

1. How would you explain the emergence of Knowledge Management as a managerial phenomenon?

Knowledge Management (KM) can be defined as any process or practice of creating, acquiring, capturing, sharing and using knowledge, wherever it resides, to enhance learning and performance in organisations (Quintas *et al.*, 1997; Prusak, L., 1997). There are some reasons that appear to lead to the emergence of KM.

First, it is in part a reaction to the massive downsizing and BRP (Business Process Reengineering) of the 1990s (Zorn, T. E., 2001). On one hand, downsizing and BPR have led to a flatter and more decentralized organisational structure favouring knowledge sharing; on the other hand, as Swan et al. (1999) state, downsizing and BPR have resulted organisations in a loss of important forms of organisational knowledge embodied in middle management groups and embedded within functional or professional disciplines. KM is thus regarded as essentially correct in the attempt to reduce the threat of the loss of valuable knowledge assets.

Second, KM may be usefully viewed through the lens of management fashion (Abrahamson, L., 1997). Last 20 years saw waves of management ideas, or fashions: culture, TQM, BPR, shareholder value, etc. There is also a sense that the concept of KM is appealing because it is new, hot, "cutting edge," and symbolic of being at the forefront of management knowledge (Zorn, 2001). However, the growing emphasis on innovation through leveraging knowledge assets and knowledge work and knowledge workers as the primary sources of productivity suggests that the need to manage knowledge will endure as a core business concern, even if the label may change (Drucker, P., 1993).

Third, IT community provides an important professional sponsor for the diffusion of KM (Swan et al., 1999). As people increasingly have access to almost all the information they might need at any time and in any place and at low or no cost, the value of the cognitive skills still unreplicable by silicon becomes greater. Subsequently, knowledge components become more valuable than ever before (Prusak, 1996). Hence, as Swan et al.

point out, the codification of knowledge through IT/IS makes those IT/IS professionals colonize KM, this may serve to increase their involvement in core strategic issues within their own organizations and enhance the status of this community. For example, companies including GE Lighting, Xerox PARC, IBM, and McKinsey have adopted the position of the Chief Knowledge Officer (CKO), which is often filled by a person (or group) with an IT background (Swan et al., 1999). However, too much emphasis given on IT-based tools may limit KM's potential for encouraging the knowledge sharing because of the ignorance of people.

Forth, KM arises from the changing nature of global economy. As Prusak (1999) points out, the globalisation of economy that brings unprecedented complexity and uncertainty is putting terrific pressure on firms for increased adaptability, flexibility, innovation, and process speed. Organizations are forced to ask themselves, "What do we know, who knows it, what do we not know that we should know?"

Moreover, behind the KM discourse there lies a resource-based view of the firm in which intellectual capital assumes greater importance than financial capital (Roos and Van Grough, 1996).

2. What lessons can be drawn for the implementation of intranets from the Brightco and Ebank case studies?

Ebank and Brightco have a lot of similarities. However, in introduction of IT platforms, Ebank's project fails while Brightco's succeeds. It seems clear that the different outcomes result from different implementation. For example, in Ebank, the projects involved mostly IT specialists, and the translation of the global KM vision was very much left to individuals working at the local level, thus knowledge share across boundaries was not achieved. Moreover, lack of communication and coordination led to reinvention. In contrast, in Brightco, the project involved both IT and business expertise, and people were brought to work together. There were sufficient communication and

coordination among individuals, teams, and divisions, such that effective interaction was formed.

However, the two cases in fact reflect two different approaches to KM. Ebank's approach to KM relies heavily on IT. Brightco's approach was broad encompassing both the use of IT and the use of process concerned with the sharing, development and utilization of knowledge, skills and expertise. These cases illustrate several fundamental issues with the IT-driven approaches.

First, the issues of codification and the importance of tacit knowledge: IT-driven KM emphasises codification of existing knowledge, but IT-based tools have limited ability to act as a medium for the sharing and exchange of valuable tacit knowledge. For example, in Ebank, work was done virtually and separately, there was lack of effective communication. In contrast, in Brightco, informal face-to-face modes of communication led to effective interaction. In addition, in Ebank, the focus on IT and relatively neglect of any consideration about managing interfaces among different communities of practice led to each group developing their own system and then actual disintegration (Swan et al., 2000).

Second, exploitation vs. exploration: as Swan et al. (2000) state, exploitation of existing knowledge is only a small part of KM; the processes of exploration are also crucial because the processes create new knowledge. IT-based tools may have varied and multiple impacts on KM in terms of organisational and social communities. However, IT-driven approaches have been emphasising on increasing efficiency by exploitation of existing knowledge rather than on encouraging more explorative processes. In Ebank, the intranet tool was regarded as KM itself, and thus the focus was entirely on developing the infrastructure. Moreover, the introduction of tools to formalise knowledge sharing may introduce rigidities into the system and reinforce existing organisational boundaries that then makes processes of knowledge sharing and creation more difficult (Swan et al. 2000). On contrary, in Brightco, IT-based tools increased the exploitation of existing knowledge by recording and storing the past lessons and making these available to others.

Third, issues of supply and demand: KM is not just to simply supply knowledge across organisations without consideration about human and organisational processes. As Swan et al. (2000) suggest, people management practices are often more fundamental to knowledge sharing than the use of IT. For example, in Ebank where there were high levels of technical expertise and familiarity with systems and high expenditure on IT, IT was only used for fairly low-level information exchange because of the lack of communication and coordination. In Brightco, however, face-to-face and verbal interaction was used for knowledge sharing.

To sum up, the role of IT for KM is critical, however, it should be used alongside relevant people management and organisational practices.

3. Outline the central features of being a Knowledge Worker, please use an example to illustrate your answer.

Knowledge workers are basically those who create, manipulate or disseminate knowledge (Bennett, B., 2001). Typically, knowledge workers involve management consultants, financial analysts, system analysts, accountants, and advertising workers, etc. McKinlay, A. (2003) suggests that knowledge workers have four essential features. I will take a management consultant who is designing a strategy for instance to explain the four features.

The first feature is, as McKinlay states, that knowledge worker is essential to the construction-and reconstruction-of administrative procedures while their identity is, at least, ambiguous or, at most, antithetical to routine. As a management consultant, his task is to analyse and synthesize information, and use the information to design the appropriate strategy for the client. So the work results are significant and have great contributions to the client. However, he is not a manager of his client organisation. His job is defined in terms of broad goals rather than detailed objectives and defined

procedures (McKinlay, 2003). To achieve the goals as much as possible, he may use all possible ways, some of which may be very strange.

The second feature is knowledge worker's sense of rootlessness, of belonging to neither function, nor project, far less to a particular organisation. Ironically, the embeddedness of individual in a specific workgroup is-and is understood to be-the taproot of tacit knowledge (McKinlay, 2003). Knowledge workers are more mobile than industrial workers and can often take their expertise elsewhere (Bennett, 2001). Like other knowledge workers, the management consultant is task-oriented; he uses his own knowledge to achieve the goal of designing a strategy. He does (need) not belong to any certain function. He requires a performance-oriented organization rather than an authority-oriented organization. In addition, in the work, the highly specific knowledge to the strategy project is more important than the basic management knowledge and skills.

The third feature is that knowledge worker belongs to a nomad group with only a ghostly presence in the organisation (McKinlay, 2003). For the strategy project, there may be a flexible and interconnected team that comes together for days or weeks, but the same team of knowledge workers do not work together every day. After finishing the project, they rarely work with the exact same group twice.

The fourth feature is that knowledge workers see themselves as a risk-taker, as a group that works at the edge of the known and the predictable (McKinlay, 2003). Alvesson, M. (1993) states that knowledge work takes place in conditions of ambiguity and uncertainty. This is also why the client asks the management consultant to design a strategy. In these conditions, there can be no right answer; the consultant's technical competence is thus taken for granted. He appears to be the expert who can provide the right answer. To persuade the client that it is either the right answer or at least the best way, the consultant makes use of both image and rhetoric intensity for the purpose of consecrating and convincing the client of the validity of the design being given (Carter & Mueller, 2000).

There are also some other characteristics of knowledge workers: highly educated, high paid, more autonomy, learning and continuous learning.

4. Critically evaluate Nahapiet and Ghoshal's assertion that the mobilisation of Social Capital can lead to the creation of intellectual capital.

Nahapiet, J. and Ghoshal, S. (1998) define social capital as “the sum of the actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit. Social capital thus comprises both the network and the assets that may be mobilized through that network (Bourdieu, 1986; Burt, 1992)”. They clarify three dimensions of social capital: structural, relational, and cognitive. As they suggest, new intellectual capital is created through combination and exchange of existing intellectual resources, while social capital, through its three dimensions, facilitates the development of intellectual capital by affecting the conditions and necessary for exchange and conditions to occur.

However, it is argued that social capital may have negative effects on intellectual capital. Nahapiet and Ghoshal themselves recognize that social capital may have significant negative consequences. As they note, certain norms may be antagonistic rather than supportive of cooperation, exchange, and change. Moreover, organisations high in social capital may become ossified through their relatively restricted access to diverse sources of ideas and information. Furthermore, the development of social capital represents a significant investment.

One concern with social capital arises from organisations' controllability and manageability. Carter and Mueller (2000) argue that social capital can be a powerful force in organisations. It can be created by organisations, but it does not automatically exist for organisations (Mueller, 1996). The interests of a network are not necessarily the same as the organisation's. A social network within the organisation may well mobilise bias (cf Bachrach and Baratz, 1969) in order to sustain its own interests. So whether, or to which extent, social capital is manageable and controllable by organisations is doubtful.

In fact, ExecRecruit case demonstrates that it might be resolutely part of the ‘informal organisation’, resistant to managerial interventions (Mueller, 1996). Social capital may in fact prove to be debilitating or injurious to the realisation of organisational objectives (Carter & Mueller, 2000).

Another problem is that the mobilization of social capital provided the impetus for an organisational diaspora (Carter & Mueller, 2000). The mobility of staff was facilitated by their social capital in that through mobilising their social capital they were able to secure new jobs elsewhere (Carter & Mueller, 2000). Once some of the staff has left, the social capital that has existed within the organisation accelerates the tendency of leaving, because within the organisation, the extant social capital bound employees together in the sense that they assisted each other in their attempts to leave the practicalities of subterfuge (Carter & Mueller, 2000).

Moreover, social capital may destabilize lucrative relationships with clients (Carter and Mueller, 2000). In terms of the network which has established between individuals and clients, individual leaving and mobilizing their own network may logically results in losing clients, even collapse of the organisation.

Furthermore, Carter and Mueller (2000) argue that the term ‘Social capital’ is insufficient substitutes for actually looking at the interaction between processes of knowledge creation and appropriation.

As Carter and Mueller (2000) generalise, social capital may mobilise resistance, provide the impetus for an organisational diaspora that saw the exit of valuable employees, destabilize relationships with clients. Its dynamic interaction within specific organisational contexts needs to be investigated.

5.To what extent are we seeing the ‘Twilight of Knowledge Management’?

It is argued that KM may be another management fashion, following TQM, Downsizing, and BPR etc. Through a quantitative analysis on the numbers of articles on KM published over an eleven-year (1990-2000) period in the popular and academic journals across different professional domains (IT/IS, Organisation Theory/HRM, Strategy, Artificial Intelligence, and Accounting etc.), Swan J. and Scarbrough H. (2002) confirm KM's rapid and widespread diffusion, and suggest that the diffusion of KM appears to follow the classic "bell-shaped" pattern typical of other management fashions (Abrahamson, 1996). However, they also suggest that KM has not diffused evenly. There are some other points which imply that KM may endure. First, in turbulent business environment, the criticalness of a firm's resources and capabilities, especially its innovative capabilities, to competitiveness, has been increasingly recognized and confirmed. As McKinlay, A. (2002) states, KM may be ephemeral but the underlying objective of harnessing employee knowledge and creativity will remain of critical importance. Second, knowledge production is shifting from a single disciplinary mode to a transdisciplinary mode (Gibbons et al., 1994). Moreover, the forms of organisation are becoming more flexible and less bureaucratised, and coordination is increasing because of wide-used IT.

However, some problems may impair the conditions for the successful diffusion of KM.

First, as Swan and Scarbrough have observed, despite KM's attempt to remedy problems associated with the distribution of knowledge, the subject itself becomes prone to the very same problems. As KM diffuses via different networks, the idea itself becomes transmuted and fragmented across professional boundaries. For example, IT professionals wish to use KM to push for the development and marketing of systems while personnel and HR practitioners wish to use KM as an argument for developing people management practices. More broadly, despite hints that we are shifting toward more transdisciplinary modes of knowledge production, institutional structures and arrangement continue to support demarcation across professional boundaries.

Second, the process of knowledge management is very complex. However, as McKinlay, A. (2002) states, KM has been dominated by prescriptive and managerialist approaches that ignore organisational politics and the impact of KM on the labour process. He points out that KM raises important issue of governance: how to convert the tacit or covert knowledge of individuals and workgroups into a managerially regulated “public good”. Also, he argues that two factors severely limit the development of KM as a durable power/knowledge regime. One is KM’s reliance on the active involvement of labour. Passive resistance is thus sufficient to limit the impact of KM in practice. The passive resistance results from the interplay of computerised workflow monitoring, peer pressure and corporate ideology, which has rendered control ever more perfect, ever more invisible (Sewell, 1998; Simpson, 1999). Another is the technical development of KM is not matched by the formation of consistent, centralised measures of social processes. Moreover, Stokes, J. and Clegg, S. (2003) suggest that KM need to not only audit and systematize knowledge, but also to acknowledge that process of doing so is one that entails managing power/knowledge. However, in practice, as ALPHA case illustrates, knowledge managers, or KM consultants, often ignore the small ways of power in organisations, they design and implement KM projects without understanding what this meant for traditional practices. In ALPHA case, few of the consultants really knew how to listen to what they were being told. Staff had no credible audience for their doubts and thus quietly tended to raise concerns among themselves (Stokes and Clegg, 2003).

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