

## Knowledge Management System Building on the Basis of Employees' Satisfaction



## Management

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### ABSTRACT

*Most companies have already realized that there is no future without human knowledge, but very few can see the technical requirements with which the acquired knowledge can be retained, shared, developed and used.*

*The elements of knowledge management cycles should not be observed individually; the system approach should be applied and the connections should be taken into account. If we want effective operation, we have to form a knowledge sharing organizational culture, where a trustful atmosphere is given. Also, it is necessary to create motivational and other systems which encourage workers to think and work together and share knowledge in a natural way.*

*This theoretical research summarizes the most important features (their connections and relationships) which are dominant elements of a successful building of a knowledge management system. These elements are shown from a human centred viewpoint.*

### INTRODUCTION

From the point of view of knowledge management, the most important factors of organizational culture are *trust*, *communication* and *learning*. The methods of knowledge transfer should correspond to the corporate and national culture; otherwise these attempts may easily fail (Senge, 1990; Köles, 1999).

What can help to create the aforementioned culture, a natural competition between co-workers? Firstly, common goals and the ensuing cooperative atmosphere are required. (Senge, 1998; Kolb, 1984)

The aim of the learning organization, as well as the knowledge management system, is to mobilize shared or hidden knowledge at the company by using organizational groups. This enables the firm to react to market demands and the movement of the competition in a quicker and more flexible way. As a result, it will produce higher quality with better planning and more effective execution, and the innovation initiative of the firm will increase (Fulmer et al., 1998).

A well-defined, logical *information technology* system (but only one system) is considered to be a supportive background tool for knowledge management systems. Regarding knowledge sharing, the basic aim of information and communication systems is to link all the interested sides. (Szekeres, 2001)

Strategy greatly determines successful organizational operation in any forms of business. A learning organization can choose from at least 6 different strategic possibilities. These strategies can be characterized by their principal foundations, aims, goals, processes, systems, performances and cultures. (Davenport - Prusak, 2001)

Among the expected conditions which form the basis of a knowledge management system (learning organization culture, IT, structure, strategy), the most vital role belongs to the people with their behaviour, human characteristics, reliability and professional competence. In general, we can say that the objective of knowledge management is to form and operate an organizational knowledge base, while it is trying to find answers to 'who, when, where and what form and type of knowledge needs' (Szekeres, 2001). This way, its most important role will be to ensure the competitiveness of the company in a new, knowledge-based economy.

What kind of leadership support is needed from the point of view of human management for building up knowledge management systems that ensure its correspondent operating access, increasing and/or maintenance of competitiveness?

### FROM LEARNING TO THE CHANGE OF LEADERSHIP STYLE Learning - culture - knowledge

The implementations of learning organizational criteria, the

collective organizational culture means the requirements of knowledge management systems' construction.

The establishment of conditions of knowledge within the company - first of all the innovative knowledge - is beyond the operation of a learning organization such as a grounded internal knowledge base that is the condition of permanent development and renewal. As well as the organizational atmosphere (culture) that establishes creativity, the conditions of continuous learning to handle the requirement on a strategic level to the employee satisfaction, thus the reliable quality and the competitive performance of work can be ensured by putting the right person in the right place. (Bencsik, 2007)

It can be stated together with the heading '**self-management**' which appears among the operation conditions of learning organization culture that those people in such organizational conditions who get a chance to accomplish themselves, can produce a higher quality by harmonizing their own imagination with the **organizational goals** that are determinant factors of the **employee satisfaction** at the same time. On the other hand the qualitative products can influence strongly the customer satisfaction as a consequence of the competitive operation. (Bencsik, 2009)

In case of striving for **quality work** (competitiveness criterion) it is about the **change of the management view**, achieving long-term thinking.

This is a permanent learning process, meaning the formation of a learning organization that also supports the continuous quality improvement (Fulmer et al., 1998).

### Satisfaction and emotional intelligence (EQ)

If we look at the characteristics of EQ, we find many similarities on one hand in the aspect of expected management competencies and on the other hand in relation to learning organization and group operation. Goleman mentions 25 factors (Goleman, 1997) which characterize the human features. He classified them into five groups. Each of them can be measured objectively.

To have high EQ in a group, we have to define norms that can be the basis of the **mutual confidence** and **group-spirit**, and the members feel the **supporting power** in the group. If these conditions are unfulfilled, there is still a chance of cooperation and participation, although the team would not be able to operate at optimal effectiveness (Goleman, 2002).

In the continuously sharpening competition, emotional intelligence at the organizational level is a key factor in survival (Bencsik, 2005).

### Satisfaction - EQ - knowledge management

The transformation from any kind of organization to learning

organization does not always run smoothly. But if the transformation runs paired with an enlightened leadership style, leadership competencies at the expected level with the right level of emotional intelligence and also keeping in mind employee satisfaction, then there is a bigger chance for retaining or forming organizational competitiveness. If we still assign all to this, the quality requirements of organizational culture explained at the beginning of the study we will get a full picture of the connection system that lays the foundation of the chance to reach the individual and organizational wishes. Hereby it is the most important guarantee of the thirst for knowledge that is the precondition of learning, development, purposeful leadership behaviour and satisfaction (Bencsik, 2005, 2011).

#### Leadership style - emotional intelligence - competence

Leadership style is such a basic influential factor that supports or, to the contrary, makes impossible the realization of organizational operation mentioned above.

Therefore, changing of leadership style is often needed that carries with it the expectation that **enlightened leadership attitude** should be combined with high-level **emotional intelligence** (Bencsik, 2009). If we look at the characteristics of emotional intelligence, we can find numerous analogies with the characteristics described in service manifestations of human resources during working. These characteristics qualify the susceptibility for knowledge management that lays the foundation of assurance of organizational operation (IQ Consulting, 2003).

We have to consider the possibilities and aptitudes for the judgement of the relationship between leadership style and employee competencies. The starting point is the organizational **human resources management strategy** that contributes to the formation of a knowledge-based economy with the assurance of knowledge-based organizational operation (Gáthy, 2004).

#### FINDINGS - RELATIONSHIPS AMONG THE FACTORS

In connection with employee satisfaction, researchers have created different groups. (Bencsik, 2005; Garvin, 2005) From them we are going to highlight some important categories to illustrate the connection between employee satisfaction and organizational competitiveness. Its background and an ability to work are ensured by learning, learning organization and knowledge management systems.

We list the factors (without completeness) which influence most of all the employee satisfaction and its connection with the steps of a knowledge management system.

- **setting purposes:** identifying with organizational purposes, to accept them without reservation (**determine knowledge purposes**);
- **empathy (sensitivity):** collective interactions, relationship between leaders and employees, to handle colleagues, to solve problems, to handle conflicts (**knowledge identifying**);
- **learning:** possibility to reach knowledge, ensure a continuous development (**knowledge acquiring, knowledge development**);
- **mutual support between colleagues:** knowledge, experience sharing, learning from colleagues, from leaders (**knowledge sharing**);
- **acknowledgement:** efficiency of a motivation system can change performance (**knowledge sharing and supporting**);
- **commitment:** to subordinate personal aims to organizational aims and to approach them to each other more and more, to forgive mistakes, to practice abilities, to use knowledge (**personal and collective learning, knowledge utilization**);
- **trust:** sincere, open, fear free atmosphere, natural communication, obstacle free information flow (**knowledge dissemination/transfer, knowledge utilization**);
- **taking responsibility:** independent decisive ability and to establish possibilities to use them, evaluation of the results

of decisions (**knowledge preservation**);

- **working conditions:** physical fundamentals, technical perfection, supplying with tools (**knowledge storing, knowledge preservation**);
- **acceptance:** utilization of creativity, to respect ideas, proposals (**leaders supporting, knowledge control**);
- **performance appraisal:** expectation - possibility, harmony among conditions, work and process organization at a high level (**knowledge control, evaluation**).

The management has a possibility to mobilize organizational reserves, to undertake measures using strategic planning, organizational changes and management techniques, in order to move the organization in the direction of competitiveness. To realize this management can use information from benchmarks, from the results of satisfaction surveys and can use organizational culture as a basis.

We must not forget that the traditional measurable and calculable indexes which are used to estimate competitiveness can verify the real value of a company only in part because the value of human resource is an invisible category on the balance sheet report of a company. But to miss them in the case of performance estimation is incorrect because the real value of a company is in employees' heads. This invisible capital is valueless without human resource. Companies should take this into consideration from a uniform viewpoint in case of competitiveness estimation - Scandinavian countries have taken these steps.

We have prepared a figure (see later Figure 1) which shows the relationships among the following characteristics of a company which were shown above:

- *Learning - culture - knowledge;*
- *Culture - satisfaction - quality;*
- *Satisfaction and emotional intelligence (EQ);*
- *Satisfaction - EQ - knowledge management;*
- *Leadership - emotional intelligence - competence.*

#### CONCLUSIONS AND SUMMARY

The guiding principles presented up to this point lead us to the recognition that three important elements emerge - amid numerous expectations - regarding the expectations of a leader:

- to have the required competencies;
- on the basis of this to build up such an organizational culture that supports knowledge management;
- and the enforcement a leadership style that ensures the continuous and successful operation and supports teamwork.

The common platform of highlighted factors can be seen most of all through the success of EQ. Since if the effect of this succeeds with due emphasis among competences, the leader-employee relationship will also proceed at a sufficient level (good, excellent, etc.). This means that people feel good in the organization and this appears beyond their performance and quality of work in the organizational commitment, namely, people make good use of their knowledge within the organization. They share their knowledge voluntarily and willingly, and they do not wish to validate it among other organizational frames. This process shows close correlation with the other highlighted elements since if the teamwork operates well and it is supported by the leader, the collective knowledge grows more efficiently. Employees feel much more that they belong to each other, their self-estimation develops and they can also estimate each other better. If they get any possibility for individual or collective learning, their knowledge level will increase and they will better understand and like their work that goes hand in hand with an increased learning desire. It will assure continuous learning and development.

One more idea belongs to the answers raised by the questions at the beginning of the study. Most of the mentioned characteristics (EQ, personality features, culture, etc.) belong to the 'soft' category that marks that anthropocentric leadership attitude at the fore. Managers being in a **position of power** who are not able to tune up to this, will not be able to make a success of their

firm. In this case personal coaching or change management will be necessary.

For realizing this thinking it is necessary to draw up as a summary those requirements that assist companies in fast and professional acquirement and in this the spread and sharing of knowledge in the organization.

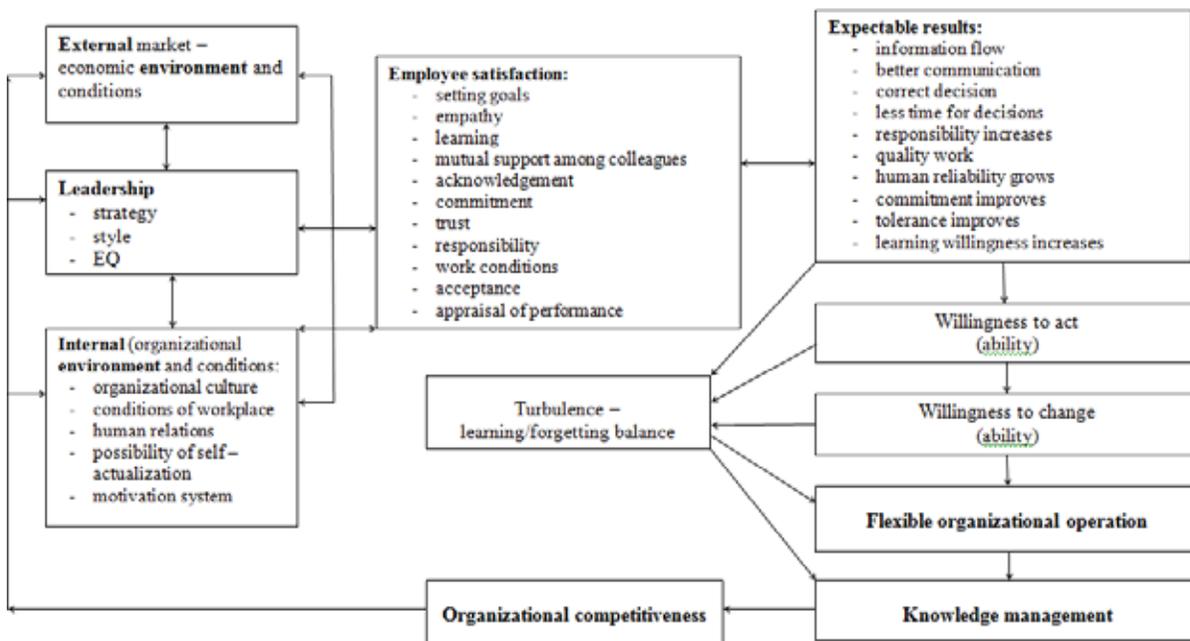
**Tasks that leaders have to do:**

- drawing up a strategy, concentrate most of all on the human resources;
- workforce planning that contains the measurement of existing substance and the prediction of expectable requirements;
- sphere of activity, drafting career-mirrors, collecting and describing competences and development of wage-system;
- recruiting, selection taking into consideration according to the department requirements and the drafted competences;
- the right person to the right place - analysis of discrepancies, compensation, education, training (internal benchmarking, best practice, change management, organizational development);

- observation of operation, performance evaluation;
- career planning, personnel development, knowledge utilization;
- knowledge sharing, building up supporting systems, organizational culture;
- learning teams, building up and operation of communities of practice;
- changing of leadership style, further training, EQ development.

Namely for **turning knowledge into organizational power** the management with power has to obtain such knowledge in order to perform transformational leading principles that form **cooperating teams**. Drawing up a **human-centred strategy**, transformation of motivation system, continuous learning, assurance of training possibilities, forming of collective view and punctual collective goals will be necessary. In the course of success of management roles - building upon the Mintzbergs' principles - the negotiator, information and resource allocator roles come into prominence. At the point of leadership style change, first of all the direction pointer, democratic, liaison-centred and coaching styles and **management by objective** also plays important roles.

**Figure 1** The role of employee satisfaction in the organizational competitiveness



Source: author construction

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