Knowledge Management: Critical Success Factors

The term ‘knowledge management’ refers to the planned organisation of knowledge and information so it can be accessed, shared, transferred, applied and created in a way that generates value for an organisation (Migdadi, 2008). Although many organisations do not recognise the value of knowledge as a strategic asset, it is important to understand that, just like key physical resources, organisational knowledge is valuable, rare, inimitable and non-substitutable (Wong, 2005).

All of the information within an organisation, and the knowledge that accompanies and is developed from it, are valuable inputs to the long-term success of any organisation. By developing a knowledge management (KM) strategy, an organisation is taking a step towards leveraging this valuable resource. Based on current research, the following critical success factors play an integral role in delivering successful knowledge management practices, which can lead to higher productivity, efficiency and effectiveness (Wong, 2005).

Leadership

Hasanali (2002) states that leadership is an elementary success factor in knowledge management in almost any initiative within an organisation. Leadership means that managers develop business and operational strategies to survive and position for success in today’s dynamic environment (Mathi, 2004).

Implementing knowledge management initiatives requires not only optimal leadership, but also input from senior management. Research suggests that best-practice organisations require a commitment to knowledge management (Hasanali, 2002). Therefore, being able to ‘lead by example’ implies not only to the leaders of the organisation, but also certain level of input from senior management of the organisation. This infrastructure is optimal as the management level are involved in the daily operations of the organisation (Mathi, 2004).

Strategy and Purpose

Creech (2005), states that it is important to set objectives at the right level. One of the means for driving the success of knowledge management is to have a clear and well-planned strategy (Liebowitz, 1999). This provides the foundation for how an organisation can deploy its capabilities and resources to achieve its knowledge management goals.
The knowledge management practices should be developed based on the strategic plan of the organisation, and should also be tied directly to operations (Creech, 2005). Best practice suggests that doing so enables a consistent picture to be developed within the organisation, as well as create knowledge management practices that are consistent with the culture of the organisation (Long, 1997).

**Organisational Infrastructure**

Development of an appropriate organisational infrastructure is a central aspect for implementing knowledge management. (Hasanali, 2002). Organisational infrastructure implies ‘…establishing a set of roles and organizational groups whose members have the skills to serve as resources for individual projects…’ (Migdadi, 2008, p. 845).

It is therefore, important to make sure that the knowledge management strategy articulates the structure for the initiatives, including the roles and responsibilities of individuals in the organisations during the initiatives’ implementation (Plessis, 2007). This ensures a level of accountability and provides a consistent picture of expectations and obligations for all parties involved in these practices (Davenport, Long & Beers, 1998).

**Culture of Knowledge Sharing**

Kavindra Mathi conducted a qualitative study in 2004, looking at several companies in Austria, Germany and Switzerland, which confirmed that culture was one of the most important key success factors for knowledge management success.

Hasanali (2002) indicates that while culture is a set of underlying beliefs that influence the perception of actions and communications of all members of the organisation. There are several cultural issues in relation to the knowledge management initiatives that need to be addressed:

**Common Perspectives**

It is important that the individuals affected by a new process or technology must all buy in to the vision and believe it will work. It is therefore important to develop a common vision, as per the strategy of the organisation to allow a medium to develop common perspectives in the organisation (Hasanali, 2002).
**Formal Communication**
Research suggests that it is important to ensure that the stakeholders know about the changes occurring in the organisation. This includes designing and implementing knowledge management initiatives (Hasanali, 2002). Therefore, it is suggested that it is ideal to make sure that the message is ‘marketed’ to all individuals that will be affected by the change in the organisation (Migdadi, 2008).

**Reward Systems (to encourage employee behaviour)**
It is important to maintain a balance between intrinsic and explicit rewards to encourage certain behaviour among the individuals of the organisation. Hasanali (2002) states that one of the best ways to do so is to encourage sharing from the beginning of the knowledge management initiatives. Providing incentives encourages people to share not only their expertise, but also their experiences and insights.

The culture of knowledge sharing is also important to make sure there is sustainability in the knowledge flow over the long term viability of the company. Creech (2005) states that a lack of continuing knowledge management strategies can lead to inefficiencies and a lack of upgrades required to maintain good knowledge management practices.

**Human Resources Management**
Human Resources Management refers to the recruitment, development and retention of individuals within the organisation. Holsapple & Joshi (2001) state that people are the core of creating organisational knowledge, as it is the people that create and share knowledge. Therefore, it is essential to manage the individuals who are willing and able to create and share their knowledge (O’Dell & Grayson, 1999).

Managing these individuals elucidates to the central issue in knowledge management, which is how to retain knowledge from being lost. Therefore, Brelade & Harma (2000) suggest that it is important to have HR processes and practices in place that provide an encouraging working environment, in which people feel comfortable and helps promote job satisfaction among them. Developing and retaining individuals in the organisation helps retain and develop knowledge within the organisation.
Information Technology Infrastructure

In the background of all the knowledge management development and implementation, there is a need for an optimal information technology (IT) infrastructure (Migdadi, 2008). While there is an element of having a platform to share information and to communicate knowledge, there are some factors that affect the effectiveness of an IT infrastructure.

An IT infrastructure enables rapid search, access and retrieval of information, and can support collaboration and communication between organisational members. In essence, it can certainly play a variety of roles to support an organization's KM processes (Alavi & Leidner, 2001). Important factors that need to be considered in the development of a KM system include simplicity of technology, ease of use, suitability to users' needs, relevancy of knowledge content, a common platform and adequate training to implement the IT infrastructure (Migdadi, 2008).

References


