

---

# The Hidden Costs of Inefficient Knowledge Management

## Introduction

When an organisation is small, it is easy to organise and present valuable information to the right people in the right circumstances. However, as the organisation expands, the volume of information also balloons exponentially. It becomes increasingly difficult to manage all the knowledge in an optimum manner. Moreover, as departments build and grow, knowledge starts to get more and more siloed, being dispersed on a need-to-know basis only. This may seem organisationally rational, but from a wider perspective, it can narrow the vision of the company and severely handicap their ability to make contextually correct decisions.

It becomes necessary to put an effective knowledge system in place that can resolve such issues effectively. [Assima In-App Search](#) has proved to be one of the most intelligent platforms one can try for efficient knowledge dispersion and presentation in the digital adoption and training domain. Our innovative features are geared to help companies ensure smart knowledge sharing with trainees so that fewer mistakes are made in the process.

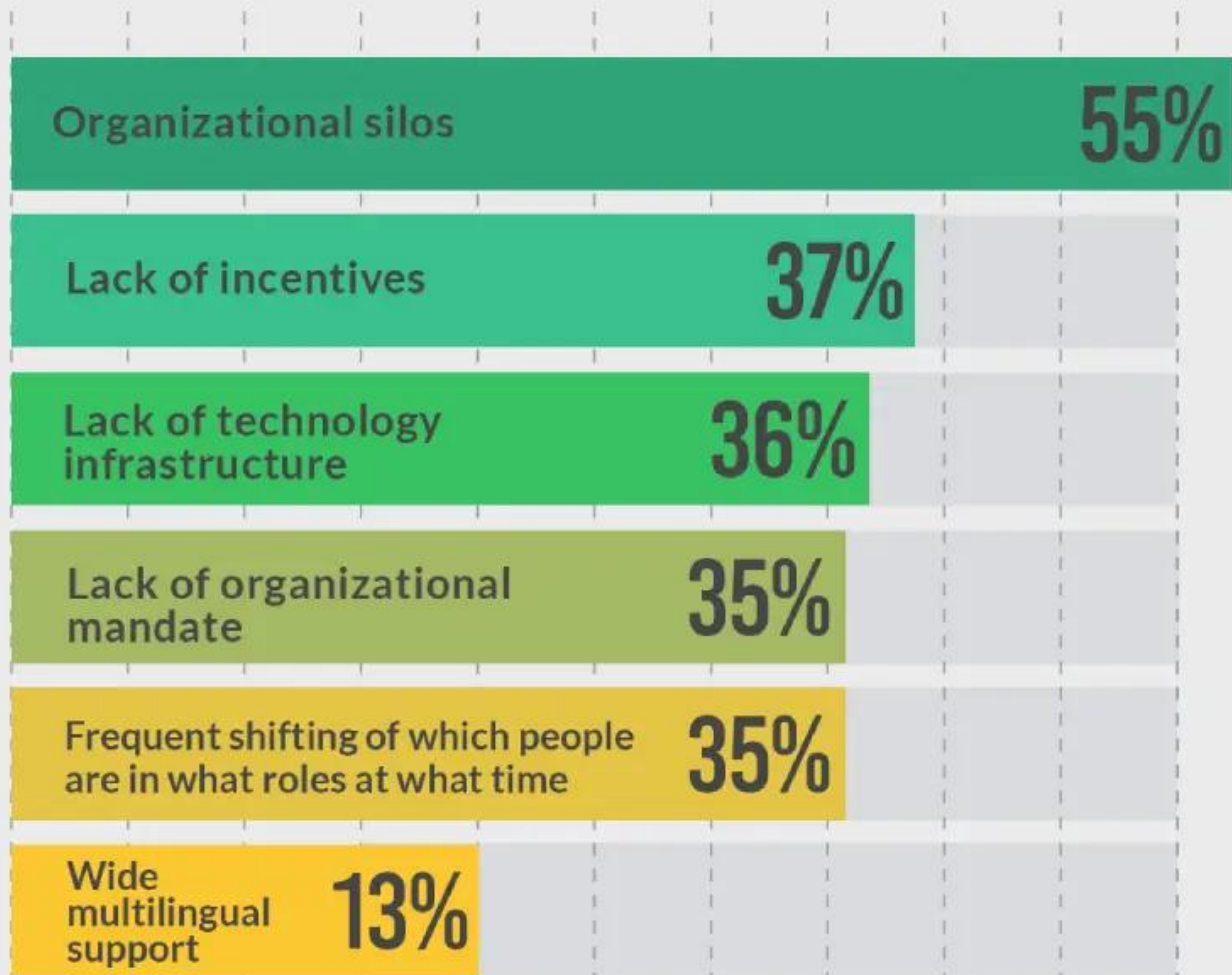
## Eager to know more about how we do our part in efficient knowledge management?

[Let's Talk!](#)

## Is Inefficient Knowledge Management a Serious Issue

Knowledge is power. However, when managed improperly, it can become a liability. [The IDC has estimated that approximately US\\$31.5 billion a year is lost by Fortune 500 companies because they fail to share necessary information.](#) This, in itself, is a highly alarming statistic. However, what is scarier is the fact that money isn't the only loss you incur with disorganised knowledge management. Time, effort, motivation and other tangible and intangible resources are also affected when knowledge is not managed properly.

Poor knowledge management can be a symptom of much deeper issues, as illustrated by Deloitte's Global Human Capital Survey of 2020. Some of these barriers, like information silos and lack of infrastructure, are easier to take care of. However, some, like compliance and data security concerns, are harder to get past. There is also a human element involved, which is judgement and incentive, that is even more complicated to resolve. While having technological support to fall back on helps, only an integral change in the way knowledge is viewed and handled can truly bring about efficiency in the knowledge management system of a company.



Source: Deloitte Global Human Capital Trends Survey, 2020

Deloitte Insights | [deloitte.com/insights](https://deloitte.com/insights)

## What is the Impact of Inefficient Knowledge Management

Increase in operational expenses is not the only downside of inefficient knowledge management. There are certain hidden costs that often go unnoticed. This is because the best way to detect these lapses is through data analytics, but here, knowledge management, including data analysis, is the component that's hit. Here are some of the hidden costs in areas where organisations are hit the worst due to faulty knowledge management.

### Loss in Productivity

When knowledge is poorly managed, it is harder to access the right information at the right place and time. As a result, employees often expend a lot of time, effort and resources either coming up with solutions themselves or extracting the missing or faulty information. This cuts down their productivity greatly. The frustration resulting from jumping all these hoops demotivates the workers and reduces their efficiency even further. The cumulative effect of this on the entire workforce is a reduction in turnover and [return on investment](#) (ROI).

### Wastage of Time

When it is difficult to access information readily, employees will either try to cross all the red

---

tape to get to it or try to find their way around a task themselves. No matter what the choice is, it makes the process they are trying to operate take a longer time to complete. This creates a backlog of tasks that keep piling up as the number of wasted hours keeps accumulating. With hindered time management, the bottleneck can sometimes become so restrictive that they bring operations completely to a halt until comprehensive change is effected.

## **Low Customer Satisfaction**

Information management issues in customer-facing roles can be detrimental to the goodwill of the organisation. When an employee does not know or is unable to find a piece of knowledge that can help a client be better acquainted with what they are getting from the company, the client usually leaves unsatisfied and is less likely to do business with you. [Gartner reports that companies using a more robust customer knowledge management system see a 15% increase in their customer satisfaction scores, which is quite a significant number.](#)

## **Opportunities Unrecognised**

When employees work with limited knowledge, they often fail to see the potential in things that could have greatly benefitted their company. Knowing important data and insights allows employees to provide targeted service to customers and manage their tasks in a manner that they are confident will benefit the agenda of the company. But without such informational support, it would be impossible for them to know how something could pan out if the situation is leveraged correctly. The outcome is lost potential for success for both the employee as well as the company.

## **Lost Resources**

When you operate on restricted knowledge, it is but natural that you will be working at a lower than optimum level of efficiency. Moreover, it would also result in more resources and raw materials being consumed as processes become unregulated, mistakes require repetitions of tasks and output quality gets affected. If your resource consumption ends up becoming higher than your turnover, you will officially be facing losses because of the disordered knowledge management process utilised by your company.

## **Uninformed Decisions**

Without access to complete knowledge, it can be challenging to understand the big picture regarding any aspect of your operations. Thus, when you are dealing with any situation, you can only judge it and make decisions based on the incomplete information that you can access. This inevitably leads to judgements that do not reflect the true nature of the circumstances. In such a case, the decision-making process might no longer be in the best interests of the organisation and its people.

## **Increase in Errors**

The biggest repercussion of defective knowledge management is the increase in how many errors are introduced in daily operations. With limited information, employees have to make a lot of assumptions and predictions. The probability of them being accurate every time can never be a hundred percent. Hence, errors that can be anything from simple to highly complicated can arise and accumulate over time, creating even more inaccurate information that will further mislead other workers.

## **Poor Employee Collaboration**

Inefficient knowledge management may, in some cases, lead to reduced employee collaboration. Often, knowledge silos create the ground for poor knowledge management as we mentioned before, which in turn, isolate and strengthen these silos even more, usually overflowing onto the employees. Reduced motivation gives rise to a reluctance to involve others in attempts to retrieve the necessary information, lest even more restrictions crop up. Workers end up relying on themselves and making do with whatever they can find.

## Higher Attrition

Besides the usual immediate effects of deficient knowledge management systems, there is also the more delayed but cumulative effect of lowered employee morale. Insufficient information leads to constant frustration, greater exhaustion in handling even minor matters, and the notion that the company does not trust you or your skills enough to entrust you with the information you need. As discontent and vexation breeds, employees feel that they might find better opportunities elsewhere. This promotes attrition, which ends up costing the company even more.



**Conquer the common issues of knowledge management in employee training and onboarding with Assima In-App Search. Find out how.**

[Talk to an Expert](#)

## How Can You Fix Inefficient Knowledge Management

The bad news is that once your knowledge accessibility and availability issues cross a certain threshold, they can become nearly impossible to fix. The good news is that, as long as you do not go beyond that point, simple measures are enough to smooth out the wrinkles and create an [efficient system](#) for knowledge management. Here are some steps that you can take in that direction:



## **Research & Strategise**

Come up with a thoroughly researched and planned knowledge management strategy tailored to cater to the requirements of your organisation, customers and employees.

## **Involve & Inform**

Involve all members necessary for an operation in the decision-making process. That way, all required personnel will always be up-to-date on the things they need to know.

## **Update Compliance**

Ensure that the compliance and security policies of your company are not outdated. In this age of readily available, globalised information, it makes no sense to unnecessarily restrict access to knowledge that can be usefully applied.

## **Knowledge Management System**

Utilise a knowledge management system geared to help your company achieve its goals without jeopardizing any data. A dedicated platform would be much more effective in managing information than humans.

## **Analytics & Feedback**

---

Utilise data analytics and feedback from employees and customers to identify problem areas in terms of knowledge management. Once you know what you have to fix, half your work is done.

## How Does Assima In-App Search Tackle Inefficient Knowledge Management

Assima is mainly involved in the [L&D side](#) of things, its products tailored to assist with [employee training](#) and development. Hence, [Assima In-App Search](#), one of its knowledge management tools, is designed to ensure that employees get the right information at the right time and the right place when learning to use any digital technology. It boasts of an automatic search that detects your application and the screen context to show you relevant results. You can also use the search feature manually if you want to use specific keywords.

All results are contextual and take into consideration several factors like your profile, your role, the system you are in, and so on. With centralised access, the ability to connect to most internal and external knowledgebases and cloud technology, [In-App Search](#) provides access to all information and reflect any modifications and updates to the knowledgebase instantly.

This ensures that anyone who needs certain information can get it at the point of need without going through several rounds of searching and acquiring permissions for access. There is no risk of information overload due to the contextual nature of its knowledge presentation. You can easily implement all company policies and global compliance and security standards for information access on Assima In-App Search.

## Final Words

It goes without saying that information, when managed smartly, can save lives. Inefficient knowledge management can be the bane of an organisation if the effect of its consequences spread throughout the workforce and management. It is best to regain control and take reparative steps before such a thing happens. If you want to make knowledge management an effective affair in your L&D department, check out what we offer through [Assima In-App Search](#).

[Book a Demo](#)