Chapter XXIII
Critical Analysis of International Guidelines for the Management of Knowledge Resources

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ABSTRACT
The shift towards a knowledge based economy is at the core of the debate of contemporary management and accounting literature and organisations are challenged by the need to manage their knowledge resources. Several national and international institutions have produced authoritative “guidelines” to facilitate the management and reporting of KR. Many of these guidelines are the result of co-operation between researchers, companies, industry organisations and consultants and have, therefore, been informed by practice. However, to date, there has been no serious critique of these guidelines. The main objective of this chapter is to provide an in-depth analysis of six contemporary guidelines. By reviewing these guidelines, this chapter explores how each of these addresses the MKR and therefore facilitates the management and reporting of KR. Therefore, this chapter will establish some of the key issues involved in understanding MKR. It will also provide an overview of how these issues are addressed or otherwise in the six guidelines. Two key messages of this chapter are the followings: first, MKR and its elements are embedded in various ways into the international guidelines examined; second, that a key policy issue is international harmonisation.
INTRODUCTION

Over the past few decades, the world has rapidly moved from its industrial economic base, in which economic growth was considered to be mostly determined by the use of tangible resources. Instead, many organisations have shifted towards a knowledge base, in which wealth creation is associated with the challenge of developing and managing knowledge resources (KR). These are commonly visualised using the tripartite classification of intellectual capital (IC) (see, among others, MERITUM, 2002; SKE, 2005; EC, 2006; Guthrie et al., 2007; Unermann et al. 2007).

Some knowledge-intensive organisations have responded to this challenge by adopting matrix structures in order to foster knowledge flows and innovation and enhance ‘value creation’ (Mouritsen et al., 2005: 4). Others have sought to manage KR by applying information technology. In these and other cases, organisations are responding to major changes in their external environment by using knowledge management tools (e.g. intranet, open plan offices) to attempt to manage KR, but in a non-systematic way. The management of KR (MKR) is central to the way in which an organisation is made up and, therefore, it cannot be separated out and acted upon in the same way as a single business process or management system (Ricceri, 2008).

Several national and international institutions have produced authoritative ‘guidelines’ for MKR. These guidelines aim to facilitate the management and reporting of KR by framing IC with sets of metrics and narratives. Many of these guidelines are the result of co-operation between researchers, companies, industry organisations and consultants and have, therefore, been informed by practice.

However, to date, there has been no serious critique of these guidelines and the main objective of this chapter is to provide an in-depth analysis of six contemporary guidelines. By reviewing several of these guidelines, this chapter aims to explore how each of these addresses the MKR and therefore facilitates the management and reporting of KR. Therefore this chapter will establish some of the key issues involved in understanding MKR. It will also provide an overview of how these issues are addressed or otherwise in the six guidelines, and identify gaps in these contemporary guidelines.

The chapter is structured as follows. Section two discusses the context in which the guidelines have been developed. Section three outlines the six contemporary guidelines from different geographic areas and the management issues that will be used for their analysis. Section four analyses how these management issues are incorporated into the contemporary guidelines. Finally, section five discusses the lessons learned from the analysis and provides a conclusion to the chapter.

INTERNATIONAL KNOWLEDGE RESOURCES FRAMEWORKS

The challenge of understanding MKR has been addressed by many KR frameworks. One common characteristic of these frameworks is that they use measurement as a way to make IC visible. Sveiby identifies many frameworks and more have been added to make a comprehensive list of 36.

These frameworks can be collapsed into two different approaches: the ‘stock approach’ and the ‘flow approach’ (see, Guthrie and Ricceri, 2002). Under the ‘stock approach’, KR are thought to be static and able to be assigned a monetary value. Table 1 highlights eighteen ‘stock approach’ KR frameworks that could provide a traditional ‘financial view’ of KR. The underlying assumption of the ‘stock approach’ is that KR are recognised mainly on the basis of their market value or for their contribution to the generation of revenue, earnings or cash flows. Therefore, KR are contextualised within a traditional financial accounting frame.