Knowledge Management: Dispelling Myths and Finding Directions

Amala Vijaya Selvi Rajan, Bridget Merliza Archibald and Santhosh John

Asia Pacific Institute of Information Technology (APIIT)
Lot No. 6, Technology Park Malaysia, Bukit Jalil, 57000, Kuala Lumpur, Malaysia.
Tel: 603-89961000, 603-20266818, Fax: 603-20264818
E-mails: amala@apiit.edu.my, bridget@apiit.edu.my, santhosh@apiit.edu.my

ABSTRACT
Knowledge Management, a widely misused term, with a string of misconceptions attached to it, is our main target of this working paper. Here, we hope to identify some, if not most, myths associated with Knowledge Management, as well as delve into the reasons behind these myths and then find some possible directions / solutions, based on success stories among business organizations from various disciplines, to dispel them so that Knowledge Management can be utilized to its full potential. Our paper incorporates the myths in Knowledge Management and directions to dispel the myths so that Knowledge Management can be improved.

Keywords
Knowledge Management, myths, intranet, Internet, e-business, groupware system, Chief Knowledge Officer (CKO), Tacit Knowledge

1.0 INTRODUCTION
Knowledge Management (KM) is the explicit and systematic management of vital knowledge and its associated processes of creation, organization, diffusion, use and exploitation. Tapping the knowledge and experience of individuals within an organization, and sharing that expertise across a company, has long been one of the most strategic goals of Information Technology (IT) and business managers.

Some firms are still trying to figure out what knowledge management means and how it relates to their business. Leading firms have long recognized it as the key to their future success and have been working at it for years. Most firms are somewhere between these two extremes. Those firms in the middle may wish to consider the following common misconceptions and realities about KM as they consider how to proceed. To really understand the concept of knowledge management, the misconceptions must be dissected.

The success of knowledge management in organizations begins with a foundational strategy that integrates the organization's strategy, which is free of all the misconceptions.

So, our main target of this paper is to identify some if not most, myths associated with knowledge management, as well as delve into the reasons behind these myths and find possible directions/ solutions to dispel them so that Knowledge Management can be utilized to its full potential so that knowledge can be turned into profit.

2.0 MYTH NO. 1: GETTING EMPLOYEES TO SHARE THEIR KNOWLEDGE IS EXTREMELY DIFFICULT

Knowledge sharing is about identifying (accessible) knowledge that already exists - and (storing and subsequently) applying this knowledge to make processes faster, better or safer than they would have otherwise been. So, basically knowledge sharing is about exploiting accessible resources, i.e. knowledge. (Christensen, 2003)

2.1 Barriers Of Knowledge Sharing

The most important fact in knowledge management is knowledge sharing but primary obstacle that often cited is “Lack of knowledge sharing”.

Based on numerous white papers available on Knowledge Management, we can safely deduce that generally people are willing to share their knowledge if given the time, if their knowledge is recognized and rewarded, and when efforts are not abused.

“Some individuals are proprietary about the knowledge they possess, believing that their advancement and status depend on their demonstration of unique or exceptional knowledge. Some managers fear a loss of control if their departments’ knowledge is made available to others.”(Burk, 2000)

Some staff members feel, at least initially, that they are required to make an extra effort to share knowledge without deriving any benefit from the process.

And some supervisors are uncomfortable with the idea of staff members spending time on knowledge-sharing rather than completing traditional tasks.”(Burk, 2000)

2.2 The Truth: Knowledge Is Easily Shared In Organizations That Actively Promote Knowledge Sharing

Employees in many organizations from multinational corporations (MNCs) to small-and-medium scale enterprises have been able to aggressively be involved in
knowledge sharing, thanks to the active promotion within their existing working systems.

For instance, Texaco has been experimenting with ways to reduce the amount of employee effort required to participate in its knowledge-management initiatives. Last year, for example, the company built a "Yellow Pages" directory with profiles of 1,500 employees. The directory lets managers and line workers who need help find people within the company with relevant experience. But getting workers to take the time to keep their profiles fresh has been difficult. So the company recently installed software from Tacit Knowledge Systems Inc., which uses key words gleaned from outbound E-mail to update those profiles automatically. (Whiting, 1999)

As aptly put, knowledge management is “a business philosophy... an emerging set of principles, processes, organizational structures, and technology applications that help people share and leverage their knowledge to meet their business objectives.” (Mayo, 2001)

The wealth of a nation no longer depends on its ability to acquire and convert raw materials, but on the abilities and intellect of its citizens’

In the words of Andrew Carnegie, “The only irreplaceable capital an organization possesses is the knowledge and the ability of its people. The productivity of that capital depends on how effectively people share their competence with those who use it”. (Kouloupolos et al., 1999)

2.3 Importance Of Knowledge Sharing

Sharing of knowledge is both about combining existing knowledge differently with the purpose of creating new knowledge, and securing that existing knowledge is distributed within – or across – organizational boundaries to prevent reinventing the wheel.

There are many benefits an organisation can enjoy by working collaboratively through participation in knowledge sharing processes. Some of them are:

- sharing skills, experience and information;
- developing new knowledge, skills and attitudes;
- developing and nurturing support mechanisms;
- building/strengthening personal relationships;
- developing a sense of feeling involved; and
- motivating change.

(Disability Services Queensland, 2003)

The knowledge cycle involves the process of find/create, organise, share and use/reuse. The following is the diagram depicting the knowledge cycle, which clearly portrays that the process should involve the sharing of knowledge. (Burk, 1999)

2.4 Effective Methods Of Encouraging Knowledge Sharing:

- Choose your team members carefully

  “We only hire people who want to share knowledge,” says Doug Kalish, Chief Knowledge Officer at Scient Corp., a San Francisco supplier of E-commerce consulting, software development, and systems integration services. Managers emphasize knowledge sharing during new-hire interviews. Employee evaluations, raises, and promotions are based in part on such criteria as how many training courses people have designed or taught, documents or white papers they have written, and new employees they have mentored.

- Personal recognition is important

  This can be used to motivate employees, too. At Xerox, service technicians who contribute expertise to the company's Eureka expert system have their names appended to those entries. "The whole global service organization sees their contribution", says Holtshouse. "That's a big motivator", says Andrew Carnegie.

- Incentives go a long way

  Incentives that are more overt are required. A Philadelphia pharmaceutical company tried to get its sales personnel to contribute their tips on closing a sale to a new knowledge-management system, according to an IT manager. After a poor response, the drug maker began offering $50 cash incentives and things improved – a little. But the system really took off when salespeople were given a commission for sales made by others using their methods.

- Creating a knowledge-sharing-friendly system

  The Infosys KM strategy states that the company maintains an organization-wide Body of Knowledge
(BoK), which enshrines experiential learning gained by past projects. This system is available on the intranet, via an easy-to-use interface that incorporates search utilities. Incentives for contribution exist, as do mechanisms to publicize contributions periodically; prizes are given for meritorious contributions.

⇒ Knowledge-based: An answer to all the needs of the organization

“The response from both the workforce from all levels is certainly very encouraging and the results are truly significant -- cost savings, increased efficiency and an enhanced quality and speed in the way we work.” (Ooi, 2000)

“People begin to realize that by sharing knowledge, they become recognized as people who have expertise in particular areas,” says Youman. By improving the way we create, share, and gain knowledge, knowledge management will enable us to raise the level of expertise throughout the community to the mutual benefit of all members in the organization. So we would think that leveraging individual and group knowledge in a direct way offers a tremendous win-win situation. Communication has never hurt anyone, so let us keep on practicing.

2.5 The Future

Most KM tools used today tend to focus on explicit knowledge and its re-workings, even though it is tacit knowledge that leads to greater effectiveness in organizations. The future challenge in this area is to develop tools to enable tacit knowledge to be made explicit in an easy and effortless manner. One approach may be the development of multimedia technologies such as digital video that capture and store an individual’s ‘know how’ for storage, indexing and future retrieval via a search engine. This would enable a much richer form of communication between individuals and allow the addition of a diversity of audio-visual signals from the spoken word to tone of voice and body language.

3.0 MYTH NO. 2: KNOWLEDGE MANAGEMENT IS ABOUT TECHNOLOGY

Knowledge Management (KM) has been going through the following phases of maturity: (Sveiby, 2001)

Phase 1: Inward-looking and productivity-driven

“How can we use IT systems to prevent reinventing-the-wheel?”

This phase started around 1992 and created a multitude of project databases, best practices databases, Lotus Notes installations etc.

Phase 2: Customer-centeredness

“How can we leverage what we know about our customers to serve them better?”

Much like the first phase but here, data warehousing was the theme of the day. The trouble with the early installations is that all they did was to create massive data and text archives of dubious value. All passive and no interaction!

Phase 3: Interactive IT

“How can we use IT to promote communication?”

We are right here now!! Interaction has surfaced with the dawn of interactive IT web pages, e-business, e-commerce, on-line transactions etc. This phase has created a lot of enthusiasm, witness the hyped valuations of the dot.coms by the turn of the millennium.

Many who believe this myth to be true had not moved beyond this level, i.e. they fail to recognize that knowledge management is about knowledge sharing as much as it is, if not more than about technology.

“This is the greatest misconception about knowledge management, according to IS executives. The biggest myth is that this is all about technology and that you can ‘do’ it if you build an electronic repository that everyone can access. This myth is not about the latest technologies playing around Information sector, but whether those technologies are used within, and for facilitating, a culture of information sharing, relationship building and trust. When you start talking about knowledge, it's really about people, relationships, communities, and a new way of working” - Scott Beatty, knowledge-management officer in group learning and performance operations at Shell Oil Co. (Mike Burk, 1999)

Others have also agreed upon even though they are from various arena of business sector. "Technology-led solutions have a high failure rate,” says Dan HoltsHouse, director of corporate strategy at Xerox Corp. “I see knowledge management more as a way of thinking about your business.”

3.1 The Truth: Knowledge Management Is About The Proper Utilization Of Technology To Impart Tacit Knowledge

“Knowledge resides in the user and not in the technology. It is how the user reacts to a collection of information that matters,” says Churchman in 1971. (Malhotra, 1997).

However, most extant formulations of IT-enabled knowledge management seem to have ignored this point. Our observation is supported by a review of the extant literature on IT enabled knowledge management in scholarly research as well as the trade press.

It would be impossible for an organization to come up with a pool of knowledge unless everyone agrees to and is able to document what they know. Successful peer-to-
peer collaborations are critical to attain a fully-developed and effective knowledge infrastructure.

In order to achieve this, organizations are encouraged to take lead in adopting Groupware systems and Internet as the basic tools to fulfill this agenda.

Computer systems that are networked across organizational boundaries can improve the flow of information and knowledge to meet business goals. Intranets (an internal Internet) are seen as user-friendly and cost effective ways of achieving this.

It is people who turn its potential into bottom-line benefits. This briefing outlines the role of Intranets in knowledge sharing and suggests guidelines for achieving their potential.

The Internet, a global network of over 10 million computers, has seen rapid use in its commercial application over the last few years. Its ease of access, the World Wide Web and universal standards have all helped fuel its growth. The same technology can be applied within an organization. Its low cost and ability to work on many machine types has allowed organizations, many for the first time, to connect their disparate ‘islands of information’. Many companies are now using, or planning to use the Intranet as their preferred computer platform for a wide range of applications. Luckily, in this regard, latest IT technologies like groupware systems (chat, e-mail, and video conferencing) can help facilitate simple knowledge sharing through continuous communication. These technologies are supporting flexible meetings and face-to-face personal interactions, even across the physical constraints of time and location.

However, organizations must not mistake this for the ‘be-all’ of knowledge management, as such technology remains merely as the enabler.

Yet, this doesn’t hold completely true for human intelligence. While technologies like Relational/Object-oriented databases and groupware applications can store details of experiences gained of the human person and enable the retrieval of bits and pixels of data according to one’s necessity, these technologies are unable to store the rich schemas that people possess for making sense of data bits.

Moreover, information is context-sensitive. The same information can evoke different responses from different people. People come and go their experience can be stored in databases. But unless you can scan a person’s mind and store it directly into a database, you cannot put bits into a database and assume that somebody else can get back the experience of the first person.

Again latest technologies in the IT sector such as distributed databases and distributed programming tools like (XML Web services, Common Object Request Broker Architecture (CORBA) Component Object Model (COM) DCOM…) are supporting organizations to make this distributed communication possible as part of the knowledge management. Global giants like Infosys, Wipro Technologies, Sun Micro Systems, Microsoft etc., in the software industry are treating knowledge management as their best tool for success rather than the technologies which are the components of knowledge management.

However, information distributed from a database doesn’t guarantee that people will see or use the information in the right way at right time, and as such, it becomes dormant and all efforts - futile.

### 3.2 Success Stories

An Indian-based, CMM level-5 multinational corporation - Infosys Technologies Ltd is effectively utilizing this distributed technology for their knowledge management and as a result of that, their software developers, designers and project managers from remote locations can work on their projects effectively without delay and are able to deploy/maintain their product for the global clients on time.

Dr. Rory Chase, (2001) managing director of Teleos (an independent knowledge management research company) said: “Organizations like Infosys have been recognized as global leaders in effectively transforming enterprise knowledge into wealth — creating ideas, products and solutions. They are building portfolios of intellectual capital and intangible assets which will enable them to out-perform their competitors in the future”.

According to Mr. Kris Gopalakrishnan, (2003) Infosys Technologies’ chief operating officer and deputy managing director, “At Infosys, knowledge management has helped us connect people and bring geographically dispersed work-groups together, creating an enduring culture of sharing and caring”.

“It has also provided us a platform for creative and collaborative problem-solving and the means for creating a symbiotic relationship between the individual and organizational objectives for development”. (Gopalakrishnan, 2003).

Once again these quotes from the concerned personals from both ends prove that up-to-date technology is the supporting factor for good knowledge management but not the real knowledge management.

Our concern is not about the focus on technology, but on inappropriately focusing on technology itself, rather than its utilization. Similarly, the key concern is not about the focus on information, but inappropriately focusing on the information itself, and not its utilization. Hence, the process of utilization of information technology, as well as the process of utilization of information, seem of
greater interest to us (than focusing on ‘technology’ or on ‘information’) in case of knowledge management.

4.0 MYTH NO 3: KNOWLEDGE MANAGEMENT IS EXCLUSIVE TO PROFESSIONAL SERVICE FIRMS AND INTELLIGENT BUSINESSES

While it may be true that the success of multinational professional service firms, such as Arthur Anderson, Shell and Texas Instruments are possibly attributed to the implementation of knowledge management practices, nevertheless, it would be presumptuous to construe that Knowledge management is just for such organizations.

According to Dr Karl-Erik Sveiby, (2000) international Knowledge Management guru, “The third phase is about interaction: Interactive IT installations, E-business, online transactions, etc. This has a huge value creation potential that is also realized by the stock markets. The bandwidth is rapidly growing, of course.”

“A problem that many organizations face is that KM is in danger of being perceived as seamlessly entwined with technology that its true critical success factors will be lost in the pleasing hum of servers, software and pipes. As organizations label their document management, database or groupware products ‘knowledge management solutions’ executives can be excused for mistaking the software for the solution (Hildebrand, 1999). It’s not. It is therefore important for executives to appreciate the philosophy behind knowledge management to ensure they do not circum to the software trap.”

An intelligent business may lead to the successful implementation and practice of knowledge management. Once again, it is unfair to conclude that knowledge management is just for these companies.

This misconception often arises from the fact that success stories of these companies outweigh that of other establishments or organizations, which are neither professional service firms nor intelligent businesses.

4.1 The Truth: Knowledge Management Is For All Organizations

Be it product- or service-driven organizations, knowledge management are for all. Embedding knowledge management in everyday work is most important towards the realization of expectations and visions of organizations.

It is also important for those organizations that emphasize on knowledge rather than physical or financial resources. Example: Microsoft, Google and so on.

“These are enterprises who have always been wholly-devoted to knowledge work, such as consultancies; a growing number of enterprises who discover that knowledge of how to produce products is as saleable as the products themselves; and any enterprise who realizes that its knowledge is an asset to be managed.”

“Knowledge Management caters to the critical issues of organizational adaptation, survival and competence in face of increasingly discontinuous environmental change.... Essentially, it embodies organizational processes that seek synergistic combination of data and information processing capacity of information technologies, and the creative and innovative capacity of human beings.”(Malhotra, 1997)

In order for an organization to survive in an increasingly information-oriented age, knowledge management, which improves customer service in the form of speed of delivery of product and innovation of services provided, is vital.

4.3 Success Story

In an article entitled The True Beneficiaries of the Knowledge Economy, edited and published Britton Manasco, Pioneer Hi-Bred was one of several companies that capitalized on the role of customer knowledge to deliver superior products and services.

“Pioneer Hi-Bred, a $1.8 (what currency is this US/Aus/Malaysian/Pound sterling) billion supplier of hybridized corn seeds and other agricultural products, has developed a Customer and Prospect (CAPS) database that contains account- and farm-specific information that enables sales reps to individualize solutions to the needs of each farm operator. As a result, sales in the corn market have grown from $600 million in 1985 to $900 million today — despite overall market contraction. Market share has climbed from 37% to 45%.”

“Imagine knowing your market so well that you have thorough information on the strategic goals, resource needs, and buying practices of not only every single one of your customers, but also every buyer who might become your customer,” says Dennis Gaukel, Pioneer’s database marketing manager. “That’s the knowledge advantage that we enjoy. The knowledge management system we deployed equips sales reps servicing tens of thousands of individual farms with knowledge of what they are currently growing, what competitor seeds they are using, what yield they should expect given their acreage, geography and soil, and what yield they are experiencing.”

5.0 MYTH 4: KNOWLEDGE MANAGEMENT IS ONLY SUSTAINABLE WITH THE EXISTENCE OF A CKO.
The creation, distribution and application of knowledge drive the value of an organization’s goods and services and determine its market value. Whether you recognize and cultivate them or not, your knowledge processes are at the heart of your business. They can’t be left in the hands of one executive, however effective he or she may be!

5.1 Who Is A Chief Knowledge Officer?

Realizing the importance of coordinating all aspects of managing knowledge, some organizations have introduced the role of a key player in knowledge management – that is, the Chief Knowledge Officer (CKO). CKO is a recent phenomena created to help manage a unique organizational asset - intellectual capital.

CKO is a corporate executive in charge of structuring a company's store of technical and business knowledge, and ensuring that employees have access to that knowledge.

CKO will be the champion and evangelist for institutionalizing KM in the business as an integral part of the business processes and key business priorities. He is part of the senior management team of the company.

A good CKO chief, otherwise known as a Chief Learning Officer drives good knowledge management.

Nonaka and Takeuchi speak in general terms of knowledge officers at higher management levels. They are responsible for “the total organizational knowledge-creation process at the corporate level.”

CKO jobs, according to Tom Davenport, “often involve overseeing efforts to use technology for knowledge capture and distribution.” Further, “CKOs have three critical responsibilities: creating a knowledge management infrastructure, building a knowledge culture and making it all pay off.”

The expert is a person who is capable of extracting knowledge from those who have it, reorder it to a form anyone can use, and periodically update and edit that knowledge.

The following diagram explains the responsibility of the Chief Knowledge Officer.

The following diagram shows the skills that CKO should possess.

5.2 Do Organizations Need A CKO To Manage Knowledge?

Organizations today cannot survive if leadership is limited to the CEOs, executives and managers.

One problem with appointing a CKO officer is that, by definition, knowledge management encompasses broad areas of an enterprise--from IT to human resources to top management--and putting one person “in charge” of knowledge management is difficult, if not impossible. Moreover, the CKO will not stay permanently in the organization and there are chances for the organization to face problems if the knowledge is not shared or appropriately documented.

For some, the title of CKO is a problem because it suggests that someone controls a company's intellectual...
assets and is in charge of distributing knowledge. "It's the use of knowledge that's important, rather than the supply side," says GM's Noble. "Chief knowledge officer smacks of the supply side."

At Dow, for example, Allen oversees knowledge management as it relates to the chemical company's IT organization. However, he has counterparts in Dow's human-resource, intellectual-asset management, and strategic-development operations. "I'm not a CKO, and in general we don't believe we need to have one at a very high level," he says.

Scient's Douglas I. Kalish, who is also a CKO, oversees a specific knowledge-management operation of 30 technologists; knowledge services personnel, and trainers.

Companies that create a chief knowledge officer post often don't instill the job with the kind of authority it needs, says John Ladley, president of the Knowledge Interspace consulting firm. And doing so, he says, might not even be possible: "To be effective on a global basis, a CKO would have to be as powerful as a CEO."

What knowledge-management initiatives need, as with any corporate project, is sponsorship from one or more executives who can make things happen. Wagoner appears to have taken on that role at GM, for example. What determine the eventual success or failure of a knowledge-management effort, Prusak says, "are the passion and the brains of whoever is sponsoring it."

5.3 The Truth: Boot the CKO out and we can continue to thrive on knowledge management

CKOs are not indispensable! According to Joel Koblentz, senior partner of Egon Zehnder International management consultants in Atlanta, companies that have been the most successful with knowledge management initiatives have done away with chief knowledge officers and allow managers within individual business groups to fill that role. "Having a CKO suggests that the CKO is still in the process of establishing knowledge as a true corporate asset," Koblentz says.

"For the third consecutive year Royal Dutch/Shell has been awarded a place in the Top 20 Most-Admired Knowledge Enterprises (MAKE) list. We are proud that our people’s success in the major progress of sharing knowledge and applying good practices globally is being recognized. Tie this into the growing momentum of Shell Global Solutions knowledge-based services, the recently launched award-winning Shell Open University and the knowledge sharing Global Network, and there’s a great deal of promise that Royal Dutch/Shell is putting down a marker for the industry."

Udai Shekawat (2002) writes about Five Mistakes CKOs must avoid, which explores why many KM initiatives fail, from a Chief Knowledge Officer's perspective. His list consists of:

- Ready - Fire - Aim
- Build it and they will come
- People vs. Docs
- Taking a Big Bang! Approach
- Sinking in the supply-side quicksand

So, the chief knowledge officer CKO can only be “a senior executive who is responsible for ensuring that an organization maximizes the value it achieves through one of its most important assets – knowledge” and he is not the only person.

6.0 CONCLUSION

Where do organizations stand at the moment, and where do they go from here? As attested to in numerous articles in the popular press, knowledge management has already been embraced as a source of solutions to the problems of today’s business. Still it has not been easy for this "science" to construct for itself that royal road of self-validation as it is surrounded and ruled by the myths, as these myths are fatal. So, we recommend the organizations to avoid them so as to get a better chance of getting the right information to the right people at the right time, which will lead them to the SUCCESS.

7.0 REFERENCES


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