

KNOWLEDGE WORKERS: EMPOWERING ORGANIZATION'S COMPETITIVE ADVANTAGE

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Abstract: *In knowledge age, wealth is based on who owns the knowledge and how it is utilized to create goods and services that improve the global economy. Today's knowledge capital is the most valuable assets compared with the physical assets. Thus in order to compete in a highly competitive economy, called "Knowledge Economy." organizations need to think and act differently. Organizations need an enabler that can help them ahead from others which is the new generation of workers known as "Knowledge Workers." Knowledge workers are proven to be a critical success factor in helping the organizations to improve their competitive advantage. However, organizations need to be aware that this type of workers are highly mobile which means, if they feel their needs are not fulfilled or appreciated they will move to another organization and bring their valuable tacit knowledge as well. It is important to ensure these employees are retained as long as their knowledge is valuable to the organizations and motivate them to remain in the organizations.*

Keywords: *Knowledge Workers, Competitive Advantage, Employee Retention, Employee Motivation*

INTRODUCTION

The way business is conducted has once again changed. In the past, when manufacturing was the core of a business, activity, people were dependent with machines and essentially followed direction from the management only. Managers during that time were responsible in determining production lines, target, schedules, efficiency. Workers tended to do whatever the manager told them in order to ensure their jobs were done. With the present new age of socio-economic development, known as the "Knowledge Age." Wealth is based on who owns the knowledge and how it is utilized to create goods and services that improve the global economy. This has been supported by Drucker (1999) who mentioned that the company's most valuable asset has changed from physical capital to knowledge capital. Under these increasing competitive pressures, many organizations are examining how they can improve in managing their intellectual capital and the need for the new generation of knowledge workers.

DEFINING KNOWLEDGE WORKER

There are various definitions of knowledge workers, based on previous literature and writings. The term knowledge workers was coined by Peter Drucker for over 50 years ago but there are still a misunderstanding about this term. According to Drucker (2004), knowledge workers are those who were not manufacture products with their bare hands, but using their minds to create ideas. It means that knowledge workers are not dependent on the technical skills but use their mind to generate more ideas, such as via innovation, research and development (R&D). In contrast, as stated by Kubo and Saka (2002) taken from Scarbrough (1999), knowledge workers can be defined primarily by the work that they do, which is relatively unstructured and organizationally dependent, and which thus reflect the changing demands of organizations more than occupationally defined norms and practices. To this effect, the authors defined knowledge workers as independent workers who follow their own styles in getting the job done.

Meanwhile, as defined by Blackers (1995) knowledge workers are unlike previous generations of workers, not only because of their access to educational opportunities, but because in knowledge organizations they own the means of production, i.e. knowledge that is located in brains, dialogue and symbols. The author identifies knowledge worker as a new generation of workers who have special abilities that differ them from previous generation workers.

According to Switzer (2008) as mentioned by Tarrini (2003), knowledge workers are a team member who have the knowledge and motivation to create and apply new insights to carry out their work to improve the organization's competitive advantage. He further mentioned that, knowledge workers are usually a team players, share information collaboratively, apply new ideas to get things done to help the organization compete in the competitive economy.

Unlike others, Brelade and Harman (2007) categorized knowledge workers in different level as shown in Figure 1. Each of the identified level has unique characteristics that differentiate among each others.

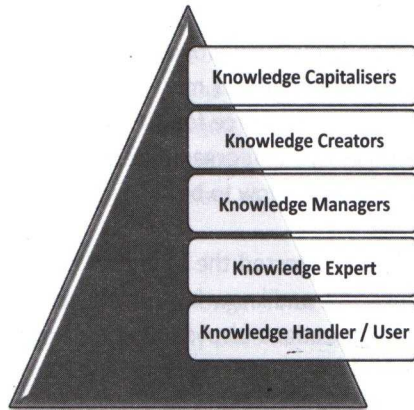


Figure 1 – Level of Knowledge Workers
(Sue Brelade and Christopher Harman, 2007: 26)

Knowledge workers can thus be defined as a new generation of workers who use the ideas and insight to get things done in order to improve organization’s competitive advantage by innovation, creatively and so on. Definition by Switzer can be considered as a comprehensive and clear compared to other definitions on knowledge workers.

THE NEED FOR KNOWLEDGE WORKERS

As organizations engage with the knowledge economy, they have to change their mindset to understand knowledge management as a total and more importantly to understand the role of knowledge management as critical success factor for competitive advantage. Thus, it requires the organization to think differently in finding enabler for business success. One of the critical success factors is the fact that the knowledge workers are new generation of workers who use ideas and insight to ensure things get done to improve organization’s competitive advantage.

Switzer (2008) identified the knowledge workers as those who bring intangible value-added assets which are often difficult to quantify, to their organizations. As mentioned before, the company’s valuable asset has shifted from physical to knowledge capital. Thus they are fast becoming a very powerful competitive factor in the world economy. Organization really needs knowledge worker’s expertise in generating new ideas and strategy to be ahead from others.

Indeed, this statement has also been supported by O’Donohue et al. (2007) as taken from Boxall and Purcell (2003) who agreed that, there is increasing recognition of the potential of human capital to make a substantial and lasting impact on sustainable competitive advantage. As more organizations realize the power of knowledge management as the key to survive in competitive edge economy, they tend to recognize the need of knowledge workers to help them in achieving the organization’s dreams. Organizations begin to realize the potential of knowledge workers as one of the factors that lead them to create a new position, such as Chief Knowledge Officer, Knowledge Manager, Knowledge Management Executive and so on.

Likewise, according to Kubo and Saka (2002) as mentioned by Reinch (1991), organizations are increasingly dependent upon knowledge workers as they compete through their employees' know-how. This implies that organizations must address the needs of knowledge workers in their effort to retain their primary resource for achieving competitive advantage. Based on this statement, these authors suggested that organizations have to fulfill the need of the knowledge workers in order to secure the know-how to be used in achieving the competitive advantage.

Similarly, Roy *et al.* (2001) also stressed the importance of employees' ability as consultants, based on their special knowledge and know-how on research and development to develop new products and services. Organizations also depend on knowledge workers because of their capability to use their knowledge and know-how in gathering, analyzing, adding value and communicating information to empower decision-making process. The authors tried to express that, the added value among knowledge workers are beneficial to organizations, especially on employees' know-how or decision-making process.

Meanwhile, Leonard & Swap (2004) illustrated the need towards knowledge worker by identifying the workers who possessed 'deep smarts'. The authors identified that knowledge workers have certain abilities which enable them to demonstrate advanced judgment, knowledge and expertise. Besides that, knowledge workers have the capability to see the whole picture and yet zoom in on a specific problem that others have not been able to diagnose. Thus intuitively, they can make the right decision, at the right level, with the right people. These statements have shown significant abilities of knowledge workers that make the organization admire them to work with.

Additionally, Tymon and Stumph (2003) stated that knowledge workers make their living by accessing, creating, and using information in ways that add value to the organization and its stakeholders. These characteristics enable the organization to sustain their competitiveness in the industry by the use of information and knowledge via latest invention, innovation, creativity and so on.

Likewise, Kelly *et al.* (2007) agreed knowledge workers' usefulness to the organization is situated in their ability and willingness to utilize, share and synthesize existing knowledge to create new ideas. This attitude is differentiating them with the traditional or normal worker that most of the organization looking for as many organizations requires workers that is self driven and can work independently.

Based on the statement by various authors and writers, most of them agree that organizations depend on knowledge workers to help them achieve competitive advantage. Besides that, organizations also recognize the potential, employees know-how and their roles in adding value toward the development and decision making. Knowledge workers also help the organizations to facilitate effective decision-making due to their expertise and access to knowledge.

MOTIVATING & RETAINING KNOWLEDGE WORKERS

In a growing knowledge economy, talent and creativity are becoming increasingly critical in shaping economic opportunity and organization knowledge development. The wealth now depends less on access to physical resources but more on the ability to create economically useful new ideas. In knowledge economy and knowledge based urban development the contribution of knowledge workers or creative class is often mentioned as strategic and valuable.

In fact, the important assets of organization are no longer fixed like a building or property thus it can create a problem to the organization. In reality physical asset belong to the organization because it is in fixed physical but knowledge capital however is something different because it is no longer physical and does not reside in any location nor be controlled by the organization. As pointed out by Drucker (1997), the new essential asset of the company now resides in the mind of the employee and they are on the move, transporting their knowledge where they want to be.

The statement is also supported by Yigitcanlar *et al.* (2005) who mentioned that, knowledge workers are not only highly mobile in theory but they are also highly mobile in practice. This means knowledge workers are expected to change their jobs, if not occupation, relatively frequently. Moreover they also favour knowledge cities and regions with a 'thick labor market' that offer ready opportunities to advance their careers by moving between employers. The authors try to explain that knowledge workers usually change their job frequently, especially to expose to the new knowledge, opportunities and experience.

Since personal know-how and tacit knowledge are not stored within the organization, but are held by the employees (Drucker, 1999), what potentially differentiates one company from another is the way they manage the employee-employer relationship, as knowledge workers can leave an organization and remove that key asset. Their retention is vital for organizations operating in this knowledge era, forcing some companies to make greater effort in, first, developing systems which will increase the effective creation and utilization of knowledge and, second, understanding the mechanisms and concepts involved in retaining knowledge workers (Kelly *et al.*, 2007).

Besides that, most of the knowledge workers know their benefit towards the organizations and they know if their need is not fulfilled, they can bring their knowledge to places that are more willing and able to meet their needs. Due to this factor, most employers are helpless in stopping this from happening. Knowledge workers also have more bargaining power than before, so they expect their employers to respect their positions and capabilities as well (Switzer, 2008). It is important to understand this matter and do whatever needed to retain the knowledge workers as long as their knowledge are valuable or until their tacit knowledge can be translate to explicit knowledge.

Research by Kubo and Saka (2002) identified three major reasons that lead to turnover of knowledge workers. These are concerned with monetary incentives, human resource

development practices (promotional opportunities and job rotation) and job autonomy. Based on their research, money is the main deciding factor whether the employee stay or go to another company. If the workers get the lower salary compared to their job they would look to another organization. Besides that, human resource development practices also play an important role especially through promotional opportunities and job rotation. If the employees have been given equal opportunities to improve in their career based on their performance and contribution they will be loyal to the organization. Knowledge workers also have to have autonomy on their jobs. If the organizations impose limit and restriction on their job it will lead to disappointment among them.

On the contrary, Drucker (1998) stated that knowledge workers are motivated more by the intrinsic challenge of the work rather than financial rewards and so learning and the utilisation of knowledge could be seen as additional facets. It's mean that, knowledge worker more prefer and motivated by the challenge of the work rather on financial aspect. For examples if the workers are given a routine jobs that do not require much analytical and creativity it will demotivated them even if the company offer then a good monetary incentive.

Switzer (2008) agreed with the Drucker statement that money is no longer a deciding factor in hiring, motivating and retaining workers in this competitive edge. Thus, offering more money will no longer motivate the employee to make every effort for higher level. In some cases, offering money as a reward will backfire and lead to degradation in the cultural atmosphere of the organization.

Even some of the author do not agree with the financial reward, but if it has been used properly it can be a positive incentive. Many of the organizations tend to make financial reward as an encouragement for the employee to generate fresh and valuable ideas such as for company business plan, project and new initiatives. This will be a healthy culture that nurtures information sharing among employee of the organization. On the other hand, according to Kelly *et. al* (2007) as stated by Warr (2002) job satisfaction can be split into various aspects, including the level of supervision received, the organization as an employer, career opportunities, financial rewards, fringe benefits, colleagues and the nature of the work itself. Job satisfaction is a widely used measure of an employee's attitudes of overall acceptance, contentment, and enjoyment in their work. It is best understood as a summary measure building on both intrinsic and extrinsic rewards and includes a consideration of available alternatives, amongst which is to leave the organization.

Tampoe (1993) suggested the following theoretical factors as shown in Figure 2, is useful in motivating the knowledge workers. Tampoe's model shows how this involves changes in structure, culture and management style employed within organizations. It is claimed that knowledge workers can be carefully integrated within supportive work environment through carefully engineered work culture. There are four main aspects that underlined this model which consist of personal motivation, task motivated energy, attain work goal and psychological success.

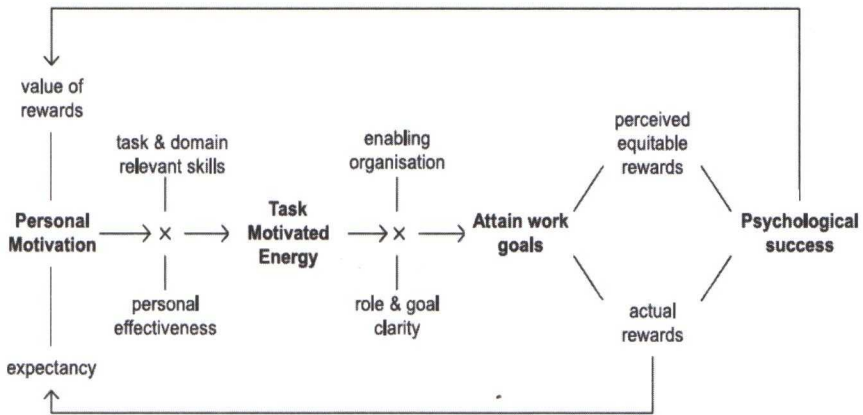


Figure 2: Model for motivating knowledge workers (Tampoe, M. (1993: 51)

Another author also expressed the similar approach in motivating the knowledge workers. Switzer (1998) suggested that management need to step away from the task-driven management techniques and develop new set of skill for motivating and maximizing the potential of these new knowledgeable and creative expert employees who are also required to take on the roles and responsibilities of their former manager. He also added that, the new knowledge workers require much greater attention to their personal wants and needs than previous generation of workers.

Besides that, there is an organization or company that allows their employee to have more control over their time, in order to do what they need to do can be considering as one of the new way for motivating as well as retaining the workers. By offering individual office, allowing do working from home and giving them a time off to think in conducive environment are several strategies that can be offered to motivate them. Perhaps flexible working hour is another way to let them become more productive in their field compare to fixed working hour.

Conclusion

The advancement of economy has changed the way organizations and companies conduct their businesses. Knowledge economy requires the organizations to think differently and creatively to let them compete in this competitive edge. The birth of the new generation of workers known as knowledge workers has been an opportunity for the organization as they realize the wealth now is not based on physical capital but on knowledge capital.

Now organizations are dependent on knowledge workers' abilities, especially on their know-how, creativity, determination, innovation and so on. As mentioned by Drucker (1999) there need to be a commitment to quality and treating the, as an asset rather than as a cost. Even if the organization value their knowledge workers, they need to realize that these employees are highly mobile which means, if their needs are not fulfilled or not motivated by the organizations, the employees will move to another company and bring together their valuable knowledge as well. It is very important that organizations need to take initiatives to retain their

workers as long as their knowledge are beneficial to the organization. There are several aspects or method that can be considered by the management in motivating and retaining their employee, such as through job autonomy, monetary reward and human resource practice.

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