Km Applications In Bosnian Managerial Practices

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Abstract

Knowledge Management has emerged globally to facilitate sustainability of the organizations as a result of competitive environment. Organizational learning not only asserts and promotes organizational outcome and improved performance, but also plays a significant role in achieving innovation and overall satisfaction through internalization; staff engagement, staff motivation and empowerment, leadership and configuration.

This paper focuses primarily on its application within Bosnian managerial practices. The main purpose of this paper is to investigate the presence of Knowledge Management within
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Bosnian managerial practices, its intensity, influences on organizational strategy, and benefits as well as outcomes coming from it.

As a result of literature review, a 7-point Likert scale survey was developed and the survey was distributed to the companies by emailing, otherwise companies were visited directly. The companies vary from private to public, in different areas of business performance. The respondents have different positions through bottom to the top management.

The data gathered were examined descriptively and the results are discussed accordingly.

Keywords: knowledge management, strategy, decision making, motivation, benefits

1.INTRODUCTION

Over the years, knowledge management research, its implications and benefits have achieved great popularity. So far, in the twenty- first century knowledge is widely recognized as the most important single factor in creating and sustaining more effective organizational performance (Li Hua, 2010). What is evident in this approach is that the effective creation of knowledge depends upon knowledge transfer, knowledge sharing and organizational learning. Many organizations nowadays are approaching knowledge as a primary source of their success, employee engagement and satisfaction. On the other hand, there are many of others which are refusing to import knowledge based plans into their overall strategy, and in that way are becoming reluctant to change.

Modern organizations make knowledge management (KM) an explicit part of their strategy in order to utilize the knowledge and experiences of individuals within the organization. The underlying assumption for KM in an enterprise context is that the enterprise's productive function consists of work to transform organizational knowledge into outcomes in order to obtain organizational benefits (Burstein and Linger et. al 2003). From this perspective, KM is a part of organizational value chain and presumed to have a positive impact on the organization.

This paper will examine knowledge management application in local community of Bosnian managers. Since Bosnia and Herzegovina is relatively small country with a struggling economy and in many political disputes over years already, we are willing to see how Bosnian white and blue collar employees perceive knowledge management, whether they apply it in their strategy, how open they are to implement this approach in order to improve the overall quality and efficiency of their businesses.

1.1.Literature Review

A review of the knowledge management literature was conducted using standard electronic databases. The literature review has been focused on 15 articles which are considered to be representatives of the most relevant literature for the study (Table 1). However, besides those articles, there was instant usage of KM book (Handžić & Zhou, 2003).

Table 1 Summary of relevant articles

No	Author(s)	Title of the article	Brief description of the article
1	Driessen, Burstein, Grootveld (2007)	A framework for evaluating knowledge-mapping tools	Describes the knowledge-mapping framework the authors designed based on their theoretical and practical research on knowledge mapping. It also shows the practical use of the framework for companies interested in knowledge-mapping tools.
2	Burstein, Linger (2003)	A knowledge management framework for supporting knowledge work	Examines the role of knowledge management and knowledge management systems for supporting knowledge work.
3	Wiig (2003)	A knowledge model for situation handling	Presents a situation handling model for people and organizations. Its purpose is to strengthen knowledge-related and deliberate and systematic knowledge management (KM).
4	Rizzi, Ponte, Bonifacio (2009)	A new institutional reading of knowledge management technology adoption	Purpose is to provide a new institutional perspective of knowledge management technology adoption through an empirical study of a knowledge intensive firm.
5	Barbosa, Gonçalves, Simonetti, Leitão (2009)	A Proposed Architecture for Implementing a Knowledge Management System in the Brazilian National Cancer Institute	Article proposes a conceptual framework for a knowledge management system, which is expected to support both hospitals and the oncology network in Brazil.
6	Messo, Troutt, Rudnicka (2002)	A review of naturalistic decision making research with some implications for knowledge management	How human experts make decisions under conditions of time pressure and complexity, how they organize and use their knowledge is expected to provide principles for the emerging science of knowledge management.
7	Frize, Yang, Walker, O'Connor (2005)	Conceptual Framework of Knowledge Management for Ethical Decision-Making Support in Neonatal Intensive Care	Research is built on the belief that artificial intelligence estimations need to be integrated into clinical social context to create value for health-care decisions
8	Chen, Lin, Yeh, Lin (2006)	Construction of key model for knowledge management system using AHP-QFD for semiconductor industry in Taiwan	Purpose of this paper is to describe the construction of a key model for knowledge management (KM) systems using AHP-QFD for the semiconductor industry in Taiwan.
9	Corao, et. al (2009)	Evidence-Based Knowledge Management: an approach to effectively promote good health-care decision-making in the Information Era	This paper concerns knowledge, not only from an epistemological point of view, but also from a pragmatic one. In our paper, knowledge is discussed as the hub to promote better decision making and continuous professional development.
10	Conley, Zheng (2009)	Factors Critical to Knowledge Management Success	Article integrates literature on organizational factors that influence knowledge management (KM) effectiveness that have been identified in several bodies of literature: HRD, information technology, and management
11	Gasson, Shelfer (2007)	IT-based knowledge management to support organizational learning	The purpose of this paper is to explore how to reconcile the contradiction between two paradigms employed in analyzing IT-related change requirements: knowledge-as-thing versus knowledge-as-process.
12	Anand, Singh (2011)	Understanding Knowledge Management: a literature review	This paper presents review of literature on Knowledge management (KM) characterizing the various terminologies and aims to explore the world of KM in a different way, to review the current status and analyze the main contributions, agreements and disagreements among researchers and practitioners.
13	Mills, Smith (2010)	Knowledge management and organizational performance, a decomposed view.	The purpose of this paper is to evaluate the impact of specific knowledge management resources (i.e. knowledge management enablers and processes) on organizational performance.
14	Coakes, Amar, Granados (2009)	Knowledge management, strategy, and technology: a global snapshot	Question that this paper looks to answer is how a KM strategy can be developed that will enable its successful management in organizations of many sectors and sizes.
15	Rouse (2002)	Need to Know: Information, Knowledge, and Decision Making	This essay explores these phenomena in the context of two decades of studying human decision making in the domains of research, design, and management.

Furthermore, a number of relevant case and theoretical studies from Europe, America and Asia are documented. Frize et. al (2005) describe a KM framework for ethical decision making support. Their article is based on creating value in health-care organizations through KM applications. In their article, authors state that "While relatively little attention has been paid to the use of knowledge management for ethical decision support, a few comparable

decision tools have been under development for the NICU environment". Mills and Smith (2010) approached KM from more organizational perspective. They said that "For many organizations achieving improved performance is not only dependent on the successful deployment of tangible assets and natural resources but also on the effective management of knowledge. As such, investments in knowledge management continue to increase dramatically from year to year". Rouse (2002) Conley and Zheng (2009) as well as Coakes et al (2009) more specifically approached KM implications in terms of decision making, organizational success and improvement.

2. Research methodology

2.1. Variables

Identified research variables as a result of literature review are shown in Table 2. The survey questions have been developed according to the variables.

Table 2 List of variables

No	Variable	Brief explanation
1	Knowledge enablers	Organization environment and communication tech.
2	Technology	Creation of networks and data bases
3	Motivation	Incentives, trust, tolerance
4	KM assets	Skilled employees, capital
5	KM adoption	Fit, improvement, competitiveness
6	Personal benefits	Creativity, understandability, innovation
7	Organizational benefits	Improvement, competitive advantage, agility

1. Knowledge enablers refer to the organization environment and communication technology within the organization.

2. Technology facilitates KM processes through the organisation.

3. Motivation. Each organization within its overall strategy considers one part related to motivating its employees to obtain best work results. In relation to that certain incentives, rewards or benefits can be provided in order to make difference between peak and weak performers. Knowledge management does not fall anywhere behind requiring certain motivation maintenance in order to stay present in the company. Related to that our interest was to determine if organization is applying knowledge management in its strategy, how much of interest is showing, or more precisely what efforts are allocated to maintain it through high motivation of employees, and stuff.

4. KM Assets. Every enterprise should first of all realize how important it is to "know what they know" and be able to make maximum use of the knowledge. They need to know what their KM assets are, and how to manage and make use of these assets to get maximum return.

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Most traditional company policies and controls focus on the tangible assets of the company and leave unmanaged their important knowledge assets. But the fact is that KM assets in business environments are quite more important than tangible assets including financial assets and etc., because they represent a useful mechanism for gaining the competitive advantage.

5. KM Adoption. To succeed in organisational KM strategy and to meet the business objectives of the implementation, it is imperative to ensure adoption of the system within the user base. The focus of the implementation should be on increasing and maintaining the usage of the system in terms of number of users participating, increasing the number of transactions on the system and improving the quality of the transactions. There are a lot of challenges faced through the adoption of KM, so the current research considered the variable regarding the adoption of KM.

Benefits: There can be populated a long list of benefits which KM and its adoption within the organization provide. In this study, benefits from KM have been categorized as personal benefits and organizational benefits.

6. Personal Benefits. When all the people in an organization understand what they already know, what they need to know and what they don't yet know about something for their tasks, then people can collaborate better to reach their goals. Individuals will get more accomplished because of the knowledge shared within a group, and groups can collaborate better because they have a common goal and a clear starting point. The benefits of knowledge management can take a company struggling with the information processing cycle and productivity and therefore make it a much more efficient and success-oriented workplace.

7. Organisational Benefits. Benefits on the organizational level include overall inclined productivity and output, better innovation and implementation of new ideas and better customer service.

2.2. Sample Space

The survey was conducted on several private and public organizations in different industries per see. Banks are not put into the basket, since they are the branches of the banks from abroad. Mainly high rank employees in organizational chart such as supervisors, presidents of board committee, auditors and CEOs were targeted. On the other hand, the other level employees were also surveyed.

The surveys were distributed by e-mailing several companies and asking whether they found the survey appropriate to fill out. A response rate of 76% (152/200) was achieved from distributed surveys.

One experienced difficulty is that the awareness of KM in general. Hence brief explanations about KM, its pros and cons are given to the respondents. Another challenge was that lack of

trust towards this kind of surveys which require giving certain internal information about company (even though that they are not from financial nature). Furthermore, the survey was distributed both on English and Bosnian language respectively.

Findings

2.3.Demographics

Demographics part includes respondent's gender, their positions within the department, and their education levels. Respondents were half from males and half from females (Figure 1).
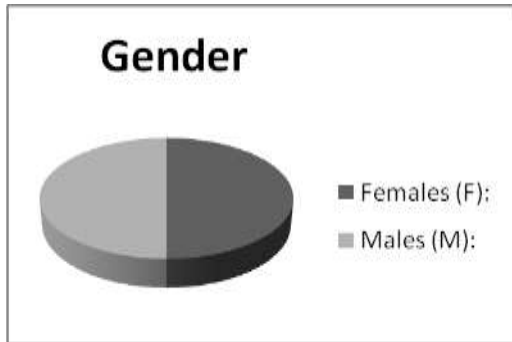

Figure 1 Gender of the Respondents

The education levels of the respondents are found out to be extremely high. There are only three high school graduates. Almost one third has master degrees and twelve have PHD degrees.

Table 3 Education Levels of the Respondents

Level of Education	
Undergraduate	91
Doctorate	12
Master	46
High School	3
Total:	152

The positions of the respondents were grouped according to their similar characteristics. While grouping them, ILO standards have been considered (Budlender, 2003). Nearly half of the respondents have managerial roles within the organisations. There are 47 lecturers who are working in two private international universities in BiH.

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Table 4 Positions of the Respondents

Respondents According to Their Positions	
Manager	67
Officer	40
Lecturer	45
Total:	152

The surveyed respondents are asked to state the current KM implementation phase in their organisations. They could choose more than one option among the given alternatives. According to the results, 30 organisations are detected to have no KM strategy. 58 organisations have developed KM strategies but they did not or couldn't start the strategies. On the other hand, almost one third (49) of the respondents stated that their organisations have started to implement their KM strategies. 32 of them commented that knowledge share can be successfully employed in their departments within the organisations. Additionally, 27 of them believe that KM practices have become a part of their organization's corporate culture. Furthermore, 35 respondents think that the organisational internal environment is suitable for KM to emerge. However, 24 of them don't think that it is not valid for their external environment.
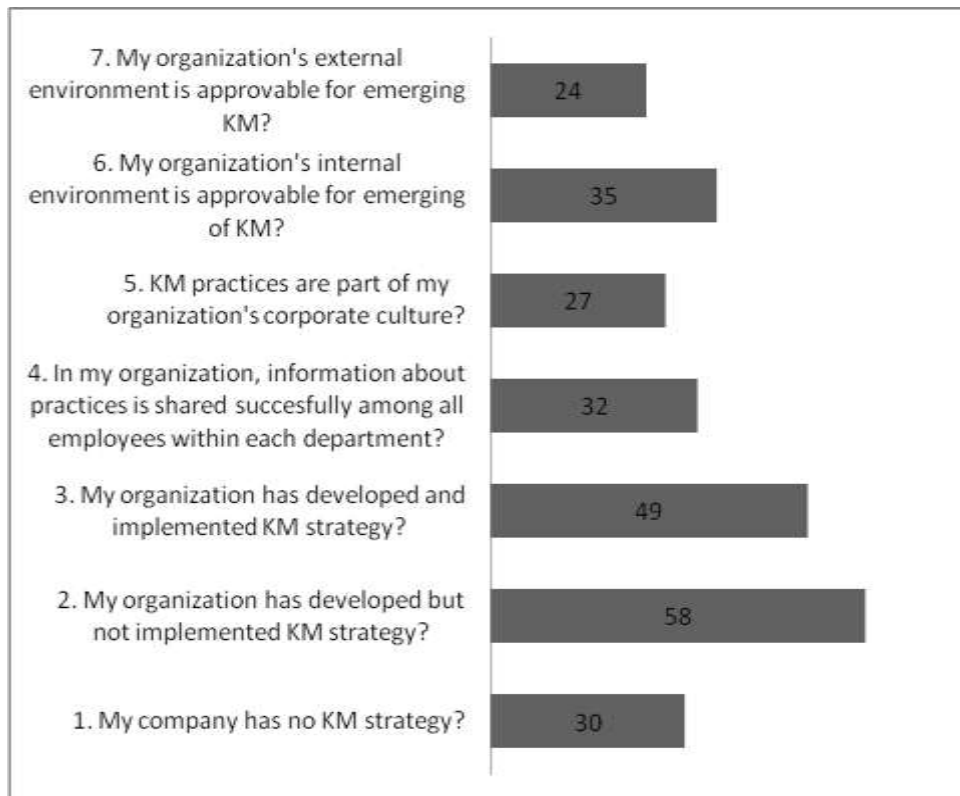
Figure 2 KM Implementation Phases of the Surveyed Companies

According to Table 5, it can be identified that the environment for knowledge sharing is slightly suitable. Therefore, there is a very little amount of knowledge share.

Table 5 KM Enablers

Measures	N	Mean	Std. Deviation
1. My organization has networks for transferring information between employees who interact with customers and organization's managers?	152	4.99	1.261
2. In my organization, information about the practices is shared successfully among all employees in all departments?	152	4.81	1.436
3. My company invests a lot in technology that has role to support communication among employees?	152	4.48	1.371
4. In my organization, useful knowledge can be easily shared and acted upon among employees?	152	4.56	1.326
Knowledge Enablers	152	4.7089	1.05182

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As observed from Table 6, the companies are investing slightly on technology. So, the organisations have weak technologies to support KM activities through the organisation.

Table 6 Technology

Measures	N	Mean	Std. Deviation
1. My company invests a lot in technology that has role to support communication among employees, collecting and sharing of information, creating the databases etc.?	152	4.79	1.320
2. My organization has databases to store information?	152	4.85	1.249
3. In my organization, useful knowledge can be easily shared and acted upon, and employees can all valuable information easily upload to organization's database?	152	4.53	1.332
4. In my organization, useful knowledge can be easily shared and acted upon among employees?	151	4.55	1.284
Technology	152	4.6831	1.07351

Motivational issues seem to be extremely weak through the organizations to implement KM (Table 7).

Table 7 Motivation

Measures	N	Mean	Std. Deviation
1. My organization provides incentives to motivate users to learn from experiences and to use KM practices?	152	4,28	1,494
2. My organization pays huge attention to transformation of individual learning into organizational one?	152	4,24	1,495
3. My organization trusts that sharing the best practices, communication among employees and other KM practices lead to increase innovation?	152	4,45	1,413
4. I believe that KM practices enhanced productivity and service quality of our organization?	151	4,68	1,412
5. My organization is supporting networks for transferring information by hiring people with good communication skills and high level of knowledge?	152	4,32	1,397
6. My organization is developing "expert systems" to capture and circulate special skills and knowledge?	152	4,09	1,489
7. Management of my organization supports KM practices, and has intention to create KM strategy?	152	4,59	1,613
Motivation	152	4,3775	1,16128

When the assets for KM is considered, the organizations are identified that they do not give importance to KM assets (people, organizational capital, customer relationship, etc.) and therefore they don't have satisfactory level of KM embodied with the organization (Table 8).

Table 8 KM Assets

Measures	N	Mean	Std. Deviation
1. My organization works on highly skilled employees because it has been widely recognized as an important factor in value creation?	152	4,68	1,364
2. My organization treats KM assets (people, organizational capital, customer relationship...) even more important than financial capital?	152	4,32	1,416
3. My organization always pays attention to make appropriate videotapes, memos, books, business plans,	152	4,66	1,282
4. The employees are sharing knowledge unnigardly and they are tolerant for failures to each other?	152	4,68	1,335
KM Assets	152	4,5839	1,08189

As observed from Table 9, the organizations have slightly adopted KM processes.

Table 9 KM Adoption

Measures	N	Mean	Std. Deviation
1. KM practices completely fit into processes of my organization	152	4,71	1,254
2. KM practices improve decision making process of my organization	151	4,76	1,226
3. Organisational culture, leadership, structure, incentives and rewards positively affect KM process in my organization?	152	4,97	1,393
4. Our KM process helped in being more competitive in the market?	152	4,73	1,266
KM Adoption	152	4,7939	1,09593

The respondents slightly feel that they get benefit from KM applications. On the other hand, they seem to adopt and as a result of this adoption they seem happy with the benefits (Table 10).

Table 10 Personal Benefits

Measures	N	Mean	Std. Deviation
1. I am more aware of my organization's internal and external environment	152	5,08	1,165
2. I understand better the reasons and purpose of my decisions	152	5,18	1,062
3. I can easily get necessary knowledge resources and knowledgeable people	152	4,93	1,137
4. I can perform more easily my final judgments and/or decisions	152	4,85	1,238
5. I am more satisfied with the process/outcome of my decision making	152	5,04	1,167
6. My decisions are more creative/innovative	152	4,80	1,287
Personal Benefits	152	4,9803	,95693

The respondents are less optimistic about organizational benefits compared to personal benefits. But they are still slightly agreed that KM applications are beneficial for the organizations (Table 11).

Table 11 Organizational Benefits

Measures	N	Mean	Std. Deviation
1. My organization has improved performance efficiency/effectiveness	152	4,74	1,242
2. My organization is more agile & capable to coordinate suppliers/customers	152	5,01	1,207
3. My organization has implemented more innovative products/services	152	4,59	1,141
4. My organization has enhanced its competitive advantage	152	4,74	1,265
5. Because of KM practices, employees understand better strategic objectives of organization	152	4,49	1,145
6. Improvement in KM assets increased capital and financial assets, and in that way supports realization of strategic objectives in my organization	152	4,73	1,127
Organisational Benefits	152	4,7182	1,02727

3.Discussion

The overall variables are shown in Table 12. The results suggested a slight agreement in general. It can be understood from the results that KM issue in BiH is in its early phases. Therefore, it needs more attention to develop KM implementation strategies. First of all, a knowledge enabling environment within and outside the organisations should be developed.

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Technology tools to facilitate KM processes can be used more. On the other hand, the motivation to implement KM is very weak. So it needs more attention. Otherwise it may be difficult to adopt KM solutions. Furthermore, the results implied that the organisations should enrich their knowledge assets. Finally, if all the conditions are satisfied, it is clear that both the organisations and the individuals will increase their benefits.

Table 12 Overall Variables

Variables	N	Mean	Std. Deviation
Knowledge Enablers	152	4.7089	1.05182
Technology	152	4.6831	1.07351
Motivation	152	4.3775	1.16128
KM Assets	152	4.5839	1.08189
KM Adoption	152	4.7939	1.09593
Personal Benefits	152	4.9803	.95693
Organisational Benefits	152	4.7182	1.02727

4.CONCLUSION

In practice, the knowledge management function has been improved by the internet and information technology within and outside the organization (Barney, 1991; Davenport and Prusak, 1998). Therefore, it has become essential to coordinate different information coming from different parts of the world and knowledge workers (Amar, 2002; Coakes et. al, 2009).

The current study realized that in order to perform KM effectively, organizations have to learn how to manage KM as a function rather than as a technical skill. The first step in this process is to devise a management strategy for carrying out KM and if the strategy is well-understood so that everyone in the organization can seek guidance from it pertaining to the various aspects of management, such as the social and cultural. It is taken for granted here that a system incorporates both social and technical elements.

In a nutshell, it can be understood that KM in Bosnia and Herzegovina is emerging yet. Future research may evaluate the value of each type of knowledge exchange and thus demonstrate the best composition of a successful knowledge management strategy for different organizations according to the social, cultural, economic and political composition and placement.

5.Directions for Future Research

The interest of Knowledge management research is expected to substantially increase. In the current study, the concentration was on the Knowledge management application in BiH managerial practices. The results have provided useful information considering the awareness about the importance of KM in BH companies and to which extent Knowledge management is implied. This study points to several key areas that require further analysis. For example,

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subsequent research might involve conducting a longitudinal study of organizational culture and knowledge transfer, providing a more empirical causal link between these two constructs. Along these same lines, a longitudinal case study might involve actual manipulation of organizational knowledge. Another potential research may attempt to find out the strategies to maximize knowledge management practices in BiH. Also there could be conducted researches which would more deeply explain the connection between Knowledge management practices with the other organizational key parts.

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