Critical Success Factors of Knowledge Management

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Using the lessons learned from early adopters, many organizations have effectively provided their employees with the tools they need for managing and sharing knowledge. Yet, it is easy to forget to account for certain critical elements that enable knowledge sharing.

An elementary success factor of knowledge management (KM) is to have a common understanding of the terms "knowledge management" and "knowledge sharing" and how they apply to your situation and needs. Some organizations choose not to use these terms at all because they are not accepted within the culture. By recognizing this fact, an organization is actually adhering to a critical success factor of KM: listen to your employees and customers.

The definition of KM has evolved quite a bit since the mid 1990s. It started simply as valuable information in action, in which value is determined by the organization and the recipient. Although this definition still holds true today, KM has evolved into a more rigorous discipline that is subject to the same scrutiny as other business processes within an organization and is expected to show a return on investment (ROI).

APQC defines KM as an emerging set of strategies and approaches to create, safeguard, and use knowledge assets (including people and information), which allows knowledge to flow to the right people at the right time so they can apply these assets to create more value for the enterprise.

Some inherent critical success factors are built into the definition. KM is a set of strategies and approaches, which denotes a definite structure or a way to do things. Another critical piece of this definition is that this approach enables the flow of information to the right person at the right time; otherwise, an organization would be managing its knowledge just for the sake of managing it and not to create value. That brings us to the most critical aspect of this definition: creating more value for the enterprise. The most elaborate knowledge-sharing procedures will not help if the knowledge shared within an organization does not enable its recipient(s) to create value, be it through increased revenue or time or cost savings.

The success of a KM initiative depends on many factors, some within our control, some not. Typically, critical success factors can be categorized into five primary categories:

1. leadership;
2. culture;
3. structure, roles, and responsibilities;
4. information technology infrastructure; and
5. measurement.

Leadership
Leadership plays a key role in ensuring success in almost any initiative within an organization. Its impact on KM is even more pronounced because this is a relatively new discipline. Nothing makes greater impact on an organization than when leaders model the behavior they are trying to promote among employees. The CEO at Buckman Laboratories, a chemicals company, champions the cause for KM within the organization and personally reviews submissions to its knowledge bank. When he notices that a particular employee has not had been active within the system, he sends a message that reads: "Dear associate, you haven't been sharing knowledge. How can we help you? All the best, Bob."

Several other best-practice organizations have demonstrated this commitment to KM. At the World Bank, the president's support led to the creation of an infrastructure that promoted and supported the growth of communities of practice (CoPs) not only throughout the organization, but also around the globe. Today,
the World Bank has sustained its KM initiative through its CoPs. Its knowledge managers constantly search for new approaches to knowledge sharing.

Although leadership plays a critical role in the success of the KM initiative, the "culture" factor can be even more important to the success of KM.

**Culture**

Culture is the combination of shared history, expectations, unwritten rules, and social customs that compel behaviors. It is the set of underlying beliefs that, while rarely exactly articulated, are always there to influence the perception of actions and communications of all employees.

Cultural issues concerning KM initiatives usually arise due to the following factors:

- **Lack of time** - The goal is not to encourage the employees to work more, but to work more effectively. The processes, technologies, and roles designed during a KM initiative must save employees' time, not burden them with more work. This can only be accomplished if the employees' work patterns are accounted for during the initial design and planning phase of the initiative.
- **Unconnected reward systems** - Organizations have to maintain a balance between intrinsic and explicit rewards in order to encourage employee behavior. The most effective use of explicit rewards has been to encourage sharing at the onset of a KM initiative. If the attendees don't find value in either the meetings or the information on the system, providing incentives will not sustain their participation. People share because they want to, they like to see their expertise being used, and they like being respected by their peers.
- **Lack of common perspectives** - Sharing must be inspired by a common vision. The people affected by the new process or technology must all buy in to this vision and believe it will work.
- **No formal communication** - When designing and implementing KM initiatives, ensure that employees and customers know about the changes occurring in your organization. It has been hypothesized that a person needs to hear the same message at least three times before it registers in the brain. Hence, communication should be pervasive and ingeminating. While implementing KM within your organization, market yourself. Make sure everyone knows what you are attempting to do, and build anticipation for the launch.

If your organization naturally has a tendency to share knowledge, enabling knowledge sharing becomes a little easier. If your organization harbors a knowledge-hoarding culture, don't give in to it. Remove negative consequences to sharing. People want to share their knowledge. They want others to know they are knowledgeable. Break down some of the existing barriers to knowledge sharing, and give people the tools and environment they need. By designing KM initiatives around your culture, you will be initiating a cultural change.

**Structure, Roles, and Responsibilities**

Although there are many ways that organizations structure the governance of their KM initiatives, APQC has found common elements among best-practice partner organizations: a steering committee, a central KM support group, and stewards/owners throughout the organization who are responsible for KM. It is a combination of a centralized and decentralized approach.

The steering committee usually consists of executives at the top level. They promote the concept and provide guidance, direction, and support. The central KM group is typically made up of three to four people who provide the initial support for projects or initiatives, which are usually handed over to the business owners once they are implemented. The central group usually consists of people with advanced project management, facilitation, and communication skills. The stewards, or owners, are responsible for knowledge sharing and acquisition within the business units. Like the core KM group, the stewards are change agents for the organization. They model and teach employees the principles of knowledge
sharing using a common vocabulary. All of these participants work as a team to prevent a silo mentality and incorporate resistant employees in the process.

Although the structure is put in place to establish ownership and accountability, if there is no overall ownership of knowledge and learning within the organization and the leadership does not "walk the talk," it will be difficult to sustain any sharing behavior.

**Information Technology (IT) Infrastructure**

Without a solid IT infrastructure, an organization cannot enable its employees to share information on a large scale. Yet the trap that most organizations fall into is not a lack of IT, but rather too much focus on IT. A KM initiative is not a software application; having a platform to share information and to communicate is only part of a KM initiative. Following are some KM success factors related to IT.

- **Approach** - The people who are charged with implementing KM must take the time to understand their users' needs. Matching the KM system with the KM objectives is essential.
- **Content** - With a similar focus on users' needs, establishing great content involves having processes in place to acquire, manage, validate, and deliver relevant information, when and where it is needed.
- **Common platforms** - A standard companywide architecture ensures the sustainability and scalability of KM efforts. By understanding the organization's infrastructure at a high level, the steering committee can guide the KM team in picking the appropriate technology. Sometimes organizations realize that they need a complete overhaul of their IT infrastructure before they can expect their employees to share knowledge. Many organizations have eliminated or are in the process of phasing out customized legacy systems and replacing them with market-standard operating systems. This enables organizations to build on the existing architecture by using off-the-shelf software that was written to support these platforms, thus avoiding costly customized packages.
- **Simple technology** - If it takes more than three clicks to find knowledge on your system, users will get frustrated. Of course, you have to temper that with the amount of information being delivered and the complexity of information demanded by the user. Another common mistake made in information delivery is the emphasis on explicit knowledge. Although technology is primarily used to deliver explicit knowledge, placing too much emphasis on it causes the user to lose the context in which the information was shared and leads to misunderstanding on how to interpret the knowledge.
- **Adequate training** - KM is enabled by adequate technology and people who know how to use it. Best-practice examples reveal that the central KM group should spend most of its time (after deployment) teaching, guiding, and coaching users how to use the system to interact, communicate, and share information and knowledge with one another.

**Measurement**

Most people fear measurement because they see it as synonymous with ROI, and they are not sure how to link KM efforts to ROI. Although the ultimate goal of measuring the effectiveness of a KM initiative is to determine some type of ROI, there are many intervening variables that also affect the outcomes.

Because many variables may affect an outcome, it is important to correlate KM activities with business outcomes, while not claiming a pure cause-and-effect relationship. Increased sales may be a result not only of the sales representatives having more information, but also of the market turning, a competitor closing down, or prices dropping 10 percent. Due to the inability to completely isolate knowledge-sharing results, tracking the correlations over time is important.
There is a final imperative concerning critical success factors, which transcends KM and applies to all interactions: Listen! Listen to your users, customers, and managers-whichever audience for which you are designing. They will tell you how you can meet their needs and have a successful KM initiative.

Note: If this article interests you, check out the book entitled Knowledge Management, Lessons Learned edited by Mike Koenig and Kanti Srikantaiah. The book, which will feature a more in-depth piece by Farida Hasanali of APQC, is scheduled for publication in early 2003 by Information Today for the American Society for Information Science and Technology (The book will be part of the ASIS&T Monograph Series). Updates on availability will be posted to www.infotoday.com.

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2. Critical success factor (CSFs). CSFs are selected key result areas that can facilitate achievement of organizational goals and objectives including risk management. CSFs were first defined by Rockart ([35] cited in Chen [7]) as the limited number of area in which results, if they are satisfactory, will ensure successful competitive performance for the organization. Training is important in equipping trainees with knowledge on emerging issues including risk management. Further, principal component analysis reveals nine factors of CSFs for effective risk management. Table 8 reveals that about 74% of the total variance is explained by the first nine factors. The factors are arranged in decreasing order of total variance explained. Critical success factor (CSF) is a management term for an element that is necessary for an organization or project to achieve its mission. To achieve their goals they need to be aware about each key success factor (KSF) and the variations between the keys and the different roles key result area (KRA). A CSF is a critical factor or activity required for ensuring the success of a company or an organization. The term was initially used in the world of data analysis and business analysis. For example, a