

Changing the rules of the game - a systematic approach for influencing corporate knowledge behavior

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Abstract: Creating organization-wide behavioral change in a large organization is an extremely challenging task. However, it is a well-known fact that creating tangible cultural change in the way people think and act regarding exchange of knowledge is an absolute pre-requisite for successful introduction of Knowledge Management (KM) in a company.

Based on the experience of several cultural change projects carried out by Arthur D. Little typically as inherent parts of its KM implementation projects, we suggest a well-proven process for triggering behavioral change to enable KM in large corporations.

The suggested process framework approaches the complexity of behavioral change from a pragmatic and action-oriented perspective, describing a holistic process that is typically carried out as a project with systematic involvement of external consultants as well as various internal stakeholders. The process starts with a detailed and structured analysis of the cultural conditions for knowledge exchange and development. It then entails a methodology for designing measures for behavioral change which adequately address the cultural barriers hampering the desired knowledge behavior.

The article provides rich empirical illustrations for each process step and includes insights on how external and internal expertise and perspectives can be effectively combined along the process to ensure depth of analysis and maximum impact of the defined measures.

1. Introduction

Knowledge Management (KM) has made an amazing career. While only a few years ago it still used to be mainly an academic topic, in the meantime a large number of companies have gained first experiences. Although due to several success stories the benefits of KM are widely accepted nowadays, many companies have been disillusioned by disappointing results or failed KM initiatives. In today's knowledge society there is probably no other management topic which is of such apparent relevance and at the same time as difficult to grasp as KM.

Frequently, this helplessness and the inability to establish sustainable KM processes is caused by what we call "cultural barriers" to the desired knowledge behavior. For example, unsatisfactory knowledge sharing is often a result of the "knowledge is power syndrome" (Why should an employee give away his expertise, built up over many years, and run the risk of losing his expert status?) or the fact that KM only has second priority and therefore KM activities are "crowded out" by daily business. These cultural barriers often only emerge when seemingly the KM project has been successfully completed – i.e. after an intelligent concept has been developed and a fancy IT platform has been implemented. But when the concept should be brought to life it often turns out that the formulated ambitions and the planned processes are not supported by the organizational culture. Our experience shows that many companies find it extremely difficult to deal with this issue because they are overwhelmed with the complexity of the factors involved. The common "reflex" of many companies is to consider introducing incentives for KM ("if KM behavior does not work, then we need to incentivize people"). Unfortunately, designing an incentive scheme which supports the desired behavior without unwanted side effects is not so easy. In addition, if the cultural dimension is only considered at this stage, many opportunities for addressing cultural issues have been missed out along the process – opportunities that will never come back unless the project is re-launched. Overall, our experience shows that KM initiatives very often lack creativity as well as a systematic approach when dealing with cultural issues.

KM can take many different forms – from information management to organizational learning – and not all KM initiatives are equally affected by cultural issues. A centrally managed system for information management will usually work well if provided with the necessary resources. Of course, cultural aspects will also have a certain influence on how the system will be designed or on whether the information sources will be used (e.g. depending on the technical affinity of employees or the mechanisms for knowledge exchange which are already in place). However, the overall influence of culture is relatively moderate because the management of information will be performed based on clearly defined and manageable processes. On the other hand, if KM aims at improving organizational learning capability by connecting people across organizational boundaries and fostering sharing, capturing and development of explicit as well as implicit knowledge, then the influence of culture becomes crucial. This is the case because in such an approach basically each member of the organization (or at least those who possess some expert knowledge) is expected to contribute to KM activities. For all those who are not part of the official KM organization, this means that KM activities will always be an addition to their main duties. An employee's decision whether to contribute

to KM or not – or to which extent – will always be based on a process of weighing the perceived advantages and disadvantages, the costs and the benefits of either option. Of course, this perception is shaped by many different factors – like existing norms and values, incentive systems, expected benefits of KM for his duties, relevance of knowledge as a basis of power, etc. – most of which are an expression of organizational culture.

Many organizations which are about to launch a KM initiative realize that the current organizational culture does not fully support what is envisioned as the ideal KM behavior. However, changing organizational culture is an extremely challenging task. Cultural change can only be achieved if both the written as well as the unwritten “rules of the game” (Scott-Morgan 1994) are addressed simultaneously (see figure 1). Simply altering the surface level of culture, e.g. by crafting a KM mission statement, formulating KM processes or introducing incentives for KM, will usually not be enough. Only if the unwritten rules which shape the way people think and act regarding exchange of knowledge are surfaced, the critical cultural barriers for the desired KM behavior can be identified.

KM Culture – Unwritten rules of the game

Every corporation has its own Written and Unwritten Rules of the Game which influence how people think and act regarding the exchange of knowledge



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Figure 2: Unwritten rules of the game

The cultural aspect of KM is often underestimated and taken care of too late. Similar observations have been made throughout various case assignments with our clients. When designing measures for overcoming the cultural barriers and achieving the desired knowledge behavior, it is important to focus on KM behavior, which relates to how knowledge is shared and used. Although KM behavior cannot be separated from the overall cultural context within a company, this focus is important in order to reduce complexity. Without any doubt, the search for the root causes for certain behaviors

typically leads into the wider cultural context – identifying a certain tendency to act and asking “Why does it happen like that?” again and again until one has really understood the whole picture can indeed lead to the insight that the behavior is caused by very fundamental assumptions; assumptions which may be so deeply held that it is almost impossible to change them. If this is the case, it is important to differentiate whether these assumptions should eventually be changed or whether it makes sense to adjust the initially formulated KM ambition - because it cannot be realized without a major cultural change effort that nobody is prepared to undertake because it would alter the company’s identity.

Dealing with these “soft” issues requires a systematic approach. Arthur D. Little’s approach to KM is based on four dimensions, which consist of content/context, processes, IT/media, and culture. The dimension of culture addresses three key questions:

1. What are the barriers for the envisioned KM behavior?
2. How can we overcome these barriers?
3. How can we establish the desired KM behavior in our company?

The overall objective of the culture module of any KM project is to define appropriate measures in order to achieve the desired knowledge behavior: A sustainable KM culture, which ultimately enables KM. It is important to understand that it is not possible to change or create a KM culture by “pressing a button”. Culture has to do with the mind of people, their behavior, attitude, awareness, motivation, and education – factors that can only be influenced but never shaped.

2. A nine step process for influencing knowledge behavior

Along with the overall development of the client’s KM strategy, a clearly structured process for influencing corporate knowledge behavior has to be set up right from the beginning. The chances for a successful implementation of KM in an organization are much higher with a simultaneous progress of all four dimensions of the KM concept. With regard to the dimension of culture, a systematic approach for capturing cultural barriers and developing measures to overcome them is crucial. The challenge is to be aware that organizational culture has very “soft” and subtle characteristics. As the iceberg model suggests, the most powerful and hence important aspects of culture are not so easy to grasp. Therefore, only a combination of internal members of the organization and external observers can best analyze and influence the behavior in favor of KM. Since many organizational norms and values are so taken for granted by the members of the organization, an external perspective can be very useful in the process of surfacing cultural KM barriers. On the other hand, internals with profound knowledge of the organization are needed in order to evaluate the feasibility of proposed measures. A project team which consists of externals with the necessary methodological know-how,

as well as internals who know the assessed entity for many years and who have a good access to senior management as well as to the broader body of the organization itself, contributes significantly to a successful implementation of our suggested process.

2.1 Structured assessment of the organizational culture regarding KM

We propose to assess the organizational culture regarding KM in structured workshops and/or interviews with a representative group sample of the client organization as well as selected key individuals. The objective of this assessment is to identify the predominant behavior towards the different knowledge processes such as knowledge creation, knowledge transfer, etc. as well as common attitudes towards institutionalized KM.

Sample key questions asked in such workshops and/or interviews are:

- What cultural barriers to implement KM in your organization do you see?
- Describe a sample situation and its complication to illustrate the barrier?
- What potential solutions can you think of to overcome this barrier?; etc.

It is important that the workshop participants and interviewees think and argue as future users, contributors, members, and/or leaders of the new knowledge organization. The combination of filtering opinions which emerge in the workshop group discussions and interpreting the often delicate hints and comments collected in interviews contributes to a more precise picture of the organizational culture regarding KM.

These workshops and/or interviews do not only have a “diagnostic” purpose. They can also be effectively used for generating interest and enthusiasm for the KM initiative. A crucial factor in this assessment is to make people understand and realize their individual benefits of KM as well as to build the fundament for a pro-active KM behavior. Discussions in workshops and/or interviews increase the awareness that the cultural dimension is an integrated and essential part of the overall KM concept and that KM will only “fly” if the required organizational behavior can be achieved.

Our experience shows that there is often a strong commitment to participate in the assessment process – if people sense that they will benefit from KM. This is a great opportunity for the members of the organization to communicate all their “worries and hopes” about bringing KM to a success. Simultaneously, it is usually comforting for them to see that these barriers are addressed systematically and that solutions (later measures) are discussed to establish a suitable attitude towards knowledge processes.

2.2 Identification of potential behavioral KM barriers

A major outcome of a series of these workshops and/or interviews is a consolidated and well discussed list of potential behavioral KM barriers. Starting with the characteristics

of the predominant behavior within the firm, barriers can be looked at profoundly by analyzing their current state and its complication with KM (see figure 2). Clarifying reasons and working along the organization's business processes, traditions, and objectives a list of KM barriers can be developed.

Identification of cultural Knowledge Management barrier and possible measures to overcome it

Title of barrier	Key example Example
<ul style="list-style-type: none"> ■ Knowledge Management always has second priority 	<ul style="list-style-type: none"> ■ Senior manager will not allocate time for KM to his business managers
Details of barrier	Possible measures
<ul style="list-style-type: none"> ■ Situation <ul style="list-style-type: none"> – Specialists are asked to focus on business – Senior Management does not see any sense in participating in KM – KM is seen as internal administration ■ Complication <ul style="list-style-type: none"> – Conflict between daily business and KM ■ Key Question <ul style="list-style-type: none"> – How to show the business benefit of KM to managers? 	<ul style="list-style-type: none"> ■ Position KM as leadership work and motivate management to act as role models ■ Include KM in performance evaluation cards, balanced scorecard and job description ■ Highlight benefits for individuals, department and the organization ■ Create regular time slots set aside for KM activities and ensure corresponding budget allocation ■ other

Figure 2: Identification of barriers and measures

Other illustrative KM barriers we came across in our past assessments are:

- "Knowledge is power" syndrome, which describes the fear that the acquired strong position through expert knowledge will be lost if they share it with colleagues;
- Lack of understanding of the value of KM, which means that members of the organization do not see the benefit of KM;
- "Not invented here" syndrome, which describes the tendency to disregard knowledge developed in other organizational units; etc.

2.3 Design measures to overcome KM barriers

Usually we generate a list of around 10-20 major KM barriers, depending on the size and the cultural situation of the company. Each barrier is then challenged regarding its relevance and key questions on how to overcome it are formulated. By answering these questions a list of potential measures (solutions) can be brainstormed. This process will ultimately lead to the formulation of concrete measures for the organization (see figure 3). In a number of consecutive assessments the solutions to each barrier developed by one group/ individual is handed to the following workshop participants/ interview candidates for verification. This provides the chance to get a "second opinion" on the

suggested measures as well as to stimulate new discussions and ideas for further potential measures.

2.4 Consolidation and clustering of behavioral measures

Since it is very common that similar measures will be identified for the different KM barriers, a consolidation and prioritization process will sort out the most relevant measures. Based on the result of the workshops and/or interviews we establish a consolidated list of clearly defined measures. Redundancies are eliminated and the measures are clustered by topic.

KM Culture – Consolidation/ Evaluation/ Prioritization/ Confirmation

With the experience of an independent consultant the rough list of potential measures must be further processed

	Consolidation and Clustering	Definition of Evaluation Criteria	Evaluation and Prioritization	Confirmation of measures
Action	1. Consolidation of the generated measures from: <ul style="list-style-type: none"> ■ brainstorming in workshops ■ Input from interviews ■ ADL resources 2. Clustering	Definition of a clear set of criteria in order to screen each measure for its relevance; such as: <ul style="list-style-type: none"> ■ ability to implement ■ size of benefit ■ use of resources ■ top management "support" 	1. Evaluation of all measures from the consolidated list by applying the defined set of criteria 2. Detailed description and prioritization of most promising measures for implementation relevance	1. Assign clear ownership and responsibility for each of the KM Culture measures defined 2. Get the confirmation of the implementing department/ responsible person
Result	A consolidated and clustered list of clearly defined measures (no redundancies, structured, etc.)	Clear set of criteria to evaluate measures	Technically evaluated list of measures Detailed description per measure and its prioritization	Confirmed responsibility for implementing each of the measures

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Figure 3: Consolidation, evaluation, prioritization and confirmation of measures

In all of our KM assignments it has well paid off to feed back the results to the persons who were involved in the process. It is crucial that the members of the organization identify themselves with the prospective changes to be undertaken in their daily activities as well as to get the official buy-in and commitment to follow through on them.

From this point onwards, we move away from a barrier perspective towards a process which focuses on the prioritized measures and on their implementation with sets of detailed tasks.

2.5 Definition of evaluation criteria

A clear set of evaluation criteria needs to be developed in order to evaluate and prioritize the most promising measures. In this step of the process, we face the challenge to bring

soft factors into hard categories. Yet, the specification and discussion of carefully defined evaluation criteria is crucial to put a priority ranking to the long lists of potential KM behavioral measures (at one client we have had more than 100 ideas for measures).

We recommend to limit the number of evaluation criteria to a maximum of 8 and to put weights to each of the criteria, preferably in no more than 4-5 intervals. Based on this each measure can be evaluated and ranked.

2.6 Evaluation and prioritization of measures

Our experience shows that initially this step is sometimes perceived as too “mathematical” by the client. However, it proves worthwhile going through this exercise because it helps to explain and justify the prioritization of measures later in the process.

The following is an exemplary list of measures which could be the outcome of such a prioritization and ranking process:

1. Show the benefit of KM: Measure to illustrate the benefit of KM to employees, departments and the entire company
2. Evaluation systems: Measure to influence the motivation to participate in KM using instruments such as BSC, guidelines for hiring process, etc.
3. Role modeling: Measure to demonstrate commitment for KM by managers as well as recognized experts with methods like sponsoring, acting as a role model, etc.
4. User-friendly tools: Measure to make KM technically as easy as possible with user-friendly tools, simple and useful templates, etc.
5. Global KM training: Measure to introduce KM to people, such as training for the launch, debriefing training, KM tool introductions, etc.
6. Community building: Measure to enable the development of expert communities, such as exchange forums, regular meetings, newsletters, etc.

2.7 Confirmation of measures in the steering body

Walking through the exemplary measures above unveils that there are usually many interdependencies between the different measures. Adequately managing this complexity is the next major challenge in the process. The first fundamental move is to assign clear ownership and responsibility to each of the prioritized measures. Further, it is central to advise the steering body that due to interdependencies among the measures, desired KM results will only be achieved by driving all measures more or less simultaneously. Selecting a few and leaving the remaining behind will not bring the preferred KM behavior and puts the ongoing implementation of the chosen few at risk. Also, interfaces with other KM activities and other organizational initiatives need to be strongly coordinated.

2.8 Definition of tasks to implement the measures

The next step involves designing a set of concrete tasks for implementing each measure. To have a clear understanding of the terminology: a measure describes an activity area within which various specific tasks are defined. A task is a clearly defined activity that can be implemented promptly. These tasks are often strongly interrelated and are a prerequisite for each other in order to create a sustainable KM behavior (see figure 4).

KM Culture – Illustrative tasks

Two illustrative examples show how tasks are interrelated and how they are prerequisite for each other to create sustainable KM behavior

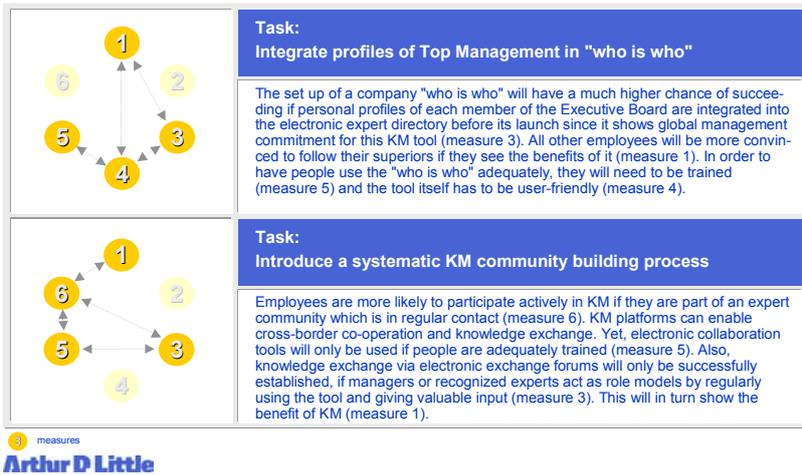


Figure 4: Illustrative tasks

In order to integrate KM successfully into the daily working life, it is crucial to continuously develop KM behavior. Sustainable KM is based upon the personal habits of each employee and a change towards the desired KM behavior can be a long-term process. Usually, it will not be possible to achieve a desired result by implementing one single task. On the contrary, it will often take a lot of different but strongly co-ordinated tasks, which are carefully distributed over a long period of time.

2.9 Implementation

For each of the defined tasks, a clear implementation plan (e.g. ownership, responsibilities, work plan, milestones, etc.) has to be set up in coordination with the overall KM project management. This final step consists of the actual implementation of the developed KM behavioral measures. Structured project management, project controlling and measurement of results is essential in this phase. It is important to understand that a lot of tasks which need to be implemented will not be in the direct

responsibility of the organizational KM unit. For some tasks, the KM unit will only push and co-ordinate the activities with the responsible departments (e.g. HR department) and people within the entire organization. Additionally, a KM culture team (consisting of internals as well as externals) can act as a “sensor” in order to continuously identify KM behavioral issues and recommend possible additional measures and tasks.

3. Experience and lessons learned

In addition to the formal process described in the previous chapter, we wish to point out general experiences and lessons learned which we have observed in several projects.

Focus on KM culture. An essential observation is that a change project concentrating on KM needs to have a clear focus on KM culture and not on the entire corporate culture of the company. It is clear that the distinction between these two is not always razor sharp. However, focusing on the overall corporate culture instead of the KM culture has proven to inhibit progress in ways that can hardly be overcome.

Sponsor commitment and role modeling. As most behaviors, KM behavior is strongly influenced by role models from higher levels of the hierarchy. It is therefore necessary that KM has a strong high-level sponsor supporting it. Without sponsor commitment, the interest of upper levels of hierarchy usually can hardly be achieved - leading to a growing discrepancy between the written and unwritten rules of the game. Only with strong and clearly expressed sponsor commitment it is possible to influence the unwritten rules of the game and initiate a permanent change of KM behavior.

Readiness for change and awareness of the need to change. A basic requirement for initiating behavioral change is that awareness of an existing problem is shared by all stakeholders. Therefore, after the identification of barriers it must be ensured that the relevant stakeholders agree on these barriers before proceeding to overcoming them. A change project will most likely fail when there are conflicting interpretations of the root causes and if there is no feeling of urgency or need to change by the relevant parties.

Use of “knowledge ambassadors”. The most effective means of conveying new attitudes to the entire organization is to first build up a network of “internal ambassadors” within the organization. These ambassadors need to be strong opinion leaders in their area and to possess a large network within the organization. If these people actively promote KM within their personal networks it is possible to rapidly create significant impact throughout the organization through a multiplier effect.

Acceptance of a long-term process. Finally, it is important to understand that behavioral change is always a long-term process and not a project with a clear beginning and a clear end. Implementing the first measures and initiating a change process can often be achieved in only some months. However, achieving a permanent change of KM behavior can easily take a much longer time. Because of this long-term focus changes in

behavior must be constantly monitored in order to take appropriate measures at the right point in time.

4. Conclusions

The process described in this article is meant to be a straightforward approach for tackling behavioral problems regarding KM. It is crucial to recognize that even though a systematic approach helps to structure the problem, it certainly cannot replace experience or convey all relevant tacit know-how related to influencing the knowledge behavior of an organization. Nevertheless, we hope that by describing the formal process and sharing our experiences in applying it we have been able to give valuable insights on how to tackle the complex problem of influencing corporate KM behavior in a structured manner – a challenge that recently emerges more and more often on the agendas of companies pursuing the systematic management of their knowledge assets. Finding appropriate means for mastering this challenge turns out to be one of the key issues for those who want to get maximum benefit out of their institutionalized KM.

References

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