Effective shared process and application of knowledge management (KM) in interior design service industry

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ABSTRACT

This paper addresses the importance of knowledge management (KM) and the relationship of that theory when applied to improving interior design organizational performance in four areas: people, processes, design products, and organizational performance. Included is the way knowledge theory manifests in three different professional settings: coaching and training, designing, and service settings.

Knowledge management, although well established in interior design services, requires effort in coaching and training as motivation is a critical variable. Whereas, strategies for knowledge management vary from industry to industry given diversity in situational variables, knowledge in each professional setting can be significantly aided by capturing and storing empirical, tacit, and explicit information, providing real-time electronic storage and retrieval of information [5] and consistent with transformational theory, through opening communication channels across the full range of the organization, inspiring and motivating individuals, and aligning all members of the organization toward a common vision [8].

Professional settings discussed in this paper are: (a) an learning organization enumerated in KM; (b) designing factors for managing knowledge theory themes; and (c) service, effective, efficient, and innovative KM application that is relevant to the process of developing effective KM for interior design service organizations. Folded within each will be a discussion on KM’s impacts on visions, strategies, costs, and organizational performance. It has reiterated the impact of KM on one level might lead to synergistic impacts on another. Thus, KM has the potential to produce several interconnected impacts on people, design products, processes, and organizations.

Keywords: Leadership, Knowledge, Interior Design Management.

1. INTRODUCTION

Philosophies of knowledge are manifested in a variety of ways within organizations, and knowledge management varies from industry to industry given diversity in situational variables. The purpose of this paper is to investigate philosophies of knowledge and knowledge applications within interior design service industry. In each professional setting, differences as well as similarities are demonstrated. For example, design services in interior organization use empirical, tacit, and explicit knowledge to innovate networks by allocating resources to form knowledge.

Knowledge management in interior design services is well established, and both explicit and tacit knowledge is well preserved and quickly disseminated. The interior design service industry manifests the capability to connect services throughout, placing an emphasis on understanding the service provided. The interior design service industry also employs empirical knowledge; however, significant challenges are evident when addressing knowledge management [22]. Knowledge management in the coaching and training in interior design organization universally relies on motivation theory and transformational leadership theory to promote knowledge transfer by aligning individuals toward a common goal. Knowledge management in interior design service industry needs the most attention, as traditionally knowledge is not stored for future use, but held by individuals rather than the organization. Empirical knowledge is suggested the primary means of knowledge acquisition in interior design service industry. Knowledge is largely acquired via empirical observation, supported by practice, and developed in to specialized skill sets [29]. Motivation is suggested a vital factor in knowledge development within the coaching and training. The trainer, similar with the interior design service industry expert, serves as the vehicle through which knowledge transfer occurs. A variable to successful learning; however, is the human decision process described by the process theory of motivation [22].

2. THE INTERIOR DESIGN SERVICE INDUSTRY

2.1 Definitions
The interior design service industry covers a diverse and broad range of industries from residential design services to all other facility design services. A business is considered service oriented if the primary purpose is to perform a service for someone else rather than having them work. This portion will discuss philosophies of knowledge in the design industry, dealing specifically with operations. Operations are defined as: Jobs or tasks comprising of one or more elements or subtasks, and which are performed typically in one location. Operations transform resource or data inputs into desired goods, services, or results, and create and deliver value to the customers. Two or more connected operations constitute a process, and are generally divided into four basic categories: (1) processing, (2) inspection, (3) transport, and (4) storage [24].

Operations in interior design service industry can take on various roles, from computer integration for point-of-sale (POS) systems, equipment usage, current trends and styles, and customer service. In knowledge and knowledge management along with knowledge creation the primary concern has to do with the proper way to treat customers. In addition to knowing how to treat customers, there is the performance of tasks, some of which require heavy training and licensing prior to performance of duties.

2.2 Empirical knowledge

Most knowledge in the interior design service industry is obtained by observation and practice of certain sets of skills. This type of knowledge is known as empirical knowledge. Empirical knowledge comes from experiences and observation of physical things (Moser, 2003). In the service industry most work is performed on and for people. Observing their reactions to the service plus tips left behind help an individual know how well they are performing their duties [21].

A profession includes some central regulatory body to ensure the standard of performance of individual members; careful management of knowledge in relation to the expertise which constitutes the basis of the profession’s activities; and lastly, control of number, selection, and training of new entrants. A professional does not emerge merely as a consequence of learning the technical principals needed in the profession [6].

In interior design business, practitioners go to school and receive practical lessons along with theory to perform their duties as well as to become licensed by government; the same with architects. Government licensing tests this knowledge in both written and practical formats. In interior design service industry, designers might or might not go to school for training and most design staff do not attend any formal education to perform their job in the past. These jobs are more associated with practical training than the licensed operators. Once a person begins work in a interior design service industry, a properly run organization would use experienced operators to train new employees by passing on their knowledge of how to perform the job, shortcuts that may be used, regulations that must be observed and proper customer protocol. This can be done through observation as well as teaching techniques that either speed up the work they do, or give them skills not taught in the classroom or come naturally to the individual.

2.3 Knowledge Management

The problem with this type of knowledge transfer is that if it isn’t recorded somewhere, that expertise and knowledge cannot be passed on to other employees should that individual quit working. The interior design service industry loses a lot of knowledge with high turnover, which makes training that much more important at the beginning of a person’s career within a company. Knowledge management deals with the transfer of information and the recording of information in such a way that it can be used in the future for the benefit of the company [5]. While a company can transfer data and store it for future use, physical labor and individual talent are more difficult to store. One would need to video record a master craftsman in operation and use that for training material.

Computer systems are another factor making inroads into the service industry. Most computer interaction has to do with the cash register and the moment the service is concluded. Several companies have systems set up to record the sales transaction and send that information live to an accounting program to give immediate updates to how the company is doing at any given minute. The knowledge gained from the systems helps management make decisions throughout each given day as to staffing needs for each individual store, as well as statistical information for future decisions on store locations, costs analysis and price setting. In addition, the recordings of master craftsman can be stored on servers for training new people and reviews of techniques for those who wish to expand their abilities.

3. KNOWLEDGE IN A PROFESSIONAL CONTEXT: THREE PROFESSIONAL SETTINGS

This paper addresses the importance of knowledge management (KM) and the relationship of that theory when applied to improving organizational performance in four areas: people, processes, design products, and organizational performance. Included is the way knowledge theory manifests in three different professional settings: coaching and training, designing, and service settings.

Professional settings discussed in this paper are: (a) an learning organization enumerated in KM; (b) designing factors for managing knowledge theory themes; and (c) service, effective, efficient, and innovative KM application that is relevant to the process of developing effective KM for service organizations. Folded within each will be a discussion on KM’s impacts on visions, strategies, costs, and organizational performance.

3.1 Learning Organization

Senge (1990) believes “five new ‘component technologies’ are gradually converging to innovative learning organizations:” namely, system thinking, personal mastery, metal models, building shared values, and team learning (pp. 6-9) [26]. Senge (1990) speaks to the criticalness of each component’s affiliation with the other as well as how they should be glued to the organization’s goals and values. He also stipulates that doing so
can help the organization ascend to and maintain its status of success. For instance, Ethical Solutions, Inc. (ES) is a transformational learning organization that approaches its staff and client needs with the Senge’s suggestions in mind [11].

As a consulting, training, and coaching in organization, ES subscribes to Senge (1990) [26], Kouzes and Posner’s (2007) notion that an organization’s growth, stability, success and sustainability can be attributed to its level of investments in a nurturing atmosphere of system thinking [18]. Fundamentally, ES approaches its client services with a synoptic view of the needs of its clients: what are the staffing issues; what is the equipment and software applications, what are the facilities like; what are the organization’s intended end states and are they realistic and attainable [4]. As ES’ motto “Transforming challenges into opportunities” implies, ES is an organization that channels its skills at ferreting out issues and developing transformational mechanisms to overcome them in an efficient, efficient, and permanent [8], [11]. Although there are several methods available to help achieve a transformational approach, according to several scholars, educators, and practitioners, one of the most effective and long-lasting method is training (Gardner, 1993; Kouzes & Posner, 2008, Senge, 1990; Senge, P. M., Kleiner, Roberts, Ross, & Smith, 1994); and ES is appropriately suited to accommodate that modality [27].

During preparations for contract training, ES not only examines the rationale for the training, it also assesses training elements (e.g., targeted topics, methods of training presentations, equipment, and facility needs, cost, etc.) as well as orchestrating a learning trek that will achieve positive results in system thinking, improving professional competencies, enhancing or building organizational mental models and shared visions, as well as collaborative team building or reforming. ES has a history of involving the contracting organization’s leadership throughout the planning, implementation, and critique of training. Given that ES and the contact organization are united in the quest to transform, it is critical that the organization’s leadership not be seen as potted plants but as intricate team players who are also personally involved in the same training that their staff is receiving.

As a means to further its ability to assist its clients, ES provides onsite and distant coaching for transformational processes, problem-oriented leadership, crisis management, and training. Invancevich, Konopaske, and Matteson, (2005) recommend a focused organizational specialty and ES strives to fulfill that model. ES has been very deliberate about its core values and protects them with an ever opened eye to make sure that it does not move outside its sphere of competencies (i.e., leadership, transformation, and crisis management) [15]. Whether facilitating training, assessment centers, shadow management (leadership), or coaching, ES’ focus is restricted to only those things that it feels appropriately suited for. Whenever any conflict with an ES value is expected or seen, the client is immediately informed and ES will not engage in it.

ES strives to achieve the greatest practical training and coaching results. To facilitate that result it is imperative that its contracted-learner-colleagues be afforded the benefit of experiencing a “relationship between the individual and the objective world of work . . . and . . . out of the ties between an individual and other human beings” [13]. ES’ method that it uses most often to fulfill those objectives is scenario-based training. By affording its participants with real word examples and then involving them into simulated exercises of similar situations, ES provides them with a powerful, immediate feedback on their activities [11]. Unlike the normal posture of humans to “seek pleasure and avoid pain,” this venue provides participants with a controlled, safe environment where it is okay to stretch themselves, be skeptical, make mistakes, and laugh about it when it happens [30].

Ethical Solutions, Inc. claims that its consulting, coaching, and training methods work principally because they afford their clients with hands-on exchanging of knowledge through targeted venues or support by experienced, educated practitioners in the field they train or coach. As Nonaka and Nishiguchi (2001) explain: Bestowing knowledge is the type of individual knowledge development that takes place under conditions of high care [23]. Unlike seizing, bestowing characterizes individual knowledge development where organizational members make themselves mutually accessible and relate to each other in lenient, helpful, and attentive ways, the individual is not left alone to develop knowledge on how to solve tasks but is generally supported by a social network of organizational members (p. 43) [23].

In coaching and training success is obtained if transformation leadership principles are applied. According to Changing Minds (2010), “people will follow a person who inspires them. A person with vision and passion can achieve great things. The way to get things done is by injecting enthusiasm and energy” (p. 2) [7]. According to Changing Minds (2010), Transformational Leadership starts with the development of a vision, a view of the future that will excite and convert potential followers. This vision may be developed by the leader, by the senior team or may emerge from a broad series of discussions. The important factor is the leader buys into it, hook, line and sinker (p. 2) [7].

Training will be successful if the vision both for the delivery and outcomes includes the vision of transformational leadership. Changing Minds (2010), states “working for a transformational leader can be a wonderful and uplifting experience. They put passion and energy into everything. They care about you and want you to succeed” (p. 3). Training and coaching both require either the client or the organization believe in the vision. The client must invest in their vision and According to Changing Minds (2010), transformational leadership is required to constantly sell the vision. This takes energy and commitment, as few people will immediately buy into a radical vision, and some will join the show much more slowly than others. The transformational leader thus takes every opportunity and will use whatever works to convince others to climb on board the bandwagon (p. 3) [7].

In the case of both training and coaching trust is a vital factor in transformational leadership Changing Minds (2010), states in order to create followers, the transformational leader has to be very careful in creating trust, and their personal integrity is a critical part of the package that they are selling. In effect, they are selling themselves as well as the vision (p. 3) [7].
3.2 Designing Factors for Managing Knowledge

Three levels of designing factors for managing knowledge theory themes are enablers, processes, and organizational performance. Empirical studies explore the relationship among known enablers. In designing, some individuals have the ability to pick up a process faster than others. This could be for several reasons but most likely they have a propensity to understand this knowledge better than others. Accordingly, knowledge enablers, such as management method, structure, and culture, are glueing agents for effective KM. Fernandez et al. (2004) asserts: Knowledge plays an important part for management within the structure and culture of the organization. This enables the organization to review the knowledge so to gain a better understand of the direction which they can head in. Having the knowledge at hand or the ability to locate the knowledge will surely help the organization steer in the desired direction (p. 216) [5].

Improve organizational performance by identifying access knowledge enablers and process. With the correct knowledge, organizational performance will follow. The organization will be able to determine best practices based on current knowledge information. They will be able to implement as needed to improve processes and may create a bond between knowledge creation and knowledge satisfaction. The organization should strive to develop a robust knowledge process in order to sustain a competitive edge over its competition. By regularly monitoring knowledge-based systems and implementing important KM processes will help maintain the edge over the competition.

Organization culture and structure is the most important aspect to the enabling, a process for the manufacturing theory. Developing a knowledge culture within the organization will enable the management team and employees to sustain a current and consistent knowledge base system for implementation. By doing this it will inspire the employees and improve the culture of the organization.

Theory creates and shares knowledge within the organization to establish the appropriate culture that encourages people to be creative and productive. Organizations that provide a creative and productive environment where enablers can contribute, builds upon a successful organizational culture. This will pay dividends to the organization going forward. However, it has to come from the executive team in order for it to succeed. The executive team needs to put developing a knowledge-based organization at the top of their list and continuing work at it. Navahardi (2006) discuss how executives show a high level of confidence, conviced in their pursuit of ideals, high energy, good communication skills and are good at developing their ideals within their team. This will lead to improving the organizational culture. This does not happen overnight but over time it will surely enhance the organization [1].

Effective, efficient, and innovative KM theory theme application is relevant to the process to develop effective of KM for service organizations. Heylighen (1993) explains that knowledge is a learned process developed through life experiences [14]. This would include education and through real-life trial and error situations. By continuing developing a knowledge-based culture the interior design organization will continue to innovate on a regular basis which will pay dividends in all levels of the organization going forward.

3.3 Service Organization

A knowledge-based company that acquires knowledge and innovates fast enough to survive and thrive in a rapidly changing environment is regarded as a learning organization. Such organizations creates a culture that encourages and supports continuous employee learning, critical thinking, and risk taking with new ideas, allow mistakes, value employees’ contributions, learn from experience and experiment, and disseminate new knowledge throughout the organization for incorporation into day-to-day activities [26]. In a learning organization, leaders are designers, stewards and teachers. They are responsible for building organizations where people continually expand their capabilities to understand complexity, clarify vision, and improve shared mental models. According to Schein (2000), a knowledge-based company promotes group learning and encourage group to reach consensus on such major issues as mission, strategy and structure of the organization [25].

In the application of theories of knowledge to management, Argyris (1996) argued that management theories are all about establishing effectiveness in achieving intended results and the agents for producing the desired results are human. Argyris posits five questions that a manager must ask in order to be effective:

1. how do I know I am producing the actions intended;
2. how do I know the actions produced have the intended effect;
3. how do I know the answers provided to the first two questions are not wrong;
4. how much confidence do I have in these answers; and
5. to what extent am I acting in accordance with these questions in ways that permit and encourage other individuals to answer the same questions? (p. 2) [3].

According to Drucker (1999), the performance capacity and survival of organization in the knowledge society depend on the quality and productivity of knowledge [9]. The most vital resource of today’s enterprise is the collective knowledge residing in the minds of an organization’s employees, consumers, and vendors. It is the ability of management to manage effectively the organization’s knowledge that enables it to compete successfully in today’s demanding environment. Organizations are increasingly valued for their intellectual capital, which in the case of Microsoft is said to be far higher than its financial capital. Wren (1995) suggested that a leader’s task is to help followers develop the necessary skills to be able to contribute effectively to organization [30]. “We learn best from our experiences but never directly experience the consequences of many of our most important actions” (p. 23) [26]. According to Nonaka and Nishiguchi (2001), “Knowledge is a dynamic human process of justifying personal belief toward truth” (p.13) [23]. Knowledge carried by an individual only realizes its commercial potential when it is replicated by an organization and becomes organizational knowledge. Furthermore, the contemporary
leadership in Design Management involves a unique bonding among leaders and followers, and more flexible and developed leadership will continue in the understanding and skill with which applying to the dynamic of organization change [28].

4. COMPARISON

In interior design service industry, shared knowledge is critical for the success of the organization. Tacit and explicit knowledge are critical in ensuring in learning organization. Through tacit and explicit knowledge, improvements, changes, and modification can be made to the programs. Additionally, to ensure continuity, effectiveness and efficiency of programs, interior design service industry is critical to for sharing knowledge as center personnel and military personnel transition from installation to installation.

What sets interior design service industry apart from many others is the amount of knowledge that is completely controlled by the individual. A success of an organization, for example a restaurant, spa or a hair salon often depends upon the talents of one or two individuals who are exceptional. If those people leave the organization, that talent is lost, and often customers with it. The inborn talent of those individuals and the knowledge they have kept to themselves for a competitive advantage in their career cannot be transferred to other employees; which affects profits. While videotaping may help, there are always hints and abilities innate in a person that cannot be passed on. With talent being the primary means of support of the one individual, they are often reluctant to share all of their secrets with others. This makes knowledge management in interior design service industry one of the hardest of any industry.

Coaching and training in organization, reflect the hallmarks of transformational leadership and the application of motivation. What sets the coaching and training in organization apart is that coaches and trainers seek to transform their clients and organizations. According to Changing Minds (2010), “there is also a tacit promise to followers that they also will be transformed in some way, perhaps to be more like this amazing leader. In some respects, the followers are the product of the transformation”[p. 3] [7]. Rather than producing a tangible product or deliver a specific service, coaches and trainers create transformation itself.

5. CONCLUSION

In this paper we investigated philosophies of knowledge and knowledge applications in interior design service industry. Knowledge construction in interior design service is largely understood through an empirical and constructivist perspective. Knowledge is derived from experts through empirical observation and consultation as well as from constructing new knowledge from experience. Knowledge management is well established as information from experts is stored and retrieved in books, videos, manuals, and electronic databases as well as retrieved from experts directly. Explicit and tacit knowledge is well preserved and is quickly disseminated. Knowledge in interior design service is also derived and modified via collaborative discussions and the exchange of ideas through shared networks and websites, albeit some restriction apply pursuant to one’s security clearance.

Knowledge management in interior design service industry is largely organized around experienced operators passing knowledge directly to less experienced workers. Whereas, success has been historically demonstrated using this method as a standard in interior design service industry, problems exist in knowledge management as knowledge is largely held by the individual rather than the organization. In order for knowledge management to thrive, the interior design service industry must discover means by which to transfer and store information for future use [5]. Whereas, the capture of empirical knowledge is a challenge for the interior design service industry, helpful suggestions include video documentation of knowledge experts, and the real-time capture of knowledge as it occurs in information processing systems.

Keeping with process theory, motivation for knowledge is related to an appeal to shared values, and the lure of increased performance and success [22]. Knowledge building requires successful motivation, consistent with transformational leadership theory, by inspiring individuals, gaining their trust, and aligning them with a common vision. Knowledge management in coaching and training, then, is suggested to derive from the shared process of transformational change. In the case of both training and coaching trust is a vital factor in transformational leadership, in order to create followers, the transformational leader has to be very careful in creating trust, and their personal integrity is a critical part of the package that they are selling. In effect, they are selling themselves as well as the vision.

In interior design industry analyzed, to a varying degree, empirical, explicit, and tacit knowledge is a consistent component of knowledge formation. Empirical observation is required for establishing knowledge for both simple and complex information. Knowledge management, although well established in interior design services, requires effort in coaching and training as motivation is a critical variable. Whereas, strategies for knowledge management vary from industry to industry given diversity in situational variables, knowledge in each professional setting can be significantly aided by capturing and storing empirical, tacit, and explicit information, providing real-time electronic storage and retrieval of information [5] and consistent with transformational theory, through opening communication channels across the full range of the organization, inspiring and motivating individuals, and aligning all members of the organization toward a common vision [8].

It is a science of after-the-fact. The after-the-fact theory should be usable to inform before-the-fact; that is, usable to create knowledge that is actionable [3]. This paper has enumerated ways in which KM can impact three different professional settings: coaching and training, designing, and service settings. It has reiterated the impact of KM on one level might lead to synergistic impacts on another. Thus, KM has the potential to produce several interconnected impacts on people, design products, processes, and organizations.

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