

# Chapter 4

## A Contingency Perspective for Knowledge Management Solutions in Different Decision-Making Contexts

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### ABSTRACT

*A contingency perspective of knowledge management, as one of the popular ways of promoting decision making capabilities, recognizes the need for a fit between knowledge management solutions (KMS) and decision-making contexts which they support. In order to determine the best fit, a field survey was carried out to investigate the impact of two different types of KMS (technical and social) on decision makers' behavior and performance in different decision contexts (simple and complex). According to the results, there is a partial support for the contingency view. As expected, social KMS appears as the best fit for complex contexts, based on subjects' superior performance from comparable adoption of both KMS. In contrast, the results suggest that both KMS were an equally good fit for simple contexts, based on similar levels of subjects' performance, but social KMS was preferred in terms of adoption. These findings contribute to much necessary empirical evidence for research and provide useful guidance for practice. However, their limitations necessitate further study.*

### INTRODUCTION

Fostering decision making capabilities are always one of the main targets of today's organizations. Scholars and practitioners suggest and improve Knowledge management solutions (KMS) as the best useful tools in order to reach this target. Contingency perspective of knowledge management is one of the emerged popular ways (Hansen et al., 1999; Snowden, 2002; Becerra et al., 2004) of identifying the

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alignment of KMS with decision contexts and personal preferences of decision makers. This view is also advantageous to clarify the seamless integration between knowledge management and the business environment (El Sawy, 2003).

The contingency viewpoint presents new challenges for researchers and practitioners regarding its theoretical and practical consequences for decision making support. This work aims to clarify these challenges by addressing the fit between organizational knowledge management solutions (KMS) and their decision-making contexts. In order to reach the best solution-context-user fit, an improved understanding is necessary for different KMS and decision contexts and their impact on pre-decisional behavior and performance of decision makers.

KMS are an emerging class of decision aids, especially in target managerial work, by focusing on enabling and facilitating creation, sharing, retention and discovery of required knowledge for decision making. KMS are helpful in reducing/eliminating decision biases (Arnott, 2002) to improve users' decision-making capabilities. There are different recommended social and technical solutions in terms of this support (Handzic, 2004; 2007).

Technical or systems-orientated solutions generally describe KMS in terms of various ICT- based systems designed to facilitate the management of knowledge by enhancing the accumulation and transfer of knowledge through the organization (Sambamurthy & Subramani, 2005). In contrast, social or human-orientated approaches to KMS emphasize on organizational leadership, culture, structure and measurement as key enablers of processes in enhancing knowledge development (Holsapple, 2003). The literature strongly suggests that the potential return from KMS implementations can be enormous if they are properly designed and implemented (Alavi & Leidner, 2001). Therefore, understanding the decision-making context is helpful in determining the best KM solution(s) before the selection of proper KMS.

The literature distinguishes between two main positions on "proper" KMS design and implementation. While the universalistic view is offering one single best approach which should be adopted in all circumstances, the contingency view suggests that no one approach is best under all circumstances. Collectively, the proponents of the contingency view (Hansen et al., 1999; Snowden, 2002; Becerra et al., 2004) suggest a series of knowledge, task, organization and environment characteristics as the potential influencers of alternative KMS implementations. However, there needs to be more empirical evidence to support this proposition.

Therefore, the purpose of this study is to remove this weakness and contribute to the improved understanding of the issue of KMS fit to context. In particular, the study aims to empirically examine the impact of different KMS approaches on decision-making behavior and performance in different decision contexts. The improved understanding of the issue will serve as a foundation for better KMS design and implementation.

## **LITERATURE REVIEW**

This study focuses on two key factors: type of KMS approach and complexity of decision context and their role in decision support. The following sections provide a literature review regarding different KMS approaches, decision contexts and the use of KM in various decision contexts to set up the research model and the questions.

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