# KNOWLEDGE MANAGEMENT STRATEGY AND THE EFFECT ON ORGANIZATIONAL INNOVATION: AN EMPIRICAL STUDY OF THAI FIRMS

## KNOWLEDGE MANAGEMENT STRATEGY AND THE EFFECT ON ORGANIZATIONAL INNOVATION: AN EMPIRICAL STUDY OF THAI FIRMS

#### A Dissertation Presented to

The Graduate School of Bangkok University

In partial Fulfillment

of the Requirements for the Degree

Doctor of Philosophy in Business Administration

by Saweeya Prathanadi

2011



©2011

Saweeya Prathanadi

All Right Reserved

This dissertation has been approved

for the Graduate School by

Associate Professor of Business Administration

University of Nebraska-Lincoln

Dean of the Graduate School

Bangkok University

Prathanadi, S. Ph.D. (Business Administration), December 2011, Graduate School, Bangkok University.

Knowledge Management Strategy and the Effect on Organizational Innovation: An Empirical Study of Thai Firms (149 pp.)

Advisor of dissertation: Associate Professor Silvana Trimi, Ph.D.

#### ABSTRACT

Today, it is the world of knowledge-based economy. Knowledge management (KM) and innovation have become the vital ingredients for enhancing competitive advantage in a fast-changing environment. In Thailand, KM started almost ten years but most executives still lack successful models that could be used as guides. It is important for them to make the explicit connection between their organizational innovation and how they use the KM strategy to support it. The purpose of this dissertation is to explore the effect of KM strategy on organizational innovation. This study also explores whether industry type and organizational size are intermediary factors in the relationship of KM strategy and organizational innovation.

A quantitative research design was employed by collecting data from firms in the knowledge-intensive and non-knowledge-intensive industries. The research results indicate that both codification and personalization KM strategies can positively and significantly affect organizational innovation. The results confirm the beliefs of many, and scattered partial support in the literature, and shed a new light on the relationships between KM strategy and organizational innovation. The results also indicate that industry type and organizational size are intermediary factors that influence on the relationship.

This research provides business executives new insights about making surefooted decisions as to which dominant KM strategy to focus and their investments in it. Therefore, this will maximize the benefit of KM implementation and innovation performance of the organization.



Signature of Advisor

#### ACKNOWLEDGEMENTS

This dissertation could not have been completed without the unfailing support from everyone around me. First, the persons I wish to acknowledge are Professor Dr. Sang M. Lee and Associate Professor Dr. Silvana Trimi who have not only been my advisors but also teachers and mentors throughout my doctoral studies. They always offered thoughtful advice and gave me a lot of opportunities that I could not forget.

I gratefully acknowledge the help of many other faculty members of the Department of Management at the University of Nebraska – Lincoln. I appreciate the support and kindness of Associate Professor Dr. Terrnce C. Sebora and Dr. Lester A. Digman.

Special thanks go to Assistant Professor Dr. Kasemson Pipatsirisak who is the faculty member at Bangkok University and Dr. Vincent Ribière who is Managing Director of the South-East Asia branch of the Institute for Knowledge and Innovation (IKI-SEA) hosted by Bangkok University. They provided advice, suggestions, and direction throughout my doctoral studies.

Finally, I would like to thank you my family and lovely friends who have always supported me with their concern and love.

## TABLE OF CONTENTS

ABSTRACT	iv	
ACKNOWLEDGMENT	vi	
LIST OF TABLES	ix	
LIST OF FIGURES	XV	
CHAPTER 1 INTRODUCTION TO THE STUDY	1	
Statement of Problem	1	
Purpose of Study	4	
Research Methodology	5	
Organization of the Dissertation	5	
CHAPTER 2 LITERATURE REVIEW	7	
Resource-based View and Knowledge-based View of the Firm	7	
Knowledge Management (KM)	8	
Knowledge Management Strategy	13	
Organizational Innovation	19	
Summary	23	
CHAPTER 3 HYPOTHESES DEVELOPMENT AND RESEARCH		
METHODOLOGY	25	
Hypotheses Development	25	
Research Methodology	32	
Summary	44	

## TABLE OF CONTENTS

viii

CHAPTER 4 RESEARCH FINDING AND DATA ANALYSIS	45
Part 1: Sample Characteristics	45
Part 2: Independent Variable: Knowledge Management Strategy.	53
Part 3: Independent Variables: Organizational Innovation	58
Part 4: Reliability and Validity of Constructs	85
Part 5: Test of Hypotheses	99
CHAPTER 5 CONCLUSION AND IMPLICATION	145
Summary of Results	145
Conclusions	146
BIBLIOGRAPHY	150
APPENDIX A	157
APPENDIX B	160
BIODATA	175
LICENSE AGREEMENT OF DISSERTATION/THESIS PROJECT	176

## LIST OF TABLES

Table 2.1	Comparisons of KM Studies	11
Table 2.2	Knowledge Management Strategies	14
Table 2.3	Innovation Types	22
Table 2.4	Evolution of Convergence and Organization Innovation	23
Table 3.1	Summary Table of Hypotheses	30
Table 3.2	Classification Organization Size by Number of Employees	34
Table 3.3	Classification of Knowledge-Intensive Service Sector	35
Table 3.4	Technologies and Practices Used in Each of the Different KM	
	Strategy Type	40
Table 3.5	Research Instrument	43
Table 4.1	Positions in the Organization	46
Table 4.2	Industry Type	47
Table 4.3	Main Business Orientation	49
Table 4.4	Products Offer by the Sample Firms	50
Table 4.5	Life Cycle of Products Offered by the Firms	50
Table 4.6	Size of the Sample Firms	51
Table 4.7	Status of KM in the Company	51
Table 4.8	Chief Knowledge Officer	52
Table 4.9	KM Focus: Tacit Knowledge and Explicit Knowledge	53
Table 4.10	Strategic Intention in Managing Business Knowledge	54
Table 4.11	Codification Tools of KM Strategy	56
Table 4.12	Personalization Tools of KM Strategy	58

Table 4.13	Efficiency of Value Chain	59
Table 4.14	Speed	60
Table 4.15	New Products/Services and Quality	61
Table 4.16	Customization	62
Table 4.17	New Customer Base	63
Table 4.18	Industry Type and Knowledge Management Codification Strategy	
	for the Efficiency of the Value Chain	64
Table 4.19	Industry Type and Knowledge Management Codification Strategy	
	for Speed	65
Table 4.20	Industry Type and Knowledge Management Codification Strategy	
	for New Products/Services and Quality	67
Table 4.21	Industry Type and Knowledge Management Codification Strategy	
	for Customization	68
Table 4.22	Industry Type and Knowledge Management Codification Strategy	
	for New Customer Base	70
Table 4.23	Industry Type and Knowledge Management Personalization Strategy	
	for Efficiency of the Value Chain	71
Table 4.24	Industry Type and Personalization Strategy KM for Speed	72
Table 4.25	Industry Type and Personalization KM Strategy for New	
	Products/Services and Quality	73
Table 4.26	Industry Type and Personalization KM Strategy for Customization	74

Page

Table 4.27	Industry Type and Personalization KM Strategy for New Customer	
	Base	75
Table 4.28	Organization Size and Codification KM Strategy for Efficiency of	
	the Value Chain	76
Table 4.29	Organization Size and Codification KM Strategy for Speed	77
Table 4.30	Organization Size and Codification KM Strategy for New	
	Products/Services and Quality	78
Table 4.31	Organization Size and Codification KM Strategy for Customization	79
Table 4.32	Comparative between Organization Size, Knowledge Management	
	Strategy: Codification and Organizational Innovation: New Customer	
	Base	80
Table 4.33	Organization Size and Personalization KM Strategy for Efficiency	
	of the Value Chain	81
Table 4.34	Organization Size and Personalization KM Strategy for Speed	82
Table 4.35	Organization Size and Personalization KM Strategy for New Products/	
	Services and Quality	83
Table 4.36	Organization Size and Personalization KM Strategy for	
	Customization	84
Table 4.37	Organization Size and Personalization KM Strategy for New	
	Customer Base	85
Table 4.38	Cronbach's Alpha of Knowledge Management Strategy	86
Table 4.39	Cronbach Alpha of Organizational Innovation	88

Page

Table 4.40	Factor Analysis of Knowledge Management Strategy: Codification	90
Table 4.41	Factor Analysis of Knowledge Management Strategy:	
	Personalization	91
Table 4.42	Factor Analysis of Organizational Innovation: Efficiency of the	
	Value Chain	92
Table 4.43	Factor Analysis of Organizational Innovation: New Products/	
	Services and Quality	93
Table 4.44	Factor Analysis of Organizational Innovation: Customization	93
Table 4.45	Factor Analysis of Organizational Innovation: New Customer Base	94
Table 4.46	Normality of Knowledge Management Strategy	95
Table 4.47	Normality of Organizational Innovation	98
Table 4.48	Hypothesis 1a	100
Table 4.49	Hypothesis 1b	100
Table 4.50	Hypothesis 1c	101
Table 4.51	Hypothesis 1d	101
Table 4.52	Hypothesis 1e	102
Table 4.53	Hypothesis 2a	103
Table 4.54	Hypothesis 2b	103
Table 4.55	Hypothesis 2c	104
Table 4.56	Hypothesis 2d	104
Table 4.57	Hypothesis 2e	105
Table 4.58	Result of Hypothesis Regression Test 1	106

xiii

Table 4.59	Multiple Coefficient of Determination Test 1	106
Table 4.60	Coefficient of Regression and Beta Coefficient Test 1	107
Table 4.61	Result of Regression Hypothesis Test 2	108
Table 4.62	Multiple Coefficient of Determination Test 2	109
Table 4.63	Coefficient of Regression and Beta Coefficient Test 2	109
Table 4.64	Result of Regression Hypothesis Test 3	110
Table 4.65	Multiple Coefficient of Determination Test 3	111
Table 4.66	Coefficient of Regression and Beta Coefficient Test 3	112
Table 4.67	Result of Regression Hypothesis Test 4	113
Table 4.68	Multiple Coefficient of Determination Test 4	114
Table 4.69	Coefficient of Regression and Beta Coefficient Test 4	115
Table 4.70	Result of Regression Hypothesis Test 5	116
Table 4.71	Multiple Coefficient of Determination Test 5	117
Table 4.72	Coefficient of Regression and Beta Coefficient Test 5	118
Table 4.73	Between-Subjects Factors	119
Table 4.74	Bartlett's Test of Sphericity <sup>a</sup>	120
Table 4.75	Multivariate Tests <sup>c</sup>	121
Table 4.76	Levene's Test of Equality of Error Variances <sup>a</sup>	123
Table 4.77	Tests of Between-Subjects Effects	124
Table 4.78	Dominant KM Tools and Organization Size	129
Table 4.79	Descriptive Statistics and Results of Hypotheses 3a-3e	132
Table 4.80	Dominant KM Tools and Industry Type	133

Page
------

Table 4.81	Descriptive Statistics and Results of Hypotheses 4a-4c	141
Table 4.82	Summary of all Hypotheses Tested	143
Table 5.1	Guideline for Management for KM Strategy Implementation	146



## LIST OF FIGURES

Figure 1.1	Research Model	5
Figure 2.1	An Item-oriented Categorization of Organizational Innovation	21
Figure 2.2	Conceptual Model and Research Question	24
Figure 3.1	Research Model	31
Figure 3.2	Industry Type Matrixes	38
Figure 4.1	Industry Type Matrixes with Number of Respondents	48
Figure 4.2	Industry Type with Total Number of Respondents and Their	
	Percentages	49
Figure 5.1	KM Strategy and Associated KM Tools for Organizational	
	Innovation	148

XV

#### CHAPTER 1

#### INTRODUCTION TO THE STUDY

#### Statement of Problem

Today, organizations have to deal with dynamic, complex, and rapidly changing business environments in order to survive in the increasingly competitive global economy. The firm's competitive advantage comes from core competencies which are based on the distinctive knowledge created over time (Prahalad & Hamel, 1990). Grant (1996) also stated that the sources of competitive advantage are not all the firm's internal resources, but just the knowledge-related assets of the organization and its competence to integrate knowledge. Therefore, organizations recognize knowledge as the only meaningful resource (Drucker, 1996), fundamental basis of competition (Zack, 1999), and a key to business success.

Unsurprisingly, the strategic value of knowledge has been recognized by world-class organizations (Nonaka, 1991). Knowledge that can be a source of competitive advantage is particularly tacit knowledge. Ambrosini and Bowman (2001) discuss the reason that tacit knowledge is unique, imperfectly mobile, imperfectly imitable and non-substitutable. Also, argue that managing knowledge actively and seeking for tools to leverage knowledge that can identify, share, process, capture and use it more effectively are important.

Over the past ten years, knowledge management (KM) concept has become an integral part of work processes in organizations of all types, including business, education, health care providers, management consulting firms, and government. Technology has changed to create an explosive interest in knowledge, specially, KM. Additionally, the recognition that organizations need a leading edge approach to providing product and service differentiation to customers, combined with technological advances, has aggressively driven organizations to further pursue a better understanding of KM.

KM is expected to improve and create organizational innovation and competitive advantage for business enterprises. In addition, KM as a long term attempt is well recognized in business excellence models around the world. The models directly or indirectly include KM as a key success factor. International role models of organizational excellence usually demonstrate superiority in the application of KM in their day-to-day operations. Dykeman (Lee & Hong, 2002), from the research reported in Fortune, found that 63 percent of 200 firms by CAP ventures in 1997 had employed a KM strategy. Superiority in KM is no longer an option, it is now a requirement in achieving world class performance. Importantly, if properly implemented, KM can help organizations become more flexible as well as become better learning places (Yahya & Goh, 2002).

KM has exploded in the popular management literature. In an important study, Hansen, Nohria, and Tierney (1999) have developed two major strategies of managing organizational knowledge assets: *codification* and *personalization*. The codification strategy views knowledge as an external object that can exist independent of the human experts. The fundamental of the codification strategy to KM is to provide a high quality and reliable knowledge library for reuse. Whereas the personalization strategy, it derived from another fundamentally different aspect of knowledge, views knowledge as a quality not detachable from human experts. Additionally, this strategy also has a different implication on the various aspects of the KM process by facilitating human experts to better communicate in order to create and exchange (or exchange and then created) more of their luminous ideas for solving problems or finding solutions (Wong & Tiainen, 2004).

Hansen, Nohria and Tierney (1999) propose that organizations focus in varying degrees on the *codification* and *personalization* of knowledge. These are not mutually exclusive categories but managers had pointed out that emphasizing a wrong approach or trying to pursue the two approaches at the same time does not usually generate good result although a hybrid approach with one of the approaches being dominant may work (Wong & Tiainen, 2004). Kim and Trimi (2007) also support that effective firms need to focus on one of the strategies and use another one as a supporting role. They tend to favor one over the other (perhaps as much as an '80-20 split') (Hansen et al., 1999, p. 112).

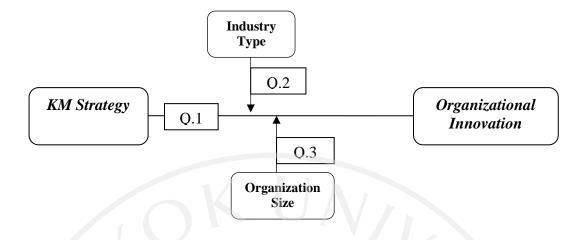
Today, knowledge management (KM) and organizational innovation have become the vital ingredients for enhancing the competitive advantage in the fastchanging environment. While, in Thailand, Vicheanpanya, Natakuatoong, and Panich (2006) concluded for KM that "a majority of Thai organizations are in the initiative stage that has various models." Hence, KM as a conscious practice is still immature and executives have lacked successful models that they could use as guides. Many managers still do not know what to do to manage an organization's knowledge. It is important for them to have enough guidance to develop KM and make the explicit connection between their organizational innovation and how they use knowledge management strategy to support it.

In recent years, much research has been conducted to learn about the existence, diffusion and effectiveness of organizational innovation and knowledge

management (Schienstock, Rantanen, & Tyni, 2009). But current research in this field is that organizational innovation and KM are dealt separately. They have not been researched together as parts of KM strategy in Thailand. The purpose of this study is to explore the effect of KM strategy on organizational innovation and also attempts to find if industry type and organizational size are intermediary factors in the relationship of KM strategy and organizational innovation.

#### Purpose of Study

This study addresses the following questions: 1) What is the relationship between KM strategy and organizational innovation among Thai firms in several industries? 2) Does industry type moderate the relationship between KM strategy and innovation performance of these Thai firms? And 3) Does organization size moderate the relationship between KM strategy and innovation performance of these Thai firms? The research model is shown in Figure1.1. The findings of this study will be important since they can help executives and middle-managers can use them as a guide to make more effective decisions about which KM strategy to focus on and their investments in it. Therefore, this study attempts to maximize the benefit of KM implementation and innovation performance of the organization.



#### Figure 1.1: Research Model

#### Research Methodology

The research was conducted by sending questionnaires to target populations who are chief knowledge officers (CKOs), managers and employees involved in KM implementation at any level in an organization. The population of this study was selected from the list of Department of Business Development, Ministry of Commerce. Main statistical analysis tools for producing analysis were SPSS (Statistical Package for Social Science) and Microsoft Excel software. Organization of the Dissertation

For attaining the objective, this study is organized into five main chapters. The first chapter has introduced and investigated the general problem and research questions.

Next, Chapter 2 draws on relevant literatures in the field of KM and the main KM strategy typologies, heavily drawn from the work of Hansen et al. (1999), are reviewed. Additionally, this chapter describes and conceptually evaluates the area of

effectiveness of organizational innovation. In this chapter, the research model and testable hypotheses are proposed.

Chapter 3 examines the theoretical construction of this study and addresses the methodology for testing the proposed hypotheses. This chapter reviews the literature for each of the main constructs and proposes the measurement model and also shows the study plan, research design, methodology, target population, instruments, and data gathering method and analysis.

Chapter 4 presents the result of the study, discussion, and the in-depth statistical analysis interpretations.

Chapter 5 provides the discussion. Finally, the expected outcome and their implications for KM implementation are presented. Also, the strengths, limitations of the study, future directions for KM research, and conclusion are included.

#### CHAPTER 2

#### LITERATURE REVIEW

This section provides an overview of the resource-based view and knowledgebased view of the firm. Next, we review the relevant literature in the field of knowledge management and KM strategies. Finally, we review the relevant literature about organizational innovation.

#### Resource-based View and Knowledge-based View of the Firm

Among many contributions from research in the field of strategic management, the resource-based view (RBV) of the firm notes that the firm performance is fundamentally due to the firm's heterogeneous internal resources. Barney (1991) and Wernerfelt (1984) described about the firm's resources that consist of all tangible and intangible assets, human and non-human, which are possessed or controlled by the firm and that allow the firm to formulate and implement strategies that enhance its efficiency and effectiveness.

An extension of the resource-based theory is the knowledge-based view (KBV). In this KBV, Grant (1996) stated that the sources of competitive advantage are not all the firm's internal resources, but just the knowledge-related assets of the organization and its competence to integrate knowledge. According to Prahalad and Hamel (1990), the firm's competitive advantage comes from core competencies which are based on the distinctive knowledge created within them over time. Knowledge that can be a source of competitive advantage is usually tacit knowledge. Ambrosini and Bowman (2001) showed the reason that tacit knowledge is unique, imperfectly mobile, imperfectly imitable and non-substitutable. Knowledge is a core

competence that does not weaken nor is it consumed with use (Halawi, McCarthy, & Aronson, 2006) and it is the resource that the firm can build up and have a main influence on its strategies (Barney, 1996) since it support decision making of the firm (Grant, 1991). Therefore, Zack (1999) stated that the fundamental basis of competition is knowledge.

#### Knowledge Management (KM)

Over the past ten years, the KM concept has become an integral part of work processes in organizations of all types, including business, education, health care providers, management consulting firms, and governments. KM is a branch of management for achieving breakthrough business performance through the synergy of people, processes, and technology (Brint Institute, n.d.; Chaka, 2008).

Davenport and Prusak (1998) defined knowledge as 'a fluid mix of framed experience, values, contextual information and expert insight that offer a framework for evaluating and integrating new experience and information' (Halawi, McCarthy, & Aronson, 2006). In defining KM, a few definitions are presented here and there are multiple interpretations (Choi, 2000).

Wiig (1997) defined KM as a systematic and explicit process that helps a firm to acquire, build, renew, and apply knowledge from both inside and outside of the company to maximize an organization's knowledge-related effectiveness and returns from its knowledge assets. KM applies systematic approaches to find, understand, use (O'Dell, 1996), formulate and access to experience, knowledge, and expertise that create capabilities, enable superior performance, encourage innovation, and enhance customer value (Beckman, 1997). The information provided through KM is expected to help an organization accomplish their missions (Wiig, 1995) and to improve organizational performance (Laurie, 1997).

Malhotra (1998) defines KM that "caters to the critical issues of organizational adaptation, survival, and competence in face of increasingly discontinuous environmental change. Essentially, it embodies organizational processes that seek synergistic combination of data and information processing capacity of information technologies, and the creative and innovative capacity of human beings." In theory, the process is simple, but the implementation can be quite complex.

In order to achieve the desired outcome, organization must openly describe the policies to direct the implementation of the KM infrastructure, must provide top-down support for generous details of the causes behind the addition of the capability, and must create a culture that places value on knowledge (Shepard, 2000). Organizations not only have to build appropriate IT infrastructures but also have to integrate human, computer systems, network technologies, and other corresponding organizational arrangements to effectively obtain, store, and utilize knowledge (Meso & Smith, 2000; Paisittanand, Digman, & Lee, 2007).

However, Halawi et al. (2006) stated that KM solutions are generally only 10 percent to 20 percent of technology effort and the major efforts involved those that are cultural, managerial and behavioral. Also, Davenport (1996) stated that when we think of knowledge in the future, we should think of "human" advancements, not super-futuristic products. Successful managers understand the aspects of KM that go beyond technology. These are people, content and economics. Therefore, KM is "knowing what you know and profit from it" and "making obsolete what you know before others obsolete it." (Malhotra, n.d.) Murray (1998) viewed KM as a strategy that turns intellectual assets of the organization – both recorded information and the talents of it members into better productivity, new value and enhance competitiveness. Furthermore, KM is also defined as a mindful strategy of getting the right knowledge to the right people at the right time and helping people share and place information into action in methods that attempt to develop the performance of organizations (American Productivity Quality Center, 1999a, 1999b, cited in Halawi, McCarthy, & Aronson, 2006, pp.384-397).

These perspectives provide KM with a strategic attribute. Through many case studies, Drew (1999) found that organizations interviewed combine KM with organizational objectives and form a set of operating arrangements to implement KM activities. Furthermore, Zack (1999) found that when conducting KM, organizations implement different administrative procedures according to their different strategic missions. These findings indicate that it is appropriate to view KM as an organization's strategic tool.

### Table 2.1: Comparisons of KM Studies

Criteria	Research								
	Nevis et al. (1995)	Bierly & Chakrabarti (1996)	Jordan & Jones (1997)	Hansen et al. (1999)	Zack (1999)	Swan et al. (2000)	Choi & Lee (2003)	Kim & Trim (2007)	
Acquisition									
• Explicit-oriented	Product	Exploitation	Focused	Reuse	Exploitation	Exploitation (fitting pieces of knowledge together)	Exploitation	Exploitation	
• Tacit-oriented	Process	Exploration	Opportunistic	Interaction	Exploration	Exploration (creative interaction)	Exploration	Exploration	
<ul> <li>Both Tacit and Explicit</li> </ul>	NA	NA	NA	NA	Innovator	NA	Innovator	NA	
Sharing		1							
• Explicit-oriented	Formal	NA	Formal	People-to- document	NA	Text	Documentation	Procedure- oriented	
• Tacit-oriented	Informal	NA	Informal	People-to- people	NA	Social network	Social relationships	Expertise- oriented	
KM Category	Embrace &	Loner; Exploiter;	Tacit-oriented;	Codification;	Conservative;	Cognitive;	Passive System-	Reuser;	
	Improve;	Explorer;	Explicit	Personalization	Aggressive	Community	Oriented; Human-	Stabilizer;	
	Change	Innovator	Oriented		-	197	Oriented; Dynamic	Explorer; Innovator	
Research Method	Case	Empirical	Conceptual	Case	Case	Case	Empirical	Empirical	

(Continued)

#### Table 2.1 (continued): Comparisons of KM Studies

Criteria	Research							
	Nevis et al.	Bierly &	Jordan & Jones	Hansen et al.	Zack (1999)	Swan et al. (2000)	Choi & Lee (2003)	Kim & Trimi
	(1995)	Chakrabarti (1996)	(1997)	(1999)				(2007)
Industry	All	Pharmaceutical	All	Consulting	All	Manufacturing &	All	SME
Implications						Financial		Management
						ľ í		Consulting
Corporate	NA	Financial	NA	NA	NA	NA	Self-report Measure	NA
Performance		Performance					(a kind of balanced	
							scored card)	
KM Style Suggested	Balanced	Innovator or	Balanced	80-20 split	Aggressive	Community	Dynamic	Use more IT to
		Explorer						their KM Model

Source: Adapted from Choi, B., & Lee, H. (2003). An empirical investigation of KM styles and their effect on corporate performance.

Information and Management, 40(5), 403-17.

#### Knowledge Management Strategy

Halawi et al. (2006) defined KM strategy, in simple terms, as the process of generating, codifying, and transferring explicit and tacit knowledge within an organization, getting the right information, to the right people, in the right place and at the right time. Broadbent (1998) identified the key to KM strategies is the transformation of knowledge from tacit to tacit, explicit to explicit, tacit to explicit and explicit to tacit, with the emphasis on the last two processes as the key challenges of KM. She also summarized how to get started in KM in four steps as the following:

- 1. making knowledge visible;
- 2. building knowledge intensity;
- 3. developing a knowledge culture; and
- 4. building a knowledge infrastructure

Since KM as a conscious practice is so young, executives have lacked successful models that they could use as guides. Many researchers and practitioners have worked on coming up with a framework that specifies the different aspects of the KM process and have worked on providing typologies for KM strategies. A better understanding of the concept and implications of KM strategies can be achieved through a review of the most important contributions.

March (1991) stated that an essential element in KM is the balance that firms should observe between exploration and exploitation such as between the creation and discovery or acquiring knowledge and its refinement, reuse or generally speaking a focus on efficiency in knowledge resource management. Bierly and Chakrabarti (1996) label firms according to the way they manage knowledge. They conclude that more aggressive knowledge strategies, featured by more innovative firms, cause higher financial performance. Similarly, Zack (1999) proposed two orientations: conservative and aggressive. The latter is frequently more concerned about exploration.

In Table 2.1, adapted from Choi and Lee (2003) and cited by Meroño, López, and Sabater (2007), broader perspectives of main KM strategies are presented. This table highlights a distinction between a system-oriented and a human-oriented approach. System orientation highlights codified knowledge, focuses on codifying and storing knowledge via information technology and attempts to share knowledge formally. In contrast, human-orientation highlights person-to-person contacts and dialogue through social networks, focuses on acquiring knowledge via experienced and skilled people and attempts to share knowledge informally.

Author	System-oriented	Human-oriented
March (1991)	Exploitation	Exploration
Bohn (1994)	Pure procedure	Pure expertise
Bierly and Chakrabarti (1996)	Exploiters	Innovators, Explorers
Jordan and Jones (1997)	Explicit-oriented	Tacit-oriented
Hansen et al. (1999)	Codification	Personalization
Zack (1999)	Conservative	Aggressive
Swan et al. (2000)	Cognitive model	Community model
Earl (2001)	Technocratic	Organizational, Spatial
Schutz and Jobe (2001)	Codification	Tacitness
Choi and Lee (2003)	Systems-oriented	Dynamic, Human-oriented

Table 2.2: Knowledge Management Strategies

Hansen et al.'s (1999) typology of knowledge strategies has become the most referenced and supported (Meroño, López, & Sabater, 2007). They have studied KM practices of companies in several industries. They decided to start by looking at major professional and management consulting firms. Because knowledge is the core asset of consultancies, they were among the first businesses to pay attention to the management of knowledge. However, consultants do not take a uniform approach to managing knowledge. Hansen et al. (1999) have identified two very different KM strategies employed in those consulting business firms: The codification and personalization approaches to KM. In some companies, the strategy centers on the computer. Knowledge is carefully codified and stored in databases, where it can be accessed and used easily by anyone in the company. They call this the *codification strategy*. In other companies, knowledge is closely tied to the person who developed it and is shared mainly through direct person-to-person contacts. The chief purpose of computers at such companies is to help people communicate knowledge, not to store it. They call this the *personalization strategy*.

A company's choice of strategy is far from arbitrary - it depends on the way the company serves its clients, the economics of its business, and the people it hires. Emphasizing the wrong strategy or trying to pursue both at the same time can, as some consulting firms have found, quickly undermine a business.

The two KM strategies are not unique to consulting, a single profession or industry. When they looked beyond that business and analyzed computer industries, and the health care providers, they found the same two strategies at work. They also believe that the choice between codification and personalization is the central one facing virtually all companies in the area of knowledge management. The following details about two KM strategies are described by Wong and Tiainen (2004).

#### a. <u>The Codification Approach</u>

The core of the codification approach to KM is to develop an electronic document system that codifies, stores in databases, disseminates, and allows reuse of knowledge. The competitive strategy for companies that favor the codification approach can be characterized as a 'commodity' strategy. A commodity strategy emphasizes reuse economies: Investing once in eliciting, codifying, and storing the knowledge for a process of importance, and applying such knowledge to solve many other similar instances. The recurrent practice with similar problems eventually leads to a large scale of knowledge being articulated and reused by more knowledge users without having to contact the original source of knowledge or experts (Wong & Tiainen, 2004). The value-adding philosophy of companies adopting a codification approach of KM is to offer their clients with a relatively low-cost, high quality functional solution to a special class of problems. Growth is resulted from such an economy of scale.

For the codification strategy to be successful, the processes, which knowledge the company seeks to manage, that are critical to the business are identified with all the internal knowledge tasks identified and articulated. The various tasks related to the identification, elicitation, validation, representation, and verification are formalized, with all the roles required to take up all these tasks created. Technical details such as what knowledge acquisition methods are to be used should also be identified for extracting the knowledge for further codification and storage. Such codified knowledge is then stored in a database or knowledge base for later retrieval by either other persons or an automatic system for its operations. The KM focus is on constructing a model that is a good representative of the knowledge intensive process with all the components formalized to a computational form. Hansen et al. (1999) summarized that knowledge is codified using a people-to-document approach. The strategic focus is to invest heavily on information technology to connect people with reusable codified knowledge (Lee & Hong, 2002).

In terms of the human resources strategies, the codification KM approach calls for the hire of new college graduates that are well appropriated to the reuse of knowledge and the implementation of solutions, rather than to be the new solutions inventors. Another advantage for hiring more newly graduates is their relatively higher readiness for the use of automated knowledge retrieval devices and systems using the codified knowledge as input (Wong & Tiainen, 2004). Because of the availability of codified knowledge, training can be done in larger groups using the stored codified knowledge and computer-based distant learning. Also, rewarding system should reflect the high value the company has put on one's contribution to the addition to the knowledge base.

The codification strategy to KM has found many adopters across industries. For examples, Ernst & Young (Lee & Hong, 2002) and KPMG Peat Marwick in the consulting industry, Dell in the computer industry, and Access Health in the health care industry (Wong & Tiainen, 2004).

#### b. <u>The Personalization Approach</u>

The core of the personalization approach to KM is to develop an information systems infrastructure or networks of people that facilitates the communication of individuals in a company, so that they can easily exchange ideas and share their knowledge such as tacit knowledge (Lee & Hong, 2002) through socialization and communication. Thus, this approach focuses on dialogue between individuals, not knowledge in a database (Hansen et al., 1999). However, Lee and Hong (2002) proposed that the strategic focus of the information technology is to invest moderately to connect people and their ideas.

The competitive strategy for companies that favor the personalization approach can be characterized as an 'innovative' strategy. An innovative strategy emphasizes, instead of reuse economies, an expert economic. An expert economic model typically features a high fee being charged to the clients for a highly customized solution (Hansen et al., 1999; Lee & Hong, 2002). The client's problem will not be framed with a generic problem template for arriving at a quick generic solution. As such the strategy of investing once and reuse many times is not the target of the innovative strategy. Instead, the company typically uses small teams of human experts with a low ratio of associates to experts (Wong & Tiainen, 2004). The valueadding philosophy of companies adopting an innovative approach of KM is to offer their clients with a high-cost, one-of-a-kind innovative solution to a unique problem (Lee & Hong, 2002). Sufficient return is guaranteed from the premium embedded in the high fees (Wong & Tiainen, 2004).

Since the focus of the personalization strategy is on the expertise and innovative thinking of the human experts, the business processes may not be formulated as prescriptively as in companies which favor a codification KM strategy. The formation of such processes is likely to be in an organic manner emphasizing the expert quality of the participating members and the ideas they may contribute toward the resolution of a given problem. As such emphases will not be put on a set of preidentified internal knowledge tasks for the definition of the business processes. Hence, there will not be a set of predetermined and formalized procedures for taking on the various tasks for identifying, eliciting, validating, representing, and verifying the knowledge objects in the business processes (Wong & Tiainen, 2004). One would also rarely see formal KM roles required to take up all these tasks created as knowledge is inseparatable from the human experts.

The personalization approach to KM has found many adopters across industries. For examples, Boston Consulting Group, Bain, and McKinsey in the consulting industry (Lee & Hong, 2002), Memorial Sloan-Kettering Cancer Centre in New York in the health care industry and Hewlett-Packard in the computer industry (Wong & Tiainen, 2004).

Hansen et al.'s (1999) distinction of codification and personalization strategies is similar to exploration and exploitation typology proposed by March (1991). Both classifications are corresponding in that codification is related to exploitation, whereas personalization refers to exploration of knowledge. Moreover, both typologies are alike in that firms should not attempt to implement and excel at both strategies. Rather, companies should use one KM strategy primarily and use the second to support the first (Smith, 2004; Kim & Trimi, 2007). Specifically, Hansen et al. (1999) recommend an 80-20 split.

#### Organizational Innovation

Organizational innovation is considered to be highly important for a firm's competitiveness. However, the definition of "organizational innovation" is interpreted differently and lack of widely accepted definition. Armbruster, Bikfalvi, Kinkel, and Lay (2008) state in their research "...referring to Schumpeter and other innovation

researchers (e.g., Anderson & King, 1993; Damanpour & Evan, 1984; Totterdell, Leach, Birdi, Clegg, & Wall, 2002), innovation can be considered to be a complex phenomenon including technical (e.g., new products, new production methods) and non-technical aspects (e.g., new markets, new forms of organization) as well as product innovations (e.g., new products or services) and process innovations (e.g., new production methods or new forms of organization). Based on these considerations, we distinguish four different types of innovations: 1) technical product innovations, 2) non-technical service innovations, 3) technical process innovations, and 4) non-technical process innovations, understood to be organizational innovations". However, OECD (2005), Damanpour (1987), Damanpour and Evan (1984) mentioned about organizational innovation that comprise changes in the structure and processes of an organization due to implementing new managerial and working concepts and practices, such as the implementation of teamwork in production, supply chain management or quality-management systems.

Govindarajan and Trimble (2007) said that innovation can be viewed in the number of forms. Armbruster et al. (2008) show a vast variety of organizational innovation which differs in terms of their type and focus, as shown in Figure 2.1.

# Focus of Organizational Innovation

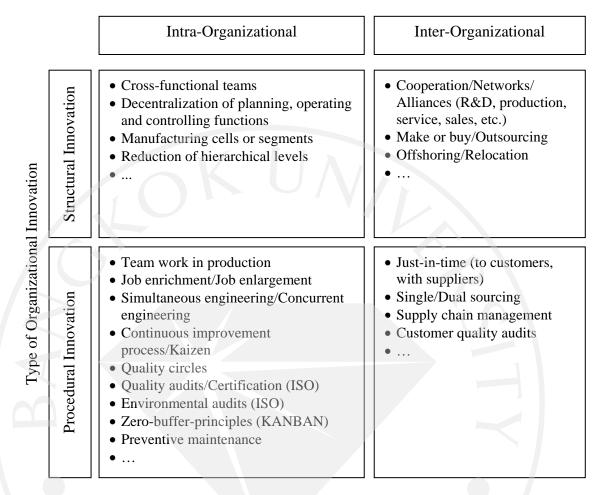


Figure 2.1: An Item-oriented Categorization of Organizational Innovation

Additionally, Lee and Olson (2010) propose types of innovation on Table 2.3. First level is reinventing customer value which focuses on creative ideas to improve products/services for customers; Second level is process innovation which focuses to improve processes of the value chain such as lower price and better quality; Third level is continuous improvement which is incremental process improvement typical of programs which can be of value to business in existing markets and also creating new markets; Forth level is strategic innovation which is leading to dramatically different ways to conduct business or do old tasks.

Level	Туре	Impact
1	Reinventing Customer Value	Better products and services, speed, customization, emotional gratification (aesthetics, memory, inner satisfaction)
2	Process Innovation	Reduced value chain cost and improve quality simultaneously
3	Continuous Improvement	E-customers, global customers, customer communities, non-customers
4	Strategic Innovation	New ways of doing old tasks, in a much improved manner

Table 2.3: Innovation Types

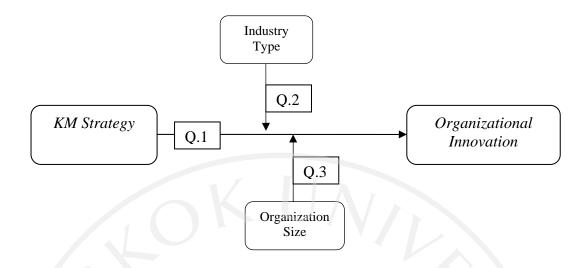
Lee and Olson (2010, p.45) also said that "the success of any organization is largely based on its ability to predict the future direction of convergence that can enrich the entire value chain-operational innovation, new products/services, new customer value, and new customer base". Evolution of convergence can be examined in six broad levels (shown in Table 2.4) which are relevant to organizational innovation. Therefore, we try to cover all area of organizational innovation in this study. Table 2.4: Evolution of Convergence and Organization Innovation

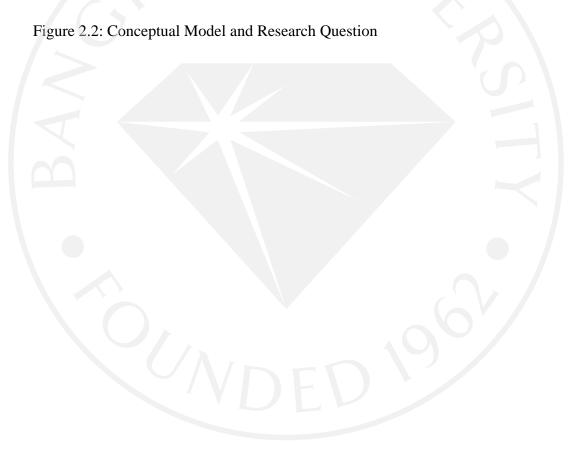
	Convergence Level	Purpose
Level 1	Component/Product	Product Innovation
	Convergence	
Level 2	Functional Convergence	Process Innovation
Level 3	Organizational Innovation	Value Chain Innovation
Level 4	Technology Convergence	Technology, Product Innovation
Level 5	Industry Convergence	New Industries, Customer Value
	7	Innovation
Level 6	Bio-artificial Systems	Ubiquitous Innovation

Source: Lee, S.M., & Olson, D. L. (2010). *Convergenomics: Strategic innovation in the convergence era*. Farnham, UK: Gower.

# Summary

According to the literature reviews, this study brings three important questions: 1) Is there a positive relationship between KM strategy and organizational innovation among Thai firms?; 2) Does industry type (knowledge-intensive industry and non knowledge-intensive industry) moderate the relationship between KM strategy and innovation performance of these Thai firms?; and 3) Does organization size moderate the relationship between KM strategy and innovation performance of these Thai firms? This study investigates the relationships between KM strategy and organizational innovation among Thai firms and intermediary effect of industry type and organizational sizes, as shown in Figure 2.2.





# CHAPTER 3

# HYPOTHESES DEVELOPMENT AND RESEARCH METHODOLOGY

# Hypotheses Development

Lorlowhakarn and Ellis (2005, p.34) noted that in Thailand "the significance of innovation in creating and enhancing national competitiveness is widely recognized. National innovation systems provide a sustainable development strategy for promoting innovation in R&D institutions and enterprises. Academic and financial support mechanisms along with knowledge management are considered to be crucial driving factors for innovation management".

It is interesting that previous statement mentioned about KM and innovation. KM strategy is the part of KM that deals with the way to manage knowledge to gain higher performance and enhancing competitiveness. The importance of organizational innovation for competitiveness has been proven (Mogollon, Carrión, Navarro, & Millán, 2010). This brings to the first question of this research. "What is the relationship between KM strategy and organizational innovation among Thai firms?" The result of KM strategy is believed to enhance organizational innovation. This study hypothesized that there is a positive relationship between KM strategy and organizational innovation

Hypothesis 1: There is a positive relationship between KM strategy and organizational innovation

According to the literature reviews in Chapter 2, Hansen et al. (1999) identified two very different KM strategies: codification and personalization strategy. Thus, it is interesting to study each of KM strategy and its relationship to organizational innovation separately. The result of each KM strategy is believed to enhance organizational innovation. However, organizational innovation described by Table 2.3 of Lee and Olsen (2010) shown the impact of innovation type of all level that lead us to believed that organizational innovation is comprised of the following constructs. First, efficiency of the value chain – this leads to better efficiency through higher productivity, employee skills, cost reduction, profitability figures, decision-making, problem solving, and so on; Second, new products/services and quality - focused on creative ideas to improve products or services or quality; Third, speed – focused on faster response of business issues; Forth, customization; Last, new customer base - focused on the new customer base, e-customers, global customers, customer communities. The sub-hypotheses involve each KM strategy that increases each of organizational innovation as followings:

Hypothesis 1a: A codification strategy of KM increases efficiency of the value chain

Hypothesis 1b: A codification strategy of KM increases new products/services and quality

Hypothesis 1c: A codification strategy of KM increases speed

Hypothesis 1d: A codification strategy of KM increases customization

Hypothesis 1e: A codification strategy of KM increases new customer base

Hypothesis 2a: A personalization strategy of KM increases efficiency of the value chain

Hypothesis 2b: A personalization strategy of KM increases new products/services and quality

Hypothesis 2c: A personalization strategy of KM increases speed

Hypothesis 2d: A personalization strategy of KM increases customization

Hypothesis 2e: A personalization strategy of KM increases new customer base

Many researchers have argued that organizational size facilitates innovation (Damanpour, 1992). Large organizations have more complex and diverse facilities (financial slack, marketing skills, research capabilities, product development experience (Nord & Tucker, 1987), and more professional and skilled workers (Damanpour, 1992) that help the adoption of a large number of innovations. Thus, large company have many chances to manage knowledge from their professional and skilled workers which most likely to adopt personalization of KM. However, in some large organizations also have potential to invest in the strategy centers on the computer. Knowledge is carefully codified and stored in databases, where it can be accessed and used easily by anyone in the company. Consequently, it is expected that a large organization is more likely to adopt both personalization and codification strategy of KM and gain better performance of organizational innovation in terms of *efficiency of value chain, new products/services, and customization.* This study hypothesized as the followings;

Hypothesis 3a: The effect of balance strategy in the efficiency of value chain is greater in large organizations than it is in small-medium organizations.

Hypothesis 3b: The effect of balance strategy in new products/services is greater in large organizations than it is in small-medium organizations. Hypothesis 3c: The effect of balance strategy in customization is greater in

large organizations than it is in small-medium organizations.

On the other hand, some organizational scholars argue that large size does not necessarily result in greater innovativeness (Hage, 1980; Utterback, 1974 cited in Damanpour, 1992, pp.375-402). Smaller organizations can be more innovative because of their flexibility and having more ability to adapt. In order to achieve a new customer base, we believe that codification strategy of KM can enhance this innovation performance. This study hypothesized as follows.

Hypothesis 3d: The effect of codification strategy in new customer base is greater in small-medium organizations than it is in large organizations.

Large organizations have more expertise and experienced skill workers. Therefore, personalization strategy of KM is believed to help the large organizations faster response for any business issues. This study hypothesized as follows.

Hypothesis 3e: The effect of personalization strategy in speed is greater in large organizations than it is in small-medium organizations.

The trend in the 21<sup>st</sup> century promises to emphasize knowledge-intensive industries. Value and wealth are being created in such knowledge-intensive industries such as biotechnology, ICT, pharmaceuticals, financial service and so on (Lee & Olsen, 2010). In this study, based on literature reviews, we expect these organizations, especially in knowledge-intensive service industries, need more tacit knowledge that lie in knowledge workers. Thus, personalization strategy is believed to make a greater impact in all constructs of organizational innovation in knowledge-intensive service organizations. This study hypothesized as follows. Hypothesis 4a: The effect of personalization strategy in organizational innovation is greater in knowledge-intensive service organizations than non knowledge-intensive service organizations.

The process of KM in knowledge-intensive manufacturing organizations is more codification of knowledge than in knowledge-intensive service organizations and still need experiences from knowledge workers. Hence, a balance strategy is believed to be better in all constructs of organizational innovation in knowledgeintensive manufacturing organizations. This study proposes the following hypothesis.

Hypothesis 4b: The effect of balanced strategy in organizational innovation is greater in knowledge-intensive manufacturing organizations than non knowledge-intensive manufacturing organizations.

In non knowledge–intensive firms in both manufacturing and service industries, codification strategy is expect to be an appropriate approach to achieve better organizational innovation. This study suggests as the following hypothesis.

Hypothesis 4c: The effect of codification strategy in organizational innovation is greater in non knowledge-intensive service organizations than knowledge-intensive service organizations.

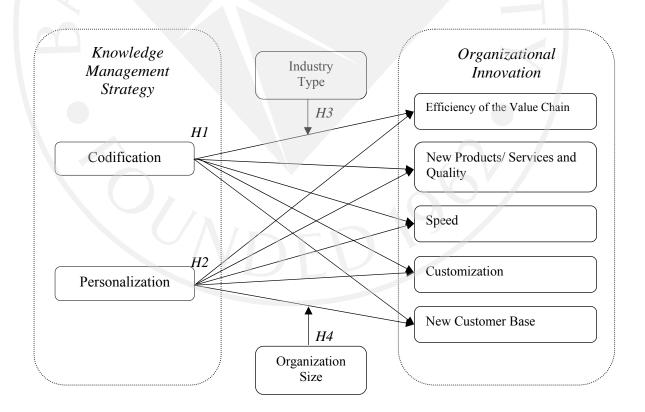
Hypothesis 1	There is a positive relationship between KM strategy and
	organizational innovation
Hypothesis 1a:	A codification strategy of KM increases efficiency of the value
	chain
Hypothesis 1b:	A codification strategy of KM increases new products/ services
	and quality
Hypothesis 1c:	A codification strategy of KM increases speed
Hypothesis 1d:	A codification strategy of KM increases customization
Hypothesis 1e:	A codification strategy of KM increases new customer base
Hypothesis 2a:	A personalization strategy of KM increases efficiency of the
	value chain
Hypothesis 2b:	A personalization strategy of KM increases new products/
	services and quality
Hypothesis 2c:	A personalization strategy of KM increases speed
Hypothesis 2d:	A personalization strategy of KM increases customization
Hypothesis 2e:	A personalization strategy of KM increases new customer base
Hypothesis 3a:	The effect of balance strategy in the efficiency of value chain is
	greater in large organizations than it is in small-medium
	organizations
Hypothesis 3b:	The effect of balance strategy in new products/services is greater
	in large organizations than it is in small-medium organizations.
Hypothesis 3c	The effect of balance strategy in customization is greater in large
	organizations than it is in small-medium organizations.
Hypothesis 3d:.	The effect of codification strategy in new customer base is
	greater in small-medium organizations than it is in large
	organizations.
Hypothesis 3e:	The effect of personalization strategy in speed is greater in large
	organizations than it is in small-medium organizations.

(Continued)

Table 3.1(continued): Summary Table of Hypotheses

Hypothesis 4a:	The effect of personalization strategy in organizational innovation is greater in knowledge-intensive service organizations than non knowledge-intensive service organizations.
Hypothesis 4b:	The effect of balanced strategy in organizational innovation is greater in knowledge-intensive manufacturing organizations than non knowledge-intensive manufacturing organizations.
Hypothesis 4c:	The effect of codification strategy in organizational innovation is greater in non knowledge-intensive service organizations than knowledge-intensive service organizations.

Figure 3.1 shows the research model





# Research Methodology

# 1. Data Collection

The target populations of this study are chief knowledge officers (CKO), managers and employees involved in KM implementation at any level in an organization. If CKO or the members of KM team are not available in some organizations, chief information officers (CIO) and employees in IT department or involved in human resource development at any level in an organization should be the appropriate persons to be responsible for the task. Thus, a majority of respondents in this study are CKO, CIO, employees in any level of KM team or IT department or department of human resource development while, at the same time, being able to avoid response bias by using a single informer.

The questionnaires were developed in English and were translated into Thai and back-translated into English for several times until the double translation protocol produced satisfactory match between the versions.

A mailing set to each company comprises of the cover letter, 3 prepaid return envelopes, outgoing envelope, and 3 questionnaires. Each mailing set asking for participation was mailed to the targeted people involved with KM (members of KM groups and associations) to 1,200 companies. Moreover, the online version was available as an internet survey at https://www.surveymonkey.com/s/JL53CDC which we informed this web browser in the mailed questionnaires to make more convenient access for respondents. The targeted companies were all located in Thailand. A total of 560 responses (from 408 mailed questionnaires and 152 internet surveys) were received, a response rate of 15.6 percent. The responses became modest due to the fact that the questionnaire took a long time to fill-out (20 minutes - 4 pages - 92 items). Main statistical analysis tools used were SPSS (Statistical Package for Social Science) and Microsoft Excel software.

### 2. Instrument

The study used a survey-questionnaire as the measurement instrument. The questionnaire items concerning KM strategy were modified from Ribière (2005) and a comprehensive review of previous research. A panel of experts, including senior scholars and professional managers in the respective fields help ascertain the adequacy and appropriateness of wordings in the questionnaire. While, questionnaire items concerning organizational innovation were developed from literature reviews.

The questionnaire items are shown in Appendix B. It contains three sections as follows; First, organizational profile and respondent profile; Second, KM strategy assessment tool; Last, organizational innovation assessment tool.

# 2.1 Organizational Profile and Respondent Profile

The first part captures the organizational profile as well as the respondent profile. It is dedicated to obtain demographic data about respondents and about their firms. The name of the respondent was optional but most of the respondents filled it in and even provided their email addresses in order to receive results of this research. Questions about the respondent's job title & position level were asked. Industry types, business orientation (service/product), annual revenue, asset value, as well as the total fulltime work force were requested in order to profile the size of the organization. Additional questions were asked including (Tiwana, 2002); does the company offer a standardized and/or a customized products/service?, does the company have an innovative and/or a mature product/service?, and do people rely on explicit or tacit knowledge to solve problems? Organizational sizes in this study were categorized by number of employees (Damanpour, 1992). According to terminology of SMEs by the Office of Small and Medium Enterprises Promotion in Thailand, it is classified by number of employees shown in Table 3.2. First, they classified the small enterprises having the number of employees not over 50 employees. Second, medium enterprises were classified by number of employees in the 51-200 range. Lastly, the large organizations mean the size of having more than 200 employees. Thus, organizational sizes were categorized in three types.

Table 3.2: Classification Organization Size by Number of Employees

	Small Size	Medium Size	Large Size
Manufacturing	Not over 50	51-200	over 200
	employees	employees	employees
Service	Not over 50	51-200	over 200
	employees	employees	employees

According to industry type which mentioned earlier, the trend in the 21<sup>st</sup> century promises to emphasize knowledge-intensive industries (Lee & Olson, 2010). Wu and Lin (2009, p.794) stated that "OECD defines knowledge intensive industries to include both manufacturing and service industries. Manufacturing industries comprised the industries of aerospace, computer and office automation equipments, pharmaceutics, communication, semi-conduct, scientific instrument, automobile, electrical machinery, chemical engineering, transport equipment, and so on. Service industries comprised the industries of software service, banking and insurance,

transportation and warehouse, consultant service, healthcare service, legal service, and so on". Moreover, as shown in Table 3.3, the classification of knowledgeintensive service sector was adapted from Kemppilä and Mettänen (2003).

Table 3.3: Classification of Knowledge-intensive Service Sector

Knowledge- intensive										
		Services								
Ser	vice	8								
Kasanko and Tiilikka (1999)	Eurostat (2003)	Wu (2009)	Miles et al. (1995)	Hermelin (1997)	Kautonen et al.(1998)	Tomlimson (2000)	Toivonen (2001)	Penttilä (2003)	Employment and Economy	Development Centre of Pirkanmaa (2003)
X			Х	Х	Х		Х	Х		X
Х	Х	X	Х	Х	Х	Х	X	Χ		
X	Х		Х		Х		Χ	Х	:	X
							$\langle V \rangle$			
										X
Х		Х	Х	Х	Χ	Χ	X			X
Х	X		X		Χ		Х	Х		X
				Х						
Х	Х	Х	Х			Х				X
	Х		Х							
	inte Ser X Kasanko and Tiilikka X X X X X X	intensive Services (1666) X X X X X X X X X X X X X X X X X X	Services Kasanko and Tiilikka (1999) Eurostat (2003) X X X X X X X X X X X X X X X	intensive Services Kasanko and Liilikka (1666) (166	intensive Services Kasanko and Liilikka (1660) (166	intensive Services Kasanko and Liilikka (1999) A Kasanko and Liilikka (1998) A Kasanko and Liili	ServicesServicesServices(1606)Encostat (2003)Encostat (2003)XX <td>intensive ServicesServicesServicesServices(1000)XKasanko and Liilikka(1000)Kasanko and Liilikka(1000)XKasanko and LiilikkaXXEncostat (2003)XXX</td> <td>ServicesServ</td> <td>intensive ServicesServicesServicesServicesServices(1000)XX</td>	intensive ServicesServicesServicesServices(1000)XKasanko and Liilikka(1000)Kasanko and Liilikka(1000)XKasanko and LiilikkaXXEncostat (2003)XXX	ServicesServ	intensive ServicesServicesServicesServicesServices(1000)XX

(Continued)

	Knov	vledg			Kno	wled		ntens		Business	
		vices							.5		
CHOK	Kasanko and Tiilikka (1999)	Eurostat (2003)	Wu (2009)	Miles et al. (1995)	Hermelin (1997)	Kautonen et al.(1998)	Tomlimson (2000)	Toivonen (2001)	Penttilä (2003)	Employment and Economy Development Centre of	Pirkanmaa (2003)
Marketing and Advertising				Х	Х		Х	X	X	Х	
Services											
Management Consulting			Х	Х	Х			Х	Х	Х	
Healthcare Service			Х								
Personnel Services				<hr/>				Χ		X	
Real Estate Services							Х				
Knowledge-intensive	Х	Х	X								
Transportation											
Water and Air Transportation		Х					C				
Machinery Rental without an Operator		X									
Knowledge-intensive IT	X								Х		
Services											
Knowledge-intensive Basic	Х	Х									
Services											
Creative,Cultural ,Athletic		Х									
Activities										ontinued	

Table 3.3 (continued): Classification of Knowledge-Intensive Service Sector

(Continued)

	Knov	vledg	ge-		Kno	wled	lge-ii	ntens	ive E	Business
	intensive		Services							
	Ser	vices	8							
CX-OK	Kasanko and Tiilikka (1999)	Eurostat (2003)	Wu (2009)	Miles et al. (1995)	Hermelin (1997)	Kautonen et al.(1998)	Tomlimson (2000)	Toivonen (2001)	Penttilä (2003)	Employment and Economy Development Centre of Pirkanmaa (2003)
Knowledge-intensive	X							C	$\int \mathcal{F}$	
Associations										
Design Firms										Х
Other Business Services		X					Х			
Other Professional Services							Х			
Office Services				Х						
Architecture Services										Х
Community Planning Firms										Х
HPAC and Electric Planning										Х
Technical Earth and Water						$\mathbf{O}$				Х
Services			T							
Engineering Offices										Х
Technical Testing and										Х
Analyzing										
Environmental Services				Х						

# Table 3.3 (continued): Classification of Knowledge-Intensive Service Sector

Source: Adapted from Kemppila, S., & Mettanen, P. (2003). Innovations in

knowledge-intensive services. Paper presented in 5th International CINet

Conference 2004, Sydney 22-25 September 2004.

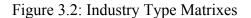
In this study, we categorized industries based on OECD to four types and industry type matrixes are shown in Figure 3.2.

- Knowledge intensive industry service sector: KIS (included telecommunications, software service, banking/ insurance, healthcare service, consultant service, legal, and transportation & Logistic)
- Knowledge intensive industry manufacturing sector: KIM (included computer & office automation, pharmaceutics, semi-conduct, automobile, electrical machinery, chemical engineering)

Non knowledge intensive industry - service sector: NKIS (included trading)

 Non knowledge intensive industry - manufacturing sector: NKIM (included resources/energy, real estate /construction)

Sector Service	Non Knowledge Intensive Service Type (NKIS)	Knowledge Intensive Service Type (KIS)		
Manufacturing	Non Knowledge Intensive Manufacturing Type (NKIM)	Knowledge Intensive Manufacturing Type (KIM)	5	
			Industry Type	
	Non Knowledge- Intensive	Knowledge- Intensive		



# 2.2 KM Strategy Assessment Tool

The second part of the questionnaire assessed the technology and practices the organization uses and what KM strategies (codification vs. personalization) they

emphasize. A five-point Likert scale is used for respondents to indicate their response and endorsement of the questionnaire items. An assessment tool was developed into two subparts;

Sub-part one is based on Shih and Chiang (2005), this study used their 12 questions of five point scale to measure the firm's nature of business knowledge and strategic intention in managing its business knowledge. Principal components factor analysis with varimax rotation was used to detect the nature of these variables. All 12 items related to one factor with Cronbach's alpha of 0.90. The respondents were asked to rate the level of importance as follows:

Not ImportantLess ImportantAverageImportantMost Important12345Sub-part two is about KM strategy (IV) assessment tool. The questions wereasked about to what extent the respondents use the thirty-six-items listed technologies,practices processes and support tools to help generate, organize, share and leverageknowledge in their organization. The assessment listed the most commontechnologies and practices used for knowledge management strategy adapted fromRibière (2005) and others from the literature review. A sense of use/utilizationranging from "never" to "regularly" was also enrich this information;

Never	Rarely	Sometimes	Often	Regularly
1	2	3	4	5

Table 3.4 lists the type of technologies and practices likely to be used in each of the different KM strategy type. The level of usage of each KM strategy (Codification vs. Personalization) was calculated to determine the KM strategy that the firm primarily focuses on. However, the one that had about equal usage score for both KM strategies will be considered as having a balanced strategy.

# Table 3.4: Technologies and Practices Used in Each of the Different KM Strategy

Type.

Codification	Personalization
1. Email - listserv	1. Expertise locators-Corporate yellow
2. Corporate Intranet – Extranet –	pages -Who's who- Directory of
Internet	expertise
3. Database management system	2. Communities of practice : CoP's -
(Oracle, Informix, etc)	Communities of interest : CoI's
4. Search engines – Web portals –	3. Brainstorming – peer
Intelligent agents – Information	interaction/conversation
retrieval systems	4. Groupware (as a collaborative tool not
5. Data warehouses - Data marts	as an Email tool, e.g, Lotus Notes)
6. Web-based training – E-learning-	5. Teleconferencing (shared
Online training	applications, whiteboards)
7. Help-desk applications	6. Lessons learned / Best practices
8. Multimedia repositories	repository
9. Document Management Systems	7. Videoconferencing (using audio
(EDMS)	and/or video)
10. Content Management Systems	8. Mentoring / Tutoring
(CMS)	9. Story telling/ Success story sharing
11. Data mining tools - Knowledge	(SSS)
discovery tools	10. Dialogue
12. Decision Support Systems	11. After action review (AAR)
(Executive Information; Expert	12. Online chat & Instant Messaging
Systems)	13. Weblogs (Blogs)
13. Knowledge mapping tools	14. Wikis
14. Web forum – Discussion groups -	15. RSS (Rich site summary)
News group	16. SNA (Social network analysis)
15. Index system - Category	17. Social bookmarking

(Continued)

# Table 3.4 (continued): Technologies and Practices Used in Each of the Different KM

Strategy

Codification	Personalization
16. Navigation – Metadata	18. Folksonomies-Tagging
17. Business Intelligence (BI)	
18. Taxonomies	

Source: Ribiere, V., Arntzen, A. A. B., & Worasinchai L. (2007). The Influence of Trust on the Success of Codification and Personalization KM Approaches. from http://phd-it.siam.edu/Conference2007/documents/The%20Influence %20of%20Trust%20on%20the%20Success%20of%20Codification%20and. pdf

# 2.3 Organizational Innovation (DV) Assessment Tool

The third part assessed the performance level of organizational innovation which is dependent variable. According to the literature reviews, Lee and Olsen (2010) said that success of any organization is largely based on its ability to predict the future direction of convergence that can enrich the entire value chain-operational innovation, new products/services, new customer value, and new customer base which are relevant to organizational innovation. Table 2.3, which is based on Lee and Olson (2010), showed the impact of innovation type of all levels such as better products and services, speed, customization, emotional gratification (aesthetics, memory, inner satisfaction), reduced value chain cost and improve quality, simultaneously also for e-customers, global customers, customer communities, noncustomers, and new ways of doing old tasks in a much improved manner. Therefore, this study tries to cover all areas of organizational innovation. In this study, the measurements of organizational innovation were mostly brought from those in Table 2.3 summarized as follows;

- Efficiency of the value chain this leads to better efficiency through productivity, employee skills, cost reduction, profitability figures ,decision-making, – problem solving, distribution, and so on (KPMG, 2000; Ribière, Arntzen, & Worasinchai, 2007; Lee & Olson, 2010 )
- New products/ services and quality focuses on creative ideas to improve product or services or quality. (KPMG, 2000; Ribière, Arntzen, & Worasinchai, 2007; Lee & Olson, 2010)
- 3. Speed (Lee & Olson, 2010)
- 4. Customization (Lee & Olson, 2010)
- New customer base focuses on new customer base, e-customers, global customers, customer communities (Lee & Olson, 2010)

An assessment tool was developed to ask about the results of KM

implementation of the respondent's organization. The respondents were asked to rate the level of achievement as follows;

1%-20%	21%-40%	41%-60%	61%-80%	81%-100%
1	2	3	4	5

We conducted a factor analysis with the Principal Components Method with Varimax Rotation Technique to test the validity of each construct. Overall, as shown in Table 3.5, the levels of validity and reliability of the assessment tool were acceptable (please see more detail in part 4 of Chapter 4).

Factors	Eigen	Variance	Cronbach's alpha
	Values		
Codification strategy	9.360	51.998	.944
Personalization strategy	8.752	48.623	.935
Efficiency of the value chain	11.071	69.191	.964
Speed			.978
New products/services and quality	3.230	80.739	.894
Customization	3.955	79.108	.933
New customer base	3.526	70.513	.894

# Table 3.5: Research Instrument

# 3. <u>Pilot Study</u>

A pilot study was conducted to determine the clarity and readability of the questionnaire, and the test of internal validity of the measures. The pilot survey questionnaire, developed through a review of the literature as well as through interviews, was mailed via electronic mail linked to the questionnaire web-site to 100 target respondents. The response rate in this pilot project was 50 percent, large enough to have a statistical test. The result showed that questions in each construct had high reliability. My advisor and co-advisor reviewed the scale items in the questionnaire to confirm the validity and readability.

# Summary Summary

This chapter presented development of hypotheses and research model. Research methodology for testing the proposed hypotheses were addressed in this chapter. The survey-questionnaire, used as the measurement instrument, was provided as mail and online version. The questionnaire items are shown in Appendix B. It contains three sections as follows; First, organizational profile and respondent profile; Second, KM strategy assessment tool; Last, organizational innovation assessment tool. A majority of respondents are people involved with KM who work in firms located in Thailand. Main statistical analysis tools used were SPSS and Microsoft Excel software.

# CHAPTER 4

# RESEARCH FINDING AND DATA ANALYSIS

This chapter presents the result of statistical analysis. The data was collected from 560 respondents through the questionnaires. The analysis result is presented in five parts as follows;

- Part 1 Sample characteristics
- Part 2 Independent variable: knowledge management strategy
- Part 3 Dependent variables: organizational innovation
- Part 4 Reliability and validity of constructs
- Part 5 Test of hypotheses

# Part 1: Sample Characteristics

As detailed in Table 4.1, the largest number of the respondent's position was manager/director, accounting for 47.1 percent. Followed by those whose work positions were support staff, up to 31.8 percent. Another group of the respondents were executives, as contributes to 11.8 percents. Some of them, up to 5 percent were technical staff. Moreover, the smallest group was in other positions, accounting for 4.3 percent, respectively

Table 4.1: Positions in the Organization
--

Position Level	Number of the Respondents	Percentage	
Executive	66	11.8	
Manager/Director	264	47.1	
Technical staff	28	5.0	
Support staff	178	31.8	
Other	24	4.3	
Total	560	100.0	

As observed in Table 4.2, about 19.3 percent of the respondents worked in other industries. Followed by the respondents who worked in real estate/construction industry, up to 10.7 percent, and those who worked in consultant service industry, 10.4 percents, respectively.

Table 4.2: Industry Type

Industry type	Number of the Respondents	Percentage
Computer & office automation equipments	20	3.6
Pharmaceuticals	54	9.6
Semi-conduct	12	2.1
Automobile	40	7.1
Electrical machinery	10	1.8
Chemical engineering	34	6.1
Resources/Energy	24	4.3
Real estate/Construction	60	10.7
Telecommunications	32	5.7
Software service	8	1.4
Banking/Insurance	48	8.6
Healthcare service	22	3.9
Consultant service	58	10.4
Legal service	8	1.4
Transportation and logistic	22	3.9
Other	108	19.3
Total	560	100.0

Figure 4.1 and Figure 4.2 showed that most of the organizations that responded to the survey were 198 respondents or 35% involved in knowledgeintensive service industry (KIS). KIS industry comprised of telecommunications, software service, banking/insurance, healthcare service, consultant service, legal service, and transportation and logistic. 170 respondents or 31% were knowledge – intensive manufacturing industry (KIM) which were computer & office automation equipments, pharmaceuticals, semi-conduct, automobile, electrical machinery, and chemical engineering. 108 respondents or 19% were non knowledge-intensive service industry (NKIS) which were other industries. 84 respondents or 15% were non knowledge-intensive manufacturing industry (NKIM) which were resources/energy and real estate/construction.

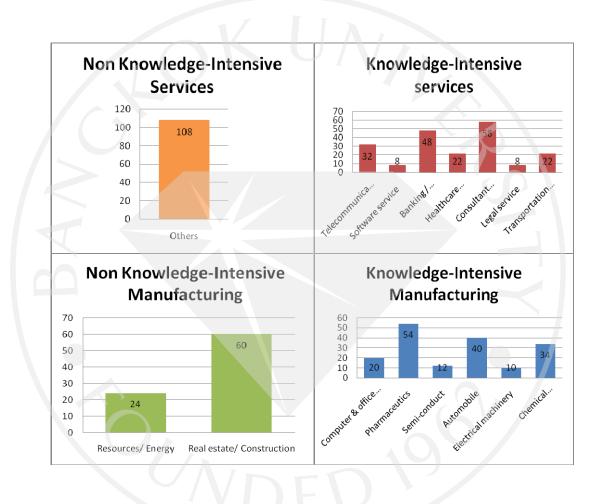


Figure 4.1: Industry Type Matrixes with Number of Respondents

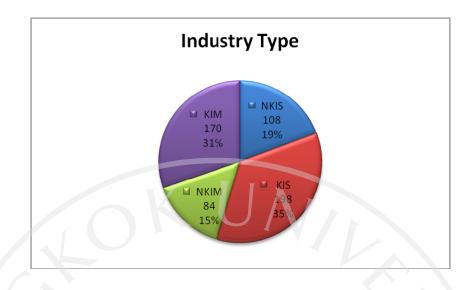


Figure 4.2: Industry Type with Total Number of Respondents and Their Percentages

The result in Table 4.3 indicates that, majority of the respondents' main business orientation were products, accounting for 52.1 percent and service orientation accounted 47.9 percent.

Table 4.3: Main Business Orientation

Main Business Orientation	Number of the Respondents	Percentage	
Products	292	52.1	
Services	268	47.9	
Total	560	100.0	

As shown in Table 4.4, the largest number of the respondent's companies offer standardized products, accounting for 51.8 percent, and the rest 48.2 percent offer customized products.

Table 4.4: Products Offer by the Sample Firms

Products Offer	Number of the Respondents	Percentage
Standardized	290	51.8
Customized	270	48.2
Total	560	100.0

Table 4.5 indicates that, a majority of the respondent firms offer mature product/service, (71.8 percent), and 28.2 percent offer new/innovative products.

Table 4.5: Life Cycle of Products Offered by the Firms

Mature/New	Number of the Respondents	Percentage
Mature product/Service	402	71.8
New/Innovative	158	28.2
Total	560	100.0

Table 4.6 presents the size of sample firms in terms of the number of

employees.

Total Full-time Workforce	Number of the Respondents	Percentage
Less than 25	42	7.5
26-50	84	15.0
51-200	154	27.5
201-1000	168	30.0
More than 1,000	112	20.0
Total	560	100.0

As shown in Table 4.7, a majority of the respondent companies have KM in place, accounting for 47.5 percent. Followed by the companies which have no program/not considering, (19.6 percent), and in the process of examining need, (17.1 percent), respectively.

Table 4.7: Status of KM in the Company

Status of KM	Number of the Respondents	Percentage
KM in place	266	47.5
Currently setting up	88	15.7
Examining need	96	17.1
No program/Not considering	110	19.6
Total	56	100.0

As shown in Table 4.8, a majority of the respondent companies have no chief knowledge officer, (59.2 percent), while 25.0 percent have CKO, 12.0 percent already having CKO but call it in other names.

Chief Knowledge Officer	Number of the Respondents	Percentage
Yes	140	25.0
No	332	59.2
Don't know	22	3.8
Yes, but call others	66	12.0
Total	560	100.0

Table 4.8: Chief Knowledge Officer

As detailed in Table 4.9, a majority of the respondents (18.6%) use 80% of tacit knowledge and 20% of explicit knowledge when solving problems. Followed by those who use 60% of tacit knowledge and 40% of explicit knowledge, (16.1%), 50% of tacit knowledge and 50% of explicit knowledge (14.3%), 70% of tacit knowledge and 30% of explicit knowledge, (13.9%), 40% of tacit knowledge and 60% of explicit knowledge, (11.1%), 20% of tacit knowledge and 80% of explicit knowledge, (9.6%), 30% of tacit knowledge and 70% of explicit knowledge, (8.2%), 90% of tacit knowledge and 10% of explicit knowledge, (2.1%). The respondent firms that use 45% of tacit knowledge and 55% of explicit knowledge equaled those using 55% of tacit knowledge and 45% of explicit knowledge (1.6%). The rest distributions all had less than 1 percent of the sample.

Tacit Knowledge	Explicit Knowledge	Number of the	Percentage
		Respondents	
10	90	4	0.7
20	80	54	9.6
25	75	2	0.4
30	70	46	8.2
35	65	2	0.4
40	60	62	11.1
45	55	9	1.6
48	52	2	0.4
50	50	80	14.3
55	45	9	1.6
60	40	90	16.1
65	35	2	0.4
70	30	78	13.9
75	25	2	0.4
80	20	104	18.6
90	10	12	2.1
95	5	2	0.4
	Fotal	560	100.0
	TVDF		I

Table 4.9: KM Focus: Tacit Knowledge and Explicit Knowledge

# Part 2: Independent Variable: Knowledge Management Strategy

Table 4.10 shows the respondent firms' KM strategic intention in managing its business knowledge. The detailed report can be made as follows: important knowledge strategies are: Operating knowledge is highly linked with person ( $\overline{X} = 3.79$ ); Culture of encouraging interactions among employees ( $\overline{X} = 3.78$ ); Many occasions for reusing the

operating information ( $\overline{X} = 3.60$ ); Knowledge transferred by focusing on IT system ( $\overline{X} = 3.54$ ); and Considerable portions of training programs involving interactions among employees ( $\overline{X} = 3.47$ ).

The respondent's firms considered the following strategies as average importance: Storing operating knowledge that can be codified in the database ( $\overline{X}$  = 3.35); Knowledge resources are used to solve problems in daily operations ( $\overline{X}$  = 3.16); Reward system for knowledge transferring and idea sharing among employees ( $\overline{X}$  = 3.06); Directory of experts for accessing needed information ( $\overline{X}$  = 3.03); Heavy investment for reusable codified knowledge on IT infrastructure ( $\overline{X}$  = 3.01); and Frequent transferring of employees among departments ( $\overline{X}$  = 2.78).

Table 4.10: Strategic Intention in Managing Business Knowledge

Description	$\overline{X}$	S.D.	Level of
			Importance
Knowledge transfer by focusing on IT system	3.54	1.023	Important
Many occasions for reusing the operating	3.60	1.043	Important
information			
Operating knowledge is highly linked with person	3.79	0.865	Important
Culture of encouraging interactions among	3.78	0.922	Important
employees			
Considerable portions of training programs	3.47	0.981	Important
involving interactions among employees			
Storing operating knowledge that can be codified	3.35	1.016	Average
in the database			

54

(Continued)

Description	$\overline{X}$	S.D.	Level of
			Importance
Knowledge resources are used to solve problems	3.16	1.000	Average
in daily operations			
Heavy investment for reusable codified knowledge	3.01	1.072	Average
on IT infrastructure			
Reward system for addition to the knowledge base	2.90	1.195	Average
Directory of experts for accessing needed	3.03	1.049	Average
information			
Frequent transferring of employees among	2.89	1.059	Average
departments			
Reward system for knowledge transferring and	3.06	1.108	Average
idea sharing among employees			
Total	3.30	0.729	Average

Table 4.10 (continue): Strategic Intention in Managing Business Knowledge

# As shown in Table 4.11, overall, the respondent companies use KM technologies sometimes ( $\overline{X} = 2.90$ ). When considering in detail, the firms often use the following technologies: Email – listserv ( $\overline{X} = 3.99$ ); Corporate intranet – extranet -Internet ( $\overline{X} = 3.83$ ); Search engines – web portals – intelligent agents – information retrieval systems ( $\overline{X} = 3.68$ ); and Database management systems ( $\overline{X} = 3.60$ ). They sometimes use with the following items: Data warehouses – data marts ( $\overline{X} = 3.32$ ); Document management system (EDMS) ( $\overline{X} = 3.28$ ); Help-desk applications ( $\overline{X} = 2.93$ ); Multimedia repositories ( $\overline{X} = 2.92$ ); and Content management system (CMS) ( $\overline{X} = 2.85$ ).

They rarely use the following technologies: Index system – category as equal Web-based training – e-learning – online training ( $\overline{X} = 2.58$ ); Data mining and knowledge discovery tools ( $\overline{X} = 2.54$ ); Knowledge mapping ( $\overline{X} = 2.48$ ); Decision support systems (DSS) ( $\overline{X} = 2.38$ ); Web forum – discussion groups - news group ( $\overline{X} =$ 2.37); Business intelligence (BI) ( $\overline{X} = 2.36$ ); Navigation –metadata ( $\overline{X} = 2.30$ ); and Taxonomies ( $\overline{X} = 2.22$ ).

Table 4.11: Codification Tools of KM Strategy

Description	$\overline{X}$	S.D.	Level of Usage
Email – listserv	3.99	1.136	Often
Corporate Intranet – Extranet -Internet	3.83	1.196	Often
Database management systems	3.60	1.242	Often
Search engines – Web portals – Intelligent	3.68	1.159	Often
agents - Information retrieval systems			
Data warehouses – Data marts	3.32	1.214	Sometimes
Help-desk applications	2.93	1.286	Sometimes
Multimedia repositories	2.92	1.208	Sometimes
Document Management System (EDMS)	3.28	1.257	Sometimes
Content Management System (CMS)	2.85	1.168	Sometimes
Web-based training – E-learning – Online	2.58	1.258	Rarely
training			
Data mining and knowledge discovery tools	2.54	1.254	Rarely
Decision Support Systems (DSS)	2.38	1.228	Rarely
Knowledge Mapping	2.48	1.260	Rarely
			(Continued)

(Continued)

Description	$\overline{X}$	S.D.	Level of Usage
Web forum – Discussion groups - News group	2.37	1.203	Rarely
Index system – Category	2.58	1.185	Rarely
Business Intelligence (BI)	2.36	1.185	Rarely
Taxonomies	2.22	1.189	Rarely
Navigation – Metadata	2.30	1.189	Rarely
Total	2.90	0.873	Sometimes

Table 4.11 (continued): Codification Tools of KM Strategy

Table 4.12 presents the respondent companies' use of the overall technologies  $(\overline{X} = 2.45)$ . When considering in details, the respondent firms sometimes use the following items: Brainstorming – peer interaction/conversation ( $\overline{X} = 3.24$ ); After action review (AAR) ( $\overline{X} = 2.95$ ); Mentoring – tutoring ( $\overline{X} = 2.91$ ); Online chat & instant messaging (IM) ( $\overline{X} = 2.88$ ); Lessons learned & best practices repository ( $\overline{X} = 2.78$ ); Document management system (EDMS) ( $\overline{X} = 3.28$ ); Help-desk applications ( $\overline{X} = 2.93$ ); Multimedia repositories ( $\overline{X} = 2.92$ ); Content management system (CMS) ( $\overline{X} = 2.85$ ); Groupware ( $\overline{X} = 2.65$ ); and Storytelling – success story sharing (SSS) ( $\overline{X} = 2.61$ ). While they rarely use the rest of technologies:

Description	$\overline{X}$	S.D.	Level of Usage
Brainstorming – Peer interaction/Conversation	3.24	1.150	Sometimes
Groupware	2.65	1.359	Sometimes
Lessons learned & Best Practices repository	2.78	1.217	Sometimes
Mentoring – Tutoring	2.91	1.283	Sometimes
Story telling – Success Story Sharing (SSS)	2.61	1.204	Sometimes
After Action Review (AAR)	2.95	1.171	Sometimes
Online chat & Instant Messaging (IM)	2.88	1.377	Sometimes
Expertise locators	2.08	1.129	Rarely
Communities of Practice (CoP's), CoI's	2.27	1.211	Rarely
Teleconferencing (shared applications,	2.48	1.345	Rarely
whiteboards)			
Videoconferencing (using audio and/or video)	2.42	1.380	Rarely
Dialogue	2.60	1.179	Rarely
Weblogs (Blogs)	2.19	1.173	Rarely
Wikis	1.88	1.033	Rarely
Rich Site Summary (RSS)	2.04	1.105	Rarely
Social Network Analysis (SNA)	2.03	1.092	Rarely
Social bookmarking	2.20	1.185	Rarely
Folksonomies - Tagging	1.97	1.094	Rarely
Total	2.45	0.834	Rarely

Table 4.12: Personalization Tools of KM Strategy

#### Part 3: Independent Variables: Organizational Innovation

Table 4.13 indicate the achievement level of overall efficiency of the value chain, as perceived by the respondents, at 41-60% ( $\overline{X} = 3.15$ ). When we examine the details, the achievement of each organizational innovation as perceived by the respondents, was also at 41-60% as follows; Better decision making ( $\overline{X} = 3.40$ );

Better customer handling ( $\overline{X} = 3.38$ ); Reduction of problem solving time ( $\overline{X} = 3.37$ ); Improving product/ service quality ( $\overline{X} = 3.35$ ); Faster response to key business issues as equal Improving employee skills and competency ( $\overline{X} = 3.28$ ); Productivity enhancement ( $\overline{X} = 3.27$ ); Better selection, coordination, communication with suppliers ( $\overline{X} = 3.19$ ); Lower cost incurred as equal Increase of sales/ profit growth rate/ return on investment ( $\overline{X} = 3.08$ ); New enterprise system as equal Inventory reduction by produce only what is required, in the correct quantity and at the correct time ( $\overline{X} =$ 2.97); Transformation by eliminating waste ( $\overline{X} = 2.91$ ); E-purchasing. ( $\overline{X} = 2.85$ ); and Streamlining the distribution channel ( $\overline{X} = 2.79$ ).

Table 4.13: Effi	ciency of V	Value	Chain
------------------	-------------	-------	-------

Description	$\overline{X}$	S.D.	Level of
			Achievement
Productivity enhancement	3.27	1.132	41-60%
Improving employee skills and competency	3.28	1.024	41-60%
Lower cost incurred	3.08	1.101	41-60%
Increase of sales/Profit growth rate/Return on	3.08	1.113	41-60%
investment			
Better decision making	3.40	1.017	41-60%
Faster response to key business issues	3.28	1.078	41-60%
Reduction of problem solving time	3.37	1.010	41-60%
Better customer handling	3.38	1.065	41-60%
Improving product/Service quality	3.35	1.012	41-60%
New enterprise system	2.97	1.093	41-60%
		1	(Continued

Table 4.13 (continued): Efficiency of Value Chain
---

Description	$\overline{X}$	S.D.	Level of
			Achievement
Better selection, coordination, communication	3.19	1.118	41-60%
with suppliers			
E-purchasing	2.85	1.247	41-60%
Inventory reduction by produce only what is	2.97	1.220	41-60%
required, in the correct quantity and at the			
correct time			
Transformation by eliminating waste	2.91	1.141	41-60%
Streamlining the distribution channel	2.79	1.179	41-60%
Total	3.15	0.902	41-60%

Table 4.14 shows the level of achievement of speed as perceived by the respondents at 41-60% ( $\overline{X} = 3.27$ ). More specifically, the achievement of providing speed/responding almost instantaneously to customer needs, as perceived by the respondents, was at 41-60% ( $\overline{X} = 3.27$ ).

Table 4.14: Speed

Description	$\overline{X}$	S.D.	Level of
			Achievement
Providing speed/Responding almost	3.27	1.134	41-60%
instantaneously to customer needs			
Total	3.27	1.134	41-60%

We present the respondents' opinions in Table 4.15. It was toward their companies' overall achievement of new products/ services and quality at 41-60% ( $\overline{X} = 2.97$ ). More specifically, the respondents' opinion toward achievement of new products/services and quality were at 41-60% with the following items: New ways of doing old tasks in a much improved manner ( $\overline{X} = 3.22$ ); Providing superior customer value ( $\overline{X} = 3.00$ ); Innovative product or service launched ( $\overline{X} = 2.93$ ); and New business model ( $\overline{X} = 2.72$ ).

Table 4.15: New Products/Services and Quality

Description	$\overline{X}$	S.D.	Level of
			Achievement
Innovative product or service launched	2.93	1.196	41-60%
New ways of doing old tasks in a much	3.22	1.072	41-60%
improved manner			
New business model	2.72	1.187	41-60%
Providing superior customer value	3.00	1.132	41-60%
Total	2.97	1.031	41-60%

Table 4.16 presents the respondents' opinions which was toward their companies' achievement in regard to overall customization, at 41-60% ( $\overline{X} = 3.15$ ). The respondents' opinion toward their companies' achievement in regard to customization was at 41-60% with the following items: Better customer handling ( $\overline{X} = 3.38$ ); Ability to satisfy customers' needs ( $\overline{X} = 3.32$ ); Customer designed products ( $\overline{X} = 3.06$ ); Customer relationship management (CRM) ( $\overline{X} = 3.00$ ); and Providing exactly or beyond customers' expectations ( $\overline{X} = 2.97$ ).

Description	$\overline{X}$	S.D.	Level of
			Achievement
Providing Exactly or Beyond Customers'	2.97	1.201	41-60%
Expectations			
Ability to Satisfy Customers' Needs	3.32	1.131	41-60%
Retaining and Better Satisfying Existing	3.38	1.163	41-60%
Customers			
Customer Relationship Management : CRM	3.00	1.197	41-60%
Customer Designed Products	3.06	1.218	41-60%
Total	3.15	1.051	41-60%

Table 4.17 summarizes the companies' achievement in respect to the new customer base, as perceived by the respondents, which was at 41-60% ( $\overline{X} = 2.71$ ). More specifically, the companies' achievement in respect to the new customer base, as perceived by the respondents, was at 41-60% with the following items: New customer base ( $\overline{X} = 3.02$ ); Global e-business ( $\overline{X} = 2.78$ ); Customer communities ( $\overline{X} = 2.74$ ); and Ability to service customer online (e-customers) ( $\overline{X} = 2.66$ ). The companies' perceived achievement in respect to the new customer base was at 21-40% with the following items: Ability to support global customer ( $\overline{X} = 2.37$ ).

#### Table 4.17: New Customer Base

Description	$\overline{X}$	S.D.	Level of
			Achievement
New customer base	3.02	1.133	41-60%
Customer communities	2.74	1.233	41-60%
Ability to service customer online	2.66	1.281	41-60%
(e-customers)			
Ability to support global customer	2.37	1.261	21-40%
Global e-business	2.78	1.315	41-60%
Total	2.71	1.044	41-60%

Table 4.18 presents the industry type and the respondent firms' codification strategy of KM for efficiency of the value chain. Codification at a regular basis was at 4.25 for the knowledge-intensive firms. In knowledge-intensive manufacturing type, a majority of the respondent firms' codification was at 3.79. In non knowledge-intensive service type, a majority of the respondent firms' codification was at 4.13. In non knowledge-intensive manufacturing type, a majority of the respondent firms' codification was at 4.33.

Industry Type	Codification	$\overline{X}$	S.D.
Knowledge	Never	2.24	.927
Intensive Service	Rarely	2.71	.954
Type (KIS)	Sometimes	3.37	.688
	Often	3.73	.575
	Regularly	4.25	.875
Knowledge	Never	2.20	.732
Intensive	Rarely	2.76	.811
Manufacturing	Sometimes	3.11	.700
Type (KIM)	Often	3.77	.456
	Regularly	3.79	.496
Non Knowledge	Never	1.81	.899
Intensive Service	Rarely	2.86	.898
Type (NKIS)	Sometimes	3.38	.464
	Often	3.79	.493
	Regularly	4.13	.000
Non Knowledge	Never	2.00	.154
Intensive	Rarely	2.62	.960
Manufacturing	Sometimes	3.4	.414
Type (NKIM)	Often	4.33	.231
	Regularly	4.27	.000

 Table 4.18: Industry Type and Knowledge Management Codification Strategy for the

Efficiency of the Value Chain

Table 4.19 presents the industry type, codification strategy of KM for speed, a majority of the respondent firms' codification for speed was at 4.25 (highest) for knowledge-intensive firms. In knowledge-intensive manufacturing type, a majority of the respondent firms' codification for speed was at 4.07 (highest). In non knowledge-

intensive service type, a majority of the respondent firms' codification regularly for speed was at 5.00 (highest). In non knowledge-intensive manufacturing type, a majority of the respondent firms' codification for speed was at 4.33 (highest).

Table 4.19: Industry Type and Knowledge Management Codification Strategy for Speed

Industry Type	Codification	$\overline{X}$	S.D.
Knowledge Intensive Service Type	Never	2.71	1.488
	Rarely	2.94	1.279
	Sometimes	3.48	.911
	Often	3.85	.777
	Regularly	4.25	.886
Knowledge Intensive	Never	2.00	.961
Manufacturing Type	Rarely	2.84	.965
	Sometimes	3.14	1.030
	Often	4.07	.697
	Regularly	3.86	.655
Non Knowledge Intensive Service	Never	2.00	1.026
Туре	Rarely	2.83	1.227
	Sometimes	3.52	1.030
	Often	4.00	.943
	Regularly	5.00	.000
Non Knowledge Intensive	Never	2.50	.578
Manufacturing Type	Rarely	2.67	1.225
	Sometimes	3.44	.527
	Often	4.33	.577
	Regularly	4.00	.000

Table 4.20 presents the industry type and the sample firms' codification for new products/services and quality. For knowledge-intensive service firms it was at 4.00 (highest). In knowledge-intensive manufacturing type, a majority of the respondent firms' codification for new products/services and quality, was at 3.74 (highest). In non knowledge-intensive service type, a majority of the respondent firms' codification for new products/services and quality was at 3.70 (highest). In non knowledge-intensive manufacturing type, a majority of the respondent firms' codification for new products/services and quality was at 3.70 (highest). In non knowledge-intensive manufacturing type, a majority of the respondent firms'



Industry Type	Codificatio	$\overline{X}$	S.D.
	n		
Knowledge Intensive Service Type	Never	1.78	1.039
	Rarely	2.46	.970
	Sometimes	3.22	.804
	Often	3.57	.775
	Regularly	4.00	1.150
Knowledge Intensive Manufacturing Type	Never	2.21	.924
	Rarely	2.53	.910
	Sometimes	2.97	.906
	Often	3.73	.535
	Regularly	3.74	.620
Non Knowledge Intensive Service Type	Never	1.63	.793
	Rarely	2.50	1.004
	Sometimes	3.10	.584
	Often	3.70	.771
	Regularly	2.75	.000
Non Knowledge Intensive Manufacturing Type	Never	1.75	.000
	Rarely	2.67	1.409
	Sometimes	3.11	.547
	Often	4.00	.433
	Regularly	5.00	.000

#### Table 4.20: Industry Type and Knowledge Management Codification Strategy for

New Products/Services and Quality

Table 4.21 shows that the respondent firms in knowledge-intensive service industry type practice codification for customization, was at 4.20 (highest). In knowledge-intensive manufacturing type, it was 3.86(highest); in non knowledge-

intensive service type, it was 4.40 (highest); and in non knowledge-intensive manufacturing type, it was 5.00 (highest).

Table 4.21: Industry Type and Knowledge Management Codification Strategy for

Customization			
Industry Type	Codification	$\overline{X}$	S.D.
Knowledge Intensive Service Type	Never	1.87	1.107
	Rarely	2.62	1.042
	Sometimes	3.46	.877
	Often	3.78	.583
	Regularly	4.20	.907
Knowledge Intensive Manufacturing Type	Never	2.14	1.199
	Rarely	2.85	.960
	Sometimes	3.21	.925
	Often	3.76	.568
	Regularly	3.86	.727
Non Knowledge Intensive Service Type	Never	1.72	.647
	Rarely	2.88	.892
	Sometimes	3.09	.962
	Often	3.94	.640
	Regularly	4.40	.000
	II		Continue

(Continued)

68

#### Table 4.21 (continued): Industry Type and Knowledge Management Codification

Industry Type	Codification	$\overline{X}$	S.D.
Non Knowledge Intensive Manufacturing Type	Never	2.00	.000
	Rarely	2.53	1.204
	Sometimes	3.29	.501
	Often	4.27	.231
	Regularly	5.00	.000

#### Strategy for Customization

Table 4.22, the respondent firms in knowledge-intensive service industry type practice codification for the new customer base was at 4.15 (highest). In knowledge-intensive manufacturing type, the average was 3.61 (highest); in non knowledge-intensive service type, the number was at 3.44 (highest); and non knowledge-intensive manufacturing type, it was 5.00 (highest).

#### Table 4.22: Industry Type and Knowledge Management Codification Strategy for

Industry Type	Codification	$\overline{X}$	S.D.
Knowledge Intensive Service Type	Never	1.88	1.232
VII	Rarely	2.05	.813
<b>N</b>	Sometimes	2.91	.891
	Often	3.40	.808
	Regularly	4.15	.873
Knowledge Intensive Manufacturing Type	Never	2.37	1.049
	Rarely	2.37	.840
	Sometimes	2.67	.839
	Often	3.36	.707
	Regularly	3.61	.768
Non Knowledge Intensive Service Type	Never	1.22	.233
	Rarely	2.37	1.183
	Sometimes	2.79	.904
	Often	3.44	.324
	Regularly	3.20	.000
Non Knowledge Intensive Manufacturing	Never	1.00	.000
Туре	Rarely	2.38	1.440
	Sometimes	2.96	.691
	Often	3.33	.231
	Regularly	5.00	.000

#### New Customer Base

Table 4.23 shows the respondent firms in knowledge-intensive service industry type, the average personalization for the efficiency of the value chain was 4.51 (highest), in knowledge-intensive manufacturing type, it was 4.15 (highest), in

non knowledge-intensive service type, the figure was 4.13 (highest), and in non knowledge-intensive manufacturing type, it was 4.33 (highest).

Table 4.23: Industry Type and Knowledge Management Personalization Strategy for

Industry Type	Personalization	$\overline{X}$	S.D.
Knowledge Intensive Service Type	Never	2.92	1.034
	Rarely	2.83	.931
	Sometimes	3.57	.644
	Often	3.71	.563
	Regularly	4.51	.686
Knowledge Intensive Manufacturing	Never	2.57	.856
Туре	Rarely	3.01	.809
	Sometimes	3.50	.482
	Often	3.71	.470
	Regularly	4.15	.320
Non Knowledge Intensive Service Type	Never	2.18	1.150
	Rarely	2.98	.7822
	Sometimes	3.66	.532
	Often	4.13	.000
	Regularly	2.18	1.150
Non Knowledge Intensive	Never	2.57	.808
Manufacturing Type	Rarely	2.25	.608
	Sometimes	3.70	.195
	Often	4.33	.231
	Regularly	4.27	.000

Efficiency of the Value Chain

Table 4.24 indicates that, in the knowledge-intensive service industry type, a majority of the respondent firms' personalization strategy for speed, was 4.60 (highest), in knowledge-intensive manufacturing type, it was 4.38 (highest), in non knowledge-intensive service type, the figure was 5.00 (highest), and in non knowledge-intensive manufacturing type, it was 4.33 (highest).

Industry Type	Personalization	$\overline{X}$	S.D.
Knowledge Intensive Service Type	Never	3.11	1.272
	Rarely	3.21	1.262
	Sometimes	3.48	.922
	Often	3.86	.560
	Regularly	4.60	.894
Knowledge Intensive Manufacturing	Never	2.41	1.024
Туре	Rarely	3.07	1.015
	Sometimes	3.67	.834
	Often	4.06	.649
	Regularly	4.38	.518
Non Knowledge Intensive Service	Never	2.44	1.357
Туре	Rarely	2.90	1.136
	Sometimes	4.00	.877
	Often	5.00	.000
Non Knowledge Intensive	Never	3.00	.000
Manufacturing Type	Rarely	2.40	1.075
	Sometimes	3.63	.518
	Often	4.33	.577
	Regularly	4.00	.000

 Table 4.24: Industry Type and Personalization Strategy KM for Speed

Table 4.25 shows that, in the knowledge-intensive service industry type, a majority of the respondent firms' personalization strategy for new products/services and quality was 4.25 (highest), in knowledge-intensive manufacturing type, it was 3.81 (highest), in non knowledge-intensive service type, it was 3.39 (highest), and in non knowledge-intensive manufacturing type, it was 5.00 (highest).

 Table 4.25: Industry Type and Personalization KM Strategy for New Products/Services

 and Quality

Industry Type	Personalization		S.D.
Industry Type	reisonalization	$\overline{X}$	5.D.
Knowledge Intensive Service Type	Never	2.56	1.153
	Rarely	2.59	.946
	Sometimes	3.41	.850
	Often	3.76	.746
	Regularly	4.25	.750
Knowledge Intensive Manufacturing	Never	2.42	.979
Туре	Rarely	2.85	.966
	Sometimes	3.48	.655
	Often	3.62	.675
	Regularly	3.81	.347
Non Knowledge Intensive Service Type	Never	1.96	.989
	Rarely	2.70	.951
	Sometimes	3.39	.870
	Often	2.75	.000
Non Knowledge Intensive Manufacturing	Never	2.38	.722
Туре	Rarely	1.90	.428
	Sometimes	3.81	.704
	Often	4.00	.433
	Regularly	5.00	.000

Table 4.26 shows similar results for respondent firms' personalization strategy for customization by industry type.

Industry Type	Personalization	$\overline{X}$	S.D.
Knowledge Intensive Service Type	Never	2.70	1.233
	Rarely	2.81	1.043
	Sometimes	3.67	.818
	Often	3.83	.637
	Regularly	4.12	.867
Knowledge Intensive Manufacturing	Never	2.63	1.062
Туре	Rarely	3.00	.987
	Sometimes	3.64	.598
	Often	3.71	.590
	Regularly	4.55	.487
Non Knowledge Intensive Service Type	Never	2.25	1.136
	Rarely	2.74	.885
	Sometimes	3.81	.690
	Often	4.40	.000
Non Knowledge Intensive	Never	2.70	.808
Manufacturing Type	Rarely	2.00	.566
	Sometimes	3.70	.414
	Often	4.27	.231
	Regularly	5.00	.000

Table 4.26: Industry Type and Personalization KM Strategy for Customization

Table 4.27 presents similar results for respondent firms' personalization strategy for new customer base by industry type.

Industry Type	Personalization	$\overline{X}$	S.D.
Knowledge Intensive Service Type	Never	2.09	1.001
	Rarely	2.35	.965
	Sometimes	3.18	.760
	Often	3.81	.767
	Regularly	4.36	.817
Knowledge Intensive Manufacturing	Never	2.20	.835
Туре	Rarely	2.48	.820
	Sometimes	3.23	.661
	Often	3.49	.705
	Regularly	4.10	.490
Non Knowledge Intensive Service Type	Never	1.72	1.066
	Rarely	2.30	1.025
	Sometimes	3.47	.405
	Often	3.20	.000
Non Knowledge Intensive	Never	2.10	1.270
Manufacturing Type	Rarely	1.52	.590
	Sometimes	3.55	.791
	Often	3.33	.231
	Regularly	5.00	.000

Table 4.27: Industry Type and Personalization KM Strategy for New Customer Base

Table 4.28 shows the respondent firms' codification strategy for efficiency of the value chain based on organization Size.

# Table 4.28: Organization Size and Codification KM Strategy for Efficiency of the

Value Chain

Organization Size	Codification	$\overline{X}$	S.D.
Small Size	Never	2.32	.824
	Rarely	2.80	.825
	Sometimes	3.34	.615
	Often	3.72	.497
	Regularly	3.17	.039
Medium Size	Never	2.01	.924
	Rarely	2.41	.760
	Sometimes	3.28	.745
	Often	3.95	.390
	Regularly	4.36	.249
Large Size	Never	1.70	.612
-	Rarely	2.96	.933
	Sometimes	3.18	.665
	Often	3.72	.552
	Regularly	3.99	.603

Table 4.29 indicates similar results as Table 4.28 for speed

Organization Size	Codification	$\overline{X}$	S.D.
Small Size	Never	2.74	1.054
	Rarely	3.42	.974
	Sometimes	3.40	.876
	Often	3.96	.793
	Regularly	3.00	.000
Medium Size	Never	2.17	1.373
	Rarely	2.45	.959
	Sometimes	3.47	1.018
	Often	3.82	.819
	Regularly	4.17	.408
Large Size	Never	1.67	.779
	Rarely	2.96	1.248
	Sometimes	3.20	1.005
	Often	4.05	.706
	Regularly	4.17	.717

#### Table 4.29: Organization Size and Codification KM Strategy for Speed

Table 4.30 shows a similar summary of firms' codification strategy for new products/services and quality based on organization size.

## Table 4.30: Organization Size and Codification KM Strategy for New Products/

Services and Quality

Organization Size	Codification	$\overline{X}$	S.D.
Small Size	Never	1.90	.845
	Rarely	2.57	.739
	Sometimes	3.08	.963
	Often	3.45	.695
	Regularly	3.13	.144
Medium Size	Never	2.02	1.063
	Rarely	2.02	.704
	Sometimes	3.25	.737
Ē	Often	3.70	.618
	Regularly	4.58	.466
Large Size	Never	1.33	.417
	Rarely	2.80	1.076
	Sometimes	3.00	.804
	Often	3.74	.659
	Regularly	3.74	.844

Table 4.31 summarizes the respondent firms' codification strategy for customization based on organization size.

Organization Size	Codification	$\overline{X}$	S.D.
Small Size	Never	1.93	.896
_	Rarely	2.88	.610
	Sometimes	3.32	.956
	Often	3.76	.663
	Regularly	3.50	.116
Medium Size	Never	2.00	1.092
	Rarely	2.24	.848
	Sometimes	3.52	.773
<	Often	3.87	.450
	Regularly	4.67	.516
Large Size	Never	1.60	.753
	Rarely	3.02	1.064
	Sometimes	3.16	.918
	Often	3.77	.590
	Regularly	3.97	.808

#### Table 4.31: Organization Size and Codification KM Strategy for Customization

Table 4.32 shows the respondent firms' codification strategy for new customer

base according to organization size.

# Table 4.32: Comparative between Organization Size, Knowledge Management Strategy: Codification and Organizational Innovation: New Customer Base

Organization Size	Codification	$\overline{X}$	S.D.
Small Size	Never	1.59	1.017
	Rarely	1.68	.524
	Sometimes	2.82	.936
	Often	3.21	.856
	Regularly	2.70	.116
Medium Size	Never	1.967	1.173
$\mathbf{z}$	Rarely	2.03	.688
	Sometimes	2.93	.737
	Often	3.35	.668
	Regularly	4.53	.450
Large Size	Never	1.43	.425
	Rarely	2.54	1.084
	Sometimes	2.69	.872
	Often	3.47	.671
	Regularly	3.80	.779

Table 4.33 summarizes the respondent firms' personalization strategy for

efficiency of the value chain based on organization size.

Organization Size	Personalization	$\overline{X}$	S.D.
Small Size	Never	2.74	.892
	Rarely	2.98	.833
	Sometimes	3.59	.469
	Often	3.64	.423
Medium Size	Never	2.41	.995
	Rarely	2.90	.904
	Sometimes	3.64	.681
	Often	3.87	.363
	Regularly	4.31	.300
Large Size	Never	2.79	1.109
	Rarely	2.87	.839
	Sometimes	3.51	.521
	Often	3.79	.557
	Regularly	4.27	.563

# Table 4.33: Organization Size and Personalization KM Strategy for Efficiency of the Value Chain

Table 4.34 indicates the respondent firms' personalization strategy for speed

based on organization size.

Organization Size	Personalization	$\overline{X}$	S.D.
Small Size	Never	3.09	.928
	Rarely	3.29	1.073
	Sometimes	3.69	.838
	Often	3.88	.619
Medium Size	Never	2.48	1.249
	Rarely	2.89	1.071
	Sometimes	3.86	.891
	Often	4.17	.408
	Regularly	4.17	.408
Large Size	Never	2.68	1.328
	Rarely	3.04	1.216
	Sometimes	3.54	.861
	Often	4.08	.664
	Regularly	4.56	.727

#### Table 4.34: Organization Size and Personalization KM Strategy for Speed

Tables 4.35 to 4.37 summarize the results of the correspondent firms'

personalization KM strategy for value creation options based on organization size.

### Table 4.35: Organization Size and Personalization KM Strategy for New Products/

Services and Quality

Organization Size	Personalization	$\overline{X}$	S.D.
Small Size	Never	2.36	.875
	Rarely	2.61	1.005
	Sometimes	3.46	.483
	Often	3.63	.725
Medium Size	Never	2.20	.980
	Rarely	2.72	.952
>	Sometimes	3.54	.927
	Often	3.92	.258
	Regularly	4.08	.785
Large Size	Never	2.62	1.246
	Rarely	2.69	.936
	Sometimes	3.44	.769
	Often	3.65	.739
	Regularly	4.14	.547

Organization Size	Personalization	$\overline{X}$	S.D.
Small Size	Never	2.56	1.016
	Rarely	2.82	.941
	Sometimes	3.85	.544
	Often	3.74	.7473
Medium Size	Never	2.43	1.069
	Rarely	2.84	1.045
	Sometimes	3.66	.802
	Often	4.13	.393
	Regularly	4.73	.413
Large Size	Never	2.78	1.306
	Rarely	2.83	.992
	Sometimes	3.62	.687
	Often	3.77	.559
	Regularly	4.29	.736

Table 4.36: Organization Size and Personalization KM Strategy for Customization

Organization Size	Personalization	$\overline{X}$	S.D.
Small Size	Never	1.81	1.021
	Rarely	2.20	.903
	Sometimes	3.15	.665
	Often	3.50	.864
Medium Size	Never	2.13	.944
	Rarely	2.39	.743
	Sometimes	3.41	.701

Often

Regularly

Never

Rarely

Sometimes

Often

4.10

4.33

2.16

2.42

3.23

3.55

4.29

.701

.745

.945

1.036

.695

.635

.601

#### Table 4.37: Organization Size and Personalization KM Strategy for New Customer

Regularly

Large Size

Base

#### Part 4: Reliability and Validity of Constructs

Table 4.38 provide Cronbach's alpha coefficients for Knowledge Management Strategy in respect to Codification and Personalization, .944 and .935, respectively. Both values are quite high since the threshold value suggested for Cronbach's alpha coefficient is .70. Therefore, we can conclude that the items that measures Knowledge Management Strategy in respect to Codification and Personalization are reliable.

Variables	Cronbach's	Cronbach's Alpha if
	Alpha	Item Deleted
A. <u>Codification</u>	.944	
Email – listserv		.945
Corporate intranet – extranet -Internet		.943
Database management systems		.943
Search engines		.943
Data warehouses – data marts		.942
Web-based training – e-learning – online		.941
training		
Help-desk applications		.941
Multimedia repositories		.941
Document management system (EDMS)		.942
Content management system (CMS)		.939
Data mining and knowledge discovery tools		.941
Decision support systems (DSS)		.940
Knowledge mapping		.940
Web forum – discussion groups - news group		.942
Index system – category		.941
Business intelligence (BI)		.940
Taxonomies		.939
Navigation –metadata		.941
B. Personalization	.935	
Expertise locators		.931
Communities of practice (CoP's)		.929
Brainstorming – peer interaction/conversation		.933
Groupware		.932
Teleconferencing		.933

# Table 4.38: Cronbach's Alpha of Knowledge Management Strategy

(Continued)

Cronbach's	Cronbach's Alpha if
Alpha	Item Deleted
	.931
	.934
	.933
	.930
	.932
	.932
	.933
	.930
	.931
	.930
	.931
	.931
	.930

Table 4.38 (continued): Cronbach's Alpha of Knowledge Management Strategy

Table 4.39 details Cronbach's alpha coefficients for organizational innovation in respect to efficiency of the value chain, speed, new products/services and quality, customization, and new customer base. They were at .964, .978, .894,.933 and .864, respectively. Notice that each value is quite high. We conclude that the items that measured organization innovation regarding, value chain, speed, new products/services and quality, customization, and new customer base are reliable.

Variables	Cronbach's	Cronbach's Alpha if
	Alpha	Item Deleted
A. Efficiency of the Value Chain	.964	
Productivity enhancement		.960
Improving employee skills and competency		.961
Lower cost incurred		.962
Increase of sales/ profit growth rate/ return on		.962
investment		
Better decision making		.961
Faster response to key business issues		.961
Reduction of problem solving time		.962
Better customer handling		.961
Improving product/ service quality		.961
New enterprise system		.962
Better selection, coordination, communication with		.962
suppliers		
E-purchasing		.964
Inventory reduction by produce only what is		.962
required, in the correct quantity and at the correct	C	
time		D'
Transformation by eliminating waste		.961
Streamlining the distribution channel		.963
B. Speed	.978	
Providing speed/ responding almost		.978
instantaneously to customer needs		
C. <u>New Products/ Services and Quality</u>	.894	
Innovative product or service launched		.895
New ways of doing old tasks in a much improved		.903
manner		
L	1	(Continued)

# Table 4.39: Cronbach Alpha of Organizational Innovation

(Continued)

Variables	Cronbach's	Cronbach's Alpha if
	Alpha	Item Deleted
New business model		.891
Providing superior customer value		.894
D. Customization	.933	
Providing exactly or beyond customers' expectations		.913
Ability to satisfy customers' needs		.909
Retaining and better satisfying existing customers		.918
Customer relationship management : CRM		.926
Customer designed products		.924
E. <u>New Customer Base</u>	.894	
New customer base		.867
Customer communities		.868
Ability to service customer online (e-customers)		.863
Ability to support global customer		.881
Global e-business		.877

Table 4.39 (continued): Cronbach Alpha of Organizational Innovation

The factor analysis result as presented in Table 4.40 can be interpreted that, knowledge management strategy in respect to "Codification" was comprised of 18 indicators (question items) using the "Varimax Rotation Technique". The eigen values of all 18 indicators were higher than 1.0. Therefore, all indicators were retained. Furthermore, the analysis result revealed that every indicator had the factor loading higher than .05, with the highest factor loading of .839. Thus, we can concluded that all indicators were subjected to the same factor, (Codification).

Variables	Factor	Eigen	Variance
	Loading	Values	Explain
Email – listserv	.505	9.360	51.998
Corporate Intranet – Extranet -Internet	.585		
Database management systems	.632		
Search engines – Web portals – Intelligent agents	.591		
- Information retrieval systems			
Data warehouses – Data marts	.674		
Web-based training – E-learning – Online training	.758		
Help-desk applications	.728	Ū	
Multimedia repositories	.719		
Document Management System (EDMS)	.695		
Content Management System (CMS)	.839		
Data mining and knowledge discovery tools	.750		
Decision Support Systems (DSS)	.792		
Knowledge Mapping	.787		
Web forum – Discussion groups - News group	.711		
Index system – Category	.738	<b>N</b>	/
Business Intelligence (BI)	.786	7	v
Taxonomies	.830		
Navigation – Metadata	.763		

Table 4.40: Factor Analysis of Knowledge Management Strategy: Codification

The same analysis was performed for knowledge management strategy in respect to "Personalization" comprised of 18 indicators (question items) as shown in table 4.41. 18 indicators had factor loadings higher than .05, with the highest factor loading of .784. Thus we can conclude that all 18 indicators are subjected to the same factor,(Personalization).

Variables	Factor	Eigen	Variance
	Loading	Values	Explain
Expertise locators	.749	8.752	48.623
Communities of Practice (CoP's)	.784		
Brainstorming – Peer	.612		
interaction/Conversation			
Groupware	.664		
Teleconferencing	.618		
Lessons learned & Best practices repository	.696		
Videoconferencing	.596	Ú	$\mathcal{D}$
Mentoring – Tutoring	.599		
Story telling – Success Story Sharing (SSS)	.726		
After Action Review (AAR)	.662		
Dialogue	.665		
Online chat & Instant Messaging (IM)	.622		
Weblogs (Blogs)	.766		
Wikis	.715		
Rich Site Summary (RSS)	.764	6V	
Social Network Analysis (SNA)	.756	$\sim$	
Social Bookmarking	.721		
Folksonomies - Tagging	.781		

Table 4.41: Factor Analysis of Knowledge Management Strategy: Personalization

Table 4.42 provides the same analysis in respect to "Efficiency of the value chain" comprised of 15 indicators (question items). 15 indicators had factor loadings higher than .05, with the highest factor loading of .872. We conclude that all indicators are subjected to the same factor, (Efficiency of the Value Chain).

Variables	Factor	Eigen	Variance
	Loading	Values	Explain
Productivity enhancement	.872	11.071	69.191
Improving employee skills and competency	.866		
Lower cost incurred	.811		
Increase of sales/ profit growth rate/ return on investment	.806		
Better decision making	.828		
Faster response to key business issues	.857	7	
Reduction of problem solving time	.823		
Better customer handling	.833		
Improving product/ service quality	.849		
New enterprise system	.791		
Better selection, coordination, communication with suppliers	.817		
E-purchasing	.719		
Inventory reduction by produce only what is required, in the correct quantity and at the correct time	.811		
Transformation by eliminating waste	.828		
Streamlining the distribution channel	.767		

Table 4.42: Factor Analysis of Organizational Innovation: Efficiency of the Value Chain

Table 4.43 presents the same analysis results for "New products/services and quality" comprised of 4 indicators (question items). The analysis result revealed that every indicator had a factor loading higher than .05, with the highest factor loading of .907. We accept that all indicators are subjected to the same factor, (New products/services and quality).

# Table 4.43: Factor Analysis of Organizational Innovation: New products/Services and Quality

Variables	Factor	Eigen	Variance
	Loading	Values	Explain
Innovative product or service launched	.900	3.230	80.739
New ways of doing old tasks in a much	.885		
improved manner			
New business model	.907		
Providing superior customer value	.902		

Table 4.44 presents the same analysis results of the organizational innovation factor in respect to "Customization" comprised of 5 indicators. The analysis result revealed that every indicator had the factor loading higher than .05, with the highest factor loading of .925. Thus, we conclude that all indicators are subjected to the same factor, (Customization)

#### Table 4.44: Factor Analysis of Organizational Innovation: Customization

Variables	Factor	Eigen	Variance
	Loading	Values	Explain
Providing exactly or beyond customers'	.907	3.955	79.108
expectations			
Ability to satisfy customers' needs	.925		
Retaining and better satisfying existing customers	.891		
Customer relationship management : CRM	.858		
Customer designed products	.865		

93

Table 4.45 shows the results of the same analysis for "New customer base" comprised of 5 indicators. The result revealed that every indicator had a factor loading higher than .05, with the highest factor loading of .862. We conclude that all indicators are subjected to the same factor, (New customer base).

Variables	Factor	Eigen	Variance
	Loading	Values	Explain
New customer base	.857	3.526	70.513
Customer communities	.854		
Ability to service customer online (e-customers)	.862		
Ability to support global customer	.804		
Global e-business	.821		

Table 4.45: Factor Analysis of Organizational Innovation: New Customer Base

Table 4.46 presents normality test of KM strategy items. Most of the indicators (11) had positive skewness. Except for the indicators, such as, Email – listserv, Corporate intranet – extranet –Internet, Database management systems, Search engines – web portals – intelligent agents – information retrieval systems, Data warehouses – data marts, Document management system (EDMS) and Content management system (CMS) which showed negative skewness. Regarding kurtosis, the analysis result revealed that most indicators had negative kurtosis, except for the indicator: Email – listserv. The indicator "Help-desk applications" had the highest negative kurtosis.

As for "Personalization" most of the indicators had positive skewness. Except for the indicators; Brainstorming – peer interaction/conversation, Mentoring – tutoring and After action review (AAR) which had the left skewness.

Regarding kurtosis, the analysis result revealed that most indicators had negative kurtosis, except wikis, which had positive kurtosis. The indicator "Online chat & instant messaging (IM)" had the highest negative kurtosis.

Variables	Skewness	Kurtosis
A. <u>Codification</u>		$\mathcal{O}$
Email – listserv	999	.160
Corporate Intranet – Extranet -Internet	856	147
Database management systems	472	837
Search engines	568	551
Data warehouses – Data marts	423	737
Web-based training – E-learning – Online training	.332	849
Help-desk applications	.081	982
Multimedia repositories	.058	792
Document Management System (EDMS)	308	900
Content Management System (CMS)	041	850
Data mining and knowledge discovery tools	.356	904
Decision Support Systems (DSS)	.442	907
Knowledge Mapping	.354	980
Web forum – Discussion groups - News group	.506	648
Index system – Category	.301	916
Business intelligence (BI)	.527	587
Taxonomies	.620	667
Navigation – Metadata	.541	704

Table 4.46: Normality of Knowledge Management Strategy

Variables	Skewness	Kurtosis
B. Personalization		
Expertise locators	.735	442
Communities of practice (CoP's)	.638	558
Brainstorming – Peer interaction/Conversation	399	606
Groupware	.265	-1.095
Teleconferencing	.372	-1.132
Lessons learned & Best practices repository	.058	989
Videoconferencing	.508	-1.023
Mentoring – Tutoring	038	-1.008
Story telling – Success Story Sharing (SSS)	.177	956
After Action Review (AAR)	097	840
Dialogue	.155	877
Online chat & Instant Messaging (IM)	.030	-1.236
Weblogs (Blogs)	.592	669
Wikis	.944	.014
Rich Site Summary (RSS)	.720	468
Social Network Analysis (SNA)	.741	414
Social bookmarking	.691	414
Folksonomies - Tagging	.884	104

Table 4.46 (continue): Normality of Knowledge Management Strategy

Table 4.47 shows "Efficiency of the value chain" of all 15 indicators had negative skewness. The indicator "Improving employee skills and competency" had the highest skewness score. Regarding kurtosis, the analysis result showed that most indicators had negative kurtosis, except for "Better decision making", which had positive kurtosis. The indicator "E-purchasing" had the highest negative kurtosis score. As for "New products/services and quality" the analysis result revealed that, all four indicators had negative skewness. The indicator "New ways of doing old tasks in a much improved manner" had the highest negative score. In respect to kurtosis, the result indicated that every indicator had negative kurtosis, with "New business model" having the highest negative kurtosis score.

In regard to "Customization", all 5 indicators had negative skewness, with "Retaining and better satisfying existing customers" having the highest negative score. Regarding kurtosis, the analysis revealed that most indicators had negative kurtosis, while "Providing exactly or beyond customers" having the highest negative kurtosis score.

As for "New Customer Base" the result indicated that most indicators had positive skewness. The indicator "New customer base" had the highest positive score. Regarding kurtosis, the result revealed that most indicators had negative kurtosis, with "Global e-business" having the highest negative score.

Variables	Skewness	Kurtosis
A. Efficiency of the Value Chain		
Productivity enhancement	481	426
Improving employee skills and competency	641	134
Lower cost incurred	443	519
Increase of sales/ profit growth rate/ return on	461	489
investment		
Better decision making	546	.021
Faster response to key business issues	494	346
Reduction of problem solving time	535	262
Better customer handling	532	167
Improving product/ service quality	492	127
New enterprise system	348	673
Better selection, coordination, communication with	378	535
suppliers		
E-purchasing	068	-1.036
Inventory reduction by produce only what is required,	165	933
in the correct quantity and at the correct time		
Transformation by eliminating waste .	147	775
Streamlining the distribution channel	065	857
B. Speed		
Providing speed/ responding almost	393	468
instantaneously to customer needs		
C. New Products/ Services and Quality		
Innovative product or service launched	164	881
New ways of doing old tasks in a much improved	341	560
manner		
New business model	055	-1.001
Providing superior customer value	186	706

# Table 4.47: Normality of Organizational Innovation

Variables	Skewness	Kurtosis
D. <u>Customization</u>		
Providing exactly or beyond customers'	209	899
expectations		
Ability to satisfy customers' needs	577	364
Retaining and better satisfying existing customers	614	421
Customer relationship management : CRM	311	882
Customer designed products	253	831
E. <u>New Customer Base</u>		
New customer base	265	674
Customer communities	.010	-1.061
Ability to service customer online (e-customers)	.148	-1.095
Ability to support global customer	.371	-1.101
Global e-business	.034	-1.212

Table 4.47 (continue): Normality of Organizational Innovation

#### Part 5: Test of Hypotheses

<u>Hypothesis 1</u>: There is a positive relationship between codification KM strategy and organizational innovation

<u>Hypothesis 1a</u>: A codification strategy of KM increases efficiency of the value chain

The result shown in Table 4.48, there is a positive relationship between codification KM strategy and efficiency of the value chain. Thus, a codification strategy of KM increases efficiency of the value chain.

#### Table 4.48: Hypothesis 1a

Variables	Efficiency of the value chain		
	Pearson Correlation	p-value	n
codification KM strategy	.620	** 000.	560

\*\*p<.01

<u>Hypothesis 1b</u>: A codification strategy of KM increases new products/services and quality

Table 4.49 shows that there is a positive relationship between codification KM strategy and speed. Thus, a codification strategy of KM increases new products/services and quality.

Table 4.49: Hypothesis 1b

Variables	Speed		
	Pearson Correlation	p-value	n
codification KM strategy	.503	** 000.	560

\*\*p<.01

Hypothesis 1c: A codification strategy of KM increases speed

The result shown in Table 4.50 indicates that, there is a positive relationship between codification KM strategy and new products/services and quality. Thus, a codification strategy of KM increases speed.

Table 4.50: Hypothesis 1c

Variables	New product ,service and quality		
	Pearson Correlation	p-value	n
codification KM strategy	.600	** 000.	560

\*\*p<.01

Hypothesis 1d: A codification strategy of KM increases customization Table 4.51 indicates that there is a positive relationship between codification KM strategy and customization. Thus, a codification strategy of KM increases customization.

Table 4.51: Hypothesis 1d

Variables	Customization		
	Pearson Correlation	p-value	n
codification KM strategy	.576	** 000.	560

\*\*p<.01

Hypothesis 1e: A codification strategy of KM increases new customer base

Table 4.52 indicates that there is a positive relationship between codification KM strategy and new customer base. Thus, a codification strategy of KM increases new customer base.

Table 4.52: Hypothesis 1e			
Variables	New	Customer Base	
	Pearson	p-value	n
	Correlation		
codification KM strategy	.589	** 000.	560

\*p<.01

Hypothesis 2: There is a positive relationship between personalization KM strategy and organizational innovation

Hypothesis 2a: A personalization strategy of KM increases efficiency of the value chain

Table 4.53 indicates that there is a positive relationship between personalization KM strategy and efficiency of the value chain. Thus, a personalization strategy of KM increases efficiency of the value chain.

#### Table 4.53: Hypothesis 2a

Variables	Efficiency of the Value Chain			
	Pearson Correlation	p-value	n	
personalization KM strategy	.525	** 000.	560	

\*\*p<01

# Hypothesis 2b: A personalization strategy of KM increases new

products/services and quality

Table 4.54 indicates that there is a positive relationship between

personalization KM strategy and speed. Thus, a personalization strategy of KM

increases new products/services and quality.

Table 4.54: Hypothesis 2b

Variables	Speed			
	Pearson Correlation	p-value	n	
personalization KM strategy	.407	** 000.	560	

\*\*p<.01

Hypothesis 2c: A personalization strategy of KM increases speed

Table 4.55 indicates that there is a positive relationship between personalization KM strategy and new product, service and quality. Thus, a personalization strategy of KM increases speed

Table 4.55: Hypothesis 2c

Variables	New product ,service and quality				
	Pearson Correlation	p-value	n		
personalization KM strategy	.507	.000 **	560		

\*\*p<.01

<u>Hypothesis 2d</u>: A personalization strategy of KM increases customization
 Table 4.56 indicates that there is a positive relationship between personalization
 KM strategy and customization. Thus, a personalization strategy of KM increases
 customization.

Table 4.56: Hypothesis 2d.

Variables	Customization				
	Pearson Correlation	p-value	n		
personalization KM strategy	.501	.000 **	560		

\*\*p< at .01

<u>Hypothesis 2e:</u> A personalization strategy of KM increases new customer base

Table 4.57 indicates that there is a positive relationship between personalization KM strategy and new customer base. Thus, a personalization strategy of KM increases new customer base.

#### Table 4.57: Hypothesis 2e

Variables	New Customer Base			
	Pearson Correlation	p-value	n	
personalization KM strategy	.603	** 000.	560	

\*\*p<.01

#### Regression Test 1:

A test of the relationship between independent variables and organizational innovation: efficiency of the value chain.

$$H_0: \beta 1 = \beta 2 = \beta i = 0$$

H<sub>a</sub>: At least one  $\beta i \neq 0$ 

The researcher used ANOVA to test the hypothesis. The result showed that the p- value obtained from F-test was less than .05. Therefore the null hypothesis ( $H_o$ ) is rejected and the alternative hypothesis ( $H_a$ ) is retained which implies that there is at least one independent variable which is associated with organizational innovation: efficiency of the value chain.

Table 4.58: Resul	t of Hypothesis	Regression	Test 1
-------------------	-----------------	------------	--------

Model	Sum of Squares		df	Mean	F	Sig.(p-value)
				Square		
1	Regression 167.279		1	167.279	325.029	0.000*
	Residual	287.179	558	0.515		
	Total	454.457	559			

a Predictors: (Constant), Codification.

b Dependent Variable: Efficiency of the value chain

p <.05

The adjusted R square value in table 4.59 indicates that codification could explain 36.7% of the variation in the dependent variable: efficiency of the value chain.

Table 4.59: Multiple Coefficient of Determination Test1

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	0.607	0.368	0.367	0.71740		

a Predictors: (Constant), Codification.

b Dependent Variable: Efficiency of the value chain

p<.05

Table 4.60 indicates that "tolerance" value (1.000) was greater than 0.10 and the "VIF" value (1.000) was less than 10. Both of them were all acceptable, thus multicolinearity did not seem to be a problem for this case. The result confirmed that codification significantly correlates with organizational innovation: efficiency of the value chain.

Prediction Equation: Y(efficiency of the value chain) = 1.326 + 0.627 Codification.

Table 4.60: Coefficient of Regression and Beta Coefficient Test 1

		Unstandardized		Standardized	t	Sig.	Collinea	rity	
	Model		Coefficients		Coefficients			Statisti	ics
				Std.				Tolerance	VIF
			В	Error	Beta			K	
ľ	1	(Constant)	1.326	0.105		12.593	0.000		
		Codification	0.627	0.035	0.607	18.029	0.000	1.000	1.000

a Predictors: (Constant), Codification.

b Dependent Variable: Efficiency of the value chain

p<.05

Regression Test 2:

The relationship between independent variables and organizational innovation:

speed was tested.

```
H<sub>o</sub>: \beta 1 = \beta 2 = \beta i = 0
H<sub>a</sub>: At least one \beta i \neq 0
```

ANOVA was used to test the hypothesis. The result showed that the p-value obtained from F-test was significant at the .05 level. Therefore, the null hypothesis  $(H_o)$  was rejected and the alternative hypothesis  $(H_a)$  was accepted as there was at least one independent variable which associates with organizational innovation: speed.

Table 4.61: Result of Regression Hypothesis Test 2

Model		Sum of Squares	df	Mean	F	Sig.
				Square	Ċ	(p-value)
1	Regression	169.956	1	169.956	172.666	0.000*
	Residual	549.242	558	0.984		
	Total	719.198	559			

a Predictors: (Constant), Codification.

b Dependent Variable: Speed

p<.05

The adjusted R square value in table 4.62 could explain 23.5 % of the variation in the dependent variable, organizational innovation speed.

#### Table 4.62: Multiple Coefficient of Determination Test2

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.486	0.236	0.235	0.99212

a Predictors: (Constant), Codification.

b Dependent Variable: Speed

p<.05

Table 4.63, indicates that the "tolerance" value (1.000) was greater than 0.10 and the "VIF" value (1.000) less than 10. Thus, multicolinearity was not a problem for this case. The result confirmed that codification significantly correlates with organizational innovation: speed.

Prediction Equation: Y(speed) = 1.440 + 0.632 Codification.

Table 4.63: Coefficient of Regression and Beta Coefficient Test 2

Model		Unstandardized Coefficients		Standardized	t	Sig.	Colline	arity
				Coefficients			Statist	tics
			Std.		-		Tolerance	VIF
		В	Error	Beta				
1	(Constant)	1.440	0.146		9.889	0.000		
	Codification	0.632	0.048	0.486	13.140	0.000	1.000	1.000

- a Predictors: (Constant), Codification.
- b Dependent Variable: Speed

p<.05

#### Regression Test 3:

The relationship between independent variables and organizational innovation: New products/services and quality was also tested.

H<sub>o</sub>:  $\beta 1 = \beta 2 = \beta i = 0$ 

H<sub>a</sub>: At least one  $\beta i \neq 0$ 

ANOVA was used to test the hypothesis. The result in Table 4.64 indicated that the p-value obtained from F-test was significant at the .05 level. Therefore the null hypothesis (H<sub>o</sub>) was rejected and the alternative hypothesis (H<sub>a</sub>) was accepted, which implies that codification is associates with organizational innovation: New products/services and quality.

Table 4.64: Result of Regression Hypothesis Test 3

Model		Sum of	df	Mean	F	Sig.
		Squares		Square		(p-value)
1	Regression	204.207	1	204.207	292.530	0.000*
	Residual	389.524	558	0.698	5	
	Total	593.730	559			

a Predictors: (Constant), Codification.

b Dependent Variable: New products/services and quality

p<.05

The adjusted R square value in table 4.65 shows that codification could explain 34.3% of the variation in the dependent variable which is organizational innovation: New products/services and quality.

#### Table 4.65: Multiple Coefficient of Determination Test 3

ſ	Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	1	0.586	0.344	0.343	0.83551

a Predictors: (Constant), Codification.

b Dependent Variable: New products/ services and quality

p<.05

Table 4.66 indicates that the "tolerance" value (1.000) was greater than 0.10 and the "VIF" value (1.000) was less than 10. Thus, multicolinearity was not a problem for this case. The result confirmed that codification significantly was correlated with organizational innovation: New products/services and quality.

#### Prediction Equation:

Y(New products/services and quality) = 0.957 + 0.693Codification.

Model	Unsta	ndardized	Standardized	t	Sig.	Colline	arity
	Coef	fficients	Coefficients			Statist	tics
		Std.				Tolerance	VIF
	В	Error	Beta				

0.586

7.802

17.103

0.000

0.000

1.000

#### Table 4.66: Coefficient of Regression and Beta Coefficient Test 3

0.123

0.040

a Predictors: (Constant), Codification.

(Constant)

Codification

b Dependent Variable: New products/ services and quality

0.957

0.693

p<.05

1

Regression Test 4:

The relationship between independent variables and organizational innovation: customization was also tested.

H<sub>o</sub>:  $\beta 1 = \beta 2 = \beta i = 0$ 

H<sub>a</sub>: At least one  $\beta i \neq 0$ 

ANOVA was used to test the hypothesis. The result showed F-test was significant at the .05 level. Thus, the null hypothesis ( $H_o$ ) was rejected and the alternative hypothesis ( $H_a$ ) was accepted, implying that codification and personalization are associated with organizational innovation: Customization.

1.000

Model		Sum of Squares	df	Mean	F	Sig.
				Square		(p-value)
1	Regression	200.086	1	200.086	267.849	0.000*
	Residual	416.833	558	0.747		
	Total	616.919	559			
2	Regression	204.046	2	102.023	137.637	0.000*
	Residual	412.873	557	0.741		
	Total	616.919	559			

#### Table 4.67: Result of Regression Hypothesis Test 4

a Predictors: (Constant), Codification.

b Predictors: (Constant), Codification, Personalization

c Dependent Variable: Customization

p<.05

The adjusted R square in table 4.68 showed that codification and

personalization can explain 32.8 % of the variation in the dependent variable which is

organizational innovation: Customization.

Table 4.68: Multiple Coefficient of Determination Test 4

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.570	0.324	0.323	0.86430
2	0.575	0.331	0.328	0.86096

a Predictors: (Constant), Codification.

b Predictors: (Constant), Codification, Personalization

c Dependent Variable: Customization

p<.05

Again, the "tolerance" value (0.4111) shown in Table 4.69 was greater than 0.10 and the "VIF" value (2.434) was less than 10. Both of them were acceptable, thus multicolinearity was not an issue for this case. The result confirmed that codification and personalization together correlate with organizational innovation.

Prediction Equation:

Y(New products/services and quality) = 1.109 + 0.570Codification+

0.158Personalization.

Model		Unstan	dardized	Standardized	t	Sig.	Colline	arity
		Coefficients		Coefficients			Statis	tics
			Std.				Tolerance	VIF
		В	Error	Beta				
1	(Constant)	1.160	0.127		9.141	0.000		
	Codification	0.686	0.042	0.570	16.366	0.000	1.000	1.000
2	(Constant)	1.109	0.128		8.639	0.000		
	Codification	0.570	0.065	0.474	8.758	0.000	0.411	2.434
	Personalization	0.158	0.068	0.125	2.311	0.021	0.411	2.434

#### Table 4.69: Coefficient of Regression and Beta Coefficient Test 4

a Predictors: (Constant), Codification.

b Predictors: (Constant), Codification, Personalization

c Dependent Variable: Customization

p<.05

#### Regression Test 5:

The relationship between independent variables and organizational innovation: Customization was also tested.

Ho: 
$$\beta 1 = \beta 2 = \beta i = 0$$

Ha: At least one  $\beta i \neq 0$ 

ANOVA was again used to test the hypothesis. The result indicated that the

F-test was significant at the .05 level. The null hypothesis (H<sub>o</sub>) was rejected and the

alternative hypothesis (Ha) was accepted, implying that codification and

personalization are associated with organizational innovation: New customer base.

Model		Sum of	df	Mean	F	Sig.
		Squares		Square		(p-value)
1	Regression	212.166	1	212.166	297.660	0.000*
	Residual	397.731	558	0.713		
	Total	609.897	559			
2	Regression	233.646	2	116.823	172.944	0.000*
	Residual	376.251	557	0.675		
	Total	609.897	559			

Table 4.70: Result of Regression Hypothesis Test 5

a Predictors: (Constant), Codification.

b Predictors: (Constant), Codification, Personalization

c Dependent Variable: New customer base

p<.05

The adjusted R square value in Table 4.71 showed codification and personalization could explain 38.3 % of the variation in the dependent variable which is organizational innovation: New customer base.

Table 4.71: Multiple Coefficient of Determination Test 5

l	Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	1	0.590	0.348	0.347	0.84426
	2	0.619	0.383	0.381	0.82189

a Predictors: (Constant), Codification.

b Predictors: (Constant), Codification, Personalization

c Dependent Variable: New customer base

p<.05

The "tolerance" value (0.4111) and the "VIF" value (2.434) were both acceptable, thus multicolinearity did not cause a problem for this case. The result confirmed that codification and personalization of KM significantly correlated with organizational innovation: New customer base.

Prediction Equation:

Y(New customer base) = 0.575 + 0.457Codification+ 0.350Personalization.

Model		Unstar	ndardized	Standardized	t	Sig.	Collinea	arity
		Coefficients		Coefficients			Statist	ics
		В	Std.	Beta			Tolerance	VIF
			Error	I				
1	(Constant)	0.901	0.111		8.123	0.000		
	Codification	0.739	0.043	0.590	17.253	0.000	1.000	1.000
2	(Constant)	0.575	0.123		4.695	0.000		
	Codification	0.457	0.065	0.365	7.033	0.000	0.411	2.434
	Personalization	0.350	0.062	0.293	5.639	0.000	0.411	2.434

#### Table 4.72: Coefficient of Regression and Beta Coefficient Test 5

a Predictors: (Constant), Codification.

b Predictors: (Constant), Codification, Personalization

c Dependent Variable: New customer base

p<.05

For the result of Hypotheses 3a - 3e and 4a - 4c, the following analysis was

performed

#### Table 4.73: Between-Subjects Factors

		Value Label	N
Dominant KM	0	Codification Tools	425
Tools	1	Personalization Tools	109
	2	Balanced Tools	25
Organization Size	0	Small Size	126
	1	Medium Size	153
	2	Large Size	280
Industry Type	0	Non Knowledge Intensive Manufacturing Type	78
	1	Non Knowledge Intensive Service Type	28
	2	Knowledge Intensive Manufacturing type	211
	3	Knowlege Intensive Service Type	242

The analysis result in Table 4.74 indicated that the dependent variables have relationships among them at the .01 level of significance, thus passing the condition to use MANOVA for data analysis.

Table 4.74: Bartlett's Test of Sphericity<sup>a</sup>

Likelihood Ratio	.000
Approx. Chi-Square	1.029E4
df	20
Sig.	.000

Tests the null hypothesis that the residual covariance matrix is proportional to an identity matrix.

a. Design: Intercept + SelectedKMtools + DUMSIZE3 + DUMTYPE +

SelectedKMtools \* DUMSIZE3 + SelectedKMtools \* DUMTYPE + DUMSIZE3

\* DUMTYPE + SelectedKMtools \* DUMSIZE3 \* DUMTYPE

All items in Table 4.75 showed sig = .000, meaning that all dependent

variables (organizational innovations) would have different results depending on

different KM strategies in varying organization sizes and in different industry types.

Effect	Value	F	Hypothesis df	Error df	Sig.
Pillai's Trace	.741	2.499E2 <sup>a</sup>	6.000	525.000	.000
Wilks' Lambda	.259	2.499E2 <sup>a</sup>	6.000	525.000	.000
Hotelling's Trace	2.856	2.499E2 <sup>a</sup>	6.000	525.000	.000
Roy's Largest Root	2.856	2.499E2 <sup>a</sup>	6.000	525.000	.000
Pillai's Traces	.111	5.172	12.000	1.052E3	.000
Wilks' Lambda	.890	5.225 <sup>a</sup>	12.000	1.050E3	.000
Hotelling's Trace	.121	5.278	12.000	1.048E3	.000
Roy's Largest Root	.100	8.729 <sup>b</sup>	6.000	526.000	.000
Pillai's Trace	.142	6.692	12.000	1.052E3	.000
Wilks' Lambda	.862	6.738 <sup>a</sup>	12.000	1.050E3	.000
Hotelling's Trace	.155	6.784	12.000	1.048E3	.000
Roy's Largest Root	.116	10.143 <sup>b</sup>	6.000	526.000	.000
Pillai's Trace	.155	4.798	18.000	1.581E3	.000
Wilks' Lambda	.851	4.845	18.000	1.485E3	.000
Hotelling's Trace	.168	4.880	18.000	1.571E3	.000
Roy's Largest Root	.105	9.245 <sup>b</sup>	6.000	527.000	.000
Pillai's Trace	.165	5.125	18.000	1.581E3	.000
Wilks' Lambda	.843	5.155	18.000	1.485E3	.000
Hotelling's Trace	.178	5.169	18.000	1.571E3	.000
Roy's Largest Root	.100	8.754 <sup>b</sup>	6.000	527.000	.000
Pillai's Trace	.203	3.740	30.000	2.645E3	.000
Wilks' Lambda	.809	3.811	30.000	2.102E3	.000
Hotelling's Trace	.221	3.853	30.000	2.617E3	.000
	.125	10.985 <sup>b</sup>	6.000	529.000	.000
	Wilks' LambdaHotelling's TraceRoy's Largest RootPillai's TracesWilks' LambdaHotelling's TraceRoy's Largest RootPillai's TraceWilks' LambdaHotelling's TraceRoy's Largest RootPillai's TraceWilks' LambdaHotelling's TraceRoy's Largest RootPillai's TraceRoy's Largest RootPillai's TraceWilks' LambdaHotelling's TraceRoy's Largest RootPillai's TraceRoy's Largest RootPillai's TraceWilks' LambdaHotelling's TraceWilks' LambdaHotelling's TraceWilks' LambdaHotelling's TraceWilks' LambdaHotelling's TraceWilks' LambdaHotelling's TraceRoy's Largest RootPillai's TraceWilks' LambdaHotelling's TraceWilks' Lambda	Wilks' Lambda.259Hotelling's Trace2.856Roy's Largest Root2.856Pillai's Traces.111Wilks' Lambda.890Hotelling's Trace.121Roy's Largest Root.100Pillai's Trace.142Wilks' Lambda.862Hotelling's Trace.155Roy's Largest Root.116Pillai's Trace.155Roy's Largest Root.116Pillai's Trace.155Roy's Largest Root.105Wilks' Lambda.851Hotelling's Trace.168Roy's Largest Root.105Pillai's Trace.165Wilks' Lambda.843Hotelling's Trace.178Roy's Largest Root.100Pillai's Trace.203Wilks' Lambda.809	Wilks' Lambda.2592.499E2aHotelling's Trace2.8562.499E2aRoy's Largest Root2.8562.499E2aPillai's Traces.1115.172Wilks' Lambda.8905.225aHotelling's Trace.1215.278Roy's Largest Root.1008.729bPillai's Trace.1426.692Wilks' Lambda.8626.738aHotelling's Trace.1556.784Roy's Largest Root.11610.143bHotelling's Trace.1554.798Wilks' Lambda.8514.845Hotelling's Trace.1684.880Roy's Largest Root.1059.245bHotelling's Trace.1655.125Wilks' Lambda.8514.515Hotelling's Trace.1655.125Wilks' Lambda.8435.155Hotelling's Trace.1655.125Wilks' Lambda.8435.155Hotelling's Trace.1785.169Roy's Largest Root.1008.754bPillai's Trace.1008.754bWilks' Lambda.8093.811	Wilks' Lambda         .259         2.499E2 <sup>a</sup> 6.000           Hotelling's Trace         2.856         2.499E2 <sup>a</sup> 6.000           Roy's Largest Root         2.856         2.499E2 <sup>a</sup> 6.000           Pillai's Traces         .111         5.172         12.000           Wilks' Lambda         .890         5.225 <sup>a</sup> 12.000           Wilks' Lambda         .890         5.225 <sup>a</sup> 12.000           Hotelling's Trace         .121         5.278         12.000           Roy's Largest Root         .100         8.729 <sup>b</sup> 6.000           Pillai's Trace         .142         6.692         12.000           Wilks' Lambda         .862         6.738 <sup>a</sup> 12.000           Wilks' Lambda         .862         6.738 <sup>a</sup> 12.000           Roy's Largest Root         .116         10.143 <sup>b</sup> 6.000           Pillai's Trace         .155         4.798         18.000           Wilks' Lambda         .851         4.845         18.000           Roy's Largest Root         .105         9.245 <sup>b</sup> 6.000           Pillai's Trace         .165         5.125         18.000           Wilks' Lambda         .843	Wilks' Lambda.2592.499E2a6.000525.000Hotelling's Trace2.8562.499E2a6.000525.000Roy's Largest Root2.8562.499E2a6.000525.000Pillai's Traces.1115.17212.0001.052E3Wilks' Lambda.8905.225a12.0001.050E3Hotelling's Trace.1215.27812.0001.048E3Roy's Largest Root.1008.729b6.000526.000Pillai's Trace.1426.69212.0001.052E3Wilks' Lambda.8626.738a12.0001.050E3Hotelling's Trace.1556.78412.0001.048E3Roy's Largest Root.11610.143b6.000526.000Pillai's Trace.1554.79818.0001.581E3Wilks' Lambda.8514.84518.0001.571E3Roy's Largest Root.1059.245b6.000527.000Pillai's Trace.1655.12518.0001.581E3Wilks' Lambda.8435.15518.0001.581E3Wilks' Lambda.8435.15518.0001.571E3Roy's Largest Root.1008.754b6.000527.000Pillai's Trace.1655.12518.0001.571E3Roy's Largest Root.1008.754b6.000527.000Pillai's Trace.2033.74030.0002.645E3Wilks' Lambda.8093.81130.0002.102E3

Table 4.75	(continued): Multivariate Tests <sup>c</sup>	
------------	--	--

Effect		Value	F	Hypothesis df	Error df	Sig.
DUMSIZE3 *	Pillai's Trace	.193	2.929	36.000	3.180E3	.000
DUMTYPE	Wilks' Lambda	.819	2.984	36.000	2.308E3	.000
	Hotelling's Trace	.207	3.014	36.000	3.140E3	.000
	Roy's Largest Root	.111	9.828 <sup>b</sup>	6.000	530.000	.000
Selected	Pillai's Trace	.238	3.131	42.000	3.180E3	.000
KMtools *						
DUMSIZE3 *						
DUMTYPE						

- a. Exact statistic
- b. The statistic is an upper bound on F that yields a lower bound on the significance level.
- c. Design: Intercept + SelectedKMtools + DUMSIZE3 + DUMTYPE +

SelectedKMtools \* DUMSIZE3 + SelectedKMtools \* DUMTYPE + DUMSIZE3

\* DUMTYPE + SelectedKMtools \* DUMSIZE3 \* DUMTYPE

	F	df1	df2	Sig.
Efficiency of the value chain	1.951	28	530	.003
Speed	1.526	28	530	.043
New products/ services and quality	2.453	28	530	.000
Customization	2.155	28	530	.001
New customer base	2.307	28	530	.000
Overall-organizational Innovation	1.791	28	530	.008

#### Table 4.76: Levene's Test of Equality of Error Variances<sup>a</sup>

Tests the null hypothesis that the error variance of the dependent variable is equal across groups.

a. Design: Intercept + SelectedKMtools + DUMSIZE3 + DUMTYPE +

SelectedKMtools \* DUMSIZE3 + SelectedKMtools \* DUMTYPE + DUMSIZE3

\* DUMTYPE + SelectedKMtools \* DUMSIZE3 \* DUMTYPE

In Table 4.77, all independent variables as KM strategies with different organization size would affect each construct of organizational innovation.

To test Hypotheses 3a-3e, Table 4.78 was prepared to show mean and standard error for each combination of the dependent variable, KM tool, and organization size.

# Table 4.77: Tests of Between-Subjects Effects

Source	Dependent Variable	Type III Sum	df	Mean	F	Sig.
		of Squares		Square		
Corrected	Efficiency of the value chain	86.477 <sup>a</sup>	28	3.088	4.448	.000
Model	Speed	119.305 <sup>b</sup>	28	4.261	3.783	.000
	New products/ services and quality	112.514 <sup>c</sup>	28	4.018	4.441	.000
	Customization	110.304 <sup>d</sup>	28	3.939	4.134	.000
	New customer base	117.930 <sup>e</sup>	28	4.212	4.558	.000
$\geq$	Overall-organizational innovation	91.490 <sup>f</sup>	28	3.267	4.699	.000
Intercept	Efficiency of the value chain	1031.480	1	1031.480	1.486E3	.000
	Speed	1144.962	1	1144.962	1.017E3	.000
$\mathbf{\alpha}$	New products/ services and quality	982.896	1	982.896	1.086E3	.000
	Customization	1069.290	1	1069.290	1.122E3	.000
	New customer base	811.984	1	811.984	878.710	.000
	Overall-organizational innovation	996.279	1	996.279	1.433E3	.000
Selected	Efficiency of the value chain	23.138	2	11.569	16.663	.000
KM tools	Speed	19.268	2	9.634	8.554	.000
	New products/ services and quality	13.150	2	6.575	7.267	.001
	Customization	21.437	2	10.719	11.248	.000
	New customer base	13.750	2	6.875	7.440	.001
	Overall-organizational innovation	19.100	2	9.550	13.734	.000
L	I	1			(Conti	nuad)

Source	Dependent Variable	Type III Sum	df	Mean	F	Sig.
		of Squares		Square		
DUMSIZE3	Efficiency of the value chain	21.441	2	10.720	15.441	.000
	Speed	18.509	2	9.254	8.217	.000
	New products/ services and	11.980	2	5.990	6.620	.001
	quality					
	Customization	21.069	2	10.535	11.055	.000
$/ \bigcirc$	New customer base	14.524	2	7.262	7.859	.000
	Overall-organizational	17.381	2	8.691	12.498	.000
	innovation					
DUMTYPE	Efficiency of the value chain	6.015	3	2.005	2.888	.035
	Speed	9.784	3	3.261	2.896	.035
	New products/ services and	17.185	3	5.728	6.331	.000
	quality					
	Customization	11.733	3	3.911	4.104	.007
	New customer base	25.925	3	8.642	9.352	.000
	Overall-organizational	10.202	3	3.401	4.890	.002
	innovation					
Selected	Efficiency of the value chain	20.287	3	6.762	9.740	.000
KMtools *	Speed	18.367	3	6.122	5.436	.001
DUMSIZE3	New products/ services and	12.409	3	4.136	4.571	.004
	quality					
	Customization	26.929	3	8.976	9.420	.000
	New customer base	21.711	3	7.237	7.832	.000
	Overall-organizational	19.058	3	6.353	9.136	.000
	innovation					

# Table 4.77 (continued): Tests of Between-Subjects Effects

Source	Dependent Variable	Type III Sum	df	Mean	F	Sig.
		of Squares		Square		
Selected	Efficiency of the value chain	18.951	5	3.790	5.459	.000
KMtools *	Speed	25.161	5	5.032	4.468	.001
DUMTYPE	New products/ services and	9.744	5	1.949	2.154	.058
	quality					
	Customization	20.990	5	4.198	4.405	.001
	New customer base	29.611	5	5.922	6.409	.000
	Overall-organizational	18.502	5	3.700	5.321	.000
	innovation					
DUMSIZE3 *	Efficiency of the value chain	7.650	6	1.275	1.836	.090
DUMTYPE	Speed	10.894	6	1.816	1.612	.142
	New products/ services and	15.556	6	2.593	2.865	.009
	quality					
	Customization	11.168	6	1.861	1.953	.071
	New customer base	3.380	6	.563	.610	.723
	Overall-organizational	7.322	6	1.220	1.755	.106
	innovation					
Total	Efficiency of the value chain	5982.769	559			
	Speed	6694.000	559			
	New products/ services and	5502.312	559			1
	quality					
	Customization	6149.120	559			
	New customer base	4715.800	559			
	Overall-organizational	5669.501	559			
	innovation					

# Table 4.77 (continued): Tests of Between-Subjects Effects

Source	Dependent Variable	Type III Sum	df	Mean	F	Sig.
		of Squares		Square		
	Efficiency of the value chain	454.451	558			
	Speed	716.211	558			
	New products/ services and quality	592.079	558			
	Customization	615.350	558			
/O	New customer base	607.683	558			
	Overall-organizational innovation	460.042	558			
Selected	Efficiency of the value chain	10.298	7	1.471	2.119	.040
KMtools * DUMSIZE3 * DUMTYPE	Speed	16.787	7	2.398	2.129	.039
	New products/ services and quality	22.588	7	3.227	3.566	.001
	Customization	14.418	7	2.060	2.161	.036
	New customer base	27.798	7	3.971	4.297	.000
	Overall-organizational innovation	13.561	7	1.937	2.786	.007
Error	Efficiency of the value chain	367.974	530	.694		
	Speed	596.906	530	1.126		
	New products/ services and quality	479.565	530	.905		
	Customization	505.046	530	.953		

# Table 4.77 (continued): Tests of Between-Subjects Effects

Source	Dependent Variable	Type III Sum	df	Mean	F	Sig.
		of Squares		Square		
	New customer base	489.754	530	.924		
	Overall-organizational innovation	368.553	530	.695		

Table 4.77 (continued): Tests of Between-Subjects Effects

- a. R Squared = .190 (Adjusted R Squared = .148)
- b. R Squared = .167 (Adjusted R Squared = .123)
- c. R Squared = .190 (Adjusted R Squared = .147)
- d. R Squared = .179 (Adjusted R Squared = .136)
- e. R Squared = .194 (Adjusted R Squared = .151)

f. R Squared = .199 (Adjusted R Squared = .157)

Dependent	Dominant KM	Organization	Mean	Std.	95% Co	onfidence
Variable	Tools	Size		Error	Inte	erval
					Lower	Upper
					Bound	Bound
Efficiency of	Codification	Small Size	3.359	.143	3.078	3.640
the value chain	Tools	Medium Size	3.230	.130	2.975	3.484
		Large Size	3.249	.083	3.085	3.412
10	Personalization	Small Size	2.650	.166	2.324	2.976
	Tools	Medium Size	2.364	.181	2.008	2.719
		Large Size	3.133	.163	2.813	3.454
	Balanced Tools	Small Size	a			
		Medium Size	1.050 <sup>b</sup>	.361	.341	1.759
		Large Size	3.433 <sup>b</sup>	.200	3.040	3.825
Speed	Codification	Small Size	3.523	.182	3.164	3.881
	Tools	Medium Size	3.356	.165	3.031	3.680
		Large Size	3.328	.106	3.119	3.537
	Personalization	Small Size	3.033	.212	2.617	3.449
	Tools	Medium Size	2.522	.230	2.069	2.974
		Large Size	3.173	.208	2.765	3.580
	Balanced Tools	Small Size	a ·	·		
		Medium Size	1.000 <sup>b</sup>	.460	.097	1.903
		Large Size	3.524 <sup>b</sup>	.255	3.024	4.024
New products/	Codification	Small Size	3.025	.164	2.704	3.347
services and	Tools	Medium Size	3.133	.148	2.843	3.424
quality		Large Size	3.068	.095	2.881	3.255
L	1	I	1		1	(Continued)

Table 4.78: Dominant KM Tools and Organization Size

Dependent	Dominant KM	Organization	Mean	Std.	95% Co	onfidence
Variable	Tools	Size		Error	Inte	erval
					Lower	Upper
		/ 11			Bound	Bound
	Personalization	Small Size	2.499	.190	2.126	2.871
	Tools	Medium Size	2.174	.206	1.768	2.579
		Large Size	3.051	.186	2.685	3.416
	Balanced	Small Size	a			
	Tools	Medium Size	1.500 <sup>b</sup>	.412	.691	2.309
		Large Size	<b>3.190<sup>b</sup></b>	.228	2.742	3.639
Customization	Codification	Small Size	3.312	.168	2.982	3.641
	Tools	Medium Size	3.363	.152	3.065	3.661
		Large Size	3.184	.098	2.992	3.376
	Personalization	Small Size	2.495	.195	2.112	2.877
	Tools	Medium Size	2.224	.212	1.808	2.640
		Large Size	3.293	.191	2.918	3.669
	Balanced Tools	Small Size	a ·			
		Medium Size	1.350 <sup>b</sup>	.423	.520	2.180
		Large Size	3.590 <sup>b</sup>	.234	3.130	4.050
New customer	Codification	Small Size	2.718	.165	2.394	3.043
base	Tools	Medium Size	3.012	.149	2.718	3.306
		Large Size	2.698	.096	2.509	2.887
	Personalization	Small Size	1.839	.192	1.462	2.215
	Tools	Medium Size	2.029	.209	1.619	2.439
		Large Size	3.005	.188	2.635	3.374
L	1	1	1		1	(Continued)

Table 4.78 (continued): Dominant KM Tools and Organization Size

Dependent	Dominant KM	Organization	Mean	Std.	95% Co	Confidence	
Variable	Tools	Size		Error	Inte	erval	
					Lower	Upper	
					Bound	Bound	
	Balanced Tools	Small Size	a •	1.			
		Medium Size	1.450 <sup>b</sup>	.416	.632	2.268	
		Large Size	3.005 <sup>b</sup>	.231	2.552	3.458	
Overall	Codification	Small Size	3.205	.143	2.924	3.487	
organizational	Tools	Medium Size	3.206	.130	2.951 3.461	3.461	
Innovation		Large Size	3.125	.083	2.961	3.289	
	Personalization	Small Size	2.481	.166	2.155	2.808	
	Tools	Medium Size	2.265	.181	1.909	2.620	
		Large Size	3.129	.163	2.809	3.449	
	Balanced Tools	Small Size	a •		-	· .	
		Medium Size	1.225 <sup>b</sup>	.361	.516	1.934	
		Large Size	3.358 <sup>b</sup>	.200	2.965	3.751	

Table 4.78 (continued): Dominant KM Tools and Organization Size

- a. This level combination of factors is not observed, thus the corresponding population marginal mean is not estimable.
- b. Based on modified population marginal mean.

Table 4.78 shows results for test of Hypotheses 3a-3e and summarized in Table 4.79

<u>Hypothesis 3a</u>: The effect of balance strategy in the efficiency of value chain is greater in large organizations than it is in small-medium organizations.

<u>Hypothesis 3b</u>: The effect of balance strategy in new products/services is greater in large organizations than it is in small-medium organizations.

<u>Hypothesis 3c</u>: The effect of balance strategy in customization is greater in large organizations than it is in small-medium organizations.

<u>Hypothesis 3d</u>: The effect of codification strategy in new customer base is greater in small-medium organizations than it is in large organizations.

<u>Hypothesis 3e</u>: The effect of personalization strategy in speed is greater in large organizations than it is in small-medium organizations.

Нуро	Mean	SE	Mean	SD	Support/Not			
					Support			
		Bala	nced strategy					
	Large organization Small-medium organizations							
3a	3.433	.200	1.050	.361	Supported			
3b	3.190	.228	1.500	.412	Supported			
3c	3.590	.234	1.350	1.350 .423				
		Codifi	cation strategy					
3d	2.398	0.96	3.012	.149	Supported			
		Personalization strategy						
3e	3.173	.208	3.033	.212	Supported			

Table 4.79: Descriptive Statistics and Results of Hypotheses 3a-3e

To test Hypotheses 4a-4c, Table 4.80 was prepared to show the descriptive statistics.

Dependent Variable	Dominant KM Tools	Industry type	Mean	Std. Error	95% Confidence Interval	
					Lower	Upper
					Bound	Bound
Efficiency of	Codification	Non knowledge	3.139	.150	2.845	3.434
the value	Tools	intensive				
chain		manufacturing type				
		Non knowledge	3.621	.217	3.194	4.048
		intensive service type				
		Knowledge intensive	3.170	.071	3.030	3.311
		manufacturing type				
		Knowledge intensive	3.186	.063	3.063	3.309
		service type				
$\mathbf{n}$	Personalization	Non knowledge	2.330	.227	1.884	2.775
	Tools	intensive			Y	
		manufacturing type				
		Non knowledge	2.422	.254	1.924	2.920
		intensive service type				
		Knowledge intensive	2.674	.145	2.389	2.958
		manufacturing type	6			
		Knowledge intensive	3.437	.133	3.175	3.699
		service type				
	Balanced Tools	Non knowledge	1.883 <sup>a</sup>	.295	1.305	2.462
		intensive				
		manufacturing type				
		Non knowledge	b	•	•	
		intensive service type				
<u> </u>		•			(C	ontinued)

# Table 4.80: Dominant KM Tools and Industry Type

Dependent	Dominant KM	Industry type	Mean	Std.	95% Confidence Interval	
Variable	Tools			Error		
					Lower	Upper
					Bound	Bound
		Knowledge intensive	<b>3.981</b> <sup>a</sup>	.315	3.362	4.600
		manufacturing type				
		Knowledge intensive	2.325 <sup>a</sup>	.329	1.678	2.972
		service type				
Speed	Codification	Non knowledge	3.272	.191	2.897	3.648
	Tools	intensive			l'(P	
		manufacturing type				×
V		Non knowledge	3.657	.277	3.114	4.201
		intensive service type				
		Knowledge intensive	3.432	.091	3.253	3.611
		manufacturing type				
		Knowledge intensive	3.247	.080	3.090	3.403
		service type				
	Personalization	Non knowledge	2.500	.289	1.933	3.067
	Tools	intensive				
		manufacturing type		$\boldsymbol{\lambda}$		
		Non knowledge	2.833	.323	2.199	3.468
		intensive service type				
		Knowledge intensive	2.745	.184	2.382	3.107
		manufacturing type				
		Knowledge intensive	3.559	.170	3.225	3.892
		service type				
L		1	1	L		

Table 4.80 (continued): Dominant KM Tools and Industry Type

Dependent	Dominant KM	Industry type	Mean	Std.	95% Co	nfidence
Variable	Tools			Error	Inte	rval
					Lower	Upper
					Bound	Bound
	Balanced Tools	Non knowledge	1.500 <sup>a</sup>	.375	.763	2.237
		intensive				
		manufacturing type				
		Non knowledge	ь	<u> </u>		
		intensive service type				
		Knowledge intensive	4.571 <sup>a</sup>	.401	3.783	5.359
		manufacturing type				
		Knowledge intensive	2.500 <sup>a</sup>	.419	1.676	3.324
		service type				
New	Codification	Non knowledge	2.740	.171	2.404	3.077
products/	Tools	intensive				
services and		manufacturing type				
quality		Non knowledge	3.606	.248	3.120	4.093
		intensive service type				
		Knowledge intensive	2.887	.082	2.727	3.047
		manufacturing type		2		
		Knowledge intensive	3.068	.071	2.927	3.208
		service type				
	Personalization	Non knowledge	2.083	.259	1.575	2.592
	Tools	intensive				
		manufacturing type				
		Non knowledge	2.708	.289	2.140	3.277
		intensive service type				
	1	I	1	1	L	antinuad

Table 4.80 (continued): Dominant KM Tools and Industry Type

Dependent	Dominant KM	Industry type	Mean	Std.	95% Co	nfidence
Variable	Tools			Error	Inte	erval
					Lower	Upper
					Bound	Bound
		Knowledge intensive	2.476	.165	2.151	2.801
		manufacturing type				
		Knowledge intensive	3.030	.152	2.731	3.329
		service type				
	Balanced Tools	Non knowledge	1.500 <sup>a</sup>	.336	.839	2.161
		intensive			<b>`</b> ( <b>P</b> )	
		manufacturing type				
V		Non knowledge	b			
		intensive service type				
		Knowledge intensive	<b>4.071</b> <sup>a</sup>	.360	3.365	4.778
		manufacturing type				
		Knowledge intensive	2.750 <sup>a</sup>	.376	2.011	3.489
		service type				
Customization	Codification	Non knowledge	3.049	.176	2.704	3.394
	Tools	intensive	6			
	1/1	manufacturing type		2)		
		Non knowledge	3.770	.254	3.271	4.270
		intensive service type				
		Knowledge intensive	3.082	.084	2.918	3.247
		manufacturing type				
		Knowledge intensive	3.243	.073	3.099	3.387
		service type				

Table 4.80 (continued): Dominant KM Tools and Industry Type

Dependent	Dominant KM	Industry type	Mean	Std.	95% Co	nfidence
Variable	Tools			Error	Inte	erval
					Lower	Upper
					Bound	Bound
	Personalization	Non knowledge	2.133	.266	1.611	2.655
	Tools	intensive				
		manufacturing type				
		Non knowledge	2.467	.297	1.883	3.050
		intensive service type			7	
		Knowledge intensive	2.604	.170	2.271	2.937
		manufacturing type				
		Knowledge intensive	3.479	.156	3.172	3.786
		service type				
	Balanced Tools	Non knowledge	2.050 <sup>a</sup>	.345	1.372	2.728
		intensive				
		manufacturing type				
		Non knowledge	b		•	
		intensive service type				
		Knowledge intensive	<b>4.171</b> <sup>a</sup>	.369	3.447	4.896
		manufacturing type		2		
		Knowledge intensive	2.600 <sup>a</sup>	.386	1.842	3.358
		service type				
New	Codification	Non knowledge	2.512	.173	2.172	2.852
customer	Tools	intensive				
base		manufacturing type				
		Non knowledge	3.361	.250	2.869	3.853
		intensive service type				

Table 4.80 (continued): Dominant KM Tools and Industry Type

Dependent Variable	Dominant KM Tools	Industry type	Mean	Std. Error		nfidence rval
					Lower Bound	Upper Bound
	10	Knowledge intensive manufacturing type	2.613	.082	2.451	2.775
10		Knowledge intensive service type	2.752	.072	2.610	2.894
$\geq$	Personalization Tools	Non knowledge intensive manufacturing type	1.422	.262	.908	1.936
8A		Non knowledge intensive service type	2.233	.293	1.659	2.808
		Knowledge intensive manufacturing type	2.441	.167	2.113	2.769
		Knowledge intensive service type	3.066	.154	2.764	3.368
$\langle c \rangle$	Balanced Tools	Non knowledge intensive manufacturing type	1.400 <sup>a</sup>	.340	.732	2.068
		Non knowledge intensive service type	b			-
		Knowledge intensive manufacturing type	4.114 <sup>a</sup>	.363	3.401	4.828
		Knowledge intensive service type	2.500 <sup>a</sup>	.380	1.754	3.246

Table 4.80 (continued): Dominant KM Tools and Industry Type

r	idustry 1	ype							
	Mean	Std.	95% Confidence						
		Error	Interval						
			Lower	Upper					
			Bound	Bound					
	2.971	.150	2.676	3.266					
N	2.771		2.070	0.200					

Table 4.80 (continued): Dominant KM Tools and Industry T

Industry type

Dominant KM

Tools

Dependent

Variable

					Lower Bound	Upper Bound
Effectiveness	Codification	Non knowledge	2.971	.150	2.676	3.266
of Innovation	Tools	intensive				
		manufacturing type				
		Non knowledge	3.601	.217	3.174	4.027
		intensive service type			7	
		Knowledge intensive	3.034	.072	2.893	3.174
		manufacturing type				-
V		Knowledge intensive	3.109	.063	2.986	3.232
		service type				
	Personalization	Non knowledge	2.119	.227	1.673	2.564
	Tools	intensive				
		manufacturing type				
		Non knowledge	2.450	.254	1.952	2.948
		intensive service type				
		Knowledge intensive	2.599	.145	2.315	2.884
	1/2	manufacturing type				
		Knowledge intensive	3.332	.133	3.070	3.594
		service type				
	Balanced Tools	Non knowledge	1.767 <sup>a</sup>	.295	1.187	2.346
		intensive				
		manufacturing type				
		Non knowledge	. b			
		intensive service type				
	1	1	1		(C	ontinued)

Dependent	Dominant KM	Industry type	Mean	Std.	95% Co	nfidence	
Variable	Tools			Error	Inte	erval	
					Lower	Upper	
					Bound	Bound	
		Knowledge intensive	<b>4.067</b> <sup>a</sup>	.315	3.448	4.686	
		manufacturing type					
		Knowledge intensive	2.463 <sup>a</sup>	.330	1.815	3.110	
		service type					

Table 4.80 (continued): Dominant KM Tools and Industry Type

a. Based on modified population marginal mean.

b. This level combination of factors is not observed, thus the corresponding population marginal mean is not estimable.

<u>Hypothesis 4a</u>: The effect of personalization strategy in organizational innovation is greater in knowledge-intensive service organizations than non knowledge-intensive service organizations.

<u>Hypothesis 4b</u>: The effect of balanced strategy in organizational innovation is greater in knowledge-intensive manufacturing organizations than non knowledgeintensive manufacturing organizations.

<u>Hypothesis 4c</u>: The effect of codification strategy in organizational innovation is greater in non knowledge-intensive service organizations than knowledge-intensive service organizations.

Table 4.81 presents the results of Hypotheses tests.

Нуро	DV	Mean	SE	Mean	SD	Support/
						Not
						Support
		7	Personaliza	tion Strateg	у	
		ŀ	KIS		KIS	
4a	Efficiency of value	3.437	.133	2.422	.254	Supported
	chain					
	Speed	3.559	.170	2.833	.323	1
	New products/	3.030	.152	2.708	.289	
	services					
	Customization	3.479	.156		.297	
	New customer base	3.066	.154	2.233	.293	
	Overall –	3.332	.133	2.450	.254	
	Organizational					
	innovation					
			Balanced Strategy			
		K	AIM	Nk	KIM	
4b	Efficiency of value	3.981	.315	1.883	.295	Supported
	chain					
	Speed	3.432	.091	3.272	.191	
	New products/	4.071	.360	1.500	.336	1
	services					
	Customization	4.171	.369	2.050	.345	-
	New customer base	4.114	.363	1.400	.340	1
	Overall –	4.067	.315	1.767	.295	1
	Organizational					
	innovation					
				l		(Continued)

Table 4.81: Descriptive Statistics and Results of Hypotheses 4a-4c

Нуро	DV	Mean	SE	Mean	SD	Support/
						Not
						Support
		7	Codificati	ion Strategy		
			owledge- ensive	knowledge	e-intensive	
4c	Efficiency of value chain	3.621	.217	3.186	.063	Supported
	Speed	3.657	2.77	3.247	.080	
$\geq$	New products/ services	3.606	.248	3.068	.071	
	Customization	3.770	.254	3.243	.073	
	New customer base	3.361	.250	2.752	.072	
	Overall –	3.601	.217	3.109	.063	
	Organizational					
	innovation					

Table 4.81 (continued): Descriptive Statistics and Results of Hypotheses 4a-4c

Summary

This chapter presents the result of statistical analysis and a summary of all

Hypotheses tested was given in Table 4.82

Нуро	Description	Results
1a	A codification strategy of KM increases efficiency of the value chain	Supported
1b	A codification strategy of KM increases new products/services and quality	Supported
1c	A codification strategy of KM increases speed	Supported
1d	A codification strategy of KM increases customization	Supported
1e	A codification strategy of KM increases new customer base	Supported
2a	A personalization strategy of KM increases efficiency of the value chain	Supported
2b	A personalization strategy of KM increases new products/services and quality	Supported
-2c	A personalization strategy of KM increases speed	Supported
2d	A personalization strategy of KM increases customization	Supported
2e	A personalization strategy of KM increases new customer base	Supported
3a	The effect of balance strategy in the efficiency of value chain is greater in large organizations than it is in small-medium organizations.	Supported
3b	The effect of balance strategy in new products/services is greater in large organizations than it is in small-medium organizations.	Supported
3c	The effect of balance strategy in customization is greater in large organizations than it is in small-medium organizations.	Supported
3d	The effect of codification strategy in new customer base is greater in small-medium organizations than it is in large organizations.	Supported
3e	The effect of personalization strategy in speed is greater in large organizations than it is in small-medium organizations.	Supported

Table 4.82 (continued): Summary of all Hypotheses Tested

Нуро	Description	Results
4a	The effect of personalization strategy in organizational	Supported
	innovation is greater in knowledge-intensive service	
	organizations than non knowledge-intensive service	
	organizations.	
4b	The effect of balanced strategy in organizational innovation is	Supported
	greater in knowledge-intensive manufacturing organizations than	
	non knowledge-intensive manufacturing organizations.	
4c	The effect of codification strategy in organizational innovation is	Supported
	greater in non knowledge-intensive service organizations than	
	knowledge-intensive service organizations.	

### CHAPTER 5

### CONCLUSION AND IMPLICATION

This chapter has three sections. The first section summarizes the study's findings about KM strategy and its effect on organizational innovation. The second section elaborates implications of the results for management, including limitations of the present study. The last section suggests directions for future research.

#### Summary of Results

#### Major Findings of the Study

The purpose of this paper was to explore the effect of KM strategy (i.e., codification and personalization) on organizational innovation. The research results indicate that both codification and personalization KM strategies positively and significantly affect organizational innovation. There is positive relationship between codification KM strategy and efficiency of value chain, speed, new products/services and quality. Also, there is a positive relationship between codification vs. personalization KM strategy and customization and new customer base. The industry type and organizational size are intermediary factors in the relationship of KM strategy and organizational innovation.

The results confirm the beliefs of many, and scattered partial support in the literature, and shed a new light on the relationships between KM strategy and organizational innovation. The results also indicate that industry type and organizational size are intermediary factors that influence on the relationship.

#### Conclusions

This research gives the top management personnel a guide to make more surefooted decisions about which KM strategy to focus for organizational innovation. The effective KM strategy will maximize the benefits of KM implementation and innovation performance of the organization.

1. Managerial Implications

Table 5.1 presents the general guidelines for management concerning KM strategy implementation. As the results indicated that industry type and organizational size are intermediary factors in the relationship of KM strategy and organizational innovation, organizations should pay attention to the selection of the most appropriate KM strategy that best fits with their current organizational characteristics.

Table 5.1: Guideline for Management for KM Strategy Implementation

Non Knowledge-Intensive Manufacturing Industry (NKIM)								
Small Size	Medium Size	Large Size						
Codification	Codification	Codification						
Codification	Codification	Codification						
Codification	Codification	Codification						
Codification	Codification	Codification						
Codification	Codification	Codification						
Codification	Codification	Codification						
	Small SizeCodificationCodificationCodificationCodificationCodificationCodificationCodification	Small SizeMedium SizeCodificationCodificationCodificationCodificationCodificationCodificationCodificationCodificationCodificationCodificationCodificationCodificationCodificationCodification						

	Intensive Service I	-	
Value Creation Objective	Small Size	Medium Size	Large Size
Efficiency of the value chain	Codification	Codification	Personalization
Speed	Codification	Codification	Personalization
Customization	Codification	Codification	Personalization
New product/service	Codification	Codification	Personalization
New customer base	Codification	Codification	Personalization
Organizational innovation (overall)	Codification	Codification	Personalization
Knowledge-Inten	sive Manufacturing	Industry (KIM)	
Value Creation Objective	Small Size	Medium Size	Large Size
Efficiency of the value chain	Codification	Codification	Balance
Speed	Codification	Codification	Balance
Customization	Codification	Codification	Balance
New product/service	Codification	Codification	Balance
New customer base	Codification	Codification	Balance
Organizational innovation (overall)	Codification	Codification	Balance
Knowledge-In	ntensive Service Inc	dustry (KIS)	
Value Creation Objective	Small Size	Medium Size	Large Size
Efficiency of the value chain	Personalization	Personalization	Balance
Speed	Personalization	Personalization	Balance
Customization	Personalization	Personalization	Balance
New product/service	Personalization	Codification	Balance
New customer base	Personalization	Personalization	Balance
Organizational innovation (overall)	Personalization	Personalization	Balance

Table 5.1 (continued): Guideline for Management for KM Strategy Implementation

Figure 5.1 presents an overview of KM strategy and associated KM tools and types for organizational innovation (Wan, Zhao, & Guo, 2007)

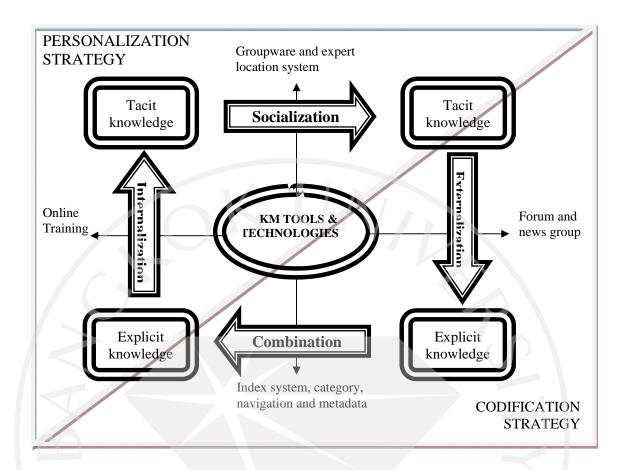


Figure 5.1: KM Strategy and Associated KM Tools for Organizational Innovation

Knowledge transferring model adapted from Wan, Zhao, and Guo (2007)

2. Limitation of the Study and Future Research

Like all research, this study has some limitations. The main limitations related to the snapshot data of the study. An important shortcoming of this study is the fact the results are based on the data representing only a snapshot of organizational life. The relationship between knowledge management strategy and effectiveness of organizational innovation is developed incrementally throughout the life of an organization. It could not develop in a short period of time. Although the snapshot data enabled us to conduct the analysis answer the research questions, it limits our ability to a trend over time. Therefore, for a robust analysis of the relationship of knowledge management strategy and effectiveness of organizational innovation, longitudinal research is recommended. Furthermore, this type of study should be conducted in several countries or regions to capture a picture of the relationship in different cultures and economic conditions.

This study attempted a more detailed definition and measurement of organizational innovation by providing a typology and different approaches of measuring organizational innovation. Due to the complexity of organizational innovation, this paper did not attempted to design a universally applicable research approach. Rather, this study aimed to get a better understanding about different types of KM strategy for effective organizational innovation. Thus, more research is needed for theoretical conceptualization of organizational innovation under different sets of cultural, economic, and organizational conditions.

149

#### BIBLIOGRAPHY

- Anderson, N., & King, N. (1993). Innovation in organizations. *International Review* of Industrial and Organizational Psychology, 8, 1-34.
- Ambrosini, V., & Bowman, C. (2001). Tacit knowledge: Some suggestions for operationalisation. *Journal of Management Studies*, 38(6), 811-29.
- Armbruster, Bikfalvi, & Kinkel, L. (2008). Organizational innovation: The challenge of measuring non-technical innovation in large-scale surveys. *Technovation*, 28, 644-657.
- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17, 99-120.
- Barney, J. (1996). The resource-based theory of the firm. *Organizational Science*, 7, 469.
- Beckman, T. (1997). A methodology for knowledge management. Paper presented at the International Association of Science and Technology for Development AI and Soft Computing Conference, Banff, Alberta, Canada.
- Bierly, P., & Chakrabarti, A. (1996). Generic knowledge strategies in the US pharmaceutical industry. *Strategic Management Journal*, 17(10), 123-35.
- Brint Institute. (n.d.). *What is knowledge management?* Retrieved March 4, 2008, from http://www.brint.com/km/
- Broadbent, M. (1998). The phenomenon of knowledge management: What does it mean to the information profession. *Information Outlook*, 2(5), 23-31.

- Chaka, C. (2008). Revisiting knowledge management and learning organization. In
  A., Koohang, K., Harman, J., Britz, (Eds.), *Knowledge management: Theoretical foundations* (pp.191-221). Santa Rosa, California: Informing Science Press.
- Choi, Y. S. (2000). An empirical study of factors affecting successful implementation of knowledge management. Unpublished doctoral dissertation, University of Nebraska, Lincoln, NB.
- Choi, B., & Lee, H. (2003). An empirical investigation of KM styles and their effect on corporate performance. *Information and Management*, 40(5), 403-17.
- Damanpour, F. (1987). The adoption of technological, administrative and ancillary innovations: Impact of organizational factors. *Journal of Management*, *13*(4), 675-688.
- Damanpour, F., & Evan, W.M. (1984). Organizational innovation and performance:
  The problem of "Organizational Lag". *Administrative Science Quarterly*, 29, 392-409.
- Damanpour, F. (1992). Organizational size and innovation. *Organization Studies*, 13(3), 375-402.
- Davenport, T.H. (1996). Think tank: The future of knowledge management. *CIO*, 9(6), 30-32.
- Davenport, T.H., & Prusak, L. (1998). Working knowledge: How organizations manage what they know. Harvard Business School Press: Boston, MA.
- Drew, S. (1999). Building knowledge management into strategy: Making sense of a new perspective. *Long Range Planning*, *32*(1), 130-6.

- Drucker, P. (1996, January-February). The information executives truly need. *Harvard Business Review*, 54-62.
- Govindarajan, V., & Trimble, C. (2007). Strategic innovation. *Leadership Excellence*, 24(5), 9-10.
- Grant. R. M. (1991). A resource based theory of competitive advantage: Implications for strategy formulation. *California Management Review*. *33*(3), 114-135.
- Grant, R. M. (1996). Prospering in dynamically-competitive environments:
  - Organizational capability as knowledge integration. *Organization Science*, 7 (4), 375-87.
- Halawi, L. A., McCarthy, R. V., & Aronson, J. E. (2006). Knowledge management and the competitive strategy of the firm. *The Learning Organization*, 13(4), 384-397.
- Hansen, M., Nohria, N., & Tierney, T. (1999). What's your strategy for managing knowledge? *Harvard Business Review*, 77(2), 106-16.
- Kemppila, S., & Mettanen, P. (2003). *Innovations in knowledge-intensive services*.Paper presented in 5th International CINet Conference 2004, Sydney 22-25September 2004.
- Kim, S.K., & Trimi, S. (2007). IT for KM in the management consulting industry. Journal of Knowledge Management, 11(3), 145-155.
- KPMG-Consulting. (2000). Knowledge Management Research Report. Retrieved June 17, 2011, from http://www.providersedge.com/docs/km\_articles/ KPMG\_KM\_Research\_Report\_2000.pdf
- Laurie, J. (1997, June). Harnessing the power of intellectual capital training & development. *Management Accounting*, 49-53.

- Lee, S. M., & Olson, D. L. (2010). *Convergenomics: Strategic innovation in the convergence era*. Farnham, UK: Gower.
- Lee, S. M., & Hong, S. (2002). An enterprise-wide knowledge management system infrastructure. *Industrial Management & Data Systems*, *102*(1), 17-25.

Lorlowhakarn, S., & Ellis, W. (2005), Thailand's national innovation agency. *CACCI Journal*, *1*, 1-14.

Malhotra, Y. (1998, July-August). Deciphering the knowledge management hype. Journal for Quality & Participation, 58-60. Retrieved July 5, 2011, from http://www.brint.com/km/whatis.html

Malhotra, Y. (n.d.) *What is knowledge management?* Retrieved October 9, 2009, from http://km.brint.com/WhatIsKM.html

March, J. (1991). Exploration and exploitation in organizational learning. Organization Science, 2(1), 71-87.

Meroño, Á., López, C., & Sabater, R. (2007). Knowledge management strategy diagnosis from KM instruments use. *Journal of Knowledge Management*, 11(2), 60-72.

Meso, P., & Smith, R. (2000). A resource-based view of organizational knowledge management systems. *Journal of Knowledge Management*, 4(13), 224-234.

Mogollon, R. H., Carrión, G. C., Navarro, J. G. C., & Millán, A. L. (2010). The role of cultural barriers in the relationship between open-mindedness and organizational innovation. *Journal of Organizational Change Management*, 23(4), 361. Murray, P. C. (1998). New language for new leverage. The terminology of knowledge management, corporate education. Retrieved July 1, 2011, from www.ktic.com/topic6/13\_term2.htm.

- Nonaka, I. (1991). The knowledge-creating company. *Harvard Business Review*, 85, 162-171.
- Nord, W. R., & Tucker, S. (1987). *Implementing routine and radical innovation*. Lexington, MA: Lexington Books.
- O'Dell, C. (1996). A current review of knowledge management best practice. Paper presented at the Conference on Knowledge Management and the Transfer of Best Practices, Business Intelligence, London.
- OECD/Statistical Office of the European Communities, Luxembourg. (2005). *Oslo manual: Guidelines for collecting and interpreting innovation data* (3<sup>rd</sup> ed.). Paris: OECD.
- Prahalad, C. K., & Hamel, G. (1990). The core competence of the corporation. *Harvard Business Review*,68(3), 79-91.
- Paisittanand, S., Digman, L. A., & Lee, S. M. (2007). Managing knowledge capabilities for strategy implementation effectiveness. *International Journal* of Knowledge Management, 3(4), 84-110.

Ribiere, V. (2005). *The critical role of trust in knowledge management*. Unpublished doctoral dissertation, Paul Cezanne University, Aix-en-Provence, France

- Ribiere, V., Arntzen, A. A. B., & Worasinchai L. (2007). *The influence of trust on the success of codification and personalization KM approaches*. Retrieved
  December 4, 2010, from http://phd-it.siam.edu/Conference2007/documents/
  The% 20Influence% 20of% 20Trust% 20on% 20the% 20Success% 20of% 20Codification% 20and.pdf
- Schienstock, G., Rantanen, E., & Tyni P. (2009). Organizational innovations and new management practices: Their diffusion and influence on firms' performance (Results from a Finnish firm survey). Retrieved January 8, 2010, from http://www.iareg.org/fileadmin/iareg/media/papers/WP\_IAREG\_1.2d.pdf

Shepard, S. (2000). Telecommunications convergence. New York: McGraw Hill.

- Shih, H. A., & Chiang, Y. W. (2005). Strategy alignment between HRM, KM, and corporate development. *International Journal of Manpower*, *26*, 582-603.
- Smith, A.D. (2004). Knowledge management strategies: A multi-case study. Journal of Knowledge Management, 8(3), 6-16.
- Totterdell, P., Leach, D., Birdi, K., Clegg, C., & Wall, T. (2002). An investigation of the contents and consequences of major organizational innovations. *International Journal of Innovation Management*, 6(4), 343-368.
- Tiwana, A. (2002). *The knowledge management toolkit: Orchestrating IT, strategy, and knowledge platforms.* Upper Saddle River, NJ: Prentice Hall.
- Wan, L., Zhao, C., & Guo, W. (2007). Integration of e-education and knowledge management. In W. Wang (Ed.), Integration and Innovation Orient to E-Society (Vol. 252, pp. 453-459). Springer: Boston.
- Wernerfelt, B. (1984). A resource-based view of the firm. *Strategic Management Journal*, 5(2), 171-180.

- Wiig, K. M. (1995). Knowledge management methods: Practical approaches to managing knowledge. Arlington, TX: Schema Press.
- Wiig, K. (1997). Knowledge management: Where did it come from and where will it go? Journal of Expert Systems with Applications, Special Issue of Knowledge Management, 13(1), 1-14.
- Wong, R., & Tiainen, T. (2004). Are you ready for the right knowledge management strategy: Identifying the potential restrains using the action space approach. *Frontiers of e-business Research*, 481.
- Wu, I. L., & Lin, H. C. (2009). A Strategy-based process for implementing knowledge management: An integrative view and empirical study. *Journal of the American Society for Information Science and Technology*, 60(4), 789-802.
- Yahya, S., & Goh, W. (2002). Managing human resources toward achieving knowledge management. *Journal of Knowledge Management*, 6(5), 457-468.
  Zack, M. H. (1999). Developing a knowledge strategy. *California Management Review*, 41(3), 125-45.

### Appendix A:

The name of respondent companies;

Acap Advisory ACAP Corporate Service Acme Chemical Advanced Info Service Advance Information Technology Ageless (Thailand) Airport of Thailand (AOT) Ampol Food Processing Asdecon corporation Asia Plus Securities Asia Space Create (Thailand) Aviat Networks **Bangchak Petroleum** Bangkok Airport Industry **Bangkok Dusit Medical Services Bangkok Property Appraisal** Bank of Ayudhaya Bayer Thailand (MTP Plant) Beker & Mckenzie Bertram Chemical (1982) Betagro Dainippon Techno-EX Brooker Group Bumrungrad International Hospital **Burapha Dispensary Burton Technical Solution Castle Peak Holdings** CAT Telecom CDG System Central Pattana Channakorn Engineering CherdChai Kollakarn Chokechai Ranch Group **Community Pharmacy Pubic Company** Consultant of Technology Continental Farm **Country Group Securities** Cox Laboratories CP All

Newcity (Bangkok) Nittaya Thai Curry Products NT Seimitsu (Thailand) NT Seimitsu(Thailand) OGA Syncom P.Fium &Video Pacific Star International (Thailand) Pato Chemical Industry PB Asia PC Land Technologies PCBK International Pearl Oil (Thailand) Ltd. Pharmatech Pricewaterhousecoopers Pro-En Technologies Project Asia PTT Chemicals **Rich Asia Steel** Rock Garden Sabina Fareast Samitivej Hospitals Sammakorn Sang-Rusmee Osoth SC Asset Corporation SCG Building Materials SCG Building Materials SCG Chemicals Sea Consulting Engineering Seagate Technology (Thailand) SEC Auto Sale and Service Se-Education Shiroki Corporation (Thailand) Siam Cement Siam City Cement Siam Commercial Leasing Siam Mongkol Marine Siam Premier International Law Office Sicco

D&T Advisory Daicel Safety Systems (Thailand). Daidomon Group Dframe Dharmniti Accountitng and Taxation Dhipaya Insurance Dinasty ceramic **Direction Plan** East Water EGCOMP **Ekarat Engineering** Electronics Industry PLC. Ensol EPSON (Thailand) Ernst&Young Essilor Manufacturing Thailand (EMTC) **Excellent Energy International** Express Transport System Expressway Authority of Thailand F.E Pharma Focus Development and Construction Focus Mechanic Furukawa Metal(Thailand) Genco General Drugs House **GFPT Public Company Limited** Giant System Design **Giss Marketing Global** Connections **Global Wireless Globlex Securities** GMS Power Golden Cup Pharmaceutical Golden Line Business Grande Asset Hotels and Property **Gsoft Solutions Guarantee Engineering** Halcrow(Thailand) Halcyon Technology Hicom Automotive(Thailand) Home Furniture Class Home Furniture Complex

Siceo Security Simat Technologies Singer Thailand Sirivit-Stanley SMC Consulting Engineers SNC Former Soft Project Sony Supply Chain Solutions (Thailand) Southern Concrete Pile Spansion (Thailand) Srichand United Dispensary T.O. Med TCC Land Team Consulting Engineeiing and Management Telephone organization of Thailand (TOT) Teletrol-One Thai Airways Thai Central Mechanic Thai Edible Oil Thai German Products Thai Honda Manufacturing Thai Kandenco Thai Meiji Pharmaceutical Thai Oil Thai Optical Group Thai Plaspac Thai Plastic bags Industries Thai Plus Technology Plus Thai President Food Thai Professional Engineer Consulting Thai Rayon Thai Reinsurance Thai Stanley Electric Thai strategic capital Thai Sugar Terminal Thai union paper Thai Vegetable Oil Thai Wacoal Thaicom Thailuxe Enterprises Thanachart Bank Thanant Chemical

Hongsa Asset ICC International **ICP** Fertilizer Imerys Kiln Furniture (Thailand) Inoue Rubber (Thailand) Integrated Communication Inter Consultants Law & Accounting Associates International Law Consultant (Thailand) International Research Corporation IT Consulting Janome Diecasting (Thailand) Kang Yong Electric Kasikorn Bank Kasikorn Leasing Krung Thon Hospital Krungthai Bank Krungthep Thanakom Kuang Pei San Food Products Leo Medical Liha Panich Madison products Management solution international Masa Lab Matching Maximize Solution MCS Steel Minibear Mold Furutani (Thailand) Nestle (Thai)

Thanulux Tipco Asphalt Thai Military Bank Toyota Boshoku Filtration System (Thailand) TP Drug Laboratory **TPI** Polene Transuwan Tricor Outsourcing (Thailand) Tropical Canning (thailand) True Corporation True Move True Multimedia TSC Innovation Tukcom Ubis Asia Umeda Union Plastic Union Textile Univentures Universal Polymers Co., Ltd. U-thong Bio-mass Vesco Pharmaceutical Vibhavadi Hospital Worakarn Property Workpoint Entertainment Yess Furniture ZTE (Thailand)

### **Appendix B:**

#### SURVEY QUESTIONNAIRE

#### KNOWLEDGE MANAGEMENT STRATEGY AND THE EFFECT ON ORGANIZATIONAL INNOVATION: AN EMPIRICAL STUDY OF THAI FIRMS

Dear Respondent:

The objective of this questionnaire is to study the relationships between knowledge management (KM) strategy and effect on organizational innovation. Please take a few minutes to answer all the questions to the best of your ability. Please complete the questionnaire by 30 August, 2010 by mail, fax, or internet. You may complete and return this survey questionnaire in the enclosed postage-paid envelop or fax it. Otherwise, point your web browser to the internet survey at *https://www.surveymonkey.com/s/JL53CDC*. It should take about 15-20 minutes to complete the survey. All responses are anonymous and confidential.

#### Thank you for your participation

Saweeya Prathanadi Doctoral Candidate Ph.D.BA in full cooperation of Bangkok University & University of Nebraska-Lincoln, USA Cell Phone: 080-0880855 Fax: 02-733-7808 ext. 715 E-mail: prpraiya@hotmail.com

### A. GENERAL INFORMATION OF THE RESPONDENT & ORGANIZATION

1.	Company,	Agency	and	division:
----	----------	--------	-----	-----------

2.	2. Name (Optional):	
3.	3. Job title:	
4.	<ul> <li>4. Position level (Check only one):</li> <li>Executive</li> <li>Manager/Director</li> <li>Technical staff</li> <li>Support staff</li> <li>Other (Please specify):</li></ul>	
5.	<ul> <li>5. Industry type:</li> <li>computer &amp; office automation equipments</li> <li>Pharmaceutics</li> <li>Semi-conduct</li> <li>Scientific instrument</li> <li>Automobile</li> <li>Electrical machinery</li> <li>Chemical engineering</li> <li>Resources/ Energy</li> <li>Biotechnology</li> </ul>	<ul> <li>Telecommunications</li> <li>Software service</li> <li>Banking / Insurance</li> <li>Healthcare service</li> <li>Consultant service</li> <li>Legal service</li> <li>Transportation and logistic</li> <li>Other (Please specify):</li> </ul>
6. 7. 8. 9.	7. Does the company offer Standardized ar products/service?	nd/or □ Customized e and/or □ Mature
10	% tacit knowledge (in people's n (codified/document) 10. Total full-time workforce □ <25 people □ 51 - 200 □ 26 - 50 □ 201 -1,000 11. Status of KM in your organization □ KM in place □ Currently setting up KM	<ul> <li>&gt;1,000 people</li> <li>Examining need of KM</li> <li>No program/not considering</li> </ul>
12	<ul> <li>12. Does your organization have a Chief Knowled</li> <li>□ Yes</li> <li>□ No</li> <li>Yes, but we call for sa</li> </ul>	ge Officer? Don't Know me job description

- 13. How long have you worked for KM projects in your company? \_\_year(s)\_\_\_month(s)
- 14. How long have your company been implementing KM projects? \_\_year(s)\_\_month(s)

If you want to receive a copy of the overall survey results once the research has been completed, please mention your email address:



## B. <u>KNOWLEDGE MANAGEMENT STRATEGY</u>

Please circle  $\bigcirc$  the most appropriate number for each statement which is truly relative to your present operations.

14/1	high strategy is host described as KM adaption in	Level of Importance				
	nich strategy is best described as KM adoption in ur organization?	Not Importa nt	Less Importa nt	Averag e	Importa nt	Most Important
1.	Knowledge transfer by focusing on IT system	1	2	3	4	5
2.	Storing operating knowledge that can be codified in the database	1	2	3	4	5
3.	Knowledge resources are used to solve problems in daily operations	1	2	3	4	5
4.	Heavy investment for reusable codified knowledge on IT infrastructure	1	2	3	4	5
5.	Many occasions for reusing the operating information	1	2	3	4	5
6.	Reward system for addition to the knowledge base	1	2	3	4	5
7.	Operating knowledge is highly linked with person	1	2	3	4	5
8.	Directory of experts for accessing needed information	1	2	3	4	5
9.	Frequent transferring of employees among departments	1	2	3	4	5
10.	Culture of encouraging interactions among employees	1	2	3	4	5
11.	Reward system for knowledge transferring and idea sharing among employees	1	2	3	4	5
12	Considerable portions of training programs involving interactions among employees	1	2	3	4	5

То	To what extent do you use the listed technologies,		Level of usage					
ger	actices processes and support tools to help nerate, organize, share and leverage knowledge your organization?	Never	Rarely	Sometimes	Often	Regularl y		
1.	Email – listserv	1	2	3	4	5		
2.	Corporate intranet – extranet - internet	1	2	3	4	5		
3.	Database management systems (DBMS: Oracle, Informix, etc)	1	2	3	4	5		
4.	Search engines – web portals – intelligent agents – information retrieval systems	1	2	3	4	5		
5.	Data warehouses – data marts	1	2	3	4	5		
6.	Web-based training – e-learning – online	1	2	3	4	5		

training					
To what extent do you use the listed technologies,			evel of us	age	
practices processes and support tools to help generate, organize, share and leverage knowledge in your organization?	Never	Rarely	Sometimes	Often	Regularl y
7. Help-desk applications	1	2	3	4	5
8. Multimedia repositories	1	2	3	4	5
9. Document management system (EDMS)	1	2	3	4	5
10. Content management system (CMS)	1	2	3	4	5
11. Data mining and knowledge discovery tools	1	2	3	4	5
12. Decision support systems (DSS) (Executive	1	2	3	4	5
Information; Expert Systems)			$ \land \land$		
13. Knowledge mapping	1	2	3	4	5
14. Web forum – discussion groups - news group	1	2	3	4	5
15. Index system – category	1	2	3	4	5
16. Navigation – metadata	1	2	3	4	5
17. Business intelligence (BI)	1	2	3	4	5
18. Taxonomies	1	2	3	4	5
<ol> <li>Expertise locators – corporate yellow pages – who's who – directory of expertise</li> </ol>	1	2	3	4	5
20. Communities of practice (CoP's) - communities of interest (CoI's)	1	2	3	4	5
21. Brainstorming – peer interaction/conversation	1	2	3	4	5
22. Groupware (as a collaborative tool e.g. Lotus Notes)	1	2	3	4	5
23. Teleconferencing (shared applications, whiteboards)	1	2	3	4	5
24. Lessons learned & best practices repository	1	2	3	4	5
25. Videoconferencing (using audio and/or video)	1	2	3	4	5
26. Mentoring – tutoring	1	2	3	4	5
27. Story telling – success story sharing (SSS)	1	2	3	4	5
28. After action review (AAR)	1	2	3	4	5
29. Dialogue	1	2	3	4	5
30. Online chat & instant messaging (IM)	1	2	3	4	5
31. Weblogs (Blogs)	1	2	3	4	5
32. Wikis	1	2	3	4	5
33. Rich site summary (RSS)	1	2	3	4	5
34. Social network analysis (SNA)	1	2	3	4	5
35. Social bookmarking	1	2	3	4	5
36. Folksonomies - tagging	1	2	3	4	5

# C. EFFECTIVENESS OF ORGANIZATIONAL INNOVATION

# Please circle $\bigcirc$ the most appropriate number for each statement which is truly relative to your present operations.

		Level of Achieveme			ent	
Wh	ich are the results from your KM implementation?	0%-	21%	41%	61%	81%-
		20%	40%	60%	80%	100%
1.	Productivity enhancement	1	2	3	4	5
2.	Improving employee skills and competency	1	2	3	4	5
3.	Lower cost incurred	1	2	3	4	5
4.	Increase of sales/ profit growth rate/ return on investment	1	2	3	4	5
5.	Better decision making	1	2	3	4	5
6.	Faster response to key business issues	1	2	3	4	5
7.	Reduction of problem solving time	1	2	3	4	5
8.	Better customer handling eg. reduction of customer	1	2	3	4	5
0	complaints	1	2	3	4	5
	Improving product/ service quality	1			4	5
	New enterprise system	1	2	3	4	5
11.	Better selection, coordination, communication with suppliers	1	2	3	4	5
12.	E-purchasing	1	2	3	4	5
13.	Inventory reduction by produce only what is required, in	1	2	3	4	5
	the correct quantity and at the correct time	-	_	5		5
14.	Transformation by eliminating waste e.g. error, delay, defect and non-value added activities	1	2	3	4	5
15.	Streamlining the distribution channel eg. disintermediation	1	2	3	4	5
16.	Providing speed/ responding almost instantaneously to customer needs	1	2	3	4	5
17.	Innovative product or service launched	1	2	3	4	5
	New ways of doing old tasks in a much improved manner	1	2	3	4	5
	New business model	1	2	3	4	5
20.	Providing superior customer value e.g. additional functions,					
	convenience, space, saver, enjoyment, comfort, feeling of security	1	2	3	4	5
21.	Providing exactly or beyond customers' expectations	1	2	3	4	5
	Ability to satisfy customers' needs	1	2	3	4	5
	Retaining and better satisfying existing customers	1	2	3	4	5
	Customer relationship management : CRM	1	2	3	4	5
-	Customer designed products	1	2	3	4	5
	New customer base	1	2	3	4	5
-	Customer communities	1	2	3	4	5
	Ability to service customer online (e-customers)	1	2	3	4	5
	Ability to support global customer	1	2	3	4	5
	global e-business	1	2	3	4	5

#### แบบสอบถาม

#### KNOWLEDGE MANAGEMENT STRATEGY AND EFFECT ON ORGANIZATIONAL INNOVATION: AN EMPIRICAL STUDY OF THAI FIRMS

# คำชี้แจงเกี่ยวกับแบบสอบถาม

แบบสอบถามนี้เป็นส่วนหนึ่งของการวิจัยเรื่อง "กลยุทธ์ในการจัดการความรู้และผลของนวัตกรรมด้านการบริหาร จัดการองค์กร: การศึกษาเชิงประจักษ์ของบริษัทในประเทศไทย" (Knowledge Management Strategy and Effect of Organizational Innovation: An Empirical Study of Thai Firms) วิจัยโดยนักศึกษาปริญญาเอกด้าน บริหารธุรกิจ มหาวิทยาลัยกรุงเทพ และ University of Nebraska-Lincoln ประเทศสหรัฐอเมริกา

งานวิจัยนี้มีวัตถุประสงค์เพื่อศึกษากลยุทธ์ในการจัดการความรู้และประสิทธิผลของนวัตกรรมด้านการบริหาร จัดการองค์กร ซึ่งงานวิจัยนี้จะช่วยให้องค์กรธุรกิจต่างๆ สามารถเลือกวิธีการหรือกลยุทธ์ที่จะดำเนินการด้าน จัดการความรู้ภายในองค์กรได้อย่างเหมาะสมและมีโอกาสที่จะทำให้องค์กรประสบความสำเร็จโดยมีนวัตกรรม ใหม่ในการบริหารจัดการองค์กร

คำตอบของท่านมีความสำคัญอย่างมากต่อความสำเร็จของงานวิจัย จึงขอความกรุณาช่วยสละเวลาตอบแบบ สอบ ถามทุกข้อ และโปรดส่งแบบสอบถามกลับทางจดหมาย ซึ่งได้ส่งซองจดหมายพร้อมติดแสตมป์ไว้ให้แล้ว หรือส่งกลับทางโทรสาร หรือตอบแบบสอบถามทางอินเตอร์เน็ต โดยเข้าไปที่ https://www.surveymonkey.com/s/JL53CDC

การตอบแบบสอบถามนี้ใช้เวลาประมาณ 15-20 นาที และกรุณาส่งแบบสอบถามกลับมาภายในวันที่ 25 กันยายน 2553 จะเป็นพระคุณยิ่ง ข้อมูลทุกอย่างในแบบสอบถามจะถูกเก็บเป็นความลับ

ขอบพระคุณอย่างสูงที่ให้ความร่วมมือ

สวียา ปรารถนาดี นักศึกษาปริญญาเอก โทรศัพท์มือถือ: 080-088-0855 โทรสาร: 02-733-7808 ต่อ 715 prpraiya@hotmail.com

ชื่อบริษัทของท่าน	
แผนกที่ท่านทำงาน	
ชื่อตำแหน่งงานของท่าน	
2. ตำแหน่งงานของท่านอยู่ในระดับใด	
🗖 ผู้บริหารระดับสูง	🛛 พนักงานฝ่ายสนับสนุน/ ปฏิบัติการ
🗖 ผู้อำนวยการ/ผู้จัดการ	🗖 อื่นๆ (โปรดระบุ)
<ul> <li>พู้บานงานฝ่ายเทคนิค</li> </ul>	
3. องค์กรของท่านอยู่ในอุตสาหกรรมประเภทใด	
🗖 คอมพิวเตอร์และอุปกรณ์	🔲 เทคโนโลยีสารสนเทศและการ
สำนักงาน	สื่อสาร
🗖 ยา/ เครื่องมือแพทย์	🔲 ซอฟต์แวร์
ชิ้นส่วนอิเล็กทรอนิกส์/สารกึ่งตัวนำ	🔲 การเงิน/ ธนาคาร/ ประกันภัย
🗖 อุปกรณ์เครื่องมือทางวิทยาศาสตร์	🗖 บริการทางการแพทย์
🗖 ยานยนต์	🗖 บริการให้คำปรึกษา
🗖 เครื่องจักรไฟฟ้า	🗖 บริการทางกฎหมาย
🗖 ปิโตรเคมีและเคมีภัณฑ์	🗖 การขนส่งและโลจิสติกส์
🗖 พลังงานและสาธารณูปโภค	🗖 อื่นๆ (โปรดระบุ)
🔲 อสังหาริมทรัพย์และก่อสร้าง	
🗖 เทคโนโลยีชีวภาพ	
4. องค์กรของท่านดำเนินงานหลัก (Main business or	ientation) เกี่ยวกับข้อใด
🗖 สินค้า	🗖 บริการ
5. สินค้ำหรือบริการขององค์กรของท่านมีลักษณะเป็	เลย่างไร
3. สนค้าหรือบริการมาตรฐาน (Standardized pro	
🗖 สินค้าหรือบริการพิเศษที่เพิ่มหรือลดตามความต้	
6. องค์กรท่านมีสินค้าหรือบริการเป็นไปตามข้อใด	
🔲 เป็นสินค้าหรือบริการที่มีมานาน ( Mature)	
🔲 เป็นสินค้าหรือบริการที่ออกใหม่/ คิดขึ้นมาใหม่ (I	New / Innovative)

# <u>ตอนที่ 1 ข้อมูลทั่วไปของผู้ตอบแบบสอบถามและองค์กร</u>

<ol> <li>เพื่อแก้ปัญหาในการปฏิบัติงาน พน่ สัดส่วนเท่าใด (เช่น 20%, 80% ผลรวมข</li> </ol>		-	าง ๆต่อไปนี้เป็น
			%
7.1 <b>ความรู้แบบฝังลึก (Tacit Knowledge</b> ,	5 5	-	~ 1
มาจากการกระทำและประสบการณ์ที่สั่งสม	มายาวนาน ต้องการการฝึกฝ	นเพื่อให้เกิดความชำน	าญ
7.2 ความรู้ชัดแจ้ง (Explicit Knowledge)	เป็นความรู้ที่กระจ่างชัด รวบร	วมได้ง่าย สามารถสกัด	ดเป็น
ความรู้ที่นำไปปฏิบัติเผยแพร่ได้ในรูปแบบที่	เป็นทางการที่เข้าถึงได้ทุกคน	เช่น เอกสาร และคู่มือ	
ปฏิบัติงาน			
8. องค์กรของท่านมีพนักงานที่ทำงานเต็	เ็มเวลาจำนวนเท่าใด		
🗖 ไม่เกิน 25 คน	🗖 51-200 คน	🗖 มากกว่า	า 1,000 คน
🗖 26 - 50 คน	🗖 201-1,000 คน		
9. สถานะเกี่ยวกับการจัดการความรู้ (Kr	nowledge Management: KN	M) ในองค์กรของท่าน	แป็นอย่างไร
🛛 มีการจัดการความรู้ในองค์กร	🛛 กำลังพื	จารณาความต้องการใ	ห้มีจัดการ
🛛 อยู่ระหว่างการริเริ่มโครงการจัดกา	าร ความรู้		
ความรู้	🗖 ไม่มี		
10. องค์กรของท่านมีผู้ดำรงตำแหน่งผู้บ	เริ่หารด้านการจัดการความ	รู้ (Chief Knowledge	Officer: CKO)
หรือไม่			
<ul> <li>มี</li> <li>มี</li> </ul>	1ม่มี	🗖 ไม่ท	ราบ
🗖 มี ลักษณะงานเหมือนกัน แต่เรียก	ผู้รับผิดชอบงาน <b>นี้ว่า</b>		
11. กรุณาตอบคำถามต่อไปนี้			
ท่านทำงานให้กับโครงการจัดการความรู้ของ	งองค์กรเป็นระยะเวลา	สี	เดือน
เท่าใด			
องค์กรของท่านได้ดำเนินการโครงการจัดกา	รความรู้เป็นระยะเวลา	ขี	เดือน
เท่าใด			

12. หากท่านมีความสนใจและต้องการผลของการวิจัยเมื่อแล้วเสร็จ กรุณาแจ้งอีเมลล์ของท่าน

2.1 จงบอกระดับความสำคัญของกลยุทธ์ต่อไปนี้ ที่แสดงให้เห็น		ระดัง	บความสำ	คัญ	
ถึงการนำระบบการจัดการความรู้ไปใช้ภายในองค์กรของท่านได้ ดีที่สุด	ไม่ สำคัญ	สำคัญ น้อย	สำคัญ ปานกลาง	สำคัญ มาก	สำคัญ มาก ที่สุด
<ol> <li>องค์กรใช้ระบบเทคโนโลยีสารสนเทศหรือระบบคอมพิวเตอร์เพื่อ การแบ่งปันความรู้ (Knowledge Transfer) ให้กับพนักงานภายใน องค์กร</li> </ol>	1	2	3	4	5
<ol> <li>องค์กรจัดเก็บความรู้เกี่ยวกับการปฏิบัติงานซึ่งแฝงเร้นในตัว พนักงานโดยแปลงมาเป็น "ความรู้ที่นำไปปฏิบัติเผยแพร่ได้ (Codified Knowledge)" ไว้ในฐานข้อมูลเพื่อแบ่งปันให้กับคนอื่น สามารถเรียนรู้ได้</li> </ol>	1	2	3	4	5
<ol> <li>วิธีการแก้ไขปัญหาที่เกิดขึ้นในการปฏิบัติงานในแต่ละวัน ได้นำมา จากคลังข้อมูลความรู้ขององค์กร (Knowledge Resources)</li> </ol>	1	2	3	4	5
<ol> <li>องค์กรได้ลงทุนเป็นจำนวนมากเพื่อที่จะสามารถน้า "ความรู้ที่นำไป ปฏิบัติเผยแพร่ได้ (Codified Knowledge)" มาใช้งานได้บนระบบ เทคโนโลยีสารสนเทศ</li> </ol>	1	2	3	4	5
5. องค์กรเล็งเห็นว่า" <i>ความรู้ที่นำไปปฏิบัติเผยแพร่ได้ (Codified</i> Knowledge)" มีโอกาสที่จะนำมาใช้ประโยชน์ซ้ำได้	1	2	3	4	5
<ol> <li>องค์กรมีระบบการให้รางวัล (Reward System) เพื่อส่งเสริมให้ พนักงานเพิ่มเติมความรู้ที่ตนมีลงในฐานความรู้ขององค์กร (Knowledge Base)</li> </ol>	1	2	3	4	5
<ol> <li>ความรู้ในการปฏิบัติงานขององค์กรส่วนใหญ่ มีลักษณะเชื่อมโยง ติดกับตัวบุคคลสูงมาก กล่าวคือเป็นความรู้แฝงเร้นอยู่ในคนทำงาน และผู้เชี่ยวชาญในแต่ละเรื่อง</li> </ol>	0	2	3	4	5
<ol> <li>องค์กรได้รวบรวมรายชื่อผู้เชี่ยวชาญในด้านต่างๆ เพื่อให้พนักงาน ได้รับข้อมูลที่ต้องการโดยเข้าถึงตัวบุคคลซึ่งเป็นผู้เชี่ยวชาญได้ อย่างถูกต้อง</li> </ol>	1	2	3	4	5
9. องค์กรมักให้พนักงานมีการหมุนเวียนงาน (Rotation)	1	2	3	4	5
10. องค์กรมีวัฒนธรรมที่ส่งเสริมให้พนักงานมีปฏิสัมพันธ์ สื่อสารกันและ กัน	1	2	3	4	5
11.องค์กรมีระบบการให้รางวัลเพื่อส่งเสริมให้พนักงานมีการถ่ายทอด ความรู้และแลกเปลี่ยนความคิดซึ่งกันและกัน	1	2	3	4	5
12.องค์กรมีโปรแกรมการฝึกอบรมที่เน้นให้พนักงานมีปฏิสัมพันธ์ต่อ กัน	1	2	3	4	5

ตอนที่ 2 กรุณาตอบคำถามตามความเห็นที่ตรงกับองค์กรของท่าน (วงกลมเพียง 1 ข้อต่อ 1 คำถาม)

	० ५४० च च २२वा ा४।वैं १७१	ระดับการใช้งาน				
	องค์กรได้นำเครื่องมือและเทคโนโลยีต่าง ๆ ต่อไปนี้มาใช้ใน สร้าง แบ่งปัน จัดเก็บและจัดการความรู้ มากน้อยเพียงใด	ไม่ได้ ใช้	ใช้ น้อย มาก	ใช้เป็น บางครั้ง	ใช้ บ่อย	ใช้เป็น ประจำ
1.	Email (จดหมายอิเล็กทรอนิกส์) - listserv (การใช้งานผ่านอีเมล์ ซึ่ง ส่งไปยังผู้ใช้ได้เป็นกลุ่ม สนทนาและแลกเปลี่ยนความคิดเห็นกันได้)	1	2	3	4	5
2.	Corporate intranet (เครือข่ายภายในองค์กร) – extranet (เครือข่ายภายนอกองค์กร) – internet (เครือข่ายสากล)	1	2	3	4	5
3.	Database management systems: DBMS (ระบบบริหาร ฐานข้อมูล)	1	2	3	4	5
4.	Search engines – intelligent agents –web portals– information retrieval systems (เครื่องมือที่ช่วยในการค้นหาต่างๆ)	1	2	3	4	5
5.	Data warehouses ( <b>คลังข้อมูล)</b> – data marts (คลังข้อมูลย่อย ระดับแผนก)	1	2	3	4	5
6.	Web-based training (บทเรียนคอมพิวเตอร์ช่วยอบรมบน เว็บไซต์) – e-learning (การเรียนรู้ทางไกลผ่านสื่ออิเล็กทรอนิกส์) - Online training (การอบรมออนไลน์)	1	2	3	4	5
7.	Help-desk applications (ระบบศูนย์กลางความช่วยเหลือในการ รวบรวมปัญหาและคำถามทางด้าน IT ขององค์กรและจัดการกับ งานบริการที่ถูกขอเข้ามา)	1	2	3	4	5
8.	Multimedia repositories (คลังจัดเก็บมัลติมีเดีย เช่น ภาพถ่าย, รูปภาพ, วิดีโอ, ภาพยนตร์ ตลอดจนเสียงตามสาย ระบบโทรทัศน์ ภายในองค์กร)	1	2	3	4	5
9.	Document management system: EDMS (ระบบจัดเก็บ เอกสารอิเล็กทรอนิกส์)	1	2	3	4	5
10.	Content management system: CMS (ระบบการจัดการ เนื้อหา)	1	2	3	4	5
11.	Data mining (การทำเหมืองข้อมูล)- Knowledge discovery (การหาวิธีเข้าถึงข้อมูลที่ไม่เคยเข้าได้มาก่อน ให้อยู่ในรูปแบบที่ เข้าถึงได้ทุกคน)	1	2	3	4	5
12.	Decision Support Systems: DSS; Executive Information Systems; Expert Systems (ระบบสนับสนุนการตัดสินใจ โดย ใช้คอมพิวเตอร์ทำงานโต้ตอบกับผู้ใช้เพื่อช่วยค้นหาข้อมูลเพื่อการ บริหารและตัดสินใจ)	1	2	3	4	5
13.	Knowledge mapping (แผนที่ความรู้ ระบุแหล่งบุคคลที่มีความรู้ ขององค์กร รวมทั้งองค์ความรู้ใดสำคัญและจำเป็นสำหรับองค์กร)	1	2	3	4	5

	୧୬୭୦ ସା ସା ୧୨୨୦୦୦୦୦୦୦୦୦୦୦୦୦୦୦୦୦୦୦୦୦୦୦୦୦୦୦୦୦୦୦୦୦୦୦	ระดับการใช้งาน				
	องค์กรได้นำเครื่องมือและเทคโนโลยีต่างๆ ต่อไปนี้มาใช้ใน รสร้าง แบ่งปัน จัดเก็บและจัดการความรู้ มากน้อยเพียงใด	ไม่ได้ ใช้	ใช้ น้อย มาก	ใช้เป็น บางครั้ง	ใช้ บ่อย	ใช้เป็น ประจำ
14.	Web forum – discussion groups - news group (กระดานข่าว ใช้ในการตั้งกระทู้ถามตอบปัญหาในลักษณะของการสนทนา)	1	2	3	4	5
15.	Index system – Category (ระบบดัชนีและจัดหมวดหมู่)	1	2	3	4	5
16.	Business Intelligence :BI (ธุรกิจอัจฉริยะ; ระบบวิเคราะห์ และ การตัดสินใจทางธุรกิจ โดยการใช้ข้อมูลที่มีอยู่ได้อย่างอัจฉริยะ)	1	2	3	4	5
17.	Taxonomies (อนุกรมวิธาน; การจัดสารบบความรู้เป็นหมวดหมู่ ที่มีคนในวิชาชีพเป็นผู้กำหนด เอื้อต่อการเข้าถึงสารสนเทศที่ ต้องการ)	1	2	3	4	5
18.	Navigation (ระบบนำทาง) –Metadata (รูปแบบการจัดการเว็บ ด้วยการนำข้อมูลมาอธิบายรายละเอียดของอีกข้อมูลได้ (Data about data) เพื่อช่วยในการสืบค้น และง่ายในการเข้าถึงองค์ ความรู้ใหม่ๆ)	1	2	3	4	5
19.	Expertise locators – corporate yellow pages – who's who (ทำเนียบผู้รู้)	1	2	3	4	5
20.	Communities of practice/ purpose : CoPs (ชุมชนเครือข่าย นักปฏิบัติ) -Communities of interest : Col's (ชุมชนที่มีความ สนใจร่วมกัน)	1	2	3	4	5
21.	Brainstorming – peer interaction/conversation (การระดม สมองและสนทนา ระหว่างเพื่อนร่วมงาน)	1	2	3	4	5
22.	Groupware (ระบบที่สนับสนุนการทำงานร่วมกันเป็นกลุ่มผ่าน เครือข่ายในการติดต่อสื่อสารและแบ่งปันข้อมูล เช่น Lotus Notes)	1	2	3	4	5
23.	Teleconference (การประชุมทางไกล) / Desktop Computer Teleconference (การประชุมทางไกลด้วยคอมพิวเตอร์)	1	2	3	4	5
24.	Lessons learned & Best practices repository (บทเรียนจาก ข้อผิดพลาดและวิธีปฏิบัติที่เป็นเลิศ)	1	2	3	4	5
25.	Videoconferencing (การประชุมทางไกล ด้วยเสียงและภาพ) - Audio conferencing (การประชุมทางไกลแบบได้ยินเสียงอย่าง เดียว)	1	2	3	4	5
26.	Mentoring – tutoring (ระบบพี่เลี้ยงและการให้คำปริกษา)	1	2	3	4	5
27.	Story telling & Success story sharing: SSS (การเล่าเรื่อง)	1	2	3	4	5

		ระดับการใช้งาน				
	องค์กรได้นำเครื่องมือและเทคโนโลยีต่างๆ ต่อไปนี้มาใช้ใน สร้าง แบ่งปัน จัดเก็บและจัดการความรู้ มากน้อยเพียงใด	ไม่ได้ ใช้	ใช้ น้อย มาก	ใช้เป็น บางครั้ง	ใช้ บ่อย	ใช้ เป็น ประ จำ
28.	After action review :AAR (การทบทวนหลังปฏิบัติงาน)	1	2	3	4	5
29.	Dialogue (สุนทรียสนทนาหรือเสวนา)	1	2	3	4	5
30.	Online chat & instant messaging (การสื่อสารระหว่างบุคคล บนเครือข่าย)	1	2	3	4	5
31.	Weblogs <b>หรือ</b> Blogs (การบันทึกบทความของตนเองลงบน เว็บไซต์ เช่น มุมมองในการทำงาน หรือเป็นบทความเฉพาะด้าน ต่างๆ)	1	2	3	4	5
32.	Wikis ("วิกิ" เปิดโอกาสให้สร้างสารานุกรมออนไลน์ร่วมกัน ผู้ใช้มี สิทธิ์ในการเพิ่มและแก้ไขในเนื้อหาได้โดยเสรี)	1	2	3	4	5
33.	Rich site summary: RSS (บริการดึงหัวข้อข่าวจากเว็บไซต์ ต่างๆ ในรูปแบบ xml และ ข้อมูลข่าวสารใหม่ๆ จะส่งถึง ตลอดเวลาที่มีการ Update จากเว็บไซต์ต้นฉบับ)	1	2	3	4	5
34.	Social Network Analysis : SNA (การวิเคราะห์เครือข่ายทาง สังคมเพื่อให้ทราบถึงผู้เซี่ยวชาญ ผู้เป็นตัวกลางเชื่อมต่อความรู้ ให้แก่กลุ่มหรือชุมชนเครือข่ายได้)	1	2	3	4	5
35.	Social bookmarking (บริการบนเว็บไซต์ที่แบ่งปันการคั่นหน้า และจัดหมวดหมู่ลิงค์เชื่อมโยงในอินเทอร์เน็ตที่น่าสนใจ)	1	2	3	4	5
36.	Folksonomies – Social tagging (ปัจเจกวิธาน; การจัด หมวดหมู่แห่งสรรพสิ่งที่ผู้ใช้สนใจ และกำหนดคำค้นโดยผู้ใช้เป็น ผู้กำหนดเอง)	1	2	3	4	5

ตอนที่ 3 กรุณาตอบคำถามตามความเห็นที่ตรงกับองค์กรของท่าน (วงกลมเพียง 1 ข้อต่อ 1 คำถาม).

ORGANIZATIONAL INNOVATION						
3.1 จงบอกระดับความสำเร็จของผลลัพธ์ต่อไปนี้ซึ่งได้รับจาก	ระดับความความสำเร็จ					
การดำเนินงานด้านการจัดการความรู้ในองค์กรของท่าน		21%-	41%-	61%-	81%-	
	20%	40%	60%	80%	100%	
1. ขีดความสามารถในการผลิตหรือให้บริการ (Productivity)สูงขึ้น	1	2	3	4	5	
<ol> <li>พนักงานมีทักษะและความสามารถเพิ่มขึ้น</li> </ol>	1	2	3	4	5	
<ol> <li>ความสามารถในการลดต้นทุน/ควบคุมต้นทุนได้</li> </ol>	1	2	3	4	5	
<ol> <li>การเพิ่มขึ้นของรายได้ / อัตรากำไร / ผลตอบแทนจากการลงทุน</li> </ol>	1	2	3	4	5	

3.1	จงบอกระดับความสำเร็จของผลลัพธ์ต่อไปนี้ซึ่งได้รับจาก	ระดับความความสำเร็จ			٩	
	ดำเนินงานด้านการจัดการความรู้ในองค์กรของท่าน	0%- 20%	21%- 40%	41%- 60%	61%- 80%	81%- 100%
5.	การตัดสินใจดีขึ้น	1	2	3	4	5
6.	ความสามารถในการตอบสนองต่อปัญหาทางธุรกิจต่างๆได้เร็ว ขึ้น	1	2	3	4	5
7.	ความรวดเร็วในการแก้ไขปัญหา	1	2	3	4	5
8.	ความสามารถในการจัดการดูแลลูกค้า เช่น คำร้องเรียนจาก ลูกค้าลดลง	1	2	3	4	5
9.	การปรับปรุงคุณภาพของสินค้าและหรือบริการ	1	2	3	4	5
10.	การมีระบบใหม่ในองค์กร (New enterprise system)	1	2	3	4	5
11.	การคัดเลือก ติดต่อประสานงาน และสื่อสารกับผู้ขายได้ดีขึ้น	1	2	3	4	5
12.	การมีระบบจัดซื้ออิเล็กทรอนิกส์ (e – Purchasing) บริหารงาน ด้านเอกสารการจัดซื้อและอำนวยความสะดวกให้กับผู้ใช้งานใน การจัดซื้อแต่ละครั้ง	1	2	3	4	5
13.	ความสามารถในการใช้ระบบการจัดส่งสินค้าและผลิตแบบ ทันเวลาพอดี (Just - in - time system)	1	2	3	4	5
14.	ความสามารถในการกำจัดเวลาและความสูญเปล่า ตั้งแต่การ จัดหา การผลิต/ให้บริการ การจัดส่ง การกำจัดของเสีย เข้าไว้ ด้วยกัน (Lean supply chain)	1	2	3	4	5
15.	การลดขั้นตอนการมีคนกลางในระบบธุรกิจ (Disintermediation )	1	2	3	4	5
16.	ความรวดเร็วของการผลิตสินค้า/ ขนส่งสินค้า /ส่งมอบบริการ/ ตอบสนองความต้องการของลูกค้าได้ทันท่วงที	0	2	3	4	5
17.	การมีนวัตกรรมด้านสินค้าหรือบริการใหม่ๆ	1	2	3	4	5
18.	การมีวิธีการทำงานใหม่ๆสำหรับงานที่มีอยู่เดิมในลักษณะที่เห็น ถึงการปรับปรุง	1	2	3	4	5
19.	การมีรูปแบบธุรกิจใหม่ (New business model)	1	2	3	4	5
20.	การจัดหาคุณค่าในสินค้าหรือบริหารใหม่ๆที่เหนือกว่าเดิมให้แก่ ลูกค้า เช่น การเพิ่มฟังก์ชั่น พื้นที่ ความประหยัด ความ สะดวกสบาย ความปลอดภัย เป็นต้น	1	2	3	4	5
21.	การจัดหาสินค้าหรือบริหารใหม่ๆที่ตรงหรือเหนือกว่าที่ลูกค้า คาดหวัง	1	2	3	4	5

3.1	จงบอกระดับความสำเร็จของผลลัพธ์ต่อไปนี้ซึ่งได้รับจาก	4	ระดับค	วามควา	มสำเร็จ	٩
การ	ดำเนินงานด้านการจัดการความรู้ในองค์กรของท่าน	0%- 20%	21%- 40%	41%- 60%	61%- 80%	81%- 100%
22.	ความสามารถในการทำให้ลูกค้าพึงพอใจในสิ่งที่ต้องการ	1	2	3	4	5
23.	ความสามารถรักษาลูกค้าเดิมและทำให้ลูกค้าเหล่านี้มีความพึง พอใจยิ่งขึ้น	1	2	3	4	5
24.	การใช้เทคโนโลยีและใช้บุคลากรสร้างความสัมพันธ์กับลูกค้า (CRM) เช่น ระบบรองรับการบริการลูกค้า การบริหารการขาย และระบบลูกค้าสัมพันธ์ (Call Center)	1	2	3	4	5
25.	การนำความเห็นจากลูกค้ามามีส่วนร่วมในการออกแบบสินค้า หรือบริการให้ตรงกับความต้องการ (Customer designed products)	1	2	3	4	5
26.	การมีฐานลูกค้ากลุ่มใหม่	1	2	3	4	5
27.	การมีกลุ่มชุมชนลูกค้า (customer communities) ที่ใช้สินค้าหรือ บริการของบริษัท	1	2	3	4	5
28.	การบริการลูกค้าทางเวปไซต์ (e-customers)	1	2	3	4	5
29.	การมีบริการลูกค้าทั่วโลก (Global customer)	1	2	3	4	5
30.	การทำธุรกรรมทุกขั้นตอนผ่านสื่ออิเล็กทรอนิกส์ เช่น การซื้อขาย การติดต่อประสานงาน รวมถึงกิจกรรมต่างๆที่เกิดขึ้นภายใน สำนักงาน (e-Business)	1	2	3	4	5

### BIODATA

Name :	Dr.Saweeya Prathanadi	
Address:	969/1 Suranarai Soi 7 Road, Nai-Maur	ng, Muang,
	Nakhon Ratchasima, Thailand 30000	
Email:	saweeya@hotmail.com, prpraiya@hotr	nail.com
EDUCATION		
		Graduation
B.S in Accounting	g	25 February 1996
Thammasat Unive	ersity	
M.S. in Financial	Accounting	29 May 2002
Chulalongkorn U	niversity	
Ph.D. in Business	Administration	28 December 2011
Bangkok Universi	ity in full collaborative program with Ur	iversity of Nebraska –
Lincoln, USA		
WORK EXPERI	IENCE	
Senior Auditor		16 April 1996 -
PricewaterhouseC	Coopers Co., Ltd.	31 December 1998
Certified Public A	Accountant (CPA)	1998 - present
Full-time lecturer	in the Faculty of	4 January 1999 – present
Management Scie	ence,	
Nakhon Ratchasir	na Rajabhat University	

#### **Bangkok University**

#### License Agreement of Dissertation/Thesis/ Report of Senior Project

Day 28 Month December Year 2011

Mr./ Mrs./ Ms. Saweeya Prathanadi now living at 969/1
Soi Suranarai 7 Street Suranarai
Sub-district Nai-muang District Muang
Province <u>Nakhon Ratchasima</u> Postal Code <u>30000</u> being a Bangkok
University student, student ID 9-48-21-0010-5
Degree level 🗆 Bachelor 🗆 Master 🗹 Doctorate
Program Doctor of Philosophy in Business Administration
Department Business School Graduate School
hereafter referred to as "the licensor"
Bangkok University 119 Rama 4 Road, Klong-Toey, Bangkok 10110 hereafter
referred to as "the licensee"
Both parties have agreed on the following terms and conditions:
The licensor certifies that he/she is the author and possesses the exclusive rights of
dissertation/thesis/report of senior project entitled <u>Knowledge Management</u>
Strategy and the Effect on Organizational Innovation: An Empirical Study of Thai
<u>Firms</u> submitted in partial fulfillment of the requirement for <u>Doctor of</u>
Philosophy in Business Administration (Program) of Bangkok University (hereafter

referred to as "dissertation/thesis/ report of senior project").

1. The licensor grants to the licensee an indefinite and royalty free license of his/her dissertation/thesis/report of senior project to reproduce, adapt, distribute, rent out the original or copy of the manuscript.

2. In case of any dispute in the copyright of the dissertation/thesis/report of senior project between the licensor and others, or between the licensee and others, or any other inconveniences in regard to the copyright that prevent the licensee from

reproducing, adapting or distributing the manuscript, the licensor agrees to indemnify the licensee against any damage incurred.

This agreement is prepared in duplicate identical wording for two copies. Both parties have read and fully understand its contents and agree to comply with the above terms and conditions. Each party shall retain one signed copy of the agreement.

