



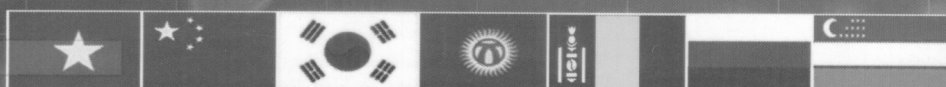
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**“Seeking Ways for Business &
Economic Cooperation
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Kumoh National Institute of Technology, Gumi
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*Korean Association of Logos Management
Yeungnam University & Kumoh National Institute of Technology*

**The 6th Int'l Conference
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Knowledge Management Paradigm: University talents caught in net

Bodunkova A.G., Senior Lecturer

The Vladivostok state university of economy and service, Russia

Summary. The beginning of the new millennium is witnessing two crucial trends effecting society and business. The first one is the result of the substitution of players in the global labor market. While baby-boomers are developing their retirement plans, Generation X is enjoying workplace diversity, three to five life careers, and the Internet. Generation Y prefers professional freedom, better life-work balance, and jobs switching. The second trend is the shift in management paradigm. Profit-oriented management paradigm was substituted for market-oriented paradigm, later both were defeated by TQM. At present they are challenged by knowledge management paradigm. It is thought to provide competitive advantages to organizations in the knowledge society. It is also becoming a must for knowledge-intensive organizations. Its basic requirement is to facilitate creation and exchange of the best educational techniques and practices. With the most valuable knowledge in private possession, university management should encourage their talents to work together by creating professional networks and communities-of-practice. International cooperation and knowledge management create strategic educational alliances targeted at the diffusion of the best educational practices throughout the world.

Among external factors challenging present-day management — demographic changes, the rise of the knowledge economy, and globalization of society— the first two are of crucial importance for knowledge-based organizations and businesses, colleges and universities. Executives should reconsider their managing methods and techniques, and upgrade them to meet the needs of the knowledge society and employees, to cope with the threats, and to enjoy the opportunities.

Demographic changes have resulted from the three generations shift. While numerous baby-boomers (Generation BB - people born in 1945-1960s) are going to exchange their one-for-life career for retirement pleasures, less numerous Generation X representatives (people born from 1965 to 1980) - unlike their parents - are enjoying workplace diversity, three - five life careers (No more one job for life!), the Web, and one-parent family life style. Generation Y (people born after 1980) – long-awaited grandchildren of BBs and the only daughters/sons of Gen X single fathers/mothers – prefers more flexibility, responsibility and professional freedom, higher rewards, better life-work balance, and job switching. “The millennial generation doesn’t want to work 100 hours a week. These kids want a different deal; they have seen their parents work all their life for the same company and then get fired. They are not interested

in killing themselves for work.”¹

Advent of the knowledge society widely and thoroughly discussed in Peter Drucker’s works is not only demanding but also very promising for knowledge-intensive companies. Knowledge workers – more experienced Gen X and more flexible Gen Y – are able to ensure higher and better human performance if their demands are satisfied. A dearth of middle-aged and young talents taking into account, executives are struggling to attract the best and to extract the most. The War for Talent makes executives rethink the ways of luring, motivating, and retaining talents. They have to introduce managing technologies ensuring and supporting faster and better ways of sharing knowledge and experience the most valuable performers (MVPs) possess.

On the one hand, globalization has given companies chance of entering new markets, on the other hand, it has boosted competition. HR managers have rushed into the Global War for Talent. Their main target is local talents - internationally minded, enthusiastic, flexible, understanding local business and consumers.

However, to succeed in managing MVPs executives of knowledge-intensive companies must recognize that their HR strategies should be focused on creating the atmosphere of trust, confidence and collaboration which are to ensure close rapport and social networking. With MVPs nurtured at all levels, knowledge management is likely to become the engine of any company’s strategic success.

Evolution of basic management concepts since the 19th century is presented in Table 1. Success of every concept is rooted in the company’s business environment. New millennium business environment requires detailed study of the business leaders’ success stories. Knowledge management paradigm seems to be in the greatest demand for the companies ‘built to last’.

Table 1

Management Concepts Shifts²

Management paradigm	Comments
Profit-oriented management	Basic concept for 19-20 th century capitalist system. It was common for Russian businesses at the very beginning of transformation period from planned to market economy, then it substituted production-orientation of management.
Marketing management	It was developed when the market changed its production orientation into consumer orientation.

¹http://www.mckinseyquarterly.com/Organization/Talent/Making_a_market_inknowledge_1441

² http://www.big.sb.ru/publications/bigspb/km/km_func_task_or_new_paradgm.shtml

Total quality management	It is not limited by only product/service quality control. Total quality control and processes benchmarking based on precise identification of customers needs and wants have become company's ideology.
Knowledge management	It is based on the concepts of 'intangible assets' and 'knowledge economy' and targeted at business processes optimization.

In fact, knowledge management has turned into the primary source of business leaders' competitive advantage. Their executives have succeeded in diffusion of the employees' unique knowledge throughout the company. Earlier than their less lucky counterparts these managers have realized that the most valuable knowledge concealed in the minds of employees - about products, services, processes, techniques, markets, customers, competitors - should be well-paid for, 'extracted' and effectively disseminated and utilized.

There are specific business factors influencing present-day business environment:³

- Reductions in staffing create a need to replace informal knowledge with formal methods.
- Competitive pressures reduce the size of the work force that holds valuable business knowledge.
- The amount of time available to experience and acquire knowledge has diminished.
- Early retirements and increasing mobility of the work force lead to loss of knowledge.
- Changes in strategic direction may result in the loss of knowledge in a specific area.
- Most of our work is information based.
- Organizations compete on the basis of knowledge.
- Products and services are increasingly complex, endowing them with a significant information component.
- The need for life-long learning is an inescapable reality.

Therefore, it is knowledge management that creates company's competitive advantage and grants this company opportunity for considerable, often dramatic, improvements in human performance.

Universities will be able to extract the most from their best knowledge workers if they focus their efforts on developing rapport within the university community thus facilitating knowledge exchange and diffusion. The tighter the network of knowledge-holders, the less the risk of losing valuable knowledge and experience its members possess. Basic characteristics identifying success of knowledge networking and their

³ <http://www.media-access.com/whats.html#business>

impact on the network functioning are presented in Table 2.

Table 2

Characteristics facilitating knowledge diffusion⁴

Characteristics	Impact on the search of knowledge
Knowledge	Awareness of the type of knowledge people possess is a prerequisite for the search of t7he person able to solve the problem. It is necessary, however, to analyze his/her experience before asking for help.
Accessibility or ease of access	Awareness of the knowledge people possess is useful if their help is provided in due time. The ease of access is determined by the closeness of rapport, physical distance separating the partners, organizational structure, and cooperation techniques.
Participation and support	Effectiveness of knowledge exchange is determined by the desire of those who possess valuable knowledge to consider and tackle the problem sharing their knowledge with those who need it.
Individual freedom	Knowledge exchange requires individual freedom which allows partners to acknowledge their lack of specific knowledge and freely share their ideas.

Survey of business leaders has revealed strategic importance of networking at the top-level management, within communities-of-practice, and in alliances. Networking ignores hierarchy, functional, geographical, and organizational borders. It is the most effective and efficient means of achieving the partners' objectives.

World leading universities have acquired valuable experienced in creating educational alliances. Universities of Russia are trying to join already existing educational alliances or establish new ones. Though demanding this will definitely allow then to retain valuable staff and attract more talents.

The process of establishing educational or knowledge-lead alliances consists of three stages: research, planning, and managing. Every stage is characterized by its requirements to the information exchange (Table 3).

⁴ Creating Value with Knowledge. Insights from the IBM Institute for Business Value./Edited by Eric Lesser and Laurence Pusak: Russian Edition. – M.: Alpina Business Books, 2006.- 248 ps (P.73)

Table 3

Basic requirements to information when establishing the alliance⁵

Stages		
Research	Planning	Managing
To develop strategies, to select partners	To develop structure of the alliance activities	To identify basic principles and components of the partnership: trust, collaboration, mutual learning.
To identify gaps in partners' potential, resources, and qualification. To specify the alliance goals and objectives of. To predict legal consequences of the alliance functioning. To provide access to the information about the alliance partners and their activities.	To assess and coordinate partners' strategies, goals and, objectives. To identify and match partners' qualifications. To make decision on staffing the alliance with the best employees willing to actively participate in a long-term partnership.	To build-up effective workspace environment. To establish rapport, support atmosphere of confidence and trust. To evaluate the alliance performance and facilitate effective feed-back. To collect and disseminate information about effective problem-solving techniques and the best practices.

Therefore, success of educational alliances is based on effective knowledge management methods and principles such as

- system-based approach to information and knowledge gathering, codifying, and exchange;
- focus on social capital development;
- talents and communities-of-practice collaboration;
- sharing knowledge and experience;
- mutual learning.
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⁵ Creating Value with Knowledge. Insights from the IBM Institute for Business Value./Edited by Eric Lesser and Laurence Pusak: Russian Edition. – M.: Alpina Business Books, 2006.- 248 ps (P.194)

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