

# A QUESTION of LEADERSHIP

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Several new knowledge management tools are having an impact on the practice of leadership. Dubbed the *new Internet* because they are Web based, these tools not only facilitate essential organizational transactions such as finding and disseminating information, sharing effective practices, and collaborating with others but also contribute to the accomplishment of specific leadership tasks such as negotiating, monitoring, aligning motivations, and meeting expectations. Let's look at three examples: wikis, Web logs, and RSS (really simple syndication) feeds.

*Wikis* are software applications that allow any user to easily update Web pages. Some organizations are moving to wiki-based intranets and relinquishing their control of knowledge dissemination. This allows an intranet to develop in ways that are most useful to employees. Resources are shared, collaboration is facilitated, and employees' trust in the organization is increased.

Many wikis are open-source software—that is, they are free and their source code is available to anyone. Thomas L. Friedman, in his best-selling book *The World Is Flat: A Brief History of the Twenty-First Century*, describes how open-source programs are created by self-organizing collaborative communities of software developers.

Wikis have resulted in the growth of communities such as Wikipedia, a free, online encyclopedia that any user can edit and that has grown into the largest encyclopedia in the world.

*Web logs*, also called *blogs*, are unfiltered online journals. There are several different types of organizational blogs, including internal blogs, event blogs, product blogs, and CEO blogs. Internal blogs are being developed, for example, to disseminate marketing news within organizations.



Blogs are easily updated and eliminate the need for printed versions of information.

*RSS feeds* distribute content, such as news and financial information, from the Internet. These feeds can be received through cell phones, pagers, other mobile devices, and laptop and desktop computers.

These tools are simple, single-function applications that are focused on a specific problem or interaction. When applications such as wikis, blogs, and RSS feeds are combined in a common interface, a new intranet for sharing knowledge is created.

These collaboration tools facilitate the documentation and communication of information and open knowledge resources to contributions from decentralized sources.

These knowledge management tools affect the practice of leadership in several ways. Most notably, they accomplish a common leadership goal of cutting the time and cost needed to conduct transactions. In addition, by making it possible for more people to take part effectively in transactions, these tools enhance the quality of the transactions and promote the sharing of leadership.

For some leaders the sharing of leadership can result in a real or perceived loss of centralized control of the organization. But if leaders are flexible enough to deal with the changes, the results can be impressive. Wikis, blogs, and RSS feeds can have a huge impact on the quality and quantity of communication in an organization.

An example of leadership that has been flexible enough to work with the decentralization of knowledge dissemination is found in Japan, where Toyota is facilitating knowledge sharing among its component suppliers. As a result, dissemination of knowledge about process improvements has greatly increased among Toyota and its suppliers. The cumulative effect has been an increase in productivity across the supply chain—an increase that is reportedly six times greater than that achieved by supply-chain systems in the United States.

# How can knowledge management affect the practice of leadership?

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I believe that knowledge management is affecting the practice of leadership in two particularly significant ways. First, it is enabling people in organizations to connect and collaborate more effectively across institutional silos. The work of knowledge management—or knowledge enabling, as some in the field prefer to call it—is, at its core, designed to enhance internal connectivity.

Knowledge management has taught us to think about knowledge as being explicit or tacit. *Explicit* knowledge can be readily captured. Think of a log of the dates of cross-organizational interactions with a major client, along with links to related documents and correspondence; this explicit knowledge can be easily codified. *Tacit* knowledge, however, is more amorphous and usually requires person-to-person interaction. To draw on the previous example, piecing together why certain client encounters translated into sales and others did not is something that requires collective sense making. If the various people involved in dealing with the client got together to share their individual experiences and perceptions, they would likely arrive at a richer and more complete understanding. They could determine salient but unstated value drivers for the cus-

tomers, trace subtle patterns that resulted in sales—such as the involvement of key advocates within the client organization—and as a result assemble a set of principles that could increase their future success.

For tacit knowledge transfer, the task is not to unravel complex information people have in their heads but to facilitate people-to-people connections and make it easier to find out who knows what.

The creation of a directory that lists whom to call for what is one tool



that can be used to accomplish this. It can eliminate the detective work that staffers have to undertake to find out who in the organization knows something about client X or issue Y.

This brings us to the second way that knowledge management is affecting the practice of leadership. Knowledge management is helping leaders reduce wasted time and effort, leverage collective expertise, and increase innovation. In modern organizations, time and money are in short supply. Focused on short-term results, people tend to do what is most urgent or delivers an immediate payoff. As business consultant Bill Jensen

observes, “Most of us manage our daily workload through triage: we avoid or postpone all but the most pressing decisions and tasks.”

Yet the transaction costs of finding what you need to know in an organization or, worse, of reinventing the wheel are immense. Survey data indicate that 15 to 35 percent of corporate workers’ time is spent searching for information and that 40 percent of these workers can’t find on their intranets the information they need to do their jobs.

The fact is, however, that the organizations that can transfer knowledge effectively are likely to be the ones that thrive in a complex and changing world. They will make better decisions and do so in a more nimble fashion. Organizations, after all, exist so that the people in them can collectively achieve more than they could separately. Once the knowledge each member of the organization has is shared, all the members are able to leverage one another’s expertise and align efforts. To quote Peter Engstrom, vice president for corporate knowledge creation at Science Applications International Corporation, “The rate at which you can learn, innovate, and share knowledge will become the only sustainable advantage.”

It follows then that knowledge management is essential to leadership and innovation. If leadership is the work of managing relationships, knowledge management is the process of leveraging those relationships to put our collective insights, know-how, and wisdom to work.

# How to Manage Knowledge in Turbulent Times

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Skepticism usually results from a previous failed attempt at knowledge management. However, such failures often occur because the effort was not focused on embedding learning into the normal business practices of the organization. Practical experience shows that near-term success helps to overcome skepticism. The six knowledge management processes outlined earlier are simple by design and an excellent way to engineer early wins and gain the traction needed for long-term success.

Knowledge management practices make the everyday operations of an organization easier and more effective. No one wants to spend money and resources on projects that do not add value to the organization. That is why embedding the knowledge management approach into activities already being accomplished is key to long-term success. If knowledge management practices are used to enhance existing knowledge-sharing activities in the organization, overworked personnel face no added burden and their performance improves over time.

Finally, there is an element of *not invented here* in every organization. A practical approach to knowledge management is making common sense common practice. To accomplish this, find the activities that are actually knowledge management but are not defined or recognized as such, and build from this strength of the organization. There are few if any organizations in which some form of knowledge management isn't being accomplished. The idea is to make these practices more systematic and provide leverage for the organization.

## FOCUS ON REUSE

Although the importance of leveraging organizational knowledge is

undeniable, there are countless companies whose attempts to do this have failed. The reason is that their efforts focused on capturing knowledge rather than on the more difficult step of enabling and encouraging knowledge reuse. The essence of learning is the practical application of organizational knowledge. Successful capturing of knowledge must be focused to ensure that what is learned can directly improve how people get their jobs done and accomplish the organization's goals.

The thinking on knowledge management and on sustaining a learning engine in an organization has evolved significantly in recent years. Early efforts focused on creating technology solutions, in the mistaken belief that technology alone would provide the answer. Connecting people electronically without building the necessary infrastructure around their knowledge—the social capital—has led to many disappointments and a lack of delivery on the promise of knowledge management. Because all knowledge is based on experience, technology itself is not very useful for getting at the knowledge that lies within an organization. Only after the expectations of technology solutions fell short did organizations begin to realize that technology alone was not the answer. It is by creating a holistic approach to sharing, capturing, storing, and reusing knowledge that leaders can realize the maximum potential of their organizations and capitalize on opportunities to learn.

Technology should not be discounted, however. Tools for storing, retrieving, collaborating, and sharing play significant roles in a holistic approach. The aim is to maximize the ability and opportunity to transfer critical, reusable knowledge at the right time and to the right place throughout the organization.

## LEARNING PROCESSES

Establishing a holistic knowledge architecture is the only way to create a truly high-performance learning organization. To get started on such an architecture, leaders can implement three simple processes in their organizations. The majority of work in most organizations is accomplished by teams, so it makes sense to start there. By establishing processes for people to learn before work starts, during the execution of work, and after projects are completed, leaders can lay the groundwork for robust learning engines in their organizations.

Learning before doing is supported through a *peer-assist* process that targets specific challenges, imports knowledge from people outside the team, identifies possible approaches and new lines of inquiry, and promotes sharing of learning through facilitated meetings.

A process called the *after-action review*, modified from a U.S. Army practice, aims to get people to learn immediately after an event or completed work stage while the overall project is still ongoing. After-action reviews focus on making incremental but continuous improvement in accomplishing the everyday tasks of a project by answering four questions:

- What was supposed to happen?
- What did happen?
- Why are the scenario and the outcome different?
- What can be learned from this difference?

After-action reviews help team members identify what is important for successfully completing the project and build trust among team members.

Learning after a project is completed is accomplished through the

# KM Resources

Would you like to learn more about knowledge management? Here is a partial list of resources to consult:

- The knowledge management section of the Science Applications

International Corporation Web site, at [www.saic.com/km](http://www.saic.com/km).

- *The Complete Idiot's Guide to Knowledge Management*, by Melissie Clemmons Rumizen (Alpha Books, 2002).
- *Knowledge Management Review*.

To see a sample issue of this publication, go to [www.km-review.com](http://www.km-review.com), register, and click on "Publications."

- *Inside Knowledge* magazine. To see a summary of the current issue of this publication, go to [www.ikmagazine.com](http://www.ikmagazine.com).

*retrospect* process. It encourages team members to look back on the overall execution of the project to discover what went well or wrong and why, with a view toward helping future teams repeat the successes and avoid the pitfalls.

## TWO ELEMENTS

For knowledge to be managed effectively in an organization, two fundamental elements need to be present: viable communities of practice and well-conceived and -maintained knowledge assets.

In most organizations, people form communities around specific tasks or activities because collective know-how provides significant advantages. These communities of practice are a proven means of enhancing the performance of their members by accelerating problem solving; facilitating faster learning; maintaining and improving standards; increasing autonomy, empowerment, and risk taking; and encouraging personal development.

Communities of practice, if managed properly, can thus be stewards of organizational knowledge. Each community requires a champion—typically a senior executive—who provides the community with its license to operate; a leader, who provides overall guidance and builds and maintains relationships with the champion and other leaders to strengthen recognition and support from the organization; a core group


that does the work of building the community and maintaining its relevance to business objectives; and a wider group of members and practitioners who share best practices and expertise and are willing to contribute time to community discussions and cross-business learning processes.

Most organizations have many communities of practice, and choosing which ones to emphasize and develop is a fundamental leadership challenge. Well-developed communities of practice must create and become the custodians of knowledge assets.

A *knowledge asset* is a tangible expression of what the organization knows about a practical issue. These assets are best defined by asking specific questions, such as, What do we know about developing a new product? A knowledge asset might exist in the form of a Web site or merely as a collection of word-processing files, but it always includes the following:

- The business context for the issue in question.
- Key lessons and insights in the form of frequently asked questions, guidelines, checklists, best practices, and stories.
- Guidance on what needs to be addressed at each stage of a practical process.
- Links to people who have experience to contribute.
- A reference library of documents that might save people time.
- A network of people, drawn from the community of practice, who

manage, validate, and renew the content of the asset.



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requires focused effort,  
but in the long run it is  
not additional work.**

## SEEKING CONVERGENCE

The high-performance organizations that will succeed as they transition into the next generation of leaders are those that not only encourage but also foster the convergence of innovation, leadership, and knowledge management. Successful leaders who recognize this must provide their organizations with the means to ensure a sustainable competitive advantage, the ability to hear the stories that matter, the wisdom to translate the knowledge, and the power to create a future of choice.

Although knowledge management requires focused effort, in the long run it is not additional work; rather it is a means to accomplish current work more effectively.

As a leader, have you prepared your organization to manage its knowledge better? What are you waiting for? The storm is coming. 🌀

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