

A close-up photograph of a hand with the index finger pointing upwards. The finger is touching a large, glowing green square icon on a screen. Inside the square is a white checkmark. The background is a light blue and white grid pattern.

By David Griffiths and Brian Moon

The state of knowledge management

*A survey suggests ways to
attain more satisfied users.*

Knowledge management performance has been the subject of several important surveys in the recent past, such as Bain & Company's (bain.com) "Management Tools & Trends 2011" report. The results of the surveys indicate some dissatisfaction with KM, in terms of its application as a strategic management tool, and suggest that the concept of KM could be in decline.

What makes those findings difficult to understand is that the reports also show that executives are struggling with innovation, and KM is perfectly positioned to respond to the challenge of innovation. If the management of knowledge resources is so important from a strategic perspective, then what could be going wrong?

KMO Survey

The 2011 Knowledge Management Observatory (KMO) Survey has identified several potential drivers. The report was developed by K3-Cubed (theknowledgecore.com), a spinout project from the University of Edinburgh (ed.ac.uk), and received 354 responses from knowledge managers and executives in 53 countries. The full report will be available early next year, but some initial findings, especially when combined, provide interesting insight into potential causes of the dissatisfaction with KM.

Part of the blame has to be placed at the top. It seems as if KM has functioned in isolation, a response to a

strategic need that too often is not communicated or goes unidentified. Executive or senior management teams will state that they are engaging in KM to optimize or harmonize knowledge-sharing processes across the organization. Yes, but why? The action is a response to a trigger, and until that trigger is understood, KM projects will continue to meet with dissatisfaction, even though innovation challenges are staring KM in the face.

People over technology

Another popular perception is that KM challenges can be addressed through technology-based solutions. Confusion reigns as to whether KM is really managing knowledge resources—people—or whether it is an information or data management system. A lack of understanding can lead an organization to believe that knowledge resources are located outside of people. That is a fallacy. Data and information are stored in technology systems, which are then activated and shaped into knowledge through the actions of *people*.

That is a key message, and if KM professionals can agree to it, organizations have to acknowledge people over technology as the active protagonists in knowledge-driven processes. Knowledge-intensive organizations transact in the knowledge economy. What drives success in the knowledge economy? It is an organization's adaptive capacity, which is linked to the ability to develop knowledge and to innovate,



Only 35 percent of respondents claimed to hold a KM-related qualification.

which, in turn, is embedded within people *enabled* by technology.

Organizations emphasize innovation, but they also are being challenged by demands for better services and products with shorter life cycles, developed using leaner resources. How are KM teams reacting to the challenge? Many sectors were already experiencing the problems brought about by an aging work force and feeling dissatisfied with the emerging talent in the broader labor market. Those challenges are now punctuated with the new demands of downsizing/right-sizing. Organizations are experiencing human resource (HR) trauma that can seriously impact output capabilities.

Questions to ask

How do organizations cope with responding to a demand for higher-quality services and products, while their most experienced and knowledgeable employees are being persuaded to take early retirement packages? Or how do they deal with work force culling through redundancy packages that are not strategically or operationally risk-assessed? A mature, effective KM function could scan the environment to assess the risk of that type of scenario to the organization and develop appropriate solutions.

In speaking of links between KM, organizational value and operational cost, perhaps these questions should be asked: How much knowledge has walked out of the organization's door over the last 18 months? How much of it could have been retained, and what was the cost to reacquire what was known in the first place? What price can be placed on diminished decision-making capability? What about the cost associated with operational lag? What impact has it had on competitive advantage? What impact on innovation capacity? What value could have been created

for the organization? What level of credibility could have been gained by the KM function? What could have been done better? A cursory search of bulletin boards, on sites such as LinkedIn (linkedin.com), returns multiple threads of discussion on how to create and demonstrate value from KM practice, but perhaps the opportunities are under KM's collective noses.

Certify in KM?

The KMO survey found that 65 percent of active knowledge managers do not hold a qualification relating to KM. Of that 65 percent, only 18 percent claimed to be work-



Only 24 percent of respondents said organizational knowledge needs are reflected in HR policy.

ing toward a KM-related qualification. Of that 18 percent, 69 percent were working toward a postgraduate academic qualification, and 17 percent were working toward a KM accreditation certificate. Those findings perhaps indicate immaturity in the field.

If organizations can agree to the strategic drivers, they should also accept that poor KM practice can lead to potential issues of diminished decision-making capability or operational lag, which could critically impact competitive advantage and company value.

This possibly could be caused by knowledge managers who have to learn about the concept of KM while they're on the job. A KM qualification is not an indicator of effectiveness in a professional role, but it could be an indicator of competence through foundational knowledge and understanding of the field (education and experience). That could lead to KM "certification" courses that produce "certified knowledge managers."

Within a mature field, it would seem fair to expect industry standards when it comes to qualifications, such as the credibility associated with a "certified public accountant." However, that is not yet the case with KM; too many professional KM qualifications are versions of "attendance certificates," issued without the need for experience or a requirement to measure competence.

HR and knowledge

If knowledge resources are critical to adaptive capacity and competitive advantage, that surely creates the need for the recruitment and selection of competent professionals to ensure that it is managed accordingly.

The KM process and the human resource (management and development) function have wider opera-

How is it possible to address innovation and to develop organizational knowledge resources, without building in mechanisms to optimize the contribution of people? How is it possible to manage knowledge in an organization without engaging with and managing human resources? How can organizations expect people to contribute to the vision, mission and purpose of the organization unless they get the right people, doing the right job in a way that binds them to the organization's needs? To begin to answer those questions, organizations must understand three key elements that determine the value of knowledge outputs:

- ◆ the needs of the organization,
- ◆ the needs of the people who operate within its boundaries, and
- ◆ the processes that bind the two together.

If people are at the core of KM activity, then the third aspect on the list must involve human resource professionals and frameworks. That means understanding and influencing key HR processes in the organization, as well as asking searching questions:

- ◆ Do human resource policies reflect the knowledge needs of the organization?
- ◆ Are knowledge-driven activities outlined in job descriptions? Do they have enough importance to be considered as a core part of the job analysis?
- ◆ Recruitment and selection—Are knowledge requirements reflected in selection criteria and the way in which interviews are conducted?
- ◆ Appraisal processes—Are key knowledge activities reflected in employee goals and/or performance indicators?
- ◆ How are knowledge activities weighted within the annual pay and rewards policy?
- ◆ How are learning interventions identified when it comes to developing skills and behaviors for knowledge-intensive operational activities?
- ◆ Does the HR manager/director participate in the development of knowledge activities, processes and policies?

The survey findings suggest that too few organizations are addressing the links between KM-related activities and human resource processes.

How is it possible to manage something unless there is an attempt

tional links. If organizations want to engage people in knowledge processes—recognizing people as the active protagonists in those processes—to optimize the knowledge environment, they have to be willing to engage with HR partners. However, in the survey, only 24 percent of respondents said that the organization knowledge needs are reflected in company HR policy, 35 percent in employee appraisal processes, 19 percent in recruitment and selection processes, and 20 percent in pay and reward structure.

to define and/or frame its parameters? How is it possible to begin to measure output or quality of performance?

It is one thing to acknowledge the importance of knowledge resources, it is another thing to define and communicate the meaning to the wider organization. From the responding organizations, only 39 percent defined what they mean by knowledge in an operational sense, and only 37 percent communicated to staff what they mean by knowledge. It is marginally better when discussing the definition of KM in operational terms, with 45 percent defining the concept and 43 percent communicating the definition to the wider organization. To be clear, this is not about producing a philosophical brief for the organization. This is about defining knowledge in terms of what the organization wants to capture, store, use, develop and share, such as, know-how, know-



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what, know-who, know-where, know-when and know-why.

This brings the argument back to the opening point of dissatisfaction. Survey findings suggested that only 28 percent of organizations were “highly” or “mostly” satisfied with the strategic performance of KM activities. The satisfaction dimin-

ished when respondents were asked to rate operational performance, with only 24 percent being “highly” or “mostly” satisfied.

Looking at the cause behind the dissatisfaction, respondents focused on a lack of understanding of what the KM function is, how it is managed, a lack of value, time given to participate in

KM activities and a dependence on technology. “Time” brings the argument back to human resource frameworks. Knowledge-driven activities should be a natural part of the work program for the wider work force; they shouldn’t be seen as being “in addition” to an existing workload. If that is how they are observed, perhaps that is an indicator of how the organization gets KM wrong.

Perhaps it is time to say that something is amiss and address the issues before the KM concept is consigned to the scrapheap of past fads. The need for knowledge in organizations endures, and the only question that remains is what can KM professionals do to improve its performance? ■

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