

The 21st century recognized the potential benefits of knowledge as a valuable strategic asset. Knowledge management (KM) is the field that helps in management of this strategic asset for competitive advantage. Various factors contribute to KM effectiveness.

This study explores the critical success factors (CSFs) and develops a model for effective KM. Data were collected from various energy sector organizations, because this sector is ahead of other sectors in initiating KM. To date no empirical research has been done in the field of CSF for KM in Pakistan. Literature reveals that no agreement exists among scholars regarding CSF.

Based on the literature review, human resource, technology infrastructure, organizational structure, organizational culture, and top management support and leadership were identified as critical success factors. Since this study is concerned with analysis of KM effectiveness, organizations that may have implemented KM were selected. In response to 225 questionnaires 130 were returned out of which 124 were valid. Multiple regression analysis method was used to test 14 hypotheses. Results indicate that all factors are significantly affecting KM effectiveness. These factors would provide greater insight in understanding KM effectiveness.

This study indicates that KM needs a comprehensive approach with strategic attention to various social and technical factors, as the investment in knowledge and learning related activities needs considerable time to pay off. This study also reinforces the past findings and increases the awareness about the use of KM to gain competitive advantage in Pakistani corporate sector.