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# Knowledge management and public records compliance: a forgotten world

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**Knowledge Management and Public Records Compliance: A Forgotten World**

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## **Knowledge Management and Public Records Compliance: A Forgotten World**

### **Abstract**

Tertiary institutes in New Zealand are being challenged by the need to make headway on Public Records Act (PRA) compliance. This aspect of knowledge management has been hitherto largely neglected. Furthermore, the actual implementation of knowledge management systems, where the rubber hits the road, is still developing at a time when ensuring that one's knowledge base is not lost as staff move jobs, retire or are retrenched. This case study focuses on the strategy and implementation processes of a tertiary institution and the steps taken towards compliance. It examines the strategies employed to support the organisation's growth and viability, and identifies issues contributing to a mismatch between the underpinning records systems, and operational needs. The institution has instigated an implementation plan to address this misalignment of strategies, and to address both the need for effective systems to support the organisation's core activities, and the need for legislative compliance.

### **Knowledge Management**

At its most basic level knowledge management concerns the way in which organizations obtain knowledge, interpret and distribute information, and remember what they have learned (Huber 1991). For many organisations it has become evident that in a rapidly changing and globalised environment knowledge management has become a competitive asset (Davenport et al 1998; Gupta et al 2002). Moreover, it has been shown that effective knowledge management systems may reduce operating costs, improve new product development and better customer service ((KPMG Consulting, 2000; Liebowitz, 2000; Levett & Guenov, 2000) .The casualisation of the workforce, high staff mobility, and a skills shortage in many western economies has raised the profile of knowledge management as a strategic issue (Gupta & McDaniel, 2002) and one that organizations are becoming compelled to involve themselves.

Most models of knowledge management describe stages that focus on creation, development, acquisition, refinement, distribution and deployment, and leveraging (Wiig, 1999). Others describe processes such as scanning, problem solving, abstraction, dissemination, absorption and impacting (Pike & Roos, 2001). Many organizations have taken the stance, wrongly in our view, that knowledge management is purely a technological issue (Hauschild et al., 2001). However, Lim and Hase (2006) contend that these models don't help in understanding how knowledge management is actually practiced. From a practical point of view knowledge management needs to assist in understanding how knowledge actually helps in performing daily work (Davenport, 1998 et al; Gore & Gore, 1999; Salisbury, 2003) rather than more abstract principles. In short, it is the operational issues that actually concern organizations when it comes to knowledge management (Lim & Hase, 2006).

Knowledge management does not operate in a vacuum, and practices need to be aligned with business strategies and core competencies of an organization (Clarke, 2001; Hariharan, 2002; Martin, 2000; Wiig, 2000). It is a complex undertaking and needs to be considered in the light of the organisation's culture and needs, and implementation may not be all plain sailing (Barth, 1999; Bennett and Gabriel, 1999; Davenport et al., 1998; Ruggles, 1998).

This paper includes a case study that demonstrates the linking of knowledge management to the strategic intent of the organization and, in this case, promoting strategic change. The focus of this knowledge management exercise is records management in a higher education institution in New Zealand. Records management issues arose within the context of rapid organisational growth and development for the organization, on the one hand, and in a climate of increasing demand for compliance by government, on the other. These two forces acted to create a major challenge, in the shape of change, for the organization. Following is a description of how the organization went about this challenge and the lessons learned in the process.

## **The Challenge**

A stark reality for the organisation was that it was facing significant challenges in order to be prepared for an external audit process implemented for recordkeeping and archiving. Sadly, our archiving consisted of piles of boxes going moldy in the basements of several building across the campus where, presumably they could do no harm. The pictures of this record keeping are truly a sad reflection of neglect that confirm a total lack of interest of how we managed this critical aspect of our institutional knowledge.

The challenge was to address the legacy of processes that had evolved out of the very earliest years of the educational system. Thus there was little need for compliance when the storing of knowledge was nothing more than an inconvenience undertaken because of vague legal reasons.

The implication and effect of the ongoing momentum of this dated approach to records management had been that:

- Staff had little understanding of accountabilities that they may, or may not have, for records management
- Because there were no guidelines for what should be retained – people were diligent and kept everything no matter how irrelevant.
- A lack of a central classification approach meant that individuals, or discreet areas, devised their own systems and rules, meaning there were no standardised procedures for records management, except for the key central functions, of finance, human resources, student admissions, and student reporting
- Lack of consistent approaches and systems, has meant that records auditing or enforcement, and regular disposal, have been impossible
- As a result of there being no regular disposal, rather rudimentary storage areas have been progressively filled to overflowing.

In mid 2007, a situation analysis of the organisation's recordkeeping and archiving processes was undertaken by a consultant.

Key findings from this research were that:

- Current records are well maintained, and are available as required
- Student data was centralised in a student management system, and was readily accessed, and
- Numerous local systems appeared to operate quite well;

There were specific concerns that:

- Older records were often very difficult to locate reliably or quickly. This situation lead to problems including:
  - o Delays with provision of dated information, or
  - o The complete inability to locate all records pertaining to a particular issue, with resultant embarrassment, and potential liability, and,
  - o A dependence on memory, to work out the likely source of information, or location of 'missing' records. Fortunately, a number of staff had been around a while, and this option often works but it is definitely a poor system of knowledge management in even the medium term.

## **Strategic Factors**

One fundamental question was how the organisation had managed to get into such a position with this facet of its operations. It is quite apparent that the organisation had been very focused on developing a robust business model that was aimed at not generating financial deficits. As a consequence the organisation has not been in need of financial rescue by government.

The outcome of the growth and development over the past decade has been a change from the organisation being the 4<sup>th</sup> or 5<sup>th</sup> smallest in its class to being positioned somewhere in the order of 5<sup>th</sup> largest in the sector in 2007. The focus of management has been upon the implementation of strategies

that ensure we have a strong institution in our region. This is underpinned by the belief that management has a fundamental responsibility to operate proactively and sustainably for the benefit of all stakeholders.

“Ansoff’s Grid” (Fig 1 below) from Kotler (1994) is useful for illustrating the strategies used to achieve the goal of fiscal responsibility and sustainability.

	Existing Market	New Market
Same Service	<p><b>Existing Services;</b> Market penetration; increase the participation rates for face to face delivery</p> <p>Improve the physical environment for students using the campus</p>	<p><b>Offer existing services in new markets;</b> – e.g. Wigram Campus, for face to face delivery</p> <p>Convert existing programmes to <b>Flexible Mixed Mode Delivery (FMMD)</b>, and provide these nationally and internationally</p>
New Service	<p><b>Develop service range;</b> through introduction of new academic programmes</p> <p><b>Increase depth;</b> through introduction of programmes at higher levels – i.e. add on Diploma level and Degree level progression options</p>	<p><b>Promote programmes nationally and attract students to Southland</b> – via “Zero Fees” scheme</p> <p><b>Offer new services via FMMD; nationwide &amp; internationally</b></p>

Fig1: Ansoff’s Grid

As can be seen from the model above:

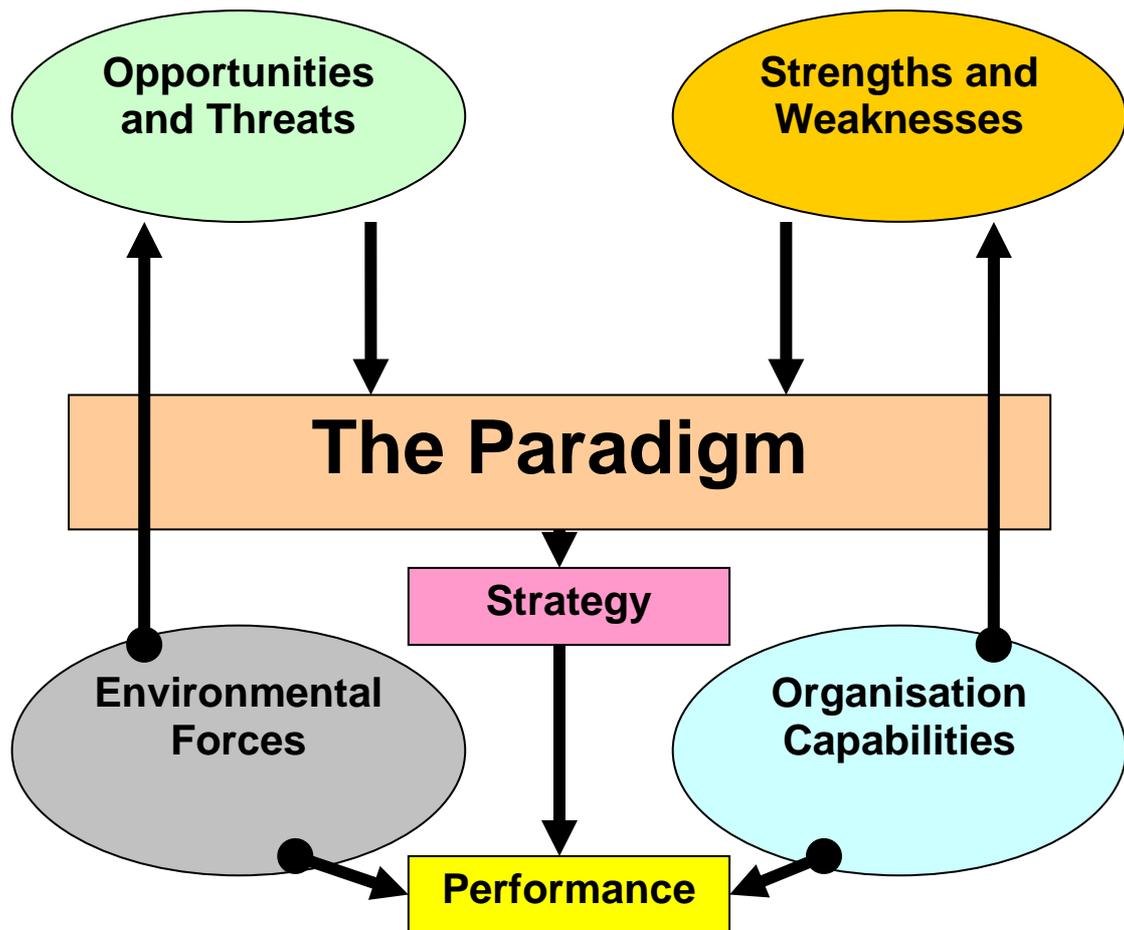
- Existing services were vigorously promoted in our traditional market, and the physical environment enhanced, in order to improve participation rates from the local community
- Existing services were developed for delivery in a major city, at a new campus; and nationwide, via a flexible mixed mode delivery (FMMD) system
- New services, based upon both broader scope of programmes through introduction of new disciplines, and programmes that were offered to a higher level including degree level, were introduced, and
- The “Zero-Fees” scheme that was introduced in 2001, was very successful in attracting students to our on-campus and FMMD programmes.

### Knowledge Management Myopia?

From a business point of view these strategies have worked well and the organization is flourishing.

However, despite the advances in capacity and capability resulting from the strategies for growth and expansion, there was a significant mismatch between the “marketing” and “product” strategies of 1998 and 2000, and the “recordkeeping and archiving” strategies which, except for innovations such as the computer network, and student management system, actually predate the 1980’s – a sign perhaps, of Knowledge Management Myopia!!

So why was nothing done about this situation earlier? The model below from Johnson & Scholes (2002), provides a good illustration of the factors at work here (Fig 2);



**Factors and Interactions: Figure 2**

The factors and interactions illustrated were observable in many management situations, and help to explain why organisations appear at times, not to respond to environmental forces in a logical or prompt manner. As illustrated, management teams quite naturally filter information about their internal and external environments through their operating “paradigm” – values, attitudes, priorities, objectives, and budgets; in other words, it is difficult for a group of managers to look at the strategic position of their operation in a completely detached, open minded, or non-aligned manner. It is significant that knowledge management is a strategic issue and needs to be aligned with general organizational strategy (e.g., Clarke, 2001; Hariharan, 2002; Martin, 2000; Wiig, 2000).

Managers appeared to have continued for an extended period of time operating under the assumption that the basic infrastructure of records and archiving were working in a satisfactory manner, and that the additions and solutions applied as issues arose, were allowing systems to keep pace with growth and development. Perhaps a component within the paradigm also signalled, “We don’t have time for this”, or, “This looks too difficult – let’s leave it alone!”. This response is not new to knowledge management practice for, as Levett and Guenov (2000) have pointed out, getting people to understand the relevance to daily practice is a major issue. Furthermore, knowledge management is an abstract construct that is not readily construed (Gupta & McDaniel, 2002). However, this barrier must be overcome because knowledge management practices need to become embedded in day-to-day organizational processes for its potential to be fully realized.

### **Change**

During 2006 a number of factors led to a break with the mindset regarding how well the organisation was being served by our records system. There was no single factor, no “records disaster” that forced a change, but there was a general understanding that there were external and internal operating pressures at work that could no longer be ignored.

The key external factor was the realisation that the Public Records Act would require us to take steps to improve recordkeeping operations. Managers perused the Archives NZ material available at that time, and decided that we were facing a challenge with regard to the organisations readiness for compliance.

Internal factors were clearly also important and managers were of the opinion that improved systems would provide some genuine operational benefits, including; consistency of approach, reliable searching systems, avoidance of duplication, improved security, and avoidance of risk. Conscious recognition of the benefits of knowledge management has been identified as a key success factor in implementing knowledge management systems

Once the Management Team decided to act upon the issues identified with recordkeeping and archiving, progress was achieved quite rapidly, as can be seen from the table of milestones on the following page.

The project team met for the first time, in April 2007. Other key milestones that followed were:

- 10 May 2007 – Managers agreed to a proposal from a Consultant.
- 2 July – Consultant began work on a situation analysis, and schedule of recommended remedial activities.
- 15 August – The CEO and Management Team accepted the Consultant’s report, and agreed to begin implementing the changes required.
- October – Workshops with the Management Team were undertaken within the institution, with the guidance of the Consultant – the product of this work was an “Information Charter”, and “Policy” basis for changes required by the revised systems
- November – Extensive work was undertaken by two staff members, to compile a detailed inventory of all forms of records in use by every section of the institute. This inventory formed the basis for a comprehensive records classification system, for introduction in 2008.

In 2008:

- Organisational archives have been relocated to compliant storage – with an external contractor
- Consultancy staff have finalised the records “Classification System”
- Appointment of a Records Officer to spearhead the implementation of new systems has been confirmed
- Documentation in support of the organisation’s own retention and disposal approval has been lodged with Archives NZ, and approval has been granted.

This experience so far was consistent with a model developed by Lim & Hase (2006) and that was derived from the literature and research on implementing knowledge management in the Malaysian aerospace industry. That model demonstrated four key concepts underpin any knowledge management implementation strategy. These were: raising awareness of the need for knowledge management, articulating the benefits, determining strategies, and developing internal factors to support implementation. The interested reader may like to look at the subcomponents of these concepts which provide a guide for action.

### **Implementation Issues**

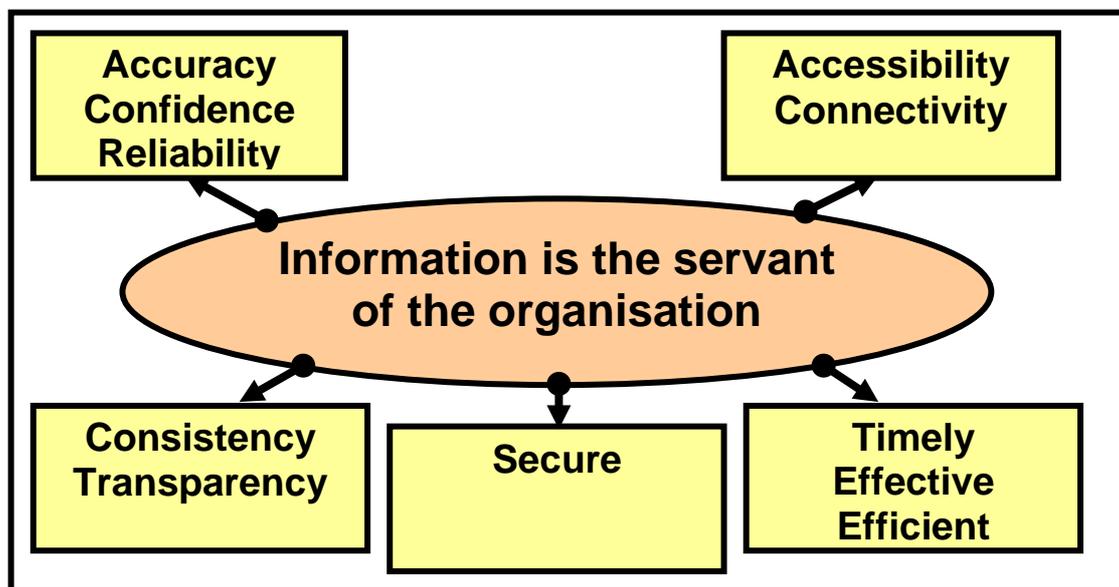
The project team, established to make progress with a records initiative, was initially comprised of three senior managers.

This, with hindsight, provided a number of advantages. Being close to the Management Team members, the project group was able to secure a high level of commitment from senior management in

general, and participation in Information Charter and Policy formation was assured. A commitment to a need for change was also established at an early stage.

It very quickly became clear to the project group that the experience and knowledge required to effect the substantial change required were not available within the organisation. Rather than devoting time to researching the best way forward through diversion of internal resources, it was decided to engage a consultancy to provide direction. Following a review of the consultancy options available, we asked a consultant to spend some time assessing the situation and advise a way forward. Since that time, we have continued to work closely with the consultant, and have been heavily dependent upon their advice and direct input. Discussions with an archiving contractor, also began early in the project, and a contract signed with the company before the end of 2007.

As mentioned earlier, the first stage of our work with the consultant was the completion of an analysis and action plan. This rapidly progressed onto the development of an 'Information Charter'; the result of a Management Team planning session, facilitated by our consultant (Fig 3 below).



**Information Charter: Figure 3**

### **SIT Information Charter**

The Charter was intended to capture what the organisation valued, with regard to management of information, and forms the basis of new policy.

A policy framework followed shortly afterwards, and has now been formalised and approved by the organisation.

Key areas for attention within the policy are matters relating to information:

- Ownership
- Privacy
- Security
- Retention and disposal
- Archiving
- Internet and email use

To this point in time, it is reasonable to conclude that the process has been fairly directive rather than consultative; 'top down' and centralised. In most development projects established in the organisation

there is normally wide consultation, both internally and externally, and representative working groups established to progress the initiative. In this sense the 'Records' project is something of an anomaly, based largely on the fact that the development is so 'new' to the organisation; as noted earlier, the knowledge and experience lay outside the institution, so we tapped into external advisors, rather than internal resources.

Managers have kept staff informed of what we are doing, at Faculty meetings, and training sessions. Feedback indicates a good measure of support for the actions taken so far; but managers haven't asked anyone to actually change their practices yet! In keeping with implementation of knowledge management systems this will need to involve a high level of consultation (e.g. Lim & Hase, 2000). In fact as many knowledge management writers acknowledge it is the people factors that pose more problems than the technical in implementing knowledge management (Davenport et al. 1998; ; Pfeffer & Sutton 1999).

The next stage, which clearly must involve an ever increasing number of staff at the operational level, will be much more challenging, as managers introduce the new classification system, and make requirements with regard to how things are to be done.

During 2008 managers will need to focus on a number of priorities...

- Initial implementation will be based first on selecting an area, or areas, then working closely with staff involved, and installing systems and processes that match the new classification and policies.
  - A few 'wins' during these early stages, are expected to make the spreading of the changes more acceptable, and will also have the potential to reduce resistance in other areas
  - These initial implementations will provide some useful learning, to apply as the process continues.
- Central to the success of the strategy, will be the role of a recently appointed Records Officer
- All involved in the introduction of new processes will need to resolve issues constructively as they arise
- Also required, will be training to support new practices, or at least mentoring, to assist with familiarisation with new ways of doing things.

It is essential that we build these developments into roles in a positive manner; so that the new approach quickly becomes 'business as usual'.

Our initial focus is on managing our hard copy records. We have established that we are a very 'paper' based culture, and getting this material in order is the first priority. Policy now states that the 'official' record of the organisation is hard copy.

The system we establish for paper records will provide a framework for later improvements to our electronic records system.

Upon advice from our Consultant, management will plan to invest in an electronic Records and Document Management System in future, perhaps two or three years hence. It is understood that without this, achievement of legislative compliance will be very difficult.

### **After Action Review**

There is a clear understanding in the organisation, at all levels, that the 'status quo', with regards to records and archiving, is not an option. We are fortunate that dated systems and processes have not – to this point at least – caused the institute a major problem or created a litigious situation.

Change is well under-way. A key achievement from the past year has been development of a clear understanding amongst those directly involved, of what is actually needed to make progress. The second very significant step has been the generation of an inventory of records and their relative importance, and purpose, in order to allow development of a classification system.

We now expect to make significant and rapid progress with achieving the action plan to install improved systems and processes, that are of benefit to the organisation's operations, and to move the institute well down the path to recordkeeping and archiving compliance.

## Conclusion

This paper has presented a case study involving a knowledge management project within a tertiary institution. While the focus was only one component of an organizational knowledge management system it was important for a couple of reasons. Firstly, little has been written about practical, day-to-day issues such as record keeping especially when it involves something of a cultural transition. The second is that descriptions of how knowledge management projects have been implemented are scarce. What research has been done has been largely confirmed by this case study, as indicated in the text.

Overall the findings of a literature review and recent research (Lim & Hase, 2006) have been supported. Thus, there appear to be four main factors that determine success in implementing knowledge management practice: awareness cultivation; objectives definition; strategy adoption; and actions implementation.

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