

KNOWLEDGE MANAGEMENT-A CASE STUDY OF WALLMART

Knowledge management

Practice of Knowledge Management; Case Study of Wal-Mart Inc

Wal-Mart is an American multinational corporation running a chain of large discount departmental stores and warehouse in several countries. Wal-Mart inc. was started in 1962 and incorporated officially in 1969 and began trading stock as a publicly held company in 1970. At current, Wal-Mart international experiences a rapid growth and it has acquired 4, 573 stores along with 730, 000 associates evident in 14 countries that are out of the US continent. The company has wholly owned operations in Brazil, Argentina, Canada and the United Kingdom. In addition to these wholly owned international operations, Wal-Mart has several joint ventures in China as well as a number of majority owned subsidiaries. Wal-Mart operates under different banners in most of its international stores but they all work towards the same goal; enabling their customers save money and live a better life.

Knowledge management refers to the practices and strategies that a company uses in an attempt to create distribute and enable adoption of strategic insights and specific experiences (O'Leary, 2002). This knowledge can be embodied in either individual or organizational practices or processes. Successful business firms and companies have committed hefty investments towards development of internal knowledge management efforts. One such company is Wal-Mart Stores Inc. which through this effort has emerged the world's largest corporation.

Knowledge has to be organized for it to be useful and valuable. Depending on what use will be made of it, knowledge should be organized differently. Addicott et al, (2006, identified four dimensions to knowledge management. These are connectedness, completeness, perspective and congruency.

Creation of knowledge is brought about through recognition of gaps existing in an organization's knowledge management practices. Choo, (2002), says that knowledge gaps can stand in the way of problem solving and decision making and therefore hinder development of new products. Choo developed a model for decision making which aids in knowledge management. This model involves identifying and evaluating alternatives by processing all information and knowledge collected up to date.

In its efforts at developing and nurturing insightful knowledge management skills, Wal-Mart focuses on its organizational objectives which specifically include improved business performance, innovation, competitive advantage as well as continuous improvement of business operations and processes. The company's knowledge management incorporates such important issues as formal apprenticeship, discussion forums, corporate libraries, mentoring programs and professional training. The company also employs specific adaptations of such

technologies as expert systems, knowledge bases, group decision support systems, intranets, knowledge repositories and also computer supported cooperative work.

Importance of knowledge management at the Wal-Mart stores

Wal-Mart stores have created an indelible mark in the retail business industry. The giant chain store has an overwhelmingly effective knowledge management program that has enabled it to retain its competitive advantage even at times of turbulent economic situations. The corporation's goals are being achieved simultaneously by strictly adhering to business aims and balancing operations with the economic growth. Accordingly, economic gain as a result of positive knowledge management strategies is achieved throughout. The corporations' knowledge management strategies have enabled it to focus its strategic business operations into cutting operational costs and building up a value for its shareholders.

Knowledge can be classified into three broad forms, namely public, shared and personal knowledge (Alavi, 2001). Public knowledge can be accessed through public domains such as internet or books. Shared knowledge on the other hand refers to knowledge that is exclusively held by employees and is only used in work. Personal knowledge is the least accessible knowledge and is used mainly in work and daily life.

Through focused differentiation, the Wal-Mart has succeeded in cultivating enormous productivity and making. The corporation is now the leading of its type in not only the USA but the whole world itself. Nevertheless, the Wal-Mart stores have encountered numerous challenges in their attempt at introducing various knowledge management strategies. Change management analysis has greatly overridden the corporation's organizational growth (Alavi, Maryam, Leidner & Dorothy, 2001). Effective knowledge management at the Wal-Mart stores is largely contributed by its ushering in of big financial gains on annual production. This important and positive trend has reigned over all major stores associated with the corporation all over the world. The Wal-Mart stores are now ideal for businesses, organizations and units at the modern global age. Improved employee skills as one way of enhancing effective knowledge management by the corporation has proved extremely successful in countering challenges encountered threatening its overall mission (**O'Leary, 2002**).

The stores effective and reliable knowledge management skills have enhanced efficiency in service delivery and customer care as well as development of great competition. The corporation now seems success or failure of its business as a deliverable of staff productivity. The management's intellectuality focuses on strengthening the staff by way of transformational leadership. The company plans language to its employee's loyalty, diligence and good conduct and this has gone along way into ensuring long service in duty by the employees. Apt knowledge management in the company has enabled it to satisfactorily solve all issues related to organizational practices and conduct as well as make decisions and discover such issues as animosity.

How the stores apply Knowledge Management in Human Resource Management

Human resource strategies refer to the ways in organizations and business firms select, recruit, train and nurture their workforces for effective performance and delivery of services. Different human resource strategies are implemented by different organization and much as this would be different, they all achieve similar or almost same goals. Effective human resource strategies have enabled Wal-Mart to implement policies for management of its vast human resource. The application of effective human resource management strategies in the company is not a new phenomenon and this has enabled it receive much recognition in the recent years all over the world.

As an integral part of knowledge management, Wal-Mart's human resource management strategies are used chiefly to enable the organization and its vast array of branches manage their managerial activities through coordination of employee related processes. The effective use of these strategies has resulted to improved return on investments and has minimized the company's financial risks. This has largely been achieved by integrating skilled workforce with the firm's existing work force. This is done in line with the organization's future business plans and requirements for securing its future success and survival. For that case, the organization implements human resource strategies taking into account the current state of its business operations as well as its future goals and objectives(O'Leary, 2002).

As Wolpert, (2001) says, the success of an organization more especially in the field of knowledge management is determined mainly by the kind of Human Resource management strategies displayed. Accordingly, Human Resource management strategies involve the power of an individual to persuade and inspire others towards attaining the objectives and goals of the organization. Managers across all Wal-Mart's branches motivate their workers to achieve the objectives and goals of the organization and out-do their rivals. As leaders, they daily interact with workers freely and offer directions personally and within teams, various departments as well as divisions. The effective and sound management of Wal-Mart is a big strength to the organization in achieving its objectives and remaining competitive (Wolpert, 2001)

Effective human resource management has contributed immensely to redefining knowledge management at Wal-Mart stores. In its efforts to remain competitive, the company has made substantial progress in relation to restructuring its long term objectives so that it can stand a better chance of achieving its goals.

Just like any other business, the Wal-Mart Stores Inc. has undertaken tremendous transformations with regard to adoption and implementation of the best knowledge management strategies. As an organization, it has found it useful for it to learn to manage its people and business operations in a well planned and coherent framework which is well reflected in the business' strategy. This way, all its branches have been able to ensure that all aspects of personnel management are reinforced for the purpose of improving and developing the performance of the business.

Zetie, (2003), argues that there is no any knowledge management strategy that can transform the operations of a multi-branched business organization. A particular player an industry will have to define and develop specific knowledge management strategies that are unique to their aspirations, goals

and performance objectives. Thus, they should take into account the demands of other players and stakeholders as well (Zetie, 2003).

Majority of typical knowledge management strategies last for a relatively very short while and may require to be re-evaluated on half-year or annual basis to ensure that the strategies are both in line with the direction of the company's objectives and also take into consideration the situation in the market and the world. Effective knowledge management has helped Wal-Mart define its goals and also acts as a guide to help employees acknowledge their importance in the company and how to link this with the company's overall objectives.

Knowledge management with regard to communication and feedback at the Wal-Mart

At the Wal-Mart stores, knowledge management is made into use with regard to conflict management and as such, a complex system of solving conflicts has been created. The company's intellectual negotiation capability enables it to differentiate between principles and discover prone areas and discard them. Ascending principles and self-esteem are two key issues that have been addressed appropriately through subjective application of knowledge management in enhancing effective communication in company (Zetie, 2003).

Managers at the Wal-Mart have succeeded primarily due to their ability to manoeuvre the staff into undertaking positive transformations. The managers are very intellectual in tackling company targets and are able to dictate the decision making conclusions without necessarily having to court grievances from some quarters of the staff. The management is always ready to guide and protect the staff by providing articulate resources through which the staff and the management can share their knowledge management experiences and the management is always ready for unexpected issues raised by the staff. The environment at the Wal-Mart stores encourages team work with great focus on future growth.

Through the use of knowledge management practices, the Wal-Mart stores has managed to usher in a new form of employee motivation that focuses on employee retention till retirement and gives annual rewards to best performing employees with great emphasis on appraisals as well as potentiality in performance and productivity. For this reason, knowledge management at the Wal-Mart has greatly been enhanced by managers who have always ensure that the staff are well maintained and can get time offs and cash rewards which includes gift vouchers prioritizing family needs. Production and performance has been achieved by the collective responsibility of the staff and the company is now able to balance management roles with global trends in the same industry (Wolpert, 2001).

The extent of knowledge management

Enhancing knowledge and talent management at the Wal-Mart's intellect for quick requirement has really widened its scope for global gains with respect to the corporation's targeted goals and tasks. At the Wal-Mart stores, assignments and projects are monitored continuously. Checking operation progress thoroughly ensures high productivity and performance for all staff. In the Wal-Mart jobs are

always checked fully to ensure that staff and employers blend for one target of productivity and targeted tasks. Continuous need for productivity is essential for upheavals identification. Help in performance for staff has significantly elevated the appraisal times thereby enabling constant blending between managers and staff (Wolpert, 2001).

In enhancing the stores' acceleration of performance, it has been extremely essential for it to define its objectives. The company's staff is very competent throughout the branches and subsidiaries and thus, they can accept any new applications with respect to knowledge management. Performing required duties on all necessary management issues will result in excellence in the firm thus motivating the corporation's all staff to go up the ladder.

Promotions for staff annually by "on the Job Training" achieve a greater scope in implementation of the productivity and performance of staff and manager. At any moment, appraisal granting it necessary to staff by pay grade increases moral and motivation of all employees. An updated current summation of staff will comfort staff due to their frequent performances. It is quite satisfying for the staff at the Wal-Mart when they receive Awards and cash gifts from the manager to enhance their morals. Perfect performance is derived by The Manager of Wal-Mart selecting the best employee of the year annually to lift up the staff spirit and motivation by issuing gift vouchers as rewards. The conclusion for the Wal-Mart is achieved by a thorough management checked by performance. Need to check out behavioural perfection for all components blending in together.

At the Wal-Mart stores, staffs are a priority with union factors being checked out carefully, plus added value to stakeholders for stability. There should be no interference with staff due to less staff levelling. The recruitment should administer to correct quality and quantity, who will be accountants, admits, producing items, selling and managerial. Unions thus should be more co-operational to staff and managers. Staff priorities family even with perfect packages given with benefits, whose expectation and goal is deemed important to the firm. The staff are motivated properly and always focused for positivist throughout, and not just qualifications stashed away in office metal cabinets (Wolpert, 2001).

Wal-Mart's concept map

The need to have a sound knowledge management system is one key driving force behind Wal-Mart's success. The corporation maintains and acts upon awareness in a potentially changing scope and as such, the directions of many of its investment projects has been the major compelling factors in determining which strategy to best adopt. In this regard, Wal-Mart regularly has established and regularly assesses the scope of its knowledge management Endeavour. The corporation's experience has shown that failure to keep track of changes in knowledge management can lead to adverse elicitation effort that may well go into directions that do not serve the goals and aspirations of the business (Terreberry, 1968).

Wal-Mart's actual elicitation of knowledge takes different forms and these can be categorized broadly into those which are direct and the indirect. Direct methods of eliciting knowledge occur in collaboration with expert programs and are very efficient in knowledge management. These are

chosen from a vast array of techniques some of which are based upon interviews and analysis of familiar techniques. Indirect methods of eliciting knowledge are on the other hand enhanced through study or use of relevant information resources as can be identified by knowledge engineer.

Knowledge management and elicitation process as such leads to creation of concept maps that are included in the corporation's knowledge models.

The figure below gives a generalized model that is used by Wal-Mart in eliciting knowledge as part of its knowledge management process;