A Contingency Approach to Knowledge Management: 
Finding the Best Fit

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ABSTRACT

A contingency perspective of knowledge management recognises the need for a fit between knowledge management solutions (KMS) and decision making contexts which they support. In order to determine the best fit, a field survey was carried out to investigate the impact of two different types of KMS (technical and social) on decision makers’ behaviour and performance in different decision contexts (simple and complex). The results provide partial support for the contingency view. As expected, the study identified social KMS as the best fit for complex contexts, based on subjects’ superior performance from comparable adoption of both KMS. In contrast, the study identified that both KMS were an equally good fit for simple contexts, based on similar levels of subjects’ performance, but social KMS was preferred in terms of adoption. These findings contribute to much needed empirical evidence for research and provide useful guidance for practice. However, their limitations warrant further study.

KEYWORDS

Contingency Perspective, Decision Context, Decision Performance, Knowledge Management Solution (KMS), Knowledge Processes

INTRODUCTION

A contingency perspective of knowledge management has gained widespread recognition and popularity in recent literature (Hansen et al., 1999; Snowden, 2002; Becerra et al., 2004). Essentially, this view advocates the need for alignment of knowledge management solutions (KMS) with decision contexts and personal preferences of decision makers. The advantage of such a view is seen in an opportunity for seamless integration between knowledge management and the business environment (El Sawy, 2003).

The contingency viewpoint poses new challenges for researchers and practitioners who need to deal with its theoretical and practical consequences for decision making support. The purpose of this paper is to respond to these challenges by addressing the fit between organisational knowledge management solutions (KMS) and their decision-making contexts. In order to determine the best solution-context-user fit, an improved understanding is required of different KMS and decision contexts and their impact on pre-decisional behaviour and performance of decision makers.

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KMS are an emerging class of decision aids that target managerial work by focusing on enabling and facilitating creation, sharing, retention and discovery of knowledge needed for decision making. KMS are expected to reduce or eliminate decision biases (Arnott, 2002) and improve users’ decision-making capabilities. Various social and technical solutions are recommended in terms of this support (Handzic, 2004; 2007).

Technical or systems-orientated approaches generally describe KMS in terms of various ICT-based systems designed to facilitate the management of knowledge by enhancing the accumulation and transfer of knowledge through the organisation (Sambamurthy & Subramani, 2005). In contrast, social or human-orientated approaches to KMS place emphasis on organisational leadership, culture, structure and measurement as key enablers of processes that foster knowledge development (Holsapple, 2003). The literature provides considerable theoretical support for suggesting that the potential return from KMS implementations can be enormous if they are properly designed and implemented (Alavi & Leidner, 2001).

The literature distinguishes between two main positions on “proper” KMS design and implementation. The universalistic view suggests that there is one single best approach which should be adopted in all circumstances. In contrast, the contingency view suggests that no one approach is best under all circumstances. Collectively, the proponents of the contingency view (Hansen et al., 1999; Snowden, 2002; Becerra et al., 2004) suggest a series of knowledge, task, organisation and environment characteristics as influencing factors that may affect the suitability of alternative KMS implementations. However, there is a general lack of empirical evidence to support this proposition.

Therefore, the purpose of this study is to fill the existing void and contribute to the improved understanding of the issue of KMS fit to context. In particular, the study aims to empirically examine the impact of different KMS approaches on decision-making behaviour and performance in varying decision contexts. It is expected that the improved understanding of the issue will serve as a foundation for better KMS design and implementation.

LITERATURE REVIEW

This study forms a part of a larger research undertaking aimed at investigating KMS adoption and its effectiveness in individual decision making. In the current study, the focus is on two key factors: type of KMS approach and complexity of decision context and their role in decision support. The following sections provide a brief overview of these concepts.

KMS Approaches

For the purpose of this study, knowledge management solution is defined as a set of socio-technical enablers and facilitators of knowledge processes that modify and move knowledge stocks and thus foster knowledge development. Literature proposes a wide variety of social and technical mechanisms and initiatives that have the potential to help knowledge flow and grow, and consequently lead to enhanced or innovative performance.

With respect to socially orientated approaches, Handzic (2007) identifies four major classes: culture, leadership, structure and measurement. Organisational culture is recognised as one of the most important factors in enabling a knowledge-conducive environment. Therefore, many social initiatives try to nurture a knowledge culture by promoting espoused values, systems, structures, and artefacts in order to achieve a desired mindset in staff members (Handzic & Aghahri, 2003). Also, putting in place rewards and incentive systems can motivate knowledge sharing and knowledge contribution (Evangelou & Karacapilidis, 2005). According to Hauschild et al. (2001), successful companies reward employees for seeking, sharing, and creating knowledge instead of pushing knowledge down from the top.

Furthermore, literature suggests that successful knowledge management implementation requires strong leadership to guide an organisation towards managing its knowledge resources for maximum
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