

## Chapter4

### CONCLUSION AND RECOMMENDATION

#### 4.1 Summary and conclusion

In this study, low response rate had been expected in which only 20 sample units are managed to collect in a month of survey time frame. Therefore, the results obtained from the study can not be used to generalize Malaysian's managers perception towards knowledge management and it is only confined to the companies under studying.

Reliability analysis of internal consistency of the questionnaires had given an acceptable Chronbach's alpha value, which ranged from 0.6720 to 0.9004.

The respondents companies constitute of manufacturing, services, export oriented, and domestic oriented companies in which chemical, pharmaceutical, electrical or electronic industries are forming the manufacturing sectors whereas the service sector are mainly from information technology, consultancy, and trading industries.

Only 50 percent of the respondents' firm sizes are complied with Malaysia's small and medium sized industry (SMI) classification whereas the rest are having staff size of more than 75 numbers of employees. The aim of such arrangement is to make use of Beijerse's empirical study (Beijerse, 2000).

The findings of managers' awareness towards knowledge management (Table 7) indicate that most of the managers are aware of knowledge management concepts.

Respondents also realized and determined the importance of knowledge source to their organization (Table 9). All respondents did select more than one knowledge sources as the result of realizing its importance. Among these variables, customer and organizational knowledge had obtained the highest score. As a conclusion, Malaysian's managers do recognize the importance of knowledge sources to their business survival.

In term of knowledge management process, the managers did practice it in the organizations. In addition, statistic reveals that knowledge sharing and utilizing are the most common knowledge management process taken place in their firms. Frey (2001) and Duffy (2000) knowledge management process model is appropriate to describe the entire process taken place in the organizations.

Statistic showed that Malaysian's managers do perceive that knowledge management is mandatory for success. This statement made is based on average 74 percent of "agree" agreement status for the questions asked. In addition, service sectors' managers have higher degree of perception than the manufacturing sectors' managers (Table 12). The results of hypothesis testing also supported this conclusion (Table 23).

Internet is the most common information technology system being used in the organization. All respondents had used it to obtain information, to communicate, making business decisions, and to increase works efficiency. Among the industries sector, consultancy companies is the heaviest user, follows by information technology companies. Heavily used of information technology system reflected the companies under studying are towards the codification strategy trend though some of the companies are working on the face to face basis with their clients such as consultancy and information technology companies.

Moreover, the finding indicates that, Malaysian's managers do perceive that information technology management plays a critical role in success of knowledge management. The statement made is based on 70 percent of the respondents agreed on the questions asked in average. The statistical testing of second hypothesis supported this conclusion (Table 23).

Performance appraisal is the most common practice of knowledge management system taken place in the organization, follows by on job training. Overall, high degree of system existence of knowledge management in the respondents' organizations, which leads to conclude that Malaysian's firm do practice knowledge management process in their company either intentionally or inadvertently. But it is only confined to the six instruments as suggested in the survey. Compared to Beijerse's empirical result, he had used 108 instruments, 79 instruments had confirmed by the companies under studying for its existence at the operational level. Thus, this seems as the limitation of this study.

To conclude the study, in Malaysia context, managers do perceive knowledge management is mandatory for success, especially higher degree of agreement revealed

by service sector. Stressed by many writers, knowledge had become a critical factor for an organization's survival, thus, Malaysian's firm are on the world business track.

In term of practiced of knowledge management process in the company, Malaysian's managers also do realize its importance and had started to practised it either intentionally or inadvertently. Furthermore, under the process of knowledge management, knowledge had been created and expanded according to Nonaka and Takeuchi model (1995).

Managing of information technology does play a critical role in success of knowledge management as showed by the consistency of hypothesis testing. The companies under studying had reflected codification strategy being implemented in these companies as a result of widely used of information technology system in such companies though some of the consultancy companies might have chance to undertake the personalization strategy.

Lastly, there is no difference in knowledge management process between export oriented and domestic oriented company at operational level as revealed by the hypothesis testing. This had reflected the Malaysian's firms are in no difference to manage the companies as western companies do.

Due to several limitations in this study, which need to be addressed, therefore, suggestion for further study had been included.

## **4.2 Suggestions for further research**

Suggestions for further research are to overcome the limitations of this study in which it should collect more samples i.e. at least more than 100 respondents in order to signify the study and generalize the research outcomes. The instruments used in testing the existence of knowledge management system at operational level should be more and confined to Beijerse's study i.e. more than 100 instruments.

Expansion of the study boundary also possible in which coverage of organization level should stretch up to strategical and tactical level in order to have a broaden view of knowledge management system existence in Malaysian's firm. Furthermore, as a learning path, multinational companies should be included as well

especially the multinational companies, which had started to implement knowledge management practices years ago. This will enable us to explore and understand the difficulties faced and its impacted to these multinational companies. Comparison between private sector and public sector in term of knowledge management will be interest to study as well.