

Knowledge Management in Local Government: A Case Study on the Relationship between Organizational Elements and KM Processes

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Abstract:

Knowledge Management due to its increasing importance has become the center of attraction of almost all the industries throughout the world. Knowledge Management plays a key role in the decision making which is the foundation of activities of an organization. The purpose of this article was to find out the relationship between (a) knowledge creation and knowledge transfer and (b) the relationship between organizational elements and knowledge management processes i.e. knowledge creation and knowledge transfer.

Methodology: The nature of the research was quantitative. Data was collected through questionnaires from a sample size of 240 permanent and non-permanent employees of local government of Killa Abdullah. Simple and multiple linear regressions were used to test the hypotheses of the study.

Findings: The results of the research revealed that (a) Knowledge Management processes i.e. knowledge creation and knowledge transfer have positive relationship with each other and (b) four out of six organizational elements like sharing culture, communication flow, employees posting, external politics have significant relationship with knowledge management processes while the other two organizational elements like ICT tools and employees training have no significant relationship with knowledge management processes.

Practical Implications: The proper management of knowledge management processes i.e. knowledge creation and knowledge transfer

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with organizational elements help the organizations to make better decisions for their future. On the other hand, their poor management with organizational elements will lead to poor decision making which disrupt the future of the organizations.

Keywords: knowledge creation, knowledge transfer, organizational elements.

Introduction:

In the current scenario, Knowledge Management (KM), because of its increasing importance, has attracted researchers throughout the world. Organizations have sensed the importance of acquiring, disseminating, and proper implementation of knowledge and are involved in developing effective KM strategies. The researchers of the world are now investigating the importance of KM in local government. A challenge for local government in new economy is to create, disseminate, collect, save, and utilize knowledge assets (Bessick&Naicker, 2013; Boder, 2006; De Angelis, 2013; Sharkey, 2006; Xuan, Zhang & Zhang, 2014). Change is unavoidable and knowledge plays an important role in coping with it as it (knowledge) informs the organizations about all the innovations of the environment. KM permits the local government to save knowledge and change this knowledge into innovative stocks to notify changes (Ramsey & Barkhuizen, 2011). The importance of KM in local government is widely accepted in a way that it provides something new and makes the organization aware of the outer environment. KM has been the focus of discussion of the researchers since long ago; however, there is little known about KM regarding the local government of Pakistan especially Baluchistan. To know the impact of KM processes within the local government, the researchers are conducting researches in different parts of the world. The researchers have also conducted researches to know the impact of organizational elements like organizational culture, organizational structure, human resources, technology, and political will on KM processes. From the existing literature review there is a lack of information about organizational elements and KM processes in the public sector of Pakistan especially in Baluchistan. Hence, this study was carried out to examine the impact of organizational elements on KM processes in the local government of Killa Abdullah, Baluchistan. To rectify the anti-democracy factors and promote democracy, KM in local government is one of the resources that will promote democracy in Pakistan especially in Baluchistan. This study provided relationships among different variables as well as provided the relationship of some of the organizational elements (like organizational culture, organization structure, technology, human

resource and political will) with KM processes in local government of Baluchistan that are considered to have better results for the performance of the local government of Baluchistan.

Literature Review and Development of Hypothesis:

Knowledge Management in Local Government:

Local government institutions in such a technological age can establish themselves on the lines of knowledge-based organizations that flourish on the competencies of its knowledge workers (Gaffoor&Cloete, 2010).Local governments can be made providing the services in an effective manner through the application of KM processes (Municipal Institute of Learning, 2010).In today's quickly changing environment, KM is very important for maintaining efficient supervision of best services and sustaining and improving local government performance. KM is of critical importance in maintaining and boosting local government performance and sustainable superior service delivery in today's rapidly transforming global environment (Lai, Hsu, Lin, Chen & Lin, 2014).The application of KM assists local government to make possible amenable process. (Mannie et al., 2013; Mogotsi, Boon & Fletcher, 2011).KM permits to store knowledge which helps it to successfully face the changes (Ramsey &Barkhuizen, 2011). KM is very important in removing the hurdles that do not allow the flow and sharing of knowledge in local government (Akbar, Pilcher & Perrin, 2012). Decision-making at local level is supported by KM as it permits the exact knowledge to be obtained by the exact person at the exact time which makes him/her capable of making the right decision (Chetty& Mearns, 2012; Mavodza&Ngulube, 2012). Decision-making is the first and most important stage in an organization which needs to be supported by correct knowledge and effective KM processes.KM in an organization like local government might be good due to increasing importance of intellectual capital and KM processes(Bessick&Naicker, 2013; De Angelis, 2013).Local government institutions with a culture that do not allow knowledge-sharing will not be able to attain competitive advantage since KM is important in the creation of knowledge assets (Miah, 2010).

These four major processes include: creation of knowledge which entails knowledge sustainability and renovation, transformation or dissemination or sharing of knowledge, deployment or application of knowledge.

Dependent Variables:

Knowledge Transfer: The transfer of knowledge from one place to another. The transfer of knowledge from one place to another has found to improve the performance of the organization (Syed Omar Sharifuddin&Syed-Ikhsan, 2004).

Knowledge Creation: knowledge creation is an important process of KM as it plays good role in decision-making. According to (Syed Omar Sharifuddin& Syed-Ikhsan, 2004)the transfer of knowledge depends upon the creation of knowledge i.e. the more the knowledge is created the more it will be transferred

Therefore, it is hypothesized that,

H1:There is a positive relationship between knowledge creation and knowledge transfer within an organization.

Independent Variables:

Organizational Culture:

Sharing Culture: according to (Lee, 2001, p. 324) ‘activities of transmitting or transferring knowledge from one person to other person, from one group to other group or from one organization to other organization is termed as knowledge sharing’. Stoddart (2001, p. 19) addresses that sharing culture depends upon organization’ culture.

Therefore, it is hypothesized that,

H2: There is a positive relationship between knowledge sharing culture and KM processes (knowledge creation and knowledge transfer).

Organizational Structure: For the aim of this study the structure of the organization will be talked about in term of its effect on the communication flows among various management levels.

Communication Flows: The communication flow helps in transfer and creation of knowledge. When a communication network across different management levels is encouraged by the organization to operate without any resistance, the knowledge creation within the organization will be enhanced (Syed Omar Sharifuddin Syed-Ikhsan, 2004).

Therefore it is hypothesized that:

H3: There is a positive relationship between communication flow and KM processes (knowledge creation and knowledge transfer).

Technology:

ICT Tools:

The existence of technology tools to help in the transfer of knowledge has improved the importance of knowledge transfer within the organization. According to Smith (2001, p. 313), tools of IT make an important contribution in KM.

Hence, it is hypothesized that,

H4: There is a positive relationship between the use of ICT tools within the organization and its KM processes (knowledge creation and knowledge transfer).

Human Resources:

People, another organizational element, play an important role in knowledge management of an organization

Posting:According to Bogdanowicz and Bailey (2002, p. 126) when employees are brought to the organization on merit basis will enhance the performance of the organization.

Therefore it is hypothesized that,

H5: Proper posting to local government has a positive relationship with its processes (knowledge creation and knowledge transfer).

Training:Constant training is necessary for employees to improve their competencies and knowledge. According to (Syed Omar Sharifuddin& SyedIkhsan, 2004) organizations need to have appropriate training sessions for their employees to make them enable to get knowledge and contribute to knowledge creation and knowledge transfer.

Therefore it is hypothesized that,

H6: Adequate training on new knowledge has a positive relationship with the KM processes (knowledge creation and knowledge transfer).

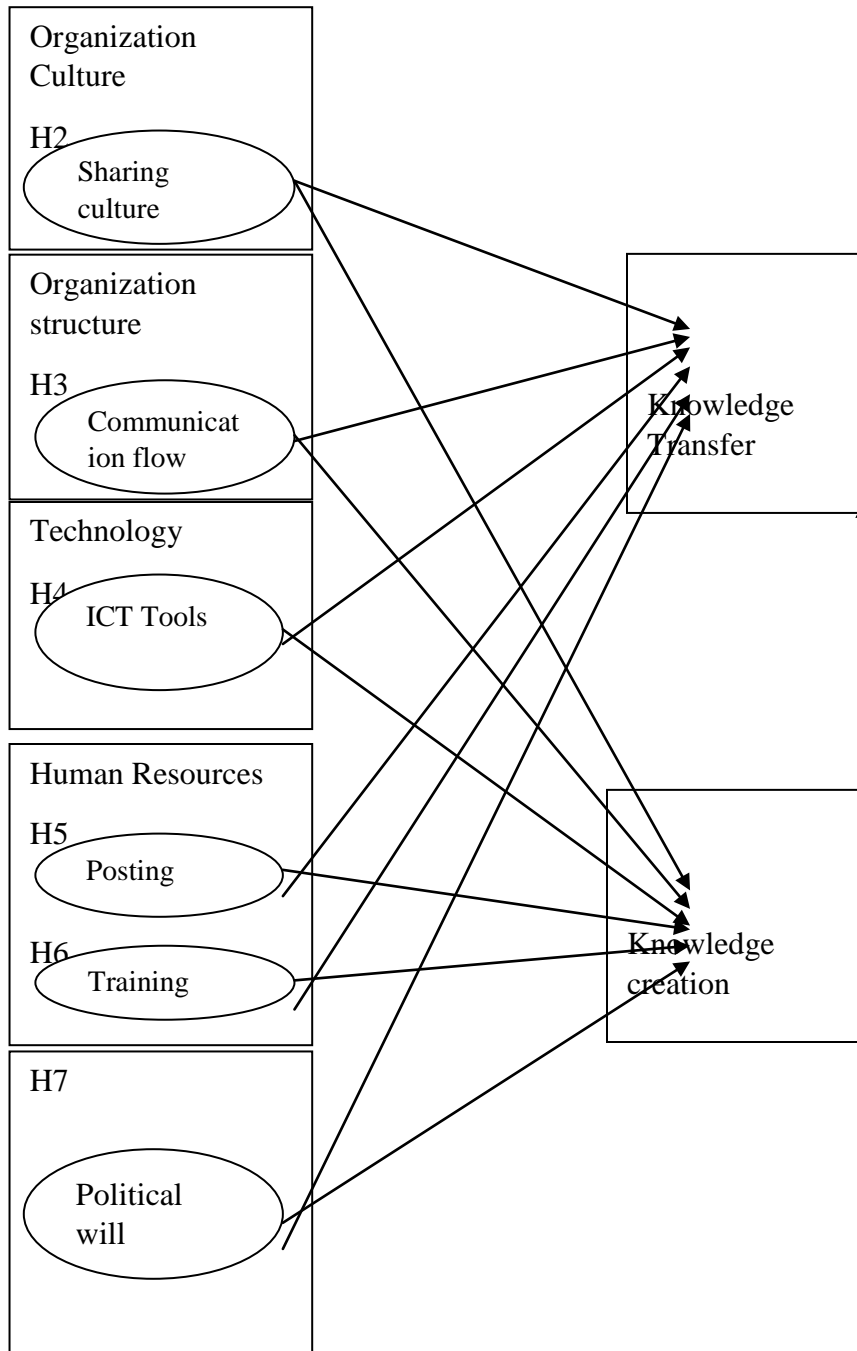
Political Will:

According to (Syed Omar Sharifuddin & Syed-Ikhsan, 2004), knowledge creation in every public organization is affected by politics. They further argue that some unwritten directions become necessary to follow at some occasions (Syed Omar Sharifuddin & Syed-Ikhsan, 2004). Therefore it is hypothesized that,

H7: There is a positive relationship between political will and KM processes (knowledge creation and knowledge transfer).

Conceptual Framework of the Study: conceptual model is drawn.

Conceptual Model for the Study:



In the first situation knowledge creation is independent variable and knowledge transfer is dependent variable which depends upon knowledge creation. In second situation organizational elements are independent variables and **KM processes are dependent variables which are depending upon organizational elements.**

Research Methodology:

Research Design:

To measure the impact of organizational element (organization culture, technology, organization structure, human resources and political will) on KM processes (knowledge creation and knowledge transfer), a quantitative analysis study was carried for this work. The quantitative technique informed us that how much organizational elements affected KM processes (knowledge creation and knowledge transfer). The study was aimed to identify and measure the relationship among various variables since, the quantitative design provided us the exact result in this regard.

Data Collection:

To measure the organizational elements and the case of KM processes (knowledge creation and knowledge transfer), the local government of district *Kila Abdullah* was selected as an organization. The local government of this district was selected because this is one of the populous districts in Baluchistan. the data was collected from the employees of local government of killa Abdullah through questionnaires.

Results and Discussion:

Respondent's Demographics:

The information regarding the age, gender, education, and job experience of the respondents was obtained through a survey. As convenience sampling method was adopted, therefore, 98.33% response rate was obtained from a sample size of 240 respondents. The above said information about the respondents is represented in a table and graphs below.

Table No.1

Demographics	Category	Frequency	Percentage
Age	20-25 years	31	13.1
	25-30 years	66	28.0
	30-35 years	71	30.1
	35-40 years	39	16.5
	Above 40 years	29	12.3
Gender	Male	236	100
Education	No education	33	14.0
	Matriculation	82	34.7
	Inter	53	22.5
	Graduate	19	8.1
	Masters	15	6.4
	Others	34	14.4
Jon experience	< 5 years	145	61.4
	5-10 years	52	22.0
	10-15 years	39	16.5
	15-20 years	0	0

(a)

Regression between knowledge creation and knowledge transfer:**Table No.2**

Variables	Coefficient	St. Error	t-value	p-value
Constant	.425	.189	2.244	.026
Sharing culture	.781	.069	11.247	.000
Dependent Variable: Knowledge Transfer				
R-Square: .351				
F-statistics: 126.506				

The results of first hypotheses reveal that knowledge creation has a positive relationship with knowledge transfer. It indicates that the existence of knowledge creation has a greater impact on the transfer of knowledge. Hence, the organizations need to handle the creation of knowledge in proper way in order to make provision of suitable knowledge for better decision making.

(b)
Regression between organizational elements and knowledge creation:
Table No.3

Variables	Coefficient	St. Error	t-value	p-value
Constant	.172	.211	.816	.416
Sharing culture	.337	.066	5.120	.000
ICT tools	-.055	.101	-.542	.588
External politics	.301	.075	4.017	.000
Communication flow	.289	.065	4.453	.000
Employees posting	.129	.055	2.243	.020
Employees training	.133	.068	1.958	.051
Dependent Variable: Knowledge Creation				
R-Square: .440				
F-statistics: 30.039				

The sharing culture (b=.337, p=.000) is significant and the coefficient is positive which indicate that sharing culture is positively related to knowledge creation -- that was what we expected. ICT tools (b=-.055, p=.588) is not significant which looks like ICT tools have no significant impact on knowledge creation. External politics (b=.301, p=.000) is significant and the positive coefficient indicates that external politics has a positive relation with knowledge creation. Communication flow (b=.289, p=.000) is significant and its positive coefficient value reveal that it is positively related with knowledge creation. Employees posting (b=.129, p=.020) is also significant and its coefficient value is positive which indicates its positive relationship with knowledge creation. Employees training (b=.133, p=.051) is not significant. However, its positive coefficient value shows its positive relationship with knowledge creation.

R-Square value is 0.440 which that one unit change in independent variables will bring about 44.0% changes in dependent variable and the remaining 56% change is brought about by other variables. F-statistics value is 30.039 at 5% significance level that shows that the model is best fitted.

**Regression between organizational elements and knowledge transfer:
Table No.4**

Variables	Coefficient	St. Error	t-value	p-value
Constant	-.755	.281	-2.686	.008
Sharing culture	.458	.088	5.211	.000
ICT tools	.067	.134	.503	.616
External politics	.507	.100	5.080	.000
Communication flow	.189	.086	2.192	.029
Employees posting	.223	.073	3.040	.003
Employees training	.089	.090	.988	.324
Dependent Variable: Knowledge Transfer				
R-Square: .428				
F-statistics: 28.608				

The sharing culture (b=.458, p=.000) is significant and the coefficient is positive which indicate that sharing culture is positively related to knowledge transfer. ICT tools (b=.067, p=.616) is not significant which looks to have no significant impact on knowledge transfer. External politics (b=.507, p=.000) is significant and the positive coefficient indicates that external politics has a positively related with knowledge transfer. Communication flow (b=.189, p=.029) is significant and its positive coefficient value reveal that it has positive association with knowledge transfer. Employees posting (b=.223, p=.003) is also significant

and its coefficient value is positive which indicates its positive relationship with knowledge transfer. Employees training ($b=.089$, $p=.324$) is not significant. However, its positive coefficient value shows its positive relationship with knowledge transfer.

R-Square value is 0.428 which that one unit change in independent variables will bring about 42.8% changes in dependent variable and the remaining 57.2% change is brought about by other variables. F-statistics value is 28.608 at 5% significance level that shows that the model is best fitted.

Table No.5

Hypotheses		P-value
H1	There is a positive relationship between knowledge creation and knowledge transfer within an organization.	.000
H2	There is a positive relationship between knowledge sharing culture and KM processes (knowledge creation and knowledge transfer).	.000 .000
H3	There is a positive relationship between communication flow and KM processes (knowledge creation and knowledge transfer).	.000 .029
H4	There is a positive relationship between the use of ICT tools within the organization and its KM processes (knowledge creation and knowledge transfer).	.588 .616
H5	Proper posting to local government has a positive relationship with its KM processes (knowledge creation and knowledge transfer).	.020 .003
H6	Adequate training on new knowledge has a positive relationship with the KM processes (knowledge creation and knowledge transfer).	.051 .324
H7	There is a positive relationship between political will and KM processes (knowledge creation and knowledge transfer).	.000 .000

Hypotheses of H4 and H6 have been rejected since their probability values are < 0.05 and the two organizational elements have no significant impact on knowledge creation and knowledge transfer. The hypotheses H1, H2, H3, H5, and H7 have been accepted since their p-values are >0.05 and

they have important relationship with knowledge creation and knowledge transfer.

The results of hypotheses reveal that knowledge creation has a positive relationship with knowledge transfer. The sharing culture was found to have a positive relationship with knowledge creation and knowledge transfer. It indicates that it is better for organizations to provide their employees sharing culture which would help them to create and transfer the knowledge necessary for their activities. The organizations need to know the importance of sharing the knowledge, the procedure to share the knowledge and the place of sharing the knowledge. It is therefore, indicated that the current hierarchy of the organization has been well organized for the creation and the proper provision of knowledge available within the organization. The results of hypothesis regarding ICT tools (Technology) reveal that it has a negative relationship with knowledge creation and positive relationship with knowledge transfer and its relationship with both of them is insignificant. This depicts that such results might be due to the unawareness of employees with technology. Posting of employees in the organization resulted a positive relationship with knowledge creation and knowledge transfer. It seems that the appointment of employees on merit basis would assist them creating and transferring the knowledge within the organization. Training of employees has a positive relationship with knowledge creation and knowledge transfer. However, the results here show that the relationship of training of employees is insignificant with knowledge creation and knowledge transfer. This might be due to the lack of awareness of training among the employees of the study. The results of hypothesis of external politics (political will) with knowledge creation and knowledge transfer show positive relationship. It indicates that external politics has an important role in the affairs of the organization.

Conclusion and Recommendations:

This study was concerned to know the impact of organizational elements (organization culture, technology, organization structure, human resources and political will) on KM processes (knowledge creation and knowledge transfer) in the local government of Baluchistan. Keeping in view the results, It is recommended that there is required to study the impact of organizational elements on other knowledge management processes i.e. knowledge utilization and knowledge. The present research was restricted to only one district of Baluchistan i.e. Killa Abdullah. It is needed that the study to know the impact of organizational elements on knowledge management processes like knowledge creation and knowledge transfer in

other districts of Baluchistan need to be carried on. This study was restricted to only local government of Baluchistan. Hence, there is a need to study the impact of organizational elements on knowledge management processes in other departments of the province.

The study showed strong relationships at one place, between knowledge creation and knowledge transfer and at another place, between organizational elements and knowledge creation and knowledge transfer. The overall success of the organizations, to large extent, depends upon their healthy decision making process which in turn depends upon organizational elements. Hence, it is concluded that the organizations need to consider all organizational elements in decision making process. Technology and training play an important role in creating as well as transferring the knowledge but they have been found to have insignificant relationships with knowledge management processes. Both of these elements in the local government of the target district without proper attention from government might not lead to creation and transfer of knowledge. Therefore, all organizational elements in public organizations need to be properly managed and considered in the decision making process.

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