

Developing a KM Culture

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Acknowledgements

SPECIAL THANKS to all those who have given up their time to research and write a case study for inclusion in this report: Dominique Poole; Tony Sheehan; Jason Marty; Melissie Rumizen; Vanessa Colomar Moody; Andrew Sarnoff; Tina Mason; Michael Behounek; Guillermo Velasquez; Cynthia Raybourn; and Deborah Lawley. Finally, thanks to all those, too numerous to list here, who have shared their accumulated knowledge and understanding, through *Inside Knowledge* magazine and Ark Group's series of knowledge-management (KM) events, to the KM community at large.

1. Introduction

SINCE THE models and theories around knowledge capture and flow referred to in the following chapter were published, society has been transformed. Rapidly evolving and affordable mobile communication, and the easy availability of information via high-speed internet access, have made knowledge sharing and connectivity a normal part of daily life. We send information, photos and movies by text and instant messaging and let each other know when we're online. Blogs and wikis make reporters of us all. Our society is information-driven and networked. As business is also increasingly driven by technology and communication, in theory, it should be relatively straightforward for organisations to engender open knowledge sharing, collaboration, and innovation, which are the hallmarks of knowledge management (KM) culture. However, despite its obvious benefits to organisations and their employee populations, developing and fostering a KM culture is a complex, long-term undertaking. This report provides a brief overview of KM culture and its potentially significant contribution to business success.

Part 1 identifies the key elements of a KM culture and presents the business case that supports it: the benefits to the organisation and its employees and some of the key indicators of its return on investment. This is followed by a summary of some of the tools and tactics that have proved successful in promoting value-added knowledge sharing in a variety of organisations.

A brief roundup of theory and expert opinion produces the following definition: a genuine KM culture enables an organisation

to leverage its collective information, knowledge, expertise and experience so that knowledge flow and, crucially, knowledge creation, maximise its business performance and competitive advantage, through a combination of technology, trust and motivation.

A certain amount of knowledge sharing occurs routinely in all organisations; the objective of developing a KM culture is to build on this and create sufficient mutual trust to make knowledge sharing and collaboration intrinsic to everything the organisation is and does. Trust tends to develop naturally in small entrepreneurial businesses and co-located teams. The challenge is to replicate that sense of community and ownership – of pulling together to achieve shared objectives – in a large multinational organisation. Key elements in this are leadership enthusiasm and involvement, systems and processes that support and encourage collaboration, user-friendly KM resources – online and face-to-face – that capture and update relevant, useful information, dedicated KM roles and effective internal marketing and communication to promote knowledge sharing throughout the enterprise.

As building and sustaining a KM culture requires considerable investment in resources, including dedicated technology and people, and, more importantly, time and effort, the business case has to be clear from the outset. This rests on enhancing competitive advantage, and therefore winning and retaining clients and generating business opportunities. The main drivers are:

- Enterprise-wide collaboration improving performance;

- Ready access to knowledge and expertise producing quicker response times;
- Time and cost-saving benefits of re-using information and replicating best practice;
- Innovation.

Although these tangible benefits are quantifiable, organisations typically struggle to find metrics around the intangible benefits of KM culture related to engendering trust, willingness to exchange information, networking and relationship building. The case studies reveal the difficulties associated with attempting to calculate the precise ROI of a KM culture. However, its significant contribution can be assessed through a combination of quantitative and qualitative factors. Key performance indicators can be obtained by linking knowledge flow to specific objectives and outcomes – both globally and in respect of business units and specific projects.

The last chapter of part 1 demonstrates the complexity around embedding and sustaining a KM culture. It flags up some key dilemmas that typically arise in knowledge-driven enterprises – individual versus collective interests, openness versus confidentiality and competition versus collaboration – and the strategies that they use to resolve them. These focus on:

- The importance of aligning KM with core objectives;
- Using technology to facilitate and support networking and collaboration;
- People who are central to KM culture – leaders, managers, KM experts and champions;
- Cross-functional and multi-national teams and communities;

- Recognising and rewarding knowledge sharing; and, crucially,
- Communication – various ways of supporting a KM culture by keeping knowledge sharing top of mind throughout the business.

The case studies in part 2 were written for Ark Group's *Inside Knowledge* and *Ei* magazines. They represent practical examples of how a KM culture that is aligned with the profile and strategy of an enterprise and its employee population contributes significantly to business success.