

Title of the Paper:

MOTIVATING AND MANAGING KNOWLEDGE WORKERS

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ABSTRACT

Managing human intellect and converting it into useful products and services is fast becoming a critical component of competitive success. In a knowledge economy where skilled employees are vital it's increasingly important to effectively reward the workforce. But when salary alone is not enough, how do we face the challenge of motivating and retaining key knowledge workers? It is against this backdrop that the paper suggests the reward strategy should include the factors that take into account and should include financial and non-financial incentives particularly those that find a balance between work, social and family commitments. The reward strategy will need to incorporate pay and non-pay elements and most importantly it will need to be developed in consultation with those it intends to reward. There is a widespread realisation that competitive advantage can be gained by leveraging and harvesting the intellectual assets, that is the knowledge residing in the minds of the people. Knowledge thus becomes the most important factor of production for information economy.

Key Words: *knowledge economy, human intellect, reward strategy*

“An empowered organisation is one in which individuals have the knowledge, skill, desire, and opportunity to personally succeed in a way that leads to collective organizational success” – Stephen R Covey

Introduction: Increasingly organizations world over are realizing that today knowledge is the real key to success. It is simply, too valuable a resource to be left alone. Many of the skills and knowledge gained in the past are considered outdated today. In order to maintain a competitive edge in such a dynamically changing environment, organizations need to keep their knowledge on a cutting edge and deploy it quickly across the organization. Knowledge management and its relevance today has become a critical initiative for any organisation on account of several factors including increased customer focus, superior skill development and sharing of best practices.

Knowledge is information combined with experience, context, interpretation and reflection. Knowledge is intangible, boundary less and dynamic and if not used at a specific time it has no value. It is information with casual links and therefore, highly structured.

The importance of acquiring knowledge or the pursuit of knowledge has always been most sought after world over. What make things different today are the information and communications technologies which have moved management of knowledge to the frontlines of operations.

What is Knowledge and What is Knowledge Management?

Thomas Devenport and Lawrence Prusak, have suggested a definition of knowledge in the following words: “Knowledge is a fluid mix of framed experience, value contextual information, expert insight and grounded intuition that provides an environment and framework for evaluating and incorporating new experience and information. It originates and is applied in the mind of the knower. In organizations, it often becomes embedded not only in documents or repositories but also in organizational routines, processes, practices and norms”.

Devenport states that organisations’ core competencies will centre around managing knowledge and knowledge workers in the future. They add that industrial growth and productivity gains will depend heavily on improvements in knowledge work.

Fundamentals of Knowledge and Knowledge Management: In an era characterised by changing customer requirements, decreasing product life cycles and complex systems and

processes, knowledge centric activities are becoming the primary source of sustainable competitive advantage in manufacturing and service organisations. In this view, knowledge is a key resource that must be managed if improvement efforts are to succeed and businesses are to remain competitive. Managing human intellect and converting it into useful products and services is fast becoming a critical component of competitive success. In other words, in order to add real value to organisations, managers must seek to identify, manage and leverage the company's knowledge base. Drucker believes that the great management task of this century will be to make knowledge work productive.

In the context of this paper we can say that knowledge management (KM) can mean management of organizational knowledge for creating business value and generating a competitive advantage. KM addresses business problems particular to your business – whether it is creating and delivering innovative products or services, managing and enhancing relationships within organization and customers or administering and improving work practices and processes. To put it in a nutshell KM is all about capturing knowledge from where it is available and disseminating to where it is required.

In a knowledge economy where skilled employees are vital it's increasingly important to effectively reward the workforce. But when salary alone is not enough, how do we face the challenge of motivating and retaining key knowledge workers? Wiig provides a list of knowledge related problems found in organisations.

These include:

- Knowledge is not managed as a valuable asset.
- There is insufficient knowledge at the point of action
- Learning opportunities are often missed or not exploited.
- Knowledge transfer is confined.
- There is often an unnecessary division of tasks and decisions.

Like many people examining knowledge management and knowledge workers, we began with a stereotypical view of the knowledge worker as a highly paid individual working at the top of their organisation, who is difficult to recruit and retain. We soon realised this perception was false and it became apparent that many, if not most, workers are in fact knowledge workers. They may not all be highly paid specialist at the top level of their organisation, but their jobs are knowledge and information based.

Managing and retaining Knowledge Workers: Companies employing knowledge workers (be they technical, professional or managerial professionals) face a common dilemma: How to establish reward systems and work environments that are both stimulating to be professional and productive for the organisation. Standard management strategies for motivating, rewarding and leading non-technical employees frequently fail to work for those involved in research, development and engineering resulting in performances which are suboptimal for the individual and the organization.

The manager is no longer seen as “the leading expert”, but as a facilitator who gets the best from the people they manage. In the sphere of knowledge workers, where employees are not interchangeable and each is a unique person with unique skills and ways of working, we must think harder about motivating. We must think harder about rewards.

The difference between rewards and compensation is not just a question of words. It cuts deep into attitudes, values and culture. When you hire the whole person and ask them to use what they know creatively and effectively for the benefit of your enterprise, then compensation is not enough, you must reward.

In the era of globalization, most organization are facing constant depletion of knowledge workers, as there are plenty of opportunities for them in the market. So organizations should have a suitable retention policy to retain the knowledge workers. Conventional organisations give reference to seniority over skill. This is not the best environment for attracting, developing and retaining the skill in a competitive environment. The existing promotional policies should necessarily encourage the employees to acquire new knowledge. The promotional policies should be such that it motivates the employees to acquire new skills and knowledge for their *career development, and to provide the right man for the right job in the organization.*

Balancing work and life style: A knowledge worker can be a real asset to the organization when he contributes to the organizational success by lending a timely support. This timely effort can be expected and got only when the employees are able to balance the work and life style.

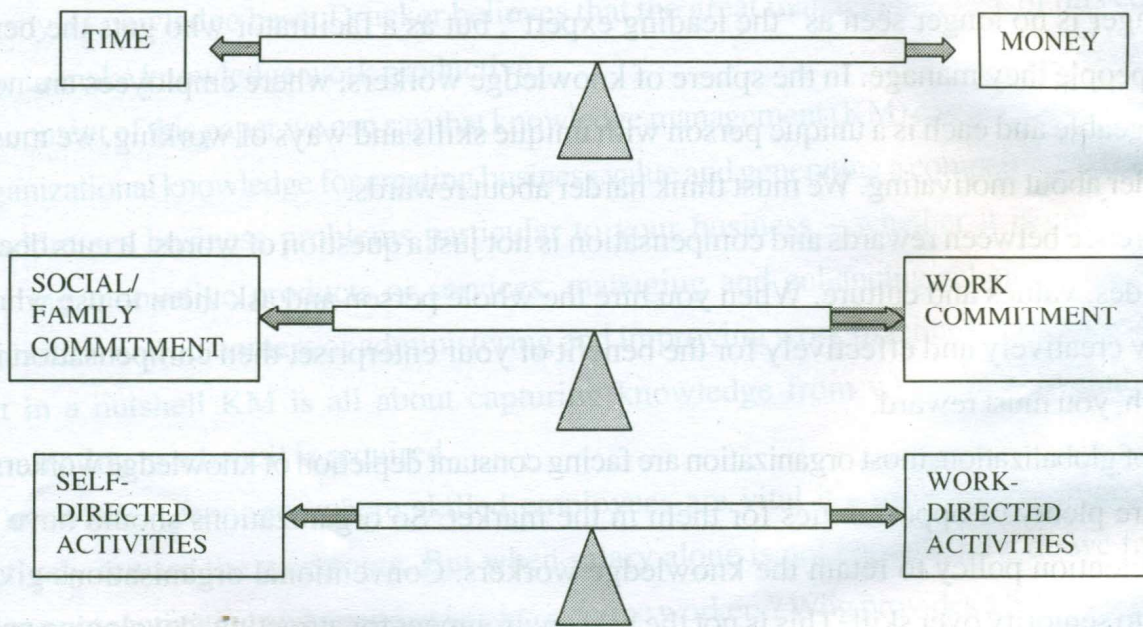
Based on the employee’s wants he needs to be rewarded. A reward strategy must take into account and should include financial and non-financial element such as:

- Praise and recognition
- Bonuses and one-off payments
- Opportunities for career development
- Opportunities for training and development

- Share options, performance-related pay or other options.

When considering rewards we need to think of how different types of rewards interact with the needs, desires and aspirations of knowledge workers. The reward practices can be job status based rewards, membership and seniority based rewards, competency based rewards or performance based rewards. While rewarding it is important to find a balance between work, social and family commitments.

Fig: Work and Life style Equilibrium



Rewarding Options: Organizations apply a variety of rewards to attract, motivate and retain employees. Each reward relates to specific objectives like competencies, performance or job status. Some of the reward options to motivate knowledge workers are given below:

- **Flexible working practices:** which include full or partial home working, flexible hours, compressed or shortened working weeks.
- **Lifestyle rewards:** The list may include choosing from holiday break for two, a subscription to a gym or a week in a health spa.
- **Recognition and Award Schemes:** May include in-house awards schemes to feature in internal publications or on the intranet for notable activities.
- **Training and Development:** Training and development appeals to a range of motivations from the pragmatic desire to ensure continuing employability to the desire to experience new challenges and new ideas.
- **Support for Professional Involvement:** Many knowledge workers have an involvement in professional bodies. Recognition of this by paying professional subscription fees with a focus on rewarding the employee in an area of importance to employees.

- **Community Involvement:** Encouraging staff to get involved in outside bodies that contribute to community projects can be a positive motivator for employees.
- **Changing Management practices:** Managers must change the way they work in terms of leadership as well as rewards. Giving knowledge workers greater autonomy in tasks and projects and encouraging involvement in business strategy at all levels can transform the working experience into a self-directed activity rather than an imposed discipline.

Conclusion: In a knowledge environment, there is an important role to be played ensuring that the values transmitted and reinforced through rewards (both pay and non-pay) are consistent with encouraging the acquisition, use and sharing of knowledge and information and the motivation of knowledge workers. The reward strategy will need to incorporate pay and non-pay elements and most importantly it will need to be developed in consultation with those it intends to reward. There is a widespread realisation that competitive advantage can be gained by leveraging and harvesting the intellectual assets, that is the knowledge residing in the minds of the people. Knowledge thus becomes the most important factor of production for information economy.

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