

## CHAPTER 5

### CONCLUSIONS

Managing knowledge is becoming one of the major issues for a growing number of organisations, as the transition from a production based economy towards a knowledge based economy in the global environment takes place. Earlier research into the characteristics of knowledge management focused on business strategies in North America and Europe. Chase (1997) studies show that individuals are actually responsible for implementing strategies and techniques in transforming corporations into organisational excellence.

This research surveyed executives of major engineering companies in the oil & gas and power sectors. As such, the results reflect the reviews the individuals working in organisations trying to improve organisational performance in the global economy. Some 78.7% of the respondents reported critical business processes, which were owned by one or two people, and 65% of the surveyed group stated that they costly mistakes could be avoided because employees lacked sufficient knowledge or expertise.

The major challenges faced by the organisations in creating knowledge-based organisation included changing people's behaviour (83.2%); retaining talented

people (52.6%) and lack of time (51.8%). The results indicate that innovativeness is highly statistically significance followed by adaptability and the environment.

The emergence of internet companies, shift of power from the seller to the buyer, governments attitude which is becoming more partial towards consumer's interests, industry convergence, might have the potential to break-up big companies too. (Baldock, R., 2000). Hence, organisation to maintain their competitive as a result of globalisation, need to focus on their strategies for survival.

When older employees become priority target of headcount reduction programmes downsizing can result in the loss of those people with the greatest experience (Coulson-Thomas, C.J., 1997). This was quite obvious in the recent Asian crisis, where many businesses were either closed or merged/taken-over, and in other cases many people with specific expertise left their organisation. This as a result could have been avoided, if such expertise were documented for others to use.

Effective knowledge management has parallels with innovation. For innovation to take place, a company needs to share the greater good of the company and creative people who have he ability to turn ideas into practical products and services (Brand, A., 1998). As seen from the results, many have

agreed that innovativeness, is one of the keys to effective knowledge management.

On a broader level, the study of knowledge management evolved from the need for companies to manage resources more effectively in a hyper-competitive, global economy (Nonka, I., 1991). Management is increasingly aware that knowledge resources are essential to the development of their organisations. (Carniero, 2000). Knowledge management improves the conditions for strategic action by way of opportunities and challenges to the company. Strategically the success of most management also on a competitive effort, which includes a deep knowledge of customers attitudes and an adequate analysis of the stronger competitiveness. This means managers must learn, weaknesses and strengths of their direct competitors, and how their customers perceive their products. Finally all these findings should be interpreted into an information systems. (Carneiro, 2000). Knowledge management is a valuable strategic tool because it can be useful for decision making mainly for the formulation of alternative strategies.

#### FURTHER RESEARCH

The results were found to be quite similar to the research done by Chase (1997) and Bennet et al. (1999). The limited number of sample size is prone to errors, hence it is suggested that further study be conducted with a larger number, distributed randomly to a wide range of industrial sectors. The current study was done only on engineering companied associated with oil &

gas and power sectors. While one of the major conclusions from this study is that many organizations recognise the creation, managing and transferring knowledge is vital to maintain the competitiveness, so far the organisations have yet to translate these into competitive strategies.