Chapter 4

The Importance of Collaboration in Knowledge Management in Public Services: Creating Value for Stakeholders

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ABSTRACT

Knowledge management, understood as a means of value creation for stakeholders, has become one of the main concerns of the "New Economy," and therefore, is receiving a great deal of interest from academics as well as the business world.

Formerly restricted to private companies, the concern for knowledge management is now studied in public institutions in order to understand the influence of customers' demands. As public services are part of a complex network in which citizens are the main players, public authorities are increasingly trying to identify and deploy programs that promote the modernization and simplification of Portuguese public services. Knowledge management activities play an important role in these programs; therefore, this study seeks to understand how collaborative knowledge practices are implemented in Portuguese public services.

This study aims primarily at understanding the importance of collaboration in knowledge management having the value creation for Portuguese public institution stakeholders' in mind. In order to gain a better understanding of this theme, this chapter presents a case study involving the Simplex Program, created and managed by Agência para a Modernização Administrativa (AMA) and its implementation in the municipal councils of Porto and Águeda and the Inter-municipal Community of Vale do Minho.

DOI: 10.4018/978-1-61350-089-7.ch004

Among other aspects, this chapter analyzes how knowledge management activities in the local municipalities are influenced by their strategies, commitment, organizational structure, and culture, as well as workflow processes and employee involvement. It also aims to identify the distinctive features of knowledge management in regards to the use of the Simplex Program in the three municipalities under investigation.

The methodology was based on qualitative data gathered from three case studies and collected from semi-structured, in-depth interviews conducted in the three municipalities. These, in turn, were selected from the participants in the Simplex program. This chapter highlights the role of national programs in the transfer of knowledge to the local municipalities as well as its importance in the development of their knowledge absorption capabilities.

INTRODUCTION

As information is disseminated through different channels and speed, knowledge has become one of the most significant factors in generating value and wealth, being considered the only sustainable competitive advantage (Nonaka and Takeuchi, 1995). For the first time in history, mankind is creating far more information than a man can absorb and is accelerating changes with much greater speed than a man can follow. Certainly, this current scale of complexity is unprecedented (Senge, 2006).

It is therefore essential to develop knowledge management in the organizational context. The changes undergone by public and private institutions in order to secure competitiveness in their markets are characterized by the rapidity with which their activities are developed to suit the requirements of their customers and other stakeholders. The development of knowledge management, and the consequent learning processes, allows organizations to keep themselves updated, to add value to their products and services and to enhance their sustainability. The ability to absorb new knowledge is directly related to the organizational environment conducive to collaboration between organizations and to the commitment and motivation of its employees (Moreira, 2009).

In public institutions, for over thirty years countries around the world have been carrying out administrative reforms in the pursuit of improving their competitiveness.

There have been contemporary trends that call into question the traditional mode of governance, with the authority concentrated in a state in which the government embodies the will and general interest of its citizens with a formalized, top-down intervention. These trends include privatization, liberalization, deregulation, creation of incentives for the involvement of civil society and promoting the involvement of citizens in all levels of government, through the sharing of tasks and responsibilities (Fonseca and Carapeto, 2009).

Government agencies are continually interacting with a broad range of individuals, which is one of the major challenges governmental institutions are facing. In this manner, being customer-centric focused is a challenge that public institutions face today.

In Portugal, the Agency for Administrative Modernization (AMA), is the body that, according to its mission, "...identifies, develops and evaluates programs, projects and measures to modernize and simplify administrative and regulatory framework and promotes, coordinates, manages and evaluates the system of distribution of public services, within the policies set by the Government" (AMA, 2010). In this way, AMA is the Portuguese institution responsible for the deployment of customer-centric approaches and knowledge management within public institutions.

AMA, created in 2006, is a public institution that operationalized transformation initiatives and fosters the participation of all different stakeholders in the implementation of knowledge 15 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage:

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