90]

### Explicit Knowledge [86]

The increasing reliance on many decision makers in organizations has increased the need for people to develop and share their accrued knowledge. Explicit knowledge is knowledge that can be shared with others-it can be documented, categorized, transmitted to others as information, and illustrated to others through demonstrations, explanations and other forms of sharing. Declarative knowledge, that is, sets of principles and facts which can be explained to others, and procedural knowledge, which enables the application of processes, are two major forms of explicit knowledge. Explicit knowledge is a key organizational resource which is increasingly important as the nature of work evolves towards a knowledge focus. Many work roles are now based on processing, producing or disseminating knowledge within or beyond the workplace. Workers who spend most of their time generating, applying or conveying knowledge are called knowledge workers. Explicit knowledge is key resource for such workers and the organization, in that it has the capacity to be distributed, shared and adapted. However, it is only one element of the knowledge which supports organizations.

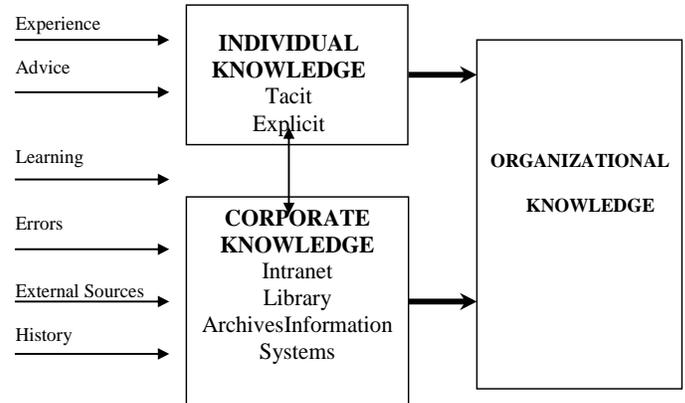
### Tacit Knowledge [86]

It can be difficult for people to explain how they apply their expertise to resolve new challenges. Expert knowledge is hard to duplicate, replace or interpret, as it is grounded in a blend of experience, research and induction which may have been refined over many years. A beginning doctor, for example, may take significant time to analyze information about a patient, examine expert resources and perhaps seek advice. A very experienced doctor, on the other hand, will be able to draw inferences and guidance from a range of those explored by the junior doctor. Although they will largely remain hidden from an observer. Knowledge which draws on the accumulated experience and learning of a person and which is hard to reproduce or share with others is called tacit knowledge. Although tacit knowledge is hard to document, categorize and share organizations depend on it to ensure good-quality choices and judgments [87]. In a work setting, many staff will have high levels of tacit knowledge which they have developed through their experience, learning and ongoing investigation of sources. The difficulty of translating this knowledge into a tangible product or process raises two issues for organizations: How to identify who holds such knowledge, and how to enable others to access it when they need it. This is a key concern of knowledge management.

### Organizational Knowledge

Organizations seek to use a range of authoritative sources, including knowledge held by individuals and within knowledge systems maintained by the organization. Organizational knowledge draws on different organizational knowledge sources, [88] including data housed in organizational records and systems, explicit knowledge which is documented and accessible, and tacit knowledge held by employees, customers, shareholders and other organizational stakeholders. Some major corporate knowledge systems include information databases, the company web site, the library and archives. Figure 3 indicates the variety of sources which may contribute to organizational knowledge. When important decisions need to be made, it is common to seek guidance from these varying authoritative sources, and to build a richer and more informed response by learning and considering the different perspectives each may offer. Canvassing opinion, examining past experience, and analyzing facts and statistics are important processes when developing organizational knowledge. The creation of effective organizational knowledge relies on many things. First, the sources of knowledge that can be accessed need to be known, available and useful. An organization relies on the knowledge held by individuals. Expert knowledge sources are key strategic forces which should be recognized by others and accessible to them [91].

Figure 2: Sources of Organizational Knowledge [86, Page: 19]



Increasingly, organizations are recognizing the importance of capitalizing on and cultivating those who can guide and enhance the strategic priorities of the organization. Strategic knowledge-expertise and understanding that support the strategic direction of the organization-is increasingly valued as an organizational asset. The challenge for an organization is to have a clear understanding of desirable strategic knowledge and the sources of such knowledge in its community. An organization aiming to develop a knowledge base first needs to identify the sources of knowledge available, and then to capture and manage these sources appropriately [92]

In various literatures knowledge has received many definitions. **Table 5 represents some more major definitions which are relevant to the topic of KM:-**

S.No.	DEFINITIONS OF KNOWLEDGE	REFER-ENCE
1	Knowledge is a factor of production	Nonaka & Takeuchi [17]
2	Knowledge resides in the head of the individuals . . . knowledge is that which is known	Grant[93]
3	Knowledge consists of truths and beliefs, perspectives and concepts, judgments and expectations, methodologies and know-how.	Wiig[94]
4	Knowledge is information in context coupled with an understanding of how to use it	Davenport & Prusak[72]
5	Knowledge is information combined with experience, context, interpretation, and reflection	Davenport & Long[95]



6	Knowledge is reasoning about information to actively guide task execution, problem-solving and decision-making in order to perform, learn and teach	Beckman[96]
7	Knowledge is defined as understanding the effects of input variables on the output.	Bohn[97]
8	Knowledge as new or modified insight or predictive understanding.	Kock & Queen[98]
9	Knowledge is the whole set of insights, experiences, and procedures which are considered correct and true, and which therefore guide the thoughts, behaviors, and communication of people.	Van der Spek & Spijkervet [99]
10	Knowledge is justified personal belief that increases an individual's capacity to take effective action.	Alavi & Leidner[100]
11	Knowledge refers to an individual's stock of information, skills, experience, beliefs and memories.	Alexander & Schallert[101]
12	Knowledge originates in the head of an individual (the mental state of having ideas, facts, concepts, data and techniques, as recorded in an individual's memory) and builds on information that is transformed and enriched by personal experience, beliefs and values with decision and action-relevant meaning. Knowledge formed by an individual could differ from knowledge possessed by another person receiving the same information	Bender & Fish[102]

knowledge workers); social science (understanding motivation, people, interactions, culture, environment); management science (optimizing operations and integrating them within the enterprise); information science (building knowledge-related capabilities); knowledge engineering (eliciting and codifying knowledge); artificial intelligence (automating routine and knowledge-intensive work) and economics (determining priorities). As a result, there are a host of working definitions of KM and embryonic philosophies circulating in the literature and around corporations of the world.

For some, KM is a "conscious strategy of getting the right knowledge to the right people at the right time and helping people share and put information into action in ways that strive to improve organizational performance" [104, P. 4]. For others, it is "formalization of, and access to, experience, knowledge and expertise that create new capabilities, enable superior performance, encourage innovation and enhance customer value" [105, pp. 1-6]. A total of 73 percent of 260 UK and European corporations voted for the business definition of KM as the "collection of processes that govern the creation, dissemination and utilization of knowledge to fulfill organizational objectives" ([106, P.29]). However, most working definitions in the literature point to fundamentally the common idea that KM can incorporate any or all of the following four components: business processes, information technologies, knowledge repositories and individual behaviors [107]. With the aim of improving organizational productivity and competitiveness, these four permit the organization to methodically acquire, store, access, maintain and re-use knowledge from different sources [107]. A consistent theme in all espoused definitions of KM is that it provides a framework that builds on past experiences and creates new mechanisms for exchanging and creating knowledge. Knowledge management is a formal process of determining what information a company has that can benefit others in the organization and making the information easily available for use by those who need it. The process includes formal procedures to collect such information as lessons learned during a project's execution and the best practices occurring throughout the organization, a well established infrastructure, networks for transferring knowledge between employees, and tools to facilitate the process. Once the process captures the organization's knowledge, the real power occurs when the users utilizing the information use it by putting the shared into action. [108].

### **Knowledge Management**

Knowledge management (KM) is very important for organization because it will help organization to have competitive advantage and effective work through sharing and re-use of knowledge in an organization. In the market place of e-business, KM initiatives are used to systematically leverage information and expertise to improve organizational responsiveness, innovation, competency and efficiency. There are many reasons why knowledge should be managed properly in an organization. Among the reasons are as follows: information overloads, technology advancement, increased professional specialization, competition, workforce mobility and turnover, and capitalizes on organizational knowledge.

Knowledge Management is about building organizational intelligence by enabling people to improve the way they work in capturing, sharing and using knowledge. It involves using the ideas and experience of employees, customers and suppliers to improve the organizations' performance. Building on what works well leads to better practice, strategy and policy [103]. Variety of disciplines have influenced and informed the field of KM thinking and practice - prominent being philosophy, in defining knowledge; cognitive science (in understanding

### **Many definitions of knowledge management exist in the literature. Selected definitions are summarized below.**

Successful knowledge management applies a set of approaches to organizational knowledge-including its creation, collection, codification, personalization and dissemination-leading to

achievement of corporate goals, meeting performance targets and implementation of business-wide strategies in support of those objectives. Yu [109]

Community is the most significant differentiator between knowledge management and information management. The spirit of knowledge management may be defined as knowing individually what we know collectively and applying it, knowing collectively what we know individually and applying it, and knowing what we don't know and learning it. Havens & Knapp [110]

Knowledge management is about supporting innovation, the generation of new ideas and the exploitation of the organization's thinking power. Knowledge management also includes capturing insight and experience to make them available and useable when, where and by whom it is required. Parlbly & Taylor [111]

Knowledge Management is a business process that formalizes management and leverage of a firm's intellectual assets. Knowledge Management is an enterprise discipline that promotes a collaborative and integrative approach to the creation, capture, organization, access and use of information assets, including the tacit, uncaptured knowledge of people. Harris [112]

The author defines knowledge management as a well planned, structured approach to manage the creation, dissemination, sharing, harvesting, leveraging of knowledge as an organizational asset, to enhance a company's ability, speed and effectiveness in delivering products or services for the benefit of clients and organization both, in line with its business strategy. Knowledge management takes place on four levels, namely the individual level, team level group level and organizational level.

Knowledge management deals with the management of both tacit and explicit knowledge, where tacit knowledge is most probably the area of greatest leverage. It is a complete solution incorporating a variety of outlooks or perspectives, namely people, processes, culture and technology perspectives. Knowledge Management gives equal weightage to various perspectives while managing knowledge. The Knowledge Management process includes formal procedures to collect information such as lessons learned during a project's execution and the best practices occurring throughout the organization, a well established infrastructure, networks for transferring knowledge between employees, and tools to facilitate the process.

## The Knowledge Management Architecture

In the literature on knowledge management, four components of knowledge management architecture have been described [114], [115], and [116]. The analysis plans and actions are

usually formulated in terms of the four basic operations on knowledge that can be found in organizations: development, distribution, consolidation and combination. These four basic knowledge processes are described as follows:-

**Developing knowledge:** Companies survive by the continuous development of new knowledge based on creative ideas, the analysis of failures, daily experiences and work in R&D departments. Corporate memories can support these processes by, for instance, recording failures and successes.

**Consolidating knowledge:** Knowledge must be safeguarded against lost due to different causes (e.g. people retiring, documents that cannot be accessed any more, etc.). Consolidation could be supported by, for instance, corporate memories, knowledge transfer programmes, etc. The knowledge, thus stored, must be available at the right time and place.

**Distributing Knowledge:** Knowledge must be actively distributed to those who can make use of it. The turnaround speed of knowledge is becoming crucial for the competitiveness of companies. To support this process, corporate memories need a facility for deciding who should be informed about a particular new piece of knowledge. Actions to improve knowledge distribution include the installation of help desks and the use of intranets.

**Combining Available Knowledge:** A company can only perform at its best if all available knowledge areas are combined in its new products. If an organization is unable to combine the knowledge available, it will miss opportunities and eventually lose market share. Products and services are increasingly being developed by multi-disciplinary teams. Corporate memories may facilitate this by making it easier to access knowledge developed in other parts of the organization.

## Knowledge Management Benefits [124]

In this section we would like to elaborate KM benefits in multinational corporations or organizations. In this knowledge based economy, organizations increasingly have to deal with issues like products and processes complexity, increased relevant knowledge base both technical and non-technical, shorter product life cycles, increased focus on the core competencies, etc. KM can facilitate organizations to encounter various issues related to the emergence of the knowledge-based economy (Anantatmula & Kanungo [121]; Beijerse [65]). The numerous benefits can be achieved through implementing KM. Many authors have investigated the potential benefits of using KM in the organizations as per the literature survey which are given below:-

- Best decision making( Singh et.al.[116], Dalkir[117], Chase [118])
- Smoother collaboration (Singh et.al.[116], Dalkir[117])
- Enhanced learning (Dalkir[117])



- Improved communication (Chase [118])
- Improved employee skill( Dalkir[62] Chase [118])
- Increased employee satisfaction(Dalkir[117])
- Better way of working(Chase[118])
- Sharing best practices (Davenport[119], Singh et.al.[116], Dalkir[117], Chase[118])
- Enhanced the continuity of the organization(Beijerse[120])
- Improved employee loyalty and retention (Anantatmula & and Kanungo[121], Beijerse[120])
- Improved productivity/efficiency( Singh et.al.[116], Anantatmula & and Kanungo[121],Chase [118])
- Increased empowerment of employees(Anantatmula & and Kanungo[121])
- Increased sales/profits (Singh et.al.[116] Anantatmula & and Kanungo[121],Chase[118])
- Cycle time reduction (Singh et.al.[116], Chase [118])
- Develop new business opportunities(Anantatmula & and Kanungo[121], KPMG[123])
- Developing core competencies (Beijerse[120])
- Enhanced flexibility (Singh et.al.[116] Chase [118])
- Improved business processes (Anantatmula & and Kanungo[121])
- Faster new product development (Beijerse[120])
- Improved responsiveness (Singh et.al.[116]Dalkir[117] Chase [118])
- Reduced risk (Beijerse[120])
- Enhanced customer relation (Dalkir[117])
- Enhanced products or services quality (Chase [118] , Dalkir[117])
- Enhanced customer satisfaction (Dalkir[117])
- Better management of intellectual capital (Demarest[122])
- Increased speed of innovation (Davenport[64], Singh et.al.[116],Dalkir[117], Chase[118])
- Improved revenues through licensing of patents (Singh et.al.[116], Anantatmula & and Kanungo[121])
- Reuse of information and Knowledge (Singh et.al.[116])

## Knowledge Management Systems [125]

The fundamental concept providing the basis for KMS is the systems concept. In general, a system is defined as “a set of elements that interact to achieve some common goal” (Webster’s Dictionary, 1995). In terms of organizations, systems are typically composed of people, technologies and data/information. These components interact with one another for some specific purpose (e.g. product distribution system). Feedback and control are used to keep the system working in the way it is intended. In terms of knowledge management systems, the components of people (knowledge workers, managers, etc), technologies (manual and computer-based technol-

ogies) and knowledge itself, interact to comprise a knowledge management system. Feedback and control aspects of KMS are those processes that ensure the KMS is performing the knowledge management tasks intended.

Knowledge management systems are defined as systems designed and developed to give decision makers/users in organizations the knowledge they need to make their decisions and perform their tasks [126]. These systems extend beyond the traditional information systems in that they must provide “context” for the information presented. Examples of some current computer-based systems that practitioners are calling knowledge management systems are some applications of Lotus Notes and “intranets”.

Knowledge management systems are concerned with the management of knowledge in the organization. Essentially, management is the stewardship of a resource; that is, the generation or acquisition of that resource, the storing of the resource, and the caring, security and on-going support of that resource. Typically, most KMS’s fulfill a number of these functions.

In summary, knowledge management systems can be thought of as systems composed of people, tools and technologies, and knowledge that interact to provide knowledge to people in the Organization that need it.

## Conclusion

Knowledge Management helps a learning community to learn more easily and effectively. Knowledge Management and Knowledge Management Systems are very important for any multinational organization. In this paper we have tried to study the concepts of Knowledge, Knowledge Management, and Knowledge Management Systems in multinational organizations.

In this global scenario, knowledge creation and management has been the key question that has attracted the interest of the researchers from different areas. Various Studies shows that number of articles, books have been published on a theoretical level on the topics Knowledge, KM & KMS. We have come through the conclusion that Knowledge Management does not belong to one area. People from different disciplines are working on it. Through our literature study we have tried making the reader to understand about the role of knowledge management and its advantages in multinational organizations. We have compiled fundamentals related to the concept of Knowledge, Knowledge Management, which gives idea about the historical background, contribution of different authors & researchers, fundamentals & concepts, definitions of Knowledge, KM and KMS. In Last the focus of this study has been on the numerous benefits that can be achieved through implementing knowledge management in multinational, organiza-



tions. Various issues like products and processes complexity, increased relevant knowledge base both technical and non-technical, shorter product life cycles, increased focus on the core competencies, etc. We have come to conclusion that KM & KMS are tools which helps to utilize our resources in a smarter and efficient way to achieve higher business goals in a productive way. Hope this paper will help readers and KM practioners in a positive way by developing new opportunities, creating value, obtaining competitive advantages and improve performance to attain the organizations objectives.

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