



## TRADITIONAL AND CONVENTIONAL METHODS BASED - KNOWLEDGE MANAGEMENT ANALYSIS IN LAW COMPANIES

Li Rongkai<sup>1</sup>; Tommy Leonard<sup>2\*</sup>, Willy Tanjaya<sup>3</sup>

<sup>1</sup>Master student of law, Faculty of Law, Universitas Prima Indonesia

<sup>2</sup>Faculty of Law, Universitas Prima Indonesia, Email: ([tommy@unprimdn.ac.id](mailto:tommy@unprimdn.ac.id))

<sup>3</sup>Faculty of Law, Universitas Prima Indonesia

\*Corresponding Author



Information of Article	ABSTRACT
<p><i>Article history:</i> Received: 5 Nov 2021 Revised: 6 Nov 2021 Accepted: 30 Nov 2021 Available online: 1 Dec 2021</p> <p><i>Keywords:</i> Knowledge management Law firms Knowledge resources Knowledge benefits</p>	<p>It has been shown that traditional approaches to human resources, innovation, and learning management in businesses, especially law firms, are unproductive. Managing these intangible assets has become more critical as the knowledge-based economy has grown over several decades. These assets frequently represent a company's competitive advantage. Knowledge, knowledge management (KM), and the impact of human resources in the process of KM are examined in this research. Results show that human resources are critical to KM's implementation and direction. To foster an organizational knowledge-sharing culture, human resources (HR) are needed to establish policies and incentive systems, such as pay-for-knowledge. People in HR will also have to maintain regular communication through Community of Practices, mentorship programs, and other similar mechanisms. KM cannot be effectively implemented without the cooperation and commitment of the senior management. Firms will adapt to today's fast-changing market by using KM systems, which will help them establish long-term competitive advantages. The purpose of this study is to investigate what human resources professionals may do and illustrate how the management of human resources can play a crucial role in ensuring the effective deployment of KM in law firms.</p>

### 1. Introduction

Nowadays, people are inundated with information [1]. A doubling of the world's codified knowledge every few hours [2, 3], is expected by 2010 [3]. The pace at which new information is being created is growing, and new knowledge is being created. The idea that knowledge is key to understanding organizations is expressed through the focus on the importance of an organization's strategic performance to its competencies and knowledge. As a result firms invest in information technology, to improve their economic performance by advancing information dissemination, decision-making, organisational capacities, organisational excellence, receptiveness, and delivery [4]. A plethora of knowledge is accessible in the information age, but its management seems to be lacking. The inability of enterprises to profit financially and/or socially is due to a lack of knowledge organization in the workplace.

Knowledge management (KM) has been more critical in the previous several decades, emphasizing the idea and use of KM in the creation of knowledge-based businesses. It is stated that a company's KM infrastructure should have a flexible corporate culture, current and supporting technology, and a solid corporate structure [5]. A competitive edge that cannot be replaced or replicated is one of the primary reasons KM is so critical to the success of law firms across all sectors. Here are four of the questions we're hoping to answer: Knowledge may be defined as: What does KM mean? KM is critical to legal firms due to many reasons. In light of these challenges, what are some possible answers and tactics for law firms?

The paper is organized as follows: In Section 2, information and data related to the KM resources. Section 3 explains the conception of KM. Section 4 explains and discusses the KM in Law Firms with challenges and benefits. Section 5 draws the Conclusion for further future works.

### 2. Information, Data, and other Sources

#### 2.1. Information

What we know is the most prevalent definition of what we call knowledge. "The mental processes include comprehension, understanding that takes place inside the mind, but they also entail contact with the outer environment and interaction with others," it is pointed out that knowledge fascinates him since it is always available to interpretation; changes continually; and is built through time. Although knowledge is not just a list of data, it is a human activity that cannot be readily recreated [6].

Information and Data: As a starting point, we must separate knowledge from facts and information. “Simple facts and statistics absent of context are not immediately significant,” according to [7]. An organization’s data must be transformed into meaningful information to be considered helpful. This definition is based on the work of [7], who sees information as a collection of organized facts and figures that are then placed in a broader context.

Capitalization of Knowledge: As opposed to facts or information, knowledge is unique because it is seen as something that belongs to a specific person. Business success has relied heavily on it for years. It always has. Knowledge is an asset that should be handled in the same way currency, human resources, and raw materials. As the value and importance of knowledge in our information-based economy grow, so does the idea of ‘intangible assets. Throughout the late 1990s, allusions to intellectual capital were prevalent in business. One’s intellectual area is where one generates intellectual wealth. As a member of a company, each employee has a unique knowledge space that may be described, incorporated, and created into the company’s overall structure. Creating a shared knowledge space among a company’s employees will provide them a distinct advantage versus those who do not, as a company’s worth transfers from physical assets to knowledge. Firms can and do benefit from the same kind of thinking. To profit from and establish a community knowledge space [8]. This context should help in the architecture and ease of knowledge application and interconnectivity inside a corporation.

## *2.2 Tacit and Explicit Information*

The dynamic interplay between the recognized (explicit knowledge), cultural understanding, and the vision (tacit knowledge) provides the foundation for creating organizational knowledge. All of these are results of human experience and reflection. Explicit knowledge is simple to express and convey, making it easier for people and organizations to share [9]. Building reality and giving meaning to novel knowledge and information is a function of cultural knowledge, which comprises assumptions, ideas, and ideals employed. There is a growing emphasis on the importance of tacit knowledge, though. Tacit knowledge is very personal and hard to transmit to others since it is context-dependent. The “knower” can’t be aware of the existence of tacit knowledge since the word “tacit” refers to anything that is not articulated [10]. The inability of companies to make explicit the tacit knowledge that exists inside them is a serious problem. Many components of an organization’s knowledge base are left unspoken about because they cannot be adequately described in informal language and because doing so would be impossible [10]. As the value of information translated into knowledge grows exponentially, firms have learned that applying tacit knowledge to new products and processes may provide them with a competitive advantage.

## **3. Knowledge Management (KM)**

Organizations compete in ever-evolving business contexts. Business practices have undergone a sea change as we transition from a post-industrial to a knowledge-based economy. Intellectual capital has great value in today’s knowledge-based economy, in which companies are a part. To raise the company’s total worth, organizations and HR experts are constantly recruiting top personnel with a wealth of experience and expertise. Subsequently, businesses spend a lot of money educating and training their workers. People are encouraged to pursue their own professional goals and dreams in the knowledge-based economy at the same time. There has been a shift in the role of employees inside corporations. Employees in the new millennium are required to work for various businesses and have different occupations throughout their working lives. To stay marketable and essential, competent professionals maintain their assets and devote themselves to continuous improvement, not just for the sake of their employer but also for their gain. As a result, the value of learning is determined by both the knowledge employee and the organization from a separate viewpoint.

Consequently, a greater emphasis on KM is required by businesses. As a new field with many facets, KM is subject to many different definitions, much like “knowledge” itself. Much like the discipline itself, the concept of KM is continuously evolving. It is expected that participants will offer a vision of what KM is for their business, which will be questioned by those who have a distinct but equally legitimate view’. Even if there are many various models, definitions, and variants on the issue, the fundamental assumption stays the same: KM supports the transmission of learning across an organization.

### *3.1. Capabilities and Effectiveness of KM Model*

Understanding data and information leads to knowledge. Accordingly, information management and data management are also part of KM. KM comprises two main parts: a knowledge infrastructure and a set of methods for managing that infrastructure.

*Knowledge Base:* Incorporating technologies, organizational structure, and company culture creates a firm’s knowledge infrastructure. The practical implementation of KM is dependent on the presence of these three components. They are the foundation of a company and the reason for its survival.

*Technology:* It examines the company's ability to transfer and mobilize social value for the development of new capital via the use of proper software and equipment. IT is a critical facilitator of KM deployment [11]. Since direct interaction is impossible in huge businesses, technology has made it possible to share information. A company's requirement for access, speed, and efficiency in acquiring and accessing information is satisfied by technology.

*Organizational Structure:* As a result of the significance of the organizational structure, it is essential to ask whether the company has enough people and roles in transferring knowledge effectively. KM theorists recommend that a KM system be implemented in an environment that is flexible and non-hierarchical [12]. Employees should be encouraged to share their expertise by offering a variety of incentives for doing so.

*The Culture:* Knowledge infrastructure's cultural component examines the extent to which a company's corporate culture encourages the transfer and exchange of information. The effectiveness of a KM program relies in large part on the ability of the company to maintain a strong corporate culture. Any KM platform will fail if it does not have a culture that encourages and supports knowledge sharing. Adaptive company culture must be fostered by placing a high value on knowledge. Organizations may promote knowledge sharing via four main channels: organizational culture, employee engagement, corporate values and managerial support [12]. When executing a strategic program, it is critical to have the full backing of management. Employees may misunderstand this behavior as a lack of commitment and support for a KM program and put in little effort if management lacks this commitment and support. A company's capacity to properly manage knowledge will be enhanced if it successfully develops its corporate culture.

### *3.1.1 The Capability of the Knowledge Process*

The capacity to process knowledge is the second component of KM. The four components of an organization's knowledge process capabilities are acquisition, conversion, application, and protection. Conversion is how raw data and raw information are transformed into useable knowledge and knowledge that can be used. Applications include knowledge that can be accessed and used and those that are put into practice. Finally, the protection aspect is to guarantee that the company's competitive advantage is secured from outsiders. Intangible assets are things like knowledge and information. A process capability is required because of the intangible nature of knowledge. A knowledge artifact is a document containing elicited information put through a series of steps. When it comes to KM programs, objects or artifacts are often stored electronically so that everyone in an organization may access the information they represent. In this case, technology allows the application to access information by coexisting with existing knowledge infrastructures and processes. Because of this, a company's KM program's success is dependent on how well it builds and uses its information infrastructure and processing capabilities.

*KM in Practice:* Although there are multiple KM interpretations, it is provided an excellent breakdown of the methodologies of KM implementation. In his classification of KM applications, he divided them into six categories: transaction, analytical, asset management, process-based, developmental, and creative KM.

*Involvement in the exchange of money:* Additionally, transactional KM solutions help workers execute transactions and boost the availability and monitoring of knowledge. Customers' satisfaction, order accuracy, and assistance for service agents are the primary goals of this job.

*Analytical thinking:* Analysis of data and knowledge is provided by analytical KM. Analytical applications include management information systems, customer relations, and decision-support systems. To find information trends and patterns, these systems change enormous volumes of data; as a result, if used and understood, they might become knowledge.

*Management of Assets:* When it comes to managing formalized explicit knowledge or proprietary information, asset management is all about it. Document management, knowledge value, and knowledge repositories are all examples of asset management applications (storage).

*Process-oriented:* Process-based KM is focused on codifying and improving procedures. Process Automation and Quality Management are two examples of applications that may help.

*Development:* Increasing the availability and sharing of information is a primary goal of developmental KM applications, aiming to improve knowledge workers' skills and capacities. Teaching and training are all included in this.

*Creativity and New Ideas:* In ingenuity and entrepreneurship, many KM initiatives aim to establish work settings in which employees from varied backgrounds may come together to generate new ideas and solutions. Invention applications Networking, teamwork, discussion forums, and communities are all part of KM. KM may be implemented in various ways, as can be shown. The effectiveness of each application and the accompanying technology utilized varies from company to company.

### 3.2 KM's Success and Benefits

The advantages of KM are almost limitless. KM may be a sustainable and fair competitive advantage, a chance to distinguish, a price advantage, and even a key to the survival of a company-provided it is correctly implemented following the structure and culture of that business. In essence, KM allows companies to increase their capacity by making better use of their current assets.

**KM in Law Firms:** Many civilizations throughout the globe have been using written law since the ancient Mesopotamian legal system and customs. The concept of law has played an essential role in shaping cultural ideas and values for millennia, from Hammurabi's Code to today's Internet-based legal reports. Knowledge and skills are required for the practice of law, which has historically been a profession requiring accurate, effective, and impartial information. Due to rising specialization and the need to compete worldwide, law firms now confront an extremely competitive market. These pressures have, among other things, reaffirmed the need for industrial expertise.

*The Law Firm's:* You must first understand how law firms work, who their stakeholders are, and why they exist before you can take advantage of the benefits of KM. To put it another way: law firms are like social organizations that specialize in speed and precision in developing and exchanging legal information. A closer examination of this statement reveals it to be a perfect example of a company. The ideal company comprises a group of people that can swiftly and effectively produce and share knowledge. Unfortunately, this isn't always the case because of the many interests involved. A law firm is typically attorneys, paralegals, managers, support staff, and administrators. Despite their varied roles, these employees need to work together to increase the value of the company. The organizational structure of a legal company might also differ significantly depending on its size, something to keep in mind. Understanding a law firm's scope and purpose is necessary to appreciate why KM is such a crucial business driver. A company's mission statement may be a beneficial tool to get an accurate picture of the firm's scope and purpose. In general, a professional service firm's mission statement has three primary goals: to give exceptional service to clients, to provide rewarding jobs and professional fulfillment to workers, and to obtain economic success so that the company may expand. These three goals may heavily influence the choice to develop a KM program.

According to, a company must have access to the greatest brains and information in its chosen sectors to deliver excellent customer service. The capacity to deal with the unexpected and come up with new answers are all part of this. To achieve these goals, KM may play a significant role. KM can boost efficiency and effectiveness inside the company. The ultimate goal of professional service businesses is to demand economic security and expansion. Many elements, such as the market they operate in and their service offerings, have a role. As a result, KM may catalyze financial success and expansion.

**Challenges that Law Firms Face:** Demand for KM in legal firms comes from four interconnected areas: effectiveness, new competition, a lack of coordination, and It's time to retire! To preserve the long-term viability of their operations, law firms must address these concerns.

*Effectiveness:* For one reason or another, there is a substantial dispute over whether or not the company will genuinely gain from the capture of efficiency.

*A New Threat:* Another primary concern for legal businesses is the emergence of new competitors. Among other factors, globalization is to blame. Companies worldwide are increasingly seeking legal firms that can assist them in all of their locations. No matter how large the business is, globalization may significantly impact its long-term viability.

*A lack of coordination:* Lastly, legal companies must deal with the issue of communication inside the firm as a serious concern. Knowledge transfer "occurs by chance or via one-on-one interactions without a sharing of knowledge by everyone who requires the information, whether within or outside the company". Productivity might suffer as a result of an inability to share information appropriately.

*It is time to retire:* Finally, one of the most pressing concerns of a law firm's human resources is the subject of retirement. In light of the rising number of senior attorneys nearing retirement age, vital information will be lost if their knowledge and skills are incorrectly captured. When a professional's job is ended, their tacit knowledge will be lost if it is not adequately documented. This is the primary concern here.

## 4. Benefits of KM in a Law Firm

A KM program for a legal company outlines the following advantages:

- Improved document production via the use of KM will result in an improved level of customer service.
- Businesses can provide better service to their customers by storing technical information in documentation or system.
- Good KM may make attorneys' lives simpler and lead to improved productivity and less stress.

- If an employee quits the company, the knowledge may be stored in a system to continue to exist.
- Good KM helps attorneys share their expertise, ensuring that information is preserved and ready for resale.
- When new attorneys join the firm, effective KM may aid in their transition.
- The management of risk cannot be done without KM. Professional negligence litigation may be avoided if the information is effectively transferred.

## 5. Conclusion

A review of this work has yielded the following results about the four key goals. To answer the question, “What is knowledge?” data, information, and knowledge all have different definitions, yet they all serve the same purpose. To be sure, knowledge is a priceless intangible asset, but it is far more difficult to formalize and express than explicit knowledge. To answer the question of “What is KM?” it is an emerging field that aims to turn tacit information into explicit knowledge. The cultural context, technology, and infrastructure of a company influence how KM processes are defined and implemented.

KM is critical for law firms because it gives them a competitive edge and secures their long-term success. In addition, it allows for more efficiency. It’s a great way to save and preserve important information. Is there a way for legal firms to cope with these issues? Human resources will be critical. Creating a Chief Knowledge Director and a KM Implementation Team is essential for any company to succeed. Creating Community of Practice and mentorship programs are two effective ways for companies to promote a culture of knowledge sharing. Sharing should be appreciated in the workplace.

## References

- [1] A. Kellerman, *Globalization and Spatial Mobilities: Commodities and People, Capital, Information and Technology*. Edward Elgar Publishing, 2020.
- [2] D. Carlucci and G. Schiuma, "Knowledge assets value creation map: Assessing knowledge assets value drivers using AHP," *Expert systems with applications*, vol. 32, no. 3, pp. 814-821, 2007.
- [3] N. Bontis, "Assessing knowledge assets: a review of the models used to measure intellectual capital," *International Journal of Management Reviews*, <https://doi.org/10.1111/1468-2370.00053> vol. 3, no. 1, pp. 41-60, 2001/03/01 2001.
- [4] A. A. Silassie, J. Dahalan, and B. Muhammad, "Blockchain Technology and Regression Methods: A Case of Conceptual Framework," *The International Journal of Business Society (ijo-bs)*, vol. 5, no. 11, pp. 450-463., 2021.
- [5] A. Attia and I. E. Eldin, "Organizational learning, knowledge management capability and supply chain management practices in the Saudi food industry," *Journal of Knowledge Management*, 2018.
- [6] V. Z. Chen and M. A. Hitt, "Knowledge synthesis for scientific management: Practical integration for complexity versus scientific fragmentation for simplicity," *Journal of Management Inquiry*, vol. 30, no. 2, pp. 177-192, 2021.
- [7] C. L. Borgman and M. F. Wofford, "From Data Processes to Data Products: Knowledge Infrastructures in Astronomy," *arXiv preprint arXiv:2109.01707*, 2021.
- [8] P. Handa, J. Pagani, and D. Bedford, *Knowledge assets and knowledge audits*. Emerald Group Publishing, 2019.
- [9] C. J. Craig et al., "The embodied nature of narrative knowledge: A cross-study analysis of embodied knowledge in teaching, learning, and life," *Teaching and Teacher Education*, vol. 71, pp. 329-340, 2018.
- [10] T. Wilson, "The nonsense of knowledge management revisited," E. Macevičiūtė & TD Wilson (Eds.), *Introducing information management: An information research reader*, pp. 151-164, 2005.
- [11] P. Drucker, *Management challenges for the 21st century*. Routledge, 2012.
- [12] A. M. Mills and T. A. Smith, "Knowledge management and organizational performance: a decomposed view," *Journal of knowledge management*, 2011.