KNOWLEDGE MANAGEMENT IN KOREA

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1999, Year of Knowledge Management

After the IMF bailout program, Korean companies tried to trace the origins of their weaknesses. Of many factors, the absence of core knowledge assets was regarded as one of the most important factors. Foreign advanced companies have already established a good knowledge management system which helps create, accumulate, share, and transfer knowledge easily within organizations. Thus, these companies have enhanced their core competence for a long time. But Korean companies have realized it only two or three years ago.

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Korean companies, after realizing the importance of knowledge, are paying more attention to knowledge management. Knowledge management has been in the spotlight of Korean companies, the government, and academics for the last two or three years. In light of this trend, many companies have introduced knowledge management in their business process, declaring 1999 as 'The Year of Knowledge Management'. Implementation of knowledge management is the general trend for Korean companies with the beginning of the new millennium.

Still in Basic Step

Until now, a lot of companies have implemented knowledge management in their management system. While some companies began knowledge management 3 or 4 years ago, most of them began since 1998. And some companies are still beginning knowledge management.

Usually, Korean companies have similar purposes in implementing knowledge management. That is, by implementing knowledge management they want to raise the productivity and efficiency of their business process. Manufacturing firms focus on raising production process efficiency, while service firms focus on improving the abilities of employees and upgrading customer service.

Saying levels of knowledge management, most companies are in basic stages mainly because they have little experience of knowledge management. Nevertheless, some leading companies systemized the concept of knowledge management a few years ago. Now they are implementing knowledge management very effectively and successfully.

Ways of implementing knowledge management vary with each company. For

example, there are two styles of knowledge management system companies existing together ; companies improving and using the traditional system continually and companies exchanging to a new additional system. The scope of knowledge management is also different. Some companies introduce knowledge management to corporate level and change all system, but others change partially and enlarge to all step by step.

Furthermore there are various firm-specific systems such as 'Knowledge Mileage', 'Knowledge King', and 'Chief Knowledge Officer'.
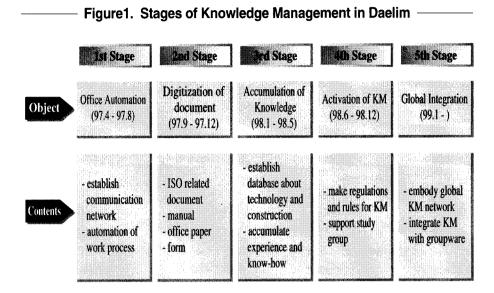
Case Study: Daelim Industrial Co., Ltd

Daelim Industrial Co., Ltd, established in 1939, is a famous Korean Company in the fields of construction and petrochemicals. Daelim was one of the first companies to introduce knowledge management in Korea. Because construction or engineering work occurred in isolated places and unexpected problems occurred frequently in various construction fields, workers had difficulties solving the problems. When workers confronted an unexpected problem, they had to fix the problem themselves or rely on their head office for the solution. But both took too much time. This is why Daelim initiated knowledge management in 1997. By utilizing knowledge management, Daelim expected to reduce the time needed to fix problems and allow workers to be more competent in their special field.

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To systemize the knowledge management implementing strategy, Daelim divided the knowledge management process into five stages. From the first stage to the third stage, Daelim focused on changing their work process. To be concrete, they transformed exiting paper documents and working manuals and forms into electronic processes. Daelim pointed out the change of work process as the most important factor for the successful implementation of knowledge management. In the fourth stage, their focus was on building a solid infrastructure for accumulation and sharing of knowledge. For this reason, Daelim established its KMS(Knowledge Management System), by the name of CHORUS. CHORUS was an intranet based information system which was composed of several on-line bulletin boards and knowledge databases. Employees are now enlisting, searching, and sharing their knowledge and information by CHORUS. The fifth stage, started in 1999, was to establish a global knowledge network by which employees from all over the world can directly participate in knowledge management.

Daelim does not force its employees to participate in knowledge management. Employees voluntarily take part in knowledge management, because they realize the needs and benefits of knowledge management activity. As a result, more knowledge and information is enlisted in CHORUS, and employees con ease their workload. In the Future the company will formulate its knowledge management system more systematically with continuous revision in response to emerging issues.

Figure1. Stages of Knowledge Management in Daelim

	1st Stage	2nd Stage	3rd Stage	4th Stage	5th Stage
Object	Office Automation (97.4 - 97.8)	Digitization of document (97.9 - 97.12)	Accumulation of Knowledge (98.1 - 98.5)	Activation of KM (98.6 - 98.12)	Global Integration (99.1 -)
Contents	- establish communication network - automation of work process	- ISO related document - manual - office paper - form	- establish database about technology and construction - accumulate experience and know-how	- make regulations and rules for KM - support study group	- embody global KM network - integrate KM with groupware

For future competence

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The world economy is being transformed from a resource-based economy to a knowledge-based economy. As mentioned in the first sections, knowledge will be the key to determining competitiveness in the 21st century. After the currency crisis, Korean companies are trying to reform themselves in various ways. Knowledge management is one of the major reform areas. For Korean companies to restore competence in 21st century, implementing knowledge management will be the proper survival strategy. If Korean companies can become knowledge-based they will enter into the new millenium with competence and confidence. **VIP**