

# New world of business

[Business](#)



The article “ Knowledge Management for the New World of Business” by Yogesh Malhotra discusses the importance of changes, information technologies and innovations as the main drives of business success. The author shows that attitudes towards knowledge management have been changed and nowadays knowledge management offers new ideas and concepts how to make business successful, innovative and, what is more important, socially responsible. The paper is retrieved from online database through search engines. Despite the paper is online source, the author offers well-supported, well-structured and well-organized study of world business in terms of knowledge management. Further, the paper is directly related with knowledge management field as the author discusses the importance of knowledge, innovations, information technologies and changes which are known to be key components of knowledge management field. (Malhotra 1998)

Malhotra says that today is the era of information technologies being associated with knowledge. The author argues that knowledge is critical source in business activity as it drives company either to success or complete failure. New technologies as, for example, intranets, data-mining, web-casting and video-conferencing, offer new ways of meeting business challenges in knowledge era. Moreover, information technologies are encouraged by press trade. As a result, information technologies positively contribute business performance. For example, intranets and networks are effective in increasing inherent capabilities to facilitate knowledge management. (Malhotra 1998)

Business is experiencing transition from the era of competitive advantage to the era of knowledge creation. Earlier business was characterized by low levels of changes and innovations. However, “ the new world of knowledge-based industries is distinguished by its emphasis on precognition and adaptation in contrast to the traditional emphasis on optimization based on prediction”. (Malhotra 1998) The author argues that knowledge-based business world is characterized by re-definition and re-evaluation of organizational objectives, goals, and missions. Simply saying, the business re-shapes the way of arranging things.

Business environment is motivated by radical changes and innovations which “ overwhelm the traditional organizational response of predicting and reacting based on pre-programmed heuristics”. (Malhotra 1998) Modern business world requires anticipatory response, and demands flexibility and resurfacing of old assumptions. Modern world tends not play following predictable rules - instead, it tends to change these rules and to keep changing. As result, new types of organizations have emerged: business ecosystems and virtual corporations. (Malhotra 1998)

The author offers his own definition of knowledge management for a new business world and stresses that new definition should go beyond quick and predictable views of many others. Instead, definition should move executives, managers and common employees to think strategically and critically about the purpose of knowledge management. Malhotra says that knowledge managements is critical to organizational adaptation and survival as it drives and monitors environmental changes.

Knowledge management “embodies organizational processes that seek synergistic combination of data and information processing capacity of information technologies, and the creative and innovative capacity of human beings”. (Malhotra 1998) Nevertheless, one problem exists as there is confusion between the terms ‘knowledge’ and ‘information’. The author claims that these notions are distinct entities as information is generated by computer systems and human interpretation of actions, whereas knowledge is of subjective nature.

Malhotra recommends business managers to realize that knowledge is imbedded in them and the process of knowledge acquiring is social interactions. It is emphasized that knowledge creation depends solely on human beings as computers are only tools with information-gathering capabilities. New world of business is defined as wicked environment which requires interpretations of information and knowledge. (Malhotra 1998)

One more positive moment in the article is that the author offers recommendations how to incorporate knowledge management in business activities. Firstly, it is necessary to refuse to control employees and their behaviors through setting predictable and pre-defined objectives and procedures. Instead, it would be better to create organization being capable of constructing diverse meanings. Secondly, the author recommends re-evaluating companies ideas how to arrange things and practices. Executive managers should consider dynamically changing business environment, as well as external and internal threats. Thirdly, it is effective to invest in “multiple and diverse interpretations to enable constructive conflict mode of

inquiry and, thus, lessen oversimplification of issues or premature decision closure”. (Malhotra 1998)

Summing up, new business world offers new opportunities of success and knowledge plays crucial role in this process. New strategies are to encourage human imagination and creativity to promote internal diversity and to meet the needs and demands of the wicked environment. Knowledge management makes companies and organizations re-think and re-evaluate their goals and practices, as well as use the power of knowledge in finding new ways of improving business performance. (Malhotra 1998)

#### Works Cited

Malhotra, Yogesh. 1998. Knowledge Management for the New World of Business. Available at <http://www.brint.com/km/whatis.htm>. Accessed March 15, 2008.