Chapter 3
Rewarding End-Users for Participating in Organizational KM: A Case Study

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ABSTRACT

Organizations position their formal knowledge management (KM) initiatives as a continuous process of deriving strategic benefits from the knowledge resources dispersed in the various internal constituencies. While most organizations implement a rewards program attached to their KM initiative, the influence exerted by such programs on employees’ responses to organizational KM is less well understood. In this context, this article focuses on the KM initiative of Rexon, a leading Indian software services and products company recognized globally as a successful KM exponent. Adopting the case study methodology, we conducted intensive fieldwork for 6 months over a 2 year period at Rexon. Evidence from the case highlights how a KM-related rewards program was used to build awareness about organizational KMS and how employees responded to the rewards program. The theoretical and managerial contributions of the study are discussed.

INTRODUCTION

Formal knowledge management (KM) initiatives promise to trigger improvements in the utilization of an organization’s knowledge resources. In the last decade or so, both the number of organizations embracing KM and the studies examining such efforts have risen steadily. Organizational interventions bracketed under the rubric of KM typically involve the implementation of an IT-based system designated as a knowledge management system (KMS) (Alavi & Leidner, 1999, 2001; Alavi & Tiwana, 2002; Gray, 2000; Schultze & Boland Jr., 2000). With rapid advancements in IT, initiating an organization-wide KM initiative has become relatively easier and studies have examined the
organizational factors considered vital for realizing desired benefits from KM. While such studies argue that in the presence of certain important factors KM interventions produce intended results (Davenport, De Long, & Beers, 1998; Gold, Malhotra, & Segars, 2001; Holsapple & Joshi, 2000), other studies also highlight barriers to the adoption of KM initiatives\(^2\) (Desouza, 2003a, 2003b; Fahey & Prusak, 1998; Ruggles, 1998; Walsham, 2001). Typically, such barriers are seen to include barriers to contributing documents to a KMS, to making use of available knowledge artifacts, to sharing documents, and so forth.

One important component built into a KM initiative to help overcome the barriers to adoption of a KMS is the rewards program. By rewards program we refer to the monetary and nonmonetary incentives that an organization offers to its employees for utilizing the organizational KMS.

Though potentially the rewards program vitally influence the extent of interest in KM amongst the end-user communities and may also affect the successful implementation of the KM initiative in the long run, their influence on a organizational KM initiative is less well understood and very few empirical studies of the same are available. In this article, we address this gap by attempting to answer the questions: (1) How does an organizational rewards program influence employees’ response to a KM initiative? and (2) How can organizations create an effective KM related rewards program?

We adopt the case study method and look into the implementation of an organization-wide KM initiative at *Rexon*, an India-based IT services company. The case study method remains one of the frequently adopted research methods, and the usefulness of the method is well documented (Benbasat, Goldstein, & Mead, 1987; Cavaye, 1996; Markus, 1983; Myers, 1994; Orlikowski, 1993). As Benbasat et al. (1987, p.370) point out, the relevance of the case study method is enhanced in light of the shift from purely technological issues to organizational issues in mainstream IT/IS research.

This article is organized as follows: In the next section, we review the existing literature on organizational KM. This is followed by a note on the research method and a description of Rexon’s case. In the subsequent part of the article, we discuss the main findings and highlight the theoretical and managerial contributions of the study.

**LITERATURE REVIEW**

KM initiatives in organizations typically involve the implementation of one or more IT-based systems called Knowledge Management Systems (KMS), which are equipped to capture, store, and disseminate various forms of organizational knowledge (Alavi & Leidner, 1999, 2001; Alavi & Tiwana, 2002; Massey, Montoya-Weiss, & O’Driscoll, 2002; Newell, Huang, Galliers, & Pan, 2003). A typical KMS takes the shape of an intranet portal that acts as a window to an organization’s specialized knowledge found in repositories and includes various initiatives such as discussion forums, newsgroups, and so forth, which promote greater meaningful interaction among employees (Ruppel & Harrington, 2001). The underlying focus of a KM initiative or a KMS is the creation of a dynamic platform that systematically collates expert knowledge, enabling organizational members to draw on the pooled expertise (Grover & Davenport, 2001; Massey et al., 2002; Von Krogh, Nonaka, & Aben, 2001).

The successful implementation of a KM initiative is usually determined by measures such as the ability of the KMS to provide specialized and customized knowledge to employees, to function as a platform that allows employees to connect to experts, and to reduce the time spent on routine tasks (Barrow, 2001; Hansen, Nohria, & Tierney, 1999; Sarvary, 1999). In addition to the traditional viewpoint of seeing organizational KM as being
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