

CHAPTER 6

CONCLUSION



6. CONCLUSION

The proposed Framework for Knowledge Management challenges the success rate of knowledge management over its adoption life cycle as projected by the Gartner Group (refer to Figure 1: Projected Knowledge Management Life Cycle, page 3).

The framework, i.e. the strategic-, people-, process-, and technology components addresses the critical success factors of such an implementation over the project life cycle in such that (Figure 35: Proposed Knowledge Management Life Cycle):

- the *knowledge management strategy* interprets the technology and environmental triggers that necessitates the need for knowledge management according to the organisation's unique requirements;
- the establishment of a *knowledge sharing culture* prevents unrealistic expectations during the contagion phase, creates a common language among employees, ensures senior management support and prepares employees for the implementation phase;
- *knowledge creation & retention process* initiatives form a critical part of the implementation phase;
- adequate *technology infrastructure* supports the successful implementation of the various knowledge management initiatives; and
- the *intellectual capital measurement capability* indicates the level of success of the knowledge management implementation and consequently provides an input for the reassessment of the knowledge management strategy.

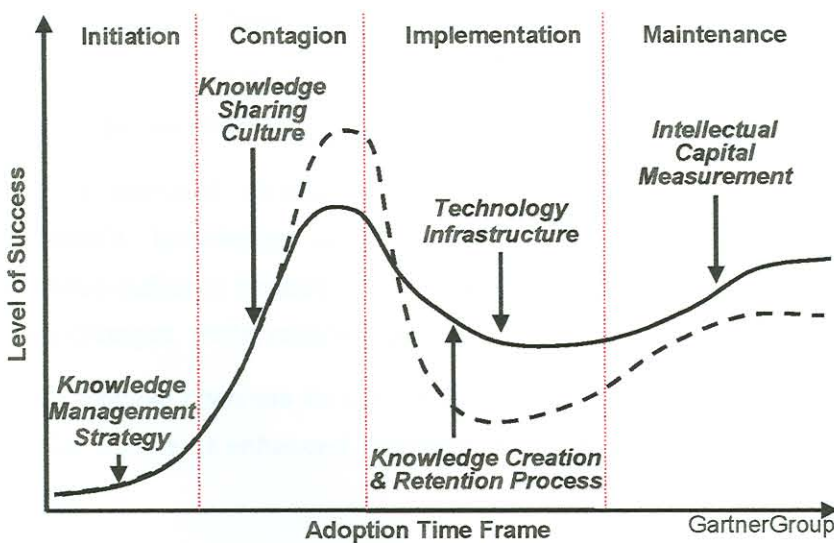


Figure 35: Proposed Knowledge Management Life Cycle

In conclusion the following paragraphs summarise the critical success factors and risks involved with implementing knowledge management in an organisation as well as provide recommendations in this regard.

6.1 The Critical Success Factors of Knowledge Management

The critical success factors to the implementation of a knowledge management initiative and the development of a knowledge organisation in the knowledge age are:

- Focus on managing the organisation's *intellectual capital*, i.e. knowledge-based assets, as the critical business resource and communicate the value of these knowledge-based assets to the stakeholders.
- Continuously increase the *knowledge content* of products and services.
- Create a budget for knowledge management projects and link the results of such initiative to *economic performance* or industry value, i.e. money saved or earned.
- Gain *senior management support*. Develop top management's commitment by showing them the successful knowledge management attempts of other companies. The organisational executives and senior management team set the tone for a knowledge-orientated culture by championing knowledge initiatives.
- Appoint a *chief knowledge officer* to create a knowledge-management strategy that is linked to the company's objectives.
- Define *new roles and responsibilities* for knowledge managers. A specific group has to take responsibility for the management, i.e. the collecting and categorising of knowledge, for the establishment of an infrastructure, and for monitoring knowledge in the organisation.
- Provide *technical and organisational infrastructure*, i.e. establishing technology and organisational structures, which enables knowledge management.
- Provide a *standard, flexible knowledge structure*. The structure of the organisation's knowledge changes continuously through learning. This necessitates sufficient flexibility in the structure of knowledge repositories to cater for these changes, whilst retaining some level of standardisation.
- Establish *multiple channels for knowledge transfer*, because the effectiveness of knowledge transfer is enhanced if multiple channels, which reinforce one another, are used.
- Ensure that *knowledge retrieval and capturing activities* are closely integrated with the core work-processes of the employee.

- ❑ Create a *discipline* among employees that values high knowledge quality in the organisation.
- ❑ Establish a strategic focus on *core, value-added processes*, whilst elimination or outsourcing others.
- ❑ Establish a *clear purpose*, i.e. clearly defined and effectively communicated objectives for knowledge management by linking learning and knowledge transfer to the organisation's vision.
- ❑ Establish a clear *enterprise-wide vocabulary and language* to ensure mutual understanding of knowledge management concepts.
- ❑ Address cultural issues with change management interventions to develop a *knowledge-sharing culture*, i.e. a culture that values learning, knowledge transfer and knowledge sharing, where experience and expertise supersede hierarchy.
- ❑ Change the *motivational practices*. Incentives to encourage the creation, sharing and usage of knowledge are required to promote and reward the correct behaviour. These should be long term and tied in to the general evaluation and compensation structure in the organisation.

6.2 Risks of Implementing Knowledge Management

There are numerous risk factors involved in the implementation of knowledge management, a few of which are listed below:

- ❑ *Intellectual property mindset* - where the employees of the organisation believe that 'knowledge is power' instead of that 'sharing knowledge is power'.
- ❑ *Not invented here* - environment where the generating of new ideas are promoted and not to re-use on old ones.
- ❑ *People introversion* – the fear to learn from outsiders or expose one's thoughts to others.
- ❑ *Quick fix approach* to the implementation of knowledge management instead of a long-term commitment to establishing the new management principles.
- ❑ Performance measures that is only linked to *traditional financial measures*.
- ❑ The fact that the quality of knowledge transfer is directly related to the *degree of face-to-face contact* between the individuals.
- ❑ *Information overload* – where information is scattered around, unstructured, not digitised and not managed in the organisation.

- The management of knowledge requires a balanced approach to *people and technology*.
- The *nature of knowledge* in the organisation place a constraint on the management of knowledge because:
 - knowledge has the notion of continuously increasing, expanding and changing;
 - knowledge creation is highly subjective, opinionated and interpretative, relative to each knowledge worker;
 - The duality of created knowledge, i.e. the tacit and explicit dimensions, complicate the codification of knowledge from:

<i>Tacit</i>	<i>to</i>	<i>Explicit</i>
Not teachable	to	Teachable
Not articulated	to	Articulated
Rich	to	Schematic
Complex	to	Simple
Undocumented	to	Documented

- *Knowledge management is expensive*, because the traditional accounting system based on industrial age standards regards the investment in knowledge-related-activities as an expense rather than an investment. Knowledge is an intangible asset and requires different types of investments, e.g. training of employees as well as different software and hardware to enable the capturing, packaging, and categorising of knowledge.
- Knowledge is a *highly political* asset. If this is not the case then nothing of value is at stake.

6.3 Further Research Possibilities

Numerous initiatives have been initiated across the world of which most are still in the initial phases of development. Results from these initiatives will provide new insight to the evolving discipline of knowledge management and the implications of the knowledge era.

Further research possibilities in the field of knowledge management include:

- identifying the critical success factors of and lessons learned from implementing a knowledge management initiative;

- developing measurements to assess the impact of organisation culture on knowledge management and techniques to cultivate a sharing culture in an organisation;
- investigating the most suitable technology architecture for a knowledge management initiative and the impact of technology developments on knowledge organisations; and
- developing an intangible balance sheet to measure market value of knowledge companies in the knowledge age.

6.4 Recommendations

The *key differentiation* between new generation organisations will be the ability to leverage the knowledge resources of the organisation. The *soft factors* will prove to be a greater problem for implementation than technology. The next century will also introduce *customer demands* for more complex products and services, and will imply closer relationship to support their needs. The value addition of a service provider will involve the ability to assemble complex solutions for the customers, which would require *highly skilled resources*. However, the scarcity and geographical dispersion of these skilled resources in a rapid changing environment will necessitate appropriate *infrastructures, training and knowledge management*.

Knowledge management develops the organisation's ability to manage the intangible and tangible information assets of the corporation. In most enterprises the greatest part of the knowledge asset is never translated in digital form or documented. Big information systems cannot contain the valuable expertise of the employee who creates the knowledge. The purpose is thus to facilitate a human knowledge network that is supported by the necessary information technology.

There is no best practise in implementing knowledge management, but a good approach is to use different experts in the company to participate in the development and implementation of the knowledge management strategy:

- *Librarians and information managers* for their knowledge on the classifying, indexing, and organising of information.
- *Information technologists* for their understanding of and ability to development a supportive infrastructure.
- *Human resource managers* and change agents for their skills of gaining acceptance from personnel.

- *Quality professionals and process engineers* for their knowledge of the business processes.
- *Business analysts* for their ability to development metrics to estimate the intellectual capital of the organisation and assess employees' performance levels.

The principles of knowledge management is to some extent common sense and resolves around the basic values of sound relationships between people that enable the flow of knowledge. It begins by establishing a sharing culture and then providing an infrastructure for scalability across the organisation to support employees.

The implementation of a knowledge base will only prove effective if people rely on its collective knowledge, interact with it and add knowledge to it. Initially individuals will need to be encouraged to continuously interact with the knowledge base. This requires that all the employees of the organisation understand the underlying paradigm of sharing knowledge to the benefit of the organisation.

Knowledge management predicts contradictions and incoherent information, because different people have different emotions, perspectives and insights and even within one person there exists inconsistencies and uncertainties. The aim of knowledge management is thus not to limit knowledge, but rather to encourage diversity of opinions and to allow learning to take place.

Finally, the prime directive of knowledge management is to create and maintain superior knowledge, make it available at point-of-action and to enable a learning organisation culture for the future.