EMPLOYEE PERCEPTION ON PRACTICE OF KNOWLEDGE MANAGEMENT IN WATER INDUSTRY (A CASE STUDY OF SAJ HOLDINGS SDN BHD)

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EMPLOYEE PERCEPTION ON PRACTICE OF KNOWLEDGE

MANAGEMENT IN WATER INDUSTRY

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DEDICATION

" Syukur Alhamdullilah...
...to my beloved wife, my son Aiman and my daughter Fatimah,
parent, siblings and friends...
Thank you and appreciated for all supports"

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In preparing this thesis, I have face many challenges which at one part make me feel to quite. In this point of time, my brother is in the hospital having chemotherapy for the leukaemia he diagnosed with and force me to frequently presence at the hospital. In this time also, my beloved wife is pregnant and suffering heavy pregnancy syndrome and force me to take care of the house works and my two sweethearts.

However, with the blessing of Allah, I manage to complete this thesis with no compromising to the quality of research and analysis in the timeframe given. In preparing this thesis, I was in contact with many people either academician in UTM and the staff and management of SAJ Holdings Sdn Bhd that they have contributed towards my understanding and thoughts.

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ABSTRACT

This research was carried out to study the employee perception towards the practice of knowledge management in one of the water utility provider in Malaysia, which is SAJ Holdings Sdn Bhd. The selected company is currently in the stage of implementing the knowledge management in the organization and therefore the research will be very useful and important to the organization. The research covers all important aspect as to support the effort to inculcate culture of knowledge management. The main objective of the study is to analyzed the employee's perception and level of understanding towards the practice of knowledge management. This study also sought to understand the support factors for employees to contribute in knowledge management practice, to analyzed the employee perception on KM facilities as well as to understand the relations between level of employee awareness and understanding on KM and the pre-identified variables. The respondents are of employee in non-managerial positions and the data has been collected by using questionnaire distributed throughout the operational coverage of the selected organization. Descriptive and inferential analysis has been conducted to all data collected and all research findings are really interesting and beyond the expectation. All research questions have managed to be answered successfully and all hypotheses that being set earlier had managed to be solved with appropriate justification. The research results obtained is very useful to the organization as well as for the employee. Several recommendations have been suggested to the organization base on the research findings. The research findings can also being a guidance and reference to other organization embarking knowledge management. The research conducted also very useful to the water industry in Malaysia where indirectly it can help to enhance the industry human capital competencies. Moreover, others organization can concentrate to the research findings as one of the lesson learn in practicing knowledge management in their organization.

ABSTRAK

Kajian ini telah dijalankan untuk menganalisis persepsi pekerja terhadap perlaksanan pengurusan pengetahuan di salah satu syarikat utiliti air di Malaysia iaitu SAJ Holdings Sdn Bhd yang terlatak di Johor. Syarikat ini sedang melaksanakan usaha untuk membentuk budaya pengurusan pengetahuan di dalam organisasinya. Justeru itu, perlaksanaan kajian ini adalah amat bersesuaian dan penting kepada organisasi tersebut. Kajian yang telah dijalankan ini meliputi semua aspek penting dalam pembentukan budaya pengurusan pengetahuan di dalam sesebuah organisasi Objektif utama kajian ini adalah untuk menganalisa dan mengenalpasti persepsi pekerja terhadap pengurusan pengetahuan itu sendiri. Selain dari itu kajian ini juga bertujuan untuk menilai tahap pengetahuan pekerja terhadap KM serta menganalisa persepsi pekerja terhadap prasarana yang ada dalam organisasi terbabit. Kajian ini juga bertujuan untuk melihat hubungan antara pemboleh ubah – pemboleh ubah yang berkaitan dengan pengurusan pengetahuan. Secara umumnya, semua responden adalah terdiri daripada kakitangan yang bukan berjawatan penolong pengurus dan ke atas serta meliputi seluruh kawasan operasi syarikat terbabit. Analisa berstatistik telah dilaksanakan sewajarnya dan keputusan kajian yang diperolehi adalah sangat menarik dan diluar jangkaan. Semua persoalan utama dalam kajian ini telah berjaya dirungkaikan dan semua jangkaan ilmiah telah dapat diselesaikan dengan justifikasi yang kukuh. Keputusan yang diperolehi adalah sangat penting dan berguna kepada organisasi terbabit dan anggotanya sebagai panduan dan rujukan dalam melaksanakan perancangan dan aktiviti mengurus pengetahuan di dalam organisasi. Terdapat beberapa cadangan yang telah dikemukan berdasarkan kepada keputusan kajian yang telah diperolehi. Secara umumnya keputusan kajian ini boleh dijadikan panduan oleh pihak – pihak yang terlibat secara langsung dalam menguruskan pengetahuan terutamanya bagi organisasi yang terdapat dalam industri air di Malaysia ini yang mana ianya secara tidak langsung akan dapat membantu menyediakan sumber kerja terlatih dan kompiten.

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SYMBOLS	DESCRIPTION
CSF	Critical success factor
H_A	Alternate Hypothesis
H_o	Null Hypothesis
IT	Information Technology
KM	Knowledge Management
NLM	National Library of Malaysia
POKM	Practice of Knowledge Management
SAJH	SAJ Holdings Sdn Bhd
SPSS	Statistical Process for Social Science
SQ	Survey question

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CHAPTER 1

INTRODUCTION TO THE STUDY

1.1   Introduction

Knowledge is 'the resource" for competitive advantage and being use in managing an organization in the knowledge society (Drucker, 1993). While knowledge is not easily measured and intangible, organizations must manage knowledge effectively in order to take advantage of the skills and experience inherent in their systems and structures as well as the tacit knowledge belonging to the employees of the firm. Knowledge Management (KM) provides insights to help managers address fundamental issues such as improving performance through the creation and use of knowledge (Drucker, 1993).

This study explores on what employees in a water industry specifically in state of Johor, Malaysia perceive about the practice of knowledge management in their organization. This study will provide understanding about employee perception on KM to SAJ Holdings Sdn Bhd (SAJH) as to further enhance the human capital competency through knowledgeable human resource. Enhancing human capital competency in the water industry requires effort to produce knowledgeable community in the organization that practically having ability to response to the operational need with highly focus on performance, applicability and professionalism.

KM has been understood as a management tool used to improve efficiency, effectiveness and innovation in this knowledge age as well as to enhancing the human capital competency (Drucker, 1993). However, one of the biggest challenges identified is the ability of the people to understand KM and its purposes and maintaining sustainability of the KM initiatives (Frankie, 2001).

Organizations can gain several benefits from the practice of knowledge management (POKM). Tactically, they can lessen the loss of intellectual capital from people leaving the organization, reduce costs by decreasing and achieving economies of scale in obtaining information from external providers, reduce the redundancy of knowledge-based activities, increase productivity by making knowledge available more quickly and easily, and increase employee satisfaction by enabling greater personal development and empowerment (Frankie, 2001). Effective KM is expected to provide many benefits. Some are short term and most often influence performance directly. Others have longer-term effects and may develop capabilities that allow new strategies or different ways of operating.

Therefore, by understanding employee perception on the practice of KM through this study will help to further enhance the KM program and indirectly ensuring the sustainability of KM journey in the particular organization, hence benefits the organization as mention above.

1.2   Problem Background

In general, there are several significant issues related to the practice of knowledge management in an organization involve in water industry. However, this research will focus on the human factors that influence the success in practice of knowledge management in a water utilities provider specifically on the employee perception in KM. Since level of employees acceptance to KM will much influenced by the perception of the employee itself to KM, this study will focus to find a solution on problem arise by understanding employee perception in practicing KM.

Typically, knowledge management should be considered as a journey that requires endless effort and time frame (Frankie, 2001). Therefore, management should inculcate culture of practicing knowledge management in the organization by having fully understood on employee perception. Understanding the employee perception will help the management to further understand the employees need, hence, able to take correct decision on planning and implementing the knowledge management program, Furthermore, understanding employee perception is crucial and important for organization as to create effective KM practice.

1.3   Problem Statement

Human resource aspect in organization knowledge management plays important roles in ensuring the success and sustainability of knowledge management in one organization. In water industry, for instant, the ability of knowledgeable human capital to influence in decision-making is strong in absolute. Therefore, understanding employee's perception will enhance knowledge management program.

Understanding employee perception in the organization is a complex process. The decision making of KM initiative and program involve critical consideration from the management as to cater the employee perception. Any mistake and weaken planning may resultant to bad impression and perception to the employee hence influence the KM journey at overall organizational level.

Currently, there is no research conducted to study and understand the employee perception on KM in SAJH. The company has embarked on KM since 2007 but all program planned and all activities initiated has been done without taken into consideration the employee perception towards KM. Without fully understand SAJH's employee perception, the management and committee responsible to steering the KM journey may plan something that will not suit to the needs of SAJH in KM. If this

situation happens, there will be wastage of SAJH's resources and become a hindrance to the success of SAJH's KM journey. Referring to the above problem statement, below is some information and overview about the practice of knowledge management in SAJH.

1.3.1 Overview on Knowledge Management in SAJ Holdings Sdn Bhd

KM is a tool to support an organization's strategic business plan. More specifically, SAJH's effectiveness depends, in large measure, upon the creation and maintenance of knowledge bases; the ability to attract, train, and retain a highly skilled work force proficient in utilizing these knowledge bases and sustaining the existing human resources competency and the development of core business processes designed to capitalize upon these knowledge assets.

From researcher own experience and observation, basically it can be understand that the community in SAJH has narrow focus on KM. General believe of KM is solely transforming tacit to explicit through systems or technologies. Currently, SAJH is very active in promoting Knowledge Management among the employees. The KM activities, programs and initiatives being systematically planned and steered by three main entity in SAJH which is the KM Steering Committee (SC), the KM Working Committee (WC) and KM Internal Consultant (IC) [i]. Basically the SC will overview all activities initiated by the WC whereby IC will always work together with SC and WC by giving appropriate and necessary consultation advice.

Since there are big numbers of employee who will retire especially who are previously working with Minister of Works under "Jabatan Bekalan Air", SAJH's Knowledge Management program initially are more emphasis on capturing tacit knowledge from those employee and transfer it to various sort of explicit media.

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i. Referring to the SAJH's KM Conference 2008 Booklet held on 26th June, 2008 at Hyatt Regency, Johor Bahru.

The tacit knowledge captured will then being validate by SC before being kept in KM Capsule which manage by SAJH Water Resource Information Center (WRIC). All available captured tacit knowledge will then transformed to appropriate training module to be used in training activities planned subsequently [ii].

Introducing KM practices and tools into SAJH is not an easy task. Currently, KM which being practice in SAJH is facing great challenge to generate knowledge culture among the employees. Most of the employees are still reluctant to share their knowledge or information to others. Not everyone in the organization is ready to adapt and agree with this new way of running business and daily operation through KM initiatives. Some employees also miss understand the actual concept of KM where they think that KM is the additional job that will be finished one day instead of thinking that the KM is a journey.

By having this research might solve many problems related to employee perception in practice of KM at SAJH. Necessary action in-line with actual employee needs in emerging KM may be plan accordingly by referring to the findings. In addition of that, this research will address important information regards to employee perception to the organization as to ensure the sustainability of KM hence enhance the human capital competency of SAJH indirectly.

1.4   Research Question

In this study, relevant question were sought to be clarified :

1.   What SAJH's employee understand and perceive about the practice of knowledge management in SAJH?

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ii. Base on SAJH's KM Awareness module presented by Daya Fasih Sdn Bhd (SAJH's appointed external consultant for KM)

2.   What are the support factors for SAJH's employees to contribute in knowledge management practice?

3.   Do the existing KM facilities sufficient and suitable to support the practice of Knowledge Management in SAJH?

4.   What is the SAJH's employee level of corroborative towards the practice of KM.

5.   What is the level of SAJH's employee involvement in knowledge sharing

6.   What is SAJH's employee level of behavioral adjustment towards the practice of KM.

1.5   Objective of Study

The main purpose of this research is mainly to increase understanding on what employee in the selected organization perceive about the practice of KM. This study sought to help improve the knowledge management implementation of SAJ Holdings Sdn Bhd as a drinking water utilities provider in state the of Johor, Malaysia, hence will further enhance existing human capital competency. The objectives of this study were to understand the perception of the employees throughout the specified company. By understanding the employee perception, it is believe that it can help the management to review the state of knowledge management in water industry, illustrate how knowledge management might be used in a drinking water utility, review how knowledge management is being applied and develop knowledge management implementation system for a drinking water utility in Johor.

The research has following objectives ;

1. To analyze SAJH's employees perception and level of understanding towards the practice of knowledge management.

2. To analyze the support factors for SAJH's employee to contribute in knowledge management practice.

3. To analyze available KM facilities whether it is sufficient and suitable to support the practice of Knowledge Management in SAJH.

4. To understand the relations between level of employee awareness and understanding on KM and the level of employee corroborative, knowledge sharing involvement and behavior adjustment towards the practice of KM.

5. What is the SAJH's employee level of corroborative towards the practice of KM.

6. What is the level of SAJH's employee involvement in knowledge sharing

7. What is SAJH's employee level of behavioral adjustment towards the practice of KM.

1.6   Scope of the study

The research will focus on SAJH's employee perception towards the practice of knowledge management from all departments with excluded of managerial level throughout the state of Johor, Malaysia. Issue pertaining to the questionnaire in this research will base on water industry in Johor only which related to knowledge management in SAJH. However, analyzing the significant impact of practice of KM in the selected organization is not a part of the research objective and totally excluded in

this study. Since KM is the continuous event, research will only consider current KM initiative and program established / conducted by the respective organization in relation to understand employee perception towards the practice of KM. Any data derived from employee perception towards initiative or program that has been plan but yet to be implemented will not be taken as source of data.

1.7   Significant of the study

This study should be able to provide SAJH with some indication on the working environment of the employee as to wheather they will support the practice of knowledge management in the organization. This study will produce useful data for other water utility company in Malaysia to aware of the constraints and benefits if they were to manage knowledge in their organization. In addition, this study also important for the selected organization's management to understand the behavior among the employee towards the implementation and practicing of knowledge management. From this research, management will able to determine suitable action that important to getting KM inline with employee expectation. Management also may able to tackle important issue related to the KM success factors to encourage knowledgemanagement practice in the organization.

This research also important to the employee since they will able to use the perception study as a channel to inform management on their perception of KM, as a channels to freely gives opinion on matter related to KM and enhance employees participation in KM program. Moreover, correct decision from the perception research results may enhance employee's participation in KM program and by that, indirectly employee will aware of management effort and seriousness in implementing KM

Despite of that, understanding employee perception will increase employee's acceptance and involvement in KM thus enhancing KM in SAJH. These situations will resultant to the increment of SAJH's human resource competency. Indirectly, other

parties such as Johor's resident and stakeholder will benefit from the successful KM implementation in SAJH. On top of that, research conducted expected to generate results which useful for both organization and employee. The research results should able to assist management to understand in dept of employee's expectation on the knowledge management program. Despite that, this research is also expected to help the management to understand pattern of behavioral among the employees thus addressing the factor that will improve employees' contributions to KM. Furthermore, this research should able to give some indication to the management on which area that they should focus in implementing KM and provide management with accurate information to establish suitable enable in stimulating KM culture.

1.8   Limitation of the study

Study on employee perception on KM have significant limitation. The study will only focus on the organization of SAJH : its staff and their internal culture. Therefore, the findings cannot be generalized as the same situation that would happen at other water utility company practicing KM. In addition, data and information on employee perception from other water utility company also not applicable to be used accordingly in this research as different entity have their own internal culture.

There will be a constraint where in certain case employee cannot be reach as huge area of selected company operational coverage. Employee feed back may also influence by personel emotional since there are no initial explaination to justify the benefits of this study to the respondent prior the survey. This study is also limited to non-managerial level employee, hence limits the research results applicable to employee in non-managerial position only as this study only focus to designated respondent who are not involve in any decision making and policy settting.

This study has been carried out within August 2008 to April 2009 where there are lot of major festival during this period such as Hari Raya Aidilfitri, Hari Raya Aidiladha, Deepavali, Christmas and Chinese New Year. Since SAJH involves in supplying critical utilities to Johorean, the organization should focus on delivering the services without lefting human resource development program includings KM. Therefore, there will be several important event in water industry as to cater customer needs in each festival and become the limitation and challanges in research activites conducted, thus, diverting people attention and concentration on the survey.

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