

**Measuring the Effectiveness
of Knowledge Management Practice
at Philip Morris (Malaysia) Sdn. Bhd.**

by

**Raja Suzana Raja Kasim
(2000523744)**

In partial fulfillment of the requirements
for the degree of
Master of Science in Information Management

**Faculty of Information Studies
Universiti Teknologi MARA
40450 Shah Alam**

Supervisor:
Encik Alwi Mohd. Yunus

SMM850 Independent Study

September 2002

Acknowledgement

In the course of my study and completion of this project, I have received invaluable assistance from number of people.

Firstly, I would like to thank to Encik Alwi Mohd. Yunus for his kindness, dedicated shared of knowledge and interest in encouraging me to pursue with the topic of this study. I am grateful for his understanding and in-depth guidance towards the issue of knowledge management as well as supervising this project with sincere thoroughness and professionalism.

In an effort to widen my understanding throughout the content issue of Knowledge Management, I would also like to extend my gratitude to all fellow course-mates at the Faculty of Information Studies (Flexible Learning Programme).

Despite my keenness to acknowledge their indebtedness individually, I find it difficult to do so. Among this world, I am also grateful to the staff of the following organizations for having left the imprint of their suggestion on this project paper:

- a. Management and Staff of Philip Morris (Malaysia) Sdn. Bhd., Seremban, Negeri Sembilan
- b. Management and Staff of Godfrey Philips (Malaysia) Sdn. Bhd. Kuala Lumpur
- c. Dean of Faculty of Office Management and Technology, UiTM Shah Alam
- d. Perpustakaan Tun Abdul Razak I, UiTM Shah Alam
- e. Perpustakaan Tun Abdul Razak II, UiTM Shah Alam
- f. Perpustakaan Perbadanan Awam Negeri Sembilan

Finally, I should like to thank both of my beloved parents, and not forgetting my loving husbands, Zulazli Dato Hashim together with two of my children, Afiq and Afiqah for their support and understanding throughout the completion of this studies.

Abstract

Many organizations are seeking means to improve the process of operations and business to increase their performance. Today, managing knowledge is considered one of the main challenges in modern organizations. In this paper, a case study to explore the employees' perceptions towards the effectiveness of knowledge management practice is conducted. It draws finding of employees' interpretations and applications of knowledge management processes and practice in a variety of organizational contexts. The objectives of this paper lies on identifying solutions to improve such practice of knowledge with a focal points on the leadership support and enhancing knowledge sharing and knowledge access. Based on the assumption that leadership support and knowledge sharing matters to the effectiveness of KM practice, a framework is developed where collaborations and partnership between organizations, technologies and processes can be done. Results are reported from the survey of 43 employees of Philip Morris (Malaysia) Sdn. Bhd. comprise of managers, executives, supervisors and lower level staff. The analysis reveals that although knowledge management is implemented, there are still number of lacking actions in managing the issues of knowledge contents and practice. The obstacles in many of the knowledge content issues with particular concern on the leadership practice, knowledge sharing and its accessibility led to the ineffectiveness process of implementing it successfully. It concludes that the importance of managerial values such as leadership, the culture of knowledge sharing and how knowledge could improve employee tasks have been overlooked in the implementation of knowledge management practice. Consequently, this paper proposes few actions and implementation programs to be done.

Keywords Knowledge, knowledge management, information technology, knowledge sharing, tacit and explicit knowledge, leadership.

Contents

	Page
Acknowledgement.....	i
Abbreviation	ii
Abstract.....	iii
Contents.....	iv
List of Tables.....	vii
List of Figures.....	viii
1. CHAPTER 1	
1.1 Introduction	1
1.2 Background of the study	2
1.3 Problem Statement	5
1.4 Objectives of the Study	6
1.5 Significance of Study.....	6
1.6 Scope of Study.....	7
1.7 Methods of Study	8
2. CHAPTER 2	
Research Aspects of Knowledge	
2.1 Data	10
2.2 Information	10
2.3 Knowledge	11
2.4 Knowledge Management	12
2.5 Tacit and Explicit Knowledge	13
2.6 Knowledge Sharing and Technology.....	18
3. CHAPTER 3	
3.1 PMM: Building up Essential Knowledge Based Organization	23
3.2 PMM: Organizational Background.....	23
3.3 The Organizational Structure.....	27
3.4 Informal System.....	30
3.5 Building and Acquiring the Knowledge to a Formal System.....	31
3.6 Identifying Knowledge Gap.....	37

Measuring the Effectiveness of Knowledge Management Practice at Philip Morris (M) Sdn. Bhd.: a Case Study

CHAPTER 1

1. Chapter

1.1 Introduction

Today, significant development and implementation of knowledge practice in many organizations be it in public or private sector have brought about important challenges and benefits affecting the success of day-to-day process of business transactions. A growing number of organizations are embracing various kinds of managing knowledge in a way to value their intellectual capital. More and more organizations are implementing a knowledge management practice to harness the knowledge that resides in various form of process, systems and the people itself.

In reviewing the literatures of the successful and most innovative practices on knowledge management in organizations, the success of each decision made and accomplishment of each business task lies not only on the context of successful technological aspect, proper process and procedure, but also on the spirit of practising the corporate sharing culture amongst each member in the organization.

Despite the facts that many organizations are placing proper tool of architectures to support knowledge management practice, the existence of knowledge gap may create a barrier in managing and