

CONCEPTION OF THE CHIEF KNOWLEDGE OFFICER (CKO) POSITION IN POLISH COMPANIES

1. Situation of Knowledge Management Systems in polish companies

In the Knowledge Economy, knowledge is the most valuable asset and the only source of sustainable competitive advantage. Increasingly what organizations know determines the degree of business success.

The question we need to face now is how to turn the vision into reality?

In the year 2004 KPMG consulting company has prepared the survey, which was then implemented in 121 organizations, which have shared their experiences in a field of Knowledge Management. Taking into account knowledge management's importance in modern management and the evolving Polish marketplace, the subject justly deserves a full examination.

In the year 2008 there was another research conducted by KPMG. The main objective of the research was the comparisons of the state of knowledge in polish companies in 2004 vs. state of knowledge of polish companies in 2008. The part of data of KPMG reports have been verified by authors in Polish automotive industrial plants.

The KPMG reports have create 5 groups of awareness of knowledge (see figure 1) in Polish companies:

1. Knowledge Chaotic – There is no connection of strategic objectives of the company with knowledge management. The use of knowledge is accidental and informal.

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2. Knowledge Aware – There are some experimental projects of knowledge management conducted in the company. Managers are aware of the need of more intensive use of knowledge in the company.
3. Knowledge Focused – It is easy to see the connection of procedures and tools used in knowledge management and the profits which the company has.
4. Knowledge Managed – Organization has implemented procedures and tools of knowledge management but still meets technological or the cultural barriers.
5. Knowledge Centric – Knowledge Management is an integral part of operational processes and the knowledge resources have a reflection in the companies' values¹.

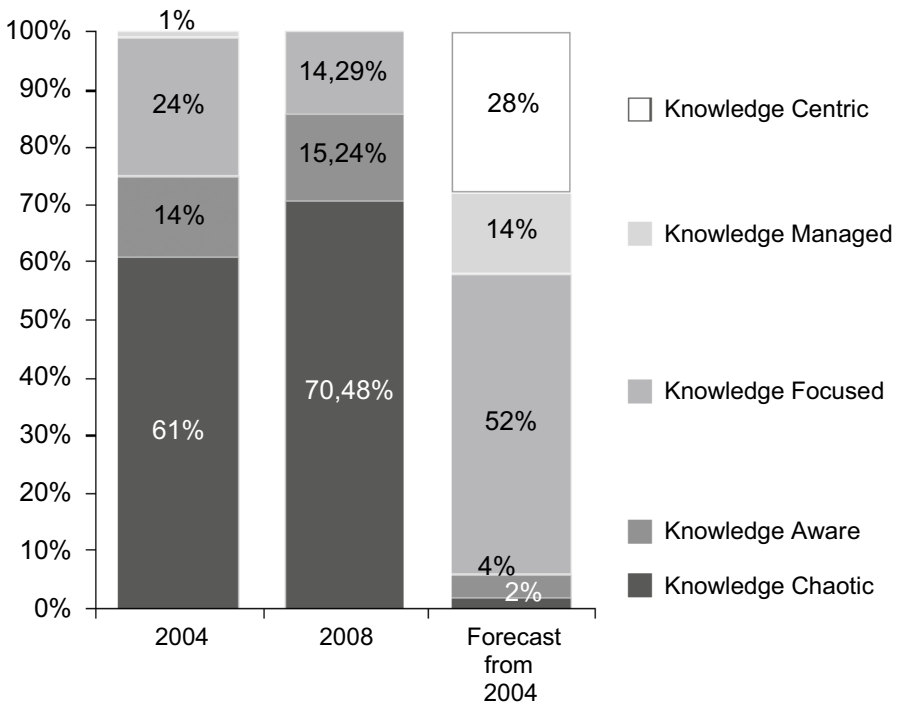


Figure 1. State of knowledge in Polish enterprises in 2004 vs. 2008

Source: elaborated by authors based on KPMG reports.²³

The figure 2 presents the level of implementation of selected Knowledge Management tools in Polish industrial plants.

¹ M. Strojny, *Knowledge Management in Poland 2008*, KPMG Research, Warsaw 2008.

² Ibidem.

³ M. Strojny, *Knowledge Management in Poland 2004*, KPMG Research, Warsaw 2004.

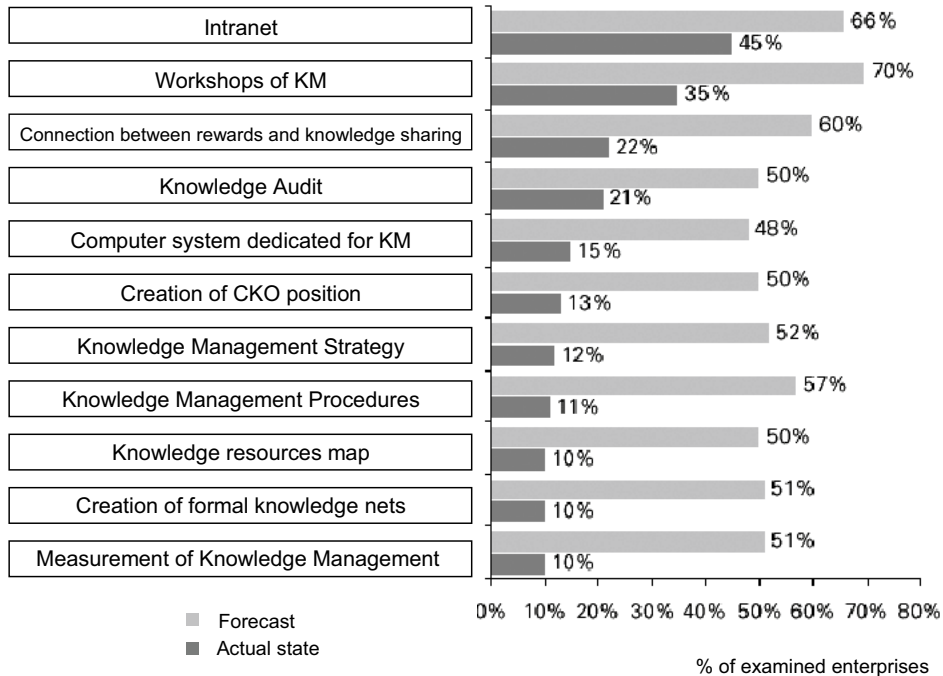


Figure 2. Level of implementation of selected KM tools in polish enterprises in 2008

Source: Source: elaborated by authors based on KPMG reports⁴⁵.

Conclusions:

- Companies, which have implemented the computer system dedicated for KM and KM tools obtain better financial results measured by ROCE in comparison to those companies who haven't done it yet.
- Companies that have implemented KM systems have weighted averages ROCE about 4% higher than the competitors who haven't implemented KM systems.
- The companies who haven't implemented Knowledge Management systems are more sensitive in the connection of actual world economic crisis and its results. It will be also more difficult for them to reach an optimum when the crisis ends.
- Unfortunately over the 5 years after the first research, which was conducted in 2004 by KPMG, the level of Knowledge Management in polish big enterprises didn't improve in 2008, moreover it gets worse.
- Today over 70% of examinee companies located in Poland are in the lowest level of knowledge usage.

⁴ M. Strojny, *Knowledge Management in Poland 2008*, KPMG Research op.cit.,

⁵ M. Strojny, *Knowledge Management in Poland 2004*, KPMG Research, op.cit.,

- The majority of exanimate companies still doesn't have the strategy of knowledge management and any formal praxis and procedures in the scope of knowledge management. Moreover the companies don't use tools dedicated to KM.
- The companies in Poland have quite big costs connected with ineffective way of use of knowledge resources and information's. KPMG estimates that the loses are about 45 000 PLN for one employee per year⁶.

Let see the two examples of polish enterprises, which have already implemented some KM tools, how KM is used in polish enterprises and what should be done to improve knowledge management sharing and knowledge management systems. One of the most important steps of improvements is creation of CKO position in order to improve whole KM system.

2. Knowledge Management in selected company – Company A

First the description of Knowledge Management in Company A, one of the biggest consulting companies in Poland has been done. It will be possible to compare:

- What more could be done to improve Knowledge management systems?
- Is Chief Knowledge Officer position needed?

First step to implement the KM in the Company A was the creation of the strategy, which has allowed making the changes in the organization. KM was implemented to⁷:

- Improve the incomes and profits
- Improve the level of satisfaction by employees

The creation of KM system in the Company A consisted of the following steps:⁸

- Dragging of awareness – showing how important is KM to the company and what can be reached by the implementation. Workshops for the employees to break the defiance's for the change.
- Analysis of needs – Audit of Knowledge
- Strategy – Strategy planning has helped to define the opportunities and treats of implementing the KM
- Initiation – changes in the organization culture and implementation of new technologies connected with KM
- Measurement and Monitoring – of knowledge capital and intellectual capital

⁶ M. Strojny, *Knowledge Management in Poland 2008*, KPMG Research op.cit..

⁷ J. Plichta, J. Nowak, A. Szablowska, P. Klimczak, *Wdrożenie systemu zarządzania wiedzą w na przykładzie KPMG Sp. z o.o.*, Politechnika Warszawska, Warszawa 2007.

⁸ Ibidem.

After two years Company A has created KM system. There were two main functions of this system:

- Conferences – exchange of knowledge and opinions, discussions
- Library – all data about customers, methodology, workshop materials

During the time of changes and implementation of KM there was a problem of opposition of employees to the change:⁹

- Psychological barriers
 - Natural opposition to the change
 - Protection of own business and position and the misgiving of one way sharing of the information
 - Unwilling of having the additional work
 - Limited needs of self – development
 - Lack of initiative
 - Inability of winning the knowledge
 - Lack of courage to share the opinion
 - Anxiety of making a mistake and the consequences of it
 - Lack of courage to ask for a help are advice
- Technical barriers
 - Inability to use new technologies
 - Incomprehensible codification of knowledge and the freedom of interpretation
 - Overwork
- Financial barriers
 - Costs of education

What can be done to avoid all those problems or at least to cut down the consequences of them? During the time of changes, it is very important for the employees to get clear information's what is going on. It is also quite advisable to let people participate in the process of changes. The creation of the position of Chief Knowledge Officer would be very recommended. It should be a person who would be aware of meaning of Knowledge Management but on the other hand this person would prepare the changes in such way to cut down the problems with employees.

Chief Knowledge Officer should be a person who can combine Knowledge Management with Human Resources Management. The role of CKO in the process of changes should be the role of coach, who will help people to understand the problem, who is able to prepare people to change their way of thinking.

CKO should also teach people to share the knowledge and to work in-group. His role is to make the knowledge from tacit to explicit. Also he should be able to estimate the training needs of employees.

⁹ Ibidem.

3. Knowledge Management in Company B

Second company, which was investigated, was the Company B, which is a leading designer and manufacturer of high performance uncooled IR photodetectors and high quality optoelectronic devices¹⁰.

The main competitive advantage of Company B is knowledge because it's product is very complicated. The figure 3 presents the Knowledge Management structure in company B¹¹.

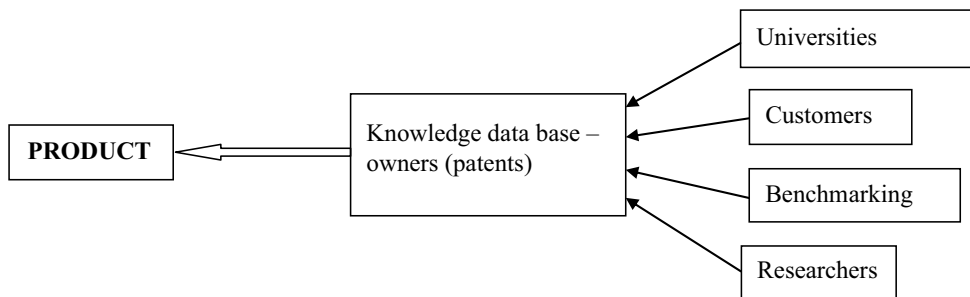


Figure 3. Knowledge Management in Company B

Source: elaborated by authors based on A. Błaszczyk, J. Brdulak, M. Guzik, A. Pawluczuk¹².

It was easy to find the elements of Knowledge Management in Company B, which influence effectiveness of company activity and what comes with Human Resources management. Employees of Company B had much autonomy in their work. It was possible to share a knowledge, ideas about the rationalization of product or technology but it was impossible to store it. All ideas have been discussed on content – related meetings what give an opinion to the employee about his or her ideas. Such system causes creativity of employees. Strategy of the company is always discussed with the employees. Strategies of Knowledge Management in the company have been created on the strategy of whole company. What can be done to improve Knowledge Management Processes in Company B? As in Company A a creation of Knowledge Officer position can be very useful. First of all CKO this time can play a role as coach. For such company as B the most important thing is to have well educated employees, who are willing to develop and share their knowledge. The aim of CKO would

¹⁰ www.vigo.com.pl

¹¹ A. Błaszczyk, J. Brdulak, M. Guzik, A. Pawluczuk, *Zarządzanie wiedzą w polskich przedsiębiorstwach*, Ofic. Wyd. SGH, Warszawa, 2004.

¹² Ibidem.

be to recruit such people, make a good motivation system and then create an information system to store the knowledge of the employees and to stop fluctuation of knowledge.

4. How to improve a Knowledge Management in Companies A and B?

All problems, which were described, can be solved by implementation of Chief Knowledge Officer position in those companies. The leader such as CKO can influence or manage an organization's culture. It isn't easy, and it cannot be done rapidly, but leaders can have an effect on culture and climate. Navas outlines some specific steps CKO can introduce:

- Leaders should pay more attention to form an organizational culture. Where people start to believe that the substance of a recommendation is less important than the way it is presented¹³.

CKO as a leader of the group should show the meaning of Knowledge Management. It is said that, people try to behave in such way as the leaders do. The role of CKO would be to eliminate crisis and to help employees to understand the meaning of Knowledge Management.

- The important role of CKO in Company is deliberate modeling, teaching, and coaching.¹⁴ CKO as a coach has very difficult role to play. Changing mentality is almost impossible and it takes incredibly much time. On the other hand Knowledge Management can be implemented and can develop only if people want to share the knowledge and exchange experience.
- The CKO should design criteria for allocation of rewards and definition of employees status.¹⁵

Criteria for recruitment, selection, promotion, retirement and excommunication. One of the powerful ways of changing an organization's culture and climate is through the type of people brought into, retained, and advanced in the organization.¹⁶

¹³ W.A. Navas, *Strategic Leadership and decision Making*, National Defense University, Washington 2005.

¹⁴ Ibidem.

¹⁵ Ibidem.

¹⁶ Ibidem.

5. The role of Chief Knowledge Officer in polish companies

Polish companies should improve it's Knowledge Management system. The most important point, which should be done is the introduction of the CKO position into the organizational structure in polish companies in order to:

- limit of opposes to the changes
- train people to share the knowledge
- work out the path of training workshops for employees
- coordinate of fluctuation of knowledge
- prepare a system for information storing
- assure a better communication among employees
- increase in innovation, connected with knowledge exchange
- make more effective recruitment process, which is connected with management awareness' about employees needed.
- coordinate of all employees ideas by using CKO position
- increase of employees potential; knowledge of others can lead to new ways of thinking.

It was shown that it is also very useful to find the best position for the CKO in the company structure. An aim of introducing CKO position in the company structure is to give him or her the autonomy. The Board should remember that the CKO is the person who should be incredibly creative, who is open and likes to work with people. The main role in the conception of CKO in polish companies is to gain the knowledge from employees and capture it in the company structure and hopefully it will be done with the time in all companies.

Bibliography

1. A. Błaszczyk, J. Brdulak, M. Guzik, A. Pawluczuk *Zarządzanie wiedzą w polskich przedsiębiorstwach*, Ofic. Wyd. SGH, Warszawa, 2004.
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Abstract

This paper presents the results of investigation of selected problems concerning Knowledge Management implementation and CKO position in different companies. The analysis is a result of several observations in polish enterprises and it has been supported by some information conducted by KPMG consulting company sources. The paper presents also a preliminary proposal of the characteristics of CKO position in polish companies and the role, which he has to play in polish enterprises according to the common organizational culture.

The findings of this research are following:

- b) The most important problems related to KM in polish companies,
- c) The problems related to the conception of CKO position in a company

The limitations presented in this research are following:

- a) Knowledge Management is the concept developed in Western Countries and it seems difficult to implement in polish companies because of the different organizational and social culture of polish enterprises and labor.
- b) The concepts related to Knowledge Management have been frequently misunderstood in polish enterprises because of poor employees training and educational program.

The future research will concentrate on the development of a methodology of implementation of Knowledge Management in polish companies.