Chapter 17

Taking Charities Seriously:
A Call for Focused Knowledge Management Research

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ABSTRACT

The voluntary service not-for-profit sector (VSNFP), also called the charitable sector, is a neglected setting for knowledge management research. It is also an area with distinctive characteristics that preclude direct importation of knowledge management approaches developed for the for-profit sector. In this paper, the authors adapt a model for examining knowledge management research issues to the charitable sector and examine what is known about knowledge management in this important sector of society. Research and practitioner suggestions are provided.

INTRODUCTION

Charities, also called voluntary-service not-for-profit organizations (VSNFP), play a vital role in modern societies by addressing needs and providing services that benefit the public. These services frequently are available from neither markets nor governments. Many charitable organizations have been created to deliver or have expanded their range or scope of services as the result of governments “devolving” or transferring services to the non-profit sector (Gunn, 2004). Therefore, it is unsurprising that charities have a significant impact economically and socially. For example, volunteer work in Argentina, the United Kingdom, Japan, and the United States is valued at 2.7, 21, 23, and 109 billion (US) dollars respectively (Johns Hopkins University, 2005). Volunteering translates into significant resources for non-profit organizations. For example, Statistics Canada estimates that work equivalent to 1 million fulltime jobs in Canada was provided through volunteer labor in 2004 (Statistics Canada, 2006). While charities are part of the non-profit sector, research...
demonstrates that charitable organizations differ from for-profit organizations in terms of their human capital management, management practices, and strategies (Bontis & Serenko, 2009). Failing to account for such differences may adversely affect theory (Orlikowski & Barley, 2001) and practice (Kilbourne & Marshall, 2005).

Research is beginning to provide a picture of the increasing use of information and communication technologies (ICTs) by the non-profit and voluntary sector. Examples include Burt and Taylor’s (2003) case studies of the challenges of ICT adoption by highly autonomous voluntary organizations in the U.K., Cukier and Middleton’s (2003) evaluation of web sites for Canadian charities, Denison and Johanson’s (2007) survey of the use of ICTs by community groups in Australia, Canada, the U.K. and the United States, and Finn, Maher and Forster’s (2007) archival study of the evolution of ICT adoption by non-profit organizations. These studies are beginning to round out the portrait of the voluntary sector as ICT user but there remains many blank spots. Our key question is: What is the extent of our understanding of the role of knowledge management, both as process and system, in charitable organizations? We discuss this question by adapting the knowledge management (KM) research framework originally developed for examining KM in knowledge-based enterprises (Staples, Greenaway, & McKeen, 2001). Non-profits are “knowledge-intensive” organizations (Lettieri et al., 2004, p. 17). Therefore, this research model should be applicable broadly to non-profit organizations including charities.

Charities are distinguished from other types of not-for-profit organizations by their staffing (more volunteers than paid workers) and their sources of revenue (more donation than fee-based) (Kilbourne & Marshall, 2005). Hence, they have a unique set of challenges. They are particularly vulnerable to economic ups and downs. Their missions typically are counter-cyclical. That is, in “bad times” the demand for their services rise at the same time as the sources for revenues shrink (The Center for Philanthropy at Indiana University, 2008). Human resource management challenges include declining numbers of volunteers, fewer volunteers contributing more hours, and the need to constantly replenish the volunteer base (Brock, 2003). As well, there is the need to manage administrative, professional/clinical or similar expert service delivery personal as well as the variety of volunteers. Assessing organizational performance is another challenge. The “bottom line” for VSPNs is outcomes-focused (including knowledge) and not financially-focused (Hatry, 2007). Finally, charities may be limited in their ability to invest in or to make information technology a priority because they lack IT skills and financial depth (Corder, 2001). At the same time, Saidel and Cour (2003) reported that not-for-profits are frequently forced into adopting technologies to satisfy outside administrative requirements such as for government reporting and accountability.

Complicating this picture is the way “volunteering,” defined as “any activity in which time is given freely to benefit another person, group or organization” (Wilson 2000, p. 215) is changing. Handy and Brudney (2007) identify four types of “volunteer labor resources” that engage with non-profits: service learning (e.g., students earning credits for hours served with charities); episodic (e.g., assisting with a fundraising event or providing expert service); virtual (e.g., providing service electronically such as web design); and long term traditional (e.g., analogous to unpaid work). Volunteer turnover and the changing nature of volunteerism create organizational memory loss which may cause charities to repeat mistakes (Walsh & Ungson, 1991). Knowledge management (KM) initiatives provide a means for stemming this loss through increasing the retention of knowledge, facilitating the creation and acquisition of new knowledge, improving the connections among paid staff, volunteers and beneficiaries of services, and reducing the need for and associated costs of re-training volunteers.
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