

MANAGEMENT OF ORGANIZATIONS IN THE CONTEXT OF THE KNOWLEDGE SOCIETY

Lecturer PhD **Madalina Cristina TOCAN**
Ecological University of Bucharest, Romania
madalina.tocan@gmail.com

Abstract:

We can see in the present the arising of a new type of economy. It is an economy based on knowledge and ideas, in which the key factor of the prosperity and of the creation of new jobs is the fructification of higher knowledge and human creativity. The new type of economy represents "the fundamental change from the economy based on physical resources to the economy based on the knowledge". As Thomas Stewart considers "fructification of the knowledge, of the intellectual capital, the obtaining of the prosperity in the market economy requires a new terminology, new management methods and techniques, new technologies and new strategies. In other words, the knowledge based economy, as a new type of economy requires a new type of management -knowledge-based management and a new type of organization-knowledge based organization.

Key words: knowledge based economy; knowledge based organization; management; knowledge based management; knowledge strategies.

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INTRODUCTION- TRENDS THAT MARK THE EVOLUTION OF THE ECONOMY

Specialists in the field foresee outstanding changes at the beginning of this new century, changes that will affect not only the humanity as a whole but also the activity of organizations. Global economic integration, increasing role of ecology in the economic world, the closeness between the effort dedicated to economic growth and the people's welfare are just a few reasons that underpin the belief that the market is in a process of change. Thus, the evolution in the future of the enterprise and its environment is determined by actual changes in the economic, socio-demographic, technological, etc. or the effects of living in this environment and tries to adapt its evolution and also influenced him.

In the specialty literature, these changes and future developments are summarized in a set of trends in the evolution of society as a whole; of the economy and business content highlight the interdependence between the environment, the organization and its management. Thus, among the major trends that will mark the evolution of the economy currently we may include:

1. The transition from industrial society to the postindustrial society. The sociologist Daniel Bell from Harvard says that the 1956-1957 marks the end of the industrial age and names for the first time, the next era as a postindustrial society (Bell., 1973).

According to John Naisbitt, the transition from industrial to postindustrial society does not mean that it will no longer produce goods, but the fact that the share of services in total national economies will increase. The author analyzing the structure of the occupied persons mention that the majority of those who are engaged in services sector create, utilize and distribute information, the share of the other persons remaining virtually constant. Deepening the analysis, the author warned that "the transition from an industrial society to an information society does not mean that the processing industry will cease to exist, or that it will become inconsequential. Does agriculture ceased with the industrial era? 90% of us produced 100% of the food in the agricultural era, now 3 percent of us produce 120 percent. "(Naisbitt., 1982). So, we can consider that the economy of the future will be an economy of services.

2. Globalization. The economist Simon Reich appreciate that "globalization can be characterized both intrinsically and functional as a series of economic phenomena, which include

the liberalization of markets, non-monopolization the privatization, reduction of State functions, technological diffusion, dynamic redistribution of direct foreign investments and, finally, integration of the capital markets " (Reich., 1999). All this points out that globalization entails to a tremendous business development, production facilities and technological processes, which leads in parallel to an international labour division. The second half of the twentieth century has the defining feature of business development on a global scale, the trend of transition from internationalization to globalization of economic life. This trend is part of a historical process that took place gradually and with discontinuities and sometimes failures in trade relations (expansion of world trade), investment abroad (internationalization of production) business organizational structures (company internationalization). (Chindris-Vasoiu., 2012) "

3. Entering into a new era-information society. Taking into account the developments that have been made in computer science, computer technology and telecommunications in general, we can conclude that the society has entered into a new era, an era of information technology. The development of telecommunications and the appearance of the Internet has virtually eliminated the distances, contributing to the exchange of information increasing, to facilitating the communication within companies and between them, boosting business development, facilitating the transfer of knowledge, to the emergence of new research areas and so on these developments have led and will lead to the emergence of new trades and new forms of employment, the profound changes in the labour force qualification changes in the structure of the branches of the national economies, the emergence of new economic branches using widely informational and scientific resources, stimulate innovation and research in different fields, to the appearance of new products

4. The wide application of sustainable development principles. Another vision of the future economy refers to the concept of sustainable, development built during the last decades of the twentieth century. 1987 marked the release of "the concept of" sustainable development "on the occasion of the presentation of the report" Our Common Future "of the Committee on environment and development.

Final consecration of the concept of sustainable development was held on the occasion of the Conference in Rio de Janeiro (June 1992) of the United Nations Commission on environment and development (Brundtland Report). With this occasion it was adopted the "Agenda 21" through which the sustainable development become a priority strategic objective for the new century. Synthesizing the specialists' opinions we can consider that sustainable development involves:

- Continual economic growth and long term consistent with the requirements of the ecological balance
- Economic and human development for the population as a whole, not just for the elite.
- Management and rational use of the resources of natural resources, notably those non-renewable
- Demographic growth in line with the possibilities of the society and the nature of working conditions and life corresponding to the General development
- Eliminating social inequities and poverty eradication.

5. Moving the emphasis on knowledge and innovation

The new type of economy will rely more and more on the ability of man to know understand and innovate. "Such a kind of economy, in which the power to create wealth and profits moving from knowledge to wealth and power, change the determination of the effectiveness factor of human action, subject to the knowledge of all the components of the production process, transforming it in a integrator process, synthetic functions, where each function that adds value, not to be able to work independently, in isolation from the others." (Popescu., 1998).

In the new society the intangible goods like knowledge and knowledge and information management and knowledge are becoming the new core of skills. In the opinion of Professor Quash from the London School of Economics, we are in a society that increasingly puts more emphasis on the economic value of intangible assets. We are dealing with "cognitive domains" in which ideas are worth billions, while the products cost less. According to Peter Drucker in the future others will

be success factors: "the traditional Factors of production — land, labour and capital have not disappeared. But they have become secondary. Knowledge resource becomes the only really relevant today. "New economy calls for a rethinking of the theory of factors of production. Knowledge becomes essential component of the contemporary economic and social development. Diffusion of innovations and the convergence of high-technologies will play a key role in speeding up the importance of knowledge in the context of globalization. "(Drucker., 2002)

The new economy requires a heightened interest to the so-called society of knowledge, to the employee who has the knowledge, intellectual capital, as well as to the learning organizations.

WHAT HAPPENS AT THE LEVEL OF ORGANIZATIONS?

All of these changes occurring in the economy and acting environment have influences on the Organization, management systems and management style practiced within companies. Thus:

The knowledge society/information society -in addition to the spectacular changes in the environment as a result of the role it will play in the information society, brings to the organization management a number of changes that will result in:

- multiplying of the companies which offers intellectual and informational services, generating so-called informational-(Quaternary) sector within the national economy-research-development, design, consulting, etc.;
- the proliferation of informational work represented by increasing of "informational workers";
- expanding the information-intensive goods which incorporates in particular the human intelligence and creativity investment in the form of work of conception;
- uptake and expansion of advanced-generation managerial practices, including those specific to knowledge management;
- the adoption by the managers factors of the non-directive intervention, orientated to the facilitating and articulating collaboration between professionals
- supporting the production of knowledge within organizations, by: developing research-development activities within the company, meetings for stimulating the creativity, groups and workshops;
- the appearance of intelligent systems of knowledge and skills management
- the expansion of access to internal or external databases and knowledge bases;
- virtual mailboxes for proposals and new ideas;
- expertise and assistance support centers;
- fostering organizational learning, through: dissemination meetings of new ideas, facilitating learning from experience, adopting the system of intellectual tutoring ("mentoring") for the transfer of interpersonal knowledge or between organization subdivisions, monitoring the needs for training/retraining of employees, careers planning and periodic balances of skills;
- creating an enabling and transparent organizational framework;
- encouraging the active learning and the dissemination of knowledge.

Internationalization of the business environment will emphasize competition through amplification and diversification of transnational and multinational firms, emphasizing interdependencies between national economies and cooperation of states in economic problems. The enhancement of cooperation between the companies will be an alternative to front onslaught of competitors to penetrate foreign markets. The cooperation may take the form of joint companies and establishing collaboration agreements along the lines of research-development, production and marketing. As predictable and directions already manifested are the formation of strategic alliances and mergers that significantly change the relations of forces on international markets and reconfigures the new markets.

At the same time, globalization and internationalization will impose to the organizations to establish appropriate structures for each market. Under these conditions an organization's success is

"the result of deep understanding of the environment in which it operates and the implementation of those strategies and organizational structures that correspond to this situation" (M. Pricop, A. Tanțău –2001, pag. 54)

Alongside these trends we can mention the following:

- Appearance within the company of an structural framework well articulated, which will define very clear the individual responsibilities, characterized by organizational dynamism and flexibility needed to successfully meet the different situations, through the increasing decentralization of activities in order to increase the speed of decision-making and response improvement of the quality of decisions. Adoption of matrix structures when the internal conditions of the companies requires and they make possible, the use of flexible and temporary structural forms-task force, project team , etc., are some of the most utilized practices designed to upgrade the structure of firms and to make it better adapted to changes in the internal environment and external action;

- Accelerated extension of companies reorganization in order to modernize and increase their competitiveness by introducing and expanding the use of information and communication technology-ICT, in the form of e-business applications, the most spectacular being the Enterprise Resource Planning (ERP), Supply Chain Management (SCM) and Customer Relationship Management (CRM); At these complex systems we can add: e-procurement (or online procurement), e-marketplaces and E-business and e-commerce (purchases and sales).

- Increasing the professionalism of the majority of the employees because of the desire of self improvement and advancement;

- Increasing of managers and management teams capacity from the forefront of major companies to outline the "strategic visions" at national, regional, community (in the case of firms in the European Union) and global, regarding the future developments of these firms and the developing and strengthening actions of their activities.

- Intensifying the practice of strategic management will allow companies to optimize their business portfolio, to enhance the allocative and resources utilization force and, on this basis, to position themselves advantageously in competition;

- The intensification of knowledge based management within the companies.

KNOWLEDGE-BASED ORGANIZATION AND KNOWLEDGE BASED MANAGEMENT

As Thomas Stewart considers - "Fructification of knowledge, intellectual capital, obtaining of prosperity within the market economy requires a new terminology, new management methods and techniques, new technologies, and-last but not least-new strategies. In other words, knowledge-based economy, as a new kind of economy, requires a new kind of management- knowledge management and a new kind of organization-the knowledge based organization ". (Stewart., 2003) Knowledge-based organization has different characteristics comparing with the organizations that prevail in present. In the specialist's opinion (Jones, A.B.1999, Coincross F. 2003), the main characteristics of knowledge-based organization are:

1. Reduction of the company physical assets, in conjunction with the development of internal knowledge base and expansion of relations with customers, suppliers and external human resources;
2. Outsourcing of the activities that are not essential for the company, in parallel with the internalization of those who belong to or are strongly complementary to knowledge;
3. Strategic development of the company will be based on the in depth and/or in width knowledge development;
4. Internal organization model of knowledge-based company is analogous to human cognitive model, characterized by less structured networks, semi-autonomic teams composed by people who posses knowledge and individual availability for learning;

5. Maximizing effectiveness and efficiency is based on the teams structure, among which "pairing" must be minimized and cohesion maximized;
6. Decreasing of the mid-level and low-level manager's number and roles of and gradual outsourcing of achieved activities, simultaneous with the integration into the company of the "knowledge managers;
7. Remodeling of the managerial and economic company's capabilities, in order to put in value knowledge through choices, decisions and actions it practice;
8. Direct investments in training, in the external utilized labour force, in order to replace internal personnel who are not progressing satisfactorily;
9. Allocation of fewer resources for training and offering more limited promotion possibilities for personnel from peripheral groups, which bear primary responsibility for their own training and professional development;
10. Redesign of the motivation system accordingly to the following coordinates:
 - amplification of rewarding based on performance and merit for all personnel;
 - rewarding of the personnel from peripheral groups according to individual performance;
 - increasing use of global, group and personal incentives for the company's personnel;
11. Development of an open organizational culture, the company inviting its customers and suppliers as well as other categories of stakeholders to the making decisions that regard them;
12. The practice of multiple forms of cooperation with other firms, in better conditions in terms of ease, time and cost;
13. Reducing barriers between the different categories of human resources, between the work at the office and work at home, between individual and organization;
14. Major attention of obtaining, use, protect and exploit intellectual capital

Some authors (Nicolescu., 2006) considers that "at the basis of these features are the trends in the transition from the current economy to the knowledge-based economy, namely:

- the main functions of the company become the design, protection and integration of knowledge;
- transactions and activities involving high levels of specialization and implicit knowledge are also internalized;
- transactions and activities involving explicit specialized knowledge are outsourced;
- the links between education, economic activity and the training of its own staff are redefined "

As a result of all these factors, knowledge-based company will be simple with fewer hierarchical levels, more flexible and intelligent. So, we are moving from the narrow specialization of teams to cross-functional teams that highlight not only product quality but also the decision making quality. Work teams impose other organizational structures, other than traditional pyramid structures the specific to the organization based on hierarchy and labour division. Thus, remodeling and reconfiguring of the new world of business has a considerable impact on some of the key economic concepts and models.

As T Stewart stated "knowledge-based economy, as a new kind of economy requires a new kind of management- knowledge management" In the simplest term, knowledge management means exactly that: management of knowledge. It can be extended to management of organizational knowledge for creating business value and generating a competitive advantage. It consists of the processes required to effectively manage knowledge. It is a systematic, explicit and deliberate building, renewal and application of knowledge to maximize a firm's knowledge-related effectiveness and returns from its knowledge assets (Wiig., 1997). Knowledge management is essential for enterprises to determine where they are going and for organizational survival in the long run. It is a key requirement to future successful enterprises and is rapidly being recognized by firms to be of major strategic importance.

But for the adoption of knowledge management that relies on the use of knowledge to all employees it is necessary to adopt knowledge-based strategies. David Skyrme believes that it can be applied two types of knowledge-based strategies. One of them is "use the best knowledge that already exists in your organization, for example through sharing of best practices". Another is "innovation, the creation of new knowledge and the transformation of ideas into valuable products

and services” (Skyrme.,2000). For the application of these strategies the author identifies a number of "levers of knowledge" among which can mention: "consumers knowledge, stakeholders relations, organizational memory, etc.”

David Skyrme considers areas of a business where the knowledge can be used as a strategic lever either to create value added, either to improve organizational performance are:

Table 1. Levers of knowledge

Leverage	Key activities
Customer knowledge	Development of knowledge sharing relationships. Understanding customer needs Articulating the unspoken needs Identifying new opportunities
Relations with stakeholders	Improving the flow of knowledge between suppliers, employees, stakeholders, community, etc. using this knowledge in order to achieve informed about key strategies.
Assessment of business environment	Systematic tracking of trends in the environment, including political, economic, technological, social, etc. Competition analysis The use of intelligent systems market assessment
Organizational memory	Knowledge sharing Database with best practices Documents and procedures on-line Discussion forums Intranet
Knowledge in processes	The introduction of knowledge management processes and decision-making
Knowledge in products and services	The introduction of knowledge products. Accompanying the "knowledge" products such as user's guides provide services that use intensively the knowledge
Knowledge people	Knowledge sharing meetings Innovative workshops Learning networks Communities of practice

Source: www.skyrme.com

He believes that one of practical issues in the development of knowledge based strategies is related to the complex nature of knowledge management. As already known, knowledge cannot be wrapped, and afterwards to happen miracles. The difficulty lies in the management of tacit knowledge, which are hard to express and codified. Most often the most valuable knowledge that an organization has is in the minds of people and stakeholders. Most often, people are in a constant motion of their desire to find ways to exploit their capabilities and knowledge. To capitalize on the knowledge of its employees, organizations can act in two ways:

- The conversion of tacit knowledge in more explicit form-in documents, processes, databases, etc. This approach is often known as the *"human capital decantation in organization structural capital "*
- Enhancing the flow of tacit knowledge through better human interaction. In many Japanese organizations, different activities of socialization support this flow of knowledge.

CONCLUSION

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