Preface

A key question in the Strategic Management field is why some companies gain a long-term competitive advantage and others do not. One view focuses on internal resources and capabilities as sources of sustained competitive advantage for companies. This view is called “the resource and capabilities theory of the firm.” In addition, the knowledge-based view of the firm considers the firm as a repository of knowledge-based resources and capabilities (Bloodgood, 2014). To the extent that these resources and capabilities meet the following features—unique, rare, difficult-to-imitate, and non-substitutable—they confer a long competitive advantage on the firm. These views suggest that organizational performance differences are a result of different knowledge-based resources and capabilities (Crook, et al., 2008; Dörfler, 2010; Peteraf & Barney, 2003).

The emerging field of intellectual capital focuses on the measurement of knowledge in companies, organizations, nations, and regions. Intellectual capital is integrated by three subcontructs: human capital, relational capital, and structural capital. Human capital is formed by the skills and knowledge of the company’s employees. The scope of human capital is internal and resides in the mind of the employee, which makes it difficult to codify. Relational capital refers to the flows of knowledge between individuals within a network and, therefore, includes the knowledge present in the relationships established with the environment. Finally, structural capital represents the knowledge that remains behind in the company when the employees have finished their working day; in other words, it is that knowledge that does not depend on certain individuals or specific relationships but belongs to the company (Ordóñez de Pablos, 2012; Ordóñez de Pablos, Tennyson, & Zhao, 2013).

The intellectual capital literature also studies the development of guidelines for the building of “intellectual capital accounts,” a corporate report about firms’ knowledge-based resources.

The goal of this book is to be an international platform to bring together academics, researchers, lecturers, decision makers, policymakers, and practitioners to share new theories, research findings, and case studies in order to enhance understanding and collaboration in issues of knowledge management and human resource management. Managers must know what knowledge types exist in their organizations and where these are located. Therefore, it is necessary to measure the existing intellectual capital within companies, draw up organizational knowledge maps, and compile intellectual capital reports.

This books presents a collection of 17 chapters that address key topics for managers, academics, students, and general readers: economic development of nations and regions, knowledge management theory, human resource policies, intellectual capital (human capital, relational capital, structural capital), and innovation and organizational learning, among others.

Chapter 1, “A Descriptive Study of Intellectual Capital in SMEs Operating in Electrical and Electronics Manufacturing Sector in Malaysia,” tries to find the existence of the components of intellectual
capital in SMEs operating in the electrical and electronics manufacturing sector in Malaysia. To find the objective of this study, a valid research instrument was established to conduct a survey of 237 from 77 SMEs operating in Penang and Selangor. A descriptive statistical analysis was conducted to explore the existence of the six components of intellectual capital, namely human capital, customer capital, structural capital, social capital, technological capital, and spiritual capital in SMEs operating in the electrical and electronics manufacturing sector. The results reveal that the respondents of Malaysian SMEs perceive that the six components of intellectual capital play a pivotal role in competitive advantage and superior performance.

Chapter 2, “Trust-Based Knowledge Management System Building,” states that the literature of management today, and indeed management in practice as well, now takes seriously those very issues that have been discussed in knowledge management for several years. One such issue is the challenge involved in adopting a contemporary and conscious company leadership style. The challenge means recognising the growing value of human resources and incorporating the benefits of its intellectual activity into company practice. Whether management chooses to undertake or ignore this task plays a pivotal role in the increase or decrease of a company’s competitiveness and value.

Chapter 3, “Knowledge Assets Management in the Energy Industry: A Systematic Literature Review,” examines the state-of-the-art of Knowledge Assets Management (KAM) in the energy industry, reviewing both the literature and the practice of KAM initiatives. Particular attention is provided to the renewable energy sector and to the Small and Medium Enterprises (SMEs). It emerges that most of the literature is focused on big companies and little attention is paid to the renewable energy sector. It emerges that some organizations, especially in the oil industry, are seen as leaders in KM practice. On the other hand, SMEs operating in the renewable energy industry are not aware of the relevance of KAM and then do not address explicitly KAM initiatives or projects. The research reveals that small firms do indeed manage knowledge assets informally as part of their normal activities, without using the terminology and concepts of knowledge management discipline.

Chapter 4, “Self-Organization as a Perspective for Organizational Learning: A New Role for Learning Practitioners,” introduces the perspective of self-organization for organizational learning. Using the perspective of organizations as actor networks in which common activities are established through the connected behaviour of individual actors, it argues that organizational learning entails altered and different behaviour on the part of actors, leading to alterations in the ways in which individual behaviour is interconnected. Organizational learning is fuelled by ambiguity perceived by the organization’s actors who try to make “sense” of their surroundings, when they observe it, grapple with it, grasp it, and manipulate it. In this chapter, the author elaborates on the implications of this perspective for organizational learning and the learning practitioner in the role of leader.

Chapter 5, “How Does the Hierarchical Management System Influence the Climate of Creativity in Chinese University Laboratories?” aims to investigate how the Chinese hierarchical management system influences the climate of creativity in university laboratories. A questionnaire (Creative Climate Questionnaire, CCQ) survey was carried out with 25 laboratories (126 participants) at 7 universities in Northeastern China. The comparative study reveals both the advantages and disadvantages of the hierarchical management system for creativity in university laboratories. To some extent, the hierarchical system stimulates different levels of laboratories to shape different collective objectives and goals, and it increases the synergy of the creative abilities of group members in laboratories. However, the uniform model of “hard resource distribution” regulated by the hierarchical system cannot meet the diverse needs for the development of creativity in university laboratories.
Chapter 6, “Human Capital and External Knowledge Acquisition in Nonprofit Organizations: Facilitating Strategic Advantage during an Economic Crisis,” proposes that Human Capital (HC) is defined as the human knowledge and knowing capability that an organization possesses that provide a competitive edge to the organization in the market. Organizational members’ tacit knowledge, abilities, and skills to sense and understand the needs of external stakeholders, and constantly interact appropriately with the stakeholders for the benefits of their organizations, can be seen as a unique set of HC. External knowledge can be acquired through HC for strategic advantage and renewal. A review of the literature and a series of semi-structured in-depth interviews with 15 nonprofit members from 7 Australian NPOs reveal that there is a strong link between HC and external knowledge acquisition. This chapter argues that a better understanding of the relationship between HC and external knowledge acquisition is necessary if knowledge management, organizational learning, and an intellectual capital-view of the firm are to be fully integrated.

Chapter 7, “Knowledge Sharing Barriers in Procurement: Case of a Finnish-Based Construction Company,” introduces knowledge management as a means to analyse the process of knowledge sharing in organisations, specifically knowledge-sharing barriers faced by companies in procurement on the level of an individual employee, as well as at the level of an organisation. It argues that at the individual level knowledge sharing process is frequently hoarded by internal resistance, lack of trust, insufficient motivation, gap in awareness and knowledge, and at the organizational level, by bureaucracy and hierarchy, paradigm incoherency, lack or organisational reciprocity, absence of common legitimate language, organisational and national cultures, competition between the business units and departments, poor communication infrastructure, and localization.

Chapter 8, “Intellectual Capital Measurement and Reporting Models,” provides a critical review of 28 IC measurement models. To achieve this objective, the chapter partially adopts Sveiby’s suggested classification scheme for categorizing the existing measurement models. The classification will enable the reader to uncover the common attributes of each model and to contrast the dissimilarities.

Chapter 9, “Strategic Tacit Knowledge-based Competitiveness,” by using the resource-based view as a theoretical framework, explains the internal sources of competitiveness in Tunisian firms operating in the industry of Information Communication and Technology (ICT). In other words, how do firms within this industry build their competitive advantage and performance? Based on the results of the academic research undertaken in 2012 on a sample of 209 Tunisian ICT firms, the authors explain how strategic tacit knowledge (seen as strategic resource) allows the firms to gain a sustainable competitive advantage and superior performance. In addition, it provides researchers with an empirical method to operationalize tacit knowledge appropriately, as well as competitive advantage and performance. It also focuses on the exploration of the relationship between these three variables, demonstrating that competitive advantage mediates the impact of tacit knowledge on performance. Finally, this chapter is considered an attempt to respond to criticism formulated against the resource-based view.

Chapter 10, “Developing a Framework of Human Resource Management, Organizational Learning, Knowledge Management Capability, and Organizational Performance,” introduces the framework and the practical concepts of Human Resource Management (HRM), organizational learning, Knowledge Management Capability (KMC), and organizational performance. This chapter also explains the role of HRM, organizational learning, and KMC on organizational performance. The developed framework presents the relationship among the constructs (i.e., HRM, organizational learning, KMC, and organizational performance) and contributes toward a better understanding of the specific mechanisms through which HRM, organizational learning, and KMC positively influence organizational performance. HRM
effectively acts as a trigger toward effective organizational learning and KMC processes, thus creating a valuable organizational performance. Organizational performance that can usually help to perform a task in an integrated manner is a source of sustainable competitive advantage. Understanding the role of HRM, organizational learning, KMC, and organizational performance through the framework will significantly enhance the organizational performance and achieve business goals in the modern business world.

Chapter 11, “How to Capitalize Knowledge within Online Communities: An Approach Based on the SECI Model and an Empirical Method of Questioning,” proposes that social media has become a rising trend, creating new ways of collaboration, competition, and interaction between people, such as creation exchange and sharing of ideas and knowledge. However, one of the problems encountered is the organization of the knowledge capitalization process in order to facilitate knowledge access and reuse. The authors focus in this chapter on online communities and how they try to help their members to capitalize their knowledge. The authors propose a model for knowledge creation based on both the Nonaka’s SECI model and an empirical model of questioning called the six Ws (Who, What, Where, When, Why, and How). A case study related to a higher education community made up of teachers in computer science is presented, and the main results are discussed.

Chapter 12, “Knowledge Management for the Development of a Smart Tourist Destination: The Possible Repositioning of Prato,” presents, through a case analysis, the linking between knowledge management and the development of a smart tourist destination. The case here proposed, concerning the city of Prato, is an experimental project of the Region of Tuscany referring NECSTouR model (www.necestour.eu) for the implementation of a Tourism Observatory for competitiveness and sustainability of the destination. The aim of this chapter is to demonstrate how the Tourism Destination Observatory (TDO) is a knowledge management tool for the further development of tourism in this area, and how this could act as a driving force for the creation of a smart city. The methodology includes an original set of indicators on the sustainability and the competitiveness of tourist destinations, in a perspective of integrated and complementary measurements between tourist destination sustainability and city smartness. This may be a starting point for local government process.

Chapter 13, “The Quest for Economic Recovery: Innovative Development and KM Perspectives,” states that most organizations respond to an economic crisis by focusing on operational efficiency and/or on intellectual capital utilization and innovation. The conjecture is that intellectual capital confers distinct competitive advantage to an enterprise via knowledge management and knowledge spillovers and improved innovation capacity. Despite mixed empirical evidence to support this claim, intellectual capital and knowledge management remain at the forefront of an organization’s agenda during an economic downturn. Recent surveys from the field indicate some dissatisfaction with practical knowledge management. These findings are difficult to interpret because at the same time organizations appear to adopt the position that management of knowledge resources is extremely important from a strategic perspective. The objective of this chapter is to provide some new perspectives on what drives success in the knowledge economy and to demonstrate how knowledge management is the ideal response to the challenge of innovation.

Chapter 14, “Drivers of Innovation,” proposes that innovation helps organizations to grow. Growth, though measured in turnover and profit, can also occur in knowledge, experience, efficiency, and quality. Innovation is the process of making changes to existing, and it can be radical or incremental, applied to products, processes, or services. It can happen at all levels, from management teams to departments to individual. Various factors encourage and drive an organization to innovate. Each of these drivers
demands continuity and learning. These drivers create a sense of urgency to create new organizational goals and generate new ideas for meeting these goals. The term innovation is often associated with products, but can also occur in processes that make products, services, or deliver products and services, including intangibles. This chapter focuses on innovation in the organizational context, describes concepts underlying innovation, and tries to understand the core of the innovation process: what drives innovation in organizations.

Chapter 15, “Influences of Factors of Human Resources for Innovation in Services Companies,” aims to understand how human factors influence and contribute to have an organizational climate conducive to creativity and innovation in service companies. The chapter also proposes an analytical framework to assess the influence of human resources, and understanding how they contribute to that has a climate conducive to innovation. The proposed methodology is the multiple case study and qualitative research in Brazilian companies. The analyses and discussions identify that conducting innovative decentralized actions may harm the process, and efficient management practices, such as the use of collaborative work, skills assessment, and identification of technology trends, assist in the innovation process.

Chapter 16, “SME Succession Planning and Knowledge Loss Assessment,” proposes that the aging workforce will soon lead to a number of retirements in Small and Medium-Sized Enterprises (SMEs) that cannot be compensated for by the decreasing pool of succeeding individuals. Consequently, SMEs need to find ways to cope with the demographic challenge and its possible consequences. Otherwise, its capability to act is at risk in situations when critical staff is leaving. This clearly illustrates the need for a proper succession planning. One that takes into consideration the knowledge at stake. The aim of this chapter is to draw attention to the danger of knowledge loss as a consequence of an aging workforce and to discuss three approaches SMEs can use to better understand the knowledge at risk. Set against the importance of SMEs in most of the world, the study’s results provide relevant insights into how to cope with knowledge at risk in order to secure the firms’ survivability.

Chapter 17, “Improvement of Organizational Knowledge Transfer through Integration of Functional Silos in Smart Network: Case Study of Public Enterprises,” analyzes the possibility for improving inter-organizational knowledge transfer in the public sector by implementing adequate organizational change through analysis of public enterprises in one European capital. The structure of public enterprises is often fragmented in groups of specialized companies. Internal organizational models of particular companies are most often functional organizational structure models. Functional organizations are characterized by formation of organizational silos, where knowledge, power, and information can often be trapped and secluded from other parts of organization, among other structural weaknesses. Further, isolated structures exist not only on the level of functions within single organizations but also between different public companies in the same municipality, in spite of common ownership. Thus, knowledge transfer is restrained, not just among functions in individual organizations, but also on even higher levels, among different companies. The main purpose of this chapter is to describe how introduction of smarter, networked organizational forms can reduce these barriers and enable knowledge transfer.

Patricia Ordoñez de Pablos
University of Oviedo, Spain

Lluis Jovell Turró
Universidad Autónoma de Barcelona, Spain
Robert D. Tennyson  
University of Minnesota, USA  

Jingyuan Zhao  
University of Toronto, Canada  

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