

To my family

**Knowledge Management
In Twenty Malaysian Companies**

Khong Lai Yee

**Bachelor of Chemical and Process Engineering
The National University of Malaysia
Malaysia
1992**

**Submitted to the Faculty of Business and Accountancy,
University of Malaya, in partial fulfillment
of the requirements for the Degree of
Master of Business Administration**

September 2001



ABSTRACT

The world economy has evolved over the last couple of years from a managed economy into an entrepreneurial economy or commonly referred as knowledge-based economy. In the knowledge-based economy, knowledge is becoming the primary production factor comparing to the traditional economies, which focused on labour, land, and capital. Therefore, there is a need to explore its impact to Malaysian's firms.

This research deals with knowledge management in the emergence of knowledge economy especially for developing country such as Malaysia. Exploration of Malaysian's managers' perception towards knowledge management process and its awareness will be focused in the entire research study. In addition, roles play by the information technology in success of knowledge management will be explored as well. Moreover, Beijerse's conceptual model of knowledge management will be used as the basis for assessment in the difference of system existence between export-oriented and domestic-oriented companies.

Results indicated that Malaysian's managers do perceive that knowledge management is mandatory for success in which higher degree of agreement revealed by service sector's managers. Managing of information technology does play a critical role in success of knowledge management as showed by the consistency of hypothesis testing. In term of difference of system existence, there is no difference in knowledge management process between export-oriented and domestic-oriented company at operational level. Due to small sample size had been collected by this research, therefore, results of the study can not be used to generalize manager's perception.

ACKNOWLEDGEMENT

The author wishes to express grateful thanks to all who had helped to make this project possible.

In particular my utmost gratitude to my project supervisor, Associate Profesor Dr Tan Lee Peng, Faculty of Business and Accountancy for her precious time and guidance to enable me to complete this research project.

My sincere thanks are also extended to all the respondents who had participated in my survey.

Grateful thanks also go to my family members for their assistance and understanding in making my project study of success.

LIST OF TABLES

Table 1:	Explanation of information, capacity and attitude according to Beijerse's definition (Beijerse,2000)
Table 2:	Chart of knowledge management instrument
Table 3:	Summary of data development for questionnaires
Table 4:	Reliability analysis result
Table 5:	Distribution of respondents by business sector
Table 6:	Firm size distribution
Table 7:	Assessment of knowledge management awareness
Table 8:	Knowledge needs frequency interval determination
Table 9:	Importance of knowledge sources
Table 10:	Knowledge management process
Table 11:	Agreement status on manager perception towards knowledge management is mandatory for success
Table12:	Comparison of agreement status of managers perception between manufacturing and service sector
Table 13:	Type of information technology system used in an organization
Table 14:	Details breakdown of information technology system used by the respondents' companies
Table 15:	Weight distribution of information technology system used by industrial sector
Table 16:	Agreement status on information technology management
Table 17:	Comparison of agree status between manufacturing and service sector towards managers perception of information technology management
Table 18:	Existence of knowledge management system

Table 19:	Breakdown of knowledge management streams existence by industrial sector
Table 20:	Knowledge management streams existence by industrial sector
Table 21:	Weight distribution of knowledge management processes/streams by industrial sector
Table 22:	Beijerse(2000) empirical results of knowledge management system existence in the 12 units of Dutch companies
Table 23:	Results summary of hypothesis testing

LIST OF FIGURES

Figure 1:	The data information knowledge ripple (Lim,1999)
Figure 2:	Three facets of knowledge (Beijerse,2000)
Figure 3:	Nonaka and Takeuchi's knowledge conversion model (Nonaka & Takeuchi, 1995)
Figure 4:	Knowledge management process (Duffy,2000)
Figure 5:	Knowledge management lifecycle (Frey,2001)
Figure 6:	Beijerse's conceptual knowledge management model (2000)
Figure 7:	Knowledge cycle within knowledge management process (Beijerse,2000)

Table of Content	Page
ABSTRACT	ii
ACKNOWLEDGEMENT	iii
LIST OF TABLES	iv
LIST OF FIGURES	v
Chapter 1 INTRODUCTION	
1.1 Significant of the study	1
1.2 Purpose of the study	3
1.3 Hypotheses	3
1.4 Scope of the study	4
1.5 Research Methodology	4
1.6 Limitiation of the study	4
1.7 Organization of the study	5
1.8 Literature Review	6
1.8.1 Knowledge economy	6
1.8.2 Knowledge management	8
1.8.3 Knowledge-based organization and knowledge worker	14
1.8.4 Beijerse's conceptual knowledge management model (2000)	16
1.8.5 Importance of small medium sized industries (SMI) to Malaysia economies	19
1.8.6 Summary of literature review	20
Chapter 2 THE EMPIRICAL STUDIES	
2.1 Background	22

2.2	The problem to be studied	22
2.3	Data Development	24
Chapter 3 RESEARCH RESULTS		
3.1	Reliability analysis	26
3.2	Backgroud of the survey	27
3.3	Awareness towards knowledge management	28
3.4	Importance of knowledge source	30
3.5	Practices of knowledge management system	31
3.6	Perception of manager towards knowledge management	31
3.7	Type of information technology used in the organization	33
3.8	Perception of information technology management	35
3.9	Knowledge management system at operational level	37
3.10	Comparison of Beijerse's empirical result	39
3.11	Results of hypothesises testing	41
3.12	Summary of research results	45
Chapter 4 CONCLUSION AND RECOMMENDATION		
4.1	Summary and conclusion	46
4.2	Suggestion for further research	48
BIBLIOGRAPHY		50
BACKGROUND READING		52
APPENDICES		
A	Hypothesises Testing Result	54
B	Questionnaires	