Chapter 4
KARMA:
Knowledge Assessment Review and Management Audit

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ABSTRACT

Companies tend to start their knowledge management initiatives with a knowledge management audit. A framework used for developing this specific audit, as well as some issues encountered while utilizing the audit, are illustrated. A number of benefits and weaknesses are also identified. Finally, a detailed, open-ended audit tool is introduced, knowledge assessment review and management audit-KARMA.

INTRODUCTION

Throughout our journey in the area of Knowledge Management, we found that very often companies had no clue what kind or types of knowledge they had and what they were lacking. Take for example, a merger of two companies that ended poorly for one line of business. Mergers are very tricky because the process forces the combination of multiple entities. It is relatively easy to combine financial systems and reporting because of the commonality in accounting practice. Since there is no commonality in addressing knowledge issues, assumptions are made. There are many well documented cases of mergers where one line of business fails or the expected synergies do not meet the initial expectations. In one example the authors are familiar with, cost savings and areas to be kept or discarded were identified. One area that was being kept by the merged company included a $2 million line of business. There was only one person who possessed the tacit knowledge to make the process complete (the People aspect of the triangle discussed earlier in chapter 1). Unfortunately, that individual was let go in the merger process and when he walked out the door, the $2 million line of business walked out with him.

This may be an extreme example, but how many times has a knowledgeable or seemingly

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not-too-knowledgeable employee left an area and presented management with a knowledge void that they never knew existed? How many stories have you heard about someone leaving only to finally be replaced by more than one individual? It’s not because the workload for the position increased; it’s because the knowledge gap between the new people and the replaced person has a direct impact on productivity. What we call the learning curve, in many instances, is really the process of re-creating all the knowledge that was possessed and never passed on by the person leaving. In these cases, organizations are continually re-inventing the wheel.

This chapter will provide an in-depth discussion of an auditing tool. There are three major aspects of the tool that will be discussed in this chapter. The first will be customization of the tool. In order for KARMA (our audit tool) to be successful, it must be customized to meet the needs of the organization. Here we plan to discuss how the customization will work. For example, a manufacturing business will be different from a service business and the questions of the audit will have to be adjusted to accommodate the type of organization. When we talk about the product/services, for the manufacturing company, the product identification will be relatively straightforward. For the service company, on the other hand, the definition of their service offering might be more complex and difficult to define. Or we might assume there will be more constraints if we are dealing with a defense contractor vs. a financial service company. Not that there aren’t secrets in both companies, but the perceptions will be different. We identified early in the process that a good, solid audit was (and still is) a very powerful tool for helping organizations get into the journey of KM. The framework discussed in this chapter has evolved and has been fine-tuned over time and with actual use. Through implementation of audits, we have discovered that a cookie cutter, comprehensive audit approach is not practical. Why? Remember that knowledge is context specific. This means a comprehensive audit that is right for one company might not be appropriate for another company, even within the same industry, at the same point in time. Why? The two companies will probably have different strategies, goals, and game plans. Even for the same company at different points in time, there will be a need for some modification. Again, changes in their strategy, changes in customer needs, etc., will probably force the company to modify its questions.

We also found that there is an interesting dilemma organizations face when dealing with the type of audit they want to conduct. We have found that the open ended questionnaire is a great tool when the company is open to the KM journey and understands the value of the audit. We, our clients, and students have conducted more than 150 audits, and the average time that is required for a high quality audit was more than 80 hours. So, yes, you get a high quality product, BUT there is need for a heavy investment. Our proposed tool is a recommendation. You are encouraged to add, eliminate, or modify the discovery questions to align with your specific needs. The more specific the tool and the better it is tailored to your situation, the more valuable it becomes. But there is more to the audit than just finding where you are in the KM journey. We have found the audit to be an excellent context for beginning to understand some of the concepts we want the key players to understand, absorb and utilize. One area in which this has proved valuable concerns the codification of tacit knowledge. When we talked with one company about the strategic dilemma of codification versus tacit the concepts were clear but their KM team was not able to work with these concepts. At some point, they decided to develop product pages to support their newly recruited sales people. Then they had to go back, and verify what knowledge they had about their products, who had, and who owned that knowledge. In order to do that,
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