

Chapter 6

A Model for Knowledge Management and Intellectual Capital Audits

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ABSTRACT

Due to contradictory results obtained in knowledge management (KM) initiatives, a model of audit is presented. The main action in the international project “Strategi” is the development and application of a model to diagnose and propose suitable recommendations concerning the management of knowledge and intellectual capital of a firm. A brief description of the model is presented after the exposition of its key scientific assumptions.

INTRODUCTION

In the last decade, the importance of knowledge has been highlighted by both academics and practitioners (Hislop, 2003; Braganza, 2004). Nowadays, knowledge is the fundamental basis of competition (Zack, 1999) and, particularly tacit knowledge, can be a source of advantage because it is unique, imperfectly mobile, imperfectly imitable and non-substitutable (Ambrosini & Bowman, 2001). However, the mere act of processing knowledge itself does not guarantee strategic advantage (Zack, 2002); instead, knowledge has to be managed. Skyrme (2001) defines Knowledge Management

(KM) as the explicit and systematic management of vital knowledge - and its associated processes of creation, organization, diffusion, use and exploitation. This conceptualization concerns about three basic ideas. Firstly, organizations need to have a clear attitude and constant efforts to KM. Secondly, companies have to focus on managing core knowledge (both explicit and tacit) due to limited resources. Finally, KM is a process composed by a set of different knowledge activities, which need to be properly managed.

From academic perspective, KM principles have been studied and implemented in every organizational discipline (Chourides et al., 2003) and related to many aspects, including strategy (Snyman & Kruger, 2004), human resources (e.g. Bierly &

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