

The Relationship between Knowledge Management Practiced and Organizational Decision Making

Ismail bin Hashim and Azroo Bin Mohamad

Faculty of Administrative Science and Policy Studies, Universiti
Teknologi MARA (UiTM) Merbok, Kedah

ABSTRACT

This study seeks to determine the relationship between knowledge management (KM) practices with organizational decision making. KM practices have been divided into two parts which are in term of technology and approach. Technologies in KM consist of corporate portal and intranet whereby the approaches in KM are storytelling and benchmarking. The data will be collected at Sharp-Roxy Corporation (M) Sdn Bhd in Sungai Petani. As such KM field is large, complex, and in constant development, this study will include management, organizational goals and operational practices and philosophies, technologies, and strategies. Therefore, it is essential to the organization to identify and fully utilize the existence technologies and approaches of knowledge management which it will help the organization to make a right and precise decision making.

Keywords: Knowledge Management practices, Organizational decision making, Sharp-Roxy Corporation (M) Sdn Bhd

INTRODUCTION

In order to estimate the benefit of a KM program, a conceptual perspective is required, as well as the use of tools and methods, rather than the ad hoc use of analytical approaches which means that the

organization should make use of the knowledge management as a practice by using the resources and environment that available in the organization rather than study it as a theory. The problem exist in knowledge management faced by many organizations, schools, colleagues, and university are pouring their money into information technology without considering how effectively integrate those technologies into decision-making processes to improve academics, operational, and planning.

According to Rigby and Bilodeau (2007), as firms become larger, more knowledge intensive, and more globally dispersed, the need for their managers to “know what we know” is becoming sensitive. Thus, a common initiative within the tacit knowledge approach is usually some effort to improve understanding of who knows about what in an organization whereby it is an effort that is sometimes described as an effort to create “know who” forms of knowledge. Therefore this research is made because of the importance of the knowledge management practices in the organization that can help in boost up the organization performances and align the knowledge management with the business or academic strategies to achieve the organization objectivities. It also can reduce the time and cost consuming in making the decision by using the right tools and approaches.

In order to avoid disagreement and confusion, the aspects of KM should clearly be considered in which we suggest at least there are two different aspects of KM which are KM as a technology and KM as an approach. KM as technology consists of corporate portal and intranet whereby KM as an approach includes the storytelling and benchmarking.

According to Benbya, Passiante and Belbaly (2004), the corporate portals present the potential of providing organizations with a rich and complex shared information workspace for the generation, exchange, and use of knowledge. Moreover, corporate portal can be also known as a gateway to applications that integrate collaborative tools, business intelligence, and unstructured text search capabilities and its allowing the users to customize their desktops to show information from a variety of sources within the organization (and usually from outside the firewall as well) (Kidwell, 2000).

A part of that, an intranet relates to learning organizations in the following way which it have a significant effect on workforce efficiency and productivity, and that there is a significant correlation between intranet satisfaction and job satisfaction. The intranets also can be regarded as both as information and strategies tool in the context of knowledge management and a large amount of which consists of news, statistic, business plans, telephone numbers, forms, personal stories and so on that can be stored and distributed in a short time to the large number of people (Mansel, 1997).

Storytelling can be known as orally communicating ideas, beliefs, personal histories, and life-lessons (Groce, 2004). Besides that, storytelling is one of the most existing forms of communication and it possesses great potential as a teaching-learning tool. It's obvious that it is currently being used in some companies as a knowledge management method (LeBlanc & Hogg, 2006).

Moreover, developing best practice through benchmarking features as a critical activity in the business world as it is a vital approach for sharing and transferring knowledge. This includes in the definition of benchmarking as the process of identifying, understanding and adapting outstanding practices from organizations anywhere in the world to help the organization improve its performance (O'Dell, 2006). Several definitions have been offered for benchmarking for example, Zairi (2000) defines it as "emulating the best by continuously implementing change and measuring performance," and Camp (1995) describes it as "the search for industry best practices that lead to superior performance.

Brickley (2004) described the organization decision-making as a right decision, along with the reward system and the way of performance is evaluated, as one of the key aspects of an organization's architecture (or design) and Mintzberg (1976) also describes "muddling through" decision making where decisions are made incrementally on the best available information while trying not to pre-empt any long-term strategies.

METHODOLOGY

The population of this study covered all the Upper level management staff at Wisma Pertahanan in Kuala Lumpur. There around 80 staff and the sample size decided was 66 respondents which followed in Sekaran, Uma (2006).

<i>Sample size for given population</i>	
<i>N</i>	<i>S</i>
75	63
80	66
85	70
90	73
95	76

Figure 2.1 Sample Size

Data Collection

The data for this study will be collected through questionnaires. The advantage of this method is the completed data can be collected from the respondents once (Sekaran, 2006). These are two section in the questionnaires which is section A and section B.

In section A's, questions requested the individual's background and there are also several demographic questions such as gender, age, level of education and etc. Moreover, in section B, which consists of likert scale question, the question of the questionnaire is based on the four independent variables which are corporate portal, intranet, storytelling and benchmarking.

Data Analysis

The data will be analyzed using SPSS Version 16.0 for windows Software Program with the uses of Pearson Correlation and Descriptive Statistic.

The researches use the Pearson correlation to see the strength of interrelated that present among all mentioned. Pearson correlation is important to measure the interrelationship between variables. For example, in order to know the relationship between knowledge

management practice variable and decision making variable, Pearson correlation can be used to analyzed it whereby the value of $p < 0.05$, must below than 0.05.

Other than that, the researches discuss on the background of the respondent that consist gender, age, status, and education level by using descriptive statistic. The researcher might want to know the relation among the variable with one another in order to determine whether there are any differences between two or more group and other.

RESULT

As a result, this research will help the organization to identify their weakness in knowledge management practices, and the organization may overcome it with the same time cope with the competitor. The organization can improve their performance effectively and efficiently and helping the organization leader in decision making process. By using the appropriate knowledge management tools and method such as corporate portal, storytelling, and community of practice and so on can at the same time giving the opportunity to the employee to involve in the decision making in the organizational. Other than that, having appropriate knowledge management practices in the organization can help reducing the operational cost by using the existence resources in the organization such as using the e-forum to sharing the knowledge between the employee across the time and space.

CONCLUSION

As a conclusion, this research will determine the relationship between the knowledge management practices and organization decision making whether the knowledge management practices can give an influence in organizational decision making. As a growth of focus on concerning within management, knowledge management (KM) is an area of research and practice that is still searching for a stable set of core concepts and practical applications. It helps in education, training, technical refreshment and on-the-job experience. Capturing knowledge can prevent the loss of critical knowledge due to the retirement, downsizing and outsourcing.

REFERENCES

- Benbya H. et al. (2004). *Corporate portal: a tool for knowledge management synchronization*. 201-220. Retrieved September 10, 2009, from <http://www.emeraldinsight.com>
- Brickley J., C. Smith and J Zimmerman. (2004). *Managerial Economics and Organizational Architecture*. (3rd ed.). New York: McGraw-Hill.
- Camp, R.C. (1995). *Business Process Benchmarking: Finding and Implementing Best Practices*. Milwaukee: ASQC Quality Press.
- Groce, R, D. (2004). *An Experiential Study of Elementary Teachers With the Storytelling Process: Interdisciplinary Benefits Associated With Teacher Training and Classroom Integration*. 122-128. Retrieved September 3, 2009, from <http://www.emeraldinsight.com>
- Kidwell, J. J, et al. (2000). *Applying Corporate Knowledge Management Practices in Higher Education*, 28-33. Retrieved September 14, 2009, from <http://www.emeraldinsight.com>
- LeBlanc. S, M. and Hogg. J. (2006). *Storytelling in Knowledge Management: An Effective Tool for Uncovering Tacit Knowledge*. 1-9. Retrieved August 10, 2009, from <http://www.emeraldinsight.com>
- Mansel-Lewis, E. (1997). *Intranet Essentials*, 7(5), 124-136. Retrieved August 25, 2009 from <http://www.emeraldinsight.com>
- Mintzberg, H. (1976). *The structure of unstructured decision processes*, *Administrative Science Quarterly*, 21(2), 246-75. Retrieved December 21, 2009, from <http://www.emeraldinsight.com>
- O'Dell. C. (2006). *Benchmarking. Knowledge Management and the Transfer of Best Practices*. 1-10. Retrieved August 22, 2009, from <http://www.emeraldinsight.com>
- Rigby, D. and Bilodeau, B. (2007). Management tools and techniques: a survey. *California Management Review*, 43, Retrieved July 25, 2009 from <http://www.emeraldinsight.com>
- Sekaran U. (2003). *Research Methods for Business: A Skill Building Approach*. (4th ed.). United State: Hermitage publishing.
- Zairi, M. (2000). Managing customer satisfaction: a best practice perspective. *The TQM Magazine*, 12(6), 389-94. Retrieved November 22, 2009, from <http://www.emeraldinsight.com>