

## Chapter 1.13

# Understanding the Composition of Knowledge Management Capability

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### ABSTRACT

Knowledge assets are an important organizational resource. Both research and practice literature has recognized that, if managed properly, knowledge resources have the potential to contribute to a firm's performance. Yet, the way in which organizations build knowledge management (KM) capability is relatively poorly understood. The diversity of knowledge assets existing within organizations makes it difficult to have a common understanding of how to utilize the knowledge resource most effectively. Drawing from both Resource Based View and Organizational Learning literature, the authors present a Knowledge Management (KM) framework that describes distinctly different types

of knowledge assets within organizations. KM traditionally encompasses a range of activities associated with the knowledge lifecycle, including creation and capture of knowledge, transfer or sharing of this knowledge, and its application and reuse in organizations. While explicating the characteristics of the different knowledge assets, our KM framework describes the unique activities required to manage these assets. Using this framework, organizations can evaluate their knowledge needs and selectively invest in knowledge resources, focusing on the activities required to manage them effectively. The authors believe that this framework will allow organizations to build optimal KM capabilities dictated by their business needs and goals, and in alignment with their overall business strategy.

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## INTRODUCTION

Knowledge Management (KM), as a discipline, is designed to provide strategy, process, and technology to increase organizational learning (Satyadas, 2001). The importance of Knowledge Management (KM) is succinctly provided in an article titled “If Only We Knew What We Know” (O’Dell, 1998). The predominant KM emphasis has been a system oriented view with a focus on technology applications that range from traditional data-processing areas, such as knowledge enabled supply chain management (SCM) systems, to expert networks designed to facilitate expert-to-expert communication. The various system designs attempt to capture and capitalize on the existing explicit, implicit and, in some cases, tacit knowledge of organizations. This emphasis on technology masks the range of knowledge available in an organization and processes that facilitates the flow of knowledge. Organizations must develop an integrative approach to KM that covers all potential components of knowledge and leverages specific components strategically aligned to their business objectives. In addressing these issues of KM, the authors believe that an organization must move to a more knowledge oriented view and discover “what we know”. This discovery should not be restrictive in the sense of targeting single organizational areas or single systems for improvement, but must encompass the entire organization and strategically map each area of strength and weakness. The authors develop an integrative framework by identifying knowledge assets that encompass all aspects of an organization’s efforts to capture, store, retrieve, and use its knowledge assets.

Prior research has provided elucidation of knowledge assets and frameworks for their development. For example, (King et. al, 2002) identifies four KM application areas - knowledge repositories, lessons learned, expert networks and communities of practice. (Harigopal and Satyadas, 2001) introduced the Cognizant Enterprise Ma-

turity Model - CEMM which identified 15 Key Maturity Areas within an organization to improve business value. Although an adequate start, King does not explicate the measurement necessary to sufficiently describe these application areas as knowledge assets. Conversely, the CEMM constructs and addresses capabilities beyond KM and into business process modeling, business innovation and business integration. Consequently, neither approach covers the diversity of assets or complete the descriptions of the composition of the knowledge assets. Nevertheless, these recent efforts to identify and study various knowledge areas highlight the need for extended organizational research within KM. Through the presentation of the KM framework and knowledge asset description, a more uniform level of abstraction is provided that will increase the level of understanding, and result in an improvement in the monitoring and management of these knowledge assets.

In this research we have proposed a description of a variety of separate sources of organizational knowledge, validated these sources as separate processes within the knowledge lifecycle, presented these sources as knowledge capabilities or KCs, and described their relationships to measures of organizational performance. Our description of these knowledge assets is sufficiently generic to capture the capabilities of an organization across a wide range of technologies, processes, and job responsibilities. The view of knowledge for this research incorporates the capability perspective as described by Alavi and Leidner (2001). This perspective incorporates both the potential for influencing future action (Carlsson et. al, 1996) and the capacity to use information (Watson, 1999) in the building of core competencies. Competencies were identified as dynamic capabilities in an approach to stress the exploitation of existing internal and external firm-specific competences to address changing environments (Teece et. al, 1997). This view of knowledge as a capability, as opposed to a resource, recognizes that capabilities are firm-specific and embedded in the

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