

## **The Importance of Training in the Knowledge Era: a Comprehensive Vision**

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### **Abstract**

*We live in a world where the only constant is change, so the organizations immersed in it must be prepared or else they will not survive globalization that is why this work aims to compile the terms that concern the main agents of this change: people and their knowledge. Knowledge is the cornerstone in current organizations, and it is precisely people who are the main owners of this knowledge. This article presents a review of literature on how managing knowledge through training is achieved so that all members of an organization win.*

**Keywords:** Knowledge management, intellectual capital, human capital, training

### **1. Introduction**

Pope John Paul II (1991) cited by (Bontis 1998) said: Whereas at one time the decisive factor of production was the land, and later capital ... today the decisive factor is increasingly man himself, that is, his knowledge.

Savage (1996) cited by (Riesco González 2006) offers an evolutionary perspective of economic history under the hypothesis that there are four key factors that generate wealth in companies: capital, labor, land and knowledge. All of them have been decisive, but their relative weight has varied in each historical stage: agricultural, industrial and knowledge. This is what makes Prusak's claim a reality: the main source of a company's competitive advantage lies fundamentally in its knowledge, in what it knows, in how it uses what it knows and in its capacity to learn.

Organizations change their concepts and modify their administrative practices to mobilize and fully utilize people in their activities. Instead of investing directly in products and services, they now invest in people who know them well and know how to create, develop, produce and improve them. Instead of simply investing in clients, they invest in the people who serve them, and who know how to satisfy them and leave them delighted. People become the basic element of the company's success (Chiavenato 2009). Training must be the axis for all organizations due to the changing environment and the accelerated development of technologies. Organizations, if they want to have a competent human capital for the development of their functions, must draw up strategies for the training and education of their workers, where training based on competence is contemplated, which prepares the worker for the best performance of his work, improves the quality of the products or services achieving customer satisfaction, in addition to training you can count on integral, efficient and productive workers, which generates benefits for the entity and society (Cruz and Iglesias 2016). In this changing and competitive world, with an economy without borders, organizations must continually prepare for the challenges of innovation and competition. To be successful, organizations must have experts, agile, enterprising and willing to take risks. People are the ones who make things happen, those who run businesses, make products and provide services in an exceptional way. Training and development are essential to achieve it (Chiavenato 2009).

### **2. Knowledge Management**

At the beginning of the 1990s started the period called as the era of knowledge. It is the time we are living in today. The main characteristic of this new era are the changes, which have become rapid, unforeseen and turbulent. Information technology, which integrates television, telephone and computer, brought unpredictable developments and turned the world into a true global village. Its impact is comparable to that of the Industrial Revolution in its time. Knowledge began to cross the planet in thousandths of seconds. Information technology has set the basic conditions for the globalization of the economy. Competition among organizations became intense and complex.

The volatile capital market began to migrate from one continent to another in seconds, in search of new investment opportunities, albeit transitory. At a time when everyone has information in real time, organizations capable of taking information and transforming it, without delay, into the opportunity of a new product or service, before others do, will be more successful. Financial capital ceases to be the most important resource and gives way to knowledge. Now using and applying knowledge profitably is more important than money. In such circumstances, the traditional factors of production (land, capital and labor) produce increasingly smaller benefits, on a scale of diminishing returns. The turn of knowledge, human capital and intellectual capital has arrived. Knowledge is now basic and the biggest challenge is to achieve your productivity. The greatest responsibility of the administrators is to make the knowledge useful and productive. In the knowledge era, employment began to migrate from the industrial sector to the service sector, manual labor is replaced by mental work, which points the way towards an era of post-industrialization based on knowledge (Chiavenato 2009).

Knowledge management is constituted by the processes that seek to structure human capital, to facilitate its recurrent use and its adequate dissemination; and to ensure its continuous improvement from the point of view of the value obtained by customers in the relationship with the organization. In any case, the main objective pursued by the implementation of a knowledge management is the continuous improvement of the value contributed by the intellectual capital of the organization to the relationship with the client (Díaz de Castro, Redondo et al. 2002). In organizations, it is often not only found in documents or data warehouses, but also in organizational routines, processes, practices and standards (Espinoza, Secaira et al. 2017).

Basically the knowledge management consists of three fundamental practices:

- Create information files where each employee turns the steps he takes to specify his objectives in his specific tasks. The fundamental idea of this step is that each member writes an operative manual that, from the psychological point of view, allows to become aware of the activities that are carried out unconsciously.
- Generate communication channels and systems to transmit the information deposited by employees, so that everyone in the company, regardless of the place and position they occupy, can access that information to transform it into knowledge. The objective of this second step is to start from where you arrived and move from there instead of starting from scratch.
- Design activities and procedures to ensure that the knowledge acquired is incorporated and put into action. This is not about measuring and evaluating, but about ensuring that the system is working correctly according to the knowledge acquired and that this becomes a habit. This is an organization based on knowledge. This three-step process is circular and never ends, it constantly feeds on itself to stay alive (Belly 2004).

### ***3. Intellectual Capital***

Intellectual capital, according to its predecessor (Stewart 1998), consists of the sum of all the knowledge of all employees of a company, which gives it a competitive advantage. Therefore, managers need to identify those who produce this capital within their company, motivate them to share it and then manage it. Sanchez Medina, et al (2007) define Intellectual capital as the combination of immaterial or intangible assets, including knowledge of staff, the ability to learn and adapt, relationships with customers and suppliers, brands, product names, internal processes and the ability to R & D, etc., of an organization, which although they are not reflected in the traditional financial statements, generate or will generate future value and on which a competitive advantage can be sustained.

Intellectual capital appears as an explanatory element of the growing difference between the market value of many organizations and their book value; this is especially significant in companies that depend on the intensive use of the knowledge resource. The increasing distance between both values is one of the essential motivations of the new disciplines of intellectual capital, knowledge management, and organizational learning models (Díaz de Castro, Redondo et al. 2002).

For more than a decade have emerged models of intellectual capital, all share their intangible nature, the value they generate to the organization and are represented, in essence, by three components: human capital, structural capital and relational capital (Mercado-Salgado 2016). Sánchez, Melián & Hormiga, (2007) said that the synergy between these three dimensions configures the intelligent organization, adaptable to a changing environment, with the ability to make decisions, in order to maximize the generation and transformation of knowledge (Rincón 2017).

Human capital among them is related to the satisfaction of people, teamwork, the skills and aptitudes of professionals, leadership, the ability to retain knowledge and innovation. It is the useful knowledge (explicit and tacit) for the company that the people and equipment of the same have, as well as their capacity to regenerate it, that is, their capacity to learn. (Palacios Plaza 2008).

Hudson (1993) cited by Bontis (1998) defined human capital on an individual level as the combination of these four factors: 1) your genetic inheritance; 2) your education; 3) your experience; and 4) your attitudes about life and business. Vlasenko & Vasylenko (2015) defined human capital as a very important component, which basically consists of all the skills, knowledge and motivations that exist in the person even in a potential way, so that this manifests itself, both tacitly and explicitly; This is highly desirable by organizations to be shared with the other components (García, Gonzalo et al. 2016).

Human capital is important because it is a source of innovation and strategic renewal, whether it is from brainstorming in a research lab, daydreaming at the office, throwing out old files, re-engineering new processes, improving personal skills or developing new leads in a sales rep's little black book. The essence of human capital is the sheer intelligence of the organizational member (Bontis 1998).

Knowledge management aims that the intellectual capital of the company is characterized by:

- Be reusable in a wide variety of situations.
- To be able to exemplify, in the relationship with a client, an innovative solution, a differentiating approach or an original concept.
- Define a methodology or systematized form of work.
- Gather a comprehensive and up-to-date summary of information on a topic (Díaz de Castro, Redondo et al. 2002).

People spend a good part of their lives working in organizations, which depend on them to function and achieve success. On the one hand, work requires effort and occupies a good amount of time in the lives of people, who depend on it for their subsistence and personal success. Separating the existence of people from their work is very difficult, if not impossible, given the importance or the effect it has for them. So people depend on the organizations in which they work to achieve their personal and individual goals. The possibility of growing in life and being successful depends on growing within organizations. On the other hand, organizations also depend, directly and irremediably, on people to operate, produce their goods and services, serve their customers, compete in markets and achieve their global and strategic objectives. Of course, organizations would never exist without the people who give them life, dynamism, energy, intelligence, creativity and rationality. In reality, the two parties depend on each other. It is a relationship of mutual dependence that provides reciprocal benefits (Chiavenato 2009).

#### **4. Training**

Training represent a challenge for citizens, because even though they are a guarantee and a right of workers and a benefit and obligation for employers, they depend on the participation of each and every one of the individuals involved in these processes (Rodríguez Estrada, Ramírez-Buendía et al. 1991).

Currently, training is a means that develops the skills of people so that they can be more productive, creative and innovative, so that they contribute better to organizational objectives and become increasingly valuable. Thus, training is a useful source, because it allows people to effectively contribute to the results of the business (Chiavenato 2009).

Below is how different authors define the concept of training:

- Ivancevich (1995) cited by (Chiavenato 2009) says that training is the process of systematically modifying the behavior of employees in order to achieve the objectives of the organization. The training is related to the skills and abilities that the position currently demands. Its orientation aims to help employees use their main skills and abilities to be successful.
- De Cenzo and Robbins (1996) cited by (Chiavenato 2009) comment that training is the experience that produces a permanent change in an individual and improves their ability to perform a job. Training involves a change of skills, knowledge, attitudes or behavior.

- Sikula (1994) cited by (Cruz and Iglesias 2016) defines training as a short-term educational process that uses a planned, systematic and organized procedure through which non-administrative personnel acquire the knowledge and technical skills necessary to increase efficiency in the achievement of organizational goals. Specialists and people in general have, on occasion, some confusion about the concept of training in the field of organizations; Therefore, it is important to make the following definitions:
- To train a person is to give him greater aptitude to be able to perform successfully in his position.
- Is to make your profile fit the profile of knowledge and skills required for the position, adapting to the permanent changes that technology and the globalized world require. Training must always be related to the position or the career plan, and to the organization's plans, vision, mission and values. It cannot be dissociated from the general policies of the company (Alles 2010). For Manuel Riesco (2006) effective learning requires the following conditions:
- Communication. Communication is the backbone of organizational learning. It can be managed individually or in common.
- Organizational structures. The flexible and reticular structures facilitate intensive and informal dialogues.
- Knowledge repositories. They are places where knowledge is stored. Their recruitment can occur actively when the worker seeks it; or passively, when workers receive the knowledge on their desk and incorporate it into memory.
- Culture. A field that facilitates lifelong learning and its implementation. True learning reaches the heart of what it means to be human. Through learning we re-create ourselves. Through learning we are trained to do something that we could not do before. Through learning we perceive the world and our relationship with it again. Through learning we expand our capacity to create, to be part of the generative process of life (Senge 2011).

It is clear that training can be important throughout the career, helping apprentices to develop, for future responsibilities. The importance of the training is that it:

- **Help the organization.** It leads to greater profitability and / or attitudes towards the orientation of organizational objectives.
- **Help the individual.** Through training and development, the variables of motivation, realization, growth and progress are internalized and put into practice.
- **Help human relations in the work group.** It fosters cohesion in work groups, by improving communications between groups and individuals.

It is possible that the simplest way to summarize the importance of training is to consider it as an investment that the organization makes in its personnel. This investment pays dividends to the employer, the organization and to the workers (Rodríguez Valencia 1999).

The success of an organization will depend on its ability to compete, often within the global economy. Facing changes in the current market requires organizations to carry out a variety of actions: they merge, they internationalize, they cut personnel. They are becoming more flexible in a multiplicity of areas, as shown by flexibility in labor agreements, dress codes and work schedules. Organizations are also investing more in training. Often, human skills are the most important resource an organization has to compete. The other resources are transferable or easy to imitate by the competition, but the individual is unique and training is the key to making the best use of individual skills (Vaughn 2006).

## **5. Conclusion**

As we can see through all the previously defined concepts, the knowledge that people possess within organizations is of vital importance, and how this is managed, it is what will help these organizations to have a competitive advantage that will make them last in the time. It is continuous learning the basis for personal growth, as well as for the improvement of organizations and society.

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