

# Chapter 6

## Ethical and Legal Issues in Knowledge Management Life–Cycle in Business

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### ABSTRACT

*In this Knowledge-based economy knowledge is the driver of economic growth and knowledge management (KM) is seen as a strategic tool by most successful organizations. ICTs have transformed the way information and knowledge are acquired, created, stored and shared. These days, social media has become a mainstream for internal and external communication, collaboration and knowledge sharing. As the importance of KM is increasing, the numbers of ethical and legal issues also are escalating through-out the KM life-cycle from knowledge creation to knowledge maintenance, such as, issues related to privacy, confidentiality, plagiarism, ownership and intellectual property. Advanced technologies have raised new concerns and issues regarding KM and business at large in the form of ethical challenges. This chapter discusses the ethical and legal issues in Knowledge Management Life-Cycle in Business. In its conclusion, the chapter presents recommendations to overcome some of the ethical and legal challenges of KM in business.*

### INTRODUCTION

The Business environment is changing rapidly as it seeks to keep pace with the ever changing competitive environment. The modern economy is characterized as a knowledge-based economy and knowledge has become a strategic weapon for corporate survival and to achieve and sustain a competitive edge over business rivals in the global market. Knowledge management has been a buzzword for over two decades. Due to the advancement of technology, there is perpetual flow of information ensuing into information explosion. “Knowledge Management is an attempt to cope with the explosion of information and capitalise on the increased knowledge in the workplace” (Evans & McKinley, 2010, p. 1098). These days, “successful and thriving organizations are those which create or gain new knowledge and convert it into applicable methods for improving their activities and performance. Nonetheless, ethics are the key issues in achieving such organizations and gaining success in implementation of supportive

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systems for aforementioned subjects” (Akhavan, Ramezan, & Moghaddam, 2013, p. 129). Ethics are moral choices made by individuals in relation to the rest of the community, standards of acceptable behavior and rules governing members of a profession. Ethics are principles and rules concerning duty to society, profession and business (Nori, 2014).

Ethics are the foundation of knowledge management and key issue in the successful execution of knowledge management. Ethical issues exist in the whole life-cycle of knowledge management, yet not much attention is paid to this issue. Land, Amjad and Nolas (2007) have appropriately observed, “Although KM has become an important interdisciplinary area of study both within the domain of information systems and beyond, there has been relatively little discussion on the ethical issues, despite its relevance to KM systems and the interaction of actors, processes, and technology in all aspects of KM from design to actual use” (p.1). Azmi (2010, p. 61) further adds, “It is also unfortunate that not much has been written on the legal ramifications of knowledge management within the legal circles”. Thus, it is vital to understand and consequently adhere ethical and legal issues in KM. This chapter discusses the major ethical and legal issues in KM Life-Cycle in Business. Often legal and ethical issues complement each-other and in most cases are inseparable. This chapter attempts to discuss them separately however, in some situations they might be overlapping.

## **METHODOLOGY**

This chapter is based on the existing latest literature on KM and ethics and the author’s own points of view.

## **CONCEPT OF KNOWLEDGE MANAGEMENT AND ETHICS**

Knowledge management is defined in different ways by academics, practitioners and KM proponents. It is defined as “a mix of fluid experiences, values, contextual information and intuition” (Davenport and Prusak, 1998, p. 5). According to O’dell, Grayson and Essaides (1998), KM is a “conscious strategy of getting the right knowledge to the right people at the right time and helping people share and put information into action in ways that strive to improve organizational performance” (p. 6). David Skyrme associates (2011) defines KM as “a process or practice of creating, acquiring, capturing, sharing, and using knowledge, wherever it resides, to enhance learning and performance in organizations”. Thus, KM is a purposeful strategy of managing and providing the right knowledge to the right people at the right time in order to improve employees learning and overall organizational performance and productivity. It is a complex activity comprising of various processes such as, knowledge identification, acquisition, creation, storage, organization, sharing and utilization. Knowledge is based on the experience, action-oriented and visionary, which refers to both tacit and explicit knowledge.

Ethics relates to “codes of conduct regarded by a community as ‘right’ and ‘good’. They may be based on notions of morality or values. They may be faith based, determined by rules of proper conduct laid down by some higher authority” (Land, Amjad, & Nolas, 2009, p. 110). Land, Amjad and Nolas (2009) further assert that often ethical principles are not based on absolute standards; however, they require some consensus at least within defined communities such as professional associations. For example, medical associations represent doctors, nursing associations are for nurses, lawyers’ associations characterize lawyers and library associations epitomize librarians and information professionals. All these associations

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