



UTILIZING KNOWLEDGE MANAGEMENT AS A STRATEGY FOR PROVIDING SATISFACTORY SERVICES IN BUSINESS ORGANISATIONS

HADIZA DAUDA

Department of Business Education Management, Adamawa State Polytechnic, Yola

Abstract

Business organisations are faced with the task of promoting customer satisfaction and loyalty through provision of quality service. The customers' demands are constantly evolving especially in service organizations and it takes a pragmatic approach to be able to satisfy these wants. Delivering quality service strongly depends on the ability to acquire, develop, accumulate and distribute knowledge asset among employees. Therefore, knowledge management is one of the strongest strategies by which commercial companies can improve their service quality by enhancing employees' knowledge about customer's preferences and providing corresponding services. The aim of this paper is to undertake an empirical review and discuss how implementation of knowledge management strategy by business establishments such as banks, agro-allied companies, hotels and restaurants can contribute to quality improvement and competitive advantage. The team of employees that is capable of coping with different customers' preferences is that which is motivated and trained to acquire and share knowledge. Therefore, proprietors and managers of business organizations should provide information infrastructure to allow information gathering and sharing. Establishing interactive forum at both individual company and industry levels where customers' complaints and suggestions are discussed can help achieve this objective.

Keywords: *Business, Knowledge Management, Quality services, Competitive advantage*

Introduction

One of the business objectives of companies is sales maximization which can only be achieved through sustainable customer patronage. Commercial establishments such as banks, agro-allied, food processing, hotels and restaurants are faced with the task of promoting customer satisfaction and loyalty while striving to maintain competitive advantage. One of the major factors in establishing customer satisfaction and loyalty is quality service (Zhang, Wang, Cao, Wang & Zhao 2012). The customer's perception of quality is influenced by the service encounter and is determined by the type of establishments, and the type of patrons with different service experiences.

Companies can improve their service quality by enhancing employees' knowledge about customer's preferences and providing corresponding services. Since service quality depends strongly on the ability to acquire, develop, accumulate and distribute knowledge assets, it is required to have a team of employees who can cope with different customers and their preferences. Hence, this justifies the need for knowledge acquisition and sharing.

Though knowledge management is popular and widely discussed in literature, many business organizations seem to lack the will and do not tap from the benefits of this embodiment of quality control system. Those that embrace the system lack the ability to enforce implementation. Customers' expectations and needs are constantly evolving and proprietors and employees need regular integration in order to be able to stay relevant in the already saturated and very competitive market. Consequent upon this assertion, this paper examines and discusses the extent to which knowledge management practices can be adopted by commercial establishments in order to achieve quality improvements and competitive advantage.

Empirical Review

Knowledge Management is a set of practices that helps improve the use and sharing of data and information in decision making, Knowledge is defined by Awad and Ghaziri, (2004) as the understanding that is obtained through the process of experience or appropriate study. Knowledge management is used to describe everything from the application of new technology to harnessing of the intellectual capital of an organization (Sallis and Jones, 2002).

It is a process that begins with data generation to information processing and knowledge acquisition. To Rowley (2000), Knowledge Management is

concerned with the exploitation and development of the knowledge assets with a view to furthering the organization's objectives. Knowledge Management entails all those processes associated with the identification, creation and sharing of knowledge, including explicit, documented, tacit, and subjective knowledge. It facilitates development of organizational norms and values, which support the creation and sharing of knowledge (Rowley, 2000).

Human beings are insatiable in nature. Close interaction with customers will always reveal new desires and demands and this explains why knowledge management is a necessary tool for discovering and sharing such information to better the position of a company.

There are a good number of researches conducted on Knowledge Management principles and strategies towards organizational learning (Mostert & Snyman, 2007; Hansen et. al,1999; Bieber et. al, 2002; Duffy, 2000; Levine, 2001).

Benbya et. al, (2004) contribute to Knowledge Management synchronization. Kim,Chaudhury and Rao (2002) enumerate factors that affect KM in enterprise systems. Mack et. al, (2001) discuss the role and implementation of knowledge portals in digital workspaces. Martin and Metcalfe (2001) emphasized the role of knowledge workers. Cho & Leung (2015) examine the concepts associated with knowledge management and provides examples of these concepts through case studies and unique real-world applications

Knowledge Management is relevant in every industry. It is commonplace to find one company withholding information from others instead of sharing widely for the betterment of the industry. One of the early protagonists of Knowledge Management describes it as involving acquisition, explication, and communication of mission-specific professional expertise in a manner that is focused and relevant to an organizational participant who receives the communication (King, 1999). In another development, Pyo, Uysal and Chang, (2002) opined that knowledge developed during various formal and informal procedures can be incorporated in operations in order to be re-used for the purpose of gaining competitive advantages. With knowledge, the speed of operations improves greatly by eliminating knowledge searching time. Service organizations like banks, hospitality outfits and food processing companies can achieve enhanced operations through effective knowledge management strategies, especially when this is based on internal teamwork. Knowledge acquisition arising from internal collaboration is capable of beating competitiveness

Fallon & Schofield (2000) observe that there are different mental models in the service organizations which, if properly harnessed and internalized, can minimize misunderstanding and set pace for efficient management. This is in support of the fact that the object of knowledge management is to generate pragmatic system that guarantees quality service delivery.

In their contribution, Cho and Leung (2002) identify knowledge discovery techniques in database marketing for the hospitality industry. Describing data mining as a task of extracting and managing any potential knowledge embedded inside databases, they listed decision tree classifiers, regression analysis, induction programming logic, and probabilistic rules as useful techniques of processing data.

There are different dimensions of knowledge management. For example, Bouncken (2008) enumerated knowledge strategies that can help hotels to acquire, develop, accumulate, and distribute industry related knowledge assets for enhancing employees' knowledge about customer's preferences and the corresponding service procedures. Similarly, Young (2010) examines four dimensions of knowledge management, including personal, team, organizational and inter-organizational knowledge management that could help a business firm to gain a grip of the market. Personal knowledge management strategy is a 'bottom up' approach which is premised on the belief that by improving the personal ability of employees to better identify, capture, store, share and apply their personal knowledge will inevitably lead to better knowledge management at the team, organizational, and inter-organizational levels. The team strategy is based on the assumption that the teams are 'the key knowledge work units' or knowledge engines of the organization. The organizational knowledge management is an approach in which the enterprise provides the infrastructure for better creating, storing, sharing and apply knowledge across the entire organization. Inter-organizational knowledge management is an inter-firm relationships and knowledge sharing networks, involving customers, suppliers, partners, competitors and other stakeholders with a view to developing innovative products and services.

Ron Young (2010) examines the dimensions of knowledge management from cognitive, connectionist, autopoietic and integral perspectives. Three core organizational resources are required to enable the enterprise use and share information more effectively; namely people, processes and technology (Petrides & Nodin 2003). It is the people that share and manage knowledge

based on the organizational policies and practices. The processes relate to the continuum of activities affecting information flow within the organization such as administrative procedures, channel of communication, compensation program, discipline and grievance handling. Technology relates to the media through which knowledge information is shared, e.g. equipment, software, hardware, webinars, etc.

Implication

Implementation of Knowledge Management principles is a strategy for achieving competitive advantage in any industry. Interactions among entrepreneurs, suppliers, employees and customers are effectual in disseminating knowledge information that benefits each party. Employees who are exposed to learning are capable of delivering services that meet the taste and desire of the target patrons. For instance, provision of room, food and drink is a labor intensive business that relies heavily on expertise, exquisiteness and drive of the employees. To win the loyalty of and retain a customer, a business enterprise must provide the best of service that is totally unique and distinguished

When a business firm is not able to study the needs of its customers and does not actively deploy resources to fill gaps, such establishment risks the chance of losing out to teaming competitors. Effective Knowledge Management initiatives include sharing of all forms of knowledge, both explicit such as computer files, emails, videotapes and tacit like individual's experiences, values and cultures

In their contribution, Chou and Tsai (2004) enumerate what an organization stands to benefit from effective and integrated knowledge management system to include increased value, agility, faster decision making, quicker problem solving, innovativeness, improved information dissemination, strong employee support and growth, sharing of expertise experiences and higher market share. When people, processes and technology are adequately coordinated, information gathering and sharing becomes feasible and processing of such data leads to discussion that provokes effectiveness and efficiency

However, it must be stated that adopting knowledge management system carries with it some challenges which must be surmounted before it yields results. Knowledge management tools may be complex and difficult to understand and implement, thereby requiring costly training. It is also not an understatement to

mention that incorrect use of knowledge management tools can lead to waste of time and money and operational inefficiency. Therefore, business operators need wide consultation and adequate preparation when contemplating knowledge management as a strategy for delivering quality services.

Recommendation

In view of the apparent advantages of Knowledge Management, entrepreneurs and business operators in Nigeria should

- i. create a forum for regular interactive sessions where experiences and emerging issues relating to an industry are shared and discussed for the purpose of improving and delivering quality services. This should also be done at individual company level.
- ii. establish strategic planning model where outcome data based on objectives and major goals are collected, distributed to principal areas, reviewed and discussed to pave way for intervention.
- iii. put in place adequate and functional technologies to provide an efficient and automated means of data tracking over time, and to allow interacting with colleagues, posting information and sharing discoveries. Without technologies such as internet services, computers, soft and hardware and electronic platforms, knowledge sharing will be difficult.

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