The Relevance of Intellectual Capital in Shared Service Centres: An Exploratory Research on the Contribution of Three Models from Different Areas of Knowledge

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ABSTRACT

In the context of shared services, considering the intrinsic characteristics of the concepts service and sharing, organizational knowledge can assume different levels of relevance depending on the models adopted, from the most conventional to the most recent models considered as new forms of shared services. These are: Centres of Competence, Centres of Excellence, Centres of Expertise and Technical Centres. According to Nonaka, the creation of new knowledge takes place in a continuous process of transformation of tacit knowledge into explicit knowledge. Marciniak correlates the new models of shared services with the tacit and explicit knowledge. Domingues presents in the SSAM model the concept of intellectual capital as the driving force of innovation and quality service effectiveness. This article, using a qualitative approach and constructivist paradigm, develops exploratory research that aims in new directions and horizons at the confluence of these three models (Nonaka, SSAM and Marciniak) in knowledge management at shared service centres.

KEYWORDS

Centres of Competence, Centres of Excellence, Centres of Expertise, Intellectual Capital, Knowledge-based Economies, Organizational Knowledge Management, Shared Services Model, SSAM, Technical Centres

RESEARCH CONTEXT

In an environment characterized by competitiveness, innovation and permanent change, Knowledge and Knowledge Management (KM) define, more than ever, whether an organization is headed for success or failure (Leliaert, Candries, & Tilmans, 2003).

The progressive transformation of industrial economies into knowledge-based economies forces organizations to focus on managing their knowledge and, consequently, on continuous learning. From the economic perspective, the emergence of new paradigms has brought the development of new organizational realities and new management models. The concept of Shared Services (SS), emerged in the 1980s, is based on a collaborative strategy where selected transversal services, common to several business units of an organization, are concentrated in business units which promote efficiency and effectiveness. The shared services model is based on the optimization of resources (people, capital, time and resources of the organization) to support operations developed by multiple organizational units (such as departments, branches or agencies) that are aggregated in a focused

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unit leading to the eradication of redundancies and inefficiencies and promoting effectiveness. The efficiency resulting from the concentration of the activity comes from the optimization of resources, i.e., the use of technological platforms, information systems, buildings, human resources, and other organizational resources, realizing costs savings. On the other hand, the services’ industrialization, standardization and simplification lead to service specialization and the achievement of economy of scale allowing to obtain efficiency gains. However, shared services do not only translate into efficiency gains but also effectiveness (Bergeron, 2003) and (Schulman, Harmer, Dunleavy & Lusk, 1999). The standardization and reengineering of processes, the service specialization, the knowledge sharing, and the best practices adoption that leads to service quality improvements are related to effectiveness (Schulman et al., 1999).

In this context, knowledge sharing emerges as an allied factor to the improvement of services and processes, internal rules, and the creation of templates and standards. These knowledge assets allow the inclusion of best practices, organizational knowledge and experience that leads to a higher level of organizational maturity as a result of the activation of Deming (2000) chain reaction.

METHODOLOGICAL APPROACH

The present study aims to analyse how three models - Marcinia, SSAM and Nonaka - from distinct areas of knowledge are correlated regarding knowledge management approach in shared service centres.

In order to pursue this research, the work developed follow an exploratory investigation that, according to Raymond Quivy (1998), does not seek to verify hypotheses nor to collect or analyse specific data, but rather to open up avenues for reflection, to extend or define the horizons of reading, becoming aware of the dimensions and aspects of the subject of research. Additionally, this methodology allows to identify false problems, unconscious results of our assumptions or prejudices.

The present work follows a constructivist paradigm, methodologically supported in the construction instead of the verification, following a qualitative approach. Unlike quantitative research, qualitative methods consider the interaction of the researcher with the field and its members as an explicit part of the production of knowledge. The subjectivity of the researcher and the objects studied are part of the research process (Flick, 2014).

In addition, different perspectives of the validity of research according to the paradigm coexist. According to a positivist paradigm, one argues for rigor in the application of the method. However, in a constructivist paradigm, methodological rigor is not neglected, it is argued that it is not the methods that allow “truth” but rather the processes of interpretation (Lincoln & Guba, 2003).

Following the assumptions presented, based on literature review, accepted theories, published scientific papers and the authors’ experience, a new approach was developed and presented in the area of Organizational Knowledge Management.

KNOWLEDGE AS INTELLECTUAL CAPITAL

In an attempt to operationalize the concept of knowledge management, the academic and professional communities tried to find new concepts to identify and manage the knowledge of the organization. From the management literature, two trends emerge. In one of the most epistemological currents, knowledge is considered as an entity and is based on the discussion of the differences between knowledge and information, where knowledge is interpreted as information subject to a process of interpretation (Penrose, 1959), (Davenport & Prusak, 1998), (Liebowitz & Wright, 1999) and (Cleveland, 1982). The purpose of this approach is to provide managers with meaningful guidelines for implementing knowledge management processes, focusing in the difference between tacit and explicit knowledge (Prusak, 1997). Cleveland focus on information which defines as an intangible resource that is expandable, compressible, replaceable, transportable, diffuse, and shareable. Knowledge
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