Knowledge Management- as an Effective Measure to an Improved Organizational Culture and Career Management

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Abstract: Recent articles on organizational culture, change and success and selected successful business leaders have stressed the importance of ability to adjust to ever-changing working environment in this time of globalization as well as outlasting world economic crisis. These changes have had direct impact on the ways of managing organizations, doing business or on the people's careers. Can learning organizations implementing knowledge management cope with working environment and organizational culture challenges better? Are companies prepared to embrace these challenges and thus succeed in competitive markets? This paper suggests that focusing on an effective career management while implementing knowledge management can bring positive changes into organizational culture as well as personal growth and development.

Keywords: knowledge management, career management, organizational change, organizational culture, knowledge

1 Introduction

Recent articles on organizational culture, change and success and selected successful business leaders have stressed the importance of ability to adjust to ever-changing working environment in this time of globalization as well as outlasting world economic crisis. These changes have had direct impact on the ways of managing organizations, doing business or on the people's careers.

Companies realize that people are the most important resource especially in the current business globalization environment, which relates to more significant competition not only on the particular market but at the labor market as well. That's why it is important for companies to know how to use the right people at the right positions as effectively as possible.

The knowledge management though, should be directly connected also to employees career growth planning, education and training planning, job assignment and last but not least employee recruitment and selection. [5] That implies that knowledge identification and management need to be inseparable parts of all human resource management aspects in companies. [2]
Can learning organizations implementing knowledge management cope with working environment and organizational culture challenges better? Are companies prepared to embrace these challenges and thus succeed in competitive markets?

2 Knowledge Management Approaches

The basic definition of knowledge would describe it as an important information (either explicit or tacit) which is combined with experience, interpretation, context, and reflection that is ready to apply to decisions and actions [3]. Therefore, companies should focus on activities – generally defined as knowledge management- that help to build, sustain, and leverage these intellectual resources. [4]

The authors discussing knowledge management describe two basic approaches to knowledge management: the process and the practice approach. The process approach establishes organizational knowledge through formalized controls, processes, and technologies. [4]

Organizations using this approach usually implement explicit policies on how knowledge is to be collected, stored, and disseminated throughout the organization in most cases with the use of
information technologies [4], to improve the quality and speed of knowledge creation and distribution in the organizations. However; the main drawback of the process approach is its lack of acknowledgement for the tacit knowledge present in the company and the rigidly esteablished patterns of thinking within such companies. [3]

On the other hand, the practice approach to knowledge management focuses on an assumption that the most of organizational knowledge is tacit and that formal systems to manage knowledge will not work effectively. Social environment and communities would be more suitable to be built to manage the tacit knowledge with a focus on sharing knowledge, ideas , suggestions, and best practices regularly. [4]

Table 1. The process vs. practice approaches to knowledge management [7]

	Process Approach	Practice Approach
Type of Knowledge Supported	Explicit knowledge — codified in rules, tools, and processes.	Mostly tacit knowledge — unarticulated knowledge not easily captured or codified.
Means of Transmission	Formal controls, procedures, and standard operating procedures with heavy emphasis on information technologies to support knowledge creation, codification, and transfer of knowledge.	Informal social groups that engage in storytelling and improvisation.
Benefits	Provides structure to harness generated ideas and knowledge. Achieves scale in knowledge reuse.	Provides an environment to generate and transfer high value tacit knowledge. Provides spark for fresh ideas and responsiveness to changing environment.
Disadvantages	Fails to tap into tacit knowledge. May limit innovation and forces participants into fixed patterns of thinking.	Can result in inefficiency. Abundance of ideas with no structure to implement them.
Role of Information Technology	Heavy investment in IT to connect people with reusable codified knowledge.	Moderate investment in IT to facilitate conversations and transfer of tacit knowledge.

Based on the above the knowledge management might be looked at with understanding of its relation to the following:
- Technology - which can be more perceived not as a solution but more as an enabler for various process
- People – knowledge management becomes a tool for increasing and utilizing an individual's ability to share and influence others in the organization with their knowledge
- Structure – crucial aspect in enabling knowledge sharing within an organization
- Culture – knowledge-accepting and knowledge-centered culture setting is the crucial basis for effective knowledge-driven organizations. [2]

Considering the discussion above, some key questions emerge. First, how does culture affect
organizations' attitude to knowledge management? Second, how do cultural matters affect the KM activities of knowledge sharing? To address these questions, it is necessary to explore the concept of organizational culture.

3 Culture

The organizational culture has the main effect on the employees' behavior within the given organization as it represents the shared values, stories, rituals, or language which helps people to get the feeling of belonging to the organization. [1]

The organizational culture shows the right way to behave, act and think within an organization. Top managements create cultures which will promote a certain behavior and approach within the organization which they believe will provide the organizations with a competitive advantage. This is possible due to the assumption that culture helps an organization adapt to its external environment and changes in it while it encourages so much needed internal processes supporting the organizational competitive advantage.

It is important that the organizational values become a part of organizational processes, not only daily ones but also processes such as employees' selection, training, adaptation processes, or performance evaluation. Organizations need to make sure that they become a foundation not only for reward systems but also career development, growth and succession processes.

A learning organization forms a favorable environment for creativity and thus enhances better results achievement and quality improvement process. [1] Nowadays organizations depend on knowledge and knowledge sharing and that's why the organizations create a number of positive features within their organizational behavior such as decision making decentralization, employees' independence, responsibility, openness and cooperation. [1]

Employees' knowledge, experience as well as skills contribute to company's competitive advantage so knowledge sharing within the organization is a key for continual improvement, innovations, but also the company's as well as employees' growth and development. If the knowledge carriers leave the company without proper succession within the company with comparable knowledge, the company loses its know-how. [2]

4 Career management

Career growth possibilities is a common discussion topic during the employees' job interviews or an evaluation process as the need for growth and development is a natural part of the person's professional as well as personal life. [5]

Career management can be defined as careful planning of person's activities and participations in the jobs person engages in during his or her life for better fulfillment, growth and financial stability. When studying the literature on career and career management one can found the two main approaches. One defines work and career as the purpose of life and the source of person's expression. The second one stresses a huge difference between a person's professional career and a personal life. Although there is a difference in their point of view on career and career management, they have one notion in common. That is that career is an important part of person's life and thus it needs to be managed. [1]

To summarize various literature sources, we can state that the involvement can be at various extend but the basic concept should be based on the three levels –employee, employee's supervisor and an organization- as follows:
- The main role of an employee in career management should be to provide proper information related to the employee's abilities, work experience as well as interest to his or her supervisors.
- The main role of an employee's supervisor in career management is to inform the subordinates about job openings, job and advancement opportunities, suggest and plan educational and training programs for the employees and also to collect and verify the provided information by the subordinates.
- The main role of an organization in career management is to manage the obtained information effectively and provide proper information to supervisors in timely manner to help them with their decision making in their employees' career management. [9]

There are two major goals of career management:
- for an employee – development and support of employee work motivation with the perspective of promotion within the organization. This allows them to focus on their professional as well as personal development in their professions.
- for an organization – continuous development of its human capital as well as managerial processes continuity assurance through planning and succession processes in managerial positions. [6]

It is also very important for organizations to understand careers. If the organization cares about, gets actively involved in and understand its employee's career needs and involves them into an effective career management that means that it's managing its human resources effectively towards its strategic goals fulfillment.

However, it is not an easy task to set the proper career management program within an organization. It is necessary to avoid the most common obstacles the organizations face as they try to manage their human resources. The entire career management within the organization must be transparent from the selection process through training, placement, to succession system. The organizations should communicate and promote only realistic career growth possibilities and thus avoid employee's disappointment and potential departure from the organization. The speed and dynamics of today's life has become a challenge for many organizations as the traditional life-long employment is seldom a case these days. The employees spend shorter time in a single organization but expect career growth during this shorter period as well. What used to be a 10-year- span in the career growth is turning into 3 or 4 years maximum. [8] Not everything can be done in an accelerated manner within the organization even with conditions adjusted in an attempt to suit the employees' expectations of career growth. This is a reason why organizations focus also on career growth which is not position-advancement related. For employees who become specialists in their field new knowledge and skills can be considered their career growth and for many of them this form of the career growth is more important than position advancement. [8]

In an increasingly competitive, ever-changing working environment in this time of globalization as well as outlasting world economic crisis the strength of employees the organizations attract, hire, and retain, and the processes you take to train and develop them, will determine the future success of the organization. Organizations that focus on all aspects of their human resource management and encourage their employees in their careers development through career management programs – whether they are position advancement or knowledge enhancement focused -are far more likely to attract and hire productive employees who will have no need to look for career opportunities elsewhere. [8]

4.1 Knowledge sharing culture

As discussed above, employees' knowledge, skills, and experience constitute for the organizational competitive advantage. That's why is the knowledge sharing among the people within the organization important for the overall improvement as well as professional growth and development.

In order for the knowledge sharing to be effective within the organization, it is necessary to utilize the formalized employee "networks" cooperating on common projects as well as no formalized structures.

The Chevron Corporation can be a good example of an organization which created well-structured networks for sharing the knowledge necessary for certain processes. Through these knowledge sharing networks the information, in a case of emergency or unexpected circumstances, could be forwarded immediately - using relatively cheap, easy to use web tools -to a number of specialists who were able to prevent similar emergencies. The main attributions of this success were not only the network of people with needed knowledge but also the organizational culture development that encouraged the knowledge sharing behavior.

Chevron had a clear vision of knowledge sharing culture and its impact on the strategic goals. The management used a lot of effort to create these knowledge sharing networks which allowed employees to grow professionally and the process of becoming a knowledge sharing network member has been a part of a career growth for many skilled professionals. [9]

5 Conclusion

Companies realize that people are the most important resource especially in the current business globalization environment, which relates to more significant competition not only on the particular market but at the labor market as well. That's why it is important for companies to know how to use the right people at the right positions as effectively as possible. In an increasingly competitive, ever-changing working environment in this time of globalization as well as outlasting world economic crisis the strength of employees the organizations attract, hire, and retain, and the processes you take to train and develop them, will determine the future success of the organization. Utilizing an effective organizational culture supporting knowledge sharing and thus enhancing the career management processes might be the right way to go.

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