

# ROLE OF MANAGERS AS KNOWLEDGE WORKERS IN INNOVATIVE ORGANIZATIONS

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**Abstract:** *Modern organizations that base their activities on knowledge can only maintain their competitive ability by engaging knowledge workers. Managers as knowledge workers are focused on building an innovative culture of the organization, which brings to the fore creative and innovative skills of all employees. Work of all knowledge workers should be primarily focused on creating new values, ie. the innovation of processes, products and services, with which organizations build lasting competitive ability. Although the role of managers is specific (requires special knowledge, skills and abilities), they must be exercised in a synergistic unity. In modern organizations that build a culture of knowledge, these roles are complementary, and they integrate through a powerful mechanism of joint values, which is supported by creative and innovative individuals, but also the functioning of efficient teamwork.*

**Keywords:** *knowledge workers, knowledge management, knowledge culture, innovative organization, Knowledge Manager*

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## 1. INTRODUCTION

Modern society in an era of pervasive globalization is based on knowledge, thus many theorists call it Knowledge Society. In such a society, professionally trained and qualified personnel, as knowledge workers, are the greatest treasure of the organization in achieving long-term competitive ability. Today's emerging global society - a society of knowledge, is based on the philosophy of Lifelong Learning, and implies the responsibility not only of individuals, but also groups, teams, organizations and society as a whole for qualitative development in the future. The biggest challenge for managers in developed economies is to increase the productivity of knowledge workers and service staff. Not only knowledge workers, but all employees must be committed to achieving the strategic development goals, and contribute to the success of the organization. Knowledge workers are ... **“key employees that**

**create invisible added value - knowledge, and they always carry it with them when they change employer.”**(Taradi, 2005) Knowledge workers are those persons who on the basis of the knowledge base and experience, create new methods, techniques and procedures, on the basis of which they successfully operate and create new values. The point is to avoid the use of conventional methods that hampers them in finding and implementing creative solutions. Every organization strives to attract, and retain knowledge workers as priceless innovative potential, who unlike other employees easily generate new values. The authors point out that ... **“management in Serbia is not trained to act in the turbulent entrepreneurial organization that exists in the modern world”**. (Radosavljević, Tomić, 2006) In the literature in the field of knowledge management, special emphasis is placed on the place and role of managers as knowledge workers.

## 2. KNOWLEDGE WORKERS

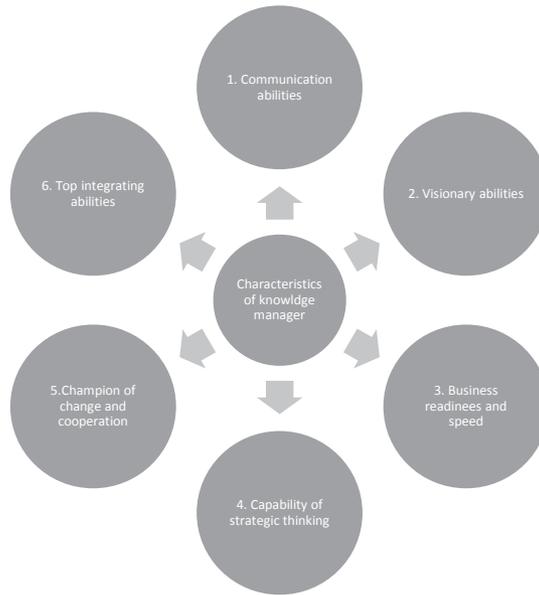
### 2.1 Definition and basic professions of knowledge workers

Knowledge workers are a special category of employees who work in the knowledge society. On the basis of knowledge, individually or in teams, they create added value in products and services, and thereby strengthen the competitive ability of their organizations. The biggest challenge for managers in developed economies is to increase the productivity of knowledge workers to create new value, and only ... **“knowledge workers in the long run, build competitive advantage of organizations and society as a whole”**. (Tropenauer, 2010) Knowledge workers are not all employees in the organization, but only those who based on the specific knowledge, skills and experience create new processes, products and services, ie. a new value for the organization. The authors point out that... **“it is good to have a few dedicated people, but all employees in the organization must contribute to the success of knowledge management.”** (Davenport, Prusak, 1988) Knowledge workers enjoy a lot of trust in the organization which allows them decision-making in the context of their knowledge competences. Knowledge workers understand the power of their influence, knowledge, activities and responsibilities in the area in which they operate. They accurately define the range of their activities, understand employee information and potential resources, and are licensed to operate within that area. Due to increased market demand and high transferability of their skills, knowledge workers are becoming the most dynamic and the most precious “goods” in the knowledge society. The largest number of theorists within knowledge management, emphasize the importance of the following professions - professions: Knowledge Manager, Manager of Education and Training, Manager of Technology and Information Manager (Taradi, 2005: 23). Managers as knowledge workers must have a brilliant characteristics such as creativity, inventiveness and innovation, training, perseverance, ingenuity and professionalism (Radosavljević, 2008: 106).

#### 2.1.1 Knowledge manager – CKO (Chief Knowledge Officer)

For the implementation of knowledge management the organization needs to train the right people, i.e.... **“knowledge management needs knowledge managers.”** (Taradi, 2005) All the organizations that introduce knowledge management (MK), develop on the model

of a Learning Organization, and in order to ensure continuity of learning and developing new skills they task knowledge managers. Guns (1998: 315) points out two primary roles of knowledge manager: effective management of knowledge in the whole organization, i.e. building of an organization based on the “learning organization” with developed infrastructure for the storage and transmission of knowledge between employees in the organization.



**Figure 1.** Top qualities of knowledge manager (Guns ,1998: 317-319)

Most authors highlight the importance of the integrative role of knowledge manager, which incorporates the role of other knowledge workers in a model organization that provides the functionality of four elements: infrastructure, management skills, behavior of employees as knowledge workers, the results of innovative activities - application of knowledge and performance of employees and the organization as a whole (Taradi, 2005: 26). Knowledge infrastructure implies the existence of a quality of information and communication technology (ICT) in an organization, the system employed for rewarding a useful application of the knowledge, and research and development (R & D). Developed infrastructure of knowledge contributes to the creative behavior of employees in the use of new knowledge, its level of use, better performance, organizational performance, increased productivity, and innovation (Taradi, 2005: 26). The primary role of knowledge manager is ... **“to transform knowledge into profit through managing and influencing the intellectual capacity of the organization (IC), and because of that the organization needs to develop as a learning organization and develop the knowledge infrastructure.”** (Guns, 1998) The essential role of knowledge manager is... **“structuring the knowledge base of the organization and its management and development so as to raise to a higher level of consciousness of the entire organization on the importance of knowledge.”** (Probst et all. 1999) Knowledge Man-

ager, regardless of the size of the organization and the level of responsibility must be able to ... **“to deal with unstructured knowledge, create structured knowledge, and link the two in order to increase the value of the organization.”** (Cvetek, 2005). Knowledge Manager must be able to institutionalize incentives for the dissemination of knowledge, broaden “bottlenecks” in the organization of knowledge, and incorporate knowledge into the work and processes, ie. implement knowledge management in the organization (Taradi, 2005: 24). Davenport and Prusak (1998: 115) have determined three essential duties of knowledge managers: build a culture of knowledge, create infrastructure for knowledge management, and integrate both to make the organization successful. The success of knowledge manager is measurable only with the synergic effects of linking other managers as well as workers’ skills in achieving organizational success.

### **2.1.2 Other roles of managers as knowledge workers**

**Manager of Education and Training - CLO (Chief Learning Officer)** is one of the most common professions in the context of knowledge management. For a successful operation of manager of education there are three key activities: optimal planning and implementation of programs for professional development and training of employees to acquire the necessary competencies for successful work, developing competence models of training employees as experts, the implementation of modern ways, forms and methods of learning for acquiring the necessary knowledge and skills within the organization (e - learning, etc.), instead of the traditional (seminars, lectures, visits to trade fairs, etc.) that are “sluggish” and less effective (Taradi, 2005: 26). Some authors believe that the role of manager of education and training is more complex than the role of knowledge manager, and is demanding in terms of possession of adequate competencies. Some organizations have created ... **“a related role of manager skills, ie. manager of education and training that integrates both: knowledge management and support of organizational learning”**. (Pirc, 2000) The manager of education and training, according to most scholars dealing with knowledge workers, under the management of knowledge must be very knowledgeable with complex knowledge in several areas of work and activities of the organization.

**Technology Manager - CTO (Chief Technology Officer)** is one of the most complex professions of management skills that come to life in high-technology and the most advanced innovative organizations. Smith (2003: 11) points out that since 1980 the world’s largest companies have begun to install CTOs, aware of the importance of new and innovative technologies to ensure competitiveness. Manager of technology controls, monitors and critically evaluates new technologies, he is a kind of innovative technological supervisor in the organization’s activities in this field. Technology Manager must have substantially long experience in introducing modern technology, as the new role he must be ... **“able to identify risks and determine the return on investment in technology.”** (Smith, 2003) In the literature of knowledge management, which explicitly deals with the management of technology and CTO character, his role is often referred as ‘technological gatekeepers’ - TGK (Technology Gatekeeper). Tschirky (in 1998 Taradi, 2005: 29) points out that CTO as technological gatekeeper selects technological information and seeks and provide information and technical and technological knowledge for employees who need it. Particular support is provided for creative and innovative employees in the department for research and development (R & D) who are intensively engaged in the creation and use of knowledge. Manager of Technol-

ogy as a technology gatekeeper follows and filters external technical and technological information coming into the organization, and prevents the “massive bombardment” of quasi or competing technologies. Technology Manager in large companies usually directs the work of innovation development centers and innovation centers.

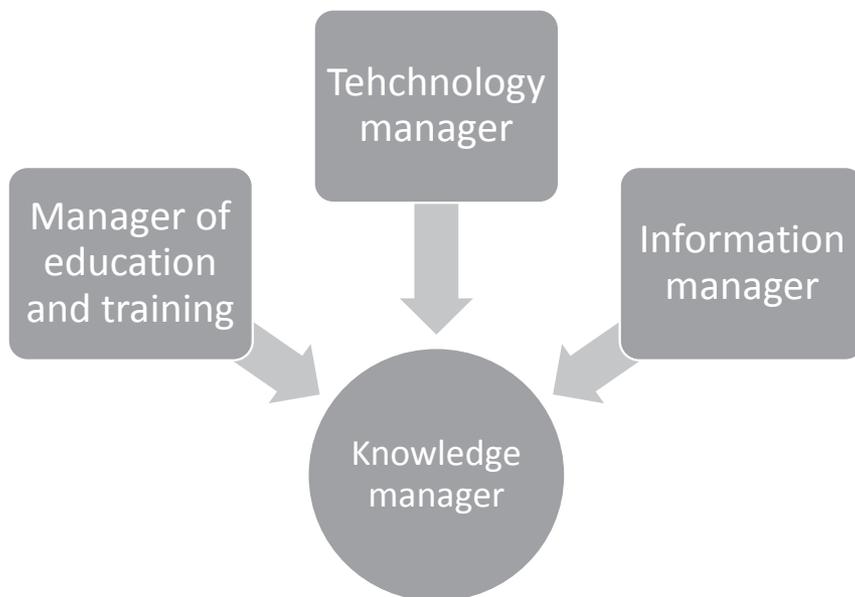
**Information Manager - CIO (Chief Information Officer)** is one of the most common and standard professions within the Knowledge Management. Numerous organizations stress the completely new role of an information manager. From the aspect of system implementation of knowledge management in innovative organizations, besides the already accentuated professions (CKO, CLO, CTO), manager of information is an indispensable link in the functioning of the entire system. Bennet and Neilson (2003 in Taradi, 2005: 30) point out that the primary role of the CIO was related to the purchase and maintenance of equipment, and the development and protection of computer networks. In the original role the CIO had no obligation to control a number of information that appeared and piled up at the networks and systems. Earl and Scott (1999 in Taradi, 2005: 30) point out a number of areas of activity of CIO, of which the most important are: developing a strategy in the field of information technology, operation of information technology, the creation and management of integrated information technology system that allows unhindered access to the most modern knowledge. CIO is primarily an expert with a lot of knowledge about information technology, and the effects of investing in them. By investing in the right IT, CIO contributes to greater efficiency and effectiveness of the organization in business and reducing unnecessary losses, ie. failed investments.

## ***2.2 Interaction of managers as knowledge workers***

Managers as knowledge workers, individually or in teams, create added value products and services, and thereby strengthen the competitive ability of their organizations. Modern scholars generally agree that ... **“the biggest challenge for managers in developed economies is to increase the productivity of knowledge workers and service staff.”** (Tavčar, 2005)

Morello and Caldwell (2001 in Taradi, 2005: 33) define knowledge workers as people who enjoy the trust of the organization, and this gives them right to make decisions within their competence and have the four essential characteristics: understand the power of their influence, knowledge, activities and responsibilities on the area in which they operate, define, influence and assist in the design of its areas of activity, understand employee information and potential resources within the area, and have a permit (the power) to act within that area. Every organization strives to attract, and retain knowledge workers as an invaluable innovative potential, which unlike other employees easily generate new values. Knowledge workers differ from each other (Taradi, 2005: 33): they carry out the work, based on knowledge, which is based on the task (task - based knowledge work), knowledge-based work, which is based on the ability (skill - based knowledge work) and knowledge-based work aimed at innovation (innovation - focused knowledge work). Theorists within the knowledge management (KM), emphasize the importance of linking managerial role of knowledge workers. In the process of coordination and synergy of linking managerial role of knowledge workers, the central role is assigned to Knowledge Manager (CKO). Top management delegate significant powers and responsibilities to managers of knowledge. Delegation of authority is ... **“giving power of attorney to employees so that they can take control and**

**make appropriate decisions to improve the quality, or troubleshooting.”** (Radosavljević, 2008) Manager of knowledge in most organizations has the competence and authority to exercise creative collaboration with the Manager of Education and Training - CLO, Manager, Technology - CTO and Information manager - CIO (Taradi, 2005: 39). In view of the fact that the manager of knowledge (CKO) is in direct connection with the top management organization, his partnership with other managers is essential for accomplishing a high personal confidence in creating innovative culture organization.



**Figure 2.** Knowledge manager in interaction with other knowledge workers

### 3. CONCLUSION

Modern organizations that base their activities on knowledge, maintaining their competitive ability can only achieve by engaging knowledge workers. Managers as knowledge workers are focused on building an innovative culture of the organization, where to the fore come creative and innovative skills of all employees. Work of all knowledge workers should be primarily focused on creating new values, ie. the innovation of processes, products and services, with which organizations build lasting competitive ability. In order to become a reality in practice innovative organizational culture or the culture of knowledge, it is necessary to provide a multitude of pre-conditions which are of strategic importance. Knowledge workers in the organization must have full freedom in expressing their creative and innovative options. The management of the organization must be tolerant to errors of knowledge workers that appear when you experiment with new ideas. Knowledge workers need to have stimulative innovative management with which come to the fore managerial competence of

many leaders, built on the principles of subsidiarity and deserved authority. The organization must build an effective system of remuneration which must adequately evaluate creative and innovative employees who create new value. Innovative organizations build a culture of knowledge where individual and team work are not mutually exclusive, but complementary and bring more satisfaction and challenges in the work of all knowledge workers.

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