

Resistance to Knowledge Management: Exploring the Motivational Dimensions of Codifying Knowledge within Professional Organizations.

Paul Nesbit

Macquarie Graduate School of Management
Macquarie University
Australia
paul.nesbit@mq.edu.au

Abstract

This paper explores the relationship between employee's reluctance to contribute to knowledge management (KM) systems with their perception that KM reduces their power within, and their value to, the organization. The paper will analyse a number of KM case studies focusing on professional knowledge workers. Specifically, we examine a number of case examples of KM efforts dealing with academics, research and development scientists, and lawyers. The paper concludes with identification of a number of contingent factors that enhance or reduce the motivation of knowledge workers to contribute to KM systems. Further research and management implications are also addressed. The section below presents an extended abstract of the full paper.

1. Introduction

In recent years, knowledge has increasingly become seen as a central source of economic value within organisations and societies. Academics, social commentators, executives, and even political leaders have identified the utilisation of knowledge as the source of competitive advantage in the future. For example, the South Korean president, Kim Dae-Jung, opening an APEC conference on knowledge-based-economies, said, "As we move into the new century, it is increasingly the intangible factors that matter most as new sources of growth potential, such as knowledge, information, and cultural character." Business leaders also highlight the importance of knowledge. "Knowledge capital is our most valuable asset and it drives our organization. It's what we sell (George Shaheen, Managing Partner/CEO, Andersen Consulting, [64, p. 1]." These views are also echoed by academics [14, 18].

Given the potential value attributed to knowledge in the future, it is understandable that substantial efforts have been made to manage knowledge resources. One approach seeks to utilize innovations in information and communication technology (ICT) to capture and store knowledge in databases of the organization. This has been referred to as a codification strategy [6], where employees search and access accumulated knowledge to extract useful information as required. An example of this approach is the knowledge management system of the global consultancy firm Anderson Consulting, called

'Knowledge Xchange' [5], which comprises a variety of databases about client and project information. Codification strategies have been criticized in that such systems view knowledge as a commodity, which overlooks the deep level understanding that accompanies expertise [15]. Another KM approach, the personalization strategy, [6], seeks to gain value from this deep level knowledge, which is often referred to as "tacit knowledge". The personalization strategy of KM seeks to facilitate exchange and contact between those who have knowledge and those who need it rather than capture knowledge directly in databases. Such approaches typically comprise communities of practice [11], based around specialist topics. Users can post questions to the community, via electronic bulletin boards, to access the collective knowledge of the community of users. Answers can be circulated and discussed and the discussion can be taken off-line using more conventional communication mediums as required. This approach is used by Buckman Labs, a US based chemical supply company, which utilizes 54 online discussion groups revolving around the main products of the company. In this strategy, knowledge is spread throughout the organization rather than being isolated with selected individuals.

Whatever the specifics of the KM strategy, three aspects remain constant to all systems. First, the intention is to enhance the utilization of employee knowledge. Second, the system employs innovations in ICT in the process of managing information and knowledge. Third, the systems' ultimate effectiveness will depend on the motivations of employees to contribute information and knowledge to the KM system.

Given the substantial ICT costs that organizations may incur in operationalising knowledge strategy a substantial amount of research attention on knowledge management has focused on technological issues [12, 13, 15]. However, recently, more research attention has focused on the motivation of users [2], in KM systems. Such research, generally seeks to identify the reasons for poor employee utilization of KM systems.

2. Motivational Challenges

A variety of challenges have been identified that influence the motivation of employees to be involved in KM systems.

For example, many employees find it difficult to find time to contribute to database systems. Another issue limiting employee motivation to use KM is the lack of training and comfort with the technologies of the system. In addition to these process issues, employees are concerned that they may lose power associated with their knowledge, if they contribute to KM. As suggested by [5], "There is an incentive to evaluate the level of knowledge sharing that is "wise" given the competitive nature of the labour market. This incentive is reinforced by the rise of the advocacy of the virtues of "employability", that is, the notion that employees should think of their career in terms of the accumulation of a portfolio of skills and experiences that make them "marketable property". (p. 296). In other words, employees may feel reluctance to contribute to KM because they perceive that such contribution may decrease their value to the organization, or to the labor marketplace, or both.

In the remainder of the, paper, the validity of these concerns will be examined. It will be argued that the impact of digital technology for the employment relationship is associated with both deskilling and upgrading of workers value. Hughes and Lowe [7] refer to this as their polarization thesis. Braverman [3], discussing pre-Internet technology, outlined the case for deskilling influences of division and labour and scientific management principles. Braverman argued that the tacit and explicit knowledge of workers had been transferred to systems owned by capitalist through the use of technology in the design of work systems. For example, automotive workers who once used craft skills in the construction of cars were radically deskilled to the point that they operated as cogs in a machine. Of course the use of technology can also upgrade the value of employees by requiring enhanced skills and knowledge. Upgrading skills is associated with "knowledge workers" and to the value of knowledge in the value creation process [10, 16]. However, the increasing popularity of KM systems which are designed to capture, store, sort and disseminate corporate information residing with these high value employees, can be seen as a way of reducing the reliance by organisations on these employees. These KM systems can be construed to resemble the efforts to capture "tacit" knowledge of workers as outlined by Braverman [3].

Efforts to capture "tacit knowledge" of knowledge workers through technological systems remains elusive because of the intangible nature of this knowledge. Nevertheless, the increasing sophistication of knowledge management is resulting in many elements of knowledge work being devalued. The full paper will discuss and critically examine these impacts. For example, many of the activities of business consultants, such as accountants and lawyers, are repeated from project to project. The use of databases of past projects can help to reduce the costs associated with working on similar projects. Unfortunately, many of these organisation's clients are aware of this trend and are expecting discounted prices on services. Reduced value to customers also reduces the value of people's skills

and knowledge to the organisation.

In summary, it is argued that there is both a trend for upgrading and decrease in employee value resulting from KM systems. It is suggested that this trend is likely to grow as the codification of knowledge accelerates and sophistication of technological systems advances.

This paper explores the reluctance of professional knowledge workers to contribute to KM systems from the perspective that employees may resist giving away power inherent in their ownership of knowledge. The extant literature is reviewed and a number of case studies are presented to reflect on the issue of employee reluctance to contribute to KM efforts of organizations. Specific professional groups examined include, academics, research and development scientists, and lawyers. The paper concludes with identification of a number of contingent factors that enhance or reduce the motivation of knowledge workers to contribute to KM systems. Further research and management implications are also addressed.

3. Method

The discussion of case examples presented at the conference presentation are extracted data from a larger study examining the impact of ICT on HRM practices. The study uses semi-structured interviews with HR managers of forty mid to large Australian organizations. These interviews took on average 60 minutes to complete. Questions were directed to ascertaining the details about organizational culture, strategy changes, the make-up of HRM support services, and current and future uses of ICT within HR activities. HR activities was interpreted widely and examined not only the traditional aspects of recruitment and selection, training and development, performance management systems but also the utilization of ICT into knowledge management systems. Thus the perspectives given here reflect the HR managers perspective within these organizations. Interviews were supplemented with additional phone interviews and with collection and analysis of publicly available documents, such as web sites, annual reports and media releases and media reports.

Discussion given here relates to the interview aspects that centred on knowledge management within the organizations. Given the ethic clearance requirements for the study, organizations and respondents cannot be identified. However broad characteristics of the firms discussed are given.

4. Case Example

Organization A is a medium player in the pharmaceutical industry that has expanded operations across Australia, New Zealand, the United States, and Europe. At present the employee number is around 4,000 and is growing rapidly as the organization is engaged in a high growth

strategy via acquisitions. Indeed the central HR issue confronting the organization is the integration of new people, and cultures into the parent organization. The organization has a strong research base and is dominated by highly skilled scientists mainly from a chemistry background. The organization has recently begun knowledge management initiatives.

The KM strategy is jointly advocated by the IT and HRM departments. Interviews suggest that both groups see KM as mutually beneficial and both are cooperating on its implementation. There is a clear recognition of the differences between codification and personalization strategies among the two respondents of the organization and the both indicated that organizational leaders are aware of the concept. Indeed there has been a recent appointment of a Chief Information Officer, although it appears that this person is seen as the traditional head of the IT department. The IT department, while playing an important role in the organization, does not have a high profile in terms of senior management.

The KM initiative is focused on intranet development at the earliest stages with a clear aim to “get runs on the board” in terms of impact and getting the attention of managers. There is also a desire to create a learning organization concept, especially in terms of learning to better integrate new businesses into the parent company. The rapid growth of the company has tended to hinder integration efforts and the KM system is seen as one way to increase the integration process. The approach is to develop the KM strategy in the Australian operations then roll it out to the rest of the organization overseas. Research and development and customer relationship management are the two areas most targeted by the KM initiative. These two areas however, are not well integrated in terms of non-ICT initiatives, so it is suggested that a cultural shift in the organization is needed. However, cultural change seems low on the agenda of top management as they focus on the business realities of successfully negotiating the next acquisition.

The HR manager noted a number of obstacles to the KM initiatives. First, the question of top management support has not been clearly gained. Top management has been relatively stable despite the rapid growth and acquisitions, but does not see ICT as a significant strategic issue. Indeed, top management has a very personal focus on relationships. Specifically, those relationships require face-to-face interaction and cannot be developed via ICT. This has resulted in the preferred use of face-to-face meetings among managers, even if this means long and expensive air flights. Given the rapid growth of the company there seems to be little attention to cost efficiency that could be gained by the use of ICT to mediate communication. This attitude by top management has hindered the utilization of technology generally.

The existing KM initiative is focused on the utilization of technology to capture and sort information. This is due to the top management culture of personalization requiring

people related communication, as well the involvement of the IT group. HR group although knowing of the personalization strategy for KM tend to take the view that it is all about small steps and progress in developing KM and that the codification strategy may be the most appropriate beginning point.

The organisations’ approach seem to duplicate the description of Storey and Barnett [15] who outlined a failed knowledge initiative in a large international resources firm. They concluded that a number of issues where related to its failure. Top management support was initially forthcoming, but across the length of the knowledge project, and in face of dynamically competitive marketplace this commitment tended to decline. The authors conclude that the project was considered more as a “nice to have” than a strategically critical initiative. Failure at the senior level to monitor and protect the integrity of the project led to the escalation of micro-political maneuvers that eventually led to disintegration in the initial support for the project. For example, the project seemed to be hijacked by the IT department who commandeered expertise on the technological issues. It was viewed as trying to achieve a dominant position in strategy, methodology and budget through the project. So too in the organization under review, the lack of top management support has led to a maladaptive behavior of some users of the system. In particular, there is some reluctance to extend knowledge of the use of the system to others. Thus power users tend to gate keep access and information derived from the KM systems. This is aided by a general reluctance of individual users to acquire skills and knowledge about the system. This reflects less a direct effort of control than relying on the general inertia of adoption of a new system that seems to require more effort to use than perceived benefits. Thus an important role in the spread of KM would be to ensure that the system’s benefits are highlighted and go beyond “nice to have”.

The remainder of the paper will examine three more case studies from the rich data sourced from the HRM and ICT study.

References

- [1] APEC, (2000). Towards knowledge-based economies in APEC, *Report by the APEC Economic Committee*.
- [2] Augier, M., Shariq, S.Z., and Vendelo, M.T. (2001). Understanding context: Its emergence, transformation and role in tacit knowledge sharing, *Journal of Knowledge Management*, Vol.5, (2), p125-137
- [3] Braverman, H. (1974). *Labor and Monopoly Capital: The Degradation of Work in the Twentieth Century*. New York: Monthly Review Press.
- [4] Davenport, T.H. and Hansen, M.T. (1998), *Knowledge Management at Andersen Consulting*, Case 9-499-032, Harvard Business School, Boston, MA.
- [5] Dunford, R. (2000). Key challenges in the search for the effective management of knowledge in management consulting firms, *Journal of Knowledge Management*, Vol. 4, (4), p295-312

- [6] Hansen, M.T., Noria, N., and Tierney, T. (1999). What's your strategy for managing knowledge? *Harvard Business Review*, Mar/Apr, Vol.77, (2), p.106-117.
- [7] Hughes, K.D., & Lowe, G.S. (2000). Surveying the Post-Industrial Landscape: Information Technologies and Labour Market Polarization in Canada", *CRSA/RCSA*, 37, 1, p29-51.
- [8] Khurshid, Z. (2003). The impact of information technology on job requirements and qualifications for catalogers, *Information Technology and Libraries*, March, p.18-21.
- [9] Kubo, I, and Saka, A. (2002). An inquiry into the motivations of knowledge workers in the Japanese financial industry, *Journal of Knowledge Management*, Vol. 6,(3), p-262-275.
- [10] Nonaka, I., & Takeuchi, H. (1995). *The knowledge creating company*. Oxford: Oxford University Press.
- [11] Pan, S.L., and Leidner, D.E. (2003). Bridging communities of practice with information technology in pursuit of global knowledge sharing, *Journal of Strategic Information Systems*, Vol. 12, (1), p71-88.
- [12] Ruggles, R. (1998), "The state of the notion: knowledge management in practice", *California Management Review*, Vol. 40, (3), p. 80-89.
- [13] Scarbrough, H. and Swan, J. (1999), *Case Studies in Knowledge Management*, IPD, New York, NY.
- [14] Skyrme, D.J. and Amidon, D.M. (1998), "New measures of success", *The Journal of Business Strategy*, Vol. 19 No. 1, pp. 20-4.
- [15] Storey, J. (2000). Knowledge management initiatives: learning from failure, *Journal of Knowledge Management*, Vol, 4, 2, p-145
- [16] Sveiby, K. E. (1997). *The New Organizational Wealth: Managing and Measuring Knowledge Based Assets*. San Francisco: Berrett Koehler.
- [17] Thurm, S, (1999). What do you know? Getting employees to share their knowledge isn't as simple as installing new software; just ask Buckman Labs, June, 28th, *Asian Street Journal*, p.4.
- [18] Zack, M.H. (2003). Rethinking the knowledge-based organization. *MIT Sloan Management Review*, Summer, Vol,44, (4), p.67-72