University Governance in Uncertain Times: Refocusing on Knowledge Creation and Innovation

DEBORAH BLACKMAN, MONICA KENNEDY, JAMES SWANSSON AND ALICE RICHARDSON

National Institute of Governance, University of Canberra, Australia

Abstract

Knowledge, its creation, development, dispersion and institutionalisation in organisations is a complex topic and one that attracts much attention in both academic and management literatures (Choo & Bontis, 2002; Davenport & De Long, 1998; Davenport & Prusak, 1998; Spender, 1996). The relationship between knowledge and organisational performance is often drawn and particular reference is made to the importance of knowledge in contexts of ubiquitous and increasingly fast-paced change (Prusak, 2001). University governance is not immune to the impacts of this environmental flux; indeed, the ability of higher education institutions to adapt to their contexts is cited as critical to their continuing relevance and effectiveness in contemporary settings (Teodorescu, 2006). Understanding the nature and role of knowledge in this relationship is a central concern in the current global interest in governance.

This article explores the roles of the Academic Board and the University Council as sites of knowledge production in uncertain times. Based on earlier work on constructions of knowledge in these forums (Blackman, Kennedy, Richardson, & Swansson, 2006) and focused on information and knowledge flows within and between the two entities, this article discusses opportunities for improving the university's performance through a shift in focus in its governing bodies. While we do not claim that the issues that limit knowledge creation in the university are simple ones, we do suggest that the introduction of notions of creativity and imagination to the discussion of university governance would highlight opportunities for organisational improvement.

*Keywords***:** Governance, Knowledge Management, Innovation, Universities

Discussion of knowledge in organisations mirrors the preoccupation in contemporary organisational theorising with the impact of ubiquitous and increasingly fast-paced change (Prusak, 2001). Impetus for the emergence of a knowledge focus in organisations, and its subsequent development through knowledge management theory and practice, grew out of the identification of knowledge as a strategic asset of capital value in individuals, corporations and nations (a range of perspectives are offered in the work of Choo & Bontis, 2002; Davenport & Prusak, 1998; Spender, 1996). It is now widely accepted that knowledge continues to be a principal force of production, as it has been for recent decades (Lyotard,

2004). The literature on knowledge and universities currently focuses on the role of universities as creators of new knowledge via research and education (Scott, 1997; Sizer, 2001), but it should not be forgotten that universities are organisations that will need to utilise knowledge to develop competitive advantage, just as any other business entity would need to do (Cutcher-Gershenfeld, 1998; Nonaka, Toyama, & Nagata, 2000).

In describing the development of knowledge management, authors often begin by defining two distinct perspectives that pivot around (a) civilisations' management of tacit knowledge through focused learning (Wiig, 1997, p. 9) or (b) management of explicit knowledge through the development of libraries (Ives, Torrey et al., 1998; Scarbrough, Swan et al., 1999). These two understandings of knowledge management reflect the dual paradigm (Gloet & Berrell, 2003) described by Swan and Scarbrough (2001, p. 917) as a Cartesian separation between 'knowing subject' and 'knowable object'. This separation was apparent in definitions of knowledge and knowledge management in the organisational literatures throughout the 1990s and continued to dominate discussion in the field into this decade.

Contemporary perspectives on knowledge management

In recent times, however, the literatures have become increasingly preoccupied with exploring the multiplicity of conceptions of knowledge and the relationship between these various epistemologies and the practices of knowledge management, recognising more holistic and embodied perspectives (Elkjaer, 2004; Nonaka & Toyama, & Konno, 2000; Søndergaard, Kerr, & Clegg, 2007; Thompson & Walsham, 2004).

A new age of knowledge management has evolved out of the recognition of the complexity and elusiveness of knowledge, its situatedness, plurality and entwinement with human understanding and interaction (Cross & Israelit, 2000; Kennedy, 2007; McElroy, 2000; Scarbrough, 2003; Snowden, 2002; Spender, 1996; Wenger, 2004). The value of knowledge for organisations and their members is increasingly linked with its construction (Visser, 2005) within rapidly changing, often ambiguous and very specific contexts as well as in social settings (Stacey, 2003). Knowledge is discussed in the literatures as being held between individuals and collectives, as well as organisational processes and systems in stock as well as flow. Recognition of the personal yet collective nature of knowledge is leading to a consideration of the personal and sociological needs of individuals and collectives in knowledge genesis and learning. Additionally, the influence of political, structural and cultural organisation environments on the phenomenon of knowledge (Elkjaer ,2004) and its availability and use to the organisation are similarly brought to the fore in 'third age' (Snowden, 2002, p. 100) or 'the new knowledge management' (Firestone & McElroy, 2002, p. 2).

This developing focus on the epistemological underpinnings of knowledge management theory and practice progresses alongside developments in complexity theories and their application to organisational contexts. Complexity theories focus on the dynamics of interaction, self-organisation, connection, holism and emergence (Anderson, 1999). A complexivist view shifts focus from assumptions of clear and linear relationships between action and effect, reductionism and direction to the emergent outcomes of nonlinear interaction.

While the theoretical development of knowledge management can develop quickly alongside the growing complexity and increasing pace of change in organisational environments, organisational practice may lag. While universities have always recognised their role as the producers of knowledge through research (Scott, 1997; Sizer, 2001) there is little evidence that the structures that have traditionally maintained the organisation's role in teaching and developing research knowledge for dissemination have equally evolved to support the institutions' increasing need not only to continually develop and adapt, but also to actively engage in innovation and knowledge creation in their governance and operation.

The perceived divide between developing theory and practice in the higher education sector prompted this current investigation of knowledge processing within the single case of an Australian university.

The study

The study described here sought to determine how knowledge is created, shared and transferred within university structures in order to explore the application of contemporary theories of knowledge management and areas for potential improvement and enhanced systems for knowledge development. In order to gather rich data about perceptions of knowledge the research drew on observations and semistructured face-to-face interviews with members of Academic Board and Council. Five observations of each committee were undertaken, totalling in excess of 40 hours of observation. The observers used protocols designed to record where knowledge was recognised as being used, shared or created. They then noted the type of knowledge being discussed, from where it emerged and to where it was transferred. Five interviews were undertaken with members of Council and Academic Board (all those interviewed sat on both committees). The interviewees were chosen to give a range of views of the committees — they included a staff elected member, a student member, two previous chairs of Academic Board and the Vice Chancellor. Between them, these participants had sat on a range of council subcommittees including Finance, Information Technology, Campus Development and Resources, and Academic Board subcommittees including Education, Admissions and Student Services. Three of the interviewees had also been members of the Vice Chancellor's Advisory Committee which, while not a formally constituted governance committee, had been highly influential in university decision-making. Its membership included all of the heads of academic and administrative divisions in the organisation.

Each interview took one hour and followed a semistructured format in which participants were asked about their role in Council; how they understood knowledge; where, in their view, knowledge was created within the university structure; and the impacts of the way knowledge was or was not created and transferred upon effective corporate governance. The study was endorsed by the university's ethics committee and the observations of committee meetings and transcripts of interviews were transcribed and analysed using the NVivo™ qualitative analysis tool.

Three key themes emerged in the data and these were further investigated through interrogation of the full data set: where and if knowledge was being created within the university governance structures; whether knowledge was being effectively distributed

throughout the university; the role of knowledge within University Council and Academic Board.

Findings and discussion

Patterns and relationships in the data illustrated that both Academic Board and University Council perform predominantly as knowledge processing bodies — transferring commodified knowledge between structures and members (Blackman, Kennedy et al., 2006). The argument is made by members of Council and Academic Board that knowledge creation should not be occurring in these forums, that their role is to ratify and confirm knowledge and decisions that have been transferred to them. They would argue that knowledge creation happens in the subcommittees that feed into Council and Academic Board. Members of these committees discussed the need for innovation, for 'think tanks', new strategies and collaboration; however, these were discussed in terms of the committees' role in arranging workgroups to do this thinking and collaborating. There was no discussion in board or at council that indicated these groups considered these active development roles to be ones they should assume.

This illustrates that the intended model for knowledge development and transfer was that knowledge would be created within subcommittees and then transferred to relevant governance structures in the university. However, the data indicated that this was not what was actually occurring. Subcommittees might be creating knowledge useful to the organisation's progress and using this to make recommendations and decisions; however, the recording mechanisms reduce the transfer to bare information, stripped of the context and process of knowledge production and of any meaning. What is finally reported and ratified at University Council and Academic Board are a series of decisions, which enable control but not knowledge development.

Given that the literature and recent research recognises that knowledge is not that which can be easily transferred through channels such as committee minutes, then there must be a recognition that any knowledge that may be created in these sites is not transferred to Council and Academic board effectively. Proof of this is that if one tries to track the knowledge used to make decisions, this proves to be almost impossible. There is a clear audit trail of decisions, but not the reasoning and understandings underpinning these decisions.

An important implication of this is that any new knowledge created at committee resides solely within the individuals who took part in any decision-making process — mostly tacit and usually unrecorded. When new decisions are being made, dialogue in committees will only enable previous knowledge to be used, provided those individuals are still with the organisation and they are involved in the decision-making process. If not, the competitive advantage that such knowledge might provide will be lost. While novelty and innovation may occur as a result of new people and new ideas, it is also possible that the current structures and precedent will lead to a re-creation of past ideas with no experience of the previous utility.

A related knowledge management problem in this case, and a strong theme in the data, is that the processes at Academic Board and at Council are focused on attempting to restrict the impact of external change on the organisation by increasing control mechanisms, rather than by innovating to adapt to environmental turbulence. Examples obtained through

observation highlighted the committees' preoccupation with monitoring the progress of draft policy and approving decisions made elsewhere, with very little comment or challenge. Presentation of reports, feedback from committees and papers tabled for review consumed the vast majority of time and effort in both committees. While there was some development of definitions, which required minimal creative discussion, generally the committee process limited knowledge development, placing the focus instead on information transfer. This focus was reinforced within the committees, members being censured at times for challenging the information presented to the group.

The structures' focus on cementing process and maintaining stability is in direct contradiction to the current theoretical discussion of appropriate knowledge strategies in environments of flux. These strategies, similarly, appear antithetical to improvements to the university's progress in increasingly uncertain times.

Implications for effective knowledge management in the university

An important shift in improving effective knowledge strategies in the organisation will involve the reconceptualisation of the role of knowledge in the university. For there to be a change in the way that universities undertake knowledge management there will need to be a move away from a perspective focused on the output of knowledge through research and education, to one that accommodates knowledge creation as an everyday activity critical to its adaptation to the changing environment and to its success. According to Fahey and Prusak (1998) one of the most common errors in effective knowledge management is to ignore the fact that it is impossible to manage something that has never been identified or discussed. Universities need to engage in a conversation that clarifies the nature and the role of knowledge in their strategic development.

The nature of knowledge is represented in the literatures through rich epistemologies, which highlight its complexity. Recognition of the complex nature of knowledge would prompt the rethinking of governance structures so that this complexity could be accommodated. The importance of the creation and distribution of knowledge, rather than the transfer of information, would become the priority. In practical terms, this should lead to a change in the membership, structure and recording of subcommittees. For any decision, the likely whereabouts of knowledge relevant to it would need to be considered to enable new connections and conversations to occur (Cook & Brown 1999; Davenport & Prusak 1998; Teodorescu, 2006). Should the current subcommittees' membership not reflect an opportunity for such knowledge to emerge, new members need to be sought in order to promote novelty and innovation. The structures to support this knowledge development will necessarily be more fluid and emergent, enabling complex networks that are created and disbanded as knowledge is created and distributed in response to changes in the organisational context.

This self-organising membership and structural redesign accommodates adaptation, providing opportunities for multiple connections and interactions, strategies that promote the emergence of new knowledge and the holistic representation of knowledge as central to organisational performance. In these fluid structures, what is recorded has to change. While decisions are important, the meaning making, knowledge used, knowledge created and new connections made are equally important. Consequences, both planned and emergent, will also need recording in order to track the patterns of knowledge creation and distribution that contributed to the final outcomes. The importance of being able to review knowledge, ideas

and understanding — as well as decision points and the information transferred needs — to be recognised if knowledge is to be used to support effective management. Knowledge management becomes an intrinsic part of the university's governance, rather than the recording of commodified information held in minutes but with no contextual richness to explain how it emerged.

Conclusion

This article explored the knowledge creation and distribution processes contributing to university governance in contexts of change. It has been argued that, in fact, knowledge creation is not occurring within University Council or Academic Board and that what is being distributed is mostly information about decisions already taken, with little underpinning explanation. We progress from this representation of current practice to introduce what the literatures would suggest is a more appropriate knowledge focus for governing bodies in the current higher education climate. It is argued that for effective governance, the role of knowledge and some understanding of what it is need to be actively discussed in these forums in order that processes are developed that enable the organisation to benefit from the knowledge located within the wider university.

As a part of this, it is recommended that the university recording procedures and mechanisms are changed to reflect not only the decisions made, but also the knowledge and ideas used to develop such decisions. The focus will change from control to challenge, where the role of the governance structures shift from cementing policy to encouraging innovation within both the committee structure and the distribution and capture of ideas informing decisions throughout the university.

Overall, this article, while limited in being a single case study, indicates that there needs to be a greater awareness of the importance of knowledge, not just as a product of universities' research but also as a source of competitive advantage that needs to be managed within university governance processes.

References

Anderson, P. (1999). Complexity theory and organization science. *Organization Science, 10*(3), 216–232.

Blackman, D., Kennedy, M., Richardson, A., & Swansson, J. (2006). Why organisations should consider how they conceive knowledge. *actKM Online Journal, 3*(1). Retrieved February 21, 2008, from http://www.actkm.org/userfiles/File/actKMjnl/2006/Why%20organisations%20should%20consider%20how%20they%20conceive%20knowledge.pdf

Choo, C. W., & Bontis, N. (2002). *The strategic management of intellectual capital and organizational knowledge*. New York, Oxford University Press.

Cook, S., & Brown, J. (1999). Bridging epistemologies: The generative dance between organizational knowledge and organizational knowing. *Organization Science, 10*(4), 381–400.

Cross, R., & Israelit, S. B. (2000). *Strategic learning in a knowledge economy: Individual, collective, and organizational learning process*. Boston, MA: Oxford, Butterworth Heinemann.

Cutcher-Gershenfeld, J. (1998). *Knowledge-driven work: Unexpected lessons from Japanese and United States work practices*. New York, Oxford University Press.

Davenport, T. H., & De Long, D. W. (1998). Successful knowledge management projects. *Sloan Management Review, 39*(2), 43–58.

Davenport, T. H., & Prusak, L. (1998). *Working knowledge: How organizations manage what they know.* Boston, MA: Harvard Business School Press.

Elkjaer, B. (2004). Organizational learning: The 'Third Way'. *Management Learning, 35*(4), 419–434.

Fahey, L., & Prusak, L. (1998). The eleven deadliest sins of knowledge management. *California Management Review, 40*(3), 265–276.

Firestone, J. M., & McElroy, M. W. (2002). *Generations of knowledge management.* Retrieved February 21, 2008, from http://www.knowledgeboard.com/doclibrary/knowledgeboard/generations_of_km.pdf

Gloet, M., & Berrell, M. (2003). The dual paradigm nature of knowledge management: Implications for achieving quality outcomes in human resource management. *Journal of Knowledge Management, 7*(1), 78–89.

Ives, W., Torrey, B. & Gordon, C. (1998). Knowledge management: An emerging discipline with a long history. *Journal of Knowledge Management, 1*(4), 269–274.

Kennedy, M. (2007). Organisational learning, knowledge management and complexity fusion: Exploring the 'flavour of the month'. *2007 International Conference on Organisational Learning, Knowledge and Capabilities*. London, Ontario.

Lyotard, J.-F. (2004). The postmodern condition. In M. Drolet (Ed.), *The Postmodernism Reader* (pp. 122–146). London: Routledge.

McElroy, M. W. (2000). Integrating complexity theory, knowledge management and organizational learning. *Journal of Knowledge Management, 4*(3), 195–203.

Nonaka, I., Toyama, R., & Konno, N. (2000). SECI, Ba and leadership: A unified model of dynamic knowledge creation. *Long Range Planning, 33*(1), 5.

Nonaka, I., Toyama, R., & Nagata, A. (2000). A firm as a knowledge-creating entity: A new perspective on the theory of the firm. *Industrial & Corporate Change, 9*(1), 1–20.

Prusak, L. (2001). Where did knowledge management come from? *IBM Systems Journal, 40*(4), 1002.

Scarbrough, H. (2003). Knowledge management, HRM and the innovation process. *International Journal of Manpower, 24*(5), 501–516.

Scarbrough, H., & Swan, J. (1999). *Knowledge management: A literature review.* London, Institute of Personnel and Development.

Scott, P. (1997). The changing role of the university in the production of new knowledge. *Tertiary Education and Management, 3*(1), 5–14.

Sizer, J. (2001). Research and the knowledge age. *Tertiary Education and Management, 7*(3), 227–242.

Snowden, D. J. (2002). Complex acts of knowing: Paradox and descriptive self-awareness. *Journal of Knowledge Management, 6*(2), 100–111.

Søndergaard, S., Kerr, M., & Clegg, C. (2007). Sharing knowledge: Contextualising socio-technical thinking and practice. *The Learning Organisation, 14*(5), 523–435.

Spender, J.-C. (1996). Organizational knowledge, learning and memory: Three concepts in search of a theory. *Journal of Organizational Change Management, 9*(1), 63–78.

Stacey, R. D. (2003). Learning as an activity of interdependent people. *The Learning Organization, 10*(6), 325–331.

Swan, J., & Scarbrough, H. (2001). Knowledge management: Concepts and controversies. *Journal of Management Studies, 38*(7), 913–921.

Teodorescu, D. (2006). Institutional researchers as knowledge managers in universities: Envisioning new roles for the IR profession. *Tertiary Education and Management, 12,* 75–88.

Thompson, M., & Walsham, G. (2004). Placing knowledge management in context. *Journal of Management Studies, 41*(5), 725–747.

Visser, M. (2005). *The social construction of organizational learning and knowledge: An interactional perspective*. The passion for learning and knowing: Proceedings of the 6th international conference on organizational learning and knowledge, Trento, Italy, University of Trento.

Wenger, E. (2004). Knowledge management as a doughnut: Shaping your knowledge strategy through communities of practice. *Ivey Business Journal,* (January/February), 1–8.

Wiig, K. M. (1997). Knowledge management: An introduction and perspective. *The Journal of Knowledge Management 1*(1), 6–14.