A Staged Process for Staff Readiness for Successful Knowledge Management

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ABSTRACT

Knowledge Management has emerged as a new discipline in recent years to enable organizations to better manage their knowledge resources and is currently one of the most controversial management concepts discussed in academia. This investigation is among the first empirical studies to examine the few Malaysian KM pioneer organizations that have established KM departments which are at different stages of KM maturity and compare their efforts to prepare the readiness of their human resources to adopt knowledge management.

Keywords: *Knowledge Management, KM readiness*

INTRODUCTION

Knowledge Management is of particular importance to Malaysia as it can potentially help the country to develop new areas of growth in knowledge-intensive economic sectors to support the achievement of its vision of attaining a developed nation status by 2020. The World Bank's current threshold for developed or high-income economies is nearly US$12,000 (RM37, 500) and is projected to reach US$17,000 (RM53,000) by 2020 while Malaysia's per capita income is around RM28,000 as at end-2011. In the 1990s, the Malaysian economy grew at an average 7.2% but slowed to an average 5.0% from 2000 to 2011. Malaysia must achieve higher growth rates over the next decade in order to reach high income status by the year 2020 by producing higher value added products and services that have greater knowledge intensity. By implementing Knowledge Management, Malaysian organizations will be able to more effectively manage their knowledge resources, which are the most strategic assets that drive value creation in today's knowledge economy.

LITERATURE REVIEW

Although the adoption of Knowledge Management (KM) in Malaysian organizations is important for the country's future development, there are very few Malaysian companies which have initiated any formal Knowledge Management programs (Quah, 2008). Another Malaysian study on the electrical and electronics sector in the country also found that most Malaysian companies did not have a clearly defined approach to the management of knowledge resources in their organizations (Kumar, 2003). Most Malaysian organizations have not undertaken a more explicit and formal approach in the management of knowledge due to a number of reasons, including the low level of KM readiness among individual Malaysians to participate in the knowledge-based economy (Cheng, Hossain, & Guo, 2009). In this study, KM readiness is defined as the ability of an organization, department or work group to successfully adopt, use and benefit from KM (Mohanavel & Ravindran, 2012) while

KM is defined as the explicit control and management of knowledge to achieve company's objectives (Van der Spek & Spijkervet, 1997).

As knowledge assets are inputs of knowledge processing activities (Nonaka, Toyama, & Nagata, 2000), the preparation of the readiness of KM assets as inputs or enablers of KM processes is a necessary 'precondition' for KM implementation. KM researchers have pointed out that Knowledge Management initiatives often fail because organizations tend to view knowledge assets too narrowly. Knowledge assets do not just comprise knowledge that is already created but also include social or relationship capital, interpersonal skills, trust and care which are also important enablers as well as inputs in Knowledge Management processes (Nonaka, Toyama, & Konno, 2000). The effective implementation of Knowledge Management also depend the connections between employees (Nonaka & Takeuchi, 1995) and organizations (McDermott, 1999). Qualified and dedicated human resources are required for a successful KM effort (Parker, Nitse, & Flowers, 2005). The most valuable organizational knowledge is essentially embedded inside the minds of employees and stakeholders (Lai & Chu, 2002). In order to successfully implement KM, non-KM managers would also need to be sensitized to KM principles and practices as KM organizations require a different human resources management approach and skills (Yahya & Goh, 2002). KM require significant changes that cannot be achieved in one great step (Rowley, 2000). In view of the aforementioned, the objective of this study is to formulate a staged framework or progression road map on the activities that need to be undertaken by an organization to prepare the organization's human resources and stakeholders to adopt KM initiatives.

METHODOLOGY

Since Knowledge Management represents an emerging discipline whose theories are unclear and often times confusing, this study employed the qualitative approach using a multiple case study design operating within the critical realism research paradigm to attain the research objectives.   This investigation is among the first empirical studies on the few Malaysian KM pioneer organizations that have created formal KM positions or units within their organizations and among the first to examine and compare KM stakeholder readiness preparatory activities of Malaysian KM organizations which are at different stages of KM maturity. The cases that were selected for this study are five large organizations that were chosen based on purposive sampling design and practical considerations. From the practical perspective, these cases were selected because of the willingness of the case organizations to allow their employees to participate in this research and therefore enabling the researcher's accessibility to the organizations. Anonymity was promised to the companies as well as the respondents who participated in this study.

The five case organizations that were selected from the study population in this investigation were also chosen based on a number of considerations as listed below:

- All the cases in this study are organizations which are based in Malaysia and majority Malaysian-owned. This screening criterion was adopted based on the consideration that this may lead to the discovery of a distinct collection of KM elements or peculiar knowledge management practices which are likely to be "home grown KM practices" that are unique to Malaysia.
- All the cases in this study are large organizations with more than 200 employees. This screening criterion was adopted in view of the suggestion by KM scholars that Knowledge Management is particularly relevant for large organizations and would manifest the phenomenon intensely. A study by Serenko, Bontis and Hardie (2007) found that as the size of an organizational unit increases, the effectiveness of internal knowledge flows dramatically

diminishes and suggested that a unit with more than 150 employees will need formal KM practices. According to Davenport and Prusak (1998), companies with more than two hundred staff are too large for their people to have a grasp of collective organizational knowledge.

- In this study, the cases selected were also guided by "people who know people who know which cases are information rich", i.e. the snowball or chain sampling approach. For example cases C and D were selected based on the recommendations made by informants in cases A and B who described case C as more advanced in its KM efforts as compared to their own organizations and case D as one of the most advanced KM organizations in Malaysia.

- All case organizations have designated KM staff or have established KM units or departments.

- From the theoretical perspective, the organizations were also selected on the basis of their respective KM maturity levels. Each of the selected organizations was at a different level of KM development or KM maturity as indicated in the following table.

Table 3.1: Characteristics of the selected organizations in this multiple case study

Case	A	B	C	D
KM Maturity stage	Level 1	Level 2	Level 3	Level 4
Characteristic of KM advancement at case study organization	No KM department as yet but staff with KM designation has been appointed by Department head. KM is not organization wide but confined to department where the KM staff is located.	KM department is newly formed with mandate to introduce organization wide. Organization wide KM activities are being rolled out	KM department has long been formed and well established. KM activities are well integrated into organizational routines and practices.	One the earliest and most recognized KM organizations in Malaysia. Acknowledged by respondents from case organizations A, B and C as more advanced in KM implementation than their own organizations. Board level committee on KM exists.
No of employees	Several tens of thousands employees	Several hundred employees	Several tens of thousands employee	Several thousand employees
Industry	Financial industry	Investment holding company	Financial industry	Financial industry

Lead respondent / main interviewee in case organization	Assistant VP (KM), Credit Risk Dept	Vice-President, KM	General Manager, KM	Manager, KM

FINDINGS AND DISCUSSION

The case organizations in this study have all highlighted that the lack of awareness and understanding of Knowledge Management concepts and principles among employees and stakeholders is a major barrier in their efforts to implement Knowledge Management. This is in line with the findings of a recent study by Cheng et al (2009) which reported that the "social acceptance and readiness of Malaysians for the knowledge-based economy is still low".

The activities undertaken by the organizations in this study which aim to enhance the readiness of the organizational actors in the implementation of KM include the following:

- Developing and promoting closer relationships among staff, stakeholders and partners by holding networking events, promoting internal communications, creating "staff finder" directory etc

- Increasing IT literacy among older staff in preparation for introduction of KM IT systems.

- Training staff to perform KM routines such as updating, uploading and crafting of KM content related to their respective functions onto KM portal

- Creating staff who know who "external contacts" management system

- Ensure availability of KM trained professionals and expertise in the organization by recruiting new employees with KM skills and training, holding briefings and fairs on KM practices to create awareness and educate staff on KM , selecting and training of KM champions in non-KM departments, creating staff awareness and understanding on KM etc

- Developing staff collaboration skills and ability to work in teams.

- KM familiarization program for new staff

- Garnering top management support on KM.

- Overcoming skepticism on KM among staff

- Increasing buy-in by top management and staff on KM.

- Lobbying HR to include KM in staff performance assessment, revamp policies to cater to the needs of the knowledge worker.

- Sustaining staff interest in KM

- Changing managerial mindset on management of knowledge workers

This study found that the establishment of a dedicated unit for implementing Knowledge Management and the availability of trained KM professionals are important enablers in implementing formal Knowledge Management. The KM unit greatly facilitates the ability of the organization's employees to adopt KM processes. This is consistent with the view of KM scholars that although a 'chief knowledge officer' may not always be necessary (Cole-Gomolski, 1999), successful Knowledge Management is usually characterized by a designated individual manager in charge of the Knowledge Management function (Davenport et al., 1998; Earl & Scott, 1999).

The organizations in this study which are at different levels of KM maturity have different emphasis with regard to activities to increase the readiness of the organization's stakeholders to participate in their KM implementation efforts. The differences in stakeholder KM readiness preparatory activities of the case organizations in this study is provided in Table 2.

Table 2: Staged process for preparing the readiness of human resources for implementing knowledge management

Stage 1 Case A	• Overcoming skepticism on KM among staff and eliminating staff knowledge hoarding mindset. • Securing top management support on KM as top management is unconvinced on the benefits of KM
Stage 2 Case B	• Recruitment of staff with KM qualifications and expertise • Seeking top management involvement for KM activities as top management supports and provides resources for KM but has little involvement in KM activities. • Educating staff on KM activities by producing KM guidelines. • Encouraging staff to participate in KM activities by introducing incentives.
Stage 3 Case C	• Developing KM quick win projects to secure staff and top management buy-in and participation in KM activities. • Top management not only endorses but also participates in KM activities. • Promoting closer relations among staff to enhance communication and knowledge flows within the organization. • Promoting use of KM IT tools among older staff. • Organizing KM familiarization program for new staff.
Stage 4 Case D	• Providing support to board-level KM Committee to develop overall vision and long term plan for KM. • Sustaining staff interest in KM and updating staff with new KM skills and techniques. • Preparing external stakeholders to participate in organization's external KM network.

CONCLUSIONS

KM is an emerging discipline with its own unique and compelling value proposition. KM helps managers to address new challenges that have emerged in the knowledge based economy. This study on the experiences of KM pioneer organizations in Malaysia has advanced a staged process for

preparing the KM readiness of human resources to guide Malaysian companies in their initiatives to implement Knowledge Management.

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