APPLICATION OF KNOWLEDGE MANAGEMENT IN BUILDING SERVICES CONSULTANT FIRMS OF HONG KONG

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ABSTRACT

Building services consultant firms in Hong Kong extract knowledge from various sources, develop, refine, package and finally sell the knowledge to their client as professional services. Their development has been prosperous for decades of years just before the closing of the twentieth century. Unfortunately, the local economic environment has experienced a downturn since the economic turmoil occurred in 1997. Competition has become more vigorous in the industry, various measures have been considered for reducing the overhead on one hand and increasing the effectiveness on the other in order to maintain one's competitive edge in the market. “Low-road” approach of downsizing has always been adopted to cut cost with immediate effect. However, it will unavoidably create quality and morale problems in long term.

Knowledge management has been considered as a “high-road” approach to maintain the company’s competitive edge even in the period of economic recession. It has been adopted by many global companies and proved to be effective for some years. Nevertheless, it seems to be something rare at the first glance in Hong Kong especially for building services consultant firms which have accustomed to project management only.

Knowledge management is a conceptual framework comprising of all activities and perspectives required sustaining the company’s effectiveness and success. Through the general knowledge management mechanism, knowledge can be properly created, sustained, converted, shared and leveraged at different stages for effective use. A company’s knowledge capabilities and facilitators are analyzed for their respective importance on implementation of knowledge management. Besides, the relevant strategies are also compared for more understanding of their pros and cons. Finally, the different types of challenges in establishing a proper knowledge management system are identified. In order to measure the performance of knowledge management programme, a number of evaluation and control methods are also stated.
The management of 10 nos. representative building services consultant firms was interviewed in person to investigate their understanding of knowledge management, the current extent of its implementation and how it worked in their companies. For those without applying the approach, their current practices of managing knowledge were also investigated in order to assess the feasibility of applying knowledge management in future.

Four out of the ten respondent consultant firms reported that they have adopted knowledge management. Although they were at different stages of implementation and looking for various objectives for their own programme, they reached a common objective to improve the utilization of intellectual assets and information sharing.

Taking the other six into account, all respondents concurred that there would be a number of achievable improvements with the implementation of knowledge management and it was considered beneficial to the companies in general speaking despite of a few draw backs identified by some of the respondents. Nevertheless, half of them considered that the major problem of implementing knowledge management would be lack of management support. The results reflected that most of the management of local building services consultant firms still did not understand much about knowledge management, therefore dared not to invest the new management approach with new resources especially under the current stringent conditions.

In order to verify and illustrate the effect of applying knowledge management in building services consultant firms, a pilot test of small scale was performed in one selected building services consultant firm, p.k.ng & associates (hk) limited since August, 2001. Two staffs of similar job nature but of different length of career life were selected to illustrate the difference of acquiring a specified field of knowledge between traditional on-the-job training without systematic training scheme for years and systematic training with structured knowledge within a defined short period. They were not informed of the existence of this pilot test and the requirement of a written test beforehand in order to eliminate other possible influential factors. The two candidates were finally required to sit for a written test after a test period of
three and a half months in order to testify the difference of their achievement under different training.

The results revealed that the two candidates performed similarly in the written test for the specified field of knowledge. However, the candidate with only one-year career history has actually outperformed the other candidate taking their ten times difference of working experience into account. Apparently, structured knowledge can be more easily and effectively acquired by people even of less working experience. Therefore, it may be concluded from this pilot test that knowledge management will be beneficial to building services consultant firms in terms of storage and effective transfer of knowledge.
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