KNOWLEDGE MANAGEMENT PROCESSES AND WORKFORCE AGILITY: A THEORETICAL PERSPECTIVE

SOUD ALMAHAMID

Faculty of Graduate Studies, Arabian Gulf University, Bahrain
soudmm@agu.edu.bh

Abstract: This study aims to shed light on the role of knowledge management processes in workforce agility. The quantitative approach will be used for collecting data via questionnaire. The questionnaire will be designed based on the related literature. The study intends to target the human resource managers in manufacturing industry. The results are expected to reveal the importance role of knowledge acquisition or creation on knowledge application and sharing. In addition, the proactive behavior of workforces is a function of knowledge acquisition and application. Furthermore, workforce adaptive behavior is determined by knowledge processes and proactive behavior. Finally, workforces’ resilience behavior depends on proactive and adaptive behavior. Managers and practitioners can benefit from this study by devoting more time and effort to activate knowledge management processes to ensure high level of workforce agility to quickly respond and capitalize on changes in the business environment. Managers also can focus their attention on knowledge creation or acquisition and application to facilitate employees’ proactive behavior.

Index Terms: Knowledge Management processes, knowledge-based agility, Workforce agility.

1. INTRODUCTION

Currently, organizations are living in highly competitive, unpredictable, changing, unprecedented, and fast-paced business environment. Therefore, traditional hierarchical models and control methods become inadequate to address organizational changes to fit with today business environment [1]. Surviving and prospering in this type of environment, enforce organizations to develop various approaches, such as virtual organization, empowerment, cross-training, work organization, communication, and adoption of latest technology to be agile. Agility is the most influential approach to conquer environmental uncertainty. When organizations are agile, they are capable to respond to changes in the business environment reactively and proactively on promptly manner. Agile organizations turning changes or threats into opportunities and capitalize on it. Agile organizations are also capable of meeting customers’ needs, developing high quality new products or services, and highly competitive. Achieving organizational agility becomes difficult if not impossible without developing agile workforces. When the business environment changes, the current knowledge and skills of employees becomes obsolete, then, developing new knowledge and skills quickly to fit new work conditions is necessity-what is called “workforce agility” or “individual agility”. For [1] individual agility is “equipping employees with the skills to proactively identify and implement change when needed.” In fact, workforce agility is more than responding and adapting to internal and external changes in business environment but acting on timely manner [2]. The workforce agility literature is full of theoretical frameworks and models of the attributes of agile workforce [3],[4],[5],[6],[7]. These models and frameworks forming the base, and inform consequent empirical research, however, they lack a clear guideline of how organizations can develop agile workforces’ attributes promptly to fit with the speed of changes.

Despite the importance of cognitive or behavioral perspectives in understanding agility [8], operational lens was the dominant one. In fact, alterations or modifications of organization’s operations depends on cognitive and behaviors of organization’s members. Thus, identifying organizational practices that promote positive cognitive and proactive behavior is urgently needing to cultivate workforce agility. Inability to identify drivers or predictors of workforce agility is the reason behind the lack of empirical research in this domain [9]. Most of the workforce agility studies are theoretical and lack of empirical and statistical support. Just recently, few studies have explored the relationship between some of organizational practices and workforce agility, such as agility strategy and work organization [7], work organization[10], work structure and organizational learning[8], Knowledge sharing [11], organizational learning and training; reward system; employee involvement; team work; information system, and psychological empowerment [12][13]. Emotional intelligence [14], electronic human resources [15]. Although these studies consider workforce agility as dependent variable, other line of research consider workforce agility as an independent variable [(16), [17]. However, none of the previous studies examined how knowledge management practices promote workforce agility.Workforce agility is determined by employees’ continuous knowledge and their inclination towards learning, the literature lacks how knowledge management competencies can enhance workforce agility capability. In fact, the workforces who are the ones sense and predict changes, but not the technology [3], and they are the ones who determine the success of
the organization by sharing their knowledge, ideas, insights and forming effective team-work[15]. Workforce agility literature has failed to empirically acknowledge that for employees to be agile, they must be prepared to acquire the right knowledge, on the right time, and using it in the right place, where the work environment conditions changed. Despite the early observations about the importance of workforce agility, the mechanisms; techniques; and organizational practices that enhanced it remained unclear. Consequently, additional studies are urgently needed to explore both antecedents and consequences of workforce agility to cope with unexpected changes in business environment.

II. LITERATURE REVIEW

This section synthesizes the previous literature of workforce agility and classified it into three different sections: the relationship between agile manufacturing and agile manufacturing; the relationship between organizational practices and workforce agility, and finally the relationship between knowledge management processes and workforce agility as follows:

2.1 The relationship between agile manufacturing and workforce agility.

Agile manufacturing or organizational agility is used in the literature interchangeably to refer to various attributes that enables any organization to respond and act competitively to changes in business environment. It seems to be agility is the most relevant strategy for 21st century [18], [19], where unpredictable, sudden, and unprecedented changes are dominant. Agility as a concept first coined to be applicable only in manufacturing companies, but later, it is widely spread can be applied both partially to any business process, such as process agility [20], supply chain agility [21], Customer agility [22], and workforce agility [8]; or collectively as an organizational agility [23],[7]. Agility as an action strategy required various resources, competencies, and capabilities to be elevated such as, product agility; cooperation agility; organization change capabilities; manufacturing agility; people and knowledge related change capabilities, which affected the work organization [24]. Applying agility to different aspects of an organization led to no unified and precise definition in the literature for example,[25] defined agility as the ability of surviving and prospering in a competitive environment of continuous and unpredictable change by reacting quickly and effectively to changing markets, driven by customer-defined products and services.[26] defined agility as the ability to detect the changes in the business environment and respond to them by providing the appropriate capabilities. [27] defined agility as a rapid and proactive adaptation of enterprise elements to unexpected and unpredicted changes. [28] described agility as a means of surviving and prospering in the competitive environment that is characterized by continuous and unpredictable changes through reacting quickly and effectively to changing market. [29] defined agility as “the ability to detect opportunities for innovation and seize those competitive market opportunities by assembling requested assets, knowledge, and relationships with speed and surprise”. [30] defined agility as firms’ ability to sense environmental change and respond readily. Other researchers defined agility as “a firm-wide capability to deal with changes that often arise unexpectedly in business environments via rapid and innovative responses that exploit changes as opportunities to grow and prosper” [31]. Sensing and responding capabilities were used to refer to agility ([32], [33], [35] described agility as an organization’s ability to: (1) uncover new opportunities for competitive advantage; (2) integrate the existing knowledge, assets, and relationships to seize these opportunities; and (3) adjust to sudden changes in business conditions. While these definitions seem to be different from each other, there is a high level of similarity between them. The widely accepted notion among those definitions is that agile organization is capable to react and act promptly and competitively when unexpected change emerges. People is the best provider for carrying out agility strategy ([7],[24]. A considerable part of literature treats workforce agility as one dimension of agile manufacturing and just few studies solely focus on workforce agility [36]. Although workforce agility represents integral part of agile manufacturing, less research is devoted to understanding the precedents and consequences of workforce agility. Early models of workforce agility such as, the ones of [3],[4],[5],[7], [6] have produced many agile workforce attributes without showing how can be developed and maintained when business environment changed. To conclude; therefore, to achieve optimum outputs of agile manufacturing, workforce agility attributes must be nurtured and maintained.

2.2 The relationship between organizational practices and workforce agility

Organizations devising various techniques and practices to boost workforce agility. [36] believed that organizational practices, such as enterprise social usage and psychological empowerment influence agile performance behaviors including proactivity, adaptability, and resilience behavior. [15] reviewed the literature to form a theoretical framework and presumed E-HRM practices adoption raise workforce agility and ultimately leverages organizational performance. [8] asserted that organizational learning and the organic structure’s dual dimensions (flat structure and decentralized decision making) promote workforce agility. Developing workforce agility and resilience enhance employees’ abilities to deal with uncertainty successfully by adapting easily and cope less stressfully with the change [1],[37]. Emotional
2.3 The relationship between knowledge management processes and workforce agility

Knowledge management processes and workforce agility refer to the critical role that knowledge management plays in enhancing workforce agility. The relationship between these two concepts can be understood through the lens of knowledge sharing and intellectual capital. Knowledge management involves the processes of acquiring, sharing, and applying knowledge within an organization. These processes are essential for fostering a culture of agility, where employees can adapt quickly to changing business environments.

Hypotheses can be formulated as follows:

**H1**: There is a relationship between knowledge creation and knowledge sharing.

**H2**: There is a relationship between knowledge creation and knowledge application.

**H3**: There is a relationship between KM processes (Creation/Acquisition, Sharing, and Application) and proactive behaviour.

**H4**: There is a relationship between KM processes (Creation/Acquisition, Sharing, and Application) and adaptive behaviour.

**H5**: There is a relationship between KM processes (Creation/Acquisition, Sharing, and Application) and resilience behaviour.

**H6**: There is a relationship between proactive behaviour and adaptive behaviour.

**H7**: There is a relationship between adaptive behaviour and resilience behaviour.

In this study, knowledge management is viewed from the process perspective, which has been acknowledged by most studies in the agility field [49],[52], [53], [54],[42],[55],[48]. Employees who are the ones acquire, create, share, and apply knowledge. Creating or acquiring new knowledge enables employees to advance their capacity to transform existing knowledge and to create new knowledge [56]. As result, they can easily deduct change related-problems and develop the appropriate solutions. If the newly developed knowledge does not assist employees to deal with the changes in innovative ways, it will at least make it easier for them to modify their behaviors to fit the new unstable conditions[57]. Consequently, employees will developed more adaptable behaviour- one dimension of workforce agility. The newly developed knowledge can alter employees’ behavior by make them willingly learn new skills and helping them to deal with people from different backgrounds and experiences. Furthermore, the newly obtained must be shared within organizational boundaries to develop collective response to business environment. Prior literature found a positive relationship between knowledge sharing and workforce agility [11]. Knowledge sharing also helps employees to develop agile behaviors such as, being proactive, reactive, and tolerant to change [4],[5]; proactive, adaptable, and resilience [7]; intelligence and multiple competences [58]. Acquiring, sharing, and applying the new knowledge create the right environment to elevate employees’ willingness to participate in proactive, adaptive, and resilience behavioral activities [7], [8],[11]. However, the literature of shortage of studies that explore the cause and effect of workforce agility [61]. Based on the above arguments, the following hypotheses can be formulated as follows:

III. RESEARCH MODEL

Different approaches have appeared in the literature highlight how firms can achieve fit and create equilibrium with business environment. The current
research model showed in figure.1 is built on mostly a thorough review of these approaches. In the eighties,[63] developed the “competitive forces model”, which attributes achieving high economic rents to industry attractiveness and existence of high entry barriers. The philosophy of the model highlights that by altering the industry structure and creating high level of entry barriers managers can achieve and sustain high level of performance. However, the model ignored completely the role of tangible and intangible organizational resources. In response, in the early nineties, [64] elaborated the “resource-based view” and believed that the source of competitive advantage resides within organization boundaries by having idiosyncratic resources that are value, rare, imitable, not substitutable. Although Barney shifts the concentration from industry level to organization level, he focused on tangible unique resources and ignored intangible resources and know-how.[65] coined “dynamic capability approach” to overcome the flaws of resource-based view and acknowledged that holding distinctive resources’ of Barney is not enough conditions to sustain organizational performance but the ability of organization to integrate, configure, and deploy these resources is the primary key of sustainable competitive advantage. Although the capability approach shed new light on the necessity of developing various organizational capabilities to sustain organizational performance, it does not show how an organization can survive and prosper when Concurrently, [66] developed “knowledge-based theory” and viewed organizational capability as an output of integrating and applying individuals’ special knowledge. In this case, knowledge management processes allow firms to integrate disparate knowledge and enable them to sense and respond to changes by adapting, integrating, and reconfiguring needed resources and competencies to fit business changes. In fact, not knowledge per se, but employees who are the ones adapt, integrate, and configure resources and competencies to develop the required behavioral response or what we called knowledge-based responsiveness. Knowledge management processes enable organizations to develop various capabilities that are valuable, rare, imitable, and allow organization to arrange and reorganize their processes and activities to respond to threats and transform into opportunities. Based on the above argument, the research model is depicted in Figure.1. Although the research model is build based on the related literature, none of the hypothesized relationships is established and tested by previous research which will be tested in the next phase of this research with real data.

CONCLUSIONS
This study aimed to develop a theoretical model that link KM processes with workforce agility to be tested with real data in the next phase of this research project. The literature has various models that discussed how organization can achieve the optimal fit with changes in business environment but none of them clearly highlight how knowledge management processes help organizations to build various organizational capabilities that are value, rare, and difficult if not impossible to be imitated. The current research is theoretical and future research can examine the validity of the hypothesized relationships in the research model in different context. Future studies also can alter the model by adding moderator or mediator variables such as, size, strategy, environmental uncertainty. Practitioners can also benefit from the results of this study by determine the most important KM processes that facilitate workforce agility to be able to respond on time to any changes in the business environment.

REFERENCES


