Towards a New Knowledge Management Strategy for Organisational Learning:
Enhancing Social Dynamics With ICT Capabilities

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Abstract

The emergence of the new techno-economic paradigm (Freeman and Perez, 1988) has required a new way of thinking for both scholars and practitioners of business management. The new "information revolution" (Freeman and Louca, 2001) has radically changed the economic environment (Teece, 1998), turning knowledge resources of the organisation as the most powerful weapon in the competitive race. A growing number of academics and industrialists have pointed out the significance of a concrete strategy to manage the organisation's knowledge.

Despite the increased recognition of the topic, it is far from clear what such a knowledge management (KM) strategy involves. In fact a recent survey among practitioners in the USA gave a quite diverse spectrum of responses with regards to what a KM strategy involves (AMA survey, 1999)[1]. At the same time the discussion in the academic world is still going on debating the various aspects of KM.and seems to become polarised between two main streams. On the one hand the "ICT focus stream" puts KM tools in the centre of any KM strategy. This stream puts emphasis on the capabilities offered by the new ICT either directly (Borghoff and Pareschi, 1998) or as initiators of good organisational practices (Frappaolo and Capshaw, 1999). On the other hand the "human focus

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[1] The ICT sector was very quick to seize the commercial opportunity, appeared with the recognition of KM. According to John Black (Head of IBM's KM practice for Europe, Middle East, Asia) in 1999 only there were more than 1,800 software products carrying the KM Label.

perspective" perceives the social interaction as the cornerstone of KM (Beamish and Armistead, 2001), criticising heavily the ICT perspective (McDermott, 1999) which, in their opinion, have colonised the "KM movement" (Scarbrough and Swan, 2001).

This discussion is conducted mainly at an abstract level with the two streams relying on their discipline to defend their positions. The paper will discuss the different theoretical approaches to KM and make a taxonomy with reference to these two streams. The validity of these approaches will be explored through an empirical research at the organisational level. In particular the paper will build on the empirical investigation of a case study to claim that the dispute between the ICT focus and the human focus approaches is very much artificial. It is impossible in the current circumstances to develop an efficient social interaction without using the significant capabilities offered by the ICT. On the other hand the usefulness of sophisticated ICT solutions can be proved extremely limited unless it is accompanied by appropriate organisational procedures to support the social interaction. The paper will identify specific social interaction practices within the case study that would have been impossible without the support of ICT capabilities and at the same time it will point out specific uses of ICT tools that have a meaningful knowledge component. The significant capabilities of new ICT in terms of communication and data capture and structure need to be combined with appropriate organisational support to address issues like organisational culture and power dynamics. In few words the paper will build both theoretically and empirically on the argument that ICT and social interaction are on a *Yin and Yang* relationship and a meaningful KM strategy should thoroughly incorporate and interrelate both components.

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