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THE COMPETITIVE PROFILE OF THE NATIONAL RAILWAY COMPANY FROM THE PERSPECTIVE USE OF KNOWLEDGE MANAGEMENT

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In the context of the current business environment, characterized by an increasing degree of competitiveness which diminishes the possibilities for differentiation, it is necessary to implement a successful strategic knowledge management process and adapt it to the company's needs. The purpose is that it can help the company to translate its strategic vision and mission into action. Regarding the organizational environment, organizational needs analysis - expressed in terms of the knowledge society - determine "competitiveness" as a necessary condition of survival of the company. Competitiveness has always been an organizational goal. Is born, so the question: why competitiveness became just today, the key to success of business processes? The answer, we believe that it is in dynamic markets (supply, demand) - dynamic value by bringing in goods and services, the widespread use of knowledge. The importance of knowledge-based activities has greatly increased in recent years. Also, knowledge began to be regarded as the main source of wealth production, protecting it represents an important element in achieving and maintaining a competitive advantage.

Keywords: competitive profile, strategic management, modeling management, knowledge management, organizational learning, strategic leadership

JEL Code: D83, L92

1. Timeliness and appropriateness of the proposed theme

The fundamental question is explaining disparities for firms performance due to differentiated awareness of the strategic role of knowledge management.

Knowledge management strategy should be applied with caution taking into account the needs of the company and the factors that may influence the management of knowledge.

An organization must analyze and evaluate internal and external environment when selecting knowledge management strategy. This is because different situations require completely different strategies to cope with the strategic management process where the organization intends to successfully implement knowledge management. The analysis should be carried out from time to time and the organization must carefully select the right process to be implemented.

In the foreseeable future, organizations need to conduct critical research on knowledge management because it can create a sustainable competitive advantage in the changing business environment and must also investigate how their competitors justify their work on knowledge management in order to obtain competitive advantages.

2. The stage of knowledge

To this point of the proposed paper is necessary a thorough documentation of previously written works in the field of strategic management, knowledge management and strategic leadership

In a recent article Kruger and Snyman hypothesized that progressions in knowledge management maturity (from a strategic perspective) are directly related to an increased ability to speed up the strategic cycle of imitation, consolidation and innovation.[47]

"KM capability enables an organization to improve its performance relative to its competitors."

[47] "Guidelines for assesing the knowledge management maturity of organizations" – C.J. Kruger, M.M.M. Snyman, South African Journal of Information Management, Vol 9(3) September 2007

The link is not direct. An organization's KM capability allows it to achieve innovation agility(i.e., to explore and exploit market opportunities). This agility further allows the organization to take competitive actions in its market, which in turn results in a better relative performance. See Figure 1. The following section elaborates on the key concepts of our theory and builds testable hypotheses.[48]

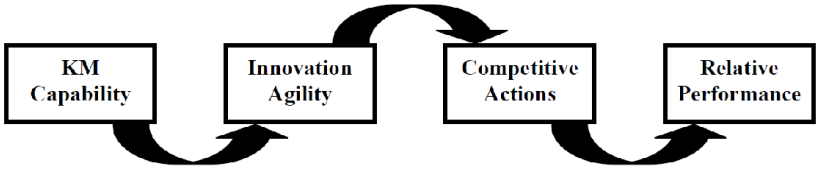
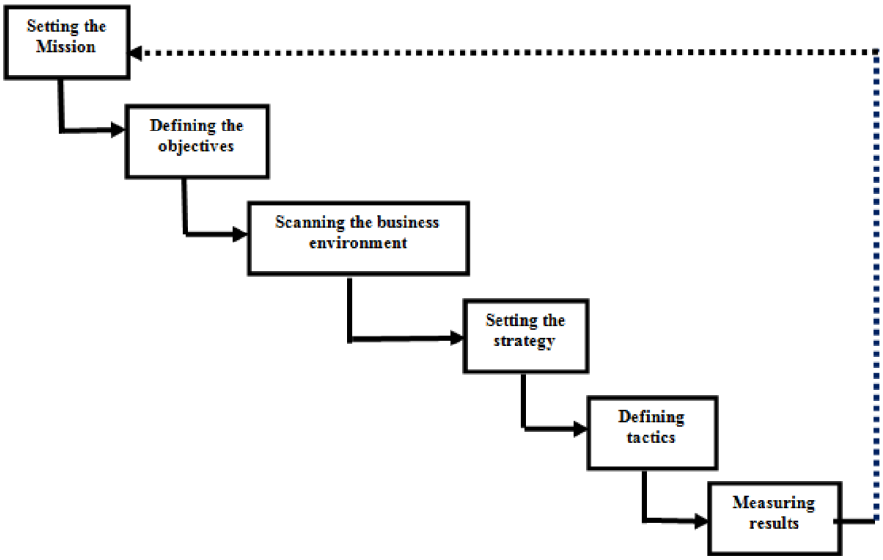


Figure 1: KM Capability and Organizational Performance

This we can achieve with the "Five Steps to Strategy in the strategic management process." Strategic Management analyzes the main initiatives of the top management of a company on behalf of its stakeholders, involving external resources and performance environments. This entails specifying the organization's mission, vision and objectives, developing policies and plans, often in terms of projects and programs that are designed to achieve these objectives, and then allocating resources to implement the policies and plans, projects and programs. There are five important steps for a company to follow when developing a strategy.

- Evaluation of its competitors and the market where it operates.
- Setting goals and strategies based on the competitive position of the company.
- Reassessment of each strategy annually or quarterly to determine how it was implemented.
- Reassessment of each strategy to determine whether successful or it needs to be replaced with a new strategy to meet the dynamic business environment circumstances. This is including new technology, new competitors, a new economic environment, a new social, financial, environmental or political.
- Evaluation and control of the business and industry involving the company. (Figure 2).



It is difficult for any company to achieve something without a strategic plan. An overall strategic plan for what the company can do and focus on those things that the company excels. The strategic plan help managers determine where to turn time capital, human and financial.

Creating a strategic plan process may seem overwhelming, but if you break into several parts is very easy. Thus it can be done in five steps, namely[49]:

- Determine the competitive market position. This is more difficult than it seems. Some managers perceive just how they want to see themselves, not how the company actually occurs in reality. Many small companies spades into this trap and eventually exit the market. For a more complete picture of the

[48] "Knowledge Management Capability and organizational performance: a theoretical foundation" – Satyendra Singh, Yolande E Chan, James D McKeen, OLKC Conference at the University of Warwick, Coventry, 2006
[49] http://www.forbes.com/sites/aileron/2011/10/25/five-steps-to-a-strategic-plan/

company's position, internal and external audits must be performed in order to obtain a clearer understanding of the market, the competitive environment, and organizational skills compared to their direct competitors.

● We must clearly identify what is important to the company. Managers need to focus on long-term way forward for the company. This establishes the company's long-term direction and defines the mission (market, customers, products) and vision (conceptualization of what the future organization should or could be). As a result of this analysis can determine the priority issues that are so important to the general welfare of the company and requires immediate attention and effort of the entire management team. The strategic plan should focus on these issues.

● Define what should be done. Defining the expected objectives that clearly show what the organization must achieve to address priority issues.

● Determination of the persons responsible for certain activities of the strategic plan. This is how to think the whole process of strategic management if desired organizational objectives. Strategies, action plans and budgets are all stages that need to effectively communicate how the human, financial and time resources are allocated to priority issues in order to achieve organizational goals set.

● Assessment. Assessment. Assessment. Not finished. Never ending process. To ensure that the plan works as designed, we must take into account the results of analyzes on the process scheduled at least at 3 months.

An essential role in this matter it is through knowledge management knowledge society and the knowledge economy. In the last decade the concept of information society has been used in almost any context involving sustainable economic development. Abundance of its use comes not so much from a theoretical clarity as the official policy of promotion of industrialized states.

Analysis of the general aspects of the knowledge society reveals four important dimensions: education, science, diversity and safety. Each of these influences the economic environment – Education directly, indirectly, diversity and security indirectly. Summarizing the characteristics of the scale with a direct impact on the economic environment, we can say that education is the road to creativity and innovation, while science requires technological development.

Each socio-economic paradigm has led to increased organizational productivity and competitiveness. Society / knowledge economy must demonstrate the same.

"Knowledge economy" is a concept that can define a "knowledge economy", focusing on the production and management of knowledge, or "knowledge economy", which refers to the use of tools to produce economic benefits.

The knowledge economy is a component of the knowledge society. Thus, provided the change rules and practices applied successfully in the industrial economy. Change is needed in the context of globalization and the widespread use of knowledge[50].

Regarding the organizational environment, organizational needs analysis - expressed in terms of the knowledge society - determine "competitiveness" as a necessary condition of survival of the company.

Competitiveness has always been an organizational goal. Is born, so the question: why competitiveness became just today, the key to success of business processes?

The answer, we believe that it is in dynamic markets (supply, demand) - dynamic value by bringing in goods and services, the widespread use of knowledge.

Specialists in the field of knowledge-based economy supporting the idea that we are moving towards a new social paradigm, the importance of knowledge as input to business processes has fundamentally changed. This dynamic leads to basic changes in the functioning of the economy, namely to change the rules, both for business and for the political one.

Starting from the known opinion of Francis Bacon that "knowledge is power", Alvin Toffler states that "knowledge societies is the culmination of the development of human society, where knowledge is the main economic resource and the most important source of power ". This is one of the reasons that Peter Drucker believes that the dynamics of developed countries towards a knowledge-based society generates the biggest changes in the modern world.

The importance of knowledge-based activities has greatly increased in recent years. Also, knowledge began to be regarded as the main source of wealth production, protecting it represents an important element in achieving and maintaining a competitive advantage, according to Michael Porter.

[50] "Tehnologia informatiei si comunicatiilor pentru afaceri" – Rozalia Nistor, Alexandru Capatina, Dragos Cristea, Editura Didactica si Pedagogica Bucuresti, 2009

Davenport and Prusak emphasizes the idea that the competitive advantage of a firm and lasting organizational knowledge is based on the efficiency of the use and the degree to which new knowledge can be identified.

The presentation in Figure 2, the relationship between knowledge management and strategic resources in order to achieve sustainable competitiveness.

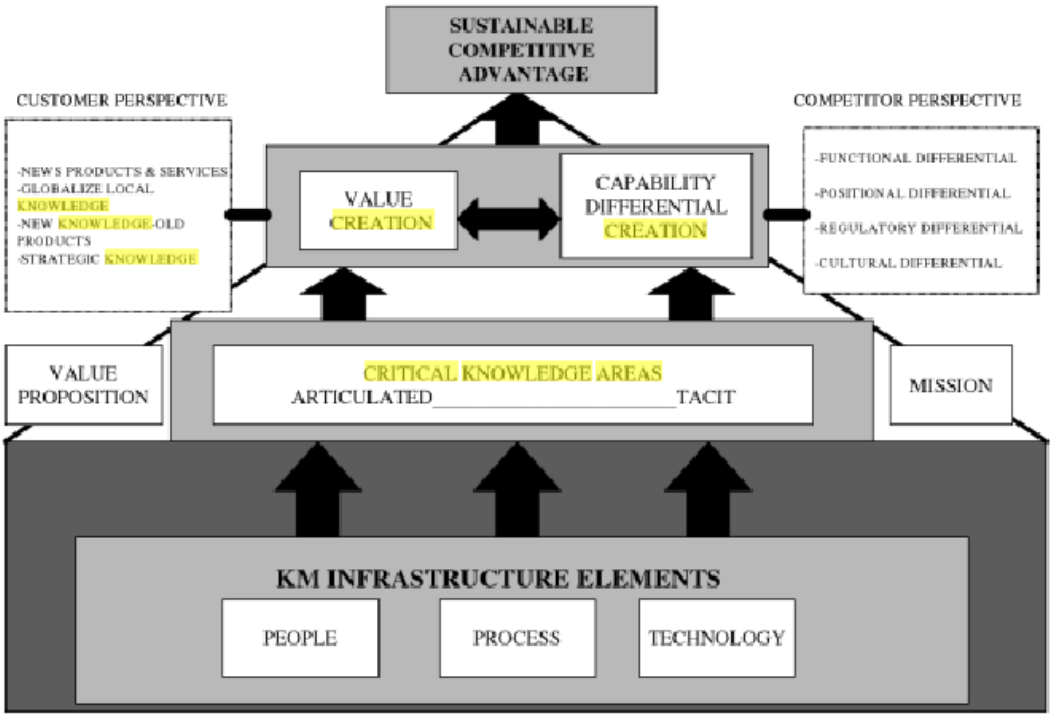


Figure 1. Critical knowledge areas, value creation, capability differentials, sustainable competitive advantage, and infrastructure elements (people, process, technology)
Source Encyclopedia of Knowledge Management - David G. Schwartz

Developing a strategy, based on understanding the interaction of these three categories, offering the opportunity to identify strategic knowledge and at the same time, is business-critical [Cepeda, 2004].

Determination of strategic knowledge is an important step to achieve added value and define specific organizational capabilities.

The added value of products and services is an intangible asset that positively influence business performance and competitive advantage. Although intangible, the size that best reflects actual attitude that customers have with the company's products and services in conditions of high competition.

Knowledge-oriented companies will introduce - consciously - knowledge into products and services. Knowledge can be applied to both existing products and services, the so obtained new generation of products, or result in the creation of new products and services.

3. Research methodology

The general and specific formulation of research hypotheses to be taken in this paper is based on the evaluation of tangible and intangible benefits perceived by those of the national railway company as a result of the implementation of knowledge management and adaptation strategies.

The instruments will be designed to assess knowledge management strategies as applied in the true national railway company through an organizational audit in the form of a questionnaire that measures the difference between the current state in which the company and the desired be able to achieve an organizational environment knowledge transfer as a strategic resource.

Although conceptually the company looks good, company managers realized that not only the system that knowledge management is a necessary tool for sustainable development on the competitive market, but it takes to be precursors adopting information society tools based on the conducive to organizational learning and internal training, adapting such knowledge society.

Organizational learning constitutes an idiosyncratic and complex capability difficult to imitate, replicate and transfer (Day, 1994). It results from the change and evolution through the specific history of

each firm. Moreover, learning depends not only on investment efforts, but also on the previously accumulated knowledge or experience (absorptive capacity)[51].

To see how best to adapt the knowledge management in the company we will be using self-assessment guide which comprises two main elements: the capability and knowledge management maturity matrix[52].

The knowledge management capability provides a framework for evaluation, including the code of practice and some general questions to help identify potential areas of improvement in the organization.

Maturity matrix whose elements and best practice statements reflect the pattern capability, also provides a means for organizations to assess their levels of maturity in knowledge management.

The knowledge management capability[53] has five key areas. Each area is different from the others, but all work together. Success in one area can have a positive impact in other areas.

The leadership and the strategy works with the culture in order to build organizational capacity through an iterative process. The other three areas - networks and communities, experiential learning and knowledge base - are support processes that contribute to the overall development.

Over time, as organizations continue to develop these areas, both company staff and managers are beginning to appreciate generating and sharing of knowledge, strategic management of knowledge becomes second nature - becomes one of how the organization operate daily.

Capability Area 1: Leadership and Strategy.

Strong leadership and a set of powerful strategies are critical to success. The transition from working with tangible predictable environments focus on mobilizing knowledge to cope with complexity and change requires a change in the prospects of the company and its values, as well as the tools and practices used. In other words, this is a change initiative that requires vision, direction and energy to be turned on.

Using knowledge is not mechanistic. It involves relationships, trust and connections across organizational boundaries, organizational culture, social systems and free will. A leader who can clearly perceive the need for knowledge and their value should provide the enabling environment of effective collaboration that can have a big impact in changing organizational culture. In organizations with high performance leaders clearly communicate the value of knowledge within their agency.

Capability Area 2: Networks and Communities

Networks and communities can enhance the mobility and exchange of knowledge between "silos" (separate units within the company and between organizations). Organizations should strive to encourage membership in networks and to encourage staff to be part of the groups' scope of knowledge without borders "who can share experiences and ideas in order to generate new knowledge.

All effective leaders have networks of different types. These networks provide each other to share their experiential learning and reacts like sonar mutual problem solving. Research shows that even if organizations have large storage and retrieval systems of knowledge, people continue to go to their contacts because they provide the feeling of actual conversations and confidence in the information obtained.

Capability Area 3: experiential learning

Capable organizations recognize that experiential learning in the workplace is essential for supporting innovation and continuous improvement. If an organization offers almost all attention has to do things as they always did, it is unlikely that they will identify innovations and improvements that increase company performance.

Experiential learning is based on existing formal education programs. Trainers realized that it is difficult to transfer learning from the classroom to the processes at work. Much of the reason is that at least 70% of learning in the workplace is informal and not facilitated by the company.

The type of learning: "before, during and after" is a model created by the folks at British Petroleum and has been adopted by many organizations as an easy way of thinking about experiential learning. It involves different stages of intentional learning initiatives. Framing these tools and processes of "learning before, during and after" gives structure and simplicity required for the profit, which is complex and integrative nature.

[51] "Strategic positioning for sustainable competitive advantage: an organizational learning approach" – John I. Njuguna, KCA JOURNAL OF BUSINESS MANAGEMENT: VOL. 2, ISSUE 1 (2009).
[52] "Guidelines for assessing the knowledge management maturity of organizations" - C. J. Kruger, M. M.M. Snyman, SA Journal of Information Management; Vol 9, No 3 (2007)
[53] *http://www.bcauditor.com/online/pubs/552/524*

Capability Area 4: Knowledge Base

Some current knowledge have the ability to be captured and stored. They tend to be express assets relatively stable, i.e documents with company policies. However the systems and technologies needed to capture, share and use knowledge should not be limited to documents. Organizations should also consider ways to share elements of tacit knowledge - ie lessons learned and specific expertise.

Frequently used knowledge bases often are composed of stories, photos, videos and contact information on recent innovations occurred. With the new information technology of Web 2.0, such as wikis, social networks and blogs, there is a great potential to improve knowledge sharing and improving knowledge management adaptation.

Capability Area 5: Culture

A widely used definition describes culture as the complex whole which includes knowledge, belief, art, morals, law, custom and any other capabilities and habits acquired by man as a member of society. Although this definition is not specific organizations, all of which were important aspects of organizational culture studies.

Developing a culture of knowledge sharing is vital to support innovation and generation of new knowledge, staff development, preparing the organization for change, improving the definition of the problems it faces and decision making. However, culture change is recognized as one of the most difficult aspects that can be changed within an organization even long term.

In many ways the culture is the result of the adoption of practices presented in other areas of capability. But it is also a critical success factor, and cultural problems or challenges will always have an impact on the effectiveness of other initiatives. So where there is leadership that provides the "spark" and that organizational culture is maintaining the "fires burning". It is very difficult to try to change the culture of an organization directly. However, thinking and acting in a way that values knowledge, and are recognized benefits gained by the organization to use the knowledge, organizational cultures can change.

Maturity Matrix provides a brief description of four different organizational maturity levels (basic, early, improved and advanced), related to the five areas of knowledge management capability model (leadership and strategy, culture, networks and communities, experiential learning and base knowledge). This can be used by organizations to understand where also what areas should focus to enhance their knowledge management. It is also a useful document for review before finalizing interactive self-assessment.

4. Results taken into account that can be adapted to the Romanian National Railway Company

British Columbia Forest Service: mobilizing knowledge in a complex and unpredictable environment. This public service is officially known as the Ministry of Forests and Hunting in British Columbia, has approximately 3,600 employees working in 45 offices across the province. This is the main agency responsible for protecting the public interest in terms of their access to the forests of the province[54].

Approximately 95% of the lands in British Columbia forests are publicly owned and managed by the provincial government which is the service of citizens. This service includes a wide range of fields such as fire management, protection of indigenous, forest health, hunting, protection of fauna and flora, the sale of timber and more.

Many of the employees of the service began their career in the forest, and have the operational, technical and scientific skills. The organization has a large number of long-term staff, who described the Forest Service as a second family. The organizational culture of the BC Forest Service has been described as a very well-established given the large number of long-term personal and relative stability of employees who want specific employability site. Many of the employees of the service believe that the real work is in the field, far from meeting rooms and computers.

Work in the organization varies. Some jobs have a high degree of difficulty but predictable and repeatable. However in recent years, the environment and at the same time and how the work should be done has become increasingly complex and unpredictable. Several significant trends and issues have impact on the BC Forest Service, the radical changes in the economy and increasing globalization of markets, to climate change.

Like many public sector organizations, the region of British Columbia Forest Service has faced a multitude of challenges. Using knowledge as an asset was mainly to increase the flexibility, adaptability and innovation in rapidly changing environments. Apart from the engine of organizational change there were three:

[54] http://www.bcauditor.com/online/pubs/552/494

● A key objective was to facilitate the transition from historically oriented culture to command and control a type of culture that enable knowledge to flow across different units of service in order to enhance innovation and making policy and strategic processes more efficient.

● A workplace survey revealed low morale throughout the organization which revealed the need for action to empower staff and to enable better management of communications on the vision and direction of the organization.

● British Columbia Forest Service in the region was on the verge of losing the knowledge base through the large number of retirements of key people with specialized expertise.

B. P: portability of knowledge across "silos" to support success. BP (formerly British Petroleum) is one of the largest energy companies in the world with nearly 100,000 employees. BP offers its clients retail and fuel for transportation, energy for heat and light, and petrochemical products used everyday objects. For many years, Mr. Browne - who joined the company in 1966 - was CEO. He withdrew in 2007. Two of its areas of interest were knowledge management and green energy. The case study will be thoroughly focuses on BP Lord Browne as CEO[55].

BP was many years winner of international MAKE award (Most Admired Knowledge Enterprise). For the private sector, members of the jury award the lucrative MAKE prize to companies who have successful achievements, such as:

- Creating a culture based on knowledge of the company.
- Developing knowledge workers through senior management leadership level.
- Delivery of products, services and solutions based on knowledge.
- Maximize the company's intellectual capital.
- Create an environment conducive to sharing and exchanging knowledge.
- Creating an organization focused on learning.
- Creating value based on customer knowledge.
- Transforming knowledge into wealth for shareholders and company stakeholders.

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