Chapter IX

Designing Organisational Memory in Knowledge-Intensive Companies: A Case Study

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ABSTRACT

Organisational memory refers to the storage of a company's collective expertise and experience that is cultivated through human and technological networks for improving organisational performance. A knowledge-sharing environment gives employees access to the most innovative and creative ideas that exist within the company and translates into significant business opportunities for the organisation. In this chapter, the issues related to designing organisational memory in knowledge-intensive companies are investigated using a case study example. Key findings of the case study are outlined, and a framework is proposed to assist knowledge-intensive organisations in implementing and managing a corporate knowledge base.

INTRODUCTION

It is now widely recognised that knowledge is more relevant to sustained business than the traditional factors of production — land, labour and capital (Drucker, 1993). Companies are using information technology to be globally...
competitive in the emerging knowledge economy. But it is the application of human intellect — the capacity for understanding, reflecting and reasoning — that adds greatest value to organisational activities and create differentiation in the market place (Quinn, 1992). Knowledge-intensive companies are best placed to take advantage of the explosive growth of the knowledge economy. We define knowledge-intensive companies as those organisations that create new knowledge by means of collaborative efforts of their staff and incorporate this knowledge into their products and services. They can include corporations, small businesses, universities and colleges, hospitals and government agencies, working in sectors as diverse as management consulting, financial and legal, teaching, specialist medical care or marine biology. Sveiby (1997) describes the product of the knowledge-intensive organisations as solving customer problems that are unique and therefore hard to solve in a standardised manner.

In this chapter, the issues related to designing organisational memory in knowledge-intensive companies are investigated using a case study example. The current knowledge management practices employed by the knowledge-intensive company are explored, and both social and technological processes that the company needs to put in place when designing an organisational knowledge base are reviewed. An overview of some of the premises underlying the practices of knowledge management is provided, and these premises are related to the concept of organisational memory. The key findings of the case study carried out are outlined. These are then linked to the framework proposed, within which the company can harness their organisational knowledge.

**KNOWLEDGE MANAGEMENT AND ORGANISATIONAL MEMORY**

Knowledge management is the explicit and systematic management of vital knowledge and its associated processes of creation, organisation, diffusion, use and exploitation (Skyrme, 1997). In order to manage knowledge as a resource, it is first necessary to understand the characteristics of knowledge. Among the many knowledge schemata presented in the KM literature, the dichotomy between tacit and explicit knowledge (Nonaka, 1994) has advanced our understanding of organisational knowledge flow and transfer. Polanyi (1966) used the phrase “we can know more than we can tell” to describe tacit knowledge. Tacit knowledge refers to personal knowledge, which is internalised in people’s minds, acquired through experience and shared in a direct way (Nonaka, 1994). Explicit knowledge on the other hand is knowledge that we can easily articulate and share, and is transmittable in formal and systematic languages. When knowl-
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