Key Elements in an Effective Knowledge Management System: A Case Study Approach

Indrit Troshani
Sally Rao

Follow this and additional works at: https://aisel.aisnet.org/iceb2005

This material is brought to you by the International Conference on Electronic Business (ICEB) at AIS Electronic Library (AISeL). It has been accepted for inclusion in ICEB 2005 Proceedings by an authorized administrator of AIS Electronic Library (AISeL). For more information, please contact elibrary@aisnet.org.
Key Elements in an Effective Knowledge Management System: A Case Study Approach

Indrit Troshani, Sally Rao
School of Commerce
The University of Adelaide
233 North Terrace, Adelaide, SA 5005, Australia
Ph: [+61 8 8303 5526, +61 8 8303 4237]
Fax: [+61 8 8303 4368, +61 8 8303 4368]
Email: {indrit.troshani, sally.rao}@adelaide.edu.au

Extended Abstract

Increasingly knowledge is acknowledged to be the most important resource in organisations. There is evidence in the literature that suggests that as organisations use knowledge effectively in their day-to-day operations they become more successful and therefore more valuable than their competitors who do not.

Knowledge management is important for several reasons. First, knowledge management literature argues that knowledge has become a significant competitive tool (Rowley, 1999). Many acknowledge that in today’s knowledge-based economy, knowledge, rather than capital and labour, is the “only meaningful economic resource” (Drucker, 1993, Webber, 1993) or “their most valuable and strategic resource” (Zack, 1999). Second, managing knowledge is significantly different from managing other organisational assets. Stewart et al. (2000) argue that knowledge assets are different to physical assets with respect to three characteristics, namely, life, scope, and maintainability (Stewart et al., 2000). It follows that organisational processes in terms of enhanced communication, and process efficiency leading to overall enhanced financial and marketing outcomes.

Knowledge management literature highlights that there are several important factors that need to be considered when knowledge management strategies are designed to ensure that knowledge flows effectively and efficiently within the organisation in order to carry out its vision and goals. First, knowledge management strategies should be consistent with the overall organisation business strategy if it is going to provide an organisation with a competitive edge (King, 2001). Second, people and their contribution are seen as an important component in the knowledge management initiatives of an organisation (Bhatt, 2000). Specifically, top-
management support and employee commitment are key factors. Third, technology also plays an important role because it provides the means and the infrastructure necessary to accomplish knowledge management outcomes. There appears to be agreement in literature suggesting that knowledge management initiatives should be people-rather than technology-centric (Vandenbosch and Ginzberg, 1997). This is because while technology can at the very best help convert data into information, only people can ascribe ‘meaning’ to that information turning it into knowledge. On the other hand, technology enables more effective knowledge management (Alavi and Leidner, 1999). In addition, different people in an organisation are likely to deduce different meanings from information. Therefore, over-emphasizing either people or technology or both may not be sufficient for knowledge management strategies to be successful. The interaction between people, technologies and the techniques people apply in exploiting these technologies may be one of the critical success factors of knowledge management strategies (Bhatt, 2001). The success of this interaction is dependent on organisational culture (Srinivasan, 2004) and will integrate different realities into a unique body of knowledge in the organisation allowing the organisation to act with a “collective mind” (Weick and Roberts, 1993). However a review of knowledge management literature suggests that there are a number of issues where research is still at its infancy and which require further investigation. Some of these issues are highlighted in this section.

First, how can knowledge management effectiveness and benefits be measured. This is important because without effective measures it is difficult to conduct cost-benefit analyses and consequently determine the effectiveness of knowledge management investments. Yet, measuring knowledge management benefits can be difficult task because often knowledge management outcomes are social and only impact organisational profits indirectly (de Gooijer, 2000). Second, given the importance of knowledge management and the need to cultivate a related culture, organisations need to ‘move beyond knowledge pull into knowledge push’ (Ezingeard et al., 2000). This suggests that individual knowledge needs and knowledge profiling are important if individuals are to accept the new knowledge management culture (Ezingeard et al., 2000). Third, given that many organisations (e.g. Ernst & Young, etc.) are global, the pressing issue is how such organisations can globalise their knowledge management initiatives in order to gain competitive advantage. Further research is needed in these areas (Eriksson et al., 2000).

References