



BMSW5106

***Leadership and
Management Skills
for the Workplace***

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Introduction

Knowledge management is defined as the process of organizing, creating, using and sharing collective knowledge within a company. The present report focuses on the United Kingdom retail giant Tesco which has remained a leader in UK retail industry through its effective utilization of organizational skills and knowledge. The company does have a knowledge management system in place but there is room for improvement z. This report provides overview of knowledge management and historical background of Tesco. In addition to this, knowledge management participants, approaches, incentive for participation, potential challenges and opportunities are analysed in context of disco. Finally, new sources of knowledge management identification and distribution for various stakeholders, operating costs, legal requirements and promotion of knowledge management is also provided for Tesco.

Main Body

An overview of your chosen organisation by briefly highlining the historical background of any KM related activities

Tesco is a British multi-national Plc which has its headquarters in Welwyn Garden City, England. The company deals in general merchandise and groceries and it is the third largest retailer all across the globe in terms of gross revenues. The company mainly operates over 4,673 locations all over the world (Tesco, 2024b).

Tesco company has always focused on enhancing its knowledge management related activities by development of effective strategic frameworks. The company has implemented the application of knowledge management in its operations since its first international country expansion. Tesco launched in Hungary in 1994 (November 23) after purchasing a small local supermarket group trading as S-Market based in Szombathely, in the west of Hungary. The implementation of

knowledge management in the global expansion was essential requirement of the company as in the international marketplace, there is a huge requirement of exchanging the information. The upper level management of the company has also implemented strategies which are helpful in enhancing the knowledge management in the organization to gain competitive advantage. The application of knowledge management in company's most of the operations is a key to its success at the marketplace. Tesco is also involved in increasing the transferring of knowledge in the international marketplace for achievement of goals and targets.

Who the participants are, both in the contribution and the collection of knowledge.

The analysis of participants and their role in the knowledge management is considered as a key approach used by Tesco for better operations. The key participants in contribution and collection of knowledge in the organization are employees and management (Farooq, 2023). These two parts of a business entity are responsible for most of the functions which leads to development of the entity.

Employees - Tesco has always considered that mutual working of employees in the functioning of a business entity is most important. The lower level employees and management are also one of the key resources for the business in enhancement of knowledge management. The delegation activities performed by Tesco in the international marketplace are a good example of the same.

Management - The management is one of the major contributor to knowledge, which assists in overall development of a business entity. The presence of top level management in the organization is also a major consideration which impacts on knowledge management and its dimensions (Karyatun, Yuliantini, and Riadi, 2023). Tesco and its board of directors are having practical information about the global marketplace.

Evaluate the IM/KM approaches of your chosen org that have the potential to contribute to their overall success

Explicit knowledge - The information which is easy to share and document is known as explicit knowledge. It is the key role of a business entity to develop critical approach in sharing the explicit knowledge as it is the best way to convince the information (Lam, Nguyen, and Tran, 2021). The explicit knowledge of the functions of Tesco is provided by the best ways of communication like Email, Telephonic Conversation and Management Information System (MIS) for optimum results.

Implicit Knowledge - This is the most important approach in the knowledge management as it includes learning and development. The gaining of implicit knowledge at Tesco is done by conducting webinars and seminars.

Declarative Knowledge - The application of declarative knowledge is considered as one of the key approaches that assists a business entity in increasing performance of the employees. It is referred to gaining static knowledge and information related to particular aspect of a business (Ode, and Ayavoo, 2020). The management of Tesco company teaches Management Principles to its employees which are developed by F.W Taylor and Henry Fayol for making employees more productive.

Procedural Knowledge - The knowledge about how majority of things are done in a business functioning is knowledge as procedural knowledge. In the functioning Tesco, the main activities like supply chain and operations management and their way of operating is taught to the employees who are working in other countries.

The incentives to participate on KM activities with an explanation why it is important for the company to invest on the Knowledge project

Increased Salary and Performance Ratings – The performance ratings and increased salary are the most favourable outcome of KM. The development of performance is key aim of a business entity in order enhance the productivity. Tesco mainly focuses on development of performance of employees in order to gain competitive edge.

Promotion - The promotion requirements of the employees are fulfilled through the support of knowledge management-based activities. The performance development of employees along with increasing their strength to deal with the contemporary issues is the major output by the support of KM . The management of Tesco company is focused on promoting the employees with the support of knowledge management activities. In the development of a business entity, the promotion of employees is considered as crucial factor..

In the 21st century, participation on knowledge management is important task for an organization. The development of the business entity mainly depends upon the KM activities as they facilitate the organization to improve its functioning (Crupi and et. al., 2020). The management of Tesco is dedicated to promote KM activities and increase the participation of employees in order to achieve the goals and objectives.

The potential challenges and opportunities related to maximising the use of KM system

In the era of globalization and commercialization, the KM system is considered as a key approach which facilitates development at a rapid pace. The management of the business entities is mainly focused on evaluating the opportunities and challenges which are helpful in increasing the chances of organizational success. The majority of the companies including Tesco in the international marketplace implements best practices related to knowledge management for systematic growth.

Opportunities

Productivity Enhancement - The productivity of a business entity is enhanced with the support of all major KM activities. The productivity of employees is mainly increased with the help and support of KM activities as they teach new things and traits to the employees. The key reason behind the growth of Tesco company is its knowledge management system which has improved the productivity of its employees.

Competitive Advantage - The main opportunity provided by knowledge management of employees includes gaining competitive advantage at the marketplace. It is the key role of management of the business organization to implement KM on regular basis. Tesco company gains edge in the competition from the companies like Marks and Spencer by implementing the fair practices in KM. The level of competition in the global marketplace is increasing day by day.

Ease in international expansion - The global expansion opportunities are essential part of a business entity and every business tries hard to achieve the same. The global companies have a key mission to expand their operations in majority of countries (Qandah and et. al., 2021). The application of knowledge management makes it easier for Tesco to handle the bulk operations in international marketplace and then expand globally.

Cross-cultural development - In the recent times, the cross-cultural development is the key priority of every business entity. The management of the organizations try to achieve stability in management of the personnel with the healthy support of cultural considerations.

Challenges

Communication Barriers - The communication related barriers are most important challenge for the organization in order to promote KM activities. The majority of business organizations including Tesco should evaluate the factors which are impacting on the flow of information in order to develop a systematic approach. The noise is the most considerable factor for the company which put a barrier on it functioning in the international marketplace. The KM activities are also hindered by the noise and it directly leads to put barrier in the development process.

Lack of Coordination - The lack of coordination is also one of the major factors which impacts on the KM activities. The business organizations in international marketplace should focus on development of healthy coordination between employees in order to achieve the key objectives. The companies which are already gaining effective competitive edge are mainly focusing on developing coordination. The coordination is a key challenge in the international marketplace and the management of Tesco company face the issues in it. The main issue which creates lack of coordination is lack of proper communication channels.

Instability in Global Marketplace - The knowledge management activities of an organization are mainly impacted by the instable nature of global marketplace. The companies which are present in the international marketplace always have risk associated with the different operations. The knowledge management-based activities are highly impacted by this nature of global marketplace. It is the main role of the board of directors of Tesco company to overcome this challenge by preparing appropriate frameworks. In order to deal with the dynamic nature of global marketplace it is also necessary for the company to take assistance of universally adopted frameworks like SWOT and PESTLE analysis.

Identification and distribution of new sources of knowledge management to various stakeholders

Internal sources of Knowledge Management

Meetings: This is an important internal source of knowledge management for Tesco because it will help the company gather data from formal and informal meetings being conducted at the organization. It will provide Tesco information about different functional areas and its impact on product development and service improvement for consumers in international and regional outlets. In this way, it can help an organization in discovering and capturing new knowledge about its products and services (De Bem Machado and et. al., 2022).

Reviews: This source of internal knowledge is beneficial for Tesco because it will help the company in identifying gaps which exist within different processes and policies of an organization. In this way, the company will be able to gather explicit knowledge about content assets which already exist and the knowledge content which needs to be created to attain specific knowledge management objectives. Tesco will be able to utilize its organizational memory to understand strengths and weaknesses which impacts performance of different products and services.

Audits: This is crucial for acquiring both explicit and tacit knowledge for Tesco because it will provide qualitative and quantitative data regarding financial performance of the organization. This is critical for assessing whether existing product lines are contributing to profits or new products and services need to be launched to capitalize on market opportunities. In this way, it will support capturing transactional context from existing system of record through integrations.

Performance Assessment: This final aspect of internal source of knowledge management for Tesco focuses on utilizing performance assessment to gather information about different aspects of company performance. This includes employee performance, performance of specific product categories, geographic performance of different test score outlets etc. It will also offer company detailed implicit and explicit knowledge through performance management documents, appraisal procedures and implementation of various training and development initiatives to enhance company performance.

External Sources of Knowledge Management

Market Research: This is an important aspect of external source of knowledge management for Tesco because it will provide the company information from market including competitor performance, changes in industry strategies, new entrants launch of new products and services within retail sector etc.).

Consumer Feedback: This will provide the company insight about retail consumers from consumer survey and feedback. This can include digital and traditional method of gathering consumer feedback which will provide detailed insight including both explicit and implicit information about Tesco consumer service effectiveness. It is also one of the most important aspects of knowledge management sources for any organization because consumer feedback is essential for improving company performance by understanding which areas need to be improved to elevate consumer experience.

Professional Association and Trade Bodies: This is an important aspect of external source of knowledge management for Tesco because it will offer the company information from professional, academic and government publications, reports from research bodies, trade and technical organization. This includes British Retail Consortium, The Federation of Wholesale Distributors, Retail Technologies Show, Retail Sector Council and Association of Convenience Stores. It will provide Tesco latest information about any actions within overall retail sector of United Kingdom necessary for developing strategic direction of the company and supporting knowledge management.

Distribution to Stakeholders

Internal Stakeholders: Implicit explicit and tactic knowledge will be used to distribute knowledge with internal stakeholders of Tesco. Shareholders and investors are the most important stakeholder in any organization and need to be managed closely because of their influence and interest. Therefore, these stakeholders will be distributed new sources of knowledge through clear reports which provide explicit knowledge, hands on experience with knowledge management system which provides implicit knowledge and personal insight delivered by executives of different functional areas which will offer tactic knowledge. Employees at Tesco are important but they do not have significant influence and will be kept informed through both explicit and implicit knowledge including written guidelines and hands on experience with knowledge management system. Finally the suppliers will only be kept into account through formal written journals such as emails to distribute new sources of knowledge.

External Stakeholders: In context of external stakeholders, only explicit knowledge will be shared because distribution of new sources of knowledge through implicit and tactic knowledge sharing techniques is time consuming. Government and regulatory bodies require meeting their specific legal compliance needs. This will be accomplished at Tesco through appropriate explicit knowledge distribution such as legal press release or legal paperwork. On the other hand, consumers will be provided explicit knowledge distribution through public relations which will also be similar for local community. This is because distributing knowledge through implicit and tactic methods can be resource intensive for Tesco and since the company has large number of consumer base, it can take significant amount of time to distribute new sources of knowledge in this way.

Management of Operating costs and Legal requirements for Knowledge Management System at Tesco

Operating Costs

Software Costs: This is a significant cost associated with knowledge management because it includes factors such as subscription fees because businesses often rely on software solution for knowledge management, customization and integration fees associated with customization of software to support integration in the organization and licensing. Tesco needs to ensure that appropriate subscription fees is used for accessing knowledge management software, customization and integration is supported throughout the implementation of knowledge management process and licensing renewals is negotiated beforehand to avoid hidden costs.

Tool Costs: This aspect of operating costs associated with knowledge management system includes the cost related to hardware devices, cloud services and collaboration tool which facilitate task tracking and project management (Alenezi, 2020). Since, Tesco is a large scale organization tool costs will be significant for the respective company because the firm will need to invest in who are choosing and maintaining the tools associated with knowledge management system. However, Tesco has a cloud infrastructure relying on public cloud to power its API and other systems (Tesco, 2024a). This will significantly reduce cost in total aspect. Finally, the need for collaboration tool will also be avoided because Tesco utilizes micro 365 for its companywide collaboration and social platform.

Infrastructure Costs: This is another important aspect of operating costs associated with knowledge management system because it focuses on office space and utility, data security measure along with backup and disaster recovery for the knowledge management system. However, it will not significantly impact overall cost of Tesco because the company has a strong IT infrastructure including data security, office space and backup plan. It is beneficial that Tesco has partnered with multiple businesses to support such digital transformation including businesses such as Yext who offer advanced digital knowledge management services.

Legal Requirements

Data Protection Act, 2018: This legal compliance focuses on data privacy and data collection stating that the implementation of general data protection regulation needs to be considered to govern personal data usage within United Kingdom (Grewal and et. al., 2020). This needs to be followed by Tesco in context of knowledge management to ensure that its collection, storage, usage and sharing of data is handled in accordance with personal and data privacy laws within the United Kingdom.

Consumer Rights Act, 2015: This legal compliance focuses on data protection from the perspective of consumers. This is because the law has consolidated consumer protection laws within United Kingdom including data protection and context of purchase of goods, services and digital content. Therefore, it is important for the respective organization to respect consumer data privacy, trust and confidentiality by following this law. The company needs to protect sensitive data and protect parity information gathered for its knowledge management system.

Intellectual Property Law: This aspect of knowledge management law is associated with protecting intellectual property right. It is of utmost important when considering legal requirements associated with knowledge management because businesses have to preserve ethical standards by recognizing and following intellectual property rights. This means that Tesco has to follow various intellectual property laws within the United Kingdom such as the patterns act, 1997, copyrights, designs and pattern tags, 1988 and others.

Plans of promoting and increasing awareness of the Knowledge Management System for Tesco

Digital marketing will be utilized for promoting knowledge management system and increasing its awareness to various stakeholders within retail giant Tesco. Since, knowledge management is primarily about capturing, storing and managing information through digital channels, the utilization of digital marketing fits best for informing stakeholders about knowledge management

improvement within Tesco. Furthermore, digital marketing is cost effective and provides better awareness with wider reach for various stakeholders including consumers, shareholders, investors and the general public.

Digital marketing channels which will be utilized for promoting knowledge management within Tesco and increasing its awareness are e-mail marketing, content marketing, social media marketing and public relations. E-mail marketing will be beneficial for formal interaction with various stakeholders such as investors, shareholders and less influencing stakeholders such as supplier.

Finally, public relations aspect of digital marketing will benefit the company in terms of promoting knowledge management to stakeholders such as regulatory bodies, professional associations and government. This is because the company will be able to support mass communication with large number of stakeholders across UK regarding its knowledge management upgrades and legal compliance dissociated with knowledge management system.

Conclusion

From the above report, it is concluded that implementation of knowledge management system is important for retail businesses because it helps the company in attaining competitive advantage. Implementation of knowledge management system involves participation of employees and managerial staff producing explicit, implicit declarative and procedural knowledge for the company. Establishments utilized different incentives to support active participation within knowledge management including better salary and promotion. It is also analysed that there are various opportunities associated with knowledge management including building productivity, international expansion and cross cultural development. However, it is also impacted by various challenges such as limited collaboration and global market instability. It is important to use both

internal and external sources of knowledge management vision needs to be distributed with appropriate channels two different stakeholders. The operating costs associated with knowledge management system includes software cost, tool cost and infrastructure cost while there are intellectual property and data privacy legal requirement associated with this area. Finally, promoting and building awareness about knowledge management can be supported through digital marketing channels to interact and engage with various stakeholders about knowledge management.

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