

Knowledge Management during Downsizing: Case Study of Serbian Companies

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Abstract

Downsizing is frequently used strategy in the process of company restructuring. Big financial crises on a global scale even more underlines its significance for the survival of companies or their successful recovery. Aiming to achieve positive effects in the processes of transformation and revitalization of companies as soon as possible, the managers who manage the programs do not pay enough attention to the structure of employees leaving the company. Although there are clear criteria for the selection of workers who will leave the organization, none of these criteria explicitly relates to the knowledge of employees and significance of their knowledge for the organization. Uncontrolled departure of workers who possess the key knowledge can result in losing the core competence and in weakening the competitive position of the company. The goal of this paper is to define the model, which will enable implementation of the downsizing with the respect to the knowledge management concept. Knowledge – based downsizing process values knowledge as the key criteria, which should be the starting point when selecting employees who must leave the company. Thus, long-term core competence can be preserved regardless of the employees' fluctuation level.

Keywords

Core competence, knowledge codification, knowledge-based downsizing process, knowledge leaders

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Introduction

In the process of restructuring of a company, several strategies are used in order to accomplish the organization's performance improvement. In addition to making the branch offices independent, sale of the branch offices that are not competitive and profitable enough,

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