Knowledge Management Ethics: located within a governance framework

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Abstract

This paper addresses a gap in existing Knowledge Management Governance frameworks in support of the agile enterprise. The oversight of risk management for KM, and the development of organizational policy for KM are scrutinized in this paper. Contemporary KM literature reveals the growing unease over unethical practices that need to be addressed. In the context of corporate governance, that acknowledges the role of ethics and Corporate Social Responsibility we survey the empirical literature on KM and present a strong case for the inclusion of a broad range of ethical issues in organizational Knowledge Management policies developed through Governance.

1. Agile Knowledge Management through governance

Organizational agility is the capacity to make change a routine part of organizational life and to adapt successfully to unanticipated change. Changes occur in technology, production methods, economic situations and in responding to new or created opportunities [1]. Dove [2] proposed that the agile organization is enabled by having capacity to respond; that this capacity is supported through the effective management of knowledge resources. Knowledge Management (KM) governance provides a mechanism for managing the identified risks to valuable knowledge assets in a planned, secure and fiscally responsible manner [3, 4]. Organizational governance controls, directs and supports KM governance through the establishment of the organizational aims for the implementation of KM and its impact on business strategy. KM governance enables strategic alignment of KM strategy development and implementation in the same way that corporate governance enables strategic alignment of organizational activity through policy creation [5]. The outcome of KM governance is the development of policy to align KM with the aims and objectives of the organization. KM governance authorizes the development of KM strategies. KM governance also ensures the management of risks in KM strategy implementation. Finally, KM governance defines the tasks and the delegation of responsibilities, together with reporting and measurement structures.

There is some evidence on the appropriateness of governance activity for KM development and implementation [6-12]. However, until 2005 there was little indication of a link between theoretical attributes of governance of KM in: the allocation of decision rights; the roles and tasks required of it; nor of the flow of authority and communication within it until described and defined by Zyngier [13, 14] and by Zyngier and Burstein [15].

Gaffoor and Cloete [16] suggest that for better control of KM strategy development and implementation, a strategically aligned KM governance policy should be developed. Raths [17] mentions the seven-point roadmap for KM governance at the federal level that was developed by the Federal Knowledge Management Initiative. Most recently, Schroeder, Pauleen and Huff [9] examined KM governance mechanisms and their impact. However, we found no analysis of KM governance that provides discussion of the range of ethical issues raised in case study or survey literature.

This research draws on and extends the KM governance framework initially proposed by Zyngier, Burstein and McKay [18]. Zyngier and Burstein [15] amended and confirmed the framework by formalising the following functions of KM:

- A KM governance entity authorizes activity of KM, has financial fiduciary duty over KM, oversees risk management for KM, develops organizational policy for KM and measures outcomes of KM strategy development and implementation.
- KM is implemented according to a defined and developed KM strategy. Outcomes of the strategy are reported back via the KM strategy development to the KM governance body for reflexive action.
- KM governance is both responsible and subordinate to organizational governance.

It is the issues of both the oversight of risk management for KM, and the development of organizational policy for KM that is put under scrutiny.
in this paper. Contemporary KM literature reveals the growing unease over unethical practices that need to be addressed. These include knowledge hoarding, manipulation, misappropriation, plagiarism, conflicts over property and privacy rights and the lack of autonomy for knowledge workers. Studies suggest that ethical misconduct can be attributed to both ignorance and to conflict.

Knowledge Management has been part of Information Systems theory and practice for over 25 years and is ubiquitous in organizations globally, within the academic sphere, and is evident in its virtual presence in discussion forums, portals, and blogs. Mason [19] highlights four ethical concerns in Information Systems generally; privacy, accuracy, property and accessibility. Their relevance to KM specifically is in that organizations use information to construct meanings and create knowledge [20]. The practice has achieved a stage of acceptance where enterprise-wide KM strategies are developed with the support of senior management. These usually have a dual focus of technology and the management of people. Both these foci suggest the need for ethical conduct in the KM practice.

This paper is organized as follows. The following sections address issues of concern in managing organizational knowledge. These include clearly undesirable practices like knowledge distortion or manipulation, suppression and misappropriation of knowledge as against emphasizing professional integrity and ethical conduct to employees and other stakeholders. Other ethical dilemmas which need to be addressed for better governance of KM. Uncertainty of knowledge ownership has resulted in an ongoing debate over issues like property and privacy rights to knowledge, autonomy in knowledge sharing. Grey areas also include contrasting opinions over reluctance of employees to contribute expertise for fear of the risk of making their job redundant, and employees demanding better compensation for sharing or even parting with their knowledge. We then present our research method to demonstrate the deficit of direct discussion in this area. We discuss how ethics fits within the governance frame and draw conclusions for theory and for practice.

2. Issues of concern in KM

Knowledge creation, acquisition and sharing, have become a crucial organizational pursuit, [21] as it is becoming evident to an increasing number of organizations that knowledge can only be useful when smartly deployed and leveraged [22]. Takahashi [23] suggests one of the reasons that knowledge is lost within organizations is the lack of balance between knowledge protection and knowledge exchange. KM however has other challenges too that need to be addressed. Early, Carter and Scarborough [24] acknowledged problems in the field and express the need for directing focus on people issues; Alter [25] refers to these as the dark side of KM and suggests misappropriation, distortion and suppression of knowledge are at least three ethical concerns that the field is battling with at this point. He demonstrates how each of these is present at every stage of KM activities of codification, storage and retrieval, and distribution and presentation of knowledge. Land et al. [26] write in impassioned terms on the need to explore the ethical dimensions related to the manipulative side of KM.

2.1 Knowledge Hoarding

Tacit knowledge is personal in nature, making it largely dependent on the willingness of the owner of the knowledge to share it. Knowledge is not evenly distributed in any organization. It is hard to know who has it and what they know even when you know who is the "keeper". Knowledge sharing depends on the willingness of individuals to share the knowledge that they have when the organization needs it. Their willingness is key. Fong and Chu [27] point out that knowledge resides in people even when it is not shared; du Plessis [28] offers the explanation that this is due to “knowledge is power syndrome”. There is also dispute over the difference between a scientific environment where individuals are more open to knowledge sharing as opposed to a competitive business climate driven by power [29, 30]. Du Plessis [31] points to organizational units that work in silos fostering internal competition and knowledge hoarding. This raises a crucial subject influencing the inclination of workers to share knowledge – who owns knowledge? [32]

The tug of war over ownership and control of knowledge has been the source of inherent tension between organization and employee [33]. Carter and Some [34, 35] suggest that any assumption that people within an organization are happy to voluntarily share their precious knowledge, would be erroneous. Van Dijke and Poppe [36] suggest that individuals wish to control knowledge not to manipulate, but in order not to be dominated. Therefore, knowledge ownership accords them control over their own careers within organizations. This raises the question who owns knowledge as an area of ethical interest in KM theory and practice.
2.2 Who owns Knowledge: property and privacy rights?

Taking Grant's [37] knowledge-based view (KBV) of the organization, each organization is an entity whose function is the integration of knowledge and application of knowledge to achieve the aims and objectives of that organization. Knowledge resides in each individual employee not in the organization. There are two implications for the KBV of the firm. Employment is an arrangement whereby the firm contracts with employees for the use of these knowledge resources. However, a problem lies in the lack of definition of such ownership rights. Knowledge resides in employees and comes and goes with them according to the duration of their employment. The relationship between the employee and employer is that of rental [38, 39]. Each party has rights and responsibilities. Each party realizes both profits and losses from the relationship. The nature of the cost to each and the benefit to each is the nexus of the relationship. However this must be juxtaposed against the legal responsibilities of the management of the firm and where these lie within regulated society [37]. Knowledge resource is accepted as a source of competitive advantage and power [40], while “knowledge rooted in individuals but often claimed by organizations, creates conflict of knowledge ownership” [41] or a power struggle, which often has moral and ethical implications. Whoever owns knowledge also has the right to its privacy and property rights over it [42] however it is the position of these authors and others [43, 44] that only through voluntary participation by employees can knowledge be turned into a strategic resource and that therefore employees have a rightful claim to knowledge, other viewpoints beg to differ. A contrasting view [45] points to the binding factor an organization brings to scattered knowledge which has less value until logically organized and made accessible through search tools and appropriate meta-data. Therefore, while the individual is the originator of an idea, the interaction to facilitate the knowledge creation process is facilitated [46]. The view that knowledge as public property owned and maintained by organizations was endorsed recently by Tseng and Fan [47]. Grant [37] highlights the contractual agreement between individuals and organizations which enable the latter to secure the knowledge sources individuals bring to the workplace; these are voluntarily accepted agreements which require employees to collaborate, by providing skills and expertise to the advantage of the organization in exchange for financial remuneration [41]. Furthermore, employees gain value at the workplace by increasing their knowledge [48] so they are compensated in more ways than one. [49] study patterns behind the hiding of knowledge to observe characteristic influences that include among other things, distrust and the knowledge sharing climate in the organization. Peng [50] attributes the causes to territoriality due to knowledge based psychological ownership.

Dulipovici and Baskerville [40] explore the notions of ethics and self-interest in knowledge ownership through the perspective of human rights and forward two theories - the Intellectual property theory that justifies organizational rights to buy, sell and use their corporate knowledge as they see fit; the Privacy theory which supports the individual’s right to protect their personal knowledge. They further suggest two articles of the UN Declaration of Human Rights that are applicable if knowledge is considered an economic good. Article 17 states that everyone has a right to own property which nobody can deprive them of; Article 27 states that everyone has the right to protect the ‘moral and material interests’ of which they are author, and which has resulted from any ‘scientific, literary or artistic production’ [51]. However if organizations are treated as collections of individuals, the same rights are accorded to them as well. Costa and Silva [52] maintain organizational activities that force the creation of knowledge-sharing cultures are potentially violating individual privacy rights.

While this debate may continue it is generally agreed that KM theory and practice must recognize, respect, protect and fairly compensate employees for their knowledge contributions [41].

2.3 Knowledge manipulation and misappropriation

Alter [25] comments that “in the real world, politics is often the dominant influence and knowledge manipulation, the dark side of knowledge management, is its prime weapon”. He maintains, the business world is no different quoting corporate scandals like “Enron, MCI, Tyco, HealthSouth, Parmalat, AIG and Adelphia” [25] where investors were misled so that directors could reap huge financial benefits. Land et.al [26] use marketing as a clear illustration of how knowledge is manipulated to meet specific ends. In this instance he suggests that customers are provided partial or distorted views of products and services in order to entice them to buy. These comments support Alter’s [25] view that knowledge is often manipulated to conceal malfeasance, suggesting that knowledge may also be “elided, amplified, suppressed, deleted and omitted to serve some purpose driven sometimes by rational motives, sometimes by emotion” [26]. The debate surrounding ethical issues in intellectual property rights concerns the unique attribute of
knowledge which makes it difficult and costly to create in the first place, but simpler to replicate and share with others [53]. Da Costa and da Silva [52] quote KPMG’s definition of Intellectual Property- “not just patents, trademarks […] but other forms of articulated knowledge such as business processes, methodologies and knowhow” to identify the range of knowledge. While Intellectual Property rights afford an organization competitive advantage through creation of a formidable imitation barrier [54] they also restrict knowledge from entering the larger public domain, sometimes to the detriment of society. Examples include - the illegal sale or transfer of knowledge, disclosing confidential information and any falsification of facts, to gain economic, political or personal benefits [25].

According to Chen and Choi [42], Kock [55] and Von Glinow and Novelli [56], one of the most cited ethical challenges in Academia is one of plagiarism. In yet another illustration of ethical concerns in KM, Evans and McKinley [57] refer to how “employers exploit the knowledge of employees without rewarding them accordingly for sharing their knowledge and making it available to others”. Rechberg and Syed [41] conclude that while not all KM activities undertaken by organizations lead to an ethical misconduct, “there is a need to enhance an understanding of the role of individuals in knowledge ownership and KM practices”. As is clear, this urgent necessity to address ethical concerns in the KM practice is being voiced increasingly over time. There is thus an established need for ethical principles for KM for organizations as well as knowledge workers) to act as a point of reference for responsible conduct in KM. Evans and McKinley [57] point out that “ethics relates to codes of conduct regarded as right and good, based on morality or values, faith or some higher authority”.

Jennex and Offmann [58] and Jennex and Zyngier [4] discuss knowledge misappropriation in terms of security issues linked ties to the KM Success model [58]. KM success is a measure of the various outcomes of knowledge processes existing within an organization supported by KM initiatives and it is found to be clearly linked to a close relationship between KM Governance and organizational governance [59].

2.4 Governance and Business Ethics

Corporate governance is the activity of corporate entities to regulate and control their activities in accordance with the requirements of government, civil society and ethical and moral influences in a manner that minimizes risks to the corporation [60]. A growing number of organizations are recognizing that they have responsibilities in addition to sustaining profits for shareholders; these responsibilities are both moral and legal. While the awareness is due to external pressure (accounting firms are legally required to have strong compliance measures in place) in some cases, in others it is caused by an internal sense of responsibility [61]. Responsibilities of a business can be studied through many perspectives: the shareholder/ stakeholder theory, corporate social responsibility (CSR), sustainability and corporate citizenship [62] and often these terms are used synonymously; essentially they refer to the accountability owed to stakeholders and the larger community. Like KM, the definition of Business Ethics has evolved over time. It can largely be defined as “rules, standards, codes, or principles which provide guidelines for morally right behaviour” [63]. It includes truthfulness in specific situations [64], the interplay of ethics and business [65]; morality applied to the business context [66]; and applied ethics that addresses the moral features or ethical issues that arise in a commercial or business environment [67].

Ethical conduct has been interpreted in different ways depending among others on the Kantian deontological or duty-based approach that explains how the moral right or wrong of an action is based on the action itself and not its consequences [68]. It is also derived from Consequentialism or results based approach where a desirable result denotes a good action and visa-versa. [69]. A context based definition of Ethics in IT has been offered by Berdichevsky and Neuenschwander [70] as “a rational, consistent system for determining right and wrong, usually in the context of specific actions or policies”.

Business Ethics as a function brings the moral standards of acceptable and unacceptable conduct to the workplace [71]. Freeman [72] and Vinten [73] use the term stakeholder theory, to emphasize that organizations should be governed ensuring the interests of all stakeholder groups, not just shareholders, but also employees, suppliers and customers, as well as the larger community. (groups which influence or are influenced by the organization) are kept in mind. This means certain actions and considerations which benefit the larger interest of stakeholders, though different actions potentially might have provided shareholders larger gains [73, 74].

Business entities largely communicate ethical responsibilities to employees through Codes of Ethical Conduct, corporate statements that define acceptable and unacceptable conduct [75]. Codes of conduct can be defined as “corporate principles, ethics, rules of conduct, codes of practice or company philosophy concerning responsibility to employees, shareholders, consumers, the environment, or any other aspects of society external to the company” [76]. It can be suggested that formalized codes are instrumental in
encouraging discussions of ethical conduct, thereby helping constituents deal with ethical issues, preconceptions and grey areas.

3. Method

Data for this research was gathered in April 2014 through a series of searches of the extant literature. We used the following databases: Proquest Central, Expanded Academic ASAP, Science Direct, ABI Inform, JSTOR, Emerald, Business source complete (EBSCO), Management and Organizations Studies: SAGE, ISI Web of Knowledge, Wiley Online library, and Scopus. The three searches were conducted using the search string for the key words:

S1. “Knowledge Management” AND ethic*,
S2. “Knowledge Management” AND governance AND ethic*,
S3. “Knowledge Management governance” AND ethic*,

in the abstracts and citation data of these journals. These searches were repeated subsequently using these same search-strings in the full text of documents in these journals. We used the following databases: Proquest Central, Expanded Academic ASAP, Science Direct, ABI Inform, JSTOR, Emerald, EBSCO Business source complete, Management and Organizations Studies: SAGE, ISI Web of Knowledge, Wiley Online library, and Scopus. Our searches included publications as was possible within the constraints of availability in each databases between Jan 1, 1976 to June 1, 2014. The same search strategy was then implemented using Google Scholar. Duplicates were removed in all instances and an Endnote file kept for the search (Knowledge Management governance) AND ethic*.

4. Research findings.

The searches were variable in their detail and utility. However it was clear that there has been a great deal of consideration by KM theorists and practitioners in relation to the issue of ethics and ethical behavior in the decades since Nonaka [77] wrote The Knowledge-Creating Company.

Findings from the Science Direct database were rejected as the search strings were too loosely interpreted by the database rendering highly in accurate results for each of the searches. The same level of inaccuracy was found for the search results in these searches as repeated subsequently using these same search-strings in the full text of documents.

The search findings are in table 1 below:

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<tr>
<th>Database</th>
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<th>S3</th>
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<td>Google Scholar</td>
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Seven apparently valid documents were retrieved with search strategy S3: “Knowledge Management governance” AND ethic* from Proquest, ABI Inform and from Management and Organizations Studies: SAGE. On careful examination, these articles were found to be false positive findings.

The search was repeated in full text of these journals. Again, no valid documents were retrieved with that search string.

The same search strategies using Google Scholar returned five apparently valid documents were retrieved with search strategy S3 “Knowledge Management governance” AND ethic*. Each of these was examined, these were also found to be false positive results.

To ensure accuracy and reliability of content, the two researchers read selected complete journal articles and compared the results in order to test both the accuracy and relevance of our automated search results.

5. Discussion and conclusions on Knowledge Management Ethics through governance.

This paper has presented evidence of a clear gap in the KM literature. We have found that while KM Governance is defined clearly and is understood. At the same time, it is apparent that ethical issues are important. These issues span such diverse topics as knowledge protection and knowledge exchange, knowledge hoarding, knowledge as personal and organizational property, privacy rights, knowledge manipulation and misappropriation.
KM governance is the implementation of authority to ensure the delivery of anticipated or predicted benefits of KM in an authorized and regulated manner. KM governance is documented in the extant literature as supporting the development of policy to align KM with the strategic aims of the organization. It underpins these policies through the authorization of KM activity, risk management, measurement or evaluation and review, and through the exercise of fiduciary care in relation to financial support for those activities.

KM policies, risk management, fiduciary financial responsibility, evaluation and review must support organizational agility through the effective management of knowledge resources. These are the key functions of KM Governance. This research has however demonstrated that there is a gap in the current scope of KM governance activity.

While the current model of KM governance provides for authority, leadership and risk management these same elements within governance have not yet provided direction for creating a security plan. Specifically we refer to knowledge security for the firm and knowledge security for employees. This concept is intrinsically tied to the KM Success model of Jennex and Olfmann [58], where KM Security is situated currently within KM System quality and is integral to KM success for data security for the firm and ultimately the net benefits derived. We suggest that KM ethics also influences knowledge security for the employees in direct support of those who fear knowledge loss and that this must therefore be part of the intention to use: the “Intent to Use” within the KM Success model. Perceived benefits for the user and the organization are intrinsically linked construct of user satisfaction that lead to net benefits of the development and implementation of a Knowledge Management system.

Data security also protects against threats to intellectual property, and controls who has access to what information and when. These are decisions that are also firmly within the purview of the KM governance framework.

Jennex and Olfmann [58] Success Factor 12 is developed as “Security/protection of knowledge”, and then subsequently expanded as Critical Success Factor 2 in “KM Security critical success factors: work processes are designed that incorporate ethical knowledge capture and use; and security/protection of knowledge” [78]. In agreeing that KM governance exists as an overarching environment for KM processes we now seek to resolve the deficit in adequately addressing ethics in the development of a policy for KM development and implementation. KM policy development that supports the strategic objectives of an organization - not merely as a document for reference that clearly described what KM is to that organization, but also the aims and objectives for strategically aligned KM. This forms a critical element that underpins the direction of strategy, the mode of implementation and the evaluation of strategy. A statement on ethics must therefore be present.

We propose that the issues identified in the extant KM literature be pursued with a view to closely examining ethical issues in relation to knowledge protection and knowledge exchange.

The issues of knowledge hoarding, knowledge as personal and organizational property, privacy rights, knowledge manipulation and misappropriation come under the risk management of KM processes, to mitigate risks to the effective implementation of KM strategy as a whole.

This paper therefore suggests:

- The expansion of Critical Success Factor 2 [78] “KM Security critical success factors: work processes are designed that incorporate ethical knowledge capture and use; and security/protection of knowledge
- modification to the KM Governance framework within Risk Management where ethical knowledge capture and use is incorporated as a risk to be managed, to include the risk of not capturing or losing critical knowledge, misusing critical knowledge, and disclosing critical knowledge to those that should not access it.

The implications for theory are that this area clearly requires development and the gathering and analysis of empirical data within those organizations that have clear KM Governance mechanisms.

The implications for practitioners are the urgent need for the development of a code of KM ethics derived from empirical research together with learnings gathered from professional codes of ethics generally. A problem with this call for a KM code of Ethics, is the large number of disciplines that claim to “own” knowledge management and already have codes of ethics but not specific to the issues of knowledge and its management.

We therefore suggest that ethics be developed within KM Governance theory as knowledge security.
6. References


[23] Y. Takahashi, "The importance of balancing knowledge protection and knowledge interchange." in *Ethical Issues and Social Dilemmas in Knowledge Management*.
References


