

Best practice of knowledge management sharing management essay



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Introduction

Case background

BlueScope Steel (BSL) has been operating across ASEAN for the past 18 months. The growth and complexity of its operations has led to the need for a more effective knowledge sharing and management system.

The main requirement of this project is to provide BSL with the best practices for knowledge management (KM) utilised by high-performing organisations with similar structure (matrix organisation) and regional settings. A critical analysis of the existing knowledge management system (KMS) is done with a view to establishing best practice criteria. The practices from various companies that match these criteria are analysed and a consolidated best practice strategy is recommended based on the findings. Justification of how these best practices/strategies would benefit BSL is also provided.

KM Analytical Framework

Knowledge is the Intellectual Capital any organisation has and is different from Information.

While information management collects, processes and condenses information; knowledge management shares and harvests the collective knowledge to achieve breakthrough results in productivity and innovation and aims to make employees smarter, more innovative, and better decision makers.

The table below provides the difference between information and knowledge.

Information

Knowledge

Processed data

Actionable information

Simply gives us facts

Allows making predictions, casual associations, or predictive decisions

Clear, crisp, structured and simplistic

Muddy, fuzzy, partly unstructured

Easily expressed in written form

Intuitive, hard to communicate, and difficult to express in words and illustration

Obtained by condensing, correcting,

contextualising, and calculating data

Lies in connections, conversations between people, experience based intuition, and people's ability to compare situations, problems, and solutions

Devoid of owner dependencies

Depends on the owner

Primary Knowledge Management Principles

The organisational strategies and goals must be linked to knowledge management

Planning should occur before knowledge management activities are undertaken

Cultural aspects of an organisation must be recognised and knowledge management must occur in a manner compatible with the culture of the organisation

Knowledge management is an evolutionary, iterative process directed by feedback loops and learning

Knowledge management tasks must be prescribed and should include such activities as finding, verifying, storing, organising, sharing, and using knowledge

There should be a distinction between explicit and tacit knowledge and each needs to be handled appropriately

The social side of knowledge management has developed methods that encourage good practices like communities of practice, social/knowledge networks, and group workshops. The focus is not on the strategy but is operational level (sharing, retention, utilisation, and acquisition of knowledge among individuals within or across organisations).

Analysis of BlueScope Steel's Current KMS

Global Intranet KM practices

BlueScope Steel - Knowledge Management Service

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Well-developed KMS platform for knowledge sharing and management.

Integrated tool which delivers information resources and services to various departments.

Documents and Lists

Uploaded by the KMS team and shared through the KMS tool in the portal.

The structure of the document centre is not sub-divided based on BSL's different functional units.

The throughput of documents through document centre is very low - only two documents and four web pages were published in 2010.

General announcements, database lists, useful links and list of journal providers.

The announcement section is updated periodically by the KMS staff while others have very few items.

Communities of Practice

Explores various tools and techniques for building effective KMS to improve business performance.

Created in 2001 and various techniques and tools are discussed in this website.

Many literature articles are also posted in the website for users to learn and provide ideas.

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Confluence – Dashboard

Enterprise wiki designed to share information inside the organisation and with the world.

Contains web pages and wiki discussions for users to read and contribute.

Technology & Environment Knowledge Sharing

A dedicated website for knowledge management training and awareness to level 2 managers.

The training materials and announcements, and additional study materials are posted.

ASEAN knowledge sharing

Newsletter

Details about the various events that take place in the ASEAN region. For example, ONE is a monthly one page newsletter that provides brief news about the latest events and happenings in ASEAN offices of BSL.

The LifeMatters Bulletin is a health & safety bulletin which provides details on new safety beliefs.

Asia Finance KMS

Limited only to Finance and does not productively utilise the facilities provided by SharePoint. For example, the record centre and document centre mainly contain documents related to exchange rates only.

Online library

From BSL Malaysia where knowledge on products are shared.

Knowledge areas are restricted.

Meetings

Monthly meetings among ASEAN Presidents to provide performance review.

Followed by meeting with the Chief Executive for Asia, other regions and the corporate division in Melbourne.

The main purpose of KMS as we know now is to share and manage knowledge. First, to share knowledge, discussions should take place, but the number of team discussions is zero. Blogs and wikis are also absent in this KMS.

In summary, BSL has a good foundation of a KMS but it is severely under-utilised.

Analysis of High-performing Companies

Brief Description of Companies

Company

Description

BP

BP is recognised as one of the pioneers in the adoption of KM.

Its philosophy is ' every time we do something, we should try to do it better than the last time'.

BP places importance in learning from both positive and negative experiences.

IBM

IBM's KMS is operated across regions.

IBM is high-performing and one of its main services is to provide customer solutions which is similar to BSL.

KMS aims to enable assets and intellectual capital to be reused so as to provide quality and speedy client solutions.

Shell

Business structure was classified as upstream and downstream businesses similar to BSL.

Shell was facing the problem of waning knowledge. There was no formalised and standard approach for sharing knowledge between teams.

Siemens

Siemens has been rated as one of the top ten KM-driven companies worldwide according to an international benchmarking exercise (MAKE – most admired knowledge enterprise).

The major problem it faced was the transfer/sharing of knowledge and expertise across various business units and regions, while face to face communication became highly complicated.

Tata Steel

International high-performing steel company.

Recognise users as both the beneficiary and contributor to the KMS.

Toyota

Also another early adopter of KM.

Strategy of ‘learn local, act global’ for international business development.

Focus is on creating an environment in which members openly share their knowledge.

Theme Descriptions

Themes

Description

KM Process

Different companies use different process for managing and sharing knowledge, this section briefly explains the knowledge management processes and various strategies the companies use.

KM Solution

Various IT-Tools and non-IT-Tools were used by the companies to promote knowledge sharing and management in the organisation. This section details the tools used.

Impact of KM

This section discusses the benefits gained by each company after the implementation of their KM strategies.

Theme Analysis

Theme 1: KM Process/Strategies

British Petroleum (BP)

BP followed the process of “learn-do-learn” model that treats knowledge management and shared learning as core disciplines in the way they run business. To successfully enable knowledge management, BP followed the strategy given below:

Capture knowledge – Simple process tools are used to capture knowledge from the whole learning cycle – before, during, and after any event.

Define best practice – Communities of practice across the organisation agree and distil captured knowledge.

Enrich knowledge asset – lessons learned, both specific and generic are incorporated into corporate intranet.

International Business Machines (IBM)

The main process followed by IBM for its corporate KM program is given below.

Set KM direction for IBM

Set employee/KM enterprise-wide strategy

Provide KM direction and guidance

Set management system to highlight process and business value

Demonstrate IBM leadership in KM

Develop corporate KM infrastructure and solutions

Develop and deploy corporate KM solutions

Explore & evaluate emerging KM technology and disciplines

Provide KM leadership across IBM

Provide KM awareness and understanding throughout IBM

Coordinate/integrate cross-organisational KM efforts

Provide subject matter expertise and assistance on KM

Shell Oil

The knowledge management framework of Shell has grown from four main initiatives or strategies:

Global Networks: Communities supported by web-based discussion groups.

Global Consultants: Nominated experts drawn from Shell operating units worldwide.

Centres of Excellence: Formally established teams of specialists from various locations with very focused and deep expertise in specific areas relevant to exploration and production.

Global Peer Assists: A group of employees solving problems through a web-based discussion board.

The Everest Knowledge Framework was used for the development process of KMS. This strategy mainly dealt with integrating existing knowledge and new knowledge and innovating methods from lessons learnt.

“ Learn and Adapt as we Go” strategy was used by the team as implementation was done based on Consumer type.

Siemens

Knowledge Management at Siemens began in a bottom-up manner via various mid-level initiatives in communities of practice and bodies of knowledge.

Involves four successive stages: initiate, mobilise, institutionalise, and innovate.

The company has developed various knowledge content domains such as best practices, customer knowledge, competitive intelligence, product knowledge, and financial knowledge.

The success of KMS in Siemens is due to leadership support, organisational support, motivation system, organisational culture, and quantifiable benefits.

Tata Steel

Codification Strategy (Converting tacit to explicit knowledge): Designed to capture the tacit knowledge of employees working across the organisation through KM portal. This is done through knowledge contributions, Ask Expert queries etc.

Personalisation Strategy (tacit to tacit knowledge sharing): Converting individual knowledge into organisational knowledge. The key success factors in this strategy are:

Knowledge Community: Groups of executives belonging to similar functional areas working towards collection and application of Best Practices

Knowledge Manthan: Involves shop floor employees in a common knowledge sharing platform. Employees from various departments participate, discuss and share their knowledge on a specified theme (communicated in advance) either through 'Story-telling' method or in a workshop mode.

Knowledge Diffusion: To disseminate the captured knowledge for converting it into actions.

Toyota

To facilitate Toyota's knowledge management strategies, five knowledge enablers were employed:

Instilling a knowledge vision: To continuously learn, improve and evolve at the same time.

Managing conversations: Conversations amongst employees is an arena for creating and sharing knowledge.

Mobilising knowledge activities: Knowledge activists spread the message to everyone and as such being essential for cross-levelling of knowledge.

Creating the right context: To align business strategy with knowledge management strategy. It examines the close connections among organisational structure, strategy and knowledge enabling.

Globalising local knowledge: This enabler deals with knowledge dissemination globally.

Theme 2: KM Solutions

British Petroleum (BP)

Peer Assists - people from other teams are invited to meetings or workshops to share their knowledge with a team that has requested help.

Dating agency - a system which brings business units together to share their strengths.

Connect homepage - a homepage for each employee to contact other employees who can help.

Instant Chat - similar to Office Communicator used in BSL.

Shared newspaper - similar to the newsletter used in BSL.

Living toolbox - similar to Asia Finance SharePoint in BSL.

International Business Machines (IBM)

Collaboration space (ThinkPlace, TeamRooms) - an online space for employees to form remote teams to collaborate and share knowledge.

On Demand Workplace - a system which sends knowledge directly to the audience who demands the knowledge.

Instant messaging, e-mail linkage system (BluePages).

Expertise location - an online search system used to identify and locate experts who can provide consultations.

Shell Oil

Knowledge Community Infrastructure Team (KNIT) - a team set up to support and provide consultation on each learning community and asset team.

Siemens

Intranet SharePoint (ShareNet) - a platform to store and catalogue volumes of valuable knowledge available to every employee.

Chinese language sub area - an area within the knowledge-sharing system which allows employees to input knowledge in their first language.

Tata Steel

Aspire Knowledge Manthan - a system used to enable knowledge sharing across all levels of officers.

Knowledge community - a concept of acquiring knowledge through an internal community which involves all KMS users.

Seminars, workshops or presentations - common methods to deliver knowledge.

Push-pull strategies - strategies from knowledge providers' perspective to motivate knowledge sharing.

HR Solution - employed experts, champions, leaders and conveners to support KM practice.

Toyota

Toyota applied 3 types of solutions to tackle 3 main knowledge sharing dilemmas.

Type 1 - to motivate knowledge sharing

Regular general meetings - every other month among 3 regions.

Topic committees - a committee facilitating knowledge sharing.

Consulting and problem-solving teams - work with other divisions and suppliers to fix problems.

Voluntary learning teams - groups of suppliers created to assist each other with productivity and quality improvements.

Inter-firm employee transfers - employees work temporarily in other firms to share technical, personnel, and systems knowledge.

Type 2 - to protect knowledge

Network rules - clarify the rights and obligations in applying KMS.

Reciprocal knowledge sharing concept: economic sanctions on parties who do not share.

Type 3 - to reduce costs associated with finding and accessing valuable knowledge

variety of processes to facilitate the sharing of different types of knowledge.

multiple pathways to share explicit and tacit knowledge.

Theme 3: KMS Impact

British Petroleum (BP)

Added value - BP business managers attributed around \$260 million of added value as a direct result of its consistent approach to KM.

Cost savings - \$74 million due to knowledge sharing between its project engineers.

Increased performance - Higher refinery turnarounds, developing new oil and gas fields.

International Business Machines (IBM)

Content access - Faster content finding and increased intellectual capital sharing - \$42 million opportunity cost savings.

Practitioner time - In 2004, the organisation saved \$26. 2 million in opportunity cost from 220, 000 hours of saved practitioner time.

Productivity - \$50 million improvement due to reduced time in finding experts.

Success stories - The Global Services KM team has captured 384 anecdotal success stories that demonstrate significant business impact. The business results captured by those success stories represent \$81 million in cost savings, \$63 million in asset revenue and \$2. 6 billion in services revenue.

Shell Oil

Cost reduction and quality improvement - best practices were shared in the KMS and every functional group was aware of the practices and replicated them.

Cost savings - \$200 million per year by using their CoP.

Siemens

Sales revenue - Siemens' ShareNet Tool which cost \$7. 8 million generated \$122 million in additional sales in 2 years.

Tata Steel

Ideas and patents – 500 ideas generated and 3 patents filed in 1 Knowledge Manthan meeting.

Toyota

Inventory reduction – average inventory reduction of 75%.

Increased productivity – 124% increase in productivity.

Recommendations

KM Process/Strategies

After critically reviewing the framework of the knowledge management processes of the six companies and the literature, we have constructed a hybrid framework for BlueScope Steel which is discussed below.

Knowledge Acquisition

The most important phase of any organisation is to collect or capture knowledge during and after KMS implementation. In the knowledge acquisition phase, various activities like identifying information and knowledge, transforming existing information into knowledge, leveraging existing knowledge, capturing new knowledge, and creating a framework or standard to capture knowledge henceforth should be established.

Knowledge Validation

Knowledge validation is very critical for a KMS. Collecting any knowledge and storing it is not knowledge management, but efficiently utilising the knowledge for gaining competitive advantage is. In the knowledge validation process, the knowledge is filtered for content, verified for authenticity and

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accuracy, and selected based on value, relevance to truth, and conflicting knowledge. All the companies discussed above have a dedicated team that work on validating the knowledge in the KM process.

Knowledge Organisation/Retention

Once knowledge validation is done, knowledge is transformed, classified and categorised based on the type of knowledge and stored in a knowledge repository. This stored knowledge can be used for decades and can be utilised for learn-as-we-go strategy and knowledge retrieval. Also, the KMS can act as a version control system, where document versions can be tracked over years and accountability of documents can be traced.

Knowledge Utilisation

This phase becomes the most critical phase in the KM process because inactive or stale knowledge is expensive and unproductive when not used. Deploying the knowledge by sharing it across the organisation and utilising it to gain benefits makes the entire process successful. In the current scenario, looking at the bigger picture, the KMS becomes a part of the business intelligence system which in turn is a part of the enterprise system and this system is used to forecast business and help the company from overcoming market traps and pitfalls.

The KM process is a cyclic process by itself. The utilised knowledge again is captured and fed into the system to be re-utilised. The above framework is simple and powerful for BlueScope Steel.

KM Usage Motivation Strategies

Create a shared network identity

Foster a sense of belonging among members so that they feel comfortable sharing with people they don't know.

Create a norm of reciprocal sharing - free assistance to suppliers; suppliers share their know-how.

If BSL creates an environment where employees have a common purpose, they will be encouraged to commit themselves to the aspirations of the knowledge-based community and become an invaluable resource for the group.

Reward/ Incentive

BSL employees can be awarded bonus points for providing valuable contribution. Points can be redeemed for:

Prizes to further enhance their knowledge e. g. participate in conference/seminars not closely related to their job.

Option of holiday, spa, gym membership - short break from work.

Financial rewards.

For suppliers, BSL can adopt a practice similar to that of Toyota, whereby suppliers are initially encouraged to join a collaborative knowledge-sharing network. In this network, BSL can help each new network member without any immediate expectations. In Toyota's case, any cost savings or additional profits that the new member makes in the short term do not have to be

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passed on to Toyota. Suppliers are comfortable sharing their knowledge because Toyota's system demonstrates that participating is vastly superior to isolating their knowledge

Career advancement should become an explicit reward for knowledge sharing. BSL can reward their employees based on an individual's performance as well as the act of helping others to perform well.

Although it is recognised that the reward system alone cannot effectively motivate people to share knowledge, nevertheless, it makes the importance of sharing knowledge visible. It highlights the things the company feels are important and demonstrates that the time and energy people spend sharing knowledge matters in their performance and career.

Training

Currently there is no formal training for the KMS in BSL, therefore employees would not be aware of its existence unless someone points it out to them.

Another way to motivate the usage of BSL's KMS is by providing training to both new and existing employees.

The training should specifically

Teach employees how to contribute and to use the company's KM tools.

Demonstrate the type of experiences that are worth sharing and how to present them in a helpful way.

KM Solutions

The following table shows our recommended solutions for BSL across ASEAN, which have been categorised into non-IT and IT solutions.

Recommendation

Company

Description

Main Strengths

Main Weaknesses

Non IT Solutions

Need for KMS Networking Rules

Toyota

To enforce proper authentication to users & encourage users' confidence in sharing knowledge

Encourage reciprocal knowledge sharing & Protect shared knowledge

One standard rule may not be suitable for every business unit

May discourage the use of KMS

Knowledge Community Model

Tata

Shell

To develop a knowledge community structure involving all participants & to set up one or more Knowledge Management Infrastructure team

Low implementation cost

Reduce cost

Suitable for multi-region KM

More than one team may be required for BSL

Best practices acquired and communicated may not always address needs of all users

Peer Knowledge

Sharing

BP

Toyota

To adopt a peer knowledge sharing system which includes team based sharing and individual knowledge transfer

Customised and on-demand knowledge sharing

Two-way knowledge learning

Opportunity cost increases

Difficulties matching with a suitable peer or employee

KMS team for BSL- ASEAN

Generic

To set up a dedicated KMS team for BSL - ASEAN

Enhance long term management commitment

Manage multiple ASEAN areas

Multiple teams with same responsibility (Global KMS team & ASEAN team)

Operation cost of new team for ASEAN region

IT Solutions

First Language Sub Area

Siemens

To set up sub areas in knowledge sharing system where employees can input knowledge in their first language with only key words translated in English

Encourage varied levels of employees to share knowledge

Overcome language difficulties

Incur cost in implementation

Incur cost on translation to English

Expertise Location

IBM

To develop a search engine to allow staff-searching based on their expertise

Simplify the process in finding subject matter experts

Duplicated consultations may increase workload of experts

Collaboration Space

IBM

To set up online space for employees to form online teams based on the need of their collaborating projects

Expand knowledge sharing across regions

Cost savings and encourage collaboration across business units

Implementation expense

Management difficulties

Online Newspaper/ Newsletters

BP

To use online newspaper/newsletters to share knowledge and update best practices to all employees

Keep the whole community updated on the best practices, increase participants' awareness of the latest development & develop a sense of knowledge sharing

Knowledge published may not be useful for every business unit.

In short term may not be able to capture all the updates on best practices