Chapter 9
Organizational Barriers and Facilitators in Embedding Knowledge Strategy

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ABSTRACT

The knowledge that exists within organizations is a sustainable source of competitive advantage. This makes knowledge management a strategic imperative for all. Much has been written on the subject of Knowledge Management (KM), strategy development, and implementation. There are numerous approaches one can take to develop a successful strategy, and there is no one right or wrong way. What ultimately constitutes a successful KM strategy? One that is signed off by management, is resourced, and is allowed to be implemented. Once that is achieved, then one can make all the adjustments needed to ensure strategic alignment with organizational strategy. The value of a KM strategy comes when the strategy is resourced, implemented, and the organization begins to realize the benefits. That is possible only when there is a unified understanding of the organizational barriers and facilitators in embedding knowledge strategy with organizational strategy for successful goal attainment. The objective of this study is to aid researchers in recognizing and understanding the organizational barriers and facilitators in embedding knowledge strategy. This would be indispensable for successful goal attainment in a modern complex economy.

INTRODUCTION

The term “knowledge” in knowledge management (KM) is seen as the ultimate power that propels unprecedented growth in a knowledge-based economy, be it in the growth of an organisation, industry, or even country. From an organizational perspective, KM has been described as a set of processes directed at creating, capturing, storing, sharing, applying, and reusing knowledge within an organization to ensure better management of knowledge resources. Organizations should realize the importance of effective KM since the cost of ignoring it is enormous. This chapter aims to understand the organizational barriers, and identify the facilitators in embedding knowledge strategy. Organizations would derive value from identifying specific aspects of the organization that
may be developed to encourage effective knowledge management in the contemporary business landscape. As industry competition increases, organizations must try to overcome the barriers and leverage facilitators to gain and maintain an edge over rivals. Developing and leveraging key KM facilitators would enable organizations to not only achieve their performance objectives, but to excel in their field of business.

Since the beginning of the 1990s, the term knowledge management (KM) has indeed become a buzzword as every organization explores ways to increase market share and outperform their competition. Since then, KM is seen as a trend in managing knowledge for achieving an organization’s performance objectives. Ideally, KM is challenging to understand or practice, as there is no proven best practice for managing knowledge. Basically, KM includes the fundamental processes of creating, capturing, storing, sharing, applying, and reusing knowledge. The key aim of KM is to avoid reinventing the wheel and to leverage increasing organizational knowledge for more well-defined and informed decision-making. Knowledge is viewed by organizations as a fundamental basis for competition, in terms of vital strategy and competitive resources (Ipe, 2003; Storey, 2005). In recent years, knowledge is seen as a crucial factor that organizations are embracing to create and maintain organizational competitive advantage (Beckman, 1999; Chuang, 2004). Researchers and practitioners agree that knowledge enables organizations to gain and maintain competitive advantage (Argote & Ingram, 2000; Argote, Ingram, Levine & Moreland, 2000; Chou, Chang, Tsai & Cheng, 2005; Davenport & Prusak, 2000; Nonaka, 1998; Sabrina & Matthew, 2005). Therefore, in gaining competitive advantage, organizations should be able to use the best of their knowledge to differentiate company performance in terms of profit-making (Freeman, 2001). In a knowledge-based economy, success in business depends much on one’s ability to exploit knowledge. Knowledge originates in human beings and the only sustainable advantage of organization is what people know and what they do with it. Knowledge is seen to be the most important resource a company has and unlike traditional assets - land, labor, and capital, knowledge has greater value. Hence in recent times, organizations have been trying to find more and better ways to locate, organize, transfer, and leverage knowledge throughout the entire organization.

Evidently, in spite of organizations’ various investments and initiatives, they are still unable to fully grasp the benefits of knowledge. As a result, the key idea for an organization to succeed in a knowledge-based economy is to fully understand that knowledge has the potential to grow dynamically. Numerous researchers, such as Alton and Dion (2008), have highlighted that organizations such as Buckman Laboratories, Texas Instruments and Dow Chemical had been successful in leveraging organizational knowledge for better performance. The objective of this chapter, therefore, is to identify barriers and highlight facilitators of KM. It is undeniable that managers face challenging and daunting business conditions as they conduct operational and strategic functions. Therefore, being able to identify barriers and minimize them along with strengthening facilitators would enable the creation and maintenance of an organization’s competitive advantage.

BACKGROUND

Numerous prominent scholars and philosophers are still finding it difficult to provide an exact definition of what knowledge is all about since knowledge was treated earlier as just a “black box” which enabled the transformation of inputs to outputs (Davenport & Prusak, 2000). However, in the context of knowledge within organizations, Davenport and Prusak did manage to point out that knowledge is a fluid mixture of experience, values, contextual information, and experts’ insight that provides a framework for evaluating and