

A review of organizational empowerment with emphasis on knowledge management

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Abstract: Empowerment of human resources is an important issue in organization management. On the other hand, intellectual capital, i.e. the knowledge-based part of total collective intangible assets, is a major determinant of organizational success. The present study reviewed the importance of intellectual capital, and organizational knowledge sharing and their relationship with empowerment of the personnel. It, in fact, theoretically investigated the effects of issues related to the empowerment of human resources on organizational knowledge sharing in a knowledge-based environment. The reviewed research indicated that investment on people and transformation of potential knowledge into actual knowledge will enhance productivity in organizations and communities. Thus, it seems essential to understand the relationship between empowerment and organizational knowledge sharing based on intellectual capital (as a basis for organizational development).

Key words: Empowerment of human resources; Organizational knowledge management; Intellectual capita

1. Introduction

Survival of any organization depends mainly on the abilities, skills, awareness, knowledge, and expertise of its human resources and managers. In fact, more prepared personnel can better contribute to organizational efficiency and success. Considering the effects of rapid technological developments, organizational survival and success will require constant relevant modifications in all aspects. However, no such change can be applied without the empowerment and proper arrangement of human resources. Knowledge is currently an integral part of organizational success particularly in cultural organizations where intellectual capitals and intangible assets are involved. In other words, today's post-industrial society is an information society in which power enhancement technologies will be gradually replaced by knowledge promoting technologies (Taghipour and Jahaniyan, 2009). Therefore, intellectual capital, defined as the knowledge-based part of total collective intangible assets, is a critical resource in any organization whose proper managements is essential to organizational success. It is thus used by knowledge-based economy to create organizational value (Abtahi and Salavati, 2006). Since in attempts to outflank its rivals, a particular organization needs to improve its human resources and increase the amount of available information and knowledge, intellectual capital can enhance competitiveness among organizations.

Knowledge management is the acquisition and sharing of knowledge in order to empower the personnel by improving learning and performance (Suri and Beikzadeh Marzbani, 2006). Consequently, the competitive power of nations is determined based on the quality of their human capital. The negative effects of exhaustion of human capital on the quality of produced goods and services (Sarлак, 2007) have highlighted the significance of knowledge in the competitive world. Hence, employees of an organization, as the owners of knowledge, have received utmost attention. Knowledge management, on the other hand, has been identified as a major tool to collect, arrange, activate, and distribute the existing knowledge (Kalseth, 2005) and to improve productivity. As a result, organizations with greater access to their staff's knowledge can make better decisions, improve processes, prevent overdoing of tasks, and encourage innovations.

In the contemporary world, access to and management of up-to-date and efficient knowledge are the determinants of survival and development of not only organizations, but also the whole society. Since organizational development requires a thorough understanding of the relationship between empowerment and organizational knowledge sharing based on intellectual capital, this paper aimed to review organizational empowerment by focusing on employees' knowledge management.

2. A review of the literature and studies conducted in the world and in Iran

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Hines defined knowledge management as a process comprising four constructs of content or type of knowledge (explicit or implicit), skills to extract knowledge, skills to organize the existing knowledge, and organizational culture to encourage the distribution of knowledge (Cheewaruengroj, 2008). Knowledge management is currently regarded as the brain of organizations which equips the personnel with needed knowledge and information to facilitate the performance of various tasks and increase the accuracy and speed of decision-making processes. Knowledge is the most important intangible asset of organizations whose proper management plays a vital role in superiority and competitiveness of an organization (Kontoghiorghes, 2008). Hoffman et al. (2008) described knowledge management as the process of creating and sharing knowledge so that it could be effectively used by the organization (Hoffman et al., 2005). Gupta et al. (2009) considered knowledge management as a process through which organizations could find, select, distribute, and transmit the information and expertise needed for activities such as problem-solving, dynamic learning, strategic planning, and decision-making. Barron explained knowledge management as a systematic and integrated approach to identify, use, and share the existing codified and/or unmodified experiences and expertise in the organization (Barron et al., 2000). According to Seemann et al. (1999) knowledge management is a clever design of processes, tools, and structures which intends to increase, update, share, or improve knowledge. In brief, knowledge management is a strategy to create, access, and support knowledge, as a critical resource, and intellectual capital (Meyer et al., 2007; Siliv et al., 2006). Stamps (1999) defined knowledge management as the provision of a person with the essential knowledge at the needed time and space. Bhatt (2001), on the other hand, delineated knowledge management as the process of creation, evaluation, dissemination, and application of knowledge. Hassanzadeh (2007) considered knowledge management as the application of knowledge and facilitation of knowledge conversion within an organization through collecting, sharing, and using knowledge, as a human capital, to achieve organizational goals.

Knowledge management has also been summarized as the process through which organizations apply their collected data (Abtahi and Salavati, 2006). This process involves the identification, acquisition, development, and eventually application of knowledge. Knowledge identification is a structured effort to determine areas of inadequate knowledge in an organization. Greater areas will undoubtedly lead to more difficulties in achieving organizational strategic objectives. Therefore, many organizations have developed a map of knowledge, data, information, and skills needed within and outside of the organization. During the next step, i.e. knowledge acquisition, knowledge should be obtained from

domestic and foreign markets to form a range of information about customers, production, partners, and competitors. Knowledge development will then incorporate managerial efforts to create potentials which are still missing in the organization. Various measures such as specialty groups, groupware, dedicating particular locations to group discussions, the Internet, video conferencing, evaluation of the performed activities, and multiple training of individuals will be practiced at this stage. Sharing and distribution of knowledge will then start as one of the most important parts of knowledge management. During this phase, an organization distributes information among its members and thereby promotes learning and creates a new understanding of knowledge. The ultimate goal of knowledge management is to apply knowledge to improve organizational performance. Many experts regard this stage as the most important step in the process of knowledge management. They believe that a competitive advantage necessitates not only sufficient knowledge, but also the appropriate application of knowledge resources in organizational operations and decisions. When employees apply their best experiences in new situations to improve their performance, they modify those experiences and obtain a new set of best experiences. Knowledge application will also focus on the empowerment and sustainable development of employees. This is in fact an ultimate goal of knowledge application and management based on which the quality of products and customer services can be constantly improved.

Human resources are a society's most important tool and capital to achieve political and economic goals and objectives. Consequently, governments dedicate more priority to education and workforce training. In order to beat other organizations, a particular organization has to develop human resources and increase available information and knowledge (Hornstein, 2006). In fact, the key role of human resources and human capital in the development of leading organizations in the global economy is undeniable. Due to continuous changes and transformation in today's world, empowerment of human resources, as the most valuable factor in production, the most important capital, and the main source of competitive advantage, has gained increasing attention (Lawler, 1994). In other words, increasing the efficiency of an organization's personnel is a crucial method to achieve competitive advantage in the current situation. Coherent human resources development programs entail the empowerment of personnel. Moreover, human resources management is indispensable to the integration and combination of these programs and providing a suitable model for the empowerment of the staff. Empowerment refers to the process through which managers help their employees to acquire independent decision-making skills. This process is effective on people's performance and personality. The core concept of empowerment is to delegate authority to even the lowest levels of the organization. More precisely speaking, decision-

making should be decentralized and people or workgroups should be responsible for a whole part of the working process. In other words, empowerment is an effective and pioneering technology that provides organizations with strategic advantages and their staff with undeniable opportunities. During an empowerment program, the manager is not supposed to offer the power, but to provide opportunities to unleash the power and reveal the potentials the employees. According to Asghari (2006), the benefits of empowerment include increased sense of ownership toward one's tasks, enhanced innovative initiatives for the benefit of an organization, providing individuals with their rights of access to information, welfare, and rewards, and achieving social goals (Robbins et al., 2001).

Empowerment is a new and effective technique to promote organizational productivity by using the power of the employees. The knowledge, experience, and motivation of the personnel arm them with potential powers whose release through empowerment programs provides organizations with a substantial advantage (Govindarajulu, 2004; Honold, 1999). Studies have shown that empowered people are a great capital for organizations and management as they are self-directed and reliable and have the ability to adapt to internal and external changes in the organization. According to experts of management science, empowered possess the feelings of self-competence (self-efficacy) and having the right to choose (self-organization). They are also believed to feel effective and significant (self-confidence) Research has suggested that knowledge management and acquisition of scientific management information have major roles in the empowerment of employees.

Ward (2006) investigated the application of knowledge management in confirmation of administrative decisions in military settings. The results showed that knowledge management initiatives do not manage knowledge directly. In fact, they manage the internal and external environments of the organization to encourage the dissemination of information and creation of new knowledge and to provide decision makers with useful knowledge Robbins (1999) concluded that underscored the significance of knowledge acquisition, information provision, encouragement of self-management and goal setting, and training of employees to the empowerment programs The combination of daily tasks with tasks related to knowledge management, support from the managers, and knowledge application can increase efficiency, creativity, and innovation in an organization, empower the personnel, and create a learning organization which can win any competition. Empowerment and sustainable development of employees is a foundation based on which the quality of products and customer services can be continually improved.

Harrington (1989) found that only 27% of managers believed in the empowerment of their employees as a basic component of management. This indicates a lack of attention to the importance of

empowerment However, proper management of changes, particularly in the area of human resources, will require the development of an atmosphere for empowerment in the organization. Overall, the review of available literature suggests that the development of an efficient organization with empowered workforce depends on clever measures and attention to intellectual capital and implicit knowledge, their management, and extraction of their output into tangible and concrete knowledge.

3. Conclusion

Based on the reviewed studies, investment on people and transformation of potential knowledge into actual knowledge will lead to productivity in organizations and communities. It is thus concluded that knowledge and intellectual capital are involved in the empowerment of employees. Therefore, the empowerment of the personnel and ultimately the organization can be achieved by knowledge acquisition and management in combination with promoting the relationships between knowledge and the staff's experiences.

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