

KNOWLEDGE MANAGEMENT INITIATIVES BENEFITS FOR THE SLOVENIAN PUBLIC SECTOR

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Received: 2. 6. 2017

Accepted: 5. 11. 2017

Case study

UDC 005.94:35(497.4)

ABSTRACT

This paper highlights the importance of knowledge management in Slovenian public sector organizations. Knowledge management has received a lot of attention in the past two decades, however in the public sector it is still under-researched. The global financial and economic crisis revealed some important organizational weaknesses in the Republic of Slovenia, some particularly due to the ineffectiveness of the Slovenian public sector, which ranks amongst the worst in the Euro zone. Authors argue that a stronger commitment to knowledge management, which is currently unused in the Slovenian public sector, represents an opportunity to coordinate and exploit public sector organizational knowledge resources. After analysing existing

literature, authors have identified examples of good practices from foreign countries that could be partially transferred and adapted into the Slovenian environment. Since the efficient use of knowledge is linked to the performance of public sector organizations, the paper suggests that successful implementation of knowledge management initiatives should result in a more efficient public sector and, indirectly, in improved international public sector competitiveness rankings. This paper is also considered to be important for public sector practitioners and managers, as it proposes implementation of a knowledge management pilot project in Slovenian public sector.

Keywords: *Knowledge Management, Public Sector, Efficiency, Public Management, Knowledge Sharing*

1. INTRODUCTION

Public administration, state administration and public sector have a number of definitions in theory and in practice (Korade Purg, 2016). In the introduction, we provide some definitions that are relevant for the Republic of Slovenia. A broader definition of

the concept public sector is appropriate for the national statistical needs and includes state and local authorities, public agencies, funds, corporations and companies and private institutions, public commercial institutions, chambers, and other legal entities (Oblak, 2014). Public administration can be defined as part of the public management

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process, which takes place at the executive level. It is a professional body that provides professional basis for political decision making and implements political definitions of the parliament, the government, municipal councils and mayors. Public Administration consists of state administration with the government at the helm, the municipal administration with mayors and holders of public authorizations (Virant, 2009). The state administration is the largest part of the public administration. Basic form of organization of the state administration, are ministries, which are organized by their areas of work. State administration has two main functions. First is the enforcement of laws, state budget and other policy decisions of the legislative and executive authorities, second is the preparation of expert bases for political decisions for the legislative and executive authorities (Oblak, 2014).

Since the very beginning of the independent path of the public administration of the Republic of Slovenia there were expectations and demands for a fundamental reform or transformation. The aim of any reform of the public administration is to build a successful and efficient public administration, which provides quality services to its customers and also enables a better working environment for its employees (Petelin, 2013). Developments in the field of public administration reform are well described with individual projects, functions and commissions, which are quite different in their duration, however they have in common that they were unable to contribute significant results to improving the existing situation in the public administration of the Republic of Slovenia (Colnar et al., 2016).

Not only are some domestic authors being critical, but one of the key recommendations from OECD (2015) is to focus fiscal consolidation on structural measures to

increase cost efficiency in public administration and local government. With increasing efficiency of public expenditures in public administration we can also increase the sustainability of public finances (Hribernik and Kierzenkowski, 2013). Moreover, OECD (2015) stated that there is a lack of strategy in reducing public sector employment and the wage bill and that motivation of public workers is already comparatively low. The European Central Bank analysis took as a starting point for their evaluations data from the World Bank about governance indicators, namely, evaluations of public administration effectiveness, quality of the regulatory (legislative) framework, efficiency of the legal system and the elimination of corruption. Lipnik (2016) refers to the European Central Bank data and the analysis shows that only Slovakia, Italy and Greece have a worse functioning public sector than Slovenia. The World Economic Forum evaluates public administration efficiency and Slovenia received a score of 3.1 (on the scale from 1 – the worst to 7 – the best), which was only good enough for the 105th place amongst 136 countries in their analysis. Ineffectiveness of the public bureaucracy also represents the second biggest obstacle in doing business in Slovenia (Domovina, 2016). Inefficient government administration is therefore one of the most significant obstacles and in order to improve competitiveness, Slovenia must increase efficiency and transparency of the functioning of public institutions (Institute for Economic Research, 2015).

Nowadays, knowledge can and should represent a competitive advantage; however, there are no results that today this is the case in the Republic of Slovenia (Colnar et al., 2016). Knowledge management is a relatively young field that gained recognition during the last decade of the past millennium and represents a rather unexplored field of study in general (Hribar, 2016) and

in public administration (Choi, 2015) and especially in the public administration of the Republic of Slovenia. Today public sector organizations everywhere strive to deliver better quality services with limited budgets that continue to dwindle. On the other hand, citizens are also demanding the highest possible value for public money and all organizations are looking to significantly reduce costs, improve decision making and find innovative ways to develop and grow. One of the greatest challenges in the public sector remains to change their mindset, which is particularly directed towards administration and bureaucracy (Asian Productivity Organization, 2013).

The main purpose of the paper is to recognize knowledge management as a potential source of competitive advantage in Slovenian public sector organizations. Our focus was to study relevant foreign case studies that show how knowledge management can be applied in public sector organizations and to investigate how they used knowledge management initiatives to improve their productivity and offer better services to their customers. In order to examine the influence of knowledge management in public sector organizations, three foreign case studies were analysed. Due to the size of the organizations selected, their public sector context and their improvement based on successful knowledge management initiatives, the selected cases represent suitable examples of good practices that can be partially transferred and adapted to the Slovenian environment. This paper therefore draws attention to the potential of possible knowledge management initiatives in Slovenian public sector organizations and the goal of the paper is to present the possibility of a knowledge management project implementation in a public sector organization in the Republic of Slovenia that could encourage further developments in the field. Finally, the paper also

offers some practical implications for public sector practitioners and managers.

2. KNOWLEDGE MANAGEMENT IN THE PUBLIC SECTOR

There exist many definitions of knowledge, however there is no general agreement which is the most appropriate one, although all definitions have in common that knowledge increases the capacity for effective action (Asian Productivity Organization, 2013). Two types of knowledge exist. The first one is explicit knowledge, which is formalized and codified (Brown and Duguid 1998). Explicit knowledge is fairly easy to identify, store, and retrieve (Wellman, 2009). The other is tacit knowledge, which is sometimes referred to as know-how (Brown and Duguid 1998) and refers to intuitive, hard to define knowledge, which is largely experience-based. It is often content dependent and personal in nature. Tacit knowledge is hard to communicate and is deeply rooted in action, commitment, and involvement (Nonaka, 1994). Moreover, it is regarded as being the most valuable source of knowledge and is the most likely to lead to major breakthroughs in organizations (Wellman, 2009). Nowadays many public organizations are beginning to consider the threat of the loss of a significant amount of tacit knowledge as some of the older workers will retire in the near future. Therefore, sharing and where possible, codification of that tacit knowledge is becoming increasingly important (Dormer, 2016). Knowledge is also becoming a critical core asset to sustaining competitive advantage and a tool for continuous improvement and innovation in every organization (Al-Khoury, 2014). Oviedo-Garcia et al. (2014) add that knowledge represents the most important strategic resource and its skilful management is a key

capability in institutional performance. Moreover, Richards and Duxbury (2015) argued that performance of public sector organizations is linked to the efficient use of knowledge.

Knowledge management in general deals with any intentional set of practices and processes designed to optimize the use of knowledge, to increase allocative efficiency in the area of knowledge production, distribution and use (Asian Productivity Organization, 2013). Practitioners define knowledge management as a framework of information sharing and dissemination that helps organizations make better decisions, enabling organizational creativity and innovation (Al-Khouri, 2014). Argote and Ingram (2000) and Agranoff (2007) argued that there is a growing awareness of knowledge sharing in the public sector. However, Špaček (2016) states that while the body of knowledge management literature is still growing, most of the literature even nowadays deals with recommendations and practices for private organizations rather than discussing what the requirements of knowledge management implementation in public administration and public sector organizations are. Although the public sector is widely accepted as being different from the private sector and has some unique features of its own, the adaptation of knowledge management practices in the public sector is still beneficial. Kim and Ko (2014) add to the discussion that in the era of the knowledge-based economy, knowledge management has increasingly captured the interest and attention of researchers and practitioners. However, Bolisani and Handzic (2015) argue that despite over 20 years of history and increasing importance in academia and practice, knowledge management still suffers, like any other relatively “new area”, from the problem of recognition. Nevertheless knowledge management tools have increasingly been recognized by most

governments in the world as strategic resources within the public sector. According to Lai and Li (2013) knowledge management is an effective approach to improve organizational performance and competitiveness for public sector organizations, which should gain further recognition. Furthermore, knowledge management is reported to lead to delivering a wide range of benefits such as better customer experience, followed by notably better performance, enhancing new staff’s capabilities and better quality decision (ICN, 2013). Al-Khouri (2014) adds that the increase in expectations and demands of citizens for easier and greater access to information will force knowledge management to take its position in the government game.

The development strategy of the Slovenian public administration is a necessary precondition in order to improve and modernize its functioning, its contribution to a better environment for the citizens and the economy and raising the general well-being of the society and the competitiveness of the whole country. Regarding the public administration of the Republic of Slovenia, its main goal remains to improve its efficiency so that it becomes a fast, efficient and user-friendly service for all of its customers. If the goals of this strategy are achieved, the business environment for the development of the economy and competitiveness will improve, which in turn will also improve the ranking of Slovenia in the international rankings. When modernizing the Slovenian public administration objectives, policies and commitments at the international level and good practices of EU Member States will also be considered. It is important to recognize that an efficient and effective public administration represents the foundation for economic development and social prosperity (Ministry of Public Administration, 2015). In achieving the goals of the strategy,

knowledge management initiatives could provide some benefits, however if the strategy fails to achieve its goals than we could experience a knowledge-based crisis, which represents a serious risk for the survival of a public system, knowing that in such contexts lobbying dynamics, akin to some particular interests, can exploit this crisis to challenge the fundamental principles of public service (Touati et al., 2015).

For the public administration in the Republic of Slovenia today, it applies that it is strictly hierarchically organized (Colnar and Colnar, 2015). Some entrepreneurs find it to be a bureaucratic apparatus (Boscarol, 2015) and OECD (2015) pointed out that employees lack motivation. Therefore, implementing any kind of change, such as knowledge management initiatives will require an almost fundamental organizational culture change, particularly in the mindset of employees to become more service-oriented, which could be a demanding task.

As we are moving more and more towards a network society, this also requires government organizations to collaborate together to serve their citizens more effectively. In this process, knowledge management is one of the most important tools as collaboration needs to find effective ways to share information and knowledge from different sources. In addition, practically all of the public sector organizations nowadays are involved mostly in knowledge work, so understanding key messages regarding knowledge management becomes extremely important for all public sector organizations. Some of the most common lessons learned according to Asian Productivity Organization (2013) are that knowledge management increases productivity and improves quality of tasks or services, and knowledge management accelerates innovation. Furthermore, it is important to tie knowledge management to organizational strategy and critical issues,

and embed knowledge management into everyday work processes. Organizations that implement any kind of change such as knowledge management face a number of key challenges. Perhaps the most important one is to focus on behavioral and mindset change of employees, which usually takes a lot of time. Very often, different knowledge management initiatives do not produce the desired effects as the importance of behavioral and mindset change is undervalued. Similarly as the key lessons learned, Asian Productivity Organization (2013) identified key challenges connected to knowledge management initiatives, such as the importance to create a collaborative culture, accelerate innovation, improve service quality and service-oriented mindset, and overcome bureaucracy.

In knowledge management initiatives implementation, there is no “one-size-fits-all” solution. Key lessons learned and potential challenges can point out specific aspects to organizations, which they must approach with utmost caution to reach the full potential of knowledge management initiatives (Asian Productivity Organization, 2013). However, there are almost always some organizational specifics, for example the lack of motivation in the Republic of Slovenia or its highly bureaucratic structure. When evaluating the success of knowledge management initiatives, which is the most important outcome for practitioners and managers, Krawczyk-Soltys (2015) argues that only the use of knowledge in practice gives visible results, which is sometimes hard to define and measure. A framework of seven practical outcomes of knowledge management initiatives, provided by Massingham and Massingham (2014) can serve as a helpful tool for evaluation. This framework, which consists of the learning curve, experience curve, strategic alignment, connectivity, risk management, value management, and psy-

chological contract, provides us with a mechanism to evaluate intermediate and direct impact of knowledge management initiatives on organizational performance in both financial and non-financial terms.

3. METHODOLOGY

3.1. Research method and focus

Due to the informative or exploratory nature of this paper, we have decided to adopt a multiple case study approach. Leonard-Barton (1990) states that “a case study is a history of past or current phenomenon, drawn from multiple sources of evidence. It can include data from direct observation and systematic interviewing as well as from public and private archives. In fact, any fact relevant to the stream of events describing the phenomenon is a potential datum in a case study, since context is important.” Yin (1989) argues that a case study is an empirical inquiry that investigates a contemporary phenomenon within its real-life context when the boundaries between phenomenon and context are not clearly evident.

Our paper focuses on the following research question: “How can Slovenian public sector organizations benefit from knowledge management initiatives to positively influence their efficiency?” As both knowledge management and public sector have in common that they are both complex, important and challenging fields of studies, this justifies the use of case methods as an appropriate research tool as it allows us to answer specific research questions regarding knowledge management in public sector organizations with a relatively full understanding of the nature and complexity of the studied phenomenon. By examining foreign case studies, we were able to provide suggestions for practitioners and managers, on knowledge management initiatives that could pro-

vide potential benefits for Slovenian public sector organizations by improving their functioning and efficiency.

3.2. Data sample

Eisenhardt (1989) argues that there is no ideal number of cases. For this paper, we have selected multiple cases which, according to Sousa (2017) can augment external validity and help guard against observer bias, but go less in-depth per case and are more time consuming. For the purpose of our paper, we selected three foreign (Arab and Asian) public sector organizations. The public sector in any country is a specific and demanding environment, mainly because its bureaucracy and other public sector restrictions. The selection process of the three examples was based on three indicators, the organization’s size that should be comparable to the number of employees in a Slovenian public sector body, the organization should report significant improvements in its functioning in the near past as a signal that vast improvements are possible in the public sector organizations, and the organization publicly declared its benefits gained directly or indirectly from successful knowledge management initiatives implementation. The selection of the existing three cases satisfies the literal replication criteria, where we choose cases that are likely to replicate or extend the emergent theory. For the theoretical replication criteria, we should choose a public sector organization that does not engage in knowledge management activities and examine its organizational performance; however, due to time and resource limitations of this research we did not choose such an organization.

3.3. Data collection

We collected empirical data through a literature review and through secondary data available in existing reports from the anal-

ysed public sector organizations. First, we studied the knowledge management initiatives that were reported and their benefits that were presented. In order to minimize bias in qualitative research in general, we tried to triangulate data with other secondary sources available for each case that were connected to knowledge management initiatives such as annual reports of the examined public sector organizations. However, to truly triangulate data other data collection methods should be used, such as semi-structured interviews or short online questionnaires. Due to time and resource limitations, the only data collection method was through existing secondary data.

3.4. Data analysis

To answer the main research question, we first analysed the deployment of relevant knowledge management initiatives in each case study public sector organization and then we linked the benefits of these knowledge management initiatives that can be related to improving organizational efficiency. In the cases presented, we especially examined both financial and non-financial indicators relevant to knowledge management in public sector organizations as the combination of both could prove to be more convincing to public sector managers and practitioners' to invest in knowledge management initiatives.

4. FOREIGN CASE STUDIES

4.1. International enterprise Singapore

International Enterprise Singapore with approximately 500 employees is the government agency driving Singapore's external economy. It spearheads the overseas growth of Singapore based companies and promotes international trade. In order to address the

knowledge needs and to oversee the management of knowledge assets three initiatives were carried out to support the knowledge management strategy of the organization. First, to promote knowledge sharing, they developed an in-house intranet with a dedicated portal, called Knowledge Center to capture as much as possible of specific intelligence. Access to information and knowledge was made available to all employees in the organization. It also encouraged collaboration and sharing between different units in the organization. Second, a rather easy solution was the implementation of storytelling, which contributes to capturing and codifying different experiences and to bettering the relations between employees as storytellers can act as a role model to other (younger) employees. Finally, a revision of knowledge pointed out that they should focus more on their valuable tacit knowledge, which was lost due to different causes such as staff rotation or staff fluctuation. Regarding tacit knowledge specific objectives were made such as minimizing knowledge loss when a particular staff member transfers to another department or leaves the organization. Also there were initiatives to share tacit knowledge with others and to shorten employees' learning curves (Asian Productivity Organization, 2013).

One of the key lessons learned from this project is the importance of leadership support and buy-in. CEO Teo Eng Cheong was very supportive in this case and recognized the importance of knowledge management. Another lesson from this case study is understanding which (tacit) knowledge is required to perform key business activities of the organization. This ensures that only key knowledge is captured and shared. Another important lesson is engagement with employees, as knowing and understanding what employees need, will allow knowledge management initiatives to be more effective.

In the future, they will highlight even more the importance of tacit knowledge and enhance activities that are planned to capture and share tacit knowledge of employees in the organization (Asian Productivity Organization, 2013).

International Enterprise Singapore (2017) emphasized in their annual report for 2016-2017 that internationalization creates economic value for Singapore by generating more skilled jobs for Singaporeans and allowing Singapore companies to grow and further invest in knowledge creation (knowledge management) and technologies for innovation. As is shown in data from their internationalization survey in 2016, investing also in knowledge initiatives played a part in achieving overseas revenue growth of 4.2% per year for companies that collaborate with the International Enterprise Singapore.

4.2. Taphanhin crown prince hospital – Thailand

Taphanhin Crown Prince Hospital with 288 employees is located in Taphanhin District, Pichit Province, a small province 300 km north of Bangkok. Since its establishment in 1964 as a small district health center, it has gone through a series of expansions. In 2012, the hospital grew into a 90-bed community hospital, serving 70,000 people. Although the hospital has limited access to latest developments in modern health care and knowledge resources due to its remote location, it has always been ahead of most public hospitals in embracing modern management systems, which have the potential to improve its performance. When they were talking about knowledge management implementation, some of their employees, approximately 10% of them were going to retire within five years, which represented a serious risk of knowledge loss. It is commonly known that skills and knowledge of employees in health care are very tacit and

grow with personal experiences. With the knowledge management initiative in the hospital they were following objectives such as stimulation of sharing of knowledge and skills among all employees using various knowledge management tools and techniques. Furthermore, they were transforming individual knowledge into organizational knowledge by sharing and codifying tacit knowledge and establishing a knowledge repository or database for easy access to all employees in the hospital. The expected outcomes were an increase of knowledge sharing, increase of codified organizational knowledge and productivity improvement. They started implementing knowledge management similarly to the Singapore example, with communities of practice and storytelling. As they did not have a good enough understanding of knowledge management, the first results were lower than their initial expectations. After some adaptation they developed a three-year (2008-2010) action plan set up using a change management process, which consisted of six elements, namely transition and behavior management, communication, process and tools, learning, measurement, and recognition and rewards that all contribute to knowledge management objectives. Two key initiatives were the introduction of knowledge management into the Plan-do-check-act process and sharing lessons learned from errors and failures. One of the key success factors was the mindset and behavioral change of employees, which were now more knowledge-oriented and were more enthusiastic to voluntarily participate in knowledge management activities. Knowledge management had several other impacts on employees as it became part of their work, helped them work more efficiently and enhanced their self-esteem (Asian Productivity Organization, 2013).

One of the most important achievements of their knowledge management initiative

was the behavioural change of employees observed by senior leaders. Benefits were clear also to employees and from their perspective knowledge management had a positive impact as it helped them to fully use their knowledge, and gain additional knowledge and skills. As a result of the knowledge management initiative, there was a significant decrease of repeated mistakes due to the sharing of lessons learned on errors and failures. Moreover, customer complaints on the same issues decreased three-fold between 2008 and 2010. Also in this case study, it was noticed that strong commitment and team work of the senior management team contributed significantly to numerous achievements. In the Asian Productivity Organization Report (2013) it is emphasized that the approaches used in this example are perhaps applicable to any kind of public organization, regardless of its size and complexity of operation. Taphanhin Crown Prince Hospital was recognized for its knowledge management efforts and their significant improvements as it was the second public hospital in Thailand to attain the Thailand quality class in 2008.

Other secondary data that would triangulate our research findings for the Crown Prince Hospital example are not available. However, we found a similar study conducted by Sumet et al. (2012), where knowledge management was introduced to a non-profit hospital in Thailand. Researchers opted for a quasi-experimental, one-group pre-test-post-test study at a non-profit, private, general hospital in Bangkok. Authors found out that after the implementation of knowledge management, team members in the organization were more at ease in sharing their thoughts and more empowered to do something new. Overall staff job satisfaction and customer satisfaction improved significantly after knowledge management implementation. Therefore, the study conducted by Sumet et al. (2012) further recognizes the po-

tential benefits of knowledge management initiatives in different public sector organizations in the health care sector.

4.3. Emirates identity authority

The Emirates Identity Authority (herein after Emirates ID) with approximately 1,400 employees is responsible for registering all of the country's population, both citizens and legal residents, and issue smart identity cards to them for use in electronic environments. Nowadays in international comparison, Emirates ID is considered a benchmark for best practices regarding successful implementation of identity systems. According to the Emirates ID the use of knowledge management practices and strategies played a significant part in achieving strategic insights and specific maturity. Their knowledge management approach consists of four stages. First, they define what the organization aims to achieve with knowledge management. The second stage represents all of the stakeholders who are participating and the third stage represents how the organization handled the execution part and set the foundational work at the operational level. Last, there are the actual results that were gained from the knowledge management initiative. One of the most important lessons learned was that they involved as many stakeholders as possible in the knowledge management initiative. They then organized workshops and brainstorming sessions to get feedback from their employees. Questionnaires were a helpful tool to capture feedback from employees. A huge part of success was also the commitment of Emirates ID to support employees' skills development and learning. Again, the importance of organizational culture is highlighted. Their initiative also focused on workplace environments which should contribute to more communication and collaboration between employees and as

a consequence productivity heightens. Similar to other examples, they established the Emirates Centre for Organizational Learning in order to support the building of institutional knowledge and creativity. Physical knowledge repositories and an internal web portal were created to support the knowledge management initiative. Regarding an analysis made for their knowledge management initiative, Emirates ID managed to establish a correlation between knowledge management, organizational culture, organizational learning and pursued organizational outcomes. In the case of Emirates ID, the knowledge management initiative had a direct impact on the financial performance of the organization, saving them hundreds of millions. (Al-Khouri, 2014).

Knowledge management in Emirates ID achieved numerous measurable goals. Emirates ID achieved 97% of its strategic objectives and targets. In four years, employee satisfaction went from 52% to 78%. A similar trend was visible in customer satisfaction, which went from 63% to 91% in four years. The Emirates ID saved more than \$136 million in less than three years in operational costs only. One of the key lessons learned again was that strong leadership was identified as a major enabler. They also had to change their organizational culture to a more service-oriented one. For the future, knowledge is a powerful tool for development and with the power of knowledge we can improve the world that we live in according to Al-Khouri (2014).

Nowadays, The Emirates ID is known as the Federal Authority for Identity and Citizenship and continues to devote specific interest and effort to knowledge management initiatives. In October 2017, they presented to an organization from Abu Dhabi its best practices in the field of knowledge management. During this collaborative meeting the

Federal Authority for Identity and Citizenship stressed that the development of their knowledge management practices, such as adopting institutional learning and focusing on the development of knowledge and training their employees and consolidating the culture of knowledge transfer between employees, contributed to the development of their institutional performance and strengthened its ability to make tangible improvements in its performance, increasing its ability to recognize the requirements and expectations of its customers, the matter which enhanced its approach in creativity and innovation field (Federal Authority for Identity and Citizenship, 2017).

4.4. Lessons learned from selected case studies

Although the presented cases were in some aspects different, they all have in common that they can provide certain guidelines that can enhance the possibility of successful knowledge management initiatives implementation in public sector organizations. First, there is the expressed need to share knowledge in organizations, where the advancements in information-communication technology can be a useful tool for knowledge sharing, with the development of different solutions such as intranet portals for knowledge to be available for everyone in the organization. Second, all knowledge-sharing activities in organizations promote collaboration between employees, which can be a fundamental element of organizational success. Third, in every organization storytelling could provide a useful tool in sharing valuable tacit knowledge to new and younger employees; furthermore, this could also enable a more solid intergenerational bond and enhance collaboration. Moreover, with storytelling valuable tacit knowledge would stay in the organization if the employee went to work for another organiza-

tion or if he or she retired. Fourth, in every organization analysed, the importance of top management support was highlighted. Without top management buy-in and support, a knowledge management initiative is less likely to be successful. Fifth, in the specific public sector context, behavioural change is one of the most common and most demanding challenges regarding knowledge management. Presented in the selected cases above are numerous non-financial benefits from knowledge management, such as improved knowledge sharing, collaboration and other, and on the Emirates ID example it is presented how knowledge management can contribute to significant financial savings.

5. PILOT PROJECT PROPOSAL FOR A PUBLIC ADMINISTRATION BODY IN THE REPUBLIC OF SLOVENIA

In the Republic of Slovenia, there is one specific field which tends to be neglected regardless of its significant impact and this is the field of spatial planning or, to more specific the process of obtaining construction permits (Colnar, 2016). According to the Doing Business Report (2016), to successfully obtain a construction permit in Slovenia you have to complete 12 procedures with the average duration of 224.5 days. In comparison with the average in OECD high income countries (12.4 procedures which last on average 152.1 days) it is clear that we are behind and that certain suggestions or proposals for improving would be desirable (Doing Business Report, 2016). Spatial field is important as high-quality spatial planning is linked to economic performance and social development of a country (Colnar, 2016). In the process of obtaining a construction permit there are many different stakeholders involved, and the Ministry of the Environ-

ment and Spatial Planning and the Slovenian Mapping Authority are the two biggest and most important ones. There are 238 employees at the Ministry and 471 employees at the Mapping Authority (Nacionalni interoperabilnostni okvir, 2017), which makes these two institutions comparable to the selected foreign case studies regarding the organizational size criteria.

Tomažević (2007) argued that the transformation or reform of Slovenian public administration is already happening, however there is almost nothing written about how to manage knowledge. The Ministry of Public Administration of the Republic of Slovenia (2014) declared there is a lack of managerial and leadership competences in the public sector and in 2017 we have a considerable lack of knowledge management in Slovenian public sector. As a starting point, we should promote knowledge sharing in the proposed public sector organizations among its employees and managers. We could encourage knowledge sharing in various forms, such as face-to-face collaboration or in written documents. The advancement of information-communication technologies now provides us with a number of options of knowledge sharing platforms and with the right knowledge sharing software it would allow organizations to easily and quickly search for content, ask questions, locate experts, store documents, and other functionalities. Knowledge sharing would increase social interaction in the workplace, leading to a rise in collaborative problem solving. Due to its specific organizational culture and lack of motivation, collaboration in Slovenian public sector could be improved. According to the Slovenian Mapping Authority annual report (2013) on average about 10 employees stop working for them in a given year. Given the restrictions of Slovenian legislation, almost no one new is employed in any public sector organization in a given year. There-

fore, some employees leave the organization (change their employer or retire) and with them, their tacit knowledge leaves the organization. A system of mentoring younger employees to prepare them as successors, could prevent valuable knowledge loss when an employee leaves the organization; however, today there is no such a system in Slovenian public administration. With storytelling some of this tacit knowledge could be captured and at the same time some employees (mentors) who would tell stories, could see themselves as more important for the organization they work for, therefore, increasing their job satisfaction and perhaps improving overall employee retention and at the same time knowledge sharing. One of the key challenges in Slovenian public sector organizations, where the Mapping Authority and Ministry presented are no exceptions is to change the organizational culture or mindset of employees that can now be described as Boscarol (2015) stated, as a bureaucratic apparatus that tends to inform its customers that something cannot be done into a more modern service-oriented perspective. As the top management in both of the proposed organizations is future-oriented, the authors believe that it would be possible to obtain their support and buy-in regarding the knowledge management initiative, partially due to the numerous non-financial and financial benefits they can provide to their organizations and therefore increase their overall functioning and efficiency.

6. DISCUSSION AND IMPLICATIONS

Our research findings demonstrate that knowledge management has the potential to improve functioning of and the efficiency in public sector organizations. Over the years, the awareness that knowledge management

is much less related to the technology itself, as it is connected with people and social structures has strengthened (Mischen, 2015). Similarly, all of the analysed cases focus primarily on employees and not on information-communication technologies, which only represent a helpful support tool. When knowledge management activities, such as knowledge sharing or improved collaboration and others presented in the previous sections are implemented appropriately, they can also contribute to achieving long-term goals of public administration such as higher customer satisfaction, shorter deadlines for the execution of services, greater performance and a more innovative environment. In practice, implementation is highly complex and it would be especially complex in the Slovenian public sector, where employees and organizational culture are very specific and difficult to change. With consideration of local specifics, the methods that proved to be successful in foreign countries, could be transferred and adapted in our Slovenian environment as well. It is important to be open to learn from errors and failures which are normal and common when knowledge management is applied at first and without prior knowledge about its successful implementation. In the process of implementation, organizations should be aware that they need constant feedback from their employees, so that corrective measures can be applied if necessary. As is shown with the foreign examples, successful implementation of knowledge management initiatives can result both in non-financial and financial benefits. With the correct approach towards implementation, knowledge and knowledge management in the public administration of the Republic of Slovenia could represent a competitive advantage and contribute to increasing the overall functioning and efficiency. As a consequence of improved efficiency, rankings that measure public sector effectiveness in the Republic of Slovenia

should also significantly improve. Nowadays we know that changes are constantly occurring and are now so fast that we are barely able to follow them. Slovenian public sector was not able to follow these rapid changes and has fallen behind. Therefore, it is necessary that it is open and that it exploits new ideas and opportunities that are available to them. Knowledge management may not be a completely new field, however, it is practically unused in the Slovenian public sector today. We believe that the presented practices, namely knowledge sharing, access to information, improved collaboration, storytelling, tacit knowledge capture, top management support, staff retention, behavioural and mindset change can provide a starting point for practitioners and managers in Slovenian public sector organizations in understanding and adopting knowledge management initiatives in their practice.

7. CONCLUSION

The reform of public administration in the Republic of Slovenia has been the subject of debate for the past twenty five years. Weaknesses exist at specific fields, for example the Republic of Slovenia lacks a comprehensive national strategy in informatics and informatics is managed poorly. Furthermore, there is no snapshot of current processes, key information systems are old and individual projects have lower impacts than expected. Moreover, as mentioned in previous sections, international organisations evaluate that the Slovenian public sector is ineffective and that its employees are unmotivated and even domestic business entities perceive it as mostly a bureaucratic apparatus. Therefore, the authors conclude that there is still no clearly defined concept of what kind of public administration we want and need to satisfy the need of its employees and users as nowadays individual parts and

the public administration as a whole function poorly. Despite the gradual economic recovery in the Republic of Slovenia, the mentality in the public administration is still favourable towards savings. Thus, the government could consider measures, such as implementation of soft methods, namely knowledge management initiatives, which include activities described in previous sections, such as knowledge sharing, improved collaboration and other. These initiatives do not necessarily mean large investments, but the amount of funds an organization allocates to the knowledge management initiatives may depend on what priority or value it places on the importance of organizational knowledge in achieving its goals. For our project proposal, the authors would assume that the initial phase of the project where we would search for the potential of the knowledge management initiative, set measurable results and demonstrate how the results could improve the long-term efficiency of the organization should not exceed €100.000. As was shown in the Emirates ID case study, if properly implemented, knowledge management can provide great potential financial savings for the organization.

Knowledge management in public sector organizations offers many challenges for academics and practitioners. Our study examined some of the potential benefits that knowledge management initiatives could have in the Slovenian public sector. Our study also has a few potential limitations that we should address. This is first and foremost an informative, qualitative study based on a sample of three foreign case studies of successful knowledge management initiatives in public sector organizations. The findings are not generalizable, which is not the intent of this paper as the paper tries to offer empirical insight that would encourage managers and practitioners in public sector organizations to dig deeper into the knowl-

edge management topic and understand what potential benefits knowledge management initiatives have and try to implement them in their practice.

Follow-up studies could focus on just one aspect that was presented as a potential benefit of knowledge management initiatives in Slovenian public sector organizations, namely knowledge sharing or improved collaboration or others. Similar studies could be conducted in other sectors of the public administration, not just in the spatial field as is proposed for a starting point. This would reveal certain similarities and differences

that exist in different public administration sectors. Moreover, similar studies could then be conducted in other countries public sector contexts, where knowledge management initiatives are not yet present. Future studies exploring knowledge management initiatives in public sector organizations in the Republic of Slovenia should also involve other qualitative research approaches, such as semi-structured interviews, focus groups or direct observation. Quantitative methods, such as short online survey questionnaires would also represent an improvement and step forward.

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PREDNOSTI INICIJATIVA UPRAVLJANJA ZNANJEM U SLOVENSKOM JAVNOM SEKTORU

Sažetak

Ovaj rad ukazuje na značaj upravljanja znanjem u organizacijama slovenskog javnog sektora. Iako je upravljanje znanjem privlači značajnu pozornost posljednjih dvadesetak godina, njegova je primjena u javnom sektoru još uvijek nedovoljno istražena. Globalna financijska i ekonomska kriza otkrila je značajne organizacijske slabosti u Sloveniji, a koje se posebno odnose na neučinkovitost javnog sektora rangiranog među najmanje uspješne u Euro-zoni. Autori iznose stav da veća posvećenost upravljanju znanjem, koje je trenutno nedovoljno iskorišteno u javnom sektoru u Sloveniji, predstavlja priliku za koordinaciju i korištenje ovih resursa. Nakon analize

postojeće literature, utvrđuju se primjeri dobre prakse iz stranih država, koji bi se mogli dijelom prenijeti i prilagoditi okruženju u Sloveniji. Učinkovito upravljanje znanjem povezano je s rezultatima javnoga sektora, zbog čega se u radu ukazuje na mogućnost unapređenja efikasnosti javnog sektora te, indirektno, na bolje rangiranje učinkovitosti javnog sektora putem provedbe inicijativa upravljanja znanjem. Rad je značajan za menadžere i zaposlene budući donosi prijedlog provedbe pilot projekta upravljanja znanjem u slovenskom javnom sektoru.

Ključne riječi: upravljanje znanjem, javni sektor, efikasnost, menadžment javnog sektora dijeljenje znanja