

KNOWLEDGE MANAGEMENT.

Checklist 166

» INTRODUCTION

Knowledge management, (KM) is the process of effectively capturing, distributing, and using knowledge so that everyone within an organisation can benefit from it. KM means having an integrated approach to identifying, capturing, and evaluating knowledge, as well as the organisational capacity to retrieve and share an organisation's information assets in a meaningful way. Knowledge has become a key strategic asset in a knowledge based economy and every organisation that values knowledge must invest in developing the best strategy for identifying, developing and applying the knowledge assets it needs to succeed.

Successful knowledge management depends very strongly on good people and good project management. Information and communication technologies are also very important, since the need to better organise and exploit knowledge has coincided with continuing advances in enabling technologies. Effective KM requires top management support and commitment. It is vital to build an organisational culture that is conducive to sharing knowledge rather than one that condones or even encourages the hoarding of information.

Managing knowledge systematically and professionally can bring many benefits to an organisation. These include the ability to learn from past failures and avoid repeating them or reinventing solutions which have previously proved to be inadequate. KM can also be a driver of new ideas leading to the creation of new products, services and solutions. Better access to and more effective application of knowledge also facilitates more timely responses to changes in the business and market environment. KM therefore can dramatically improve the quality of products and/or services and make a direct impact upon costs and on the potential for organizational growth and expansion.

There are many different approaches to knowledge management including those focusing on project management, leadership and IT management processes. Good KM involves integrating a KM perspective into all types of management processes, whether it is HRM, leading people, IT governance, quality management or project management. This checklist takes a mainly implicit HR perspective and aims to provide an introduction to key concepts and issues which should be considered when seeking to improve the management of organisational knowledge.

Components of knowledge management

Knowledge management can be thought of as having five basic components:

- › the capture of experiential knowledge
- › the creation of new knowledge and understanding (innovation)
- › the storage of data, information and knowledge
- › the dissemination of data, information and knowledge
- › the measurement of knowledge – intellectual capital.

Knowledge management is the systematic identification, management, dissemination and development of intellectual assets to benefit an organisation's business performance. Rather than being a management strategy in its own right, knowledge management is a perspective which is applied to existing management processes.

Explicit knowledge can be formally articulated in language or mathematical expressions and presented in forms such as documents, manuals, reports, procedures, patents, copyright material or policies. Most of what is called explicit knowledge is in fact information. It can be processed by computers and stored electronically, in databases, for example, and is relatively easy to transmit to others.

Tacit or implicit knowledge is personal knowledge embedded in people - for example, expertise or intuitive understanding based on experience or drawn from relationships with customers, suppliers, or others.

Intangible assets include human capital (the knowledge and competence of employees), structural capital (organisational internal structure) and relationship capital (relationships with customers, suppliers, partners or others). Knowledge with intangible value creates internal added value for the organisation.

Tangible assets include knowledge or information with a value that can be realised (e.g. a patent or copyright can be sold). The distinction between tangible and intangible assets largely corresponds to that between explicit and tacit knowledge.

Knowledge workers are employees who apply the theoretical and practical understanding of given knowledge areas to produce results for an organisation.

1. Review corporate strategy

The management of knowledge must be integrated with, and reflect, overall organisational strategy. It cannot be implemented in isolation. Decide why you want to adopt knowledge initiatives, and remember that knowledge solutions should be tailored to the needs and objectives of your organisation. What works in one organisation, market or sector may not be appropriate in another.

2. Assess existing knowledge management processes

An information audit forms a sound foundation for a knowledge audit (See related Checklists below.). A knowledge audit will pinpoint strengths and weaknesses in current knowledge management processes: knowledge generation, storage, transfer and usage. It should also consider critical knowledge and information needed for the future. Good practice can be identified and applied in other parts of the organisation, although it is vital to take contextual factors into account here. Don't assume that knowledge acquired in one context can be applied in another without evaluating its relevance in the new context. Skills and qualifications can be mapped within the organisation and any gaps in key skills highlighted and addressed through learning and development. Mapping can also quickly identify potential project members.

3. Gain management commitment at all levels

The successful adoption of knowledge management strategies requires senior leaders to adopt an appropriate approach, support its implementation with the significant resources needed to facilitate knowledge sharing, and overcome any resistance to change. A coherent communication strategy is vital here. Gaining

the commitment of senior and middle managers is also of critical importance. Identify a group, project or department as an example of good practice to promote and champion knowledge management within the organisation.

4. Evaluate the need for culture change

It is vital for managers to create a culture where information sharing becomes embedded in the organisation over the long term. Culture change can be a slow, difficult process and it can be difficult to persuade people to share knowledge if they feel it will be advantageous to them to restrict access to it. Any barriers to the diffusion of knowledge, including the fear or reluctance to share openly, should be addressed and the creation of incentives considered. For example, recruitment, performance appraisal and rewards can be linked to individual roles in taking responsibility for and sharing knowledge. More specifically, knowledge management objectives can be included in appraisal targets. The development of team-based rewards can also help to avoid or eliminate organisational barriers.

5. Organise and capture sources of organisational knowledge

Explicit knowledge or information, such as patents, technical specifications and training documents, can be codified and stored in databases. Tacit knowledge, however, cannot easily be put in writing as subtle details and contextual factors will be lost. An alternative approach is to use computer systems to facilitate contacts and to help people track down colleagues with the right expertise for a project or information that is useful and can be applied in appropriate ways.

Web 2.0 tools and extranets can be used to capture information, perspectives, preferences and insights from outside the organisation, from customers, suppliers and stakeholders.

6. Share knowledge

The importance of a culture of knowledge sharing has already been highlighted. Suitable channels for knowledge sharing and transfer also need to be in place. Where information can be packaged and re-used, persuade people to make documents available to others and not to hoard them. Consider appointing an information analyst to extract non-confidential knowledge from documents and put it into a database. Assist people in searching databases and re-using information to save time and increase response rates.

Encourage people to find colleagues to help with projects by tapping informal knowledge networks or using departmental knowledge maps. Knowledge sharing is costly in terms of time and effort, so it is important to focus on areas where there is a particular need to develop knowledge. This may be done by encouraging interactions between key knowledge holders, e.g. through:

- › face-to-face meetings or video conferencing
- › email exchanges and telephone conversations
- › job rotation, visits or transfers from one department to another
- › changes to the physical and architectural layout of offices and buildings
- › the provision of attractive spaces for informal gatherings e.g. canteen, break rooms
- › providing good coffee in the break room can be an extremely effective knowledge management measure.

7. Increase knowledge

Bring external knowledge into the organisation through strategies such as flexible recruitment policies which will enable the organisation to tap into a wide range of skills, expertise and culturally diverse perspectives. A process for capturing the knowledge of contractors who bring specialist knowledge into an organisation will also be required.

Develop knowledge through strategies such as:

- › employee training, job rotation and work shadowing within the company
- › organisational learning using both explicit and tacit knowledge
- › creativity and innovation
- › cross-departmental, cross-site or even cross-organisational teams
- › developing a policy for capturing the knowledge of contractors delivering activities or specialist tasks into an organisation.

The work of Ikujiro Nonaka (see Related thinker below) focuses on the creation of organisational knowledge. He identified four processes by which tacit individual knowledge may be converted into explicit organisational knowledge and emphasised the key role of middle managers in bringing together the strategic vision of top management and the task-centred knowledge of frontline employees. Nonaka stressed the importance of human interactions and relationships within the process of knowledge creation.

8. Maintain knowledge

Take steps to safeguard tacit knowledge relating to previous experience, projects and decisions, to avoid knowledge gaps in the future. Ways to achieve this include:

- › redeploying employees where possible, rather than making them redundant
- › developing managers' skills in communicating verbally and leading meetings so that knowledge is transferred more effectively
- › developing managers' ability to develop and train others, so that knowledge is shared
- › using exit periods to capture the experiences of those who leave or retire and make the information available to successors
- › maintaining links with retired or redundant personnel, possibly using corporate alumni networks
- › valuing employee loyalty and long service.

Improve the retention of knowledge workers by working at the difficult balance between empowerment and ensuring that corporate objectives are achieved. Make it clear that you support and trust your people, especially if they work remotely.

9. Protect knowledge

Where possible, protect organisational knowledge by registering patents and trademarks. Build safeguards into informal information sharing between employees and those from other companies by introducing operational policies and codes of conduct. Restrictive covenants and 'garden leave' clauses in contracts of employment may be used to minimise the transfer of knowledge in cases where employees leave to work for competitors.

10. Monitor and measure knowledge

Monitor and measure the impact of your knowledge management initiatives to assess how far the organisation has met the objectives set.

In some circumstances standard accounting practices, may allow organisational knowledge to be valued as an intangible asset. A number of alternative methods have been developed, such as Kaplan and Norton's Balanced Scorecard or Tobin's "Q Value". There is little agreement however on how to put a price on knowledge. Exceptions to this would be intellectual property and patents as it is easier to put a monetary value on these knowledge assets.

Managers should avoid:

- › copying other people's strategies - choose one that suits your organisation
- › trying to use too many knowledge solutions – prioritise and select only those that you need
- › neglecting the contribution and needs of remote employees and teams
- › forgetting legal requirements for data protection and freedom of information which relate to the retention and storage of information and access to information.

BOOKS

Personal knowledge management: individual organizational and social perspectives

David J Pauleen, G E Gorman, Farnham, Gower, 2011

Knowledge works: the handbook of practical ways to identify and solve common organizational problems for better performance, Christine van Winkelen and Jane McKenzie

Chichester: John Wiley, 2011

Knowledge retention: strategies and solutions, Jay Liebowitz Boca Raton Fla: CRC Press, 2009

Managing flow: a process theory of the knowledge based firm, Ikujiro Nonaka, Ryoko Toyama and Toru Hirata Basingstoke: Palgrave MacMillan, 2008

This is a selection of books available for loan to members from CMI's library. More information at www.managers.org.uk/library

RELATED CHECKLISTS AND THINKER

- 013** Carrying out an information audit
- 150** Handling information – avoiding overload
- 047** Ikujiro Nonaka: knowledge creation

INTERNET RESOURCES

Knowledge Management Tools <http://www.knowledge-management-tools.net/>

KM site covering the theories, frameworks, models, tools, that are relevant to students and practitioners.

WWW Virtual Library on Knowledge Management www.brint.com/km

A collection of resources on KM, includes full text articles, book reviews, web links and discussion.

KnowledgeBoard <http://www.knowledgeboard.com/>

A global KM community offering discussion, articles, special interest groups and KM events.

This checklist has relevance for the following standards:

- › B: Providing direction, unit 9
- › E: Using resources, unit 4,
- › F: Achieving results, unit 12

» **MORE INFORMATION**

e enquiries@managers.org.uk

t +44 (01536) 204222

w www.managers.org.uk

p Chartered Management Institute
Management House, Cottingham Rd, Corby, Northants, NN17 1TT

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