

CHRISTINE VAN WINKELN AND JANE MCKENZIE

# Knowledge Works

The handbook of practical ways to identify and solve  
common organizational problems for better performance



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# INTRODUCTION

**K**nowledge Works” came about as a result of reflecting on a decade of highly applied and collaborative research at Henley Business School in the UK. Those associated with the various projects have benefited from the insights, approaches, tools, and methods that came from the work, as their comments throughout the book show. However, until now further distribution has been limited to an academic audience. To mark the 10th anniversary of a Forum that examines knowledge issues in organizations and

actively challenges current thinking by encouraging new ideas, exploring links with other disciplines, and expanding the boundaries of the subject

it seemed appropriate to share the practical aspects of what we have learnt with a wider audience.

## Where does the content of the book come from?

The Knowledge Management Forum (KM Forum) was established in 2000 at Henley Business School. Its members are large organizations, both multi-national private sector firms and major UK public sector bodies. The intention from the outset was to create a community where business professionals could think together with peers facing similar challenges about knowledge related issues. Since then, the KM Forum has established an international reputation for thought leadership in the field.

Each year, we use a consultation process to surface pressing and topical knowledge related challenges facing organizations. From these, projects emerge which inspire working groups of members to congregate around them. The research approach is relatively unusual because it is always highly collaborative from start to finish. In addition to the consultation process and the working groups, each project is co-championed by an academic *and* an experienced KM practitioner. The research has been “with” rather than “on” the organizations involved. All the projects have benefited from remarkable access to senior people facilitated by

the representatives of the organizations that belong to the KM Forum. Interviews with senior directors and functional leads have been at the heart of most of the projects. A constant balance of academic and practice input produces findings that are both rigorous and relevant.

Research relevance is a topic of considerable debate in the field of business and management. We set out to embed relevance into both the design and project management principles of our research. On the whole, the research has been exploratory and qualitative, which means we have looked for patterns and indicators rather than proof or categorical “truth”. One notable exception is the Knowledge Sharing Behaviours research which was highly quantitative and the researcher was awarded a PhD at the end (see Chapter 15). The more usual exploratory approach for the projects described in the other chapters reflects the diversity of organizations involved in the KM Forum. What happens in a public sector body such as the Ministry of Defence or Department of Health is unlikely to be the same as for a private sector firm such as Vodafone or Syngenta. Nor are they likely to benefit from exactly the same answers. However, the value of participant diversity is that the principles, illustrative examples, models, and insights coming from research across different contexts can be adapted and adopted more easily in other large organizations.

We believe this is the strength of our approach. Our proposition is that by involving many different types of organizations in the research, the outputs will be more broadly relevant and applicable. Although useful approaches to managing knowledge have been generated by many other writers, our view is that sometimes the very important influence of context isn’t fully taken into account. What works for an organization which needs to make long-term capital investments (such as in the car or oil industries) may not work for a high-technology firm that sees six months as a long planning timeframe, or for parts of the public sector.

## Who is it intended for?

We have written this book for managers who want to do more with less by improving productivity and stimulating innovation. Whenever knowledge and learning are factors that affect organizational performance, our intention is that there will be ideas to stimulate thinking and some practical approaches in the book. Managers responsible for distributed and international teams, increasingly a prevalent feature of organizational life, will find several of the chapters particularly useful for considering how to achieve more productive learning processes.

Those with functional responsibility for knowledge, organizational capability building, or learning (including knowledge and information managers, strategists, human resource managers, and organization development specialists) are also likely to find the content directly relevant to their activities. The topics and the

way the research was formulated and carried out came from people with just these functional responsibilities.

## What's the best way to use the book?

The book has been created as a handbook that you can dip into according to your needs. Alternatively, you can work through it in a more systematic way to create a plan to improve your organization's performance. The six sections organize the chapters around essential objectives for any business. The sections build cumulatively from strategy to action. Each section starts with a short introduction which offers an overview of the theme and explains the rationale for what is included. We can't claim that every section provides a completely comprehensive view of that theme. The material is simply a reflection of the research projects identified by and prioritized by the business professionals working with us.

The structure of all the chapters is the same and is intended to make it as easy as possible for you to navigate around the material. When your time is limited, you just need to know why the issue matters and what to do about it. We include information about the way the research behind each chapter was carried out too, as well as a few final reflections of a more conceptual nature in case you are interested. The real life examples included in each chapter were collected at the time of the research. They have been selected for inclusion here because the principles they demonstrate remain relevant even though some time may have passed. Where the organization's name is provided, we are grateful that they have given us permission to use the material.

## Will a static book be enough?

Knowledge work is a context-specific mix of creative insight and scientific investigation. As academics, we have enjoyed the search for viable solutions to the various challenges posed by managers working in the field. What has been achieved together has come about through those at the sharp end of business practice thinking together. Conversation and interaction have been a critical source of inspiration. In truth, they are a vital way to combine knowledge and intellect and inspire insights that can improve organizational performance. In that sense, the contents of this book can only be a starting point for further knowledge work. We invite you to continue the conversation with ourselves and with other like-minded individuals facing the same challenges. Share your experiences as you grapple with key activities of each section and start to apply some of the thinking. We have set up a website and a blog where together we can continue the process of improving the impact of knowledge work on business performance:

[www.knowledgeworkshandbook.com](http://www.knowledgeworkshandbook.com). On the website you will also find further resources that may help you improve the knowledgeability of your organization.

Knowledge work is a never ending journey of learning, improvement and change. We hope that the material in this book provides some inspiration and invigoration along the way!

Christine and Jane

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# Section I

## Establish strategic priorities

Chapter 1 - Identifying valuable knowledge

Chapter 2 - Making a comprehensive assessment of knowledge flows

In a rapidly changing world, current success and future survival depend on constantly learning to do things differently and better. Knowledge is both the raw material that is the foundation for learning and the output from it, offering new opportunities and new sources of revenue. Arguably this means we would be neglecting our strategic responsibilities if we did not review organizational priorities in terms of the knowledge available to the business and focus our management and leadership practices on creating the conditions where knowledge can be used productively.

### What do we mean by strategic priorities?

Even when you accept the importance of taking a knowledge perspective on the organization, it is still a challenge to prioritize time, attention, effort, and financial resources to improve the way knowledge delivers results. Often people tend to be more drawn to immediate task requirements and don't sustain the longer term perspective required to join up areas of knowledge activity smoothly and seamlessly. There is an additional challenge too: judging the returns on investments in knowledge-related initiatives can be perceived as highly subjective because the link between action and result can be very diffuse and slow to become visible in

any measurable way. Unlike other resources which are consumed with use, knowledge tends to increase the more it is used in different contexts; its impact is amplified through sharing. Both of these attributes create huge potential for value generation. However, the consequences of knowledge initiatives are often difficult to measure directly without considerable effort and focus. Careful thought is needed to make evident the connection between knowledge initiatives, the results they produce, and the ultimate impact that these have on something that matters to key stakeholders in the organization.

As an example, a knowledge initiative could involve investment to establish and maintain more effective networks of people across the organization. One consequence could be speeding up access to the knowledge needed to put together proposals for new business, resulting in higher quality and timelier bids. These can be judged as the immediate outputs of the investment; it is possible to quantify in hard financial terms the increase in bid to win rate, growth in sales, or profit generated as a consequence. However, the final step in any strategic assessment should be checking that this is a strategic priority for the organization. For example, if resources are really limited, have the knowledge-related initiatives addressed what matters most? Is it really the highest priority for the organization to win new business, as opposed to delivering an excellent service to existing customers? If both are important, have resources been distributed between initiatives to improve them appropriately?

Potentially valuable knowledge comes from many sources, not all of which lie within the organization itself. The people who work closely with the organization (through whatever form of contract or relationship) are the main source. However, tapping into knowledge from the outside world in terms of suppliers, customers, partners, competitors, and other players in the sector is essential to supplement this and to provide early signs of the need to evolve and change. Finally, embedded knowledge that helps make the organization productive and unique is also valuable. We should not ignore what is special and distinctive about the way the organization runs, from the use of technology to the design of effective processes, and from the way people are managed to the culture.

By understanding from the outset what knowledge makes a difference to organizational performance, you can focus limited resources on the things that will have the most impact and generate the most value. Initiatives could range from increasing access to knowledge in an area where there is obviously a gap, to improving the distribution of critical knowledge to those who need it when they need it, or even to intervening to protect certain knowledge from reaching competitors because of its unique value. Some knowledge may even need to be shared freely to influence the way thinking and practice evolves in the sector or industry in general; this can grow potential opportunities for everyone. However, it is the piecemeal approach to knowledge initiatives which fails to help organizations make more meaningful and informed strategic choices. Lack of a structured approach also means that it is easy to overlook vital areas in which a knowledge perspective would help achieve the organization's strategic objectives.

# How do you establish them?

The starting point is to understand what makes the organization able to survive and thrive in the face of competition and external change. By viewing knowledge as a resource we can make choices about how far it can be characterized as valuable and how much investment should be targeted at developing, maintaining, and protecting it. However, this isn't sufficient because we also need to determine the organizational capability to use that knowledge. How readily can knowledge flow around the organization and to and from the outside world? Do the management and leadership practices create the conditions to enable this to happen?

The two chapters in this section provide complementary approaches to help determine strategic priorities, as shown in Figure I.1. The first offers a way of mapping and evaluating valuable knowledge and the second includes a structure to evaluate the priority of key knowledge flows and whether they are working well or are blocked by certain barriers.

The fact that both “value” and “knowledge” are not absolute ideas that everyone can agree on, means that it is best to involve as many interested parties as possible in these strategic explorations. Those who have a stake in the outcome of the investments need to contribute to the assessment, particularly if they are interested and have influence on what is allowed to happen or how the results are interpreted.

Although these two approaches will get you started, a completely predetermined, structured approach is not necessarily feasible or desirable. Opportunities arise to try things out; success stories emerge that can be used to bring attention to a different way of working; someone with enthusiasm creates a momentum around something that was unforeseen. All of these are the realities of a complex organizational environment and sufficient flexibility is needed to respond. The value in using these models and frameworks to structure thinking about the organization from a knowledge perspective is that it is easier to recognize these serendipitous opportunities and evaluate them relative to others already underway. The challenge is to use the approaches described here to shape rather than constrain thinking about strategic knowledge priorities.

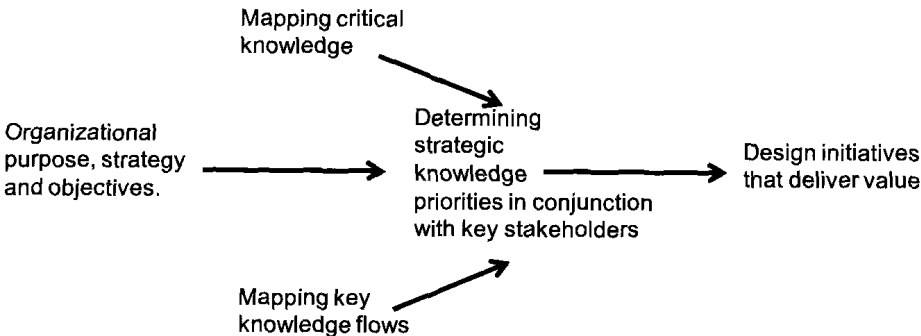


Figure I.1: A strategic approach to designing knowledge initiatives

The knowledge strategy will need to evolve as the organization becomes more collaborative and knowledge-sharing behaviours become embedded. Organizational priorities and external drivers also change continuously. Thinking about strategic priorities is an ongoing activity and using knowledge well in the organization needs to become a dynamic capability which is recognized and valued.

## Key questions to ask yourself

As you start to use the ideas in the next two chapters:

- Ask *who* needs to be involved to both ensure that you can make sense of the situation properly and so that there is buy-in to the proposals that are generated.
- Think about *when* you should do this structured thinking about knowledge priorities and how you can keep an up to date view of what matters and what has changed.
- Be clear about *why* you are trying to improve the use of knowledge in the organization. Keep close attention to the generation of value for the organization.

# Chapter 1

## Identifying Valuable Knowledge

### Snapshot

Valuable knowledge can be found in many places in organizations, from unique business models or solutions, key value-adding processes, core technology competencies, to business support systems that integrate knowledge across the organization. Identifying an organization's most valuable knowledge is the first step in deciding how to prioritize investments in projects designed to retain and develop that knowledge.

A systematic plan of action can be created by mapping key knowledge resources and then evaluating their importance and accessibility. There is a series of questions you can use to help you with this process. The approach works for different levels of detail. You can adapt it depending upon whether you are looking to create an overall strategy or to develop specific initiatives. Three case studies show how different types of organizations applied the approach and what they learnt from it.

### Why this matters

Knowledge is widely recognized as a strategic resource. Current thinking goes further than simply acknowledging it as a source of competitive advantage: experts argue that turning knowledge into value is the main reason for firms to exist.<sup>1</sup> While there may be agreement that a knowledge perspective should underpin an effective business strategy in today's fast moving, global knowledge economy, many organizations have no process for identifying their most valuable knowledge and creating a plan to manage it. There is little evidence to suggest that organizations commonly adopt a systematic process to determine whether they are focusing effort and investment on their most valuable knowledge.

Valuable knowledge relates to an organization's competitive position, how it differentiates itself, and even how it manages itself and reinforces its culture and

"One of the reasons it's difficult to identify valuable knowledge is that value is in the eye of the beholder. That's why it's important to involve as many different stakeholders as possible in the process."

*Dr Judy Payne, Henley Knowledge  
Management Forum*

sense of purpose. In the public and not-for-profit sector, it relates to the identity of the organization and how it best achieves what it exists to do.

The Institute of Value Management makes the following observations about value:

The concept of Value relies on the relationship between the satisfaction of many differing needs and the resources used in doing so. The fewer the resources used or the greater the satisfaction of needs, the greater the value. Stakeholders, internal and external customers may all hold differing views of what represents value.

When approaching the task of identifying valuable knowledge, this definition suggests two important dimensions. The first is concerned with the importance of the knowledge (how well it satisfies an organization's needs and therefore its potential benefit to the organization). The second is concerned with the accessibility of the knowledge (the ease and cost of capture, use, maintenance, and replacement).

## What this means for your organization

In the field of strategy, various frameworks and tests have been created to assess the value of resources, including knowledge.<sup>2</sup> Despite the publication of such frameworks, anecdotal evidence suggests that they are not widely used.

The reasons for using a systematic process to identify and evaluate the knowledge resources of the organization are:

- To understand what knowledge the organization has;
- To understand what knowledge is needed - a gap analysis;
- To add structure to thinking and action;
- To create a view that is robust against organizational change and over time so that sustained initiatives can be justified.

At a practical level, there are three main activities involved in identifying valuable knowledge: identification and mapping of knowledge resources; relative valuation of knowledge resources; and using the results. The resulting process therefore has three stages:

1. Developing a knowledge map;
2. Valuing the knowledge in the map;
3. Using the output.

All these activities are best achieved by involving key stakeholders who have experience in critical areas of the business, although the exercise could be carried out by a single person.

## Creating an action plan

### Developing a knowledge map

The objective of this stage of the process is to map the domains of knowledge that are important to the business. Without this mapping exercise, critical knowledge resources for the business may be missed later when conducting the valuation

exercise. The knowledge map is not an organizational chart or a process map. It is a representation of the key areas of knowledge that are core to the business over time and will be robust against organizational change.

"People intuitively see that certain kinds of knowledge – such as the organization's R&D related knowledge – are valuable. But what they are usually much slower to see is that knowledge about how the organization manages its projects or even its facilities can be just as valuable."

*Naina Visani, Head of Knowledge Management,  
Atomic Weapons Establishment*

To identify valuable knowledge resources, there are some trigger questions that can be asked about the organization:

- What differentiates us in the market place?
- What are our important markets?
- What are our key value-adding processes?
- What are our key competencies?
- What are our important products and services?
- What is important about our brand and identity?
- What are our key business support systems?

It can also be helpful to establish a hierarchy of value, namely:

*Strategic* - what differentiates us in the market place? Our unique *business models*.

*Market* - how do we present ourselves to our customers? Our *business themes/solutions*.

*Business processes* - how do we operate? Our key *value-adding processes*.

*Core competencies* - who are we? Our core *technology competencies*.

*Basic* - what are our business support systems? Our *corporate processes*.

A decision about the level at which you are carrying out the analysis needs to be made. This includes the part of the business/organization involved, whether you intend to stay at a high strategic level, or whether you intend to drill down

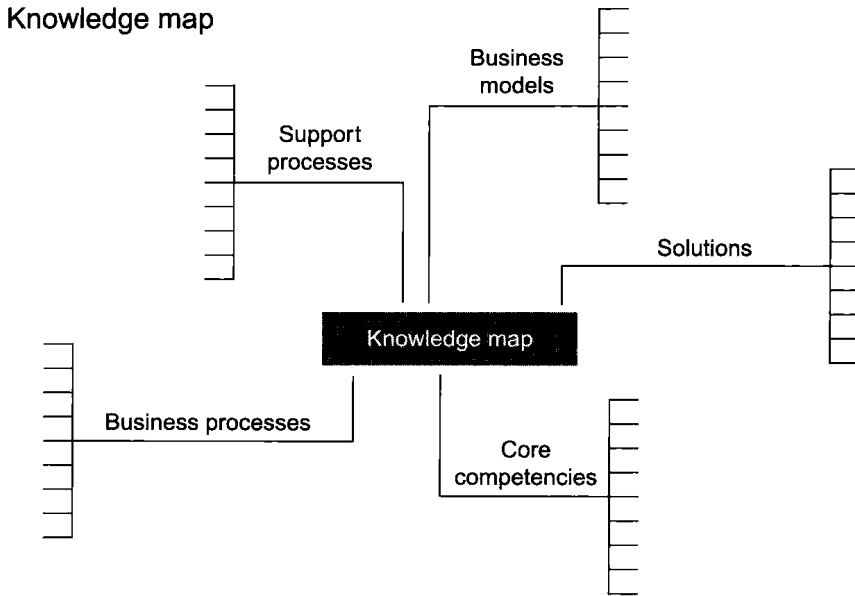


Figure 1.1: Possible structure for a knowledge map

below this to identify important categories of knowledge so that you can design projects in particular areas to retain or develop specific types of knowledge.

An example of the kind of knowledge map that might be created is shown in Figure 1.1.

We have already suggested that the value of knowledge is a function of its importance (its potential benefit to the organization) and its accessibility (the ease with which it can be applied, including the cost of capture, use, maintenance, and replacement). Table 1.1 includes some useful questions to determine importance and accessibility in relation to each type of knowledge identified in the map.

One of the challenges with knowledge mapping is making sense of a large amount of information and making the findings useful for everyone. Visualization of the results helps both to generate insights and communicate key points. Consequently, it is worth trying to organize the knowledge identified into a structured format that allows graphical representation. There are three basic kinds of scale that you can choose to use:

- Nominal scale - classify each body of knowledge as high importance/low importance and easy/difficult to access.
- Ordinal scale - rank the bodies of knowledge to indicate their importance and accessibility relative to each other.
- Rating scale - score the knowledge (e.g. on a scale of one to ten) to indicate its importance and accessibility.

You can then choose to represent the findings in an appropriate way. One approach is to represent them in a two-by-two matrix (using a nominal scale for both impor-



Table 1.1: Determining the importance and accessibility of knowledge

Importance	Accessibility
Is the knowledge critical to the business?	How easily can the knowledge be shared?
Does it impact on reliable and efficient operations?	How easily can the knowledge be applied?
Does it add value to the business?	Can it be used to make other knowledge more accessible?
Is it unique to this organization?	How accurate and reliable does it have to be?
Is it difficult to copy?	How quickly does it change with time?
Is it likely to be relevant for a long time?	What is the cost of maintaining it?
Could it be replaced by some other knowledge?	Can the right people access it?
Is it in demand?	Is the knowledge owned by the business?
Does it represent something we excel at?	
Can it be patented?	
Is the knowledge critical to the business?	

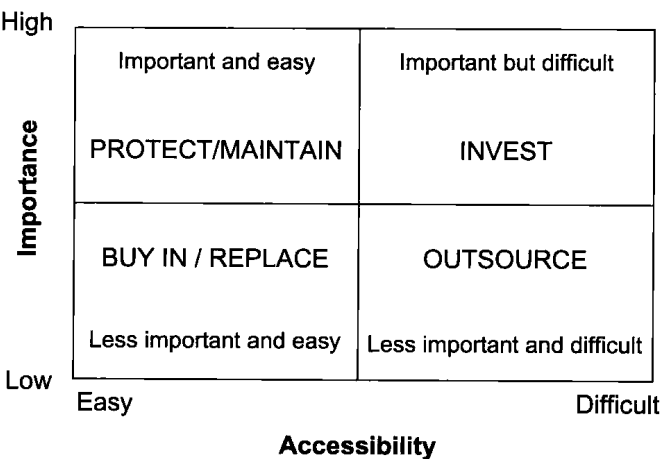


Figure 1.2: Presenting the results as a matrix

tance and accessibility) to create groups of knowledge resources with generic actions for each group (Figure 1.2). The same results can be represented with a cut off below which the value of the knowledge does not provide benefit from management investment (Figure 1.3).

Real life stories

The following three examples have been selected because they show how the knowledge mapping can be taken to different stages and used for different purposes.