

# Education and Training is a Key Success Factor of Knowledge Management Implementation: A Case Study

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## ABSTRACT

The transition from the industrial age to knowledge economy age has driven many organizations to recognize the importance of knowledge management (KM). In view of that many organizations attempt to adopt and implement KM to build up their competitive advantage. However, many empirical studies found that not all of the KM initiatives are successful implemented. The main reason is due to the lacking of education and training to the employees in an organization. The main purpose of this study is to examine the relationship between the one of the key success factors of KM implementation, namely education and training with the benefit of KM. The case study was carried out in Spice I-Gate, a Malaysian Retail Chain where the education and training (key success factor) of KM was implemented. Structured interview was conducted in order to examine the education and training (key success factor) after the KM implementation. Finding has testified that education and training is a key success factor of KM that brings the benefits to the organization.

**Keywords:** knowledge management, key success factor, education and training, benefits.

## I INTRODUCTION

Knowledge Management (KM) is defined as “*the process by which an organization creates, captures, acquires, uses and shares knowledge to support and improve the performance of the organization.*” Knowledge management processes can be broadly characterized as consisting of knowledge identification, acquisition, application, sharing, development, creation, preservation and measurement (Owet *al.*, 2001; Probst *et al.*, 2000; Natarajan & Shekhar, 2000). Practice of KM will maximize the value of knowledge assets and it will lead to the improvement of effectiveness and greater innovation in an organization.

The objective of this paper is to identify the key success factor of KM implementation. One of the key success factors is education and training. Literature review is conducted at the beginning stage, implementation of key success factor (education and training) in second stage and followed by structured interview to the employees in an organization.

## II LITERATURE REVIEW

Management theorists claim that the human resource plays a key role in successful KM implementation. Successful knowledge creation and sharing activities and processes would not be possible without the appropriate education and training. The timely and appropriate employee education and training is one of the key success factors for KM implementation (Cohen and Bracker, 1999; Gordon, 1999).

Educating people is essential so that they can recognize the importance and values of sharing and exchanging their knowledge and ideas. They have to realize that there is something in it for everyone. In addition, internal education and training extend the knowledge inside the company (Hogberg and Edvisson, 1998).

In order to ensure the success of KM implementation, training is definitely one of the critical areas that should not be overlooked in the planning stage (Shockley, 2000). Effective trainings must include seminars led by the senior staff explaining why knowledge management is critical to success and survival of the company. Specific training should be offered as the system comes with outline so that people and departments become ready for active involvement.

Through training and education, the knowledge worker of today is beginning to recognize that it is their unique knowledge that continues to provide them with a future and security. Knowledge worker is one of the key assets in the

organization. Therefore, the knowledge worker must remain competent through continuous education and training. Education and training provides employees and managers with the skills to fulfill their responsibilities.

Gomez *et al.* (2004) found a positive significant relationship between continue training capability as the investment in training favors the generation of new knowledge and skills for an organization. This is supported by Oliver (2008) that training provides a common language and a shared vision, making communication among the employees and knowledge transfer easier.

Based on the above literature, education and training is a key success factor of KM implementation.

### **III OBJECTIVE OF THE RESEARCH**

The objective of the research is to examine the relationship between the key success factor (i.e. education and training) and benefits of KM implementation in Spice I-Gate.

### **IV RESEARCH METHODOLOGY**

The research methodology consisted of literature review and the identification of key success factor (education and training) of KM implementation in retail organization, followed by the KM implementation in Spice I-Gate. Evaluation results of the implementation process were collected by using in-depth structured interviews with the employees in Spice I-Gate. A face to face interview was conducted from 45 minutes to two hours. These interviews were conducted based on the action of implementation of key success factor in Spice I-Gate.

### **V IMPLEMENTATION MODEL OF KEY SUCCESS FACTOR: EDUCATION AND TRAINING OF KM IN SPICE I-GATE**

#### **About Spice I-Gate**

SPICE I-GATE is group of Companies established to develop innovative service delivery platforms and solutions for business and consumer markets. The SPICE I-GATE Group of Companies is Malaysia's leading organized alternative retail and product marketing channel for "consumer digital products and services". The

organization and business structure is structured to bridge the service proposition of their partners and engage directly with the all consumers to fulfill and maximize the customer service experience.

They manage their people and business using the "Quantum organization" philosophy. Meaning, they emphasize close rapport and motivational building within their working culture while they keep their organization reporting line straight and structure "thin" in order to facilitate effective knowledge sharing activities. This will ensure the management team is constantly updated with any form of operational or business issues and all matters are escalated quickly and decided on promptly with the practice of knowledge management.

The focus of Spice I-Gate's strategy is customer satisfaction. In order to increase the quality of service to the customers, KM implementation is essential in Spice I-Gate. KM is implemented in Spice I-Gate in year 2010; awareness training of KM was conducted before the launching of KM implementation. The objective of the awareness training is to familiarize all the employees of Spice I-Gate with the concepts of KM. The title of the KM awareness training was "Knowledge Management Activities in Retail Industry". In the training, the company believes that it is crucial to communicate continuously to all the staff about the importance of KM and infuse the staff about the concept and benefits of KM.

The model of KM implementation is as follows:

- The education and training systems in Spice I-Gate enhance the knowledge and learning for the employees.
- Education and training addressed the problem of lacking of employee involvement in KM implementation. Employees are encouraged to participate in knowledge sharing forum.
- The organization has and continues to educate and train the employees to use KM technology in order to have effective communication.
- Formal and informal, on-the-job, as well as off-the-job training is to increase the knowledge, skills and competence of the employees. Knowledge, skills and competence of the employees have been

obtained through on-job training and off-job training such as attending seminars, workshop or knowledge - sharing forums.

### Measurement through Structured Interview-Results

The following are the results of the implementation process which consisted of in-depth interviews with the employees from Spice I-Gate.

The questions are listed as follows:

Question 1: Describe in detail how you implement the key success factor (education and training) of KM.

Question 2: What were the problems encountered during the implementation of KM?

Question 3: What are the solutions for the problems encountered?

Question 4: What are the benefits after the implementation of KM?

The results from five interviewees are summarised as follows:

### Education and Training

a) The education and training systems in Spice I-Gate enhance the knowledge and learning for the employees.

- **Implementation:** Education and training policy for employees is well established at Spice I-Gate. All the employees have many opportunities to attend seminars, workshops and etc. Spice I-Gate is very committed to staff development. Spice I-Gate has set up BTC Academy for the staff to acquire higher qualification, i.e. Executive Diploma in Retail Business and Technology. The employees have an opportunity to continue their learning journey.
- **Problem encountered:** Employees were not committed in training and education that provided by the company.
- **Solution:** Spice I-Gate has sponsored 50% of the tuition fee in order to encourage them to continue their study.
- **Benefits:** Improve staff competencies, efficiency and quality of performance.

b) Education and training solves the problem of lacking of employee involvement in KM implementation.

- **Implementation:** KM awareness training was given to all the staff in Spice I-Gate. In this training, a KM implementation roadmap and benefits of KM were explained to all the staff. All the staff were encouraged to participate in KM implementation.
- **Problem encountered:** Nil.
- **Solution:** Nil.
- **Benefits:** Increase the involvement of staff in KM activities such as participating in knowledge sharing forums and being actively involved in attending training, seminars and etc. This increases the quality of performance of the employees.

c) Organization educates and trains the employees to use KM Technology in order to have effective communication.

- **Implementation:** Spice I-Gate organizes training sessions for the employees in order to facilitate the IT system which is TIERS system in the organization. TIERS system is daily upload system by user and collects data by purchasing and logistic, sales team, finance and HR department for management posting.
- **Problem encountered:** Some employees especially seniors were not willing to learn and use KM Technology.
- **Solution:** Attendance of attending training was recorded as a part of performance appraisal.
- **Benefits:** With this system, it helps to improve the communication skills between the employees in Spice I-Gate. Employees can communicate anytime and anywhere through TIERS system. It speeds up the employees' decision making process.

d) Formal and informal, on-the-job, as well as off-the-job training is to increase their knowledge, skills and competence of the employees.

- **Implementation:** Acquiring knowledge through on-job training and off-job training such as attending seminars, workshops or knowledge sharing forums.
- **Problem encountered:** Nil.
- **Solution:** Nil.
- **Benefits:** Increase staff competencies, efficiency, creativity and innovation.

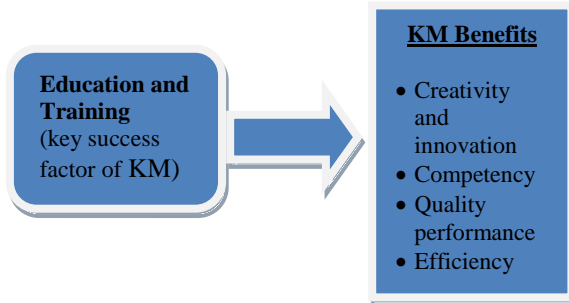


Figure 1. KM Key Success Factor Model

## VI CONCLUSIONS AND RECOMMENDATIONS

Finding reveals that education and training is a key success factor of KM implementation that brings the benefits to Spice I-Gate such as creativity and innovation, efficiency, staff competencies and quality performance as shown in Figure 1. The finding is consistent with Maqsood *et al.* (2007) and Arumugam and Mojtahedzadeh (2011).

The findings may indicate some limitations in term of validity. Therefore, further empirical research is required in a form of survey research in the organizations by using multivariate analysis to validate this finding. With this model, this may help the practitioners and academicians to practice KM effectively in retail organizations.

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