Knowledge management systems success:

A social capital perspective

By

Esheng Wang

B.E. (Heilongjiang University of Commerce)

M.E. (Xian Jiaotong University)

M.Comp.Sci. (University of Wollongong)

A thesis submitted in fulfilment of the requirements for the degree of Doctor of Philosophy (PhD)

> Macquarie University Sydney, Australia

> > July 2006

CERTIFICATION

This thesis is submitted in fulfilment of the requirements of the degree of PhD, in the Macquarie Graduate School of Management, Macquarie University. This represents the original work and contribution of the author, except as acknowledged by general and specific references.

I hereby certify that this has not been submitted for a higher degree to any other university or institution.

Signed: (Esheng Wang)

Date: 19th July 2006

To My Parents

ABSTRACT

Knowledge management is becoming pervasive in organizations. Information technology (IT) has been widely used in organizational knowledge management initiatives, and organizations continue to invest in IT expecting that its use will improve knowledge workers' productivity and organizational performance.

Knowledge management systems (KMS) are information technology applications designed for knowledge management. The pervasive use of KMS in organizations has raised crucial concerns about the use and value of KMS, which can be expressed as two key questions:

What are the key determinants to the users' acceptance and use of KMS in their daily work?

What is the actual role of KMS in the support of knowledge management?

For this thesis, empirical research was conducted on KMS success in organizations from a social capital perspective, aiming to tackle these critical questions. Based on a review of existing studies on knowledge management and information systems success, two KMS research models are developed, namely a Socio-Technical System Framework of KMS and an Adaptive Structuration Theory (AST)-based KMS Success Model. The socio-technical framework model of KMS sets out the main KMS components and the interrelationships between these components, presenting a systematic view of KMS in organizations. The AST-based KMS success model represents dynamic and evolutionary KMS in organizations, proposing a system-to-value chain of KMS success linking KMS use to social capital, and to intellectual capital. In the research, the two models have been operationalized; consequently, a set of theoretical hypotheses has been derived.

A set of survey instruments has been developed or adapted for the study. A preliminary study is used to test, adapt, and modify the new instruments. A web-based cross-sectional survey is conducted, and a sample of 362 knowledge workers from a variety of organizations enables the researcher to further validate the new instruments, assess the

research models, and test the hypothesized relationships through structural equation modeling techniques (PLS and LISREL). The results provide clear evidence of the newly developed instruments' reliability, validity, and general applicability, and demonstrate that the research models have good explanatory power for the variances in the KMS use and social capital constructs. Significantly, the study has confirmed that KMS does have the expected significant positive effects on individual social capital development, a critical social infrastructure for knowledge management. The significant positive impacts of KMS use on three dimensions of social capital—structural, relational, and cognitive dimension—have been assessed, and significant findings have been achieved. Moreover, a set of potential critical determinants to users' acceptance and use of KMS has also been assessed in the study. The results have demonstrated the different levels of impacts of these factors on the users' acceptance and use of KMS.

Based on the research results, recommendations are made for managers, and implications have been drawn for future research.

Keywords: Knowledge Management Systems (KMS), KMS success measurement, performance-related use of KMS, structural equation modeling, social capital.

Table of Contents

1	In	troduction	1
	1.1	Background to the KMS Research	1
	1.2	Research question, Hypotheses and Contributions	
	1.3	Justification for the Research	
	1.4	Methodology	
	1.5	Outline of This Thesis	
	1.6	Definitions	
	1.7	Key Assumptions and Delimitations of Scope	
	1.8	Conclusion	
2	Kn	owledge and knowledge management systems	
	2.1	Introduction	
	2.2	The Issues	
	2.3	Existing Relevant Research	
	2.4	Knowledge in Organizations	
	2.5	Knowledge-based Theories of the Firm	
	2.6	Knowledge Management in Organizations	
	2. 7	Chapter Summary – Knowledge and KMS	
3	То	ward a Measurement Model of KMS Success	
	3.1	Introduction	
	3.2	KMS Research Frameworks Review	
	3.3	A Socio-technical Framework for KMS	
	3.4	A Review of Structuration Theory Applied to Information Systems	
	3.5	An AST-based Success Model of KMS	
	3.6	A Review of IS Success Models	95
	3.7	Research Model and Hypotheses Development	108
	3.8	Summary – KMS Success	
4	Re	search Methodology	
	4.1	Introduction	
	4.2	Research Approaches and Assumptions in IS Research	
	4.3	Research Methods for this Study	
	4.4	The development of the Survey Questionnaires	
	4.5	Preliminary Study	
	4.6	The Survey	
	4.7	Chapter 4 Summary – Research Methodology	
5	Da	ta Analyses and Results	
	5.1	Data Analysis Strategy	

5.2						
5.3						
5.4	5.4 Evaluating the Structural Models and Testing the Hypotheses					
5.5	Chapter Summary – Data Analyses and Results					
6 Ca	Conclusions and Implications					
6.1	Introduction	231				
6.2	Conclusions and Discussion	231				
6.3	Implications for Theory, Methodology and Practice	241				
6.4	Limitations and Future Research					
6.5	Summary—conclusions and implications	251				
7 Re	eferences	253				
	Appendix					

List of Tables

Table 1.1 Summary of Hypotheses 6
Table 3.1 Knowledge Practices Framework for Knowledge Management Systems55
Table 3.2 Information Technology Tools for Support of KM Processes 57
Table 3.3 The Community Elements and Typical Features of KMS 63
Table 3.4 A Summary of Research Hypotheses 120
Table 4.1 The Scale Development Process (Hinkin 1998)
Table 4.2 The Dimensions and Working Definitions of Appropriation of KMS159
Table 4.3 The Components and Working Definitions of KMS-use Construct161
Table 4.4 The Dimensions and Working Definitions of Information Quality162
Table 4.5 Components and Working Definitions of Social Capital Development164
Table 4.6 Variables and Descriptions in This Study 166
Table 4.7 Demographics of the Sample for Pilot Study
Table 4.8 Reliabilities of the Scales 175
Table 4.9 Rotated Factor Loadings for KMS-Use, SC, and INFOQ177
Table 4.10 Revised Measures for KMS-Use and Social Capital Development180
Table 5.1 Heuristics for Statistical Analyses
Table 5.2 Descriptive Statistics: Measures of Central Tendency
Table 5.3 Descriptive Statistics: Measures of Central Tendency (con't)193
Table 5.4 Descriptive Statistics for Items of Function-related Usage of KMS194
Table 5.5 Factor Pattern Matrix 1 of KMS-Use 197
Table 5.6 Factor Pattern Matrix 2 of KMS-Use 198
Table 5.7 Factor Pattern Matrix of Social Capital 199
Table 5.8 Factor Pattern Matrix of Information Quality
Table 5.9 Factor Pattern Matrix of Social Norms 200
Table 5.10 The Reliabilities of the Scales
Table 5.11 A Summary of Items Loadings of Convergent Validation
Table 5.12 Selected Model Fit Indices for Convergent Validity of the 3 Constructs207
Table 5.13 Selected Model Fit Indices for Discr. Validity of KMS-Use and INFOQ215
Table 5.14 Results of PLS Analysis of Model I: Path Coefficients
Table 5.15 Results of PLS Analysis: Measurement Model of KMS Success Model II220
Table 5.16 Results of PLS Analysis: Path Coefficients 221
Table 5.17 Results of PLS Run for Structural Model of KMS Success Model III
Table 5.18 Results of PLS KMS Success Model III: Function Items Loadings

Table	5.19 A	Summary	of Findings	of Hypotheses	Testing	 29

List of Figures

Figure 2.1 Three elements of knowledge creating process	31
Figure 2.2 Three-circles knowledge model of the firm	40
Figure 3.1 The Five-component Socio-technical Model	69
Figure 3.2. A Socio-technical Framework for Knowledge Management Systems	69
Figure 3.3 Structuration Model of Technology	76
Figure 3.4 Summary of Adaptive Structuration Model	78
Figure 3.5 An AST-based KMS Success Model	81
Figure 3.6 DeLone and McLean IS Success Model	97
Figure 3.7 Technology Acceptance Model (TAM)	100
Figure 3.8 Task-Technology Fit Model of IS Success (TTF)	102
Figure 3.9 System-to-Value Chain Model	105
Figure 3.10 An Extended AST-based KMS Success Model	108
Figure 3.11 KMS Success Model I	111
Figure 3.12 KMS Success Model II	118
Figure 3.13 KMS Success Model III	119
Figure 5.1 Sample by Industry	187
Figure 5.2 Size of Respondents' Organizations	187
Figure 5.3 Respondents' Highest Education Level	
Figure 5.4 Positions of Respondents	188
Figure 5.5 Job Titles of Respondents	189
Figure 5.6 Age Distributions of Respondents	189
Figure 5.7 Gender Statistics	
Figure 5.8 Number of Years with Current Organization	190
Figure 5.9 Length of Use of KMS within Current Organization	191
Figure 5.10 Convergent Validity of KMS-Use	203
Figure 5.11 Convergent Validity of Information Quality (INFOQ)	204
Figure 5.12 Convergent Validity of Social Capital Development	205
Figure 5.13 Comparing KMS-Use with EOU (freely estimated correlations)	209
Figure 5.14 Comparing KMS-Use with PU (freely estimated correlations)	209
Figure 5.15 Comparing KMS-Use with NORMS (freely estimated correlations)	210
Figure 5.16 Discriminant Validity: Comparing INFOQ with EOU	
Figure 5.17 Discriminant Validity: Comparing INFOQ with PU	212
Figure 5.18 Discriminant Validity: Comparing INDOQ with NORMS	213
Figure 5.19 Discriminant Validity: Comparing KMS-Use with INFOQ	214
Figure 5.20 Results of PLS Run for Structural Model I	
Figure 5.21 Results of PLS Run for Structural Model of KMS Success Model II	222
Figure 5.22 Results of PLS Run for Structural Model of KMS Success Model III	

To My Parents

Acknowledgements

As being close to the end of my PhD study, I look back to the journey and realize that I have drawn inspiration and wisdom from the efforts and support of many individuals.

My first word of appreciation goes to my supervisor, Professor Ernest Jordan, for introducing me to such a fascinating new research field, knowledge management. His vision, encouragement, patience, and supports has been invaluable, helping me confront many challenges in my study.

I am indebted to Dr. Karl-Erik Sveiby and my friends and colleagues from Sveiby Knowledge Associates (SKA). It is working with Dr. Sveiby that has advanced my understanding of the true spirit and meaning of knowledge management, which is all about commitment.

I owe special thanks to my Web survey participants. They have contributed in a great way to ensure the quality of this research. Furthermore, many of them were so generous and helpful not only answering my survey questions carefully, but even sharing their experience on knowledge management with me through email as well.

I am also grateful to Mr. David Musson for his generous help in reading and debugging my early drafts of this thesis. His comments are very valuable and helpful for improving the quality of this thesis.

Last but not least, I wish to thank my dearest daughter, Annie Wang. She has been my sunshine for my life, and unceasing source of inspirations for my learning and working. Thank you, I love you forever.