

# Organizational Development of Knowledge Management: An Analysis on the Consultancy Company

Nur Hamezah Abdul Malic @ Abdul Malik  
Faculty of Information Management, Universiti Teknologi MARA  
Email: hamezahmalic@gmail.com

Alwi Mohd Yunus  
Senior Lecturer, Faculty of Information Management, Universiti Teknologi MARA  
Email: alwiyunus@salam.uitm.edu.my

Nik Azliza Nik Ariffin  
Senior Lecturer, Faculty of Information Management, Universiti Teknologi MARA  
Email: nikazliza75@gmail.com

To Link this Article: <http://dx.doi.org/10.6007/IJARBSS/v8-i9/4651>

DOI:10.6007/IJARBSS/v8-i9/4651

**Published Date:** 15 October 2018

## Abstract

The article is a report of an investigation of the current state of knowledge management implementation in consulting organisation, to identify the key knowledge variables within the premise and knowledge is generated and utilise. there is some limited in implementing knowledge management in consulting organisation. It is very difficult to evaluate the successful of the knowledge management practice that competitive with consulting institution. The paper is the result of face-to-face in-depth interviews with senior consultant, project director, CEO and implementer of knowledge management in the organization. The process of implementing knowledge management can be problematic. This paper highlights the main findings of the literature which the current knowledge management practices in the organization and how to better implement their knowledge management strategy by the identification of suitable action. In order to develop a KM, employees need to share knowledge and contribute their experienced thus help organisation to achieve Centre of Excellent (COE)

**Keywords:** Knowledge Management, Organizational Development And Consulting Organisation

## Introduction

Over the past few years we have seen how information and knowledge has evolving around us and it has changing on how we acquire data on our daily basis. Example, during the old

days we'll go out and buy newspaper or magazine but nowadays we will just browse through the mobile phone or even the notebook and start searching for the news. Today's knowledge management is like living the yesterday's science fiction fantasies that we always dream of years ago.

In 21<sup>st</sup> century, the ability of knowledge to bring sustainable competitive is recognise as the primary organisation resource (Gonzalez & Martins, 2014). The long term competitive advantage focussing on knowledge management (KM). By this an effective KM strategy is important in developing KM. According to Kim et al (2014), depending on the time manner, to have better result in performance, an adequate KM strategy allow organisation to create, gain, access and leverage knowledge. In the same time, the authors also stated that organisation deal with a knowledge that sustainable over time and competitive advantage, rare and valuable resources have low imitability, low substitutability and low mobility. However, there is some limited in implementing knowledge management in consulting organisation. It is very difficult to evaluate the successful of the knowledge management practice that competitive with consulting institution.

### **Literature Review**

The importance of knowledge as an asset in an organisation in the knowledge economy has been emphasises by few authors. However, the issue in this paper dicusses the only that is sustainable is what it knows, how fast it can know something new and how it uses are the only thing that gives organisations a competitive edge. The competency that drives to intellectual behaviour, an agent that produces clear goals and the required element that leads people's perceptive is known as knowledge.

To become a knowledge-based organisation, it is important for an organisation to able identify on how to manage and make use of their knowledge assets. Other than that, the new creation of knowledge can drive to:

- Removing unnecessary business operations to reduced cost
- Services and products will market faster
- Low response time dues improved customer services
- Networking and collaboration runs excellently
- Higher abilities of individual and groups
- Knowledge work improved quality
- Greater creativity and High innovation
- Improved in problem solving and decision making

A big contributor to organisation performance and organisation business strategy usually can be recognised by using knowledge management. There are few knowledge management driving forces as stated by Nonaka (1998) listed below:

- Competitors and suppliers
- Sophisticated customers
- Globalisation of business and international competition
- Knowledge as enabler to corporate success
- Intangible assets value and measurement
- Reduce cost

- Realisation of the changing role of knowledge

Many of us know that by identifying organisational barriers and encouraging other people that they able to gain from knowledge sharing are the ways knowledge can support an organisation's decision making and process competency are mainly act as important resource. During the implementation of knowledge management, there are actually four areas that need to be identified in the organisation:

- Marketplace barriers
- Technological
- Economic
- Cultural

And also, not to forget there are people related issues when in implementation of knowledge management. There were scenarios that should create issue when implementing a knowledge management programme where some people unwilling to join knowledge sharing, resource constraints and lack of commitment. As stated earlier, it can be seen that when implement a knowledge management initiative in organization there will be barriers and issues of time and cost. Other than that, organization that creates, acquire and transfer knowledge to reproduce new knowledge intuitions refer as learning organisation. A learning organisation able to drives for excellence through the constant organisation regeneration. Marquardt (1996), believes that by removing bureaucracy, embrace constant improvement in learning approaches and encourage employee participation are factors to produce a learning organisation.

Furthermore, a leader should come out the main initiative to make knowledge management significant and noticeable within the hierarchy and function of the organization. Other than knowledge management, employee is the number one organization asset. By providing essential training and knowledge sharing it will increase the employee's competency thus in the same time improves the organisation knowledge management. Once the organization have skilful employees, it will automatically make the organization runs efficiently and effectively. In the same time, business output will improve on the fast deliverables and better output.

It will be an extra if organisation leadership that champion with the concept of knowledge management and have the ability to overcome challenges of managing the free flow of knowledge within organisation. These leaders must have insights on the specific knowledge and skills (Chauke & Snyman, 2003).

### **Background Information Of The Organization**

As mentioned earlier, this consulting service organisation is a Bumiputra company with nearly 200 consultants and management employees. This organisation mainly focusing on providing System Application Product services (SAP) and who is one of the leading SAP certified consulting partner, whom was also the current incumbent for client's enterprise resource planning (ERP) implementation and have successfully delivered the core ERP systems to government, private, group and other subsidiaries and has an impeccable record of providing 24X7 Application Development and Maintenance (ADM) support, with aggressive service

levels, to various application users in multiple industries. They believe their support methodology is based on the principle of adding continuous value to their client's business. With its renowned global solutions principal - SAP, they believe with their successful experience we can realize the objectives with a mission of providing management services in IT Strategy and SAP Implementations in line with its corporate strategy of being able to provide values into the business community.

Since its inception in 1997, this organisation has grown to become one of the leading SAP implementation partners in Malaysia with more than 100 major SAP implementation projects locally and internationally. Some of the notable key SAP clients includes Telekom Malaysia (the largest Telco project in Malaysia), Permodalan Nasional Berhad (the largest fund investment organization in Malaysia), Petronas (largest national oil and gas) Mimos Berhad (National ICT and R&D Agency), Perbadanan Putrajaya (City council), Tenaga Nasional (national energy utility), Prokhas, Felcra Berhad, Mercedes Benz Finance (Europe), Jaring, Celcom, EPIC, Takaful Malaysia, Proton and Puncak Niaga Group. It also has more than 3 SAP Cloud or SaaS clients such as Express Rail Link (ERL) Berhad, MEASAT, Heitech Padu with more than 100 users connected in its SAP ERP Online Cloud services.

Furthermore, it also an associated company of a Main Board Listed IT company whereby the parent company gives full support and commitment in ensuring the success of the projects. This organisation is a first board public listed company in Malaysian Stock Exchange (Bursa Malaysia) and the second largest local System Integrator in Malaysia.

### **Problem Statement**

It has been identified that there are concerning challenges in planning development of knowledge management. Many consultancy company that runs business solution often without formal hierarchies. Concerning the benefits of knowledge management in an organization, management should consider to have a well-developed KM which can contribute to gaining reputation and reducing operation cost (De Paula, Arditi & Melhado, 2017). Management need tools to facilitate employees with information related with their line of work. Consultants do frequently went to project implementation, training and workshops which involves with tons of knowledge sharing session but often the knowledge goes in one direction only (Taminiau, Smit & De Lange, 2009)

### **Methodology Of Research**

In this study, the research was being conducted in one of the SAP consultancy company in Malaysia. In line of this company corporate strategy of bringing value into business community, this company targeted to provide business consultancy and solution in the areas of SAP and Managed Services. With more than 30 major projects implementation, this company has become one of the leading SAP services partner in Malaysia. This paper presents a qualitative study based on interviews with top management, business developer and consultants in order to obtain a holistic picture of knowledge management strategies and practices in the company (Ambos & Schlegelmilch, 2009). The respondents has been choose based on different hierarchical levels. Other than that, it has been identified that the consultants are the so-called knowledge specialists thus they have the potential to demonstrate and explain the strategies an practices of knowledge and information management throughout the company. Thus, it was vital to study this group of respondents.

Researcher transcribed and independently analysed the recorded interviews. The statements given has been grouped according to keywords corresponding to the research topics.

### **Case Study Finding**

#### **Profile of the Respondents**

Employee that work as consultant in this organisation is the target group. In order to keep up with product updates and launches, these group needed to have a continuing leaning process. Employee who has some form of “expert knowledge” related to this product are mainly the consultant which break down into practitioners, IT support and project manager. Their views were expressed in the case study. These employees that categorised as consultant were interview by researcher. Researcher interviewed 14 of them. Some of the consultant work as technical or functional consultant. Age group of the respondents are in between 25 – 45, six of them are women and 7 of them are men. The range of working experience in the company are between 2 – 20 years of service.

Since this interview was conducted while this organisation is working to develop a knowledge management tool, it does give more chance for the researcher to conduct the interview. It is more like “kill two birds with one stone”. The researcher asks respondents in conversation form which conducted in a short time period asking them about their opinions as well as facts. There were set of more structured set of questions were asked but in the same time the interviews may still be open-ended. The case study interview answer resulted in a collection of quantitative data since the survey interview follows a strict set of questions (Yin, 2003).

#### **The Knowledge Agenda**

Based on the researcher study on the organisation, there are relevant knowledge management used by the organisation. Does the organisation fall under knowledge-based organisation or vice versa? A simple definition on knowledge-based were explained during the conversation. Majority of the respondents viewed their organisation as a knowledge based organisation, three respondents viewed as not a knowledge-based organisation and one employee stated that not sure on which side of the position.

#### **Current State of Engagement with Knowledge Management**

Respondents were asked on the current state of engagement with knowledge management. Based on the options given which are between thus the organisation currently have an implemented KM projects, evaluating KM or planning to use KM. Majority of the respondents viewed their organisation as organisation that currently planning to use KM. Little that they did not know that they are actually always participated in knowledge management practices such as knowledge transfer, knowledge sharing, knowledge creation, knowledge acquisition and many more.

#### **Reason for Investing in Knowledge Management**

The main organisation’s reason is to achieve Centre of Excellent (COE) from parent company. There were different reasons stated during the interview such as:

- To have better work experience and improving company's value
- To having Knowledge Base, it helps organizations to gain competitive advantage

- To stores and retrieves knowledge, improves collaboration, locates knowledge sources, captures and use the knowledge for future references.
- Able to increase value and Efficiency
- Easy access for data sharing
- Management encouragement & increase value for customers
- Awareness on client design
- To be used as knowledge Sharing among consultants
- Easy for consultant or management to gain project info, refer to document that can be used for current and future client.
- To be use as future reference

### **Position of Knowledge Skill Consultant**

Currently there is no formal chief knowledge officer in the organisation thus researcher replace it with knowledge skill consultant. In SAP, knowledge skill consultant is also known as senior consultant or management consultant. According to the organisation these people plays major role in SAP latest product and services. By this, respondents do not see chief knowledge officer will be in the organisation neither in short term or long-term position.

Knowledge skill consultant appointed to make knowledge available, leveraging knowledge and enabling knowledge (Albers, J. 2009). It was mentioned that there are characteristics of a knowledge skill consultant must own as per below:

- Friendly, talkative
- Blue sky thinking, logic, etc
- influencing skills
- Ability to give a quick response to a problem and provide a solution
- Knowledge based on experience and proved it with a good outcome
- Easy accessible
- Must know how to manage and inventories the knowledge
- soft skill & problem-solving skill
- Eager to explore, take ownership
- Must be technically sound and also possesses good soft skills such as communications, decision making etc.
- Effectively deliver user requirement to comply with the system; effectively document the user requirements and solutions
- Knowledgeable in current IT infra, technology, business org structure. Can be a good listener, Good in file management, Good communications skills.
- Know how to do documentation

### **Costly Mistakes due to Insufficient Knowledge or Experience**

Respondents were asked do they encountered any mistakes or faults due to lack of knowledge and experience. The respond as per below:

- Yes, increase in effort of solving issues. Loss of prospect client due to lack of knowledge.
- Yes, Googled and asked around from other senior consultants for answers.

- Increased expenses, unhappy employees, low production & loss of customers.
- Miscommunication with client mostly because of lack of communication shared among internal team.
- Slow in resolution time due to insufficient of information.
- Yes, thus it is due to information not available and therefore solutions were acquired through other consultants from another site.
- Persistent issues need to be rectified on the tasks due to insufficient knowledge.
- Yes, before this I don't know what to do and no future planning. Just follow orders and sometimes without refer just do the work and in the end going to cost more in time.
- Yes, example of fail project such as company XYZ due to lack of details requirement specifications and sign off documented.

### **Technologies and techniques that contribute to knowledge management initiative**

Respondents believes that below item should be balance with KM initiative:

- **Technologies**
  - Intranets
  - Electronic mail
  - Internet
  - Data warehousing
  - Document management
- **Techniques**
  - Face to face conversation
  - Mentoring
  - Communities of practice
  - More training

### **Discussion & Recommendations**

#### **SAP Knowledge Management Tool in Planning**

It was mentioned before that this organisation is currently planning a knowledge management tool. This KM tool is needed by the organisation as to serve on of the SAP External Service in Centre of Excellent. Based on the research understanding, this KM in planning will be one of the organisation objective to be into new market segment and meanwhile it able to provide the employee with the proper information sources needed.

The knowledge management tool that will be exercises by this organisation should aim to provide each employee and client adequate and timely knowledge and information so that the business process can progress without any consequences. The knowledge management tool should serve should be optimized for time-efficiency but also should be straightforward enough that it can be easily understood by all users. However, organisation's current knowledge management is an inefficient use of the company's time and resources. By wasting employee and client time, the current knowledge management make the company less competitive. This is due to slow business progress that later create an unfavourable brand image.

Researcher does believe that by proposing an adequate knowledge management which will allow basic understanding required for reference, is secured, reliable and provide easy accessible.

The benefit or significance of this developing information management are:

- Able to cover each phase of project implementation.
- Adequate information management is needed to for decision making.
- Documentation must be made available on each stage and must be continuously updated.
- Allow effective management of knowledge and information, decision making and information preservation.

### **Knowledge Worker**

Peter Drucker (1956) came out with a term of knowledge worker where knowledge become the main resource in manual work. Manual work is physical work that basically done by people and it's much more different that done by using machine or animals. In the same time, manual work defines as most of the responsibilities involving human physical effort.

Moving forward, knowledge worker also defined as a mental representation of possible relationships among things, events and relationships in different kind of levels (Baumeister, 1991). In between of the discussion or decision making these workers most likely to focus on to filling and reaching the gaps of understanding, sensible and connection. It could be challenging since interaction could create distress if ones do not reach to the exact understanding. As stated by Sousa & Dierendonck (2010) In making decision it requires deep reflection and the need to display an impactful to the tasks, hence a knowledge worker have a tendency to study for a longer time.

In this organisation to what extent these employees can be called knowledge workers? In order to support, discuss and participate in day to day activities in this organisation, researcher do believe it need a specific range of knowledge. It should be appropriate to use the knowledge worker term expressing the employee's activities.

However, researcher do believe that with the properly assign knowledge officer or chief knowledge officer position will make this organisation's knowledge management more flourished. But unfortunately, so far researcher do not see chief knowledge officer will be in the organisation neither in short term or long-term position. Referring to the absent of knowledge officer, this is due to the senior consultants that generally have a very depth knowledge, experience and skill in specific field. These people has been serving a culture of trust, team building and resources within the people within the organization able achieve high effectiveness and efficiency of knowledge capture (Engle, 2010).

### **Environment needed to Maximise Gaining and Sharing Knowledge**

Researcher do believe that environment should make company provide to maximise gaining and sharing knowledge among consultant and employee. In order to make the employee feel that they can manage and take control of their work situation, some proper strategies should

be taken place (Hultkvist, 2010). Stressful work environment will not only make people to work inefficient but also it has potential to affect employee's motivation and drive.

Other than providing knowledge management base portal, it is good to have an open and practices of knowledge management. Probably some sort of team building environment, as humans tend to perform effectively while having fun in between work. With the communication strategy, plan and execution could make knowledge management activities runs smoothly. The communication strategy will facilitate knowledge management acceptance and support by addressing issues that matter to client, as it helps bring clarity to the change process. As such, the strategy plays an important role in helping to shape client or stakeholder reaction to change, as well as to manage their expectations. Employee require time to assimilate messages delivered and hence, the communications will be executed over the course of the implementation timeline for maximum effectiveness.

As much as possible, Communications will optimize on effective channels deployed. Depending on the type of message to be conveyed, level of engagement as well as target audience and purpose. There will be some learning that can be leveraged on.

Involvement and engagement of the employees are important as they will be the people most impacted by the change. Knowledge management initiatives will need to "sell" the benefits of the new change but only after they have been given sufficient air-time to share their views, concerns and ideas on how to move on the continuous improvement journey. Listed below are some of the activities proposed:

- Frequently and schedule knowledge sharing and transfer
- Launch Workshop
- Engagement events
- Town Halls
- One-on-one hands on lesson
- SAP Online Demo

### **Conclusion**

As stated by Peter Drucker (1956) shifting away from manual work to the knowledge worker where knowledge become the main resource in completing tasks. Throughout the studying, knowledge worker is an attitude or characteristic of a person who are using knowledge to keep track of everything they need to know and can be adopted by any profession. It is clearly knowledge worker is not a new thing in digital era. It is important for a knowledge worker to better equip themselves in order to get to the fullest potential and efficiency. Knowledge worker have initiatives, make plans and have clear goals.

The respondents are in between on implementing a knowledge management based. Lack of knowledge management strategy experience is current being one of the main barrier in planning KM (Pathirage et al.,2008). In order to save cost and to render a better service, organisation must first overcome it in the first place of implementing knowledge management based.

As knowledge management allow significant potential to improve organisation performance, leading edge management techniques by organisation it will continue to flourish. Learning in knowledge based society and knowledge management organisation This case study has ability to help organisation's journey of KM implementation by expressing the areas that should be able to fit into the organisation's main business. A well-established knowledge management in organisation has enabled the employee to make KM as part of their daily work activities.

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