

## Knowledge Management Experience in Kosovo Organizations

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### Abstract

This paper is an empirical study, the findings of which reflect the experience gathered in knowledge management in Kosovo organizations. The main goal of this paper was to identify the realistic situation, and recommend instruments for a more effective knowledge management in Kosovo organizations. The findings of the empirical study have found inefficiency in knowledge management by organizations in Kosovo. A research was undertaken for this study, thereby directly interviewing representatives of 102 organizations in Kosovo. The research was undertaken during the period January-February 2013. Findings of the research show that most of the organizations in Kosovo are dominated by a random approach to knowledge assessment in personnel. This is the opinion of 83,3% of respondents in foreign organizations and institutions, 58,3% of respondents in education institutions, 53,8% of interviewees in state institutions, 47,4% of respondents in business organizations, and 34,8% of interviewees in the Privatization Agency of Kosovo (regional units and other operational units).

The main statistical model used in this study was the Chi-Square, Asymp. Sig test (2 single-way) and V. Cramer's. Records were processed with the Statistical Package for Social Science (SPSS). The main recommendation of this paper is the following: essential changes are required in managers'

behaviour in terms of knowledge management, thereby fostering and motivating their subordinates to engage in change and new approaches in Kosovo organizations.

**Keywords:** Knowledge Management, Opportunities, V. Cramer's, SPSS, Kosovo.

## 1. Introduction

The topic of knowledge management has often been a topic of discussion in academia. The discourse of knowledge as a public good has focused on the search for a scientific approach and an appropriate addressing of the problem of knowledge management in organization levels and global scale in the 21<sup>st</sup> Century.

Knowledge management is conceived as a process by which an organization creates, accepts and exploits knowledge in improving its business parameters. Knowledge management enables an efficient use of creative potentials inside an organization, finding what employees, partners and clients know, and by disseminating such knowledge to the employees and departments, with a view of creating best practices. The main purpose of knowledge management is to generate added value to the organization or the institution, thereby effectively using the knowledge it disposes of. Differently from capital and labour, knowledge is the only resource that may generate new intellectual capitals and maximise their values inside the organization. Furthermore, knowledge is a result of teamwork, and concluding in visible results.

Knowledge management is now an end goal, and a business strategy in many organizations, to gain competitive advantages, and to respond to new requirements of clients. Knowledge must be understood as a developing process, which permanently changes and regenerates into new forms. Knowledge management alleviates the problems in the organization, through improving decision-making processes, fostering new business processes, and improvement of competitive positions.

Knowledge management is an opportunity, but also a challenge to an organization. Opportunity stands in the ability of the management to identify, mobilize and create synergy and interaction of personnel and other resources in the organization. The challenge is in pursuit and identification of advantages or modalities, appropriate staff planning, for it

to respond to the mission, strategic development and budget available to the organization.

The value of knowledge is not permanent; it may reduce and vanish in time. Knowledge management requires regular updates and modifications. The relevance of knowledge, viewed in a temporal aspect, changes together with the personnel skills and abilities. Furthermore, the aim of knowledge management in an organization is to serve clients with quality products, goods or services, at competitive prices. Therefore, it being a specific resource, the efficient use of knowledge must be at the function of developing new values and attaining the key objective of the organization. Today, every person is in pursuit of knowledge and in creating comparative advantages against the competition and global markets. Such rapid and dynamic development is contributed by a basic application of knowledge management within organizations and at a global scale.

## 2. Theory

Humans are the key resource of an organization, and effective management of people is the key to its success. Human resource development policies are strongly connected, and must always be a persistent investment in developing their capacities to achieve strategic objectives of organizations in Kosovo. According to Nonaka Takeuchi (*The Knowledge-Creating Company*), Japanese companies were only successful because of their abilities in “creating new knowledge, disseminating such knowledge throughout an organization, and materialize/personify such knowledge into products, services and systems.”

### 2.1. Concept of knowledge management (literature review)

Knowledge management is not a new concept. Pioneers of the term are Peter Drucker (*Drucker, 1973, 1995, 1997*), Karl Erik Sveiby by the end of the 80-es, and Nonaka and Takeuchi (*Nonaka and Takeuchi, 1995*) by the nineties. The latter are known as scholars and developers of the knowledge management concept in organizations. Investments are often, but not necessarily, pursued by expansion of knowledge in comprehensive terms (*Meeker, Joseph, 1981*).

The early 90-ies marked an increased interest in knowledge management and its application in business practices. In developed countries, knowledge is a critical factor in business. The USA and many

other industrial countries are moving towards knowledge economy, where the majority of employees make the day by applying the know-how in producing goods and providing services. In developed countries, knowledge management is transforming into a primary business objective and in developing new technology and information, but also into a culture of work.

Thomas Jefferson considered the knowledge of employees a key source and competitive advantage to an organization, and generally in global competition (from a perspective of *Chan and Chee, 2008*).

While in the industrial era, wealth was created by using machines to replace the human, in knowledge economy, wealth is based on knowledge management in economy, permanent enhancement and application of new technology and knowledge in an organization (*Hansen and Norhira. 1999*).

According to Amstrong (2010), knowledge management means creation, acceptance, acquisition and use of knowledge in improving performance and improving skills and abilities of people in an organization. Information and experience exchange is the best way of promoting and producing knowledge. It is widely accepted that everything that is shared is increasingly less, and only knowledge that is shared is multiplied for as many people access such information. Proper knowledge management is for many powerful companies of the world a strategic weapon in increasing profits and covering new markets. This is achieved by the organization by its knowledge transformation and dissemination to its personnel. According to Davenport and Prusak (1998), knowledge is defined as “an experience, value and knowledge of experts which may be applied in an organization”, working within a standardized value system. According to Castells (1995), “knowledge is innovation, innovation is quality, and quality control is knowledge management”. Knowledge must be viewed as a value, but also a force for generating new knowledge, perpetually changing. Knowledge represents the capacity of an organization to do things, and is most often created by teams, and happens in inter-personal relations. It is a process more than a product, permanently changing, evolving, deriving and regenerating into new forms. Knowledge and information are important factors in changing something or someone, rendering the individual or the institution capable of more or effective actions (*Peter, 1997*), in terms of better products, services or market expansion.

According to a study from the University of Harvard (*Washington D.C. 1995*), globalization processes and intensive knowledge development have rendered distances shorter, and economic links between countries and groups more in number, thereby shaping large economic blocks of the world, such as the Northern America, the European Union and Eastern Asia. Globalizing processes necessarily expand the need for knowledge management, like the knowledge management that fosters globalization. Furthermore, organizations keeping within local levels extensively risk stalling within developmental, cultural and knowledge margins.

### **3. Objective of the Study**

The main objective of this study is to support organizations in improving knowledge management of the staff, and enhancing their performance. The purpose of this study was to identify the profiles of personnel in Kosovo, and to suggest a knowledge management model, which would be felt in an improved performance of organizations and their personnel. Summary recommendations shall assist management units in organizations to standardize their appraisal procedures, and make them part of strategic development plans.

#### **3.1. Research questions**

A questionnaire was developed for the study, whereby respondents responded to questions related to knowledge management in their organization. This research aimed at providing answers to the following questions:

- 1) Are some organizations in Kosovo more inclined to effective knowledge management than others?
- 2) What is the impact of managerial positions in an organization in appraising personnel knowledge?
- 3) Do social and demographic features of personnel (age and gender) affect the staff knowledge assessment in staff?
- 4) Is there an impact of staff education in personnel knowledge assessment?
- 5) Does standardization of personnel knowledge assessment procedures impact the organization?

### 3.1.1. Expected outcomes

The study "Experiences in knowledge management in Kosovo organizations" has aimed for several scientific and practical outcomes of knowledge appraisal in an organization. The findings are derived from interviews of personnel in 102 organizations, categorized into 5 groups of organizations in Kosovo. The findings are indicators generated by organizational approaches to knowledge appraisal: type of organization, social and demographic features, education qualifications and staff experience within the organization.

The results of knowledge appraisal study in Kosovo should facilitate the activities of the management to rectify their deficiencies, and construct a more effective approach in knowledge appraisal. This approach is important, because it emphasizes the relevant factors which determine the approach towards knowledge appraisal in the organization.

### 3.2. Presentation of research hypothesis

The main hypothesis of the study is whether the social and demographic features, positions of staff and standardization of procedures influence the knowledge appraisal approach in an organization. The objective was to test the sensitivity of knowledge appraisal in an organization in relation to each of the following variables/features.

*Hypothesis 1:* An experienced personnel is inclined towards a higher appreciation of knowledge in an organization.

*Hypothesis 2:* Gender structure of personnel does not have any implication on knowledge appreciation.

*Hypothesis 3:* Age of personnel does not have any implication on knowledge appreciation.

*Hypothesis 4:* The education levels do impact the knowledge appraisal in an organization.

*Hypothesis 5:* Belongings of personnel in organizations do not influence the knowledge appraisal.

*Hypothesis 6:* The position of personnel in an organization does influence knowledge appraisal in an organization.

*Hypothesis 7:* The size of the organization does influence the knowledge appraisal in an organization.

*Hypothesis 8:* Standardization of procedures in knowledge appraisal does influence the knowledge appreciation.

#### 4. Research methodology

The methodology used in this study include a theoretical component (literature review) and an empirical component (field research), and is aimed at achieving study objectives, and provide answers to questions and hypothesis established. Secondary and primary data were used for this study.

The literature review method was used to partially revise the achievements so far in studies developed, positive practices, challenges and opportunities in maximizing benefits from knowledge management in an organization. Furthermore, the study is grounded upon a direct interview method with personnel in 102 organizations. Previously, the questionnaires were sent to 109 officials. The responses to each question were documented by a four-point Likert scale (1="do not agree", the least desired option, and smallest number, and up to 4= "fully agree" the most desired option, scored the highest points). Upon review by the developers, a list of organizations to be surveyed was developed. The sampling was random, within 5 categories of organizations: state institutions, educational institutions, foreign institutions/organizations, business organizations and regional offices of the Privatization Agency of Kosovo.

The responses were assessed to ensure that the tested questionnaire had clear and comprehensible questions. All comments, suggestions and changes were appreciated and incorporated in the final version of the questionnaire. The main methodological approach in this study is the quantitative analysis. The data were collected directly with the selected staff in the organizations. The distribution of the sample units into 5 groups of organizations was aimed at full representation. The interviews were held during the months of July and August 2013.

To analyse the records collected, we used the Statistical Package for Social Science (SPSS). The data collected paint the current situation, and include data on the approaches to knowledge management in Kosovo organizations.

Other methods used are descriptive, coming from various sources of literature, the web etc.

## 5. Results and discussion

### 5.1. Descriptive statistics and research outcomes

The first part of results provides descriptive statistics on 102 organizations in Kosovo included in the analysis. The study results show remarkable differences between organizations according to features. The most distinct differences between organizations were recorded in terms of age of staff (Std. Deviation=8.814 years) and working experience (Std. Deviation 5.118 years).

**Table 1:** Conclusive statistics on organizations

		Working experience	No of employees	Age	Years of education
N	Valid	101	87	101	98
	Missing	1	15	1	4
Mean		5.73	15.29	34.12	15.55
Std. Error of Mean		.509	0.226	.877	.135
Std. Deviation		5.118	2.226	8.814	1.340
Minimum		1	3	18	12
Maximum		32	130	62	20

**Source:** Own study (authors)

Being in direct contact with the respondents, we have concluded that most organizations are dominated by a routine approach towards personnel knowledge appreciation. There is almost a full absence of a standard approach towards personnel knowledge appreciation in Kosovo organizations.

In groups of surveyed organizations, positive answers were received by 83,3% of respondents in foreign organizations/institutions, 58,3% in educational institutions, 53,8% in state institutions, 47,4% in business associations and 34,8% in the Privatization Agency of Kosovo (regional offices and other operational units).

To the question *"If a problem arises in your work, does it require additional experience and knowledge"*?: 39.1% had positive answers, 40,9% negative

answers, and 10,0% had no reply. In groups of surveyed organizations, positive answers were given by 57,9% of respondents in foreign organizations/institutions, 60,0% in educational institutions, 42,1% in business organizations, and only 20,8% in the Privatization Agency of Kosovo (PAK).

To the question "*If the organization/institution has provided standard procedures and pursuant to the law*", the following replies were given: 91,2% had positive replies. In groups of organizations: 78,9% had positive replies in international institutions, 80,0% in educational institutions, 66,7% in the PAK, 60,0% in state institutions and 55,0% in business associations.

To the question: "*Whether you are satisfied with the knowledge applied in your working position*": 53,8% were positive replies. In groups of organizations, positive replies were given by 66,7% of respondents in educational institutions, 63,2% in foreign institutions, 60,0% in state institutions, 45,8% in the Privatization Agency of Kosovo dhe vetëm 40,0% respondents in business organizations.

To the question "*Do people trust your work*"? 60,1% had positive responses. In groups of organizations: 86,7% of respondents had positive replies in educational institutions, 63,2% in foreign institutions, 60,0% in business associations, 53,3% in state institutions, and only 48,0% of respondents in the Privatization Agency of Kosovo.

To the question "*Is knowledge sufficient to complete duties in your department/unit*"?: 59,1% said yes. In groups of organizations: positive replies given by 84,2% of respondents in foreign institutions/organizations in Kosovo, 60,0% in state institutions, 54,2% in the Privatization Agency of Kosovo, 53,3% in educational institutions and 45,0% in business organizations.

To the question "*Are you satisfied with the application and respect for knowledge in your working position?*"; positive responses were given by 43,0% of respondents. In groups of organizations: 68,4% had positive responses in foreign institutions, 66,7% in educational institutions, 35,0% in business organizations, 26,7% in state institutions and 25,0% in the Privatization Agency of Kosovo.

To the question "*Are leaders of your organization involved in new ideas and possibilities*", positive replies were given by 35,1% of respondents. In groups of organizations: 53,3% in educational institutions, 45,0% in business associations, 35,7% in state institutions and 11,5% in the Privatization Agency of Kosovo.

To the question “Does your organization appreciate people for their initiatives”, 37.2% of the respondents had positive responses. In groups of organizations: positive replies by 52,6% of respondents in foreign institutions/organizations, 60,0% in educational institutions, 40,0% in business associations, 35,6% in state institutions and only 11,5% in the Privatization Agency of Kosovo.

## 5.2. A discussion of results and interpretation of hypothesis

Research results show that experienced and highly positioned personnel is inclined towards a better appreciation of knowledge in the organization. It is demonstrated that gender, age, level of education, type of organization and the number of employees do not influence the knowledge appreciation in an organization. By testing 8 hypotheses established for the first part of the study, only two were proven (Hypothesis 1 and 8).

*Hypothesis 1:* Experience of personnel in an organization, more likely to appreciate knowledge of personnel, compared to less experienced personnel.

*Hypothesis 2:* Gender belonging of personnel is not relevant in knowledge appreciation in an organization.

*Hypothesis 3:* Age of personnel is found to have no implication on knowledge appreciation in an organization.

*Hypothesis 4:* The level of education does influence knowledge appreciation in an organization.

*Hypothesis 5:* Belonging of personnel by organizations does not influence knowledge appreciation in an organization.

*Hypothesis 6:* Working positions in an organization do not influence knowledge appreciation in an organization.

*Hypothesis 7:* Size of organization does influence knowledge appreciation in an organization.

*Hypothesis 8:* Definition of responsibilities/standardization of procedures in knowledge appreciation does influence knowledge appreciation in an organization.

**Table 2:** Testing differences between employee knowledge interest and other relevant factors

Nominal by Nominal	Ch-Square	Cramer's V	P-value
Working experience/years	0.984	0.492	0.017**
Gender	0.244	0.244	0.231*
Age	1.006	0.503	0.647*
Education/years	0.537	0.269	0.752*
Organization/institution	0.464	0.232	0.208
Working position in an organization	0.329	0.165	0.913*
Number of employees	0.972	0.486	0.958*
Definition of responsibilities for knowledge management	0.313	0.313	0.047**

**Source:** Authors' own calculation

**Note:** The level of significance/relevance (**P-value**): S = Significance for level  $P < 0.05^{**}$ . NS = No significance for level  $P > 0.05^{*}$ .

Indicator **Cramer's V** shows the degree of concordance between two category variables.

Indicator **Ch-Square** shows the degree of independence of quality data and estimates of interval of trust in a normal distribution from standard deviation.

*Hypothesis 1.* Proven. This means that longer experienced employees in an organization are more likely to better appreciate the knowledge in personnel. Values derived are statistically significant. These findings are responsive to expectations. This hypothesis is supported by the  $P\text{-value} = 0,017 < 0.05$ ,  $Ch\text{-Square} = 0.984$  and also  $Cramer's V = 0.494$ , which shows that years passed in an organization considerably determine the approach towards knowledge appreciation. As one may derive from these indicators, considerable match was proven between two category variables: personnel interest in knowledge in an organization, and working experience. The values derived are statistically significant. Results derived show that it is important that management pays additional attention to retaining staff in an organization.

*Hypothesis 2.* Not proven. Statistical analyses do not show any essential changes in the level of interest for knowledge and gender structure of the staff. This is proven also by the P-value =  $0.231 \square 0.05$  or statistical indicator *Cramer's V* = 0.234 (statistically insignificant values).

*Hypothesis 3.* Not proven. Similarly, research studies show that the age of personnel in an organization has no implication on the approach to knowledge appreciation. Results derived do not prove the hypothesis.  $P=0,647 \square 0.05$  (statistically insignificant value).

*Hypothesis 4.* Not proven. Research studies show that the highly educated personnel has a distinct approach to knowledge appreciation in Kosovo, different from others. The values derived  $P=0.752 \square 0.05$ , or statistical indicator *Cramer's V* = 0.269 (statistically insignificant value).

*Hypothesis 5.* Not proven. No difference was found in approaches towards knowledge appreciation in terms of groups of organizations covered by the study. This is shown by the value  $P=0.208 \square 0.05$  similar to the statistical indicator *Cramer's V* = 0.232 (statistically insignificant value).

*Hypothesis 6.* Not proven. The positions of personnel, according to the results of research, have no implications in the approach to knowledge appreciation in the organization. The P-Value =  $0.913 \square 0.05$  and *Cramer's V* = 0.165 (statistically insignificant value).

*Hypothesis 7.* Not proven. The size of the organization, reflected in the number of employees, shows no sensitivity in staff knowledge appreciation in KOsovo organizations. The P-Value = 0.958 is insignificant, namely of low importance as a factor in knowledge appreciation in the organization.

*Hypothesis 8.* Proven. Research studies show that organizations with sustainability and consolidation of personnel, and giving much care to human resource offices, are much more likely to appreciate the staff knowledge.

The result,  $P=0.047$  and the *Cramer's V* = 0.313, are statistically significant.

### 5.3. Limitations to the study

In most of the organizations, during the personnel interviews, it was found that there are no records archived to explicate the general approach in personnel knowledge appreciation. The lack of standardized procedures of knowledge appreciation in Kosovo organizations, and the lack of similar studies, makes difficult the comparison of results derived. The differences between organizations in knowledge appreciation are also due to diversity in human resources of organizations, and other material and non-material resources.

## **6. Conclusion**

The results of the research with interviews of personnel in 102 organizations in Kosovo show major differences in knowledge management in Kosovo organizations. The most distinct differences in knowledge appreciation in Kosovo were found in terms of staff experience or years of work in an organization, and the standardization of evaluation procedures.

The study has also found little progress and willingness in management structures in changing approaches to knowledge management.

The concept of knowledge management must be viewed in a concept of local, regional and global development changes and developments, and organizations in Kosovo must apply the knowledge management concept as an integral part of their business development strategies. It is essential that the management in Kosovo organizations be encouraged to develop the knowledge dissemination concept inside and amongst them, because by adopting the knowledge dissemination culture, one can ensure a basic key to cooperation and increased competitive abilities.

### **6.1. Recommendations**

Human resource offices must engage in identifying potential sources of knowledge and the best ways of appropriating and integrating such knowledge into an organization. For the knowledge management to be successful, employees must understand that knowledge adds the value to the organization, and that knowledge is potentially created by them. A good system of knowledge management is reflected in results and business, and it must be rather flexible.

Organizations must compete on the basis of their own knowledge and competency, if they wish to remain competitive with others.

Knowledge management is a responsibility, which must be followed up by a strategic and long-term plan in an organization, by providing training, counselling and developing new knowledge.

Management conduct must essentially change in terms of knowledge management, thereby fostering and motivating their subordinates for innovations and approaches in the organization. Therefore, managers and leaders must provide the best example in an organization, on how one may approach knowledge management, thereby fostering a knowledge dissemination culture, dissemination amongst personnel in an organization, and creating new knowledge.

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