CLASSIFICATION APPROACH IN DETERMINATION OF KNOWLEDGE IN CONTEXT OF ORGANIZATION

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ABSTRACT

The role of knowledge in developed countries is high. Scientific knowledge is the basis of the economy of the XXI century. Knowledge has become a new factor of production, the significance of which in competition will only increase.

In scientific literature they write about knowledge as an important competitive advantage, strategic asset, but at the same time, it is extremely rare to find a clear definition of "knowledge". In scientific and business literature a large number of different interpretations of this definition are observed. In this article attempt to generalize the different points of view and to group them in approaches is made.

The following attributes of the concept "knowledge" were identified: quality, relevance and descriptive characteristics.

Analysis of the "knowledge" concept was conducted from the perspective of structural, integrated, systematic-informational, systematic-functional, systematic-genetic, and systematic and management approaches. On the basis of this analysis there was proposed the author’s definition of the "knowledge" concept.

Key Words: Management of Knowledge; Knowledge, Intelligence, Non-Material Resources, Economy of Knowledge

INTRODUCTION

The intellectual component of labor plays fundamental role, which largely depends on the importance of organization, region or even a country in the world market. Examples of developed countries are Japan, Finland, and Germany. In the global ranking of competitiveness of countries, compiled annually by the World Economic Forum in 2012, Japan occupied the 10th place, Finland - 3rd place, and Germany – 6th. In comparison, Russia occupies 67th place in the ranking (Russia lags behind all countries of the BRICS). In all three countries there is a high proportion of products with high added value and substantial contribution of intelligence in its qualitative characteristics. "Made in Japan" or "Made in Germany" - in the consumer’s mind is identified with high-tech products.

TEXT OF ARTICLE

The role of knowledge in developed countries is high. Scientific knowledge is the basis of the economy of the XXI century. Some researchers believe that the production of knowledge is the only sustainable source of economic growth. Traders on the stock markets prefer (when assessing the prospects of securities) knowledge to a greater extent than the material assets of the
organization. In 2011, Apple Inc. has become the most valuable company in the world. The market value of the company was $506 billion.

Let's look at another example such as the bank Tinkoff Credit Systems. By rating ROE TCS it is one of the leaders of Russian banking sector. In 2012 the bank was №120 in the ranking of capital and №35 in the ranking of net profit. Impressive contrast of these two indicators, as well as the dynamics of the bank in the competitive space. The figures are shown in Table 1.

Table 1
POSITIONS IN RATINGS BANKI.RU

<table>
<thead>
<tr>
<th>Date</th>
<th>Position</th>
<th>Assets</th>
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<th>Equity</th>
<th>Profitability of Equity</th>
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<td>35</td>
<td>105</td>
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As you can see, the bank for three quarters seriously improved position almost on all ratings. As noted above, the contrast is noticeable between bank resources (assets and capital) and its performance (net profit, profitability of net asset rating).

Tinkoff, O., the owner of the bank, associates such success with focus of the organization on the formation of a strong analytical department and advanced information technologies. This bank is an innovative enterprise. A customer can do all transactions just by his phone or internet bank; the bank has no offices in the regions (only agency network) than it is remarkably different from the competition). The organization does not bear the costs of operations in offices and representative offices; customers are spared from having to stand in line.

These examples show that knowledge has become a new factor of production, the significance of which in competition will only increase.

In the scientific literature they write about knowledge as an important competitive advantage, strategic asset, but at the same time, it is extremely rare to find a clear definition of "knowledge". In dictionary of Economics edited by Azriliyan, A. the word "knowledge" is not represented. This is due to the fact that the determination is difficult to formulate.

Indeed, the word "knowledge" refers to one of the most ambiguous words in English language. Similarly, in Russian language the concept of "knowledge" has many interpretations. The authors have considered several hundreds of definitions. The variety of their content indicates that the term "knowledge" is a multi-faceted. A similar position is held by other researchers, for example and others.

It is important to note that knowledge is subjective. For example, amendments to the tax legislation can be practically nothing to the production staff, but may be critical for accountants, managers and owners of the organization.

In order to formulate and analyze the definition of "knowledge" it is necessary to consider its attributive space. Researchers outline the following attributes (properties, characteristics).
Quality (Compound Characteristic)

1. reliability (connects the reality and the content of information);
2. accuracy (measure of closeness of information) to reality;
3. completeness (reflecting the sufficiency or insufficiency of information);
4. correctness (form and content permit clear perception of information by consumers)

Demand

1. the value, usefulness (to what extent one can solve the problem);
2. relevance (reflecting importance, significance of knowledge at the moment);
3. cost (cost of production, price which a consumer is willing to pay).

Descriptive characteristics

1. carrier source (human material, or electronic media);
2. presentation (text, graphic, numeric, audio, video data);
3. volume (amount of information, data and knowledge measured in bits, bytes, kilobytes, and so on);
4. specialization (to which field it concerns).

The boundaries between the concepts of data, information and knowledge are difficult to determine, because these concepts are not well established, but on the other hand are closely linked. For example, the author of gives a comprehensive list of definitions for the concept of "information", but noted that the generally accepted definition is currently unavailable. According to the authors, knowledge is a broader and more complex concept than information and data. This view is shared by the authors and others.

The most interesting feature among mentioned above are value and usefulness. On the one hand, valuable knowledge, information and data bear research interest. On the other hand, signs of "value" and "utility" are common to all three concepts. Useful or valuable software, competence information, patents, technology, and even corporate culture, in the end add up organizational competitive advantage.

In the study, the authors examined the different definition of "knowledge" and identified specific approaches to definitions, the totality of which was classified according to the theory of systems:

The structural approach, system-element approach. Definitions, reflecting the internal structure and composition of the notion of "knowledge".

1. "Knowledge is the awareness of something or someone, and can include facts, data, information, description, skills".
2. "Knowledge consists of truths and ideas, concepts, judgments and viewpoints, methodologies and know-how. We accumulate knowledge, organize it, interpret and store for a long time, in order to apply it to solve specific problems and situations".
3. "Corporate knowledge includes know-how with respect to products, technologies, operating procedures and rules, as well as individual skills of each individual employee".
4. "Knowledge is somewhat more than data and information. Knowledge also includes beliefs, moral values, ideas and inventions, judgments, skills, professional knowledge, theory, rules, attitudes, opinions, past experiences".
5. Knowledge is a set of professional skills, abilities, experience and wisdom, business and personal contacts, which are used by people to achieve the objectives.
The approach considering the "knowledge" as a result of actions

1. Knowledge is the result of intellectual efforts, the absolute use of information in order to achieve a certain result. It may be extracted or generated from information only by logical deduction".

2. According to the Ozhegov's dictionary "knowledge is the result of cognition, scientific data, and the totality of information in any field".

3. "Knowledge is information that has been obtained by a person or group of people and processed them for distribution".

4. Any product of labor can be seen not only as a product, but also as means of production. In this way, you can also talk about the knowledge.

5. Knowledge is a product of social labor and mental activity of people, which is a perfect reproduction in the language form of objective, natural connections of practically transformed objective world.

6. Knowledge is a form of existence and systematization of the results of human cognitive activity.

Integrated, system-structural approach (takes into account not only the elements, but also their relationship).

1. "Knowledge is a combination of practical experience, individual values, contextual information, intuition of experts creating a basic framework for the evaluation and integration of new experiences and information. Knowledge appears and gains practical meaning in our minds. The organization of knowledge lies not only in the database, but also in the way of the organization, its processes and standards. Knowledge belongs to the employees and the organization".

2. "Knowledge is a constantly changing mix of structured experience, values, contextual information, and insight and is the basis for the assessment and assimilation of new experiences and information. It arises and is used in the heads of their carriers. The organization of knowledge exists not only in documents or repositories but also in established policies, processes, practices and norms".

"Knowledge" as ability or skill

1. Knowledge is the ability to make effective decisions and do the right conclusions based on the information and find trends.

2. Knowledge (know-how), human experience is a deep understanding of the subject and use the available data to assess new information. Knowledge works intuitively, allowing people to understand the situation and make quick decisions.

3. Knowledge is a set of skills, abilities, experience and wisdom, business and personal contacts, which are used by people to achieve the objectives.

The approach considering the "knowledge" as a system factor of the organization (economic advantage, unique factor, power).

1. J. Welch noted that "the ultimate source of our competitive advantages is the desire and ability of an organization to learn and quickly convert knowledge into action". Here is emphasized that not knowledge itself is valuable, but the ability to quickly apply it in practice. The same thought was expressed by Archangelsky, G. in audiobook "Drive Time": "Knowledge itself is not a value. Value is the knowledge embedded in practice".

2. "The essence of the company is its ability to create, transfer aggregate, integrate and exploit knowledge".

3. "Knowledge distinguishes one business from another, does not give rapid reproduction. This is a sustainable competitive advantage".

4. Knowledge has become a strategically important asset. Organizations increasingly attribute it to the intangible assets; many of them even believe that its value is higher than the tangible assets, including financial assets.

5. Organizational skills are strategic resources.
The system-information approach, information approach

1. "Knowledge includes information but referees it to the context of judgment and understanding".
2. Knowledge is the information based on which, with logical reasoning, one can obtain certain conclusions. Knowledge is the result of proven practice cognition of reality, its reflection in the human mind.
3. Knowledge is information that has been obtained by a person or group of people and processed them for distribution.
4. Negentropy concept, antithesis of entropy.

Systemic-functional approach. Used for system in terms of its behavior in the environment to achieve the goals.

1. "From the view point of view of the purpose, knowledge is the intelligence used in the work. Knowledge that is not used becomes obsolete. And the knowledge that is exchanged and distributed is generating new knowledge. Knowledge is seen as a strategic resource"
2. Organizational skills are strategic resources.
3. Knowledge is the basis for decision-making management. Knowledge is the basic laws of the field, allowing a person to solve specific industrial, scientific and other tasks, as well as decision-making strategies in this area.

Thus "knowledge" is often regarded as specially treated information. The word "information" often appears in the above definitions.

It should be noted that knowledge is sometimes considered as morals, opinions, judgments, education, that are some qualities of specific people, their individual properties.

Almost every aspect of knowledge can be formalized in the information or data. And the reverse transformation is also possible. Thus, the information and data is core of knowledge. Knowledge is a complex and multifaceted concept. We also identified that the basic properties of knowledge are value and usefulness to achieve practical results.

Thus, we come to the following definition:

Knowledge is a complex organized (organized in a certain way) information that a person enables or organization efficiently do their practice.

FINDINGS

So, in the article the classification of approaches to the definition of "knowledge", presented in the diversity and complexity of the internal structure of this concept, as well as the author's definition is presented on the basis of information approach.

Beyond the scope of this article the following question remain: classification of knowledge, valuation and quality of knowledge, competence profile of knowledge manager, and the question of building a system of knowledge management. These issues will be considered in future publications.

CONCLUSION

In the context of global competition knowledge becomes one of the key factors affecting the competitiveness of a company in many aspects of business. The companies most effectively using knowledge reach leadership positions.
Use of the knowledge based management concept faces a number of theoretical and practical difficulties. This happens also due to the fact, among other things, that the knowledge itself is a multisided and complex conception.

The article analyses the existing definitions of "knowledge", features the approaches to grouping the definitions of this term and their classification attributes. Furthermore, the article identifies basic features of knowledge and suggests the author's definition of "knowledge" conception.

The analysis fulfilled is the basis for further research in terms of solving the problems of practical application of the management concept based on knowledge and its development.

REFERENCES