

A Case Study:
How a Small Firm Can Embrace Knowledge Management Practices to Foster Change

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Generic Door Company (GDC) is one of the largest distributors of doors, frames and architectural hardware in Quebec and eastern Ontario. While a not particularly well known field, as anyone who has ever entered a building knows, doors must be perceived to function seamlessly. To accomplish this is no easy task. Veterans of the industry often joke that while doors, frames and hardware make up only 2 percent of a construction project's total cost, they account for 98 percent of the headaches. It takes years to come to a base level of understanding of the industry. Therefore, it is extremely important to train and retain employees.

Operating in field of doors, frames and hardware affords GDC a unique set of challenges, some of which are mitigated while others intensified by the fact the company is a relatively small, family-run firm. Challenges faced by GDC include: hiring and retention of new employees in a highly esoteric field, upgrading of skills in long term employees, and issues facing the sharing of knowledge throughout the firm. The following topics in knowledge management can address these challenges: competencies, knowledge sharing, and how a firm's culture can be leveraged to promote employee retention and skills upgrades in current employees.

To succeed, the company can address these challenges through the lens of knowledge management. First, an exploration of the challenges GDC faces at present will be presented, followed by an in-depth review of the aforementioned knowledge management topics as each applies to the unique situation in which GDC finds itself.

In regards to the challenges faced by GDC, the upgrade in skills of the current workforce is the most urgent challenge at this time. The company is in the opening

stages of a generational shift from the founder, his staff and best practices to the founder's son who is looking to take the company into the 21st century. With this change in management the need for modernizing the workflows of all employees has become apparent. At the time of writing, much of the work completed in order for employees to meet their job descriptions is done by hand. This work includes shop drawings, estimates, price requests and other material viewed by clients as well as suppliers. While everyone in the company has a computer, these are generally used for email and the printing of documents.

As a company, GDC has existed for over 30 years. Many of the current employees have been with the company since its inception while most have been there for ten years or longer. There are clear advantages to this situation – this loyalty reflects well on the company's treatment of its workforce and gives an unbelievable amount of stability and tacit knowledge to the company, giving them an experienced pool of talent to deliver projects on time and on budget.

However, much of this workforce is close to or over the age of 50 and have been victims of a "success trap" (Askvik & Espedal, 2002) which predates the internet. Many lack basic computer skills and keep much of their work in their head causing the feeling that "work overextends them and there is no time" (Grillitsch, Muller-Stingl, & Neumann, 2007). As a result, when these valuable employees are away from the office it is nearly impossible for anyone to take over or for collaboration to occur. GDC must protect itself from a situation where one or more of these employees becomes sick or leaves the firm since, as noted by the Nobscot Corporation, "reducing the risk of loss of key skills and knowledge" is of the utmost

importance for a company while having more than one person with the skills to complete a task can help to “reduce the load on the key employees” (as cited in Peariasamy & Mansor, 2008, p. 92).

With thousands of dollars worth of computer hardware and software in each employee’s office, these tools largely sit unused. Common contact lists are non-existent, which hinders the workforce’s ability to easily follow up on leads, chase clients and find solutions to unique challenges posed by each new project. Product information and price lists are difficult to find, often requiring consultation with a senior employee to locate. All too often this information is found in a book in someone else’s office, through a long, arduous search online or days later when a different, absent employee returns to the office. Also, project folders containing hundreds of pages of correspondence, including purchase and change orders go missing only to be found after hours or even days of searching. And finally, suppliers and clients have started to complain that a portion of the work they receive is completed by hand, looking unprofessional. In all, the company has a highly knowledgeable staff, but lacks the flexibility to meet the new demands coming from its ecosystem. This must be addressed in order for GDC to take the next step in its evolution.

The hiring and retention of new employees is the next most urgent issue facing GDC. With its current workforce already firmly established, a new roster must be hired with the skills to use the IT tools available to meet the demands of the industry. As mentioned above, the current roster of employees has plenty of experience. This group was hired as friends or family to work for the company.

Outside hires – those who were hired by the company’s HR firm - do not often stay with the company more than a couple of years. This has aided in the stratification of the workforce. To be successful in meeting its growth targets, GDC must find a way to consistently pair, “the right combination of employee and job” (Meenu, Mikku, & Shishodia, 2012) in order to start keeping these new hires long term. Failure to do so may result in the company becoming irrelevant in the future as the current roster either retires or leaves for new challenges elsewhere.

Now, we come to the most important challenge facing GDC today, that of knowledge sharing and the company’s culture. The company faces challenges such as: building trust between the current workforce and the new management structure, and little to no interaction between the various departments, with each effectively working as “knowledge silos” (Harrington & Voehl, 2007). Typically, employee’s job descriptions do not promote the sharing of knowledge, meaning they act as, “knowledge hubs...exerting undue influence on the supply chain” (Smith, 2009). There has even been talk of a closed-door policy which would essentially bar anyone looking for an answer or help on a specific issue from asking the expert on hand outside of tightly restricted period of time each day.

So how does GDC address these challenges? The company must address the issue of culture first. In the article, *Culture and Trust in Fostering Knowledge-Sharing*, Ling (2011) outlines four different types of workplace cultures: networked, communal, mercenary and fragmented. In a networked culture there is “a high degree of trust” and as such the workforce is “very willing to share information as long as they...(are) given good reasons for doing so”. In a communal culture the

employees work as a group and willingly share as long as there is “a very clear focus on what is needed.” A mercenary culture is one where, “workers are focused in ensuring that tasks are performed” with a focus on “the realistic short-term solutions that deliver value.” And finally, a fragmented culture is one where “workers will tend to work as individuals” and as such management “will need to appeal to the self interest” of the workforce. GDC’s work culture closely matches that of the fragmented culture. Each person has their individual role within the company and often there is little to no need for interaction with others in order to complete these tasks. To compound the situation, GDC is a family-run firm and according to Carrasco-Hernandez and Jimenez-Jimenez (2013) “if a family firm promotes an organizational culture that fosters individual work and productivity...it will not promote the sharing (of) knowledge.”

While not necessarily a bad workplace culture, a fragmented workplace culture requires a concerted effort to build trust between employees as well as between the workforce and management, in order to promote the sharing of knowledge. In aiming to “build (a) relationship of reciprocal exchange” (Ling, 2011), GDC created an Employee Committee in order for workers to get involved in finding solutions for the company which has opened the lines of communication between the workforce and management. In addition to finding solutions for the company, it is the committee’s responsibility to take suggestions from non-members, discuss them and forward these ideas to management as recommendations, if feasible. This sort of initiative on the one hand directly involves employees in guiding the company’s direction, and gives “(f)reedom for an

individual to ask questions without manager scrutiny and peer criticism” (Pugh & Prusak, 2013). One success which has improved the working lives many employees and earned their trust is the adoption of more flexible working hours for those who want or need to work a less standard workday. By involving the workforce in searching for solutions to their own internal workplace challenges, management appears to hope to “enhance the employees’ experience of autonomy, (and) thus positively impact their intrinsic motivation to engage in knowledge sharing” (Foss & Minbaeva, 2009).

As far as building a team, many activities are in place that regularly attempt to foster a team atmosphere, including golf days, company-sponsored dinners several times per year, biannual meetings to discuss the current state of the company and its vision going forward, as well as very generous, family-inclusive, holiday parties on trips to spas and last year, to Cuba. However, these activities are not mandatory and frequently key employees are absent. In order to enhance the team atmosphere, this absenteeism must be addressed. Since the new management structure is trying to establish trust and appreciation with its workforce, they must take the time at these events to “establish a compelling reason” (Peariasamy & Mansor, 2008) for the current roster of employees to embrace their vision. Doing so will jump start the sharing of knowledge and help everyone to work together in this new pursuit. It is imperative all employees understand “the importance of sharing knowledge to the organization and to themselves” (Peariasamy & Mansor, 2008).

Another tactic management can take to enhance the sharing of knowledge is building into the job descriptions of the current roster a requirement for knowledge

sharing. According to Meenu, Mikku, & Shishodia (2012), “(c)oaching and mentoring should be promoted,” to encourage knowledge sharing in the workplace and successfully integrate any new employees hired in the future. This is the best way to ensure the “intrinsic motivation” (Foss & Minbaeva, 2009) to share knowledge becomes entrenched in the reformed culture so new, ideal potential hires can be shaped into ideal employees with a long career in the company.

There will be resistance to this sort of change, because, as noted by Feher (2004), “(e)mployees...have to give up the usual processes of work and behavior, and they have to form a new personal contract with the organization.” However, for the current roster of employees, they face little choice but to adapt as these plans are already in motion. Management has started the implementation of IT services to assist in the creation of estimates and shop drawings as well as the creation of a company-specific ERP. These pieces of software are intended to address the issues of systematizing diverse workflows, creating and condensing contact lists and improving an individual’s ability in retrieving necessary data such as price lists, digital project folders and contact lists.

Whether the workforce likes it or not, management is in the process of prying them loose from their collective “success trap” (Askvik & Espedal, 2002) and teaching them to run again, with considerations given to their new skills and old tacit knowledge. Management would be wise to involve as many of the stakeholders as possible in this process of change so they, “understand the reasons and possibilities” (Feher, 2004) of this evolution instead of only fearing the prospect of change.

In implementing IT solutions, GDC is acknowledging Gurteen’s opinion that, “(t)echnology plays a crucial transformational role and is a key part of changing the corporate culture to a knowledge sharing one,” (as cited in Peariasamy & Mansor, 2008, p. 95). The company must build on the trust and goodwill of its workforce and involve them in the implementation of the IT solutions from the beginning in order to ensure the success of this endeavour. Feher (2004) notes, “(t)o involve employees, the role of fair communication and trust increases, and by achieving the support of employees, culture is more likely to change.” Especially in a company with such an esoteric field of knowledge, leveraging the existing skills in evaluating and implementing the IT solutions is absolutely necessary as GDC will be able to quickly evaluate problems with the new systems as they appear and smooth this transition.

The success of the implementation of these IT solutions will also partially address GDC’s problems regarding the possibility of losing employees to retirement or resignation. While an IT solution will not solve all of the problems related to losing an experienced employee, “using a common technology platform” (Pugh & Prusak, 2013) will certainly ease the transition as everyone will now be working with the same tools and in the same workflow. These IT solutions will help to preserve some of GDC’s “intellectual capital by making it tangible” (Devane & Wilson, 2009). In the short term, the existing workforce will have to work together in figuring out how these IT solutions work with the result being that the team will be brought closer together. The seeds will already be planted for a culture of knowledge sharing to take root once the IT solutions are integrated.

Once these IT solutions have been incorporated into the working lives of the current roster, it will be an opportune time for management to begin a new phase of hiring using competency models for identifying those who might be best suited for the company. In the interest of the company's longevity, GDC must begin hiring and retaining more younger employees who can be groomed into central roles in the company. In order to do this correctly, GDC will need to do a "competency analysis" consisting of the following four steps: "workforce planning...sourcing, recruitment and selection...(c)areer planning and development...and performance management" (Meenu, Mikku, & Shishodia, 2012). Competencies must be identified for each position within the company since "(c)ompetencies act like a bridge to connect...job requirements with the desired skill set" (Meenu, Mikku, & Shishodia, 2012) of an employee. Also requiring definition are those competencies which will require training in-house, such as those requiring industry specific knowledge versus those skills a potential hire must have in order to mesh with the organizational culture and IT tools now found within the company.

Regardless of the outcome of the "competency analysis" (Meenu, Mikku, & Shishodia, 2012), a new hire must be able to quickly understand how to use new IT tools in his or her work. Being able to translate that understanding to the established workforce at GDC will be a valuable asset. When GDC revises the job descriptions of its current workforce, their current workload should be revised so a portion of their current workload is given to a very new hire within the company who will operate under their supervision. This established employee will be

expected to mentor the new hire so he or she “learns everything that is required in the job” (Peariasamy & Mansor, 2008).

The new hire will be expected to do this work with the new tools available and support the established employee in completing his or her workload, as well as providing assistance to the senior employee in developing his or her own skills with the new IT solutions. In bringing the older and younger generations together to achieve a common goal in this manner, the management structure can ensure that a team-based atmosphere will be promoted as both the older and younger generations are forced to work together and assist each other, providing help when their specific skill set is required. Over time, the hope is that “any disparity of trust between the two individuals” (Bircham, 2003) will dissipate and a true culture of knowledge sharing will be created, one that is loaded with employees who are “intrinsically motivated” (Foss & Minbaeva, 2009) to share knowledge. Later, these new hires will no longer be so new, can be spun off to work on their own and train a new group of employees or transferred to new offices as the company expands.

In incorporating a mentoring program at GDC, the issue of retention should become less urgent. By matching a new hire with an established employee, a bond between the two will be forged as well as, in turn, a bond with the company. At present, new hires are relegated to offices to figure out their own workflows and rarely know who to ask for help or even the right question to ask. They rarely get a chance to increase their “absorptive capacity” (Bircham, 2003) and are treated as a nuisance by the senior staff who do not have the time to help them. This sink or swim attitude can be infuriating and more often than not results in new hires

leaving or being let go after their probationary period, which does both these potential employees and the company a disservice.

In summary, to address the issues of skills upgrades, GDC has purchased new software tools and now must provide its senior staff the training necessary to get this successful yet behind-the-times group up to speed quickly. In order to accomplish this, management must involve the current workforce as much as possible in the implementation phase of these new tools.

Regarding employee retention, GDC offers extrinsic benefits such as staggered working hours and many team-building activities. Management must also start changing its expectations of the workforce and express this to the group in a way that is well received so they become more collaborative and in turn share more knowledge.

The change in culture of the office is the most important and most challenging facing management today. Thus far, GDC has opened a dialogue with its workforce with the Employee Committee, offers generous and frequent opportunities to come together as a team, implemented staggered working hours for those who need it and purchased new software to streamline workflows and create common pools of retrievable knowledge. However, in order to facilitate this change even more effectively, management should start a mentoring program, thereby rejecting the notion of a closed-door policy and modify job descriptions to promote knowledge sharing.

Throughout this process of change, management at GDC must be aware they are asking their workforce to change their “daily routine, behavior...processes and

organizational structures” and as such need an approach which integrates both the “technological and social sides” (Feher, 2004). During this transition away from a fragmented culture, management must be cautious to retain and build on the trust of its current workforce while creating a communal or networked culture that can absorb new talent and allow it to evolve and meet the demands of the industry.

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