

## The Role of Knowledge Management Governance in the Implementation of Strategy.

Suzanne Zyngier\*

Frada Burstein

Monash University Australia

[suzanne.zyngier@infotech.monash.edu.au](mailto:suzanne.zyngier@infotech.monash.edu.au)

[frada.burstein@sims.monash.edu.au](mailto:frada.burstein@sims.monash.edu.au)

Judy McKay

Swinburne University of Technology Australia

[jmckay@it.swin.edu.au](mailto:jmckay@it.swin.edu.au)

### Abstract

*Previous research has examined different understandings of the concept of knowledge management and from this, a multiplicity of approaches to implement strategies have been derived. This paper presents research that examines the role of governance as a framework to ensure the effective delivery of a knowledge management strategy. Knowledge management governance is considered and a conceptual framework developed to appropriately position knowledge management governance within the organization. It draws on the results of research into knowledge management governance practices in a major scientific research facility and those in a confectionary manufacturer. We conclude that the implementation of a knowledge management strategy through such a framework ensures the delivery of anticipated benefits in an authorized and regulated manner.*

### 1. Introduction

Previous research has examined different understandings of the concept of knowledge management (KM) and from this, a multiplicity of approaches to implement strategies have been derived. We have found no evidence of any systematic evaluation of the governance of the implementation of such strategies and propose that amongst other things, the effective implementation of KM strategies will be enhanced if it takes into account research into governance frameworks and also frameworks of organizational information politics.

This paper presents exploratory case studies that utilize the role of governance as a lens to examine the effective delivery of a knowledge management strategy. A preliminary framework of KM governance structure is presented and the paper draws on the findings of this research into the structure of governance of a current KM strategy in Australia. It investigates whether the application of the processes of governance on these KM practices may enable an effective and coordinated

organization-wide approach and that implementation of authority through such a framework works to ensure the delivery of anticipated benefits in an authorized and regulated manner. An evaluation of the relevant literature has shaped our interest and lead to the development of the research question

“What are the governance mechanisms invoked to guide the implementation and ongoing management of KM strategies?”

This paper is organised as follows. The second section of this paper presents a review of literature relevant to the understanding of strategies to lead, manage and leverage organizational knowledge. This leads to a definition of governance, its meaning and its structures as applied in the corporate context and then as applied to IS/IT generally. The final section of the literature review introduces the concept of and a framework for KM governance as has earlier derived from these literatures. The third section describes two preliminary case studies that have established bodies to govern their KM strategy implementation. The fourth section discusses the findings and compares them to the theoretical framework presented in the literature review. The final section of this paper presents conclusions and proposes further research possibilities.

### 2. Knowledge Management

KM authorities [5, 7, 6, 15, 17, 19] claim that effective practice of the management of explicit and tacit knowledge acts to increase the effectiveness and profitability of an organization. Where systems are designed to support the capture, utilization and re-utilization of knowledge using the experience of knowledge workers then innovation and creativity are enhanced throughout the value chain of organizational activity. This can improve revenue flows, staff quality and staff and customer satisfaction and can reduce the unit cost of the initial creation of knowledge and the overall of the service or product delivery process in an ongoing and continuous cycle [16]. The understanding of the creation and the flow of knowledge, the capacity to

manage the flow and leverage the capacity of the organization to create and innovate is a decision support mechanism. KM strategies serve beyond record management, data mining and indexing systems in database application environments. They are specifically an integral part of the holistic practice of the management and support of explicit knowledge and tacit knowledge. KM issues include the development, implementation and maintenance of the appropriate organizational management, human resource management and technical infrastructures to enable knowledge sharing.

KM literature reflects many approaches to the development of a strategy or a plan to be implemented as a means of achieving their objectives. The strategies are usually focussed on a theoretical methodology that will provide the greatest leverage in implementation [28]. There are a broad variety of approaches to KM or combinations of approaches – each meeting a perceived need in the organization. The role of leadership and of executive management in a knowledge strategy is emphasised by Amidon and Macnamara [2] while knowledge sharing in accord with organizational information needs is discussed by De Long and Fahey [6] and Zyngier, Burstein, & Rodriguez [29]. The auditing and mapping of the organizational knowledge base as a prerequisite for strategy development [1] and analysis of organizational memory [23] are raised. Other views examine the replication of best practice [16] to be contrasted with the establishment of communities of practice [26] to try to share tacit knowledge forms. Sviaby [21] approaches KM as a means of leveraging intellectual capital whereas Senge [20] looks to the overall development of learning organizations. Davenport [4] puts a focus on the need for the alignment of information strategy with information systems infrastructure commitment while Walsham [24] analyses change management strategies that focus on organizational culture and Pfeffer and Sutton [19] concentrate of the analysis and resolution of KM obstacles. However while each of these approaches offer important insights and understandings, there is a lack of existing research that offers a structural perspective in matters that remain unresolved in successfully implementing KM strategies

Deliberate strategies are those that are articulated in a plan. This contrasts with emergent strategies that simply become apparent in an organization as learning occurs from the situation at hand. Mintzberg [14] suggested that strategic planning processes fail when they are not constructed to understand, internalise, synthesise, and thus learn from the successes or failures of the strategic process as it is implemented. As such the concept of strategic approaches to KM are vulnerable where the strategy is conceived of as only a learning or

evolutionary practice. Articulating a suitable KM strategy for a particular organization is one part of the process development challenge. Ensuring its effective implementation and its ongoing management and evolution are just as vital to the success of a KM strategy.

In a typical implementation of a KM strategy it is ideally derived from the aims and objectives of the organization [1,6,8,21]. It relies on the attributes and management skills of the leader of that strategy. The concept of leadership that is usually used in the context of the development and implementation of a knowledge management strategy is to direct, to conduct or to guide. A leader will investigate the knowledge needs and align them with the organisational strategy. The leader will then plan and execute the strategy to manage knowledge to support the value proposition and mission of the organisation.

Leadership is acknowledged widely as being instrumental in the effective deployment of a knowledge management strategy in an organisation. [6, 16, 17, 21] The task of management in the creation of a knowledge management strategy is to create a culture that sees the creation, dissemination and utilisation of knowledge as being a normal function within the organisation. Where there is a strong commitment at the level of executive management to change organisational culture an organisation is able to begin to create the values that lead to knowledge sharing across boundaries [17].

However leadership is temporal and the process of decision making in a KM strategy can be ad-hoc and made by variety of those involved in the planning and implementation process, or occasionally by stakeholders and others of influence. KM Governance is a process through which organizations delegate responsibility and accountability for those activities and the outputs or value added [28]. Governance is a process that cannot occur by and of itself but must be carefully structured in order to achieve a co-ordinated and effective outcome from strategy implementation.

Devising appropriate KM processes, structures, policies and mechanisms to ensure sound decision making over time are required and these are all indicative that governance is required.

### 3. Governance

In this section we link and review the concepts of governance in order to introduce and justify key concepts relevant to situating KM strategies in a governance framework.

There are a number of current uses of the term governance. In this research governance refers to processes of control or regulation in companies, interpreted as the implementation of authority through a framework that ensures delivery of

anticipated or predicted benefits [12] of a service or process, in an authorised and regulated manner. This forms a context for the analysis of and the management of risk, the ongoing development of strategies to manage organizational knowledge. It is also a means of measuring the effectiveness of those strategies. There are two main theories in the governance literature of the purpose of the corporation and whose interests it should serve. These are the shareholder model and the stakeholder model of governance

### 3.1 Shareholder model

Where the primacy of serving shareholder interest and value is the underlying philosophy or driver of governance, cost minimisation and profit maximisation are paramount. This implies a clearly definable and measurable return on investment (ROI) is essential in guiding decision-making processes. Where ROI is obscure or cannot be measured then a strategy may not be pursued. The shareholder model of corporate governance is also known as the Anglo-Saxon model [25]. Further this model is premised on the mobility of capital and labour markets and is characterized by the temporary nature of relationships between companies, their employees and their shareholders [22].

### 3.2 Stakeholder model

The concept of the stakeholder theory of governance embraces notion that the needs of the spectrum of interests spanning the organization's owners or shareholders, the creditors, employees and the local communities in which the firm exists [22] should all be acknowledged in organizational decision making. The stakeholders in an enterprise include customers, business partners, vendors and other constituents. It is worth noting these latter stakeholder groups do not have legally enforceable rights. The non-enforceable area is governed by recognition and acknowledgement of interests and ultimately through self-regulation.

The stakeholder model of corporate governance is also known as the Rhineland model and is characterised by an enterprise whose role is "broader than value maximisation for the shareholder: both in its objectives, performance criteria and its governance structures, a great deal of attention will be paid to the other stakeholders. This model assumes that both labour and capital are necessary and co-operation is important." [22;40]. This approach is noted as evident in European companies with a longer-term focus than Anglo-Saxon shareholders. This consultative model must remain flexible due to the need to consult and reconcile conflicting interests. Where decisions are

made and endorsed by the stakeholders there is a greater buy-in and action on those decisions. The stakeholder model of governance can be applied to the governance of an organization. In this model, authority and greater contribution decision-making is expected at all levels. Internal stakeholder governance processes are not merely seen as good management processes but can also be viewed in terms of ensuring that a wide range of organizational needs are represented and being met. It also facilitates the provision of feedback mechanisms to serve as a model of continuous improvement within organizational structures. Responsiveness to stakeholder interests enhances the capacity of the organization to identify and analyse a greater range of risks and to better deliver services or products [3].

### 3.3 Governance of IS/IT

This section examines the application of governance to the activities of IS/IT. Given the significant investment in IS/IT in most organizations and the uncertainty about the delivery of benefits from those investments the need for IS/IT governance to deliver sound decision making over time has already been identified. Governance is the centre of the decision-making authority, an executive framework to deliver the expected benefits of investments in a controlled manner, through the establishment of checks and balances in the mode of service delivery. It ensures that evaluation feeds back into the service delivery strategy and that stakeholder needs and expectations are adequately met. If these cannot be met, then the governance process will be able to justify why or alternatively why not. [11, 29]

Weill and Woodham [29] suggest that the design of governance mechanisms are constructed in the context of the competing forces that operate within a business and in harmony with organizational objectives. An IT governance framework must understand and prescribe how decisions are made in key IT Domains. These domains are principles, infrastructure strategies, architecture and investment and prioritisation. Thus governance will concentrate the relationships and processes that develop and maintain control over the infrastructure and human resources utilised in order to deliver the IS/IT service to the organization. It provides checks and balances or to provide the mechanisms to enable the decision-making processes that result in IT contributing as a value adding function in service of the enterprise. Governance can perform as a service role through the formulation and implementation of policy. It can perform as a control role through safeguarding interests in personnel selection, by monitoring and review of strategy. It can perform as a strategic role to guide and develop new modes of

service delivery. In an article that discusses the governance of IS and IT processes, Korac-Kakabadse and Kakabadse [13] analyse and contrast these processes using both the stakeholder and the shareholder models of governance. There is a duality of the function of IT governance. Using the control model (earlier referred to as the federal or hierarchical model) of IT governance in an organization the CIO is responsible to the shareholders through the board of the organization for the fiduciary and reliability aspects of the IT function. Using the stakeholder model of IT governance in an organization, the CIO and others involved with the management of the IT/IS function are together responsible to the shareholders through the board of the organization for the fiduciary and reliability aspects of the IT function but is also to the needs of various business units and other stakeholders in the operations of the IT/IS function. These other stakeholders may include any or all of the IT employees and employees in other departments with fluctuating, conflicting or competing needs, suppliers, governments and creditors.

The IT Governance Institute [10] further suggests, that central to governance is setting strategy, managing risks, delivering value and measuring performance. The drivers of these are the values of organizational stakeholders. The emphasis on strategy, risk-management, delivering financial value and performance measurement indicates an ongoing management of best practice that operates not as a series of projects that progress in a linear direction but a strategy that is intended to feedback both the positive and negative aspects of IS/IT performance. These feedback mechanisms are intended to moderate and improve practice.

### 3.4 KM governance

This section presents the governance of KM and introduces a theoretical framework that has been developed.

Previous research in KM has examined different understandings of the concept of KM and with this has derived numerous approaches to strategy implementation. Evidence in points the unanimity of understanding of concepts and purpose in KM strategies [7, 12, 14, 33]. The theoretical constructs evidenced include the essential role of leadership and the allocation of responsibilities to achieve these ends. The KM strategy in an organization operates through a variety of means, frequently under the auspices of a Chief Knowledge Officer or a dedicated department [33]. The delivery of a KM strategy in an organization provides services to and exists to meet the needs for the creation, dissemination and utilization of knowledge to fulfil organisational objectives. How this function is

fulfilled is reflected in the extent to which organizational knowledge objectives are achieved by elements such as the timeliness of service delivery and the satisfaction levels of the internal and potentially external clients.

There is little if any indication of current and detailed research linking the principles of governance with the development and management of strategies to acquire and create knowledge, to organise, distribute it and apply it at the time and in the place that it is required. The processes and principles that act as a framework for examination, regulation, supervision and revision of KM processes are therefore suggested as KM governance processes and principles. We have found no evidence of any systematic evaluation of the governance of such strategies and propose that these must take into account research into both governance models and models of organizational information politics. Applying the attributes of IT governance to the governance of a KM strategy will determine that KM strategies deliver the anticipated benefits to an organization while risks are managed, including issues of access to knowledge resources, how the quality is maintained and how decisions are made, how resources are allocated, how problems are resolved, how obstacles are met and how investments in KM will prove beneficial to the organization [29].

Wiig [31] described a structural analysis of four areas of KM focus. These areas were governance functions, staff functions, operational functions and the realisation of the value of knowledge. Wiig [31] saw are two fundamental objectives in the process of KM governance. These were:

(a) to ensure that KM delivers value to the identified stakeholders. This value will be derived from the value proposition of the organization and the organizational strategies put in place to achieve those ends and

(b) to control and to minimise the risk to the KM strategy. The strategy neither will nor cannot be static. The strategy must be a living strategy capable of being but responsive to adjustments required as a response to perceived flaws in the capacity to effectively transfer knowledge. A strategy for KM cannot be seen as a prescribed formula that can 'fit' all organizations or even to 'fit' organizations within a particular industry segment.

The purpose of establishing governance structures is to ensure the success of an organizational activity. It comprises the processes by which the owners of that organization, or their representatives, to delegate and to limit authority to enhance the organization's prospects for ongoing success [28]. KM governance can meet these above objectives through the development of an effective understanding and implementation of KM within the organization, alignment of KM with the value proposition and

strategy of the organization and the regular review, approval, evaluation and monitoring of KM investments in infrastructure and in human knowledge sharing processes. KM governance transparently locates the decision-making authority as an executive framework to deliver the expected benefits of the strategy. Effective organizational knowledge transfer can then be delivered in a controlled manner, through the establishment of checks and balances in the mode of service delivery. It ensures that evaluation feeds back into the service delivery strategy and that all stakeholder needs and expectations are being met. If they cannot be met, then the governance process will be able to establish why or why not. The governing entity can then manage the risks of KM to acknowledge and contend with the cultural issues, structural obstacles and other relevant issues as they arise. The management of these risks will assist in the resolution of such issues and in turn strengthen the strategies to manage knowledge that are employed within the organization.

The effective governance of KM may be a means of pursuing success in leveraging knowledge as the organization's strategic asset and differentiator. Governance in KM implies more than this. It implies and demands calculated thinking about the strategies in place - both in the long term and in the medium term. Such strategies should not be regarded as linear in direction but incorporate feedback both in the positive and negative aspects of the KM strategy. These will in turn modify and seek to progress and develop existing practices. Governance mechanisms in KM would therefore seek to maintain a collective knowledge of trends in industry, technology and the corporate structural and social environment. They would examine the company's structure, adaptability, intellectual assets and potential and explore frameworks and methodologies. KM strategic policy should identify and work within and towards the purpose, vision and values of the company. Governance based in the stakeholder approach to governance will result in a representative or cross functional design team that should work to ensure that all areas the stakeholders in an organization are adequately represented and involved in the project. This in a context where the business aims of the organization will dictate its emphasis. Interaction within the design team will also imply a lateral approach rather than a linear approach to the implementation and ongoing functioning of the strategy/system.

It is commonly accepted that both organizational strategy and IS/IT strategy should be subject to governance processes [11]. At the same time KM literature deals with the need for the realignment of strategy with organizational aims and objectives and for leadership of that strategy. This process is

supported by supported by information and communications technology.

### 3.4.1. Developed KM Governance framework

This research has sought to examine a framework for the governance for KM that encompasses a theoretical understanding of the development and implementation of a KM strategy [30]. The governance framework presents the functions of KM as supporting the aims, objectives and governance processes of the organization in the context of the broader environment of its external stakeholders which includes its customers and consultants and the regulatory environment.

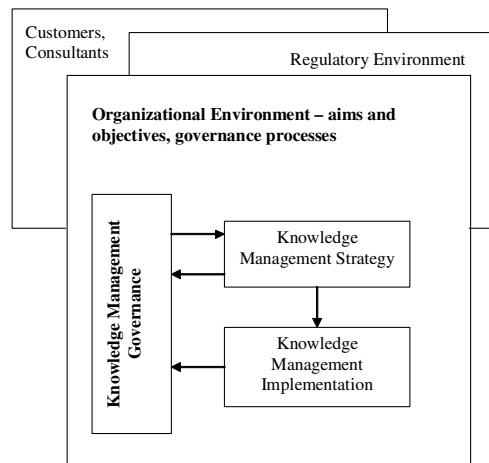


Fig. 1 KM Governance framework [30]

KM Governance function establishes policies in alignment with the aims and objectives of the organization. Those policies are designed to delegate responsibility and accountability for KM activities to appropriate levels in the organization, manage the risks and evaluate the implementation of the strategy according to its outputs or value added as measured against criteria established against policy objectives.

The KM strategy is developed by KM leaders in the planning of a process of identification, acquisition, development, sharing and distribution, utilization and finally retention of knowledge [21, 19]. The interaction between the development of strategy and governance is twofold. The governance process develops the principles and rationale and motivation for the strategy, the management of risks, the financial control and accountability for stakeholder response. The governance process also evaluates KM activity according to previously defined and articulated performance measures.

The practice of KM implementation follows with the execution of a course of action that is intended to fulfil the aims and objectives of the plan in order

to support the aims and objectives of the organization as a whole. KM governance is the layer exercising the authority processes and principles that act as a framework for examination, regulation, supervision and revision of KM strategies.

The KM strategy is implemented or operationalized by KM staff. The implementation of the strategy is evaluated according to the criterion established by the governance body. Evaluation will also take into account changes in product and customers, changes in the regulatory environment, inputs from consultants or industry partners. It reflects the aims and objectives of the organization that it serves. The KM strategy is planned and may be revised as the need arises. The evaluation data flows from the KM implementation to the governance body which then feeds its decision/s back to the redevelopment of the strategy.

#### 4. Research design

Case study research has been selected as the initial empirical research method as it examines an event or circumstance within its particular context. It is a method that can use many sources of data in a single environment and may include observation, questionnaires, interviews and analysis of documents and databases. Case study research is a research tool that can be used in deep analysis of a single environment or of several environments [4]. Case study research has been selected to establish a match between the theoretical framework described in Fig. 1 to be explored in an organizational setting. Theories described in the review of literature have provided the basis for focussed observation and for the recording of the observations.

##### 4.1 Research methodology

The research presented in this paper comprises two preliminary cases of six case studies. All case studies were conducted at large multinational organizations that had a reputation for excellence in KM as reflected by the KnowledgeBoard [[www.knowledgeboard.com](http://www.knowledgeboard.com)] or by the Most Admired Knowledge Enterprises (MAKE) Awards ([www.teleos.com](http://www.teleos.com)). The case studies were undertaken over a three month period.

The first site was a major scientific research facility. The aim of this research was to investigate governance mechanisms invoked to guide the implementation and ongoing management of KM strategies. The research methodology comprised the interpretation of qualitative data collected in seven one hour in depth, one-on-one interviews with respondents within the organization with the additional examination and analysis of documents and databases. Because the interviewees were

selected on advice from with the organization's staff, there could have been some sample bias however the sample conformed to parameters that were established by the authors.

The second case study was conducted at a confectionary manufacturer. The aim of this subsequent research was to investigate similarities and differences in governance mechanisms invoked to guide the implementation and ongoing management of KM strategies in other organizations, then applying that research to the theoretical and observed governance frameworks. The research methodology was consistent with the first case study site in that it comprised the interpretation of qualitative data collected in a one hour in depth, one-on-one interview with a single respondent together with examination and analysis of documents and databases.

For the purposes of this paper the additional sites were examined from a range of industries including professional services, manufacturing, engineering and mining but are not discussed here. The aim of the subsequent research was to investigate similarities and differences in governance mechanisms invoked to guide the implementation and ongoing management of KM strategies in other organizations, then applying that research to the theoretical and observed governance frameworks. The case study interview transcripts were sent to the informants in each instance resulting in the external validation of the data collected.

##### 4.2 Population

The first case study organization is a government research organization of approximately 3000 employees, over 600 of whom are active researchers with at least PhD qualifications.

The second case study organization employs 54,000 people globally across the range of professions that are required for the development, manufacture and distribution of its range of beverages and confectionaries. The development of confectionary and beverages includes both commercial management staff and those involved in product development: professionals in the food sciences, microbiology, nutrition and chemistry to name a few. This latter group of high end-product developers or "*super users*" (informant) is the focus of the KM strategy.

##### 4.3 Research instrument

Research has comprised the interpretation of qualitative data collected in eight one hour in depth interviews one-on-one interviews of respondents within the first case organization. The interviews were semi-structured; in-depth interviews each

lasting approximately one hour. These questions canvassed:

- The organizational philosophy of KM;
- The history and implementation of the KM strategy;
- The process and allocation of responsibility KM and
- The organisational structures that support and govern the initiative.

The interviewees were provided with an explanatory statement about the research project. The interviews were transcribed and then analysed thematically using QSR N5 software for qualitative data analysis.

Matters addressed and data collected in the interviews canvassed the philosophy behind the way that the organization manages knowledge and what prompted the specific initiative to manage knowledge. A description of the implementation of the initiative and the responsibility implementing the initiative was sought together with a description of the organizational structures that govern the initiative. Other areas of discussion included factors contributing to the success of the management of knowledge and obstacles encountered in the process.

## 5. Preliminary findings

This research sought to reveal the strategies that are used to manage corporate knowledge and their relationship to any governance processes. These findings indicate a sophisticated awareness of KM concepts strategy development and implementation. KM strategies are being put in place in both organizations as a means of adding value to organizational structures.

In this section we review an early KM governance framework in the light of these concepts to show that it does not reflect that in practice there is a two way interaction between KM governance, strategy development and its implementation.

### 5.1 Findings organization one

The initiative was started with the appointment of a chief knowledge strategist. The newly appointed chief knowledge strategist commissioned a strategy study to be conducted by a small team and that “*governance emerged as a common, underlying factor in most of the cultural and infrastructure management inhibitors identified*”. Further it was commented that “*In particular, divided management responsibility and an attitude of “it’s someone else’s problem”*” (Informant 1) were a common theme.

Results also indicate that meeting the need for governance processes may be reflected in the

overall efficacy of the initiative. The issue of governance arose in the research site not so much by design but rather because: “*the other issue came up of ‘do these people need money?’ Well suddenly that forces you to think about policy*” (Informant 2) and policy, together creation is the establishment of authority – in this context through a framework to ensure the delivery of anticipated or predicted benefits of a KM strategy.

The organization has since formed an ‘Information and Knowledge Governance Board’. The board has been established using the stakeholder model of governance, with representatives from “*people who have an information responsibility in various parts of the [organization], but also are close enough to being a business process architect or a deputy*” (Informant 2). These are representatives from: knowledge management, information management, enterprise architecture, human resources, and general management and user groups. These are all stakeholders denoted at the KM Governance level in the framework in Fig. 3 below.

Most particularly the IMKM Governance Board “*became convinced that if we had a single champion it would fail. We needed multiple stakeholders across the organization and we decided that it wasn’t just the KM that would fail ... any of these change strategies would fail if they only had one particular champion*”.

The governance mechanism is created within the context of:

- The regulatory constraints of the organization, specifically these are: Public Service regulation and the requirements of the relevant Minister.
- The requirements of the customers and the impact of advices by external consultants

Governance mechanisms are constructed in accord with organizational objectives but also in the context of the competing forces that operate within the organization. These include the stakeholders, the IS department, the Executive, the Information Resource Centre and the Document and Records Management functions.

Strategy is developed as various projects supporting the sharing of both explicit knowledge and tacit knowledge according to the policies developed by the IMKM Governance Board. Strategy is implemented across the organization by project as coordinated activities. These are then evaluated according to the outcomes anticipated in the strategy. Strategy is then revised to enhance its effectiveness or discarded as not meeting the required needs of the organization.

Under the authority of the IMKM Governance Board the implementation of the KM strategy was reported as having a positive impact on organizational knowledge transfer. In total the informants reported fifteen benefits of

implementing the governance of the knowledge management strategy. These benefits to implementation ranged across risk management, measurement and evaluation of the strategy, strategic benefits and financial benefits. The framework that has been developed reflects the embedded nature of the KM strategy and simultaneously reflects the tension of its development between the governance functions and the implementation of that strategy.

**5.2 Findings organization two**

The KM strategy team in Confectionary Manufacturer Plc. started by piloting some projects to leverage knowledge from the bottom up – that is they started “down at the doing level” (informant). The reality they encountered was that they managed to convince “some people” that the company needed to do some knowledge based projects and this was done at the most fundamental level working with targeted groups of professionals.

Subsequently and because of the involvement of some of these professionals in these pilot projects, people were pulled together forming the basis of the KM strategy team. The two key individuals then started to attract people who were key stakeholders in that early stage, and those who were actively involved at a more senior level. The two knowledge champions identified that the biggest obstacle was getting the attention of their potential users in an environment where there are already many demands on the time resources of individuals. The informant reported them as being resistant to yet another demand on their time.

Consequent to the involvement with users and key stakeholders in the early stages of the knowledge projects the champions started to have conversations about the organizational need to share knowledge on a global basis. This process started to engage individuals at the management level. Management staffs were aware of the need to achieve “some form of global authorization to go ahead with this [that] it’s a good idea but it’s got to fit in with overall global business priorities” (informant). This process of engagement and the recognition by management of the need for global authorisation was the impetus to create the global authority structure for the knowledge strategy. The governance process operates on three levels that interact to affect the KM strategy. These levels are the Steering Team, the Strategic Design Team and the Implementation Resources teams.

The Steering Group was established to provide overall vision and direction for the global strategy to manage corporate knowledge; to prioritise the scope of the knowledge to be managed, manage risks and to ensure that the strategy is aligned with the aims and objectives of the company. They

authorise the recommendations of the Strategic Design team and agree to Implementation Plan. It is also their responsibility to liaise with regional leadership teams on implementation strategy and priorities [23].

The Strategic Design Team develops plans for the implementation for the range of KM strategies deployed within the organization globally and locally. The Strategic Design Team does the evaluation and risk management and feeds that back to the Steering Team. At the local or Implementation Team level, there are nominated resource people who provide guidance and support to the local work teams. They also have the responsibility to manage the KM technical tools.

With the governance authority of the Steering Group, KM strategy implementation was more positively taken up by the company. The informant reported twenty benefits of implementing the governance of the knowledge management strategy. These benefits range across five main groups: authority, risk management, measurement and evaluation, strategic benefits and financial benefits.

**6. Discussion**

There are three principal findings in this research. That KM governance structures exist, that they are found to have positive outcomes in the implementation of KM strategy and that the initial KM governance framework presented is at variance with the theoretical framework.

In comparing the relationship between the KM strategy and the KM implementation is in theory a unidirectional one as shown in Fig. 1 where implementation is merely the following through of the strategic plan.

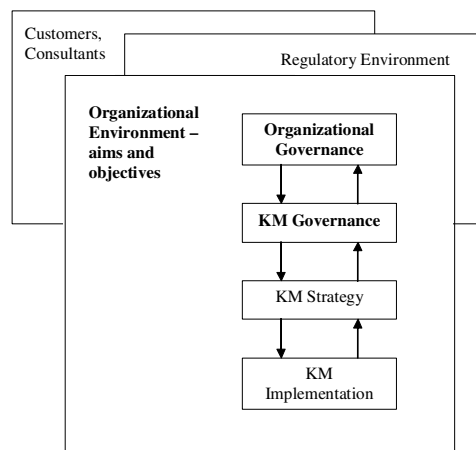


Fig. 2 KM structure at the case study sites since the development of governance mechanisms

By contrast in both case studies the governance structure is as illustrated in Fig. 2 above, the

governance structure is based on a two-way communication between the layers, for authority, for risk and performance evaluation and for feedback, but does not permit the Implementation Team to directly interact with the Steering Team. It is linked to representation at the corporate governance level through regional leadership teams who are on the Board of Directors and is grounded in the aims and objectives of the organization.

These case studies demonstrate that in practice this relationship may be more interactive, as those responsible for the implementation may also have a level of responsibility for the development of the strategic plan.

In particular the management of risk and evaluation processes described in Fig. 2 as being a unidirectional flow of information from the implementation level to the governance level has in practice been delivered to the governing body through the strategy

The governance framework in both organizations demonstrates that there is a difference between these two case sites and the linear representation of the in typical framework of KM process described at the beginning of this paper. The governance framework that is evident in both these large multi-sited organizations as a formalized authority framework. It acts to implement a KM strategy that is based in the aims and objectives of the organization.

It is also evident through these case studies that this is an authorized activity guided by policy and subject to formal mechanisms for financial accountability, evaluation and risk management of the KM strategy to facilitate the transparent response to the effective implementation of strategies to manage and leverage organizational knowledge. This divergence also reflects the broad range of issues and modes of delivery of KM solutions to meet the needs of stakeholders including issues of organizational memory, replication of best practice, the existence of communities of practice, sharing tacit knowledge forms, leveraging intellectual capital and the development of a learning organization. These exist in the context of organization-wide information systems architecture and commitment to change management strategies that focus on organizational culture.

Findings indicate that the framework of governance proposed and motivated by issues reflected through the theoretical literature closely reflects the actual structure of the governance framework disclosed at the case study sites. That despite the differing techniques that may be used in the implementation of strategy due to differences in industry types the governance framework utilised by the cases are the same.

## 7. Conclusion and Future research

The paper has outlined an exploratory and a further case study and utilizes the role of governance as a lens to examine the effective delivery of a knowledge management strategy. A framework of KM governance structure was presented drawing on the results of this research into the governance of KM strategies in Australia. Our investigation of whether the application of the processes of governance on these practices may enable an effective and coordinated organization-wide approach, that implementation of authority through such a framework works to ensure the delivery of anticipated benefits in an authorized and regulated manner.

Companies that rely on or utilize KM for the transfer of strategic knowledge should work to establish KM governance committees including stakeholder representation. There are two fundamental objectives in this governance process. These are:

- to ensure that KM delivers value to the identified stakeholders. This value is derived from the value proposition of the organization and the organizational strategies put in place to achieve those ends;
- to control and to minimise the risk to the KM strategy. The strategy must be capable of adjustments required in response to perceived flaws in its capacity to effectively transfer knowledge. A KM strategy is not a single prescribed formula that can 'fit' all organizations or even 'fit' organizations within a particular industry segment.

KM governance can meet the above objectives through:

- sponsorship of an effective understanding of the role and potential of KM within the organization;
- the alignment of KM with the value proposition and strategy of the organization;
- regular evaluation review, approval and monitoring of KM investments in infrastructure and in human resources;
- the management of the risks of KM.

In acknowledging knowledge as the organization's strategic asset and differentiator, it can be seen that the ultimate responsibility of the KM governance process is to ensure the governance of KM as a means of pursuing success in the implementation of a KM strategy in the organization.

This research will enable further study and analysis in other possible directions. It will allow comparison with studies in Australia and in other

countries on the processes and outcomes of governance of KM strategies. It will allow comparison with research into the governance of IT and may allow possible collaborative research with similar studies that may be undertaken in the future. It will also shed light on current trends in the implementation of strategies to manage organizational knowledge and this may be reflected in a review of current academic teaching and research practice.

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