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Implementing Knowledge Management System in the Business Process Outsourcing Companies in the Philippines

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Abstract: *In the onslaught of the 4th Industrial Revolution and the transformative global economy, the implementation of the information system has been recognized as an operational and strategic tool for business advantage. The emerging ramifications in the business and industrial workspaces include the implications of the Industry 4.0 to the business ecosystem. Notwithstanding with the prevalent trends in IT and business process outsourcing, there has been too diminutive attention on what transpires to knowledge when an organization outsources. This study sought to look at the perceived significance of implementing Knowledge Management System in selected business process outsourcing companies in the Philippines on the basis of its effects to improved agility, better decision-making, incident and problem resolution, the rate of innovation, employees performance, Shared Services, improved, communication, business process improvement, change management, and service management using a Descriptive Research Design. On the basis of the results of this study, it can be gleaned that BPO agents, team leaders and BPO Managers have a positive perception on implementing Knowledge Management System in the BPO Company. It can be noted that KMS is Very Significant in the areas of workspaces to Improved Agility, Decision-making, Incident and Problem Resolution, increase the rate of Innovation, improve employees performance, Shared Services, Improved Communication, Improved Business Processes, Change Management, and in Service Management. The researchers recommend that empirical studies on the service management and change management should embark to carefully design BPO companies towards BPO 4.0 ecosystem.*

Keywords:*BPO company, business process outsourcing, knowledge management, knowledge management system, service management*

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I. Introduction

The emerging ramifications in the business and industrial workspaces include the implications of the Industry 4.0 [1, 3] to the business ecosystem. These modifications in the businesses and industries have posed challenges to the management strategic and operational levels [3]. Industry 4.0 has reshaped organizational spaces, hence, the trends even more [2]. Alongside these ramifications are the automation, data analytics, web analytics, and big data environments that businesses need to consider including the conception of cyber-physical systems. Other organizations embarked Industry 4.0 or commonly known as the 4th Industrial Revolution (4IR) has started using the Internet of Things (IoT) technologies in their operations, cloud computing services, shared services and cognitive computing [3, 4].

In the onslaught of the 4th Industrial Revolution and the transformative global economy, the implementation of the information system has been recognized as an operational and strategic tool [4] for business advantage. The deployment of information system is consistent with the organizational goals and key performance indicators alignment issues [4,5] to further achieve its operational excellence, improved decision making, and common language in the organization as an epistemological construct in the business domain [5,6]. It was exemplified that in order to succeed in this age of Business 4.0, the information system should be comprehensive, integrated and effectively utilized [7, 8]. These systems should be flexible, that is, it must be able to accommodate a certain amount of variation regarding the requirements of the supported business process [7].

A sign of the new economy is the capacity of associations to acknowledge monetary incentive from their gathering of learning resources just as their benefits of data, generation circulation, and alliances [12, 18, 16]. Regardless of the assertion and aggressiveness level, there is a need of translating company data into learning [12] or knowledge to be attributed as the core of the organization. Knowledge is a wide and dynamic idea that has characterized the epistemological discussion in the western way of thinking since the traditional Greek time [10]. There have been myriad and horde structures created for learning the boardroom to [9]

knowledge-based spectrum. Researchers and scholars have coined the impact of knowledge management from controls as dissimilar as a human science, financial aspects, and the management science concurs that a change and ramifications have happened as such knowledge management is at focus to 'organize [11, 12, 17]. Knowledge is data joined with involvement, and the setting [11, 17, 28]. The capacity to oversee and manage knowledge is winded up progressively and increasingly urgent in the present knowledge economy. The creation and dissemination of information have turned out to be always significant factors of the business assertiveness aggressiveness [14] in the competition ecosystem.

Hierarchical and organizational culture is progressively perceived as a noteworthy hindrance to utilizing scholarly resources. This article recognizes manners by which culture impacts the practice's key to information creation, sharing, and utilization [13, 18, 16]. Numerous companies are currently studying and carefully understanding that their aggressive edge lies generally in their ability to manage the company's knowledge and human capital [15, 18], and in order to remain in front of the pack, organizations must use their insight, inside and remotely [15, 17, and 18]. Knowledge Management System (KMS) is viewed as empowering tool to gauge advancements for compelling and productive Knowledge Management (KM). In any case, forward-thinking, the term learning the executives' framework has regularly been utilized questionably [16].

Researches related to the deployment of knowledge management system have shown successes and advantages in the academia, industries and corporate world [17, 30]. It was posited in the study [19] using the SICAP framework that knowledge management helped the researchers towards community policy and framework development for managing rural and countryside practices. The study of [20, 28] has exemplified the use of knowledge management system and posted the success of exploratory learning in the classroom and even outside the classroom to allow students learning success in today's knowledge-based learning communities. In the works of [22], on online learning objects was organized, and utilized as online learning resources to effectively manage an online classroom, and turned out to be highly-effective scaffoldings. The works of the researchers [21,29] has implemented the sectoral engagement model of an altruistic corporate social responsibility in the bureau of jail management and penology by managing the resources, information, and organized into a database to provide an address accessibility issues. On the other hand, the work of [23] was a knowledge management system's method and system to organize and retrieve information using taxonomies, a document classifier, and an auto-contextualizer. This system or method allows the company to manage its documents (or other knowledge containers) in an organization and provides a retrieval subsystem that can be manually or automatically classified. Another work of [24] illustrated the advantages of knowledge management system in outsourcing environment to develop people to empower people. The KM intended to capture in essence the challenges and the opportunities that might arise in the outsourcing ecosystem.

II. Background and Objective of the Study

Notwithstanding with the prevalent trends in IT and business process outsourcing, there has been too diminutiveattention on what transpires to knowledge when an organization outsources [27]. The rapid growth of the outsourcing industry has resulted in both high turnover and labor shortages and at the same time provided employment opportunities to a new group of employees: young upwardly mobile college graduates [25]. Business Process Outsourcing (BPO) is a subset of redistributing or contracting that includes getting the activities and duties regarding a specific business procedure to an outsider administration provider or a service provider. The BPO administrators screen numerous assignments and the work in the back office which incorporates helping clients or customers with charging or acquiring or if the client wishes to make a record for any item and much more. Business Process Outsourcing (BPO) is a technique for subcontracting different business-related tasks to outsider sellers or vendors [26].

This study sought to look at the perceived significance of implementing Knowledge Management System in selected business process outsourcing companies in the Philippines on the basis of its effects to improved agility, better decision-making, incident and problem resolution, the rate of innovation, employees performance, Shared Services, improved, communication, business process improvement, change management, and service management.

III. Methodology

The researchers utilized a Quantitative Research Design. Two-Part researchers designed Survey Questionnaires were utilized as a data gathering instrument. The first part intended to capture the demographics of the respondents, and the second part intends to gather the perceived significance of implementing a knowledge management system in their respective BPO companies with a Five point Likert-item (5-Very Significant, 4-Significant, 3-Moderately Significant, 2- Little Significant, and 1- Not Significant). The respondents include 10 BPO Manager, 10 Team Leaders and 30 BPO Agents in Metro Manila. The respondents were purposively selected by the researchers on the basis of tenure, type of services being supported; and the geographical operation of the BPO Company.

IV. Results and Discussion

The following subsection presents the results and discussion of the study. The results are presented and tables and figures to provide visualization. The results presented include the demographics of the respondents, and the responses as to the respondents perceived the significance of implementing a knowledge management system in their respective BPO companies.

A. Demographic Profile of the Respondents according to their Roles

Based on the data gathered, 20% or (10/50) of the respondents are BPO Managers, and 20% or (10/50) of the respondents are Team Leaders, and 60% or (30/50) of the respondents are BPO agents as depicted in Table 1.

Table 1. The Distribution of the Respondents according to their Roles

Roles	No. of Respondents	Percentage
BPO Managers	10	20%
Team Leaders	10	20%
Agents	30	60%
Total	50	100%

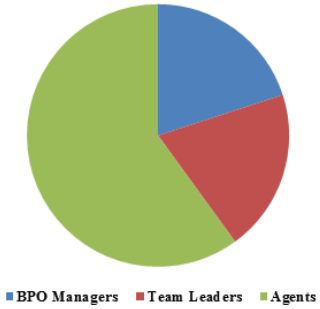

Fig. 1 The Distribution of the Respondents according to their Roles

B. Demographic Profile of the Respondents according to their Tenure

Based on the data gathered, employees who have tenure of at least 0-2 years are (20/50) or 40% of the respondents. Also, those who have been working in the BPO companies for a tenure of 3-5 years are (15/50) or 30% of the respondents, while those BPO employees with 6-10 years of tenure are (5/50) or 10% of the respondents. While those who have more experienced and have been working for 10 years or more are (10/50) or 20% of the respondents as reflected in Table 2 and Figure 2.

Table 2. The Distribution of the Respondents according to their Tenure

Tenure	No. of Respondents	Percentage
0-2 year	20	40%
3-5 year	15	30%
6-10 years	5	10%
10 years or more	10	20%
Total	50	100%

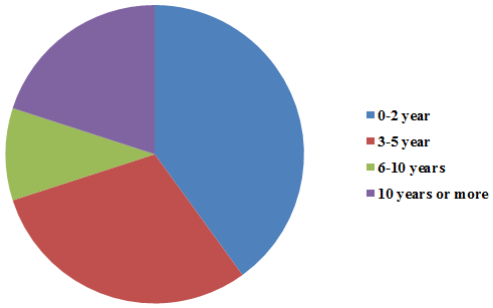

Fig 2. The Distribution of the Respondents according to their Tenure

C. Demographic Profile of the Respondents according to Company Outsourcing Services

On the basis of the data gathered, the respondents are providing BPO services in human resources, payroll, accounting, medical, technical support and IT Outsourcing. For Human Resources outsourcing, there are (3/50) or 6% of the respondents; Payroll services with (6/50) or 12% of the respondents, and for Accounting

services (4/50) or 8% of the respondents. Also, there are (2/50) or 4% of the respondents in the Medical services, there are (30/50) or 60% of the respondents working for Technical Support, and there are (5/50) or 10% of the respondents who BPO employees working for IT Outsourcing services as presented in Table 3 and Figure 3.

Table 3. The Distribution of the Respondents according to the Company Outsourcing Services

Type of Services	No. of Respondents	Percentage
Human Resources	3	6%
Payroll	6	12%
Accounting	4	8%
Medical	2	4%
Technical Support	30	60%
IT Outsourcing	5	10%
Total	50	100%

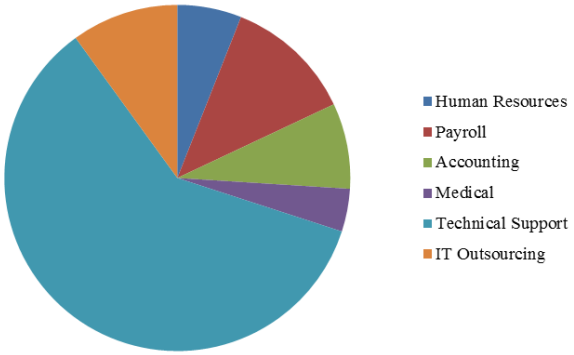

Fig 3. The Distribution of the Respondents according to the Company Outsourcing Services

D. Demographic Profile of the Respondents according to Geographical Operation of the BPO Company

Among the 50 respondents from the BPO companies in Metro Manila,(10/50) or 20% of the respondents are based in Pasig City. There are (5/50) or 10% of the respondents who are based in Manila, (10/50) or 20% of the respondents are based in Makati, and (5/50) or 10% of the respondents are based in Taguig. Most of the respondents are based in Mandaluyong with (15/50) or 30% of the respondents, and in Quezon City, there are (5/50) or 10% of the respondents working for BPO companies based in the biggest city in the country as depicted in Table 4 and Figure 4.

Table 4. The Distribution of the Respondents according to the Geographical Operation of the BPO Company

Geographical Operation of BPO Company	No. of Respondents	Percentage
Pasig	10	20%
Manila	5	10%
Makati	10	20%
Taguig	5	10%
Mandaluyong	15	30%
Quezon City	5	10%
Total	50	100%

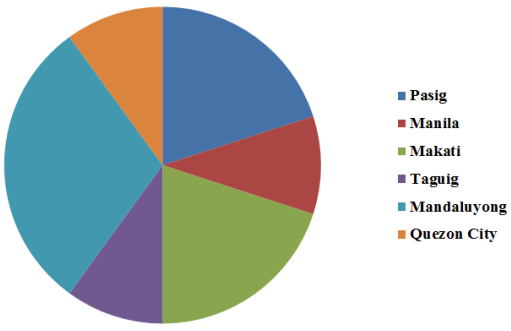

Fig 4. The Distribution of the Respondents according to the Geographical Operation of the BPO Company

E. Perceived Significance of Implementing KMS according to BPO Agents

Based on the data gathered as depicted in Table 5 and figure 5, the BPO Agents perceived that implementing Knowledge Management System is Very Significant and significant in all areas of BPO workspaces including Improved Agility (22/30), Decision-making (30/30), Incident and Problem Resolution (27/30), The Rate of Innovation (27/30), Employees Performance (30/30), Shared Services (30), Improved, Communication (30/30), Improved Business Processes (28/30), Change Management (27/30), and Service Management (30/30).

It can be noted that the 30 respondents have considered KMS as Very significant in providing Shared Services in the BPO Company.

Table 5. Perceived Significance of Implementing KMS according to BPO Agents

Areas in the Workspace	5	4	3	2	1
Improved Agility	12	10	4	3	1
Decision-making	20	10	0	0	0
Incident and Problem Resolution	15	12	3	0	0
The Rate of Innovation	15	12	2	1	0
Employees Performance	23	7	0	0	0
Shared Services	30	0	0	0	0
Improved Communication	17	13	0	0	0
Improved Business Processes	24	4	2	0	0
Change Management	12	15	3	0	0
Service Management	19	11	0	0	0

Legend: (5-Very Significant, 4-Significant, 3-Moderately Significant, 2- Little Significant, and 1- Not Significant).

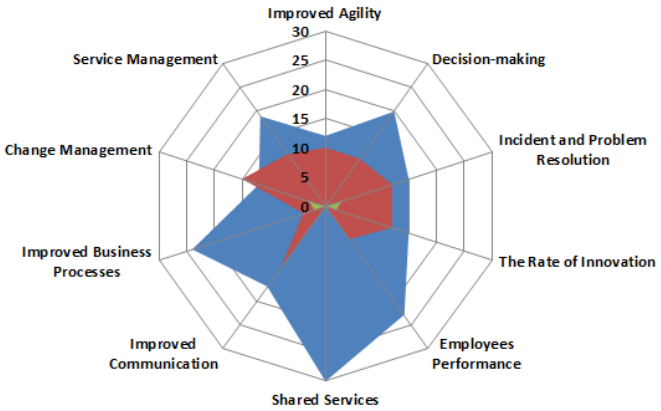

Fig 5. Perceived Significance of Implementing KMS according to BPO Agents

F. Perceived Significance of Implementing KMS according to the Team Leaders

Based on the data presented in Table 6 and visualization provide in Figure 6, the respondents noted the Very Significance of implementing Knowledge Management System in the areas of BPO workspaces to Improved Agility (9/10), Decision-making (8/10), Incident and Problem Resolution (10/10), The Rate of Innovation (10/10), Employees Performance (9/10), Shared Services (10/10), Improved Communication (9/10), Improved Business Processes (9/10), Change Management (9/10), and Service Management (10/10).

Table 6. Perceived Significance of Implementing KMS according to the Team Leaders

Areas in the Workspace	5	4	3	2	1
Improved Agility	9	1	0	0	0
Decision-making	8	2	0	0	0
Incident and Problem Resolution	10	0	0	0	0
The Rate of Innovation	10	0	0	0	0
Employees Performance	9	1	0	0	0
Shared Services	10	0	0	0	0
Improved Communication	9	1	0	0	0
Improved Business Processes	9	1	0	0	0
Change Management	9	1	0	0	0
Service Management	10	0	0	0	0

Legend: (5-Very Significant, 4-Significant, 3-Moderately Significant, 2- Little Significant, and 1- Not Significant).

It can be noted that all respondents have considered the KMS to be Very Significant in the areas of Incident and Problem Resolution, Service Management, The Rate of Innovation, and Shared Services.

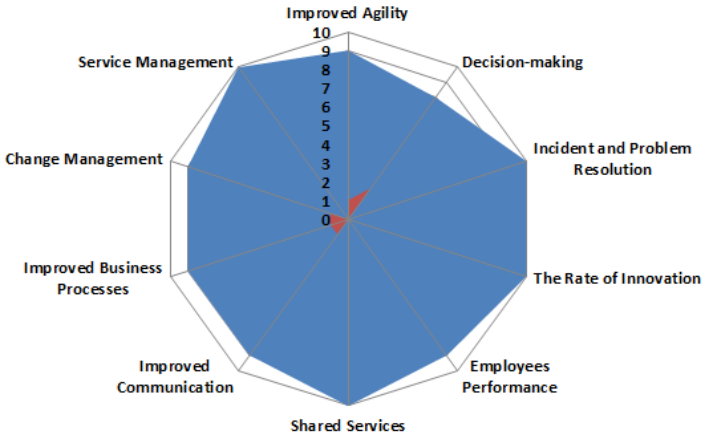

Fig 6. Perceived Significance of Implementing KMS according to the Team Leaders

G. Perceived Significance of Implementing KMS according to the BPO Managers

According to the 10 BPO Managers who were the respondents of this study, implementing a Knowledge Management System is Very Significant in BPO companies to Improved Agility, Incident and Problem Resolution, Increase The Rate of Innovation, improved Employees Performance, provide Shared Services, advocate Improved Communication, sustain Improved Business Processes, embark Change Management, and improve the Service Management standards. Implementing KMS is also significant to improve Decision Making as depicted in Table 7 and Figure 7.

Table 7. Perceived Significance of Implementing KMS according to the BPO Managers

Areas in the Workspace	5	4	3	2	1
Improved Agility	10	0	0	0	0
Decision-making	8	2	0	0	0
Incident and Problem Resolution	10	0	0	0	0
The Rate of Innovation	10	0	0	0	0
Employees Performance	10	0	0	0	0
Shared Services	10	0	0	0	0
Improved Communication	10	0	0	0	0
Improved Business Processes	10	0	0	0	0
Change Management	10	0	0	0	0
Service Management	10	0	0	0	0

Legend: (5-Very Significant, 4-Significant, 3-Moderately Significant, 2- Little Significant, and 1- Not Significant).

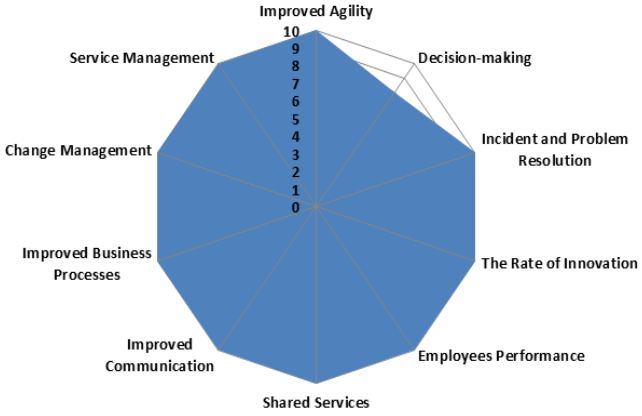

Fig 7. Perceived Significance of Implementing KMS according to the BPO Managers

Knowledge management systems (KMSs) are understood as enabling technologies for operative and efficient knowledge management (KM) [31, 32], thus it can provide operational and strategic approaches to advance the company's value [31,32]. This study shows that the BPO companies realized that their

economicaledge lies customarily in the brainpower-the intellectual capital of their workforcesthroughput [34, 36] and management [33], product and brand management, including the improvement of existing business processes to paved the way towards implementation of innovative methods in understanding their client needs [34, 35] and delivering value to their customers while improving the product design, organization design, processes for learning and managing knowledge, and competitive strategy [36,37].

V. Conclusion and Recommendation

On the basis of the results of this study, it can be gleaned that BPO agents, team leaders and BPO Managers have a positive perception on implementing Knowledge Management System in the BPO Company. It can be noted that KMS is Very Significant in the areas of workspaces to Improved Agility, Decision-making, Incident and Problem Resolution, increase the rate of Innovation, improve employees performance, Shared Services, Improved Communication, Improved Business Processes, Change Management, and in Service Management. The researchers recommend that empirical studies on the service management and change management should embark to carefully design BPO companies towards BPO 4.0 ecosystem.

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