

Auditing Knowledge

by Olivier Serrat

Knowledge audits help organizations identify their knowledge-based assets and develop strategies to manage them.

Definition

Developing a knowledge-sharing culture is a change process on the way to better organizational performance. To achieve that change, an organization needs a vision of where it wants to be and an accurate picture of where it is now—that is, its current reality. A knowledge audit is one way of taking that picture.

What is a knowledge audit? The traditional concept of an audit is an evaluation of a person, business, system, process, project, or product by an independent third party. Financial audits are well understood. They examine the financial statements of a company to check performance against standards. A knowledge audit works differently, and some demystification is called for. It is by and large—granted differing objects, breadth of coverage, and levels of sophistication—a qualitative review (or inventory, survey, check) of an organization's knowledge health at both the macro and micro levels. The defining feature of a knowledge audit is that it places people at the center of concerns: it purports to find out what people know, and what they do with the knowledge they have. It can be described as an investigation of the knowledge needs of an organization and the interconnectivity among leadership, organization, technology, and learning in meeting these. Put in a different way, a knowledge audit is an investigation of the strengths and weaknesses of an organization's knowledge, and of the opportunities and threats that face it.

Purpose

A knowledge audit can have multiple purposes, but the most common is to provide tangible evidence of what knowledge an organization needs, where that knowledge is, how it is being used, what problems and difficulties exist, and what improvements can be made. Although there can be no blueprint, a typical knowledge audit will—not necessarily at the same time or level of detail¹—query the following:

- What are an organization's knowledge needs?
- What tacit and explicit knowledge assets does it have and where are they?
- How does knowledge flow within the organization, formally and informally, and to and from clients and relevant organizations?
- How is that knowledge identified, created, stored, shared, and used?
- What obstacles are there to knowledge flows, e.g., to what extent do its people, business processes, and technology currently support or hamper the effective movement of knowledge?
- What gaps and duplications exist in the organization's knowledge?

¹ The audit could span the whole organization, but preferably cover constituent parts of it. For the same reason that opinion polls do not sample the entire population, marginal returns diminish as the scale of related exercises increases. The same consideration applies to the number of questions that might be posed.

Deliverables

Deliverables from knowledge audits are multiple, and can impact organizational performance and the individuals and groups associated severally with it. Not all can be quantified. Regardless, to be of any use, benefits cannot just be shown; they must be realized. Specifically, depending on its thrust and coverage, a knowledge audit can be expected to:

- help the organization identify what knowledge is needed to reach its goals and support individual and group activities;
- recognize the knowledge created and help assess its value and contribution to organizational performance, thus making it more measurable and accountable;
- give tangible evidence of the extent to which knowledge is being effectively managed and indicate where changes for the better should be made;
- identify intellectual assets and facilitate the creation of an intellectual asset register;
- distinguish pockets of knowledge that are not being used to good advantage and therefore offer untapped potential;
- review the use of external knowledge and suggest ways in which it might be used to better effect;
- assess the use and effectiveness of knowledge products such as flagship publications, how valuable they are, and how they might be improved;
- circumscribe knowledge flows and current bottlenecks within those flows;
- make out present and future knowledge gaps;
- develop knowledge and social network maps of the organization;
- supply data and information for the development of knowledge management initiatives that are directly relevant to the organization's specific knowledge needs and current situation; and
- pinpoint quick wins that could be implemented easily to produce clear, tangible, and immediate benefits.²

Knowledge audits might be small and discreet. But they must all give a clear direction regarding what can be achieved and must engender a realistic expectation of what might then be done with requisite resources. They must also create active interest and highlight important facts to management. They will work best if their original purpose is discussed in some detail before the audit begins. Reporting may be done both through short written reports, presentations to managers—preferably one at the divisional level and another at the departmental level—and collation of detailed results for later use.

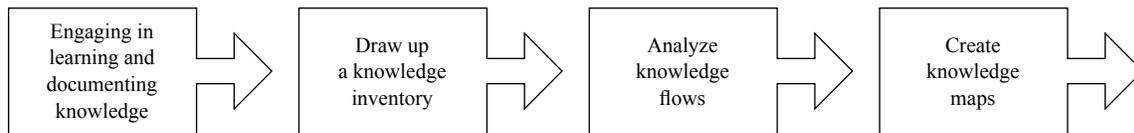
Constituents of Knowledge Audits

The typical constituents of knowledge audits, each of which can be conducted at different levels of complexity using a variety of tools,³ are shown in the figure.⁴ They are preferably, but not necessarily, in order: knowledge needs analysis, knowledge inventory analysis, knowledge flow analysis, and knowledge mapping. Throughout investigations, elements of knowledge, relationships, context, and external environment should be borne in mind, together with the fact that about 80% of an organization's knowledge is tacit—the greatest challenge lies in the audit of that.

² Benefits can come in a range of forms and need not represent a radical overthrow of organizational structures and systems. They can include smoother induction of new employees; insights for coaching, mentoring, and training; more congenial working relationships between people across the organization; a more positive working environment; improved use of internal and external knowledge products and services; easier retrieval of data, information, and knowledge across the organization; enhanced quality and consistency of data, information, and knowledge; fewer obstacles to knowledge sharing; more efficient work processes; superior work flows; higher quality client service delivery; and better transfer of knowledge from departing employees to successors or replacements.

³ The common tools used for knowledge audits are face-to-face and telephone interviews; structured, semi-structured, and unstructured questionnaires; workshops; focus group discussions; and online consultations. Other data and information can be gathered by referring to the documentation of the organization, conducting direct inspections, and examining the information and communications technology infrastructure, including the organization's website.

⁴ Naturally, in a large and diverse organization, the dimensions and conduct of a knowledge audit will differ radically from that applicable to a small, less complex one.

Figure: Knowledge Audit Constituents

- **Identify Knowledge Needs.** The objective of knowledge needs analysis is to identify what tacit and explicit knowledge individuals, groups, and the organization possess; and what knowledge they might require in the future to perform better. The analysis can help an organization develop strategy. Besides shining light on bread-and-butter wants, it can also draw attention to staff skills and competency enhancement needs; opportunities for staff learning and development; organizational culture practices concerning leadership, collaboration, team work, and the performance management and rewards system; and staff relationship with management, peers, and subordinates.
- **Draw Up a Knowledge Inventory.** Knowledge inventory analysis is stock-taking to identify, locate, and document existing knowledge assets. It involves, to the extent possible, counting, indexing, and categorizing tacit and explicit knowledge. For explicit knowledge, the analysis might cover numbers, types, and categories of documents, databases, libraries, intranets, hyperlinks, and subscriptions to external knowledge resources; knowledge locations in the organization and in its systems; the organization and access of knowledge; the purpose, relevance, and quality of knowledge; and use of knowledge. For tacit knowledge, the analysis might relate to staff directories and academic and professional qualifications, skills and core competency levels and experience, staff learning and development opportunities, and leadership potential in employees. An organization will be able to identify knowledge gaps and areas of duplication by comparing the results of the knowledge inventory analysis with those of the knowledge needs analysis.
- **Analyze Knowledge Flows.** Knowledge flow analysis investigates how knowledge moves from where it is to where it is needed in an organization, revealing good and bad practices. The analysis determines how employees find the knowledge they must have, and how they share what knowledge they have. Knowledge flow analysis should examine people, business processes, and technology. Regarding people, this entails exploring attitudes toward—and experiences, beliefs, values, and skills in—knowledge sharing. In relation to business processes, one should look at how people go about their daily business and the extent to which identification, creation, storage, sharing, and use of knowledge forms part of that; policies and practices concerning knowledge flows, for instance, on data and information handling, management of records, or web publishing. For technology, there should be a focus on information and communications technology infrastructure, such as portals, content management, accessibility and ease of use, and current levels of usage.
- **Create Knowledge Maps.** Knowledge maps—whether they are real, Yellow Pages, or specially constructed databases—are communication media designed to help visualize the sources, flows, constraints, and sinks (losses or stopping points) of knowledge within an organization. They can specify, for instance, creators, critics, collectors, connectors, and users of knowledge. They are useful navigational guides to tacit and explicit knowledge and underscore importance, relationships, and dynamics, for example, within social networks. They can flip perspectives on knowledge from bottom-up to top-down, and focus knowledge management initiatives on the highest potential opportunities.

Further Reading

ADB. 2008. *Auditing the Lessons Architecture*. Manila.

Available: www.adb.org/documents/studies/auditing-lessons-architecture/IN371-07.asp

For further information

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