Praise for Engaged Knowledge Management

"Exactly what's needed to breathe new life into a field now dying for lack of a practical, results-oriented perspective. Desouza and Awazu show us how to capture the essence of good management – knowledge – while actively **engaged** in the nitty-gritty of complex organizations. You will be engaged by this book." — **William E. Halal**, *Professor of Management, George Washington University; Co-Director, Institute for Knowledge and Innovation; author of The Infinite Resource* (1999)

"Desouza and Awazu uncover the subtlety of knowledge management programs. They identify the salient elements required to create sustainable knowledge-based organizations. Organizations that are engaged with the realities of managing knowledge will be successful in the marketplace, those that don't have much to lose." — **Akira Ishikawa**, *Director, Knowledge Management Society of Japan; President, Crises Management Society of Japan; Honorary President, Corporate Accounting Society of Japan; former Dean and Professor Emeritus, Graduate School of International Politics, Economics and Communication, Aoyama Gakuin University, Tokyo, Japan*

"The field of Knowledge Management, like knowledge itself, is in a constant state of flux. While many claim that the KM market is 'mature' and, as such, should require little attention to its continued health and growth, Desouza and Awazu recognize that KM cannot be viewed as having one linear life cycle, but that it must be revisited – even reinvented – periodically. The authors provide a theoretical framework grounded in the context of their work that will help organizations examine KM strategies in light of the real-time, dynamic nature of information today. With a particular focus on capturing and using customer knowledge to aid both the objectives of an organization and the user experience, *Engaged Knowledge Management* provides insights and strategies that will reinvigorate the KM community." — **Michelle Manafy**, *Editor, EContent Magazine and the Intranet: Enterprise Strategies & Solutions Newsletter*

"Knowledge management is a field that has been surrounded by a lot of technology hype, and has been the center for a number of books in recent years. What I like about this book is the broad view on knowledge management, discussing some of the problems many companies see about knowledge management systems, and seeing knowledge management in relation to process improvement. The rich and colorful examples make it a truly engaging book." — **Torgeir Dingsøyr**, *Research Scientist, SINTEF Telecom and Informatics Research Foundation, Norway; co-author, Process Improvement in Practice: A Handbook for IT Companies* (2004)

"*Engaged Knowledge Management* is a significant contribution because it unearths the missing links in knowledge management and offers solutions to make it work. With 'knowledge' as the currency of the new economy, many companies jumped on the bandwagon and launched knowledge management programs. I meet many executives who are quick to add, 'We have a knowledge management initiative, too,' only to expose their frustrations hidden beneath their faces. This book distills the wisdom they and their knowledge managers need. Desouza and Awazu offer a robust meta-framework for knowledge management connected with the realities of the business. Contextual alignment, adaptation and customization, when supported by the three capabilities of 'segmentation,' 'destruction' and 'protection,' hold the key to a successful KM program. This book offers both the know-how and show-how to make knowledge management pay-off and how to give a competitive edge to corporations." — **Deependra Moitra**, *Associate Vice President and General Manager (Research), Infosys Technologies Limited, India*

"This book takes an unusual approach to KM, which is a positive treat. It exhibits a good understanding of the business world, which makes it realistic and pragmatic – even a bit too pragmatic for my taste, but by way of contrast this is appreciated. It recognizes both the up and down sides of KM and its interactions with organizations in a wide sense. It hinges on the 'responsibilities to take care of' in KM implementations in a crisp, down-to-earth way, without overlooking relevant issues such as that of trust. It is also a wise piece in that it doesn't forget about related experiences that are nice complements – for example, references to Decision Support Systems, or to the classical subject of 'problem finding'; in this it makes a useful integrative contribution. Thus, the book is worth reading. Easy to follow arguments and examples, pragmatic and at the same time conceptually solid enough, and not reinventing basic wheels. It will fill a gap in the KM world." — **Rafael Andreu**, *Professor of Information Systems and General Management, IESE Business School, Spain*

"Finally a book on knowledge management that is aware of what it really takes to bring about enterprise-wide change. *Engaged Knowledge Management* is pithily written, without hype, deference to fads or unrealistic focus on single solutions. If you're an experienced KM practitioner who has implemented some of the common practices – perhaps with mixed results – then you will benefit most from this book. It doesn't offer simple answers, but it will stimulate you to consider issues broadly and work out the answers for yourself. At the end, you'll have a greater awareness of how to mature your organization's approach into a balanced, realistic KM program." — **Sam Marshall**, *Knowledge Management Specialist, Unilever*

"Whether you are a long-standing practitioner or a recent convert to the KM world, this book introduces new concepts required for KM success, interwoven very effectively with KM foundational concepts. The result is a very practicable model for assessing, planning and implementing a program to ensure consistent,

actionable results. Engagement is a major success factor and herein lie very powerful mechanisms for engaging all types of organizations in effective KM practices." — **Randy Hale**, *Global Program Manager, Internal Portal Services, Information Management + Collaboration + Taxonomy/Metadata, Sun Microsystems*

"*Engaged Knowledge Management* recognizes the importance of institutional knowledge capital and uses a systematic approach to identify key issues, challenges and potential areas where corporations can boost bottom lines. In today's competitive business environments where customers are increasingly having more options in products, services and providers, managing customer information and data across the enterprise to derive opportunities for cross selling opportunities represents the most challenging problem facing senior business and IT executives. Knowledge capital in my view is probably one of the most underutilized assets at the majority of multinational institutions, while information sharing across business segments also represents the most sustainable products and services differentiators for companies seeking a competitive advantage in attracting and retaining loyal customers through improved customer satisfaction." — **Donald J. Raphael**, *Vice President, Technology Strategy and Implementation Services, Enterprise Architecture-Technology Research, Bank of America, USA*

"This book talks about every aspect that we had successes in and more. From initial set up of KM program to its capabilities, to engagements throughout various management levels, and to interactions between people and technology. . . . I highly recommend this book for everyone to read." — **Kiho Sohn**, *Site Leader for Knowledge Management, Boeing Canoga Park, USA*

"Knowledge management is at cross-roads today. One of the challenges of KM is how to overcome 'information overload' irrespective of the sector. With an excitement to share knowledge, people in KM tend to 'overload' the customers resulting in losing the customers. In this book, the authors discuss how various players, organizations, technologies, and customers need to be 'engaged' in KM. Documented with recent literature in the field of KM, this book addresses the practical applications of KM in a wide variety of organizational environments. It is an essential reader for all those who want to 'engage' continually in KM irrespective of the nature of organization." — **Raja Rajasekaran**, *Agricultural Information Scientist/ Intranet Information Manager, Monsanto Company*

"Knowledge management has become a must in modern management. Drawing on their broad consulting experience and sound research, Desouza and Awazu provide many new ideas on how to excel in managing your knowledge assets. In this book the authors show that knowledge management is more than a buzzword. In an easy to read way, engaged knowledge management covers the most important aspects of the topic. This book can be recommended to everybody who wants to improve the firm's efficiency and the effectiveness of its operations by creating new knowledge and re-using existing knowledge about customers, markets, processes, etc." — **Kurt Matzler**, *Department of Marketing and International Management, University of Klagenfurt, Austria*

"This book combines excellent insight with practical application. It is well suitable both to the management thinker and the knowledge practitioner who faces the challenge of managing tomorrow's knowledge-based organization." — **George Tovstiga**, *Visiting Professor, Henley Management College, and Arthur D. Little Ltd, Switzerland*

"*Engaged Knowledge Management* will be one of the most important books in your library. It is a wonderful compendium of the critical issues related to knowledge management and will clearly be labeled as a 'must have' for all academics and practitioners who work in this field. The text starts with a clear discussion on who should be responsible for KM including the roles of various C-level executives as it relates to all processes including ones that don't have much coverage in the extant literature such as knowledge destruction, and my personal favorite, knowledge protection. Other chapters cover global and customer issues as well as the critical debate on incentives for knowledge sharing. The final messages discuss technology and KM's future. All in all, the book is comprehensive and well written. A fine reference for the KM novice and expert." — **Nick Bontis**, *Associate Professor, DeGroote Business School, McMaster University; Director, Institute for Intellectual Capital Research, Canada; Associate Editor, Journal of Intellectual Capital; co-author, The Strategic Management of Intellectual Capital and Organizational Knowledge (2002)*

"This is a very easy book to read and through the various aspects of each subject, the different facets of each application and the multitude of real life examples, one actually gets a total picture of this fascinating subject that knowledge management is – whether you are a researcher or a practitioner." — **Rony Dayan**, *Chief Knowledge Officer, Israel Aircraft Industries, Israel*

"As knowledge management matures as a discipline, our understanding of it is becoming more complex and multifaceted. In their book, Desouza and Awazu are leading this charge to greater understanding by expanding the scope of the knowledge management literature. Drawing on ideas from complex systems theory and social networking, they provide a succinct and informative overview, moving knowledge management from an abstract theory waiting to be applied to a more concrete understanding of how KM needs to play out and evolve in real life. Covering a wide range of topics, from globalization, engaging external constituencies, and incentives to knowledge sharing, this book provides both the new practitioner and the seasoned veteran with a new look at some of the critical topics in the field." — **H. Frank Cervone**, *Assistant University Librarian for Information Technology, Northwestern University, USA*

Engaged Knowledge Management

Engagement with New Realities

Kevin C. Desouza and Yukika Awazu

palgrave
macmillan

© Kevin C. Desouza and Yukika Awazu 2005
Softcover reprint of the hardcover 1st edition 2005 978-1-4039-4510-5

All rights reserved. No reproduction, copy or transmission of this publication may be made without written permission.

No paragraph of this publication may be reproduced, copied or transmitted save with written permission or in accordance with the provisions of the Copyright, Designs and Patents Act 1988, or under the terms of any licence permitting limited copying issued by the Copyright Licensing Agency, 90 Tottenham Court Road, London W1T 4LP.

Any person who does any unauthorized act in relation to this publication may be liable to criminal prosecution and civil claims for damages.

The authors have asserted their rights to be identified as the authors of this work in accordance with the Copyright, Designs and Patents Act 1988.

First published 2005 by
PALGRAVE MACMILLAN
Houndmills, Basingstoke, Hampshire RG21 6XS and
175 Fifth Avenue, New York, N.Y. 10010
Companies and representatives throughout the world

PALGRAVE MACMILLAN is the global academic imprint of the Palgrave Macmillan division of St. Martin's Press, LLC and of Palgrave Macmillan Ltd. Macmillan® is a registered trademark in the United States, United Kingdom and other countries. Palgrave is a registered trademark in the European Union and other countries.

ISBN 978-1-349-52271-2 ISBN 978-0-230-00607-2 (eBook)
DOI 10.1057/9780230006072

This book is printed on paper suitable for recycling and made from fully managed and sustained forest sources.

A catalogue record for this book is available from the British Library.

Library of Congress Cataloging-in-Publication Data
Desouza, Kevin C., 1979–

Engaged knowledge management : engagement with new realities /
Kevin C. Desouza and Yukika Awazu.

p. cm.

Includes bibliographical references and index.

1. Knowledge management. 2. Organizational effectiveness.
3. Commitment (Psychology) I. Awazu, Yukika, 1970– II. Title.
HD30.2.D468 2005
658.4'038—dc22 2004066391

10 9 8 7 6 5 4 3 2 1
14 13 12 11 10 09 08 07 06 05

Printed and bound in Great Britain by
Antony Rowe Ltd, Chippenham and Eastbourne

We dedicate this work to our parents. They have shown by example what it means to be engaged and through sacrifices they have provided us with opportunities to read, learn, and think.

Contents

<i>List of Tables and Figures</i>	x
<i>Preface</i>	xi
<i>Acknowledgements</i>	xiv
1 Introduction	1
Engaged knowledge management	3
Organization of the book	5
2 Engaging Tensions of Knowledge Management Control	8
Type of knowledge process: knowledge creation versus knowledge commercialization	9
Types of knowledge workers: standard versus radical	14
Type of knowledge: public versus private knowledge	17
Conclusion	19
3 Engaging with Missing Knowledge Management Capabilities	20
Segmentation capability	23
Destruction capability	27
Protection capability	29
Missing capabilities and known capabilities	37
Conclusion	38
4 Engaging the Knowledge Chiefs	39
Why have knowledge chiefs?	39
The knowledge chiefs	41
Critical success factors	52
Conclusion	64
5 Engaging with Distributed Knowledge Management	67
Global management strategies	69
Global knowledge flows	71
Building global knowledge management systems	72
Spin-offs	74
Issues in global knowledge management	76
Distributed projects	79
Virtual teams	85

Contingent workers	87
Conclusion	89
6 Engaging Knowledge Management in Strategic Alliances	90
Why have strategic alliances?	91
External sources of knowledge	93
Listening to the external sources of knowledge	98
Linking up to external sources of knowledge	98
Leveraging external sources of knowledge	107
A dedicated alliance manager function	114
Conclusion	115
7 Engaging with Customer Knowledge Management	116
The customer	118
The three dimensions of customer knowledge management	119
The customer knowledge management construct	134
Challenges in leveraging customer knowledge	135
Conclusion	144
8 Engaging to Construct Knowledge Markets	145
Why have knowledge markets?	146
Knowledge markets – types and components	148
Knowledge products and services	154
Pricing knowledge	156
Revenue models for knowledge markets	160
Considerations when constructing knowledge markets	161
Future of knowledge markets	166
Conclusion	168
9 Engaging to Calibrate Knowledge Management Systems	169
Barriers to effective use of knowledge management systems	170
Advanced knowledge management systems	177
Appreciating emergence	177
Appreciating context	183
Appreciating distributed natures	187
Knowledge management systems in varying environments	188
Deploying knowledge management systems	188
Knowledge management systems and decision-making	190
Conclusion	195

10 The Future of Engaged Knowledge Management	196
The future	198
The engagement imperative	209
 <i>Appendix: Two Commentaries on Knowledge Security Issues</i>	 211
<i>Commentary I: Managing security risks in outsourcing engagements</i>	211
<i>Commentary II: Do not let us catch you sleeping – guard your fortress</i>	215
 <i>Notes</i>	 219
 <i>Index</i>	 225

List of Tables and Figures

Tables

8.1 List of knowledge markets	162
-------------------------------	-----

Figures

2.1 Knowledge management control tensions	10
3.1 Missing capabilities of knowledge management	21
4.1 The knowledge chiefs	41
5.1 Global knowledge management strategies	72
6.1 External sources of knowledge	93
6.2 Linking with external sources of knowledge	99
6.3 Alliance life-cycle	111
7.1 The customer knowledge management construct	134
8.1 The knowledge market model	158
9.1 Deploying knowledge management systems	189
10.1 Engaged knowledge management	197

Preface

Writing a book is a journey. On every journey, there is a start and a sometimes elusive end that often turns into yet another new start. Although this book has been a long and sometimes tiring journey, it has also been a fruitful and most rewarding one. Whenever I finish a book, I like to take some time to refresh my thoughts and recharge my mind by taking a road trip to a tranquil destination a short drive from my present home city of Chicago. Once I arrive where I'm going, I typically enjoy some good food and wine, admire the beautiful scenery and sometimes catch a movie or a play if I'm lucky. When I return, I feel a new sense of energy and excitement, and am prepared to deal with the challenges and obstacles that await me.

Why am I telling you this? Because a road trip in October of 2003 was anything but relaxing! For this I thank my fellow researcher and colleague, Yukika Awazu. She, like me, having just completed a research project, wanted to take a short break around the same time that I did, so we hit the road one weekend. We began by discussing our recent investigations into various aspects of managing knowledge in organizations. We talked about lessons learned from past projects and brainstormed new and areas for future investigation. During our discussion, as we jotted down the names of various projects, Yukika remarked, "A compilation of these project insights would make a nice book."

My first reaction to that statement was hardly positive. Having just finished writing two books, I wanted a break before starting on a third. However, as Yukika worked diligently with me to put this text together over the next few months, I was quickly convinced that the time to begin book three was the present. Yukika's enthusiasm, her willingness to learn (and teach), to lead (and follow), and her interest in helping me organize and manage the know-how and insights we have accumulated from our past research projects, have all made this book a reality.

Our goal here is simple but salient – to re-architect current practice in organizations to permit them to build engaged knowledge management programs. Knowledge management has been a buzzword since the early 1990s. Many organizations have invested millions (if not billions) of dollars to help them better manage knowledge, their most vital resource. We have traversed a long path since the first days of knowledge management efforts in organizations, and we think it time to revamp the state of the discipline now that so much has been learned in the last ten years. Re-architecting calls for building a knowledge management program that is *engaged*.

Most organizations have been able to achieve a few of the intended benefits of knowledge management, but many benefits still remain elusive. One reason

for this is that the strategic, people-oriented and technology-oriented aspects of knowledge management need to be fine-tuned for better engagement with the realities of the current business environment. To provide one example, until very recently much effort was expended on the intricacies of how to capture, store and distribute knowledge within the enterprise. These are salient capabilities that play a pivotal role in the initial stages of a knowledge management program. Still, while their significance does not diminish as the knowledge management program grows, the increased prominence of three other capabilities needs to be discussed: segmentation, destruction, and protection. Unless a knowledge management program encompasses these capabilities, it will not be in tune, or *engaged*, with the current realities of an organization's workings. Similarly, an effective knowledge management program needs to be engaged with the intricacies of functioning in a global, distributed, and dynamic marketplace. Existing knowledge management systems, the technology artifacts, also need to be redesigned. In our research, we have uncovered several reasons why such systems are abandoned by employees, and can summarize our findings as poor engagement with the needs of employees. In this book, we will discuss the pragmatics of re-architecting knowledge management in organizations.

In the process, we hope to shed some light on how organizations can redesign current knowledge management approaches to achieve some of the still-elusive benefits. These insights have been deduced from researching and consulting with over fifty organizations ranging from traditional *Fortune* 100s to lesser-known, small-to-medium-sized enterprises. They range from private institutions to governmental and academic organizations. These organizations are quite varied in terms of geographic location; we have studied knowledge management initiatives on every continent except Antarctica!

This book is written primarily for three audiences. First and foremost, we are speaking to knowledge managers and senior executives. For you, we provide actionable thoughts and insights that can be implemented by your organizations. Since no insight will work exactly as taught in every organization, we advise you to consider the peculiarities of your organizational setting prior to implementing the ideas presented here. Second, we would like to attract the attention of architects, developers, and programmers – in essence, the creators of knowledge management systems. For you, we offer ways to design better systems. We provide guidelines on how to devise dynamic systems that adapt to their environments, rather than traditional static systems. Last, but by no means least, we speak to the curious minds of academics. Both accomplished researchers and upcoming scholars can benefit from the book in several ways, as it provides new insights that can be put through rigorous research examination. We hope that such examination will lend further insights that advance the field of knowledge management. The book also provides an effective training tool for students in graduate business programs, as all current and future managers will be knowledge

managers in some form. To this end, an appreciation of the concepts presented here will prove enormously beneficial.

We hope you enjoy reading our text; it was certainly our pleasure to write it. Every reader will have to decide individually how to prioritize, experiment with and implement the ideas presented here. We welcome your inquiries and ask that you drop us a line (or two!) to share your ideas, suggestions and criticisms of the text. By engaging with you, our readers, we will learn from your experiences and better manage our own knowledge.

Chicago

KEVIN C. DESOUZA
YUKIKA AWAZU

Acknowledgements

Book-writing is a daunting task without the support, encouragement, and counsel of great people. This page and those that will follow would not have seen the light of day were it not for some outstanding individuals.

We would first like to acknowledge our professors and mentors in academia. They were instrumental in helping us appropriately channel our energy throughout the pursuit of our academic and scholarly inquiries. We thank them for their tireless support, words of wisdom, and intellectual stimulation. They taught us that knowledge is most valuable when it is shared and instilled in many rather than hoarded by a select few. Both of us have had the pleasure of learning from these distinguished scholars and will forever treasure their generosity of time and intellect. We especially thank two great professors, George Kraft and Chiaki Nishiyama, for their tireless support, dedication, and words of wisdom.

This text is the outcome of years of interaction with a number of distinguished colleagues. These include both our fellow researchers and our contacts at the organizations that provided us with valuable data on numerous aspects of their companies' knowledge management practices. They have all challenged us to think differently and to question our underlying assumptions. They practice the art of knowledge management on a daily basis. Many of the chapters in this text resulted from joint research investigations with these esteemed colleagues, and we thank them here for sharing their ideas and allowing us to partake in their scholarly investigations. We would like particularly to thank Roberto Evaristo, Thomas Davenport, Robert J. Thomas, Jeffery Raider, Mark Nissen, Torgeir Dingsøy, Ganesh Kumar Vanapalli, Amrit Tiwana, Tobin Hensgen, Mark Power, John Mehling, Carlo Bonifazi, Richard Wang, Anthony Lausin, Raymond Hackney, and Yun Wan. Kevin would also like to thank Nicola Sequeira for the interesting conversations during his visit to Boston in November 2004. Yukika would like to thank Kaori Sato for her continuous encouragement and Clare Danes for her support. We would like to thank Stephen Rutt and Jacky Kippenberger, from Palgrave, who saw the value of the manuscript and gave us the opportunity to publish our work.

Finally, we have been fortunate to have the support of innumerable personal sources of influence. We profusely thank our friends for their understanding during this project, as well as our families, who understood the need for this book and supported it from inception to completion.

KEVIN C. DESOUZA
YUKIKA AWAZU