

KNOWLEDGE AND LIFELONG EDUCATION AS A FACTOR IN THE COMPETITIVENESS OF ENTREPRENEURSHIP

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Abstract: The main goal of this paper is to examine all forms of the impact of new knowledge that small businesses can use to increase their competitiveness. Special attention will be devoted to the research of various aspects of understanding knowledge as a fundamental entrepreneurial resource, with a special emphasis on the production and management of knowledge and the organization based on knowledge, that is, the organization that learns. A special chapter will also be devoted to education, with a focus on lifelong learning, training and development. Within the thematic units, an attempt will be made to examine the hypothesis that new knowledge and lifelong education are a factor in increasing the competitiveness of small businesses. The research methods in this paper are suitable for social sciences in a general sense. The conclusions we reached show that new knowledge, acquired through lifelong education, is the main factor that contributes to increasing the competitiveness of companies in modern, turbulent business conditions. In the industrial era, knowledge was in the function of servicing machines, existing processes and products, and its main role was to increase labor productivity, when large corporations and mass production that was easily marketed were the main drivers of the economy. However, today, in the conditions of a saturated market, the focus is on increasing the amount of information and knowledge with the aim of increasing efficiency in terms of creating a higher quality product with added value in knowledge, not in built-in material or physical work. More and more, knowledge is sold, not raw materials and materials. Ruthless market competition forces today's business entities to use new information and knowledge. In the transition from an industrial to a knowledge economy, information becomes an important resource, and information and communication technology (ICT) becomes a fundamental infrastructure, so the development of these technologies accelerates business and shortens the production and business cycle.

Keywords: knowledge, learning organization, entrepreneurship

1. INTRODUCTION

Interest in pre-ethnic economics has never been greater than it is today (Avlijaš, 2021). The only thing that is certain in the 21st century is that everything is uncertain. And business and operations in conditions of increased risk and uncertainty are the main characteristics enterprising people (Petković, 2021).

Knowledge is information provided with meaning, the interpretation of data with regard to their causal relationship and their internal consistency. Knowledge is subject to the parameters of the capitalist economy, which will act friendly towards knowledge only when and where it can be directly applied and commercialized, or considering the neutrality of costs, then and where it at least does not interfere. Business brings new obstacles, ups and downs every day. falls, and success is achieved only if one possesses sufficient knowledge and persistence to overcome these obstacles and solve problems. Emphasizing the role of knowledge is a consequence of significant structural changes during the transition from an industrial to an information economy, when the main resources are no longer material goods, but knowledge. Today, knowledge plays a major role in success in life and business. Knowledge is power, say wise and successful people.

Nowadays, the terms knowledge and knowledge management (Knowledge Management - in the rest of the dissertation will mostly be denoted by the acronym KM) are used more and more at scientific meetings, in debates and polemics about modern management, and their role in solving economic problems is emphasized. In addition, the terms intellectual capital and business intelligence are added, and at the same time, the transition from the information society to the knowledge society is increasingly being talked about, whereby the term knowledge itself is rarely defined, while the term knowledge management at the end of the 90s of the 20th century was popular and discussed in foreign literature, as one of the tools of modern management. Knowledge today should be considered in the context of the following contemporary challenges:

- Globalization (visions, missions, strategies, policies, directives, instructions, intranets and virtual organizations);
- Customer orientation (measurement of client and customer satisfaction);
- Speed (targeting, decision-making at the lowest levels);

- Excellence (models of business excellence, TQM, management of key, administrative and supporting processes and similar);
- Cost efficiency (continuous cost reduction); you
- Complete solutions (innovations, knowledge exchange, etc.).

2. WHY IS KNOWLEDGE POWER?

Knowledge represents the totality of everything known; it is a system or logical overview of facts and generalizations about objective reality that man has adopted and permanently retained in his consciousness; knowledge consists of all the facts, information and skills that a person has acquired through experience or education; knowledge is a theoretical or practical understanding of a subject; it is the ability of people to use information to solve problems and adapt to change. Knowledge originates in the heads (minds) of people, it is an intangible resource, an image of reality expressed by the imagination of man as he observes the world around him: space, objects, relationships and events in that reality. It consists of intuition, a set of ideas, experience, skills and learning and has the potential to create new value. All information is not commercially valid, and it depends on the business entity which of them it qualifies as its intellectual or knowledge-based property. Experiential knowledge is precisely what makes one company different from another and what makes it successful, it is changeable and grows with the acquired new skills and with the experience of the owner, so it is difficult to capture and record it. The company's ability to increase the level of experiential knowledge and share it with employees is a fundamental task of the knowledge management function. Being a competent expert means acquiring, using, developing and sharing knowledge, skills and experiences with the aim that these competences are available at the right time, in the required quantity, at the intended place and with acceptable costs. However, there is no way to completely manage experiential knowledge, but a part of it, with the help of appropriate tools and techniques, can be identified and quantified and made accessible to other employees. In this way, a third type can be created, the so-called implicit knowledge that is specific to an individual company and is difficult to copy, because it was created within it, i.e. it was accumulated as knowledge of successful solutions and ways of solving management problems and represents a significant component of competitive advantage. According to the substance, knowledge can be divided into:

- Factual knowledge (includes data and information);
- Declarative knowledge (results from whether a statement is true or not and is also called propositional knowledge)
- Procedural knowledge (includes knowledge of how to do what, so-called know-how knowledge), i.e. techniques, algorithms and heuristic procedures that are used in expert systems, or used by experts to solve certain problems); and
- Judgmental knowledge (enables evaluation of various limitations and essential for planning in order to set achievable goals in plans).

Knowledge consists of facts, rules, methodologies, theories, examples and the like. Models (which are created when the image of reality is expressed by the imagination of an individual who observes the world around him) represent carriers of knowledge. When an individual's image is more suitable for understanding than others, it becomes a model of reality and is taken from a previous source of knowledge. The downloaded image can be the same or similar to reality, so that similarity becomes a measure of the quality of knowledge. This process of modeling and transferring knowledge represents the starting point of all procedural features of knowledge. Knowledge holders form the basis of building a knowledge management system. According to the locations of knowledge sources in the company, knowledge holders include organizational knowledge, explicit and experiential knowledge of the individual, technological knowledge (applications, computers, networks) and knowledge from external sources.³ Every company must resolve the fundamental question: what are its potentials for success in the competitive environment and how he wants to develop them. The knowledge potential of employees is certainly one of those potentials or resources. The knowledge and ability of employees must not stand behind financial and material resources. Professional profile planning and training, along with permanent training, are necessary for managers, specialists, experts, and employees themselves. Technological changes increasingly dictate specialist knowledge, skills and abilities.⁴ Knowledge is stored in the form of documents in knowledge repositories (databases), but it is also found in organizational routines, processes, practices and norms. In order for knowledge to be applicable and usable in the decision-making process and implementation of actions, it should be integrated into the knowledge management system.

3. PRODUCTION OF KNOWLEDGE AS A FUNDAMENTAL RESOURCE OF DEVELOPMENT

For information science, the concepts of information as a phenomenon and communication as a process are fundamental, so information theory can be interpreted on a technical, semantic and behavioral level. Mathematical information theory deals with the possibility of using theoretical models for the analysis of information and/or

communication processes. The information phenomenon includes communication approach and information as a property of matter, as a meaning, as an event, as a reduced uncertainty, as a scientific fact, as a surrogate of knowledge, as a structure and the like. In doing so, it is necessary to start from three paradigms:

Information as knowledge or a source of knowledge (information is data created by data processing, which is a paradigm for the information-documentation communication practice of searching for information in a text, document, message); 2. Information as an anomaly of knowledge or a new form of knowledge (information appears as a new form of knowledge parallel to existing documents, messages, knowledge); and 3. Information as a model of knowledge (information as a key term of information science is a construct for the designation of various natural phenomena, for example: documents, messages, news and the like). Relevance is a key term in information science when, in the 1950s, an information search system was developed, the main goal of which was to search and provide relevant information. Otherwise, we can interpret relevance only within the framework of the communication process of transferring information from source to destination. Otherwise, there are three dominant development directions of information sciences: 1. Professional subject (information sciences is determined at the level of practice and application of information systems); 2. Technological (information science is a discipline that deals with the application of information technology for processing, transmission and multiplication of information); and 3. Scientific (information science studies theoretical and experimental aspects of communications and information in general). Information is a social value, it is articulated in different ways. It is most often postulated that information is necessary for the sake of scientific, technological and economic growth and development, for the sake of national security, for the sake of technological development and the like. In the literature, we find great variety and imprecision regarding the use of the terms information and knowledge, and they are often used as synonyms.

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Knowledge is the basis of business decision-making, and decisions can be made based on Eminence-based (relying on personal knowledge, knowledge and experience of senior colleagues, and company customs) and Evidence-based (making decisions based on the best possible evidence that can be found in the literature). In the past, companies were focused on managing physical rather than intangible assets in the form of intellectual property. Companies today are customer-oriented and document and develop their knowledge as a competitive advantage. Decisions are made on the basis of available knowledge, which is a greater challenge, because such knowledge supports the capabilities that determine the quality of products and services for users on the market.

Observed at the micro level, we distinguish five ways of creating (production) knowledge:

- Acquisition: It involves the creation of knowledge through the analysis of customer orders, because information can be extracted from the orders on the topics of what kind of products or services the customer wants, what are the trends regarding the features of the products or services and where to direct the company in order to achieve the greatest customer satisfaction by incorporating new knowledge;
- Dedicated resources: Dedicated resources are those that the company owns and are intended for the creation of new knowledge. Companies have resources for internal knowledge management, most often as parts (departments) for business strategy, information technology or human resources management. This group also includes resources from own research, target training and self-education of employees and the like;
- Merger: This is the creation of knowledge through the merger of companies based on the different knowledge and experiences of employees. The knowledge and experience of the merged companies are gathered and new knowledge is created. Such knowledge can contribute more than just the knowledge that the companies had before the merger, but it is necessary to adapt it to the needs of the new company before it can be applied;
- Adaptation: From the very beginning of the company, there are many changes to which it must adapt in order to survive.

In the process of these adaptations, a lot of knowledge is acquired related to the structure of the organization and the markets in which companies will operate, because those who are adaptable survive and sense crises before they occur:

- Networking: Involves joining the knowledge of two or more organizational parts (sectors). For example, the creation of a database that will be used simultaneously by the company's procurement and production, with the aim of ensuring that the data is valid and always up-to-date. Networking includes constant and effective communication via the Internet, intranet, informal networks, e-mail, netmeeting, libraries, communities, forums and the like).
- Other: Mainly includes the creation of knowledge through various forms of cooperation with scientific and research institutions to solve specific production or business problems, then by buying or leasing individuals-experts, espionage, theft or similar unethical forms of acquiring knowledge.

4. KNOWLEDGE MANAGEMENT AS A FUNDAMENTAL RESOURCE OF DEVELOPMENT AND QUALITY

Entrepreneurs want to constantly learn and improve themselves (Paunović, 2017). The owner's primary interest is return on investment (Helvert & Nordqvist, 2018).

It is undeniable that people know more than they think they know, but the problem is how to convert that knowledge into a form that can be used by other people. The solution lies in structuring knowledge and adapting it to the use of others. Structuring knowledge enables efficient and effective problem solving, facilitates learning, strategic planning and decision-making. Knowledge Management is a dynamic process that moves from knowledge to information and back to knowledge, and represents the basis of learning and knowledge management of companies. The cycle is constantly repeated, because knowledge is transferred into information, information increases the pool of knowledge, and new knowledge is transferred and transformed into new information. The effect of this cycle is a constant increase in creativity and innovation. Modern economies all over the world tend towards a knowledge-based economy (KBE), so knowledge and knowledge management become a key strategic issue for every company. Positioning knowledge as a key resource and function enables a competitive advantage in the market. A systematic approach and positioning of knowledge as intellectual property, along with the application of modern information technology, are prerequisites for the implementation of a knowledge management system, which completely changes the way employees work, whereby each of them participates in the creation, sharing and evaluation of the value of knowledge. KM is a concept of collective knowledge of companies whose ultimate goal is the efficient application of knowledge in situations where decisions are made, where the knowledge must be available and applicable with little effort. The KM concept represents the ability to obtain information in a relatively short time that will enable everyone in the company to make the best decision, whether it is about conditions on the market, product, service, process, planned activities of competitors or anything else important for the success of the company.

The greatest contribution to the management of the 20th century was an average 3.5% annual increase in the productivity of the production worker, which created today's developed countries and on which all other economic and social breakthroughs of this century rest. The foundations were created at the beginning of the century by F. Taylor, who for years measured the movements and performance of the production worker and in this way introduced the principles of scientific management that enabled a huge increase in the productivity of the production worker during the 20th century. However, KM and teamwork will certainly characterize business in the 21st century. Since the business environment is becoming more and more complex, the knowledge of employees and their utilization is becoming an increasingly important factor (Srića, 2001).

By the way, several key questions, challenges and problems that the KM concept is facing in practice today have been crystallized in the literature, which could be reduced to under the following findings (Award E.M., 2004):

- **KM and the environment:** The biggest challenge is to explain what KM is and how it can contribute to the improvement of the corporate environment.
- **Assessment of knowledge:** After the modification of the organizational culture, the challenge is to assess the knowledge of the employees that the company possesses at all levels of the organizational structure, by individual organizational units, where it is necessary to take into account human and technological investments.
- **Activating knowledge:** The third challenge is to capture, process and activate knowledge. KM must ensure the collection and access to information, but also understand the history of decision-making. Activating knowledge requires information that has meaning and is relevant to a particular company.
- **Focus on cooperation:** The fourth challenge involves the exchange of information and documents necessary for the realization of jobs and projects. In addition to efficiency and productivity, innovation is a real benefit of cooperation. In fact, the essence of KM is the creation of innovations, which requires a culture change that does not pay enough attention to the need for cooperation and cooperation.
- **KM research:** The fifth challenge is to continue KM research, in order to confirm its advantages. Research should reveal ways of collecting, storing, processing and disseminating knowledge, all in a manner adapted to the structure of the company. The KM process implies cooperation and recognition of changes, so the company must learn to continuously adapt to the dynamic environment and changes, in order to benefit from the KM initiative.
- **Tacit knowledge:** The final challenge is learning to fight tacit knowledge. Organizational learning helps us to recognize tacit knowledge, although, unfortunately, most of the time is devoted to visible knowledge. Tacit knowledge is difficult to express and difficult to systematize, transfer and share.
- **Employees in the KM concept:** The fundamental problems of KM are the result of ignoring cultural and personal problems and issues. In an environment where individual knowledge is valued and rewarded, establishing a culture that recognizes tacit knowledge and encourages employees to share it is critical.

Knowledge has always been at the center of human performance, it is the capacity to act, knowledge is a form of high value information ready to be applied to decisions and actions.

5. EDUCATION, TRAINING AND LIFE LEARNING

The entrepreneur is an active factor of production and faces with the uncertainty of predicting effective demand (Kolaković & Mikić, 2020). Industry 4.0 can offer enormous opportunities for the creation of new products and services, better ways of serving customers, improved integration in and along value chain and completely innovative business models (Muller et al., 2018).

Education improves the qualification structure of employees, which improves their professional mobility and employment opportunities. At the same time, education helps the unemployed to make effective use of their unemployment time and to preserve previously acquired knowledge and skills. Educational programs try to prevent possible unemployment or match the supply and demand of employment. Economic development is promoted by the training and professional development of the active population, although, depending on the current economic situation, the goals to be achieved differ (Umukoro & Okurame, 2018).

Three levels of the company's educational programs:

1st level TRAINING FOR CURRENT BUSINESS Preparation for achieving performance standards (instruction, orientation, supplementing profile, seminars, lectures, internship)

2nd level ADDITIONAL POTENTIALS Expanding knowledge for additional potentials within the work being performed (professional and technical training, transfers, rotations, special tasks, internal qualifications)

3rd level CAREER DEVELOPMENT A challenge to the motives and abilities of preparation for advancement (education with and without work, scholarships, specializations, seminars, graduate studies)

Lifelong learning differs the most from other approaches to education policy. No other approach is systematic, because they are sectoral or otherwise limited. It is evident from this that the concept of lifelong learning is significantly broader than the concept of adult education (or re-education), which were previously taken as synonyms. The aforementioned characteristics of lifelong learning condition the principles of its appropriate realization, that is, the guidelines for its long-term development (policy directions), which is manifested in the area of the curriculum (program subsystem), in the methods and organization of performance (technological subsystem), and in the connection of education with its environment. Lifelong education does not only include seminars, courses and postgraduate studies, it also implies constant work on oneself. All education is in vain if that knowledge is not applied. It would also mean a lot for the development of tourism if our people went on a few study trips, got to know the offer there, and saw what and how the competition works. The old paradigm that when we finish formal education, for example high school, studies and the like, we are done with education, has long ceased to be valid in Europe, and there are clear developmental, social and economic factors for this.

6. CONCLUSIONS

Knowledge is necessary for good decision-making, that is, for recognizing and understanding cause-and-effect relationships that influence business operations, and thus the ability to predict the future. Knowledge is a mixture of experience, values, related information and expert opinion that provides a framework for evaluating and incorporating new experiences and information. In companies, knowledge is often stored not only in documents or repositories (knowledge bases), but also in organizational routines, processes, practices and norms.

Traditional ways of living, working and acquiring knowledge are rapidly changing, and technology determines the development of society. In these processes, individuals quickly adapt to changes, but the relationship of institutions to the environment also changes, and more and more efforts are made to manage events (design the future).

It is quite clear that important changes are necessary in order to change the current model of production, consumption and management into a model of sustainable development. Adaptations in education that will prepare people for sustainable changes, as well as redefining the role of science in economic and social development, are key to such changes. Education for sustainable development does not only mean education for environmental protection in the context of intensive economic development, but also includes learning and research for a sustainable way of life and building a future based on ecologically, economically, socially and culturally sustainable solutions.

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