How To Make Knowledge Management A Dynamic Capability?

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Knowledge Management can be a dynamic capability

- Increasingly, knowledge is the key organizational resource

- Interpreted broadly, knowledge management (KM) facilitates creation, sharing (in tacit or codified form), reuse and recombination of organizational knowledge over time

- If done effectively, KM can help align the organization’s knowledge base continually with its changing environment
But, KM is not easy

- Knowledge processes unfold at and across individual, group, collective levels
  - Tensions to be resolved at each level
  - Processes to be coupled across levels

- Knowledge processes are mutually causal
  - Initiatives interact yielding unanticipated, negative outcomes
  - Negative outcomes manifest only after a time lag
  - Interventions may amplify – not mitigate – negative outcomes, generating vicious circles
Tensions at various levels and Coupling across levels

Collective Level
- Digital options vs. Information overload

Individual-Group Levels
- Single-loop learning vs. Double-loop learning

Individual-Collective Levels
- Community vs. Connections

Group-Collective Levels
- Connections vs. Community

Individual Level

Group Level

Coupling Across Levels

Coupling Individual-Group Levels

Coupling Individual-Collective Levels

Coupling Group-Collective Levels

Digital options vs. Information overload
A case study in KM

- At an exemplar company (code-named Proteus)
  - US$1 billion software services company, with 23,000 employees globally
  - Over 40% annual growth during the past decade; listed on the NASDAQ in the US
  - Consistently featured in Business Week’s annual Infotech 100 list
  - Winner of both the Asian and global Most Admired Knowledge Enterprise (MAKE) awards

- Qualitative study of KM initiatives and outcomes
  - Across different organizational levels
  - Over time (since 2000)
A vicious circle at Proteus

Company-wide KM program, K portal implemented

Incentive scheme introduced to jumpstart contributions to K portal

Contributions to K portal increase significantly

Content quality suffers as people contribute, review to gain incentives

Decreasing utility, reuse as serious users stay away

Information overload

Realized Outcomes

High quality content, validated by reviews

Increasing utility, reuse attracting more patronage

Digital options

Virtuous circle

Expected Outcomes

Vicious circle
Other potential vicious circles

- Hiring intelligent people for knowledge creation may reduce propensity to reuse
  - Not Invented Here, Not Invented Now

- Codification for reuse may end up inhibiting reuse
  - Divorced from tacit components and context

- Encouraging communities, informal sharing may reduce propensity to codify and reuse from repositories
  - Easier to tell/ask than to write down/read
Summarizing...

- Counter-productive outcomes and vicious circles may arise despite (because of?) best efforts

- An organization’s knowledge “system” may contain seeds of its own destruction
How, then, to make KM a dynamic capability?

- **Adopt a systems view to manage knowledge**
  - Think in circles, NOT straight lines (linearly)
  - Think of interconnected processes, NOT isolated/local initiatives
  - Structure KM as centrally facilitated, organizationally distributed

- **Proactively “steer” around vicious circles**
  - Identify process drivers and how they interact with one another
  - Consider consequences of local actions across levels, over time

- **Mindfully “steer” out of vicious circles**
  - Decouple processes/feedback loops that triggered vicious circle
  - Intervene in other parts of K system to counteract negative effects