
Knowledge Management Issues in Malaysian Organizations: the Perceptions of Leaders

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Knowledge management is a relatively young topic to other older strategic tools, and it has been attracting the attention of researchers and academics over the past decade or so. In this regard globalization is already in many countries including Malaysia like many other developing countries, Malaysia is also striving to fulfil its vision of becoming a developed nation. It is a fast growing country in terms of both economy and technology.

However, obstacles for successful knowledge management initiatives will be there for this country, as well. Thus, exploration of the potential barriers is essential before any Malaysian company embarks on a knowledge management journey.

This research has shed light to some of the important issues and challenges with reference to knowledge management in Malaysia by providing a more thorough and clear picture of the knowledge management status amongst Malaysian organizations. This could in turn help top managers and decision makers to develop a more insightful agenda to ensure success for their respective knowledge management initiatives.

Keywords: *Knowledge Management; Knowledge Management Issues; Organizations.*

Introduction

From the business perspective, an organization's success to a great extent depends on its capability to leverage knowledge and produce value from its knowledge resources. In an economy where the only certainty is uncertainty, the one sure source of lasting competitive advantage is knowledge (Nonaka, 1998). Successful companies are those that consistently create new knowledge, disseminate it widely throughout the organization and quickly embody it in new technologies and products (Nonaka, 1998).

This study is, considering Malaysia as a developing country which is build up in technological and economical aspect. Although this country is powerful enough in some aspects, there are some issues which can help the organizations to eliminate any barriers and insufficiencies and help Malaysian companies commence a conductive way (Raman, 2008). This study discusses the critical factors affecting adoption of KM practices. These factors include organizational cultural characteristics, structural characteristics and extent of technology adoption. It also assesses the KM implementation based on organizations; demographic characteristics as well as the extent of KM adoption level in Malaysia.

There is no consensus on the nature of knowledge, nor has there ever been in the history of human thought (Jennex, M.E. and Olfman, L. 2004). This study is elaborates on the important issues regarding today's knowledge age. It covers issues like globalization, knowledge economy and ICT growth, which all bear the context of Malaysia. Furthermore, an introduction to Malaysia Multimedia Super Corridor (MSC) is presented and shall be closed by an overview of the development of knowledge management in Malaysia. One of the important factors which plays an important role in KM issues is globalization, Once the term "Global Village" sounded like a fancy place, yet the fast pace of globalization trend has proved it otherwise. National borders are, figuratively, vanishing day by day and the countries are over-flown by huge amounts of up to the minute information.

Knowledge is shared between nations and even the human labour faces no barrier to migrate from place to place. As part of the global ICT growth e-business has also been flourishing. The same situation holds true for Malaysia. Based on a survey report released by the Malaysian

Communications and Multimedia Commissions in 2002, the awareness on the online services has pushed the Internet subscribers to 2372,000 in 2001. The Internet penetration in Malaysia retains unchanged in 2002, but a higher incidence is noted among Males and younger segments that are below 30 years of age (Taylor Nelson Surfs Interactive- Global E-Commerce Report, 2002; Cited by Chang, 2005). Electronic business still contributes little to the Malaysian economy but Malaysia recognizes the importance of electronic business since the beginning stage. Many activities have been developed to make sure Malaysia to be able to follow the track moving into the digital age (Chang, 2005). In addition of those above mentioned concept as the information age is dwelling in Malaysia, this country is experiencing gradual but significant changes.

As Alavi and Leidner (2002, p. 15) asserted the focus of the government is also changing. As in the twenty-first century, development in the country will be driven by private funds; there will be more regional and global cooperation among nations, and independent "webs" of collaborating private companies embracing foreign funds, companies and skills for mutual enrichment. Apart from MSC Malaysia and Bank Negara Malaysia initiatives regarding knowledge management in Malaysia, there are some other renowned organizations such as Siemens, Nokia Malaysia and Telekom Malaysia, one the largest telecommunication companies in Malaysia, which are the pioneers for the implementation of knowledge management in their organizations. Also, briefly talked about the knowledge management concept in organizations, which is then followed by introducing multimedia super corridor which is an organization that uses knowledge management tools and strategies in Malaysia.

The increasing globalization of business and the explosion of information technology have affected the way businesses and organizations operate today. The rapidly changing environment requires organizations to master fundamentally important principles such as organizational learning and the exploitation of new knowledge (Drucker, 1992). A central tenet underlying the existence of KM is its association with aspects of organizational effectiveness (Davenport et al., 1998). Knowledge Management (KM) initiatives are expanding across all types of organizations worldwide.

The competitive benefits of KM efforts have been demonstrated and documented in Industry, government and in the academic world

(Sirajuddin, 2006). Towards achieving the objective of Vision 2020, Malaysian organizations have their own role in supporting Vision 2020 by producing knowledgeable manpower or knowledge worker to the country. As other non-profits organizations, Malaysian organizations have make steps on the implementation of Knowledge Management in their organization.

Literature Review

There is no universal definition for knowledge management; in some cases experts say that: Knowledge management is the management of the creation, acquisition, representation, transfer and application of knowledge. In another words, the process through which organizations generate value from their intellectual property and knowledge-based assets or the management of knowledge worker and knowledge assets in an organization could be an initiative definition of knowledge management. According to above definitions the knowledge management concept concentrates on 'doing the right thing' instead of 'doing things right' (Drucker, 1992). There are so many Malaysian companies which they are working on knowledge management and they realize and understand the importance of it in the professional life. In January 15, 2002, one of the prestigious magazines in Malaysia, Computer world Malaysia organized the Knowledge Management Roundtable 'A Vital Strategy or Expensive Toy'.

Table 1: History of Knowledge Management
Peter Drucker, Ikujiro Nonaka, Davenport (2004)

Decade	Explanation
1930s - 1950s	Try to know how organizational learning curve improves routines over time.
1960s	Centralization and decentralization occurs and experts are focused shifted toward distributed expertise and knowledge.
1970s	Computers were going to do the knowledge work for human; automation, portfolio management and Knowledge becomes a part of the picture
1980s	Downsizing forced companies to think about different

	ways of moving information around and documentation of what they know and do
1990s	IT enhance accessibility of data and information and The Learning Organization, Strategic information systems, intranet and extranet, Learning, unlearning and experience are taken into account
Recent development	major changes in business environment , Intellectual capital, knowledge sharing culture, KM is not a choice, but a must

By the early 1990s a growing body of academics and consultants were talking about knowledge management as 'the' new business practice, and it began to appear in more and more business journals and on conference agendas. By the mid-1990s, it became widely acknowledged that the competitive advantage of some of the world's leading companies was being carved out from those companies' knowledge assets such as competencies, customer relationships and innovations. Managing knowledge therefore suddenly became a mainstream business objective as other companies sought to follow the market leaders.

Actually, there are so many Malaysian companies which they are working on knowledge management and they realize and understand the importance of it in the professional life. In January 15, 2002, one of the prestigious magazines in Malaysia, Computerworld Malaysia organized the Knowledge Management Roundtable 'A Vital Strategy or Expensive Toy'. The participants from various sectors in Malaysia shared their point of views and approaches implemented and exchanged ideas in practicing knowledge management (Chang, 2005).

The participants from various sectors in Malaysia shared their point of views and approaches implemented and exchanged ideas in practicing knowledge management (Chang, 2005). As an example for the practical aspect, there are a number of organizations in Malaysia which are successful in knowledge management initiatives, such as: (Malaysian Institute of Microelectronic Systems (MIMOS), MAMPU, Bank Negara Malaysia, Siemens, Nokia Malaysia and Telekom Malaysia, Tenaga Nasional Berhad and Petroleum Nasional Berhad (Petronas) are examples of organizations in Malaysia that have embarked on KM initiatives. Leaders of successful organizations are consistently searching for better ways to improve performance. Frequent disappointments with past management initiatives

have motivated managers to gain new understandings into the underlying, but complex mechanisms - such as knowledge - which govern an enterprise's effectiveness. So in this regard for improving the efficiency and effectiveness in organization there are some main issues which are categorized as figure below:

Table 2: Knowledge Management Issues

KM Issues	Elements
Employee	<ul style="list-style-type: none">• Training• Involvement• Team working• Empowerment
Management	<ul style="list-style-type: none">• Leadership• Commitment• Support
Organizational	<ul style="list-style-type: none">• Culture
Technological	<ul style="list-style-type: none">• Information System Infrastructure
Financial	<ul style="list-style-type: none">• Return of Investment

As the abovementioned table there are some factors involved which make the knowledge management issues?

Employees' Issues:

Training: Knowledge sharing and creativity would not be possible if there is no training in organizations. The individuals should have professional trainers in so many skills such as writing, editing and formatting in order to input items in the knowledge responsibility.

Involvement: This concept shows that how all individuals or employees can assist and contribute effectively and efficiency to meet the objectives in an organization. Also, as Kaufman (1992) considered, employee involvement is important for organizational success, and the reason of increasing involvement is that participation has been widely recognized as an integral part of knowledge management. Employee involvement plays an important role in successful knowledge management implementation because since the employees must share the nature of knowledge creation

and sharing, many knowledge activities are unthinkable without employee involvement (Choi, 2000).

Team working: Teams are replacing individuals as the basic building blocks of organizations. Creating a team allows organizations to apply diverse knowledge skills and experiences towards its processes and problem solving. Organizations with team oriented employees who trust one another are more successful at sharing knowledge than those who are merely technologically superior. Thus, fostering a spirit of team work based on trust is an essential factor for the successful implementation of knowledge management in organizations.

Empowerment: Knowledge comes from expertise, learning, experiences and through empowerment; the organization can accelerate its capability when employees are empowered, they begin to think about how they work, making choices and accepting extra responsibilities to other portion of the business to solve organizational problem by learning new skills at the job. Empowered employees are given autonomy the freedom, independence and discretion over their work activities. Employee empowerment has also been regarded as a key factor of knowledge management success because true empowerment can give the employees a sense of ownership in the overall aim of the organizational knowledge management system.

Management Issues:

Leadership, Commitment and Support: Leadership is a subject that has long excited interest among people. For successful knowledge management implementation, the visible leadership and commitment of top management must be sustained throughout a knowledge management effort. Fundamentally, management must foster the commitment, capability and confidence their employees rather than trying to control employees. Along with other C-level executives, Chief Knowledge Officer (CKO) has a specifically significant job in leadership of knowledge management projects. In fact, a CKO has the responsibility to guide, support and manage employees and lead the implementation of knowledge management.

Organizational:

Culture: Culture will influence the way people use information (information behaviour) and will reflect the importance that company

leaders attribute to the use of information in achieving success or avoiding failure. Four common information sharing cultures exist in organizations today: information functional, information sharing, information inquiry, and information discovery (Baltzan & Phillips, 2009).

Technological: Information system infrastructure: Information system (IS) and management of knowledge are often discussed either as separate entities or alternatively as analogies. There are two successful factors in knowledge management projects which are working with information system components, the first one is, utilization of the network technology infrastructure such as internet, Lotus Notes and global communication systems for effective transfer of knowledge. The second one is establishment of a broad information system infrastructure based on desktop computing and communications (Davenport, 1998). Effective information system infrastructure includes databases or sophisticated email systems which those component are most significant in contributing to knowledge management application.

Financial:

Return of Investment: One of the most traditional performance measures has been based on financial performance data such as return on investment (ROI). However, financial performance measurement alone can be inaccurate in terms of usability in that it tends to measure only financial terms. Since the value of an organization in the k-economy has to be based on intellectual capital, traditional financial measures (e.g. price/earnings ratios, revenues and market share) cannot measure intellectual capital adequately. Nevertheless, when it comes to measuring returns on investment in knowledge management, two conventional approaches are in common use by many researchers: sales/turnover (excluding extra-ordinary income) and earning before interests and taxes (EBIT) (Choi, 2000; Meenu Singh, 2000).

Methodology

According to Berman and Parker (2002) a Meta - analyzing goes beyond a literature review, in which the results of the various studies are discussed, compared and perhaps tabulated, since it synthesizes the results of the individual studies into a new result. The secondary data and analysis

collected between the year 1999 and 2007 for better accuracy. To suit the research objectives, relevant data has to be collected from a number of Malaysian organizations.

As there are some limitations for companies and organizations in some cases, the managers don't have any willing for interview or asking questions in survey format, so in this regard using secondary data could be one of the best solutions for getting proper answer. For the purpose of this study, sampling method was used. The rationale for deploying this method is that this research is an exploratory study and convenient sampling is most often used in such investigations (Sekaran, 2003). According to Sekaran (2003) this sampling method, is also very favorable when quick, and timely information is needed (such is the case with this thesis). The target population of this study is Chief Executive Officers (CEOs), Chief Technical Officers (CTOs), Chief Information Officers (CIOs), Chief Knowledge Officers (CKOs), Managers and Employees involved in knowledge management initiatives at any level in an organization.

The study used a population of 60 organizations spanning from large organizations to some medium sized enterprises. In this study each person from companies considers as one data and will represent and analyze. No specific industry had the focus of this research so that the results of this study would be generalized easier and would portray a better picture of issues and challenges for knowledge management among Malaysian organization in diverse industry sector.

Result

There were 60 respondents to the questionnaire, all of whom indicated their role in their organization. According to this section, the respondent's positions are as follows: 7% of all respondents held the position of the CEO, 5% CIO or CKO, 8% were the human resource (HR) manager, 40% were executives and 40% were other position in the organization. The following tables show knowledge management issues, respondents and other relative factors based on the mean and standard deviation obtained in this research.

Table 3: Employee Issues

Employee Issues	Mean	Standard Deviations
Training	3.87	0.76
Involvement	3.71	0.62
Team working	3.34	0.81
Empowerment	3.14	0.71

Table 4: Management Issues

Management Issues	Mean	Standard Deviations
Leadership	3.02	0.84
Commitment	3.21	0.80
Support	3.11	0.93

Table 5: Organization Issue

Organizational Issues	Mean	Standard Deviations
Culture	2.90	0.90

Table 6: Technological Issue

Technological Issues	Mean	Standard Deviations
IS Infrastructure	3.16	0.83

Table 7: Financial Issue

Financial Issues	Mean	Standard Deviations
Return of Investment (ROI)	3.11	0.85

For getting result in survey using Likert scale sampling, there are allocated percentage based on respondents answering. As it represents most of respondents are agree with those all above mentioned questions, which means that these questions are effective and efficient enough for using in organizations for improving the company's effectiveness. Considering the above table the mean for most of those KM elements are about 3.00 and above, the only Mean element which is 2.90 is dedicated to organizational issue.

The background profile of the respondents and their organizations were examined and summarized. Then knowledge management definitions were evaluated and classified from the respondents' perspective. Knowledge culture scores and knowledge exploitation scale were examined in the context of Malaysia. The amount of organizations' budget allocated for knowledge activities was evaluated. Knowledge management tools and processes existing in Malaysian organizations were also identified and their frequencies were tabulated. Finally, for the last two questions (open ended questions) of the survey were analyzed, tabulated and classified.

Table 8: KM ISSUES

KM ISSUES	Elements	Mean	Standard Deviation
Employee	Training	3.87	0.76
	Involvement	3.71	0.62
	Team working	3.34	0.81
	Empowerment	3.14	0.71
Management	Leadership	3.02	0.84
	Commitment	3.21	0.80
	Support	3.11	0.93
Organizational	Culture	2.90	0.90
Technological	IS Infrastructure	3.16	0.83
Financial	Return of Investment	3.11	0.85

Conclusions

This research study represented to discover the extent of knowledge culture and knowledge exploitation among Malaysian companies as well as discovering knowledge management issues. The scores for knowledge culture and knowledge exploitation among Malaysian companies were both fairly above average; however, these scores may be further improved. It is hoped that the issues and challenges discovered in this study would help Malaysian companies to better organize their knowledge management activities.

Apart from that, it is also hoped that additional research will be undertaken to build upon this work, and to further develop and enhance the knowledge on the factors that make an effective knowledge management implementation in organizations. In this era of resource scarcity, and the need to be more productive and efficient, knowledge management can play a more important role as a source of competitive advantage. Thus, by identifying the obstacles of knowledge management strategies, the ground for more successful implementation can be readily paved. Once the obstacles are clarified, then they can be eliminated with more ease.

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