Knowledge Retention in the Service Industry

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ABSTRACT

Currently, the challenge for researchers and managers in the area of knowledge management is to study methods and models that promote and facilitate the acquisition, retention, distribution and utilization of knowledge by individuals and groups of organizations. The main objective of this paper is to analyze how a company that operates in multi-site service sector is organized internally in order to retain the acquired knowledge. The research strategy used is the simple case study, applied in a large multinational company. The findings points out that the service providing organizations should focus their knowledge retention process in a specific department toward this goal. This department has the task of identifying and registering the best practices and learned lessons among all the employees working on different clients in databases, in addition, to promote the integration of these employees in order to promote the distribution of tacit knowledge.

KEYWORDS

Knowledge Management, Knowledge Retention, Knowledge Retrieval, Network Structure, Service Provider

1. INTRODUCTION

Knowledge management (KM) is not a new issue and currently there are several models and methodologies toward this purpose. In contrast, the specific disciplines surrounding the theme KM still require much development by researchers (Durst and Edvardsson, 2012).

The knowledge retention and distribution can be considered key sub disciplines related to KM process. The importance of retention and distribution of knowledge is due to the fact that the knowledge loss can reduce the competitive advantage and put an organization into economic difficulties (Jennex, 2014; Jennex and Durcikova (2013); Martins and Meyer, 2012; Arif et al., 2009). According to Jennex (2014) and Jennex and Durcikova (2013), organizations lose knowledge through the loss of knowledge workers, the failure to capture the knowledge, the failure to build the repository of knowledge, either through human or electronic storage.

It is a consensus in research on knowledge retention that the exit of employees in an organization can lead to the loss of organizational knowledge (Jennex, 2014; Jennex and Durcikova (2013). DeLong and Davenport (2003) point out that a high level of turnover within an organization can generate an “operational and institutional amnesia imperil”. Furthermore, the condition of the aging society and workforce retirement can lead organizations lose some of the specific job knowledge (Nicholson, 2008). Since organizations cannot afford to lose expert knowledge, they need to find ways of retaining the knowledge in the minds of people inside the organization. If knowledge is not
retained organizations are not able to learn from past experiences, having to continually reinvent (MCadam et al., 2012; Du Plessis, 2003).

The service companies, in turn, are characterized as knowledge-intensive companies. Thus, the employee’s knowledge and skills stand out even more on any other organizational asset (MCadam et al., 2012; Evanschitzky et al., 2007). Not all necessary knowledge to provide a service can be developed and accumulated in a single firm (Edvardsson and Oskarsson, 2011). In each site provision of service are developed a lot of knowledge and expertise. When the organization fails to manage this knowledge, diluted among several sites, it becomes less competitive and loses a significant portion of its assets.

The literature review revealed that little research has been conducted in the area of organizational knowledge retention and distribution in the service area with a focus on individual, team and organizational model for knowledge retention and distribution. Several studies dealing with this theme are focused on information technology (IT), focusing on the explicit knowledge of the organization. However, studies about KM should be sensitive to the fact that tacit knowledge is more difficult to imitate, is capable of generating competitive advantage and cannot be stored in databases (Spender, 1996; Grant, 1996; Nickerson and Zenger, 2004). Thus, the purpose of this paper is to analyze the knowledge retention process in a company that operates in multi-site service sector.

2. LITERATURE REVIEW

2.1. Knowledge Retention

In order to develop a knowledge retention process analysis, it is necessary to define its scope. Knowledge retention consists of three activities: knowledge acquisition, storage, and retrieval (Gonzalez and Martins, 2014; Walsh and Ungson, 1991).

The acquisition is the process within the organization and between organizations that facilitates the creation of tacit and explicit knowledge, from individuals and integrating the organizational level, as well as the identification and absorption of information and knowledge from external sources (Filippini et al., 2012; Huber, 1991). Therefore, this paper assumes that the acquisition is the creation of knowledge within the organization through a learning process and also in the acquisition of external knowledge, originated from the associative action with other organizations, advisors and universities. The creative process within an organization starts from the moment in which knowledge is identified as a solution to a problem (Huang, 2013; Gonzalez and Martins, 2014).

The stage of knowledge storage refers to the process in which knowledge is formally stored in physical memory systems and informally retained as values, standards and beliefs that are associated with the organizational culture and structure (Huang, 2013; Claver et al., 2007; Alavi and Leidner, 2001). Lin (2007) explains that the knowledge storage implies a conversion process involving organization, structure, storage and finally, the combined knowledge to facilitate future use by those concerned. Thus, Information Technology (IT) appears as a key tool in this phase, offering three applications: (1) the coding and sharing of knowledge; (2) the creation of corporate knowledge directories; (3) the creation of knowledge networks (Alavi, Leidner, 2001).

The knowledge retrieval is the process by which new information from different sources is shared and which eventually can drive the creation of new knowledge, and information (Gammelgaard and Ritter, 2005). However, according to Lee & Yang (2000, p. 790), this sharing process requires the organization to mobilize in order to create a ‘sharing environment’: “The most effective way to disseminate knowledge and best practices is through systematic transfer. This is, to create a knowledge sharing environment...”

These three activities have been used to characterize the organizational memory (Huang, 2013; Walsh and Ungson, 1991; Eveleth, 2011; Grant, 1996). Jennex (2014, p. 187) estimates that this organizational memory has two major missions:
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