

The Audit of Organizational Knowledge

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Abstract—The audit is a classic concept incorporating performance measurement activities, performance that has to be compared with a standard. An example of this is the financial audit of a company that assesses the company's performance through financial indicators. However, knowledge can not be measured as easily as stocks or financial resources, on the contrary: knowledge of a company include a wide range of items, from theoretical knowledge, technical and personal skills, work experience, organizational culture, the confidence of the employees, the ability to access expert knowledge inside or outside the company, etc. For these reasons, knowledge audit as a method of diagnosis should include more tools to evaluate all quantitative and qualitative factors related to the knowledge of a company.

Index Terms—audit, knowledge, organization, knowledge audit.

I. INTRODUCTION

In literature there are many definitions of knowledge audit, belonging to practitioners but scientists also, such as Ann Hylton and John Debenham [1]. In addition, questionnaires were developed to assess knowledge of the company and reports about Intellectual Capital elements. Although the nature of these instruments is different, in the literature they appear under the same name: the knowledge audit tools. It is obvious that there is a frame structure generally accepted regarding auditing knowledge, therefore, in this paper we try to present a simplified version of the audit knowledge, for educational reasons.

The purpose of this chapter is to provide SMEs managers a guide to understanding and implementing a knowledge audit. Based on the results of the audit, managers can initiate various actions to support effective use of organizational knowledge.

II. WHY MANAGERS SHOULD CONDUCT AN AUDIT OF KNOWLEDGE?

An audit of knowledge is important for the following reasons:

An audit of knowledge, properly applied, is a process that allows to obtain data about the company's knowledge. Considering the fact that in a knowledge-based economy the competitive advantages will have as a startup base the firm knowledge, this information must be properly analyzed, so that managers can identify

deficiencies in knowledge-based strategy of the company and act accordingly.

The firm's knowledge audit helps to evaluate and develop policies and programs of research -development and innovation, and also supports all processes and knowledge creation.

If the company preceeds to the reengineering, the knowledge audit is useful for identifying skills and valuable know-how that should be retained.

An audit of knowledge can be used to plan education and training programs for both employees and organization benefit.

Knowledge Audit provides information about assets that have value to the firm and the classical models were considered (Davenport and Prusak, 1998).

III. HOW TO IMPLEMENT A KNOWLEDGE AUDIT?

In the knowledge-based economy, knowledge is the source of competitive advantages, including the ability to learn, or the ability to learn faster, increased creativity, higher profit potential for development, better reputation and more. These advantages demonstrate that knowledge audit process is not an easy or a quick process. On the contrary, it is a complex, multidimensional, analytical, which aims to record all quantitative and qualitative variables related to knowledge and the ability to effectively use knowledge to create value (knowledge management). A qualitative variable is a variable that can be ordered by value. Examples of qualitative variables: sex workers (male or female), the department in which they work etc. Qualitative variables are used in the data analysis to group responses and to compare the values of quantitative variables, to obtain meaningful conclusions. The following lists provide examples of quantitative and qualitative variables to be assessed by an audit of knowledge:

Qualitative

- Position within the company
- sex
- Level of education

Quantitative

- a) Years of experience within the company
- b) Security felt the firm (high or low)
- c) The company's strategy
- d) Support
- e) Depth of knowledge held (low, medium, high)
- f) Time spent searching for information
- g) Time spent in meetings

A significant part of the literature devoted to knowledge management believes that knowledge audit is

the first and most important stage of knowledge-based development strategy. On the other hand, some experts and practitioners believe that the audit is just one tool available to the Knowledge Manager. While some researchers believe that knowledge management should focus on people and tacit knowledge, other experts audit knowledge structure model to contain elements of an information audit.

There are many approaches to auditing knowledge. The following are the most important steps that should not be missing from any audit, to highlight the most important and practical concepts:

Stage 1

In the initial phase should be ensured correlation between business strategy and knowledge management strategy. Performing audit team must consider the strengths of the knowledge held by firms competing on the basis of this analysis indicating areas where they should focus their learning company.

Stage 2

SY Choy [2] suggests that knowledge audit should continue with an explanatory session for staff and departments which performed the audit of the firm. The objectives of this session are:

To briefly present the audit objectives involving knowledge, to allay fears and to persuade to have a positive attitude towards audit

To ensure that knowledge audit focuses on the correct items and get support managers in departments affected.

Step 3

At this stage it is developed the audit questionnaire underlying knowledge and is tailored to meet the specific needs of the company. Knowledge audit questionnaire is a general model questionnaire. In addition, the knowledge audit based on information obtained in steps 1 and 2, is adapted to the questionnaire. At this stage, researchers formulate questions correctly, use company terminology, organize pilot surveys, analyzes requirements of business knowledge, requirements which include questionnaires etc.

Step 4

The survey. At this stage, the knowledge audit team has to decide which method to use for data collection. Some experts suggest that respondents should first read the questionnaire and then be interviewed. Other experts feel that after completing the questionnaire should follow a discussion to clarify issues. The audit team should plan interviews with all employees. Audit experience of previous projects shows that this type of knowledge interviews last longer than others and should be taken so that respondents are encouraged to answer honestly.

Stage 5

Data analysis and evaluation. This is one of the most important stages of the audit. The statistical methods used here depend on the format in which employees responded to various questions.

Step 6

Presentation of results and preliminary discussions on these results. Audit results should be presented first to managers, before preparing the final report. This step is

necessary because managers can explain certain issues arising from the audit or may require the audit team to refine some conclusions.

Step 7

Presentation of the final report. Final report will be accompanied by an action plan, a number of measures and proposals, to be used by managers in adopting and implementing decisions.

IV. INFLUENCING FACTORS OF KNOWLEDGE AUDIT SUCCESS

A. Audit Knowledge is not an Easy Process

To get the best results from an audit of knowledge the organization must accept results based on evidence as presented by the audit team and act quickly based on significant aspects of the final report.

A knowledge audit success factor is the acceptance, by senior management of the firm, that audits can be conducted by any employee of the firm and can not be integrated into current tasks [3]. The knowledge management refers the most complex and valuable assets of the organization.

B. Support Senior Management of the Organization

Ann Hylton [3] points out that one of the biggest difficulties that can arise in an audit is to obtain long-term support managers to take decisions on the allocation of company resources.

C. Audit Knowledge must Have Clear Objectives [4]

A knowledge audit is a quick and simple process. Therefore the time and effort involved must be based in a clear objective and a set of actions to be taken based on the audit results. Given the personal nature of knowledge, knowledge workers can perform audits as an assessment of what they know and what they do not know. This perception may have serious consequences on the audit. One solution is to provide audit knowledge as "knowledge assessment" or "reviewing knowledge" [5], to improve the response rate.

D. Tacit Knowledge is a Priority for Audit

When performing the audit, the audit team should consider the fact that up to 80% of a firm's knowledge is tacit. Therefore, you should not spend too much time and energy on explicit knowledge. Audit of tacit knowledge is a big challenge, often being necessary expert assistance.

It is important to work with the Human Resources Department during evaluation of tacit knowledge. On the other hand, if a department evaluates specific processes, it is necessary to cooperate with the department manager [5].

E. The Audit of Knowledge Must be Focused on People

Each member of the organization creates, collects and disseminates knowledge, even if it is only small teams or departments. It should also be recognized or potential contribution to each person. The audit will be at the

center of knowledge workers but will not be marginalized any person during the audit process.

F. Encourages People Audits

Employee Expectations are high from the knowledge audit: audit they hope will enable them to share experiences and knowledge they hold

G. We Must Apply Regularly Knowledge Audit

Factors influencing knowledge and their use are constantly changing, so it is necessary to create a dynamic environment in the company. For knowledge management to create long-term results, knowledge audit should be planned in advance at regular intervals. Moreover, the first audit may have surprising results about knowledge that managers will want to examine in detail. Implement regular audits show progress knowledge of qualitative and quantitative variables influencing knowledge management policy. [6]

V. CONCLUSIONS

To get the best results from an audit of knowledge, organizations have to pay attention to the process and it will not start until you they are truly ready. The organization must accept results based on evidence as presented by the audit team and act quickly based, on significant aspects of the final report.

The success of the knowledge audit is the acceptance by senior management of the firm of the fact that audit can be conducted by any employee of the firm and can not be integrated into current tasks as knowledge management refers to the current more complex and valuable organization.

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