Chapter 1
Introducing Knowledge Management

True-False Questions

1. Knowledge management may simply be defined as doing what is needed to get the most out of your employees.

    Answer: False   **Difficulty: Medium**   **Reference: p. 2**

2. The most vital resource of today's enterprise is the telecommunication infrastructure that enables intraoffice and interoffice communication.

    Answer: False   **Difficulty: Medium**   **Reference: p. 2**

3. Knowledge management may be applied to both individuals and organizations.

    Answer: True   **Difficulty: Easy**   **Reference: p. 2**

4. Knowledge management is viewed as a business fad (similar to TQM).

    Answer: False   **Difficulty: Easy**   **Reference: p. 2**

5. Knowledge intensive companies around the world are valued at twice their financial capital.

    Answer: False   **Difficulty: Medium**   **Reference: p. 2**

6. A company's human capital may reside in the minds of its employees, vendors and customers.

    Answer: True   **Difficulty: Hard**   **Reference: p. 3**

7. Intellectual capital is synonymous with human capital.

    Answer: False   **Difficulty: Medium**   **Reference: p. 3**

8. Knowledge management focuses on making knowledge available wherever and whenever it is needed.

    Answer: True   **Difficulty: Easy**   **Reference: p. 3**

9. Although intellectual capital is ubiquitous, there are no standard tools to manage it as an asset.

    Answer: True   **Difficulty: Medium**   **Reference: p. 3**

10. The swiftness with which decisions are implemented in today's economy provides for tolerance in making incorrect or unclear decisions.

Answer: False   **Difficulty: Easy**   **Reference: p. 5**

11.   Rapid changes in KM have to a great extent resulted from progress in IT.

Answer: True   **Difficulty: Easy**   **Reference: p. 6**

12.   Today, the growth of knowledge is linear. A five- year- old company will double it's knowledge in just five more years.

Answer: False   **Difficulty: Medium**   **Reference: p. 6**

13.   Knowledge management mechanisms are the organizational or structural means used to support KM.

Answer: True   **Difficulty: Easy**   **Reference: p. 7**

14.   The applications resulting from the synergy between the latest technologies and an organization's social/structural mechanisms are known as knowledge management systems.

Answer: True   **Difficulty: Medium**   **Reference: p. 7**

15.   Experience management includes requiring employees to take in-house training as well as motivating external continuing education.

Answer: False   **Difficulty: Medium**   **Reference: p. 7**

16.   A difference between the development of traditional IT systems and KM systems is that end-users need to be more actively involved in KM system development.

Answer: True   **Difficulty: Easy**   **Reference: p. 7**

17.   Knowledge may be created in individuals' minds or in corporate databases (electronic and paper).

Answer: False   **Difficulty: Medium**   **Reference: p. 8**

18.   According to an old adage, 80% of effective KM is related to organizational culture and human factors.

Answer: True   **Difficulty: Easy**   **Reference: p. 8**

19.   Highly effective KM systems implementations are pure technological solutions.

Answer: False   **Difficulty: Easy**   **Reference: p. 8**

20.   Successful KM systems not only require users to utilize the system, but also to contribute to the knowledge encoded in the system.

Answer: True   **Difficulty: Easy**   **Reference: p. 8**

Multiple Choice Questions

21.   The increasingly important discipline of KM promotes which of the following?
        a. Personal recognition.
        b. Personnel longevity through group/team satisfaction.
        c. The systematic evaluation of an organization's business strategy rules.
        d. The creation, sharing, and leveraging of organizational knowledge.
        e. None of the above.

        Answer: d   Difficulty: Medium   Reference: p. 2

22.   Which of the following is not a benefit of managing organizational knowledge?
        a. Increasing information storage capacity.
        b. Leveraging core business competencies.
        c. Accelerating time to market.
        d. Strengthening organizational commitment.
        e. Improving cycle times.

        Answer: a   Difficulty: Hard   Reference: p. 2

23.   How does intellectual capital affect the balance between a corporation's balance sheet and investor's estimation of corporate worth?
        a. The balance sheet and estimated corporate worth are now equal.
        b. The balance sheet value exceeds estimated corporate worth.
        c. Estimated corporate worth exceeds the balance sheet value.
        d. Intellectual capital has no effect on any difference between the balance sheet and estimated worth.
        e. Intellectual capital makes it easier to justify the balance sheet.

        Answer: c   Difficulty: Easy   Reference: pp. 2-3

24.   Which of the following are considered common standard tools for managing intellectual capital as an asset?
        a. ERP systems and data warehouses.
        b. Spreadsheets.
        c. Voicemail and email.
        d. All of the above.
        e. As of yet, there are no standard tools.

        Answer: e   Difficulty: Medium   Reference: p. 3

25.   What are the components of intellectual capital?
        a. IT infrastructure and employees.
        b. Human and structural capital.
        c. Email and databases.
        d. Training, innate skills, and experience.
        e. Management and business culture.

        Answer: b   Difficulty: Hard   Reference: p. 3

26.   Which of the following trends does not increase the stakes in decision making?
        a.   Accelerating market volatility.
        b.   Increasing domain complexity.
        c.   Faster speed of responsiveness.
        d.   Diminishing individual experience.
        e.   None of the above.

        Answer: e   Difficulty: Easy   Reference: p. 4

27.   Due to increasingly dynamic and complex business domains, what are professional recruiters
        looking for in new recruits?
        a.   Excellent education.
        b.   Professional experience.
        c.   Good communication skills.
        d.   Group collaboration skills.
        e.   All of the above.

        Answer: e   Difficulty: Easy   Reference: p. 4

28.   According to the text, with their diminishing experience how do corporate decision makers
        make their decisions?
        a.   Rely on personal experiences.
        b.   Delegate decision making to others.
        c.   Refuse to make decisions.
        d.   Rely on externally provided information.
        e.   Design metrics to evaluate their decisions.

        Answer: d   Difficulty: Medium   Reference: p. 5

29.   What is a negative KM side effect of the downsizing trend of the late twentieth century?
        a.   Loss of knowledge resources.
        b.   Rapid cost reduction.
        c.   Better survivability against competitors.
        d.   Decreased productivity.
        e.   Accelerating market volatility.

        Answer: a   Difficulty: Easy   Reference: p. 5

30.   What is the major influence that is enabling the implementation of KM applications?
        a.   Learning in social mechanisms.
        b.   Improved information technology.
        c.   Newly developed structural mechanisms.
        d.   A growing knowledge sharing business culture.
        e.   Increasing rate of knowledge availability.

        Answer: b   Difficulty: Difficult   Reference: pp. 6-7

31.   Which of the following is not part of a framework for classifying knowledge management systems?
      a.   Knowledge discovery systems.
      b.   Knowledge application systems.
      c.   Knowledge archival systems.
      d.   Knowledge capture systems.
      e.   Knowledge sharing systems.

      Answer: c   Difficulty: Medium   Reference: p. 7

32.   :According to the old adage reported in the text, what percentage of KM is related to advances in information technology?
      a.   10%.
      b.   20%.
      c.   25%.
      d.   50%.
      e.   80%.

      Answer: b   Difficulty: Medium   Reference: p. 8

33.   What term is used to describe the applications resulting from synergy between IT and social/structural mechanisms for knowledge sharing?
      a.   Knowledge sharing systems.
      b.   Experience management systems.
      c.   Knowledge management systems.
      d.   Human capital management systems.
      e.   Knowledge sharing cultures.

      Answer: c   Difficulty: Medium   Reference: p. 7

34.   Why should experiences be managed?
      a.   Seeking out appropriate experiences develops a broader base of knowledge.
      b.   It assists in identifying organizational knowledge gaps that should be filled.
      c.   Corporations need to account for both internal and external training costs.
      d.   Over time experiences form more general experiences which combine into knowledge.
      e.   It is the latest management trend and promises to provide significant benefits.

      Answer: d   Difficulty: Easy   Reference: p. 7

35.   KM should not _____ from knowledge owners, but recognize their expertise.
      a.   distance itself
      b.   expect sharing
      c.   force participation
      d.   acquire unusable knowledge
      e.   encourage hoarding

      Answer: a   Difficulty: Reference: p. 8