Becoming a Knowledge Management Consultant

Mostafa Sayyadi, Institute of Management Consultants, Australia

Abstract

The focus of this article is the critical role of management consultancy in providing a rich basis to understanding the mechanisms by which knowledge management and operations risk is influenced. This article raises vital questions as to how management consultants can successfully contribute to knowledge management and subsequently improve performance at all levels of the organization. I extended the literature by showing how management consultants can contribute to knowledge management, facilitating and fostering a firm’s capabilities. Insufficient consideration of the impact of management consultancy on the effectiveness of knowledge management has been exposed and I attempt to address this concern for the first time.
Knowledge in Organizations

It is important for management consultants to understand how knowledge can be categorized. There are two important taxonomies of knowledge that need to be discussed. The following section addresses these taxonomies in depth to set the record straight upon the facilitation of organizational knowledge management.

Human, Social, and Structured Knowledge

Two scholars by the name of Long and Fahey (2000) argue that knowledge can also be classified using individual, social, and structured dimensions. Executives can categorize followers based on their human knowledge which focuses on individual knowledge and manifests itself in an individual's competencies and skills. This type of knowledge includes both tacit and explicit knowledge. Long and Fahey (2000) suggest that this form of knowledge comprises the skills gained by individual experiences and learned as rules and instructions formulated by executives for followers to use as a guide. Social knowledge, on the other hand, is categorized as tacit knowledge that is shared so that it can become collective knowledge. Executives can use structured knowledge that emerges in formal language from annual reports, memos, and other means of communication to be represented as statements, and is considered explicit knowledge. Therefore, consultants can classify knowledge in this way so that it emerges at three levels; individual (i.e. human), group (i.e. social), and organizational (i.e. structured).

Scientific, Philosophical, and Commercial Knowledge

There is a scientific, philosophical, and commercial side to knowledge that consultants should at least be aware of in today's hypercompetitive business environment. Demarest (1997), divides knowledge into three categories. Scientific knowledge is objective and manifests itself as provable and verifiable knowledge or truth, while philosophical knowledge clarifies that "truth is embedded in language and therefore inaccessible" (Demarest 1997, p.375). The key for consultants is that knowledge as per Demarest (1997, p.375), especially commercial knowledge, unlike scientific and philosophical knowledge, focuses on enhancing "effective performance". Answering the questions consultants often ask: “What works?” Based on this view, this kind of knowledge empowers the capabilities of an organization, and actively improves its competitive advantage in the marketplace. Consultants are already aware that commercial knowledge takes an objective approach and can positively contribute to a firm's performance. The key is how to use this knowledge, enhance it, distribute it, and capture it.

Facilitating Knowledge Management

Executives today are more focused on strategic management decision making due to the hypercompetitive global environment and the public and private sector evaluation and opinion. Public organizations are attempting to function as private profit-wise, while
public companies have the Wall Street analysts continuously evaluating their every strategic move. Lee and Kim’s (2001) model for managing knowledge takes a strategic process-oriented approach and is relevant to executive leadership. It is important for management consultants to build a climate of openness for individuals to exchange ideas. Knowledge is accumulated by creating new approaches to gathering, evaluating, and disseminating information throughout the organizations. Consultants need to make deliberate attempts to inspire people to create new ideas and develop effective mechanisms to acquire knowledge from various sources such as suppliers, customers, business partners, and competitors. This is similar to a value-chain approach.

Consultants need to first support this approach for the model to work because they play a strategic role in expanding the knowledge accumulation through applying incentives as mechanisms to develop a more innovative climate and managing effective tools to acquire knowledge from external sources.

It will also be necessary for consultants to integrate knowledge internally. Knowledge integration focuses on monitoring and controlling knowledge management practices, evaluating the effectiveness of current knowledge, defining and recognizing core knowledge areas, coordinating expert opinions, sharing organizational knowledge, and scanning for new knowledge to keep the quality of their product or services continuously improving. Consultants can promote knowledge integration by creating expert groups or steering committees to enhance knowledge quality and evaluate knowledge assets. Follower’s diversity of skills and interpersonal relations that is based on trust and reciprocity can improve the performance of group cohesiveness. In the process of knowledge integration, knowledge enters organizational processes and provides valuable contributions to products and services. Consultants must have the desirable expertise to steer the organizational strategy and facilitate this process, by undertaking initiatives that improve knowledge transfer, thus enhancing the performance of employees and the implementation of effective changes to maintain the quality of products and services. The burden of success, where effective implementation of knowledge integration is concerned, is heavily dependent on the capabilities of the organization’s management consultants.

Furthermore, it is important for management consultants to reconfigure organizational knowledge. When executives agree to share knowledge with other organizations in the environment, studies have shown that that knowledge is often difficult to share externally (Zehua, 2012; Jianbin et al., 2014). One reason is that other organizations have too much pride to accept knowledge or are apprehensive to expose themselves to the competition. Therefore, executives may lack the required capabilities to interact with other organizations, or distrust sharing their knowledge. In addition, just the notion of creating an expert group or steering committee may be shortsighted because such groups may not have sufficient diversity to comprehend knowledge acquired from external sources. Consultants are aware of networking with business partners as a key activity for organizations to enhance knowledge exchange. Networking is a critical concern for management consultants in this process, as developing alliances with partners in external environments. Executives and their expert groups and/or steering committees are the ones who can make final decisions about developing alliances with business partners. Consultants, therefore, need to understand what it is about the organization’s capabilities that allow the organization to develop alliances with business partners, and interact with other organizations accordingly.
References

Demarest, M. (1997). Understanding knowledge management. Long Range Planning, 30(3), 374-384.

Long, D.W.D., & Fahey, L. (2000). Diagnosing cultural barriers to knowledge management. The Academy of Management Executive, 14(4), 113-127.

Lee, J.H., & Kim, Y.G. (2001). A stage model of organizational knowledge management: a latent content analysis. Expert Systems with Applications, 20(4), 299-311.

Jianbin, C., Yanli, G., & Kaibo, X. (2014). Value Added from Knowledge Collaboration: Convergence of Intellectual Capital and Social Capital. International Journal of u- and e-Service, Science and Technology, 7(2), 15-26.

Zehua, Z. (2012). Knowledge Collaboration (KC) and the relationship between KC and some related concepts. Library and Information Service, 8, 107–112.