MEASURING THE IMPACT OF KNOWLEDGE SHARING ON THE PLANNING PERMISSION PROCESS IN MALAYSIAN LOCAL AUTHORITIES

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Knowledge sharing is a fundamental knowledge management process. For large organizations like local authorities, the ability to effectively share knowledge across organizations can lead to improved service delivery and the achievement of best practices. Hence, the degree to which an organization effectively applies knowledge sharing initiatives is an indicator of the organization's knowledge management development; yet organizations still struggle to measure the gains it promises to offer. This paper aims to explore and measure the impact of knowledge sharing and also explores the challenges which organizations face in delivering effective policies, particularly in their role in the planning permission process. The paper draws from an ongoing PhD programme; it also draws on a thorough review of the literature and on data obtained from local authorities in Malaysia. The paper highlights the potential benefits of knowledge sharing in organizations. The paper concludes that measuring the impact of knowledge sharing in local authorities is challenging. The findings also indicate that organizational performance is dependent on the effective use and management of knowledge sharing initiatives.

Keyword: knowledge sharing, Malaysia, local authority, measurement.

INTRODUCTION

Many organizations in the public sector across the globe have started to realize the importance of knowledge sharing in streamlining their operations. For large organizations, like Malaysian local authorities, knowledge sharing is a fundamental knowledge management process. The reasons are because the ability to effectively share knowledge across organizations can lead to improved service delivery, and the achievement of best practices. Malaysian local authorities are increasingly concerned with creating a knowledge society and at the same time trying to improve service delivery in government agencies especially in local authorities. During the 8th Malaysia Plan Period (2001-2005) various programmes and measurements were implemented to ensure efficient and effective government administrative machinery for continued economic development. The government identified the enhancement of the public service delivery system as a key strategic thrust in the economic stimulus package in order to militate against the effects of the economic downturn.

Several measures were undertaken to improve the service provided by local authorities especially those that affect commercial and investment activities. These

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improvements encompassed initiatives under areas such as quality management, information management, accountability and management integrity as well as human resource management. The measures to improve the delivery of public services included reducing bureaucratic red tape by simplifying and streamlining systems and land administration procedures and the planning permission process. These efforts will continue in 9th Malaysia Plan period (2006-2010) to further improve the public service delivery system and the quality of life in Malaysia and to reduce the cost of doing business.

The aims of this paper are to explore and measure the impact of knowledge sharing and also to explore the challenges which face local authorities in delivering effective policies, particularly in their role in the planning permission process. The paper draws from an ongoing PhD programme; it also draws on a thorough review of the literature and on data obtained from local authorities in Malaysia.

RESEARCH METHOD

This paper draws from an ongoing PhD research project and it also draws on a thorough review of literature and data obtained from documents and reports from local authorities in Malaysia. This paper explores and extends our understanding of the measuring of the impact of knowledge sharing in the planning permission process undertaken by the Malaysia local authorities. This paper is based on two main elements of preliminary research. Firstly, it is based on consulting appropriate documentation, reports and government circulations in order to gauge the views of organizations on how they see the impact of knowledge sharing and the challenges which they face in delivering effective policies, particularly in their role in the planning permission process. Secondly, a wide ranging literature survey has also been undertaken, the results of which are interspersed throughout this paper.

MALAYSIAN LOCAL AUTHORITIES

Malaysian local authorities or local government is the third tier of the Malaysian government after the State Government and the Federal Government. Local Government is primarily governed by three sets of Acts: the Local Government Act 1976 (Act171), the Town Planning Act 1976 (Act 172) and the Streets, Drainage and Building Act 1974 (Act 133). These Acts provide a consolidated framework for local authorities in Peninsular Malaysia. There are 151 local authorities (Government Malaysia, 2009) within Malaysia's government. These consist of three categories: City Councils, Municipal Councils and District Councils. These categories are based on their total population and annual yield.

A local authority is the closest government agency to the public. Its responsibility is not only accommodating the public with variety of services and basic facilities but it also acts as a development control in the urban development process. The Town and Country Planning Act 1976 (Act 172) has given powers to the local authority to undertake local planning authority for the area of the local authority. In the context of urban planning, most local authorities in Malaysia are able to grant or refuse any planning permission for development in its area. But for the process of evaluating compliance, the application is also referred to various departments for comment and requirement checking. For instance, in the planning permission process, the application from the applicant will submit the required plans and documents to the local authorities (planning department or unit) which will then investigate and scrutinize those plans and documents before deciding whether to grant planning

permission or reject the proposed development. The application for planning permission will be assessed in the terms of current development scenarios, land information, planning requirements and planning design (Yaakup *et al.*, 2002).

KNOWLEDGE SHARING INITIATIVES

Knowledge sharing initiatives are described throughout the literature by numerous different terms from the various perspectives and contexts that are specific to the author. Bhirud *et al.* (2005) defined knowledge sharing initiatives as the events or mechanisms for the purpose of formalization and for sharing best practices and experiences within the organization. While Bishop *et al.* (2008) defined knowledge sharing initiatives as an organizational approach to manage its knowledge, Al Nawakda *et al.* (2008) identified them as an ambitious programme that enhances knowledge management and Anumba *et al.* (2005) defined them as techniques that are easy to implement and maintain as they incorporate features that are relatively simple and straightforward to understand. Knowledge sharing initiatives denote a holistic approach to managing knowledge within an organization. Therefore, some researchers claim that the concepts of knowledge sharing in organizations have become increasingly popularly described in the literature with knowledge being recognized as the most important resource for economic success. This has been confirmed by Liebowitz (1999) and Argote (1999) who have stated that knowledge sharing is a critical team process because if knowledge is not shared, the cognitive resources available within a team remain under-utilized.

Although, knowledge management seems to be a relatively new concept, most knowledge sharing practices are not new measures within Malaysian government agencies and have always existed in most organizations or departments especially in the context of Malaysian local authorities. Being the third level of government in Malaysia, local authorities have implemented some initiatives toward knowledge sharing to achieve not only world class cities but also knowledge cities. Razali and Manaf (2006) in a study of the implementation of knowledge management strategy in Malaysian local authorities have identified the role of the human resource department with regard to knowledge management initiatives. They stated that leadership, a knowledge management team, technology and a knowledge culture are the elements required for implementing knowledge management initiatives. Other research undertaken on Malaysian local authorities, by Salleh and Ahmad (2006), has listed several major elements needed for effective knowledge management initiatives. These elements are workshops, training, organizational databases, groupware and a knowledge culture. Similarly, Gold *et al.* (2001) argued the need for an organizational culture to support and motivate employees in any knowledge sharing activities. The key to successful knowledge management is now seen to be dependent on the connections between employees (Nonaka and Takeuchi, 1995) and organizations (McDermott 1999).

As is evident from the above discussion, the ability to share knowledge effectively across organizations can lead to an improved service delivery and the achievement of best practice. To successfully achieve excellent service delivery means being able to provide the best quality of service an organization can offer to public. Hence, the degree to which an organization effectively applies knowledge sharing initiatives is an indicator of the organization's knowledge management development; yet organizations still struggle to measure the gains knowledge management promises to offer.

THE IMPORTANCE OF MEASURES

Local authorities need to be able to show the business value that knowledge sharing and reuse bring to their organizations. Measurement is the basis through which it is possible to control, evaluate and improve process. However, it is generally believed that what cannot be measured cannot be managed. Most businesses use measurements to derive metrics that show impact or effort especially in the context of the planning permission process. It must be borne in mind that it is extremely difficult to create any measure of knowledge sharing that shows an absolute one-to-one correlation between a knowledge sharing action and a business result. But according to the APQC (2003) report it is important that measures and metrics be developed and collected for the purpose of continuous improvement in knowledge management activities. In the context of the planning permission process there are several steps of flow that have to be considered when measuring the impact of knowledge sharing. The most important characteristic to consider when choosing or defining the impact of knowledge sharing measures is whether the metric indicates if knowledge is being shared and used. For instance, a metric for measuring improved skills or competencies might be the number attending trainings either in-house or externally or the number of times an external training programme on a computer has been accessed. A large number attending training programme suggests that employees are sharing their experience but this does not definitively indicate whether it was useful to anyone or whether or not it can improve planning permission process efficiency or quality. Before implementing any knowledge sharing initiatives, key metrics should be developed and a baseline established, against which performance may be measured during and after implementation (Hoss and Schlussel, 2009).

Measurement of knowledge sharing initiatives fall into three classes (Hoss and Schlussel, 2009): system metrics (these include monitoring the usefulness and responsiveness of supporting technology), output metrics (measuring characteristics at the project or task level, for example the effectiveness of lessons learned when applied to future operations and how it provides a picture of the extent to which employees are drawn to actually using a sharing of knowledge) and outcome metrics (these are concerned with the impact of the knowledge sharing initiatives on the overall organization). Figure 1 show the process of measuring the impact of knowledge sharing in the planning permission process within Malaysian local authorities and measuring the impact of knowledge sharing in the planning permission process.

CHALLENGES IN MEASURING THE IMPACT OF KNOWLEDGE SHARING

As mentioned earlier, knowledge sharing initiatives are an organization's approach to how to manage its knowledge. The ability to share knowledge across organizations and employees has been found to contribute to organizational performance and is of potential benefit to Malaysian local authorities in carrying out their roles especially in the context of the planning permission process. Over the past decade the Malaysian government has properly managed its intellectual capital to achieve government policies and agendas: a role that has been increasingly recognized. For example, the Malaysian Administrative and Modernization Planning Unit (MAMPU) have been given the remit to supervise the implementation of knowledge management initiatives and the implementation of organizational databases which have served for a number of years in government agencies to promote deliberate knowledge sharing and reuse within these agencies (Mohamed and Egbu, 2010).
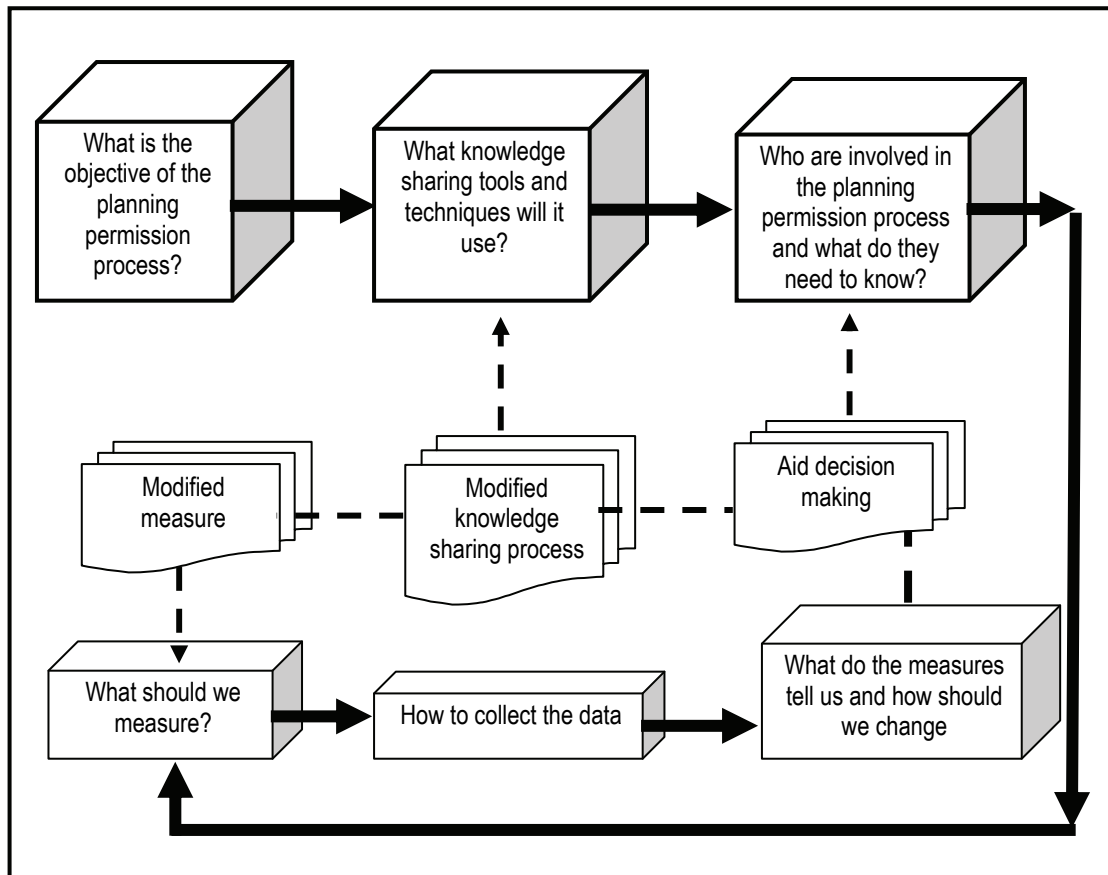
Figure 1: The process of measuring the impact of knowledge sharing in the planning permission process within Malaysian local authorities

In order to ensure that government servants are equipped with the necessary knowledge and skills, the Malaysian government agencies have given particular attention to workplace training to improve employees' job performance and to develop capacity building among their employees. Training is one of the most significant vehicles for transformation and change sharing of knowledge. It is an essential element of the development process for an organization.

The planning permission process undertaken by local authorities (local planning authorities) involves complex procedures as well as various stages. The process of analysing the appropriateness of a planning application requires many stages of decision-making and hence necessitates collaboration among the employees involved to allow the proposed development to be properly evaluated by the relevant decision-making body before a planning permission is granted.

A knowledge sharing culture

According to McDermott and O'Dell (2001) knowledge sharing among members of an organization can be enhanced through a knowledge sharing culture. A recent study found that organizational culture is one of several influencing factors on knowledge sharing (Ipe, 2003). In the context of Malaysian local authorities, where knowledge sharing initiatives are to be implemented, Malaysian culture in its broader sense must be considered. The Malaysian population of 25 million people is composed of approximately 65% Bumiputra or 'sons/daughters of the soil', 26% Chinese and 9% Indians and others (Govril, 2004; Asma and Pederson, 2003). Of the Bumiputra, the Malays from the predominant ethnic group in Peninsular Malaysia are the most

prominent in working in the public sector. Malays are motivated by affiliation with groups, families, friends and their Islamic brotherhood. At the workplace they are motivated if their job contributes to nation building. Asma and Lim (2001) stated that Malays are oriented towards relationship building, prefer stability and honour traditions. Furthermore, studies by Gan *et al.* (2006) in Malaysia found that cultural issues need to be adequately addressed by the management in order to ensure that they do not impede on the creation and sharing of knowledge within an organization. By drawing on the concept of cultural complexity in Malaysia, we can argue that the diverse cultural structure of temporary teams has an impact on knowledge sharing initiatives' behaviour within Malaysian local authorities.

Leadership and commitment

Leadership has been identified as one of the critical success factors in implementing knowledge sharing initiatives in organizations (Kalling, 2003; Moffett *et al.*, 2003; Pemberton *et al.*, 2002). It has subsequently been confirmed by Rodsutti and Swierczek (2002) that leaders are needed to challenge the status quo, to create visions of the future and to inspire organizational members to achieve the visions. Therefore, in establishing the good role model of leadership, an organization is developing a model to help accelerate organizational growth and development. In the context of the local authorities, the roles of leaders have to change from that of control to facilitating and mentoring the process of the planning permission process. Additionally, through the actions of top management as effective leaders and through adequate training and skills (Bass, 1998), a successful culture could be developed and valued by the employees (Farid, 2000; Shelton *et al.*, 2002). This not only delivers knowledge for the development of an organization, but also spreads a sharing, friendly culture.

BENEFIT OF KNOWLEDGE SHARING IN AN ORGANIZATION

Many researchers have defined knowledge sharing from their point of view, a process which involves exchanging knowledge between individuals and groups (Davenport and Prusak, 1998; Hoff *et al.*, 2003). From the perspective of the Malaysian local authorities, knowledge sharing is a process where individuals, groups or departments exchange or share their knowledge (tacit or explicit) and together create new knowledge or share task-relevant ideas, information and suggestions with each other through the whole department or organization. Table 1 shows some of the benefits of knowledge sharing in an organization.

Table 1: Literature review findings regarding the benefits of knowledge sharing in an organization.

Author	Advantage	Benefit
Wang and Ahmed (2007)	Builds dynamic capabilities and innovative capabilities	Organization
Huang et al. (2009)	Enhances dynamic capability and influences performance	Organization
Wenger and Snyder (2000)	Improves interpersonal relationships and collective problems' diagnosis	People/ employees
Lin (2007)	Knowledge sharing is capturing, organizing, reusing, and transferring experience-based knowledge that resides within the organization and making that knowledge available to others in the business.	Organization

The importance of knowledge sharing to organizations has been widely acknowledged. As shown in Table 2, knowledge sharing influences organizational

performance in various aspects including management, decision-making and operational processes. Knowledge sharing is a good way to effectively and efficiently create, sustain and transfer knowledge. But the phenomenon of knowledge sharing in an organization is not easy to understand due to the complexity of interaction between people and organizations. Commitment and encouragement from top management and leadership are vital in the process of sharing of knowledge in an organization and is depend on the effective use and management of knowledge sharing initiatives.

CONCLUSIONS

In order for local authorities to achieve goals they have to measure what do they have to measure. Measurement is the basis through which it is possible to control, evaluate and improve processes especially in the planning permission process. Measuring the impact of knowledge sharing within local authorities is challenging and it is hard to measure all aspects of knowledge sharing initiatives in a single metric. Some need to be applied at the organizational level, others at team and individual levels, to be able to track knowledge sharing deployment, activity and value generation across local authorities. The most important characteristic to consider when choosing or defining a knowledge sharing measure is whether the metric indicates if knowledge is being shared and used.

Measurement requires commitment from top management and all employees to understand that an organization is expending significant resources towards implementing knowledge sharing initiatives. The findings also indicate that organizational performance is dependent on the effective use and management of knowledge sharing initiatives.

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