Chapter 5

Towards Understanding and Implementing Knowledge Management Strategy

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ABSTRACT

Many companies are working strategically with their knowledge through targeted knowledge management strategies aligned with their organizational strategy. However, the success of these knowledge management strategies vary. This chapter uses previous studies to show that KM strategy is a dual function concept. One function of knowledge management strategy manages knowledge content to ensure the right knowledge is captured and used while the other function of knowledge management strategy focuses on aligning a knowledge management initiative to organizational strategy. Additionally, the components of each function are discussed.

INTRODUCTION

We live in a knowledge economy and society where knowledge is used to produce economic and societal benefit. The effective management of knowledge resources is a key imperative for organizations that would like to leverage their knowledge assets for greater competitive advantage and improved performance (Smith, et al., 2010). Knowledge and its use is considered so important that the International Standards Organization, ISO, added a requirement for knowledge management, KM, to ISO Standard 9001-2015, Quality Management Systems, that requires organizations

to consider the role of organizational knowledge as a resource and to manage that resource (Wilson and Campbell, 2016). There are over one million ISO9001 certified organizations in over 170 countries (ISO, 2018a). Additionally, there are over 60 million knowledge workers in just the United States of America, USA, and that number is growing rapidly as millennials, raised in a purely digital environment, take over the workforce (Nagle, 2017). To help organizations implement the KM requirements of ISO 9001-2015 the ISO released draft standard ISO 30401-2018, Knowledge Management Systems Requirements in November, 2018 (ISO, 2018). Section 4 of ISO 30401-2018 focuses on using knowledge in the context of the organization and mentions KM strategy (ISO 2018). Section 4 requires organizations to create their KM program to ensure that knowledge use supports organizational strategy. However, while draft standard ISO 30401-2018 is good to require knowledge use be aligned with organizational strategy; it is weak on how KM strategy should be created, what should be in a KM strategy, and what should be measured to assess the effectiveness of KM strategy.

A strategy is a high level plan designed to achieve a goal or goals. A KM strategy is the high level plan for achieving knowledge goals. Unfortunately, KM research into KM strategy has led to a misunderstanding of KM strategy. Hansen's, et al. (1999) seminal paper focused KM strategy discussion on knowledge representation strategy. While having a knowledge representation strategy is important to capturing, storing, and using knowledge, it does little to align the KM initiative with organizational competitive strategy. To address this, Earl's (2001) seminal paper proposed creating a KM strategy based on organizational performance gaps with Zyngier, et al. (2004) proposing using KM governance to align KM strategy with organizational competitive strategy to help improve KM's support of organizational effectiveness. Unfortunately, Earl (2001) and Zyngier, et al. (2004) do not help with designing the KM initiative to capture, store, and use knowledge. So what is KM strategy? Is it a focus on knowledge representation or an alignment with competitive strategy? This chapter proposes that KM strategy has a dual functionality with two constructs. The first function is in guiding knowledge content, storage, and representation with a construct this chapter calls knowledge content process while the second function is to align KM to organizational competitive strategy with a construct called knowledge strategy.

The goal of this chapter is to support users of the standard and the KM academic/ research community in their understanding of KM strategy by defining what a KM strategy does, what is in a KM strategy, and what should be measured to assess the effectiveness of the KM strategy. Additionally, the need for a KM strategy is primarily based on surveys of KM practitioners' perceptions and beliefs about KM strategy. This chapter will also present organizational behavioral results whose analysis shows that having a KM strategy results in improved KM performance and is necessary for a KM initiative.

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