# Book Mastering Organizational Knowledge Flow

## How to Make Knowledge Sharing Work (Wiley and SAS Business Series)

Frank Leistner
Wiley, 2010

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## Recommendation

The market offers numerous books on knowledge management, but this manual provides a refreshing change. Far too many of its competitors share the conceptual weaknesses author Frank Leistner warns against: They treat knowledge as if it were the same as information, and they take refuge in abstraction, rather than addressing the complex human challenges inherent to knowledge transfer. Leistner draws on his own experience with ToolPool, a knowledge-sharing initiative at SAS, and uses it to provide concrete examples. He proves pragmatic and realistic about the challenges involved, and he offers specific suggestions. *BooksInShort* recommends his book to anyone interested in innovation or corporate culture, as well as to managers who are developing learning organizations or guiding knowledge management initiatives.

## Take-Aways

- Knowledge and information are different: Knowledge involves human engagement.
- Knowledge is internal to one person and must be converted to information to be shared.
- You can't manage knowledge, but you can facilitate knowledge transfer.
- Culture and people comprise 70% of knowledge flow management; process is 20% and technology, 10%.
- Knowledge flow management needs organizational champions.
- It also requires the support of all relevant departments, notably information technology, human resources, communications, marketing and finance.
- When initiating knowledge flow management, take one step at a time, and make sure each step is part of a larger strategy.
- Measure your efforts conservatively and share the results widely.
- Knowledge flows more readily if you remove the impeding barriers, like a lack of awareness or institutional support.
- To facilitate knowledge flow, build a culture of trust.

## Summary

### Knowledge Flow, Not Knowledge Management

Many organizations deal with knowledge badly. They duplicate efforts and miss opportunities due to ignorance or, even more destructively, because someone in the organization had a valuable idea that never got shared. Why does this happen, not once in a while, but all the time? First, many people confuse the key concept of "knowledge," using the term interchangeably with "information." Information can be recorded and transferred. Knowledge cannot. Knowledge depends on the presence of an active mind. Knowledge exists when you connect information to past experiences. Knowledge "cannot be managed." Therefore, the common term "knowledge management" contains a built-in misconception. That encourages people to make up definitions of the term to include whatever they want or need to address. Thus, they approach knowledge in dysfunctional ways.

> "Knowledge is connected to all prior experiences and exists only in the context of the mind. It cannot be managed."

Because knowledge exists only "in the context of the mind," it "is actually tacit (implicit) by nature." This means that knowledge cannot be externalized. Instead, spreading it requires multiple conversion processes. Knowledge must be converted to information, which can be shared. That is, a person who has knowledge changes

it to information to share it. Another person then converts that information back to knowledge in his or her head. The human element is the conduit of this complex process.

> "You must fully understand that knowledge is in people's heads and that you cannot succeed by trying to get it out of their heads and store it in some database."

The term "Knowledge Management," or KM, is so widely used that getting rid of it is probably impossible; "Knowledge Flow" would be more accurate. Knowledge management often is inaccurately defined as "people plus technology." To complete the equation, add "process" along with "culture," and redistribution of effort and energies. People and culture "account for about 70%" of good knowledge flow. Process makes up another 20%, and technology, 10%. Those who discuss knowledge only in terms of technological systems or databases usually reveal that they don't understand its true nature.

## How to Start Your "Knowledge Flow Initiative"

Successful "knowledge flow management" can take radically different forms, from Toyota's production system, which gives workers autonomy and responsibility, to Wikipedia, with its ever-evolving online mass collaboration. Managing knowledge flow requires "a holistic approach." People – not technological issues – are your greatest challenge when you change your knowledge flow, because you are creating an ongoing shift in your firm's culture. You'll need to change how people act, which is more difficult than implementing new technology. Start your knowledge flow management undertaking by making a distinction: This is a knowledge flow "initiative," not a "knowledge management project." Projects have a definite finish; initiatives are open-ended.

> "Knowledge flow management is largely about driving human behavior, which takes considerably more time than a pure information technology project."

Decide who will lead the initiative, whether to start slowly or quickly, and how to structure your teams. External experts can help you begin, but you should have in-house experts in place by the time you expect the initiative to be self-sustaining. Grant teams within your firm the capacity to reach beyond the company's borders to access any needed expertise. Starting in smaller, "modular" steps works well because that lets you produce small successes early. Make sure those modules later can become part of larger, "intelligently networked systems."

> "A knowledge flow lives and dies with participation."

Knowledge flow management affects several different areas of a business. Enlist the heads of human resources (to support learning), information technology (to support the technology), finance (to recognize knowledge's role in innovation), and "internal communications" and marketing (to publicize your initiative). Promote knowledge flow by increasing interaction with customers and seeking out "knowledge intermediaries" within your company. These intermediaries might be "knowledge brokers," who help individuals connect; "knowledge stewards," who help organize and store knowledge; or "knowledge researchers," who unearth new knowledge. Good knowledge intermediaries love sharing knowledge, have an intuitive grasp of who and what to connect, and can integrate information from multiple sources. Support them by linking their tasks to formal job descriptions and by rewarding them.

## What Do You Need to Succeed?

To establish a successful knowledge flow initiative, you need "passionate" executive supporters to champion your cause. These "drivers" should want to be involved, communicate well, have experience in multiple cultures and fields, know how to inspire and be committed to knowledge flow management. Some must be leaders who can inform your organization about its progress, "celebrate milestones," tell stories that transmit complex messages about knowledge flow management and, finally, demonstrate how to share knowledge. Such leaders help your corporate culture become more conducive to knowledge flow. They need to understand that knowledge resides in people. These leaders must endorse your initiative directly and integrate knowledge flow management into communication from the organization's top levels.

> "Giving your initiative a clear brand is important."

Your business model is part of your culture, along with how your organization responds to questions and what level of trust you've developed. People need to feel safe to ask questions and share knowledge. They need to know that they'll gain "reciprocal value." Help build trust around knowledge sharing by increasing the level of "personal interaction." An anonymous email asking someone to contribute will garner little trust. But if you call an individual – especially if you call while looking at his or her picture in the company's phone book – that builds considerable trust. Direct personal interaction is always best.

> "Like any repository, [knowledge bases] usually are only as good as the content that they contain."

Too often, companies devoting resources to persuasive messages for the outside world fail to spend money and attention on internal messages. Don't make that mistake. Brand your initiative, and find ways to mark your employees' involvement. SAS, for example, gave small pins to ToolPool contributors. Publicize your initiative. Share milestones, such as birthdays, and set symbolic success markers, such as the thousandth download. Use "existing channels" to reach out, but add "new channels" for fresh audiences. Keep your initiative as simple as possible. Don't anchor it to any specific "business process" or technology. Invest heavily in support of new technology: Allocate "at least 50 cents" of support for every dollar of your initial investment, and a bit more for training.

> "Even with Web 2.0, the technology is only the enabler. The power is with the people, decentralized, direct, and often ending in a person-to-person exchange."

Improve knowledge flow by thinking of your databases as "repository of pointers": Your staffers can access the database to learn and to find people who know more about the topic. "Communities of practice" enable strong knowledge flow, and technological tools enable them. "Open Space Technology" and more formal "knowledge transfer sessions" can support such communities by providing opportunities for discussions.

## Barriers to Knowledge Flow

Individuals may resist your knowledge flow management initiative. Some of this resistance derives from employees thinking no one cares about their in-process

problems, or they don't want to share the tools they're honing because they don't think those tools are ready for scrutiny. Avoid letting developers add substandard work to an initiative just so they can say they've contributed, and realize that too much polishing can result in perfect tools that are developed too late for the problem they were created to solve, or in tools so elaborate that they're hard to learn. People resist taking part in knowledge transfer for several common reasons. Eliminate these barriers to help knowledge flow more freely in your organization:

- **No time/low priority** – Employees will say they don't have time to take part in your knowledge initiative. That really means they don't understand why it should be a priority. Make sure staffers know why this matters and have time to contribute.
- **Lack of awareness** – Sometimes workers don't know that sharing knowledge is part of their job. Eventually, your workers will reach a stage where they share knowledge habitually, but early on, they will need education.
- **No sense of value** – People take things they know for granted. They devalue what they do, and the solutions they've generated, and don't think anyone else would benefit. To help people value their knowledge, "create transparency." Building knowledge flow into job descriptions and performance reviews also helps.
- **"Knowledge is power"** – The belief that knowledge is power, that it must be held tightly or even kept secret, is common and has sound historical justification. But today knowledge becomes outdated so quickly that clinging to it means holding onto the past. You learn and advance by sharing knowledge.
- **Knowledge sharing is hard** – Some managers tell employees to share knowledge, but the supervisors then fail to allocate resources to support the process. That won't work. Sharing knowledge takes time and effort, so provide both. Some participants want to share only "the highest-quality knowledge," but that leads to perfectionism and delay.
- **Lack of institutional support** – Knowledge flow will suffer if you divide your organization into rigid units. Success requires the right technology, sponsored knowledge sharing sessions, and a culture that fosters trust and information sharing.

## Measuring Your Efforts

Given the complexity of knowledge flow, and the fact that knowledge always involves individual internal thinking, you may believe it cannot be measured. However, measurement is central to management, and some metrics are useful. Take all measures as "approximate," and use them conservatively. You can't directly measure knowledge creation or flow, but you can measure two broad, indicative categories: "contribution numbers" and "usage numbers." A team's contribution to the volume of your knowledge base is only a positive factor if the entries are of high quality. Know the source of your contributions. A department or team that submits fewer contributions than other teams is either underperforming or encountering barriers to knowledge flow.

> "The one key success factor for a knowledge flow management initiative that is above all others is passionate support."

Keep usage measurements simple and cheap. You can't completely track how someone uses a knowledge entry or what that use means over time. However, you can track related factors, such as the number of times users download specific items. Share average contribution numbers and usage tallies with your organization. These statistics let people know their contributions are utilized and produce a sense of value and belonging.

> "Many organizations still struggle to make best use of the knowledge that exists in them."

Conduct surveys to estimate how many people use a tool after they download it. Combine that with conservative estimates of the time they saved by using that tool to produce quantitative estimates of savings. Build evaluations of "knowledge-sharing behavior" into performance evaluations. Track how much individual units participate in your initiative and how involved your "institutional experts" are in knowledge-sharing activities. Develop organizationally specific metrics for participation, contribution quality, time or money saved, and cultural openness to knowledge sharing. Don't overwhelm your firm with surveys, but, after a major change (such as move or reorganization), try a questionnaire to see how the change affected components of your knowledge-sharing outreach (such as frequency of peer contact). Share the results with your company.

## Looking Forward

Using Web 2.0 and even Web 3.0 innovations – and any other technological upgrades – won't change these core principles. Knowledge flow depends on active participation, so these new tools' emphasis on user involvement enables further knowledge sharing. Some, such as community blogs and wikis, are already well known. Others, such as new search technologies, offer great potential in promoting knowledge flow.

> "Never forget the human element of knowledge flow management."

You may find social media useful within your organization (rather than just outside of it). Your organization has a much smaller population than the Web at large, so you'll need to exercise active leadership to get a higher percentage of your company's population involved. Expect the nature of that involvement to shift somewhat; younger workers are more at ease with online interaction and they take it for granted. Their increased involvement may reduce the need for face-to-face interaction to facilitate knowledge sharing. As people grow more aware of how crucial knowledge flow is to their organizations, specialized positions will emerge to support it.

# About the Author

**Frank Leistner** is Chief Knowledge Officer at SAS Institute. He originally developed computer operating systems, then moved to developing end-user software in 1993. Since 1997 he has been leading knowledge management initiatives at SAS.