Strategic Direction

Defining knowledge management: Knowledge management or not knowledge management? That is the question

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Defining knowledge management

Knowledge management or not knowledge management? That is the question

D espite much talk about knowledge management to highlight competitive advantage, few organizations realize the true definition of this quality process.

Authors Joseph M. Firestone and Mark W. McElroy investigate knowledge management and argue that only a structured strategy, with tightly controlled criteria and clear definitions of knowledge and information, will constitute true knowledge management.

Introduction

In today's extremely competitive business world, organizations constantly strive to stay ahead in their chosen marketplace. Commitment to best practice, knowledge and excellence is continually at the forefront of managers' minds. We hear terms such as customer service, Investors in People and knowledge management used daily as proof of benchmarks of excellence.

While the first two of these can be easily gauged, there is a degree of uncertainty and vagueness about knowledge management.

Defining knowledge management

To determine the scope and success of knowledge management clearly, a detailed strategy and ongoing evaluation is required. The first key element of this is to gain a clear understanding of what the term knowledge management means and encompasses. Many people believe knowledge management aims either to improve either worker effectiveness or an organization's bottom line, or indeed both.

However, this belief is slightly misleading. Instead, knowledge management results in better quality solutions, by enhancing knowledge processing within an organization. While knowledge management plays no direct role in developing knowledge outcomes, its influence on knowledge processes – which in turn directly drive knowledge outcomes – cannot be underestimated.

> " **The Partners' system is stronger because it is a distributed problem-solving system, in which the committees, through the system, help the doctors to recognize that there are problems with some of their orders.** "

> " **The Partners HealthCare case is a great illustration of how to go about a successful KM intervention that enhances knowledge processing at the levels of both the individual and the organization in such a way that the changes have an impact on business outcomes.** "

Knowledge or information

The next key factor in an organization's knowledge management strategy is to differentiate between the elements of knowledge and information. Whilst information is somewhat of a tenuous concept, which could or could not deliver true benefits to an organization, knowledge can be substantiated much further.

Knowledge has been tested and evaluated over time and is a much more tangible concept, the benefits of which can be easily measured

On the other hand, knowledge is a tested, evaluated and surviving structure of information (for example DNA instructions, synaptic structures, beliefs or claims) that may help the living system that developed it to adapt.

Knowledge management criteria

The final piece in any knowledge management strategy is to apply a clearly identified set of criteria which will ascertain whether the strategy can be really described as knowledge management.

These criteria are as follows:

■ Does the strategy aim to recognize and resolve efficiently problems encountered within business processes?

■ Does the strategy clearly recognize and identify the differences between knowledge and information, as outlined above?

■ If the strategy aims to capture information that will be used to rectify problems encountered within business processes, are there measures in place which can be later used as benchmarks to determine to what extent the information was responsible for solving the problems?

■ If the strategy is designed to evaluate levels of knowledge, are there benchmarks in place to gauge these levels of knowledge and their importance and success?

■ If the strategy is designed to enhance individual and group learning, does it fulfill all the above criteria?

■ If the strategy is designed to result in improved knowledge management, does it incorporate benchmarks that can be used to gauge issues such as problem recognition, crisis handling, resource negotiation or the allocation of resources to deliver knowledge management?

Knowledge management in practice

To illustrate the effects a carefully-structured knowledge management strategy can have, organizations can learn from the example of Partners HealthCare in Boston.

The decision to invest in knowledge management at Partners was driven by the cost of medical errors in healthcare; and was focused upon the management of the order-entry system. The process involved computers checking patients' medical records to identify any problems associated with drugs which doctors were about to order. The computers brought

concerns to the doctor's attention, who was then given the opportunity to heed the warning or continue with the order. In the latter case, the computer required a reason for overriding its recommendation.

The integrated order-entry/KM system at Partners achieved the following results:

- Serious errors were reduced by 55 percent.

- Orders for a drug which experts within Partner's realized was particularly beneficial for heart problems increased from 12 percent to 81 percent.

- When the system began recommending that a cancer drug be given fewer times per day, the percent of orders entered for the lower frequency changed from 6 percent to 75 percent.

- When physicians were prompted by the system that patients requiring bed rest also needed the blood thinner heparin, the frequency of prescriptions for that drug increased from 24 percent to 54 percent.

Conclusion

The process of knowledge management can therefore be somewhat unclear and vague. Before forging ahead with a knowledge management strategy, organizations need to distinguish between knowledge and information and adopt a knowledge management strategy with carefully defined criteria. Only then will it prove to be a true knowledge management strategy, capable of securing key business goals and objectives.

Comment

The review is of ''Doing knowledge management'' by Joseph M. Firestone and Mark W. McElroy. The article provides a concise argument that true knowledge management strategies are bound by a set of clearly-defined criteria and many supposed knowledge management interventions do not meet this definition. The review uses the case study of Partners HealthCare in Boston to show the tangible benefits a true knowledge management program can achieve.

Reference

Firestone, J.M. and McElroy, M.W. (2005), ''Doing knowledge management'', *The Learning Organization*, Vol. 12 No. 2, pp. 189-212, ISSN: 0969-6474.

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