

Running Head: KNOWLEDGE MANAGEMENT PLAN

Knowledge Management Plan

## Executive Summary

Knowledge management is a strategy to motivate the employees and executive level management to share and discuss about the knowledge in related to the product to the other employees in the firm. Knowledge management plan gives the opportunity to the employees to increase the experience by knowledge sharing. Stephen Elop, the President and CEO of Nokia Corporation uses the knowledge management plan to motivate as well as increase knowledge sharing habit in the firm. Nokia Mobile Inc. is a world leader in mobile communication and driving the growth and sustainability of the broader mobility industry.

Nokia is already following a knowledge management plan for its employees, but Nokia Mobile Inc. faces some problems regarding employees and the policies in the company. This paper discusses about the operational issues faced by Nokia mobile like, employee resistance, lack of motivation, incentive system, cultural, technology, communication, staff issues etc. For the implementation of knowledge management plan, some supportive arguments and methods are provided for improving knowledge sharing and motivation among the employees in the firm.

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## **Introduction**

In recent year, most of the organizations use knowledge management program for increasing competitive pressure and achieving their mission. The knowledge management field includes the broad process of locating, organizing, transferring and more efficiently using information and expertise in an organization. Knowledge management is a holistic process that demands a total organizational commitment to cooperation in order to succeed (Burden, MacIntosh & SriKanatiah, 2000). Knowledge management gives the opportunity to fully utilize all of internal and external assets. Knowledge management includes all methods, instruments and tool that contribute to the promotion of an integrated core knowledge process.

New market forces and infrastructure change promoted the knowledge management in an organization. Market forces include the need for speed and cycle time reduction, revenue growth, new corporate model that increase in efficiency and corporate growth, globalization, completion for customer relationship etc. knowledge transfer and sharing network have been identified as the best approach to gain and deliver advantages based on the needs of the organization, and enhance their better productivity and effectiveness (O'Dell, Elliott and Hubert, 2000).

In this paper, the knowledge management plan of Nokia mobile Inc will be discussed. Nokia mobile is a number one company in the world as a mobile producer company. The mission of Nokia mobile is to build value by addressing efficiency and addressing customer needs for a better experience (Nokia Siemens Network, 2010).

## **Present Knowledge Management Programs:**

Nokia started knowledge management program in 1996 with the appointment of head of knowledge management department. The basic mission of Nokia was to move the organization from a hierarchical structure to a network based learning organization. Through knowledge management, the company wants to achieve global efficiency and effectiveness, learning across organizational boundaries and local flexibility and responsiveness. Nokia is a number one mobile company in the world. Nokia mobile connects people with mobile phones, devices, media, imaging, and business. According to Iikka Tuomi, the chief researcher of Nokia Research Center, “knowledge creation, supply and utilization are the most essential task in modern business world.” The key to knowledge creation depends on the mobilization and conversation of tacit knowledge. The mission of Nokia Mobile is to build value by serving the efficiency and gaining experience through customer relationship.

## **Lesson Learnt**

### ***People and Organization Issues***

Nokia Mobile Inc. already follows knowledge management for its employees and work strategies. Nokia takes knowledge management as a contribution of people, processes, technologies, and culture. There are some organizational issues to work with it. For knowledge management some issues are as follow:

#### ***Employee Resistance:***

The new employee of Nokia mobile is not accepting the new technology easily. They take time to accept this, because of lack of confidence. They did not want to share the knowledge

in the organization. The technology is changed every day in electronic sector, so the new employees of the organization fear to adopt the new technology in the work. In adopting new technology, some new employees are not well trained, so these employees fear to exchange their problems and information to other employees (Burden, MacIntosh, and Srikantaiah, 2000).

*Lack of Motivation:*

Motivation gives the work efficiency, but Nokia faces the problem of motivation. The managerial level is failed to give motivation to its employees for knowledge sharing. The employee feels that they are best in field and don't want to share knowledge with other employee. They don't want to share the information and experience to other employee for better work efficiency. Some old employees not motivate new employees to do better work and share the information about the work in the organization (Dalkir, 2005).

*Lack of Incentive System:*

Incentive system is a great path to motivate the employee for sharing information and create the knowledge with other employees, but Nokia has not an incentive system to motivate its employee. Due to lack of incentive system, the employees do not want to share its knowledge. The employee works are not motivated in terms of money. A poor incentive system affects the work efficiency and productivity in the organization. Lack of incentive system in the organization influences the retention strategy of the employees (Manuel, 2008).

*Different Culture:*

Nokia Mobile Inc. is a multinational company in the world. It operates business in more than 100 countries in the world. Nokia faces problems of culture and language difference in different countries. In the world, different countries have different cultures, languages etc. so it will be difficult to control the knowledge management in different countries in the world. Most

of the executives or management people do not understand the languages and cultures of different countries (Dalkir, 2005).

*Communication Barriers:*

The company has different types of employees in different area of a country. So, there will be a communication gap in terms of work, language, policies etc. so it will make difficulty in implementing a knowledge management plan. Some employees are not informed about the difficulties they are facing in the work to the management. Lack of motivation creates the communication barriers in the organization. Because of communication barriers, the new employees fear to share their problems and information about the work with other employees of the organization (Burden, MacIntosh and Srikantaiah, 2000).

*Lack of Trust:*

Nokia Mobile management faces the problems of lack of trust and belief within and outside the organization. Some managerial and executive level officers do not trust upon some policies and acts of the organization. Some executives think that organizational confidential information and technology are misused by some management people. This lack of trust by executives is problem for implementing the knowledge management plan for the organization (Manuel, 2008).

*Lack of Staff:*

Nokia Mobile Inc. has not a Chief Knowledge Office for knowledge management. The company's knowledge management depends upon few persons, who belong to different fields. It has a group of persons from different functional areas coordinating knowledge management activities. The head of the knowledge management section is from different department of the

organization. Only 9 to 10 persons from different departments control the knowledge management activities in the organization (Burden, MacIntosh and Srikantiah, 2000).

### ***Technical Issues***

#### *Lack of Technology:*

Nokia Mobile Inc. is operating its business in more than 100 countries. The competitors of this company are more in the international market. The major competitor of this company is Chinese market. China mobile market technology is better than the technology of Nokia. This company is behind to adopt a new technology for its mobiles and the market share in international market is decreasing. In the other parts, Nokia people also fear to adopt the new technology in the market (Dalkir, 2005).

### **Moving Ahead**

In Knowledge management, an organization not only aware the employees, but also make the policies to take knowledge management in daily operations. Knowledge management includes an integrated approach. Knowledge management (KM) is the systematic and explicit management of knowledge-related to activities, practices, programs, and policies within the enterprise. Knowledge management forces to develop an approach of knowledge sharing by the executive and the management level officers and employees in organization.

### ***Arguments***

Implementation of constructive KM plan will bring some enormous benefits to the company (Edwards, Shaw & Collier, 2005). To maintain and sustain a competitive advantage, the company should have a KM plan. To encourage and promote trust between employees and

management, support flexibility, improve knowledge sharing culture among the employees, better communication and information sharing, it is vital to have KM progra. To build supportive environment and encourage the employee to give the best performance for improving the organization efficiency and maximizing the return from the available resources, it is essential to have a KM program. Some more supportive arguments for knowledge management are as follow:

*Customer satisfaction:*

Through the knowledge management, an organization can improve the customer satisfaction in the market. When the knowledge management is applied in the organization, the customer of the organization can discuss their problems with the top management and the management tries to solve these problems. By effective knowledge management, Nokia can improve its work efficiency and serve the customer a better product and increase the satisfaction of a customer (Dalkir, 2005).

*Improve Productivity:*

With an effective knowledge management, an organization can improve the productivity. An effective knowledge management plan solves the problems of employees, this make employee's work efficient in their work (Khalifa, Yu & Shen, 2008). This will help Nokia to increase and improve the productivity. Knowledge management creates the environment of knowledge and information sharing in the organization. By using this program, an employee can share his/her experience and information about the product to the other employees and motivate to work with efficiency in the organization (Akhavan, Jafari, & Fathian, 2006).

*Improve in environment:*

An effective knowledge management plan can improve the environment of the organization (Kuo & Lee, 2009). Through the knowledge management, every employee shares his/her problems, information about product, knowledge etc. with other employees. It creates the fearless environment in the organization. In knowledge management plan, the management of Nokia can organize function to improve efficiency, knowledge etc. and create the familiar environment for new employee. Knowledge management creates the conversation between employees and the management. So, this makes the better environment to work in the organization (Martensson, 2000).

*Cost efficiency:*

When the employees share their problem and information with other employees and the management, it will be helpful to reduce the cost of the product. Effective knowledge management plan can improve the work efficiency and knowledge about the product and create the help to improve work learning in the employees. It will be helpful to reduce the operating cost of the product and increase the efficiency of the employee (Dalkir, 2005).

*Reduce in Cycle Time:*

An effective knowledge management plan can reduce the cycle time of the product. It will help to reduce the processing time of a product. Effective knowledge plan can adopt new technology and apply in the field for reducing the time cycle time from planning to selling the product. The plan can work from the begging to end till the product sold. After it, the plan can work for providing the customer satisfaction in the market (Akhavan, Jafari, & Fathian, 2006).

*Improve speed of Innovation:*

The effective knowledge management plan can improve the speed of innovation and deliver high quality product to the customer. It helps to create the innovation in the field of the

product according to the needs of the customers (Barber, Munive-Hernandez & Keane, 2006). Knowledge management provides the time and knowledge about the product and creates the opportunity to improve the quality of product (Hall, 2006). It helps to create new innovation in the product or in new products. Knowledge management can give opportunities to very employee to share his/her problem about the product to the management, and management trying to solve the problems about the product. It may help to improve the speed of innovation and serve the best quality product to the customers (Gottschalk, 2005).

*Utilization of Fixed Assets:*

Knowledge management plan creates the opportunity to use minimum fixed assets with efficiency and effectiveness in the organization. The employees share its knowledge with other employees and the management to make the best product. They utilize the fixed assets in the manner of people, inventory and facilities. By knowledge share an employee can know that how to use assets with effectively and efficiency. Knowledge management gives the opportunity to utilize the facilities (Martensson, 2000).

*Increase competitiveness:*

Knowledge management helps to increase competitiveness of an organization (Belsis, Kokolakis & Kiountouzis, 2005). When the management uses the best technology, resources and policies for the product in the market, the competitiveness of the organization can be increased in the market. The company products compete in the market with low cost, best technology and greater customer satisfaction. The knowledge management plan also increases in market share. When the level of satisfaction increases, the market share of the product is also increases and the product competes with other product in the market. By better knowledge management activities,

an employee can give his/her best in the product and the field workers also motivate with the product. So, the competitiveness can be increased in the market (Dalkir, 2005).

*Develop New Business Fields:*

An effective knowledge management plan creates the opportunity in other business field. It will include the geography area of the organization. Through the effective and efficiency based knowledge management plan, an organization can introduce its operations in other countries in the world. Knowledge management plan provides the innovation to the organization to develop the other sector of business. In knowledge management plan activities, a conversation will be held between management and the employees of the organization. In this, the employees can share their problems, knowledge and information about the product. So, it can be helpful to create the best product in the national market and in international market also (Akhavan, Jafari, & Fathian, 2006).

*Knowledge Sharing Culture:*

An effective knowledge sharing culture motivates the employees of the firm that do better in the field (Jasimuddin, 2008). Effective knowledge sharing activities improve the knowledge sharing culture. The management of the firm should try to make such policies to improve the knowledge sharing culture. Management should motivate its employee to share and discuss the knowledge, information and problems regarding the product (Maier, 2007)

***Recommended methods***

Knowledge management is already followed by the Nokia Mobile Inc. but there are some recommendations for improving implementing an effective knowledge management plan. Some These are as follow:

*Support from Management:*

For knowledge management, the top management has to encourage the employee for process that will promote cross- boundary learning and sharing. Management should give the training program and motivate the employees for sharing the work as well as sharing the quality and information about the product (Xu & Quaddus, 2005). For support, management should appoint a senior level executive as a chief knowledge officer in the organization. Management should also give the training to increase work efficiency in the organization and to solve the problems of work (Gottschalk, 2005).

*Increase in staff:*

Staff plays an important role in an organization. If the staff is less in the organization, it will create the work pressure for remaining workers. For knowledge management, the company should increase number of staff members (Kuo & Lee, 2009). It should appoint a Chief Knowledge Officer for controlling on knowledge management projects and develop experience of employees. The office should support the communication, practices and learning and provide an approach and necessary tools to promote knowledge management. Management should also appoint the supporting staff for the chief knowledge office. The appointed staff will be experienced and has deep knowledge about the knowledge management techniques (Dalkir, 2005). In Nokia, there is no Chief Knowledge Officer. So, management should appoint a chief knowledge officer for controlling the knowledge management activities.

*Training Session:*

The management of the company should conduct a training session for the employees. Training gives the support to solve the problems, which an employee faces with the work. Training increases the skills, productivity, sharing culture and work quality of an employee. Employees can register themselves or supervisor can nominate an employee for training. By the

training, an employee takes opportunity to attain explicit knowledge that strengthens their skills for fulfilling the tasks. By training activities, the employee can be familiarized with management and motivated to give the best result in work. Taking a training session by employee will help to reduce the work pressure and an employee can give the best in work (Maier, 2007).

*Management Functions:*

For knowledge management in the company, the management should arrange the management functions (Xu & Quaddus, 2005). This type of arrangement will promote a climate, where the employees will gather and the management top executive will give the lecture to motivate the employees to perform the best result for the company. In the end, the question and answer session would be included to allow interaction or exchange of knowledge and information between employees and the management. The management should organize a survey within the organization for implementing the management strategy. It will be helpful to share knowledge and information between employees and management (Civi, 2000).

*Reward for Employees:*

In the company, management should give the right incentives for the right employee to share and apply knowledge in the work. The personal reward system must support the culture of sharing knowledge. Management should fix some criteria for rewarding the employee of the work. Time to time reward gives the opportunity to the employee to create knowledge and apply in the organizational work. Reward includes many forms like, incentives, facilities etc. Reward system in an organization gives the motivation to the employees for better performance in the works or assignments. (Purwanti, Pasaribu & Lumbantobing)

*Create Time and Opportunity:*

Management should create time and opportunity for people to learn. Management should create the policies to give the time and create the opportunity for new and old employees to improve the work efficacy for the company. By using an effective and efficient knowledge management plan, an organization can create the time and opportunity. An organization can reduce the cycle time of the product, increase in productivity and increase in market share etc (Manuel, 2008).

*Communication:*

Communication plays a vital role in management. If there is no communication between employees and management or other employees, knowledge management is not successful in the organization. For good communication in the organization, the management should make a policy to use the internal internet for communication or rapid information access. Through the effective communication sources, an employee can share problems, information and experience regarding product and the organization. Better communication in the organization gives the motivation to the employee for sharing the problems to the management and other executive level employees (Civi, 2000).

*Knowledge Strategy:*

The success of knowledge management depends on the well planned strategy (Massingham & Diment, 2009). The strategy provides the platform for how an organization creates its sources to achieve the knowledge management goals. Knowledge strategy includes the goals, mission, vision, policies etc. of organization. So, a well defined business strategy is important for the successful knowledge management in the organization (Purwanti, Pasaribu, & Lumbantobing).

*Business process reengineering:*

The management should reengineer the process of doing business in the market. Knowledge management helps to recreate the business policies and acts in new ways of doing business. In Business process reengineering method, a management should break the old and traditional method of doing business and implement the knowledge management plan (Akhavan, Jafari, & Fathian, 2006).

*Make a Connection:*

Nokia management should make the connection with people from different regions. For customer satisfaction, Nokia should coordinate with local communities or NGOs in different regions and countries. This will be helpful for Nokia to connect with the youth generation in different countries. In this, Nokia should consider giving the training and educational opportunity for the young people. It will help knowledge management plan to improve the personal skills and help them to involve KM in life of their communities (Nokia Sustainability Report, 2009).

## **Conclusion**

From the above discussion, it can be concluded that Nokia Mobile Inc. is a multinational company in the world. The company already follows the knowledge management plan for improving the work efficiency of the workers in the company. The company's employees are not well trained and less efficient for doing a work. They do not share information and knowledge with the employees and the management. They have some fear about sharing the information and knowledge to the company, they think that they are the best in field and don't want to share the information regarding technology and the knowledge.

In between, the company encountered issues like, lack of management staff.. For these problems, the company should build a relationship with customers and the suppliers. Company should find the lacking areas in current knowledge management plan and try to remove these

deficiencies from the plan. In knowledge management plan, the company should also consider the training program and functions for the employees to motivate them in order improve their work efficiency with effectiveness. Company should motivate its employee to share the information and knowledge.

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