

USING THE SWOT APPROACH FOR THE CODIFICATION OF KNOWLEDGE MANAGEMENT STRATEGY IN THE SHOUDER FAUCETS CORPORATION

USANDO A ABORDAGEM DE SWOT PARA A CODIFICAÇÃO DA ESTRATÉGIA DO GERENCIAMENTO DE CONHECIMENTO NA CORPORAÇÃO SHOUDER FAUCETS

Mitra Hashemi 1

Abstract: Nowadays knowledge is considered as one of the most crucial corporate resources whose proper management and exploitation can provide any corporation with a sustainable competitive advantage. In order to gain confidence regarding the successful implementation of knowledge management in a corporation, the first thing to consider would be selecting and evaluating suitable knowledge management strategies that have been established on proper frameworks and consider for various corporate factors and criterions. Identification of the former factors can help organizations with the designing, planning and implementation of knowledge management. Selecting a suitable knowledge management strategy requires the identification and analysis of several corporate factors. The present paper was an attempt to codify the knowledge management strategies of the Shouder Faucets Corporation with the help of managers and experts of the company. In addition the present paper develops an effective framework for the Shouder faucets Corporation in its pursuit of evaluation and selection of a proper knowledge.

Keywords: knowledge management strategy. SWOT analysis.

Resumo: Atualmente, o conhecimento é considerado um dos recursos corporativos mais importantes, cujo gerenciamento e exploração adequados podem fornecer a qualquer empresa uma vantagem competitiva sustentável. Para ganhar confiança com relação à implementação bem-sucedida do gerenciamento de conhecimento em uma corporação, a primeira coisa a considerar seria selecionar e avaliar estratégias adequadas de gerenciamento de conhecimento que foram estabelecidas em estruturas apropriadas e considerar para vários fatores e critérios corporativos. A identificação dos fatores anteriores pode ajudar as organizações na concepção, planejamento e implementação da gestão do conhecimento. A seleção de uma estratégia de gerenciamento de conhecimento adequada requer a identificação e análise de vários fatores corporativos. O presente artigo foi uma tentativa de codificar as estratégias de gerenciamento de conhecimento da Shouder Faucets Corporation com a ajuda de gerentes e especialistas da empresa. Além disso, o presente artigo desenvolve uma estrutura eficaz para a Shouder faucets Corporation em sua busca pela avaliação e seleção de um conhecimento adequado.

Palavras-chave: estratégia de gestão do conhecimento. Análise SWOT.

Introduction

Corporations need various resources and assets in order to be able to fulfill their missions and obtain their goals. Some of these resources and assets are of high strategic values and play axial roles towards the obtaining of competitive advantages [1]. For every corporation, knowledge is considered to be one of the formerly mentioned utmost needed resources in a way that, the scholars of the science of management view knowledge as the ultimate substitute for production, wealth, and monetary capitals (Toffler, 1990) [2].

Additionally, Peter Drucker [2] maintains that in the current global economy, knowledge is not a source similar to any other production resources such as labor, capital, or land; rather it is considered as the only meaningful resource in the current era. In fact, knowledge is the only corporate resource that not only would not decline if it's put to use, but also it would become more valuable [2]. Glazer (1998) maintains: knowledge is embedded in corporate procedures, instructions, views, measures and decisions and it would become valuable when it is transferred to advantageous products or services. Strategic knowledge management on the other hand elaborates on those processes and infrastructures that firms use for sharing of knowledge for the adjustment of strategies and making business decisions. In other words, corporate knowledge strategy scrutinizes the overall approach of corporations that tend to align their knowledge resources and abilities with the requirements of their strategies. Hence the gap between what companies should know in order to be able to implement its strategy and what they already know is mitigated.

Knowledge management helps organizations with their missions while they make progress towards their outlook and objectives. In this regard, the concept of strategy has come to existence in the literature of knowledge management with the purpose of identification of existing gaps and the required knowledge for the corporation along with its strategic importance.

Before establishing the knowledge management systems, the corporation's knowledge strategy must be codified so that based on it, in the process of knowledge management the corporation knows under what specific strategy it is going to work.

Corporate knowledge strategy specifies that what type of knowledge, and what extent of that knowledge is required for a corporation to be able to fulfill its missions and to implement its strategies. On this basis, the present study tries to first of all review the literature of the subject of knowledge strategy, and secondly it tries to investigate the necessities, functions and dynamics of codification of knowledge strategy.

In knowledge management studies, the concept of knowledge strategy is a rather new and innovative concept that has not been subjected to much scientific attentions in the country of Iran. Hence, the present study has been conducted with the aim of investigation of previous studies in the context of codification of knowledge strategy and, provision of a suitable model for codification of knowledge strategy in the Shouder Faucets Corporation. The former corporation has been active in the field of production of sanitary faucets since 1991. Its founder Mr. Reza Gharedaaghi and its senior managers have long been making their efforts towards preservation of their products' globally acknowledged quality while relying on the cutting edge engineering knowledge, resulting in the superiority of the products of this company.

Nowadays the real value of a corporation is something more than just the sum of its physical values and assets. In fact knowledge is adds up to the value of corporations' assets. Knowledge not only plays roles in the manner of formation of services and products, but also it determines what can be produced and, for what there is enough production potential. Considering the highly accelerated current technological changes and the added complexity of corporate decisions, the necessity of implementation of a comprehensive plan against these issues is felt more than ever before. This plan isn't anything except a strategic plan [3].

The primary issues in this context are the barriers of formation and development of

the process of strategic knowledge management. There several reasons why most companies are not tending to form and develop strategic knowledge management processes, and among them the most important ones are as follows:

- Lack of managers' awareness of the real conditions
- Collective self-deceit of managers regarding the conditions
- Managers tendency towards maintain the current conditions
- Entanglement of the mutual difficulties of the senior management and the difficulties of daily functions
- Adoption of negative attitudes towards all types of changes in previous ways of doing things

The present paper tries to propose a strategic model of corporate knowledge management through the reviewing of previously conducted studies and through the linking of theories in the field of knowledge management in addition to proposing a model for codification of knowledge management strategy using the SWOT approach.

Methods

In terms of purpose, the present study is considered as developmental-applied study and in terms of data collection methods, it is considered as a descriptive-survey study. In order to obtain the goals of the study, first of all the related literature of the subject matter was reviewed and next, the structural equations model was used for the scrutiny of the effects and relationships between the research variables.

Population and sampling

The population of the present study includes the managers and experts of the Shouder Faucets Corporation. In addition, the views and ideas of academic elites, managers and experts have been incorporated in the validity confirmation of research methods and surveys. After explaining the research problem, the most important previous studies in the field of knowledge strategy are reviewed in order to design and or select a suitable model for the codification of knowledge strategy in the Shouder Faucets Corporation.

Data Analysis

Internal Factors Evaluation Matrix (IFE)

The purpose of this matrix is to investigate the internal environment of the corporation in terms of its strengths and weaknesses. In order to build such a matrix, one must usually look at the intuitive judgments and views of the experts of the related industry in addition to the data yielded from studies on corporate performance.

External Factors Evaluation Matrix (EFE)

This tool allows strategists to investigate environmental, social, political, cultural, legal, and technologic factors and the market conditions in a specific time period. This matrix is applied for collection of data from the surrounding environment and the industry's environment as well.

SWOT Analysis

SWOT (Strengths, weaknesses, opportunities, threats) is an efficient tool for the identification of environmental conditions and the internal abilities of corporations. In strategic management and marketing, this tool is based on the identification of corporations' surrounding environments. The natures of strengths and weaknesses are internal to the corporation while opportunities and threats are environmental [4].

Results

Analysis of the internal environment of the Shouder Faucets

Company

In the present study by the term internal environment it is referred to controllable internal corporate factors that play a determining role in the strategic planning of knowledge management in the corporation of Shouder Faucets. Hereby, the internal corporate factors can be divided into corporate strengths and corporate weaknesses.

The process of identification of strengths and weaknesses

In the present study, for the purpose of identification and determination of internal factors effective on the process of knowledge performance of the former corporation and in order to analyze their effects on the corporation and on the codification of suitable knowledge strategies, the previously conducted scientific studies related to the subject matter were reviewed and ultimately, a 29-questioned inventory including internal corporate factors was developed. Afterwards, a copy of the former inventory was handed out to every employee and manager of the Shouder Faucets Corporation. The validity of the questionnaire was approved by 5 scholars, academics and professors while its reliability was approved through the application of the Cronbach's alpha coefficient method (0.81). It is worthy of mentioning that the analyses have been approved by the management of the corporation in addition to the deputies. This part of the study is concerned with the investigation of the internal environment and internal corporate factors and the strengths and weaknesses of the corporations' knowledge. Tables 1 and 2 contain the results of analysis of collected questionnaires regarding the strengths and weaknesses of the corporate knowledge.

Table 1, the strengths of knowledge management of the Shouder Faucets Corporation

#	List of strengths of knowledge management
1	The employees are eager to transfer their knowledge and expertise to others as well as documenting such information in the embedded systems
2	The company includes experts of research and investigation
3	The company rewards its employees for their new ideas and knowledge
4	The company includes a library and several information centers for the publication of knowledge
5	The data provided on the website of the corporation are updated frequently
6	Attention is paid to the training and development of employees
7	A special attention is paid to people's talents and abilities while recruiting
8	The managers of the company analyze the existing knowledge and information in order to create new knowledge patterns

Table 2, the weaknesses of knowledge management of the Shouder Faucets Corporation

#	List of weaknesses of knowledge management
1	The tasks of employees are not clearly defined
2	The corporation lacks a suitable investment in the field of research
3	The company lacks e-training
4	Considering the rapid changes in customers' needs, the studies are too lengthy
5	The management is reluctant of testing and using new methods
6	The company does not transfer the employees' new ideas

Evaluation of the condition of the internal corporate environment

At this stage of the study, after the identification of the strengths and weaknesses, the entire internal factors whether being strength or a weakness have been exposed to the managers and deputies of the corporation as two forms.

In these forms, every internal factor receives a multiplier which is in fact the indicator of the relative importance of that factor in the success of the corporation. In this regard, the sum of all multipliers is equal to one. Every factor that has a higher effect on the success of the corporation, no matter being strength or a weakness, has a larger multiplier. In terms of scores, every factor receives a score that is either 1, 2, 3 or 4 respectively showing fundamental weaknesses, low weaknesses, low strengths and, high strengths. In order to calculate the final score, the multipliers and the scores of each factor are multiplied by each other yielding a score between 1 and 4.

The following includes the matrixes of evaluation of internal conditions in the form of separate tables.

Table 3, the matrix of evaluation of the internal condition

Strengths	Multiplier	Score	Final Score
The employees are eager to transfer their knowledge and expertise to others as well as documenting such information in the embedded systems	0.1		
The company includes experts of research and investigation	0.07		
The company rewards its employees for their new ideas and knowledge	0.09		
The company includes a library and several information centers for the publication of knowledge	0.08		
The data provided on the website of the corporation are updated frequently	0.11		
Attention is paid to the training and development of employees	0.09		
A special attention is paid to people's talents and abilities while recruiting	0.07		
The managers of the company analyze the existing knowledge and information in order to create new knowledge patterns	0.08		
Weaknesses	Multiplier	Score	Final Score
The tasks of employees are not clearly defined	0.05		
The corporation lacks a suitable investment in the field of research	0.06		
The company lacks e-training	0.07		
Considering the rapid changes in customers' needs, the studies are too lengthy	0.03		
The management is reluctant of testing and using new methods	0.04		
The company does not transfer the employees' new ideas	0.06		
Total	1	-	2.95

The mean value of 2.5 indicates that, considering the internal factors knowledge management is in a good condition.

Analysis of the external environment of the Shouder Faucets Corporation

According to the definitions mentioned in the present study, the external environment of the Shouder Faucets Corporation includes the set of conditions and factors that are outside the territory of the corporation and the corporation has no control on them. These factors have been categorized as opportunities for progress and threats against the prosperity of corporation. In addition it has been indicated that these factors play determining roles towards obtaining corporate goals. While analyzing the external environmental factors of the Shouder Faucets Corporation, the questionnaire number two was used for the identification of the components and factors involved with the surrounding and the external environment of the corporation. In addition, necessary strategies for exploitation of opportunities and mitigation of threats have been codified and proposed too. Similar to the process of analysis of the internal environment, we have investigated the factors effective on the external environment of the corporation in order to be able to identify the external conditions of the Shouder Faucets Corporation.

A researcher made questionnaire emphasizing on the externally effective corporate factors and their effects and the manners of their effectiveness on the performance of the corporation has been developed for the ultimate goal of adoption of suitable strategies for exploitation of opportunities and mitigation of threats. In order to have the items of the questionnaire approved, copies of the inventory were exposed to experts and scholars and after incorporating their views, a final questionnaire containing 14 questions was developed afterwards the questions were handed to the employees and managers.

Opportunities and threats related to knowledge management

Once the questionnaires were collected back and were analyzed, the most important opportunities and threats related to the management of knowledge in the corporation of Shouder Faucets were extracted and the results are shown in the following tables.

Table 4, opportunities of corporate knowledge management

#	List of Opportunities for corporate knowledge management
1	The corporation is compatible with technological changes
2	Education centers and research facilities that exist and affect the performance of the corporation
3	The corporation recruits young people who have just been graduated
4	The employees of the corporation of provided with the possibility to access the internet and use the data in scientific websites
5	The updated-ness of the technology and IT are effective on the corporation's activities

Table 5, threats of corporate knowledge management

#	List of Threats for corporate knowledge management
1	The knowledge forces and educated people are not seeming to be willing to stay
2	The competitors have robust information systems and up to date technologies
3	The costs of new technologies are extremely high

Conclusion and Suggestions

Nowadays knowledge management is considered as one of the most up to date and key issues in the field of management. In fact knowledge management is considered as a reaction against the increasing changes of the surrounding environments of the current organizations. Changing the functions of management is inevitable and all kinds of organi-

zations must conform themselves with the changes and need to put strategic knowledge management into use in their surrounding competitive environment in order to be able to survive. Sine knowledge and its processes are in a tight entanglement with the operations, structures, cultures and goals of corporations, an efficient knowledge management strategy requires people who have a deep understanding of the territory of knowledge and about how to put it to use in their rather large organizations. Nevertheless, the employees must go beyond their roles and move towards the formation and management of knowledge management. The new business conditions have turned knowledge into the utmost strategic corporate resource and therefore, companies' emphasis of knowledge management is taken into accounts more than before. Since the comprehensive system of knowledge management must be in service of corporate strategic goals and must result in the optimization of missionary performance of the organization, the strategic management of knowledge has been taken into account as an undeniable issue. Therefore a great deal of scientific attention has been paid to the development of a model that proposes a comprehensive framework for the strategic management of knowledge.

In the present study, efforts have been made to propose a suitable model for the codification of a suitable knowledge management strategy in the Corporation of Shouder Faucets. As it was mentioned earlier, effective management takes place when a suitable strategy is set. Several credible and authentic studies have been conducted in this field and each of them have proposed methods that can be effective in terms of evaluation and modeling of knowledge management strategies. Hence, the present study too has been seeking the provision of a suitable and effective method that solves the issue of selection of knowledge management strategy in a more rational and organized manner. Hereby, while codifying the knowledge management strategy of this corporation, considerations have been made for the two aspects of internal and external environment. Since it was necessary to investigate the components involved with the strategy codification, the SWOT, which is one of the most suitable strategic planning technics, was used and the results are shown on table 6.

Table 6, the SWOT matrix of knowledge management in the Shouder faucets Corporation

	<p>Strengths</p> <p>1- The employees are eager to transfer their knowledge and expertise to others as well as documenting such information in the embedded systems</p> <p>2- The company includes experts of research and investigation</p> <p>3- The company rewards its employees for their new ideas and knowledge</p> <p>4- The company includes a library and several information centers for the publication of knowledge</p> <p>5- The data provided on the website of the corporation are updated frequently</p> <p>6- Attention is paid to the training and development of employees</p> <p>7- A special attention is paid to people's talents and abilities while recruiting</p> <p>8- The managers of the company analyze the existing knowledge and information in order to create new knowledge patterns</p>	<p>Weaknesses</p> <p>The tasks of employees are not clearly defined</p> <p>The corporation lacks a suitable investment in the field of research</p> <p>The company lacks e-training</p> <p>Considering the rapid changes in customers' needs, the studies are too lengthy</p> <p>The management is reluctant of testing and using new methods</p> <p>The company does not transfer the employees' new ideas</p>

<p>Opportunities The corporation is compatible with technological changes Education centers and research facilities that exist and affect the performance of the corporation The corporation recruits young people who have just been graduated The employees of the corporation of provided with the possibility to access the internet and use the data in scientific websites The updated-ness of the technology and IT are effective on the corporation's activities</p>	<p>SO Strategies Creation of competition in terms of learning Persuasion of forces towards testing new solutions Making use of pioneering companies and saving in terms of research</p>	<p>WO Strategies Training the human resources at any level proportional to their skills and their requirements for their tasks Using the system of management of information systems for development of information services provided for the customers</p>
<p>Threats The knowledge forces and educated people are not seeming to be willing to stay The competitors have robust information systems and up to date technologies The costs of new technologies are extremely high</p>	<p>ST Strategies Amplification of engineering knowledge for rapid responsiveness towards design changes</p>	<p>WT Strategies Procurement and transfer of new technologies along with their technical knowledge Establishment of a research and development unit</p>

As the findings indicate, the corporation is in a roughly good condition and this shows that the strengths of the corporation overweight its weaknesses and its opportunities overweight its threats as well. In fact the corporation of Shouder Faucets can make use of its strengths for exploitation of opportunities as well as mitigation of weaknesses and threats. For example in case of many threats, the corporation has been able to mitigate the weaknesses regularly through making use of strengths such as the transfer of knowledge and expertise from one employee to another and the information provided on the corporation's website. In addition by recruiting young and motivated forces, who can collectively take steps towards the enhancement of their corporation's conditions, the company has an important competitive advantage.

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