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Perceptions becoming reality: bridging the market knowledge gap

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Introduction

In an increasingly competitive external environment, organizations constantly strive to learn new market trends and ideas in order to stay ahead of the game. Consequently, a new form of organizational learning capability emerges where organizations are able to apply market knowledge generated from customers and competitors and modify their behaviors in response to competition. The application of such knowledge could include reshaping policies to benefit key customers and developing new products and services to broaden customer choice. However, with an increased demand for market knowledge, how does the organization motivate employees to constantly acquire and disseminate such knowledge? The key may simply lie in management's emphasis on the importance of market knowledge.

Perceived emphasis driving behavior

Management is responsible for providing an environment that promotes organizational learning. They play a definitive role in determining how an organization should focus on various business activities. Management also influences employee behavior on how to achieve these objectives. Thus, the development of market knowledge acquisition and dissemination activities would be difficult if the importance of such knowledge as one of the key competitive objectives is not well established. The signals sent by management would provide guidance to employees with the understanding of how to operate in the external and internal environment.

According to Ichijo *et al.* (1998), management emphasis on market knowledge is an important condition for effective organizational learning to occur. This is because once management has indicated strongly the need for market knowledge; the rest of the organization would respond and support this demand through increased acquisition and dissemination activities. Thus, it is crucial that employees perceive that management takes market knowledge seriously. At the workplace, perception is everything. Perceiving that management emphasizes market knowledge would go a long way to drive behavior. People would believe that the act of bringing "fresh" market insights from customers and competitors contributes directly to organizational goals. However, how does management communicate their expectations to the employees such that they realize the importance?

Communicating expectations

Management can easily communicate their expectations that employees should search for market knowledge. Several ways have been proposed by Li and Calantone (1998). For example, management could encourage employees to have greater awareness of market trends and stay ahead of change, and be sufficiently equipped with strong knowledge of customers' needs and competitors' products. Such expectations could be communicated through weekly management meetings, monthly staff meetings and quarterly one-to-one reviews with all staff. In further promoting the importance of market knowledge, management could give employees more time for internal discussions and presentations to disseminate

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knowledge. Alternatively, more financial resources could be channeled to implement systems such as corporate portals to share market knowledge.

In communicating, management must first signal the importance of market knowledge and how it contributes to organizational goals. Once such emphasis on market knowledge has been established and reinforced, the employees, perceiving that this is a management requirement, would inadvertently explore ways to acquire and disseminate to close the market knowledge gap. Outcome-wise, management's direction on market knowledge creates employee perception of the need for such knowledge. This, in turn, drives employee behavior to acquire and disseminate more market knowledge, thereby, contributing to building an even strong organizational learning capability.

Role of development and learning team

The development and learning team could further encourage knowledge acquisition and dissemination activities through a basic program comprising two workshops. The first workshop would focus on skills needed to acquire and disseminate market knowledge. Such skills include conducting in-house market research, identifying customer needs during focus groups and designing processes to inform departments of environmental changes. At the workshop, participants would have to role-play different ways of gathering and sharing knowledge and create a list of practices to facilitate these activities. As “homework”, participants would arrange to “implement” these practices back in the office. At the second workshop, participants would share what went wrong and right during the “implementation”. Their immediate managers would be invited to provide feedback on the effectiveness of these practices. It is envisaged that besides equipping the employees with the necessary skills, the development and learning team could also provide relevant feedback by creating a platform for management feedback on the effectiveness of such implementations.

Conclusion

Overall, management-driven activities are critical for organizational learning to occur. The best organizations are able to convert an explicit message and drive the entire organization to use market knowledge for decision-making. Employees are more likely to engage in knowledge acquisition and dissemination activities when they believe that these activities are important to management. Unless management emphasizes the value of market knowledge, the organization is unlikely to pursue knowledge acquisition and dissemination activities vigorously. To close the market knowledge gap, the development and learning team could encourage knowledge acquisition and dissemination activities through programs workshops.

Keywords:
Learning organizations,
Market research

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