Chapter 4
Does KM Governance = KM Success?
Insights from a Global KM Survey

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ABSTRACT
This chapter examines factors that contribute to KM success by differentiating between KM leadership through management and through governance. We look at governance as a structural mechanism that both embeds KM into organizational activity, and lifts it from a series of initiatives to a structured program of activities that are subject to authority, policy, risk management, financial fiduciary duty, and evaluation. Using evidence from 214 respondents to a global internet based KM survey; we find that having a recognized and defined authority for KM that is well-resourced leads to strategically aligned benefits realized from investment in KM. We demonstrate that governance through assigned authority strongly contributes to strategic KM success.

INTRODUCTION
The implementation of knowledge management (KM) programs continues to be contentious because it is frequently difficult to establish the return on investment. KM practitioners and theoreticians understand and undertake to create a sustainable program of strategies to leverage knowledge to fulfill organizational aims and objectives and to realize benefits from them. However, many KM strategies implementations fail to realize the expected benefits or the return on investment sought by their organizations (Kulkarni, Ravindran, & Freeze, 2006). This in turn impacts on the sustainability of those strategies (Zyngier, 2005). In information-based economies, knowledge is one of the key organizational resources and a competitive differentiator (Spender, 1996). The management of organizational knowledge is a complex imperative that is taken up by forward-looking strategic leadership. Therefore, we asked does KM Governance contribute to KM success?

In answering this question we differentiate between management and governance in look-
Does KM Governance = KM Success?

Looking at governance as a structural mechanism that both embeds KM into organizational activity, and lifts it from a series of initiatives to a structured program of activities that are subject to authority, policy, risk management, financial fiduciary duty, and evaluation. These are delivered in a structured manner in order to achieve the strategic aims and objectives of the organization.

KM governance is defined as the exercise of authority over strategies to manage organizational knowledge for the realization of anticipated benefits (Weill & Ross, 2004). This chapter will present the facets of governance as authority, policy development, measurement, risk management and financial responsibility. We describe how these activities are delegated and amplified into the development and implementation of KM strategy. Previous research into patterns of governance of knowledge management has focused on individual cases. This work presents a furtherance of this discussion by presenting new global research by web-based survey.

We report on the results of 214 respondents to a global survey on KM governance – data collected from mid-March to the end of May 2008. Respondents came from 34 countries across every continent indicating that KM is truly a widely practiced business activity. The survey respondents identify the structures of KM governance in their organizations, and the roles and tasks of KM governance activities.

Against this background of clear KM governance, coupled with indicators such as increased funding of KM and longevity of KM programs of activity, and the perceived realization of the strategic benefits of KM, we show those structures that can be deemed successful. Analysis and discussion leads the reader to understand when, where and how through the structural support of KM governance, success will more readily realized.

Conclusions about the utility of this statistical data collection and analysis suggest that outputs of research such as this as a continuum of mixed methodology are valid and strengthen Information Systems research. It concludes that leveraging knowledge through programs of activities is a global phenomenon. KM governance as the exercise of authority over the development and implementation of strategies to manage organizational knowledge enables the long-term realization of anticipated benefits therefore, KM governance leads to KM success.

The sections are arranged as follows. The concept of KM success is introduced in the context of the alignment of KM with business strategy to support the aims and objectives of the organization. We propose that this is clearly achieved through the effective governance of KM. KM governance activities are examined and contextualized. Following the reader is presented with the design and the results of the survey and conclusions are drawn.

UNDERSTANDING KM SUCCESS

This examination of the literature focuses on understanding the realization of KM success as the effective leveraging of organizational knowledge resources to achieve the aim and objectives of the organization. Leveraging knowledge resources includes harnessing both tacit and explicit forms as appropriate to the industry sector and the specific needs of that organization. We suggest that by making the alignment of KM strategy and business strategy explicit through authorized direction at executive level of the organization it facilitates KM success. It does this in several ways: it transparently permits policy development to align KM, it allows management of risk to KM strategy, it gives direct to the fiscal security of KM activity, and finally it creates a frame for the evaluation or measurement of KM outcomes against the strategic aims and objectives initially developed. This enables the review and revision of policy and direction against any changes in strategic intent within the organization. How then can we understand indicators of KM success?
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