



Knowledge Sharing Shifts the Power Paradigm

Carol Willett. Applied Knowledge Group, Inc.

Change your communication technology and you may be surprised at the cultural shifts that result.

Summary

Most organizations pursue knowledge sharing in order to: innovate faster, speed up their response to marketplace demands, increase productivity and expand workforce competence. Installing the technical tools for knowledge sharing is also apt to bring about another affect – a wholesale shift in the power paradigm – an outcome that is not always anticipated or welcome. As Buckman Laboratories found, knowledge sharing is not merely a neutral exchange of information – it affects working relationships, distribution of power, patterns of influence, and alters how individuals define their responsibilities. This article explores some of the dramatic shifts that took place at Buckman Laboratories, a winner of the Arthur Andersen Enterprise Award for Knowledge Sharing and describes the effects of knowledge sharing on power paradigms.

The Information to Act

In today's business environment, inability to respond quickly to the marketplace is a well-recognized form of corporate suicide. The organizational arthritis that results from bureaucratic, overly centralized decision making is a condition that few firms can afford. A decade ago, Bob Buckman of Buckman Laboratories, a Memphis-based manufacturer and distributor of chemical, realized that something had to change. The centralized, hierarchical decisionmaking structure that had guided the company since its founding in the 1940's could no longer provide the speed of response needed to support global operations in the 1980s.

Musing on the observation of Jan Carlson that "an individual without information cannot take responsibility but an individual who is given information cannot help but take responsibility." [1], Bob framed the challenge of change at Buckman Laboratories in a novel way. "How" he wondered "can we effectively engage the intellectual and experiential horsepower of the entire organization despite the barriers of time, distance, language and different operational divisions?" [2] The principle of connecting these individuals led to technical innovations, but the purpose was firmly grounded in improving customer response.

Buckman reasoned, "If the greatest database in the company is housed in the individual minds of four associates, then that is where the power of the organization resides. These individual knowledge bases are continually changing and adapting to the real world. We have to connect these knowledge bases together so that they can do whatever they do best in the shortest possible time." [3] To enable people to act, they had to be given access to information distributed across more than 1,200 minds operating out of twenty one different countries.

This was a tall order. While the technical challenge of setting up an Internet-based system using leased laptops seemed daunting enough in 1982, as it turned out, the harder issue to resolve was the question of "How do we move from a chain of command to a web of influence?" [4] Over the course of the next four years, Buckman discovered that the issues of power and information are inextricably intertwined and that a change in communication systems inevitably leads to a shift in power systems.

Forging the Chain of Command

Prior to Buckman's foray into knowledge sharing, the Laboratory had made its mark as a worldwide manufacturer and distributor of specialty chemicals used in industrial and agricultural processes. The Lab measured its product (and productivity) in barrels and pounds. Its primary value to customers derived from the quality and effectiveness of its products. Since its inception in the basement of a small house on

McLean Boulevard in Memphis, the founder, Stanley Buckman, had run the lab in a hierarchical, centralized manner. Managers had evolved into gatekeepers of information, as control points for access to expertise, and as the routing mechanisms for directing any decisions of importance to the Chairman. These were roles with which management was comfortable.

Within the Lab structure there were clear line distinctions between divisions, operating companies and professional disciplines. Status derived from the amount and extent of information each individual controlled. Over the years, people had taught themselves to hoard knowledge to achieve power. Access to knowledge had become a basis of security within the organization.

Spinning the Web of Influence

Enter Bob Buckman with a determination to do things differently. Bob's vision was to create a different kind of value in the marketplace – selling knowledge about chemical processes, and not just the chemicals themselves. In order to effectively do this, he had to find a way to put the expertise of all his associates at the disposal of any one associate confronted with a customer problem.

His motivations were several. One, it was clear that the increasingly complex global operations of the lab could not effectively be run from Memphis without an unacceptably slow response time to customer needs. Two, he strongly doubted that the best information could only be found in the minds of managers in Memphis. Surely, he reasoned, the people with the most current, hands on experience would be those out there doing the work. Third, with the advent of Internet technology, he saw the possibility of near real time exchange despite differences in time zones and geographic distance. Finally, and most importantly, Bob envisioned a different sort of value added for customers if only his associates could access information that would enable them to act independently.

And so, a knowledge sharing initiative via E-mail was launched in 1984-1985. The first attempt was to connect General Managers together so that best practices could be shared. A system was created, connections were put in place and what happened? Nothing happened. There was no sharing of best practices during the first six months – only a few polite “hello’s”. As it happened, managers felt that they had all the information they needed.

Buckman reassessed the situation. If the managers were content with their access to information, then the issue was how to extend the system to those that did not have access to information. How could the lab clue all associates into best practices? Seven years experience with E-mail led most people to interpret the move from point-to-point communication to a broader dialog as a purely a technical issue – a matter of adding a few phone lines and leasing new laptop computers. There was little sense of the major organizational shifts that would result.

First, Install the Technology

To implement the knowledge sharing initiative Buckman set up a Knowledge Transfer Department and appointed a 34 year old Ph.D. in organic chemistry to run it. Within thirty days, Buckman Labs put its entire worldwide network up on CompuServe, the public online service. CompuServe offered E-mail access to public networks as well as private bulletin boards for internal use. Every associate was issued a laptop and a phone number to call. For a total of \$75,000 a month in access charges, Buckman created the potential for every associate to reach every other associate – directly.

Seven technical exchange Forums accessed through a local Internet dial-up began to spur discussions among far-flung sales people and researchers – a dialog that quickly crossed technical disciplines and organizational boundaries. Allison Tucker in Memphis was put in charge of making sure that whoever asked a question, got an answer. These seven Forums were collectively known as K'Netix.

Sales associates around the globe at last had a means to put out a company wide call for expertise. They had a venue for sharing information that crossed divisional and disciplinary lines. As the first tentative exchanges took place, it came as a surprise (mostly to managers) that the experts who responded most

promptly to calls for help were not always in managerial positions. Some important paradigms were beginning to shift.

A Challenge to Command and Control

As the first Forums began to take shape, backlash from middle management started to make itself felt. This new plan for giving all associates equal access to information ran afoul of the hierarchical chain of command that had, up until that point, processed information vertically through organizational layers. People who had defined themselves as the protective filters guarding the core information of the organization suddenly felt irrelevant. From this insecure position they did little to “pass the word” on the new way of doing business or to support participation in the K’Netix Forums.

Managers at the lab had been schooled to be effective bosses, not mentors or coaches. They were comfortable leading from a position of command through the use of authority. They had neither skills nor instruction in the art of managing by influence [4].

Traditionally, people at the lab had gained influence by being promoted to managerial positions of increased responsibility. Now thanks to Internet technology, associates at all levels could experience a span of influence that was formerly the sole preserve of the Chairman. Associates were using the Forums to collaborate in ways that defied organizational boxes. In the process they were learning a good bit about how to phrase their ideas so that they were accepted by more and more people. They were, in a word, learning how to influence others. From the managerial perspective it looked and felt like chaos. Most importantly, many in the managerial ranks saw K’Netix as a threat to their role as the designated providers of unimpeachable expertise. At a stroke, K’Netix had left many managers wondering, “So what am I supposed to do for a living? What is my role here?” While Bob Buckman exhorted his workforce to embrace the virtues of knowledge sharing, his middle managers were sending quite another message. What managers had originally viewed as a technical communications issue, very soon took on threatening cultural and personal overtones.

New Roles for Managers

Traditionally, we tend to think of those who have the most information as the ones who are (or who ought to be) in charge. There is a tacit assumption, fostered by cultural norms and practices that people with more information than ourselves are normally “above” us. Buckman Lab managers were comfortable with the notion that their role was to control information, to maintain boundaries and insure that decisions were made by those with the greatest seniority. They were happy with life at the top of the organizational pyramid.

By giving his work force both the technical capability (K’Netix) and explicit encouragement to connect with anyone in the company in order to resolve customer problems, Buckman effectively inverted that pyramid. The pointy end was now down and the flat base faced up. He created a structure in which associates could seek information from peers without regard to organizational boundaries or the niceties of seniority.

No longer did associates need permission to call on any other member of the company who might be able to assist them. In the new scheme of things the customer occupied the uppermost base of this inverted pyramid. The most critical people in the company were those who were effectively engaged with that customer. That engagement was not limited to face to face encounters. Any associate who was able to provide value added to that customer was “effectively engaged” regardless of their geographic location, organizational affiliation or job title.

At a stroke, K’Netix created a new meritocracy where people gained influence based on how effectively they contributed to the success of others and how well they could share and apply what they knew. People from the far flung reaches of the company began to gain visibility as proven “problem solvers” who were quick on the trigger to help others. They demonstrated that it was no longer a question of what you knew, but how well you were able to apply and share what you knew among your colleagues.

This exponential increase in lateral communication across the breadth of the organization left many managers at a loss. Knowledge sharing was not a skill they had been taught to prize nor to develop. Without the familiar element of control, taking part in Forum exchanges felt less like real work and more like free-form chatter. Management collectively balked. Not only did it seem that they were being asked to sell a concept (collaborative knowledge sharing) that seemed inherently chaotic, they were being asked to collude in putting themselves out of work. It appeared to many managers that they had been demoted to a function no more or less important than any other associate.

Champions for Change

While management mulled over how to put this genie back in the bottle, champions for change were stepping forward from all over the organization. People who were comfortable with sticking their neck out began to emerge.

Until the advent of K'Netix, it was as important "how" things got done as "what" was done. The emphasis on form took precedence over speed, responsiveness or innovation. It was the role of management to see that things got done in a certain way and along recognized channels of communication. Power lay not only in what you knew, but also in the ways in which you brought that knowledge to bear. Suddenly, here was a system, which broke all the previous molds for how power was shaped and applied.

Here's just one example from the K'Netix archives that illustrates the impact of this connectivity. Dennis Dalton, a managing director for Asian activities sent out the following call for assistance: "We will be proposing a pitch-control program to an Indonesian pulp mill," he wrote. "I would appreciate an update on successful recent pitch-control strategies in your parts of the world."

Phil Hoekstra was the first to respond from Memphis with a suggestion of the specific chemical to use and a reference to a master's thesis on pitch control of tropical hardwoods, written by an Indonesian studying at North Carolina University. Fifty minutes later Michael Sund logged on from Canada to share his experience in solving the pitch problem in British Columbia. Then Nils Hallberg chimed in with examples from Sweden. Wendy Bijker offered details from a New Zealand paper mill. Jose Vallcorba gave two examples from Spain and France. Chip Hill contributed scientific advice from the company's R&D team. Javier Del Rosal sent a detailed chemical formula and specific application directions from Mexico and Lionel Hughes weighed in with two types of pitch control programs used in South Africa. In all, Dalton's request for help generated eleven replies from six countries, and stimulated several sidebar conversations as participants followed up on the information that had surfaced. This online collaboration netted Buckman Labs a \$6 million order from the Indonesian mill [5].

As participation in K'Netix grew, those who were willing to use technology in new and aggressive ways to share their knowledge of the market and of chemical processes gained power. K'Netix allowed them to leverage what they knew across a far broader scope. Those who were willing to trust the input from colleagues they had never met found they could now bring the collective experience of all 1,200 colleagues to their customers.

Shifting Roles

While K'Netix put in the hands of every employee the power to influence, the power to inform, the power to make a difference in dealing with customers half a world away lay it also introduced a new responsibility – knowledge reciprocity. In exchange for your help in solving my problem of today, I must stay active in the Forums to be able to help you with your problem tomorrow.

Individuals who demonstrated the most knowledge reciprocity in the various Forums gained visibility in the company as the thought leaders among the emerging communities of technical practice. A 1993 survey of those who had been most active in the Forums during the prior year identified 150 people who excelled at sharing their knowledge and using their expertise to accomplish something productive. This "4th

Wave” of 150 people were rewarded with both visible incentives (advancement and new opportunities) and acknowledged influence among their colleagues. They became known corporately as “a good people to ask for help”.

Knowledge reciprocity also began to drive new norms for behavior – both for managers and for the rank and file. No longer was it sufficient to do your own job in isolation. As influence shifted to those who actively shared their expertise, it became commonplace to expect that “part of the job” was helping others to succeed – people who’s earnings might not show up on your bottom line.

And what became of management? Some managers were able to adapt over time. They learned that helping their reports make the best use out of the newly available information flow was equally as important as their former function of managing the flow of information. In making that mental shift they came to accept that their new job was to help steer company progress, even though they might not always be the ones at the wheel. Some managers clung to their to the old paradigm of command and control and found themselves with increasingly less impact on developments that sustained business growth and success. Over time they were replaced by those who saw entrepreneurial opportunity in knowledge sharing that transcended the benefits of knowledge hoarding.

Reflections and Lessons Learned

Reflecting on the power shifts that K’Netix wrought Bob Buckman has commented, “In hindsight, we should have sold the vision (what’s in it for the organization) and the value (what’s in it for the associate and the customer) much deeper in the organization. We depended on middle management to buy in to the process and communicate the vision for us. That was a mistake. We did not realize just how much a perceived threat the new system of communicating was to the middle management group at the time.”⁶ The basic question of managers, “What’s in it for me?” went unanswered.

As Buckman Labs discovered, where you stand on knowledge sharing and collaborative technology depends very much on where you sit. The equities, interests, concerns and rewards associated with knowledge sharing vary greatly depending on whether you are a sales associate, a first line supervisor, a middle manager or an executive. The ability to communicate in near real time with any member of the corporation might be viewed with either delight or horror depending on how you construe your job and how you believe you earn your pay.

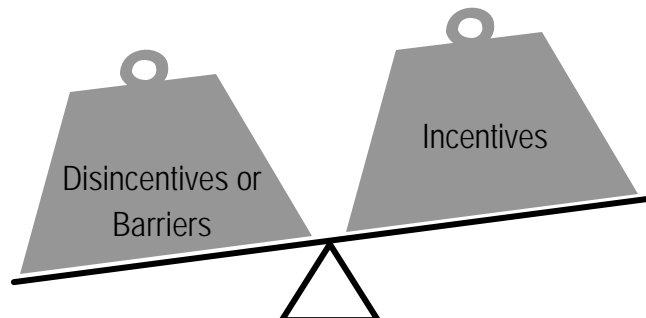
When major change is proposed, most of us wonder whether this change will:

- ▲ Save me time? If so, how much?
- ▲ Make my work easier? In what ways?
- ▲ Help me succeed?
- ▲ Help me advance?
- ▲ Give me access to the information I need?
- ▲ Help me solve the problems I’m facing today?

No matter the organization, each of its members has a distinct and unique “bottom line” that must justify the time and effort to learn to work differently – whether that difference involves new technology or new patterns of collaboration. No one set of reasons or size of example “fits all”. The process of answering “What’s in it for me?” is a negotiation. Unless organizations step up to that question, the best state of the art communications will do no more than gather dust.

Barriers and Incentives

One way to think of this negotiation process is to draw a teeter-totter. Think of your own organization and on the left-hand side list all the disincentives or barriers to knowledge sharing be they personal (“I don’t have the time to type everything”), organizational (“Managers are need line of sight control if they to are lead effectively”) or technical (“It’s too difficult and frustrating to get connectivity around here”). Once your list is complete, make a rough estimate of how large those barriers seem given the challenges you already face.



Next, look at the right hand side of the teeter-totter. List all the potential benefits and incentives for actively using knowledge sharing technology. Think about what it would take to make this new way of working worth your while? What is your bottom line for investing the time and energy to change? Now, which is larger – the organizational, personal and technical incentives, or the disincentives?

In retrospect, the question of what it would have taken for Buckman’s managers to shift the balance from disincentives to incentives was an interesting one. While the lab found no magic silver bullet that promptly converted the opposition and inspired everyone to change over night, the evolutionary change that took place was perhaps more lasting. The introduction of knowledge sharing technology brought to a head the basic need to develop and maintain trust throughout the organization.

As is frequently the case with knowledge sharing initiatives, people began to embrace the process when they had personal experience that it worked. For every call for help that was promptly answered by a knowledgeable someone on the far side of the globe, K’Netix gained in credibility. As people discovered that they experienced greater success working collaboratively than as a singleton, the concept of knowledge sharing became realistic and practical. Each time an associate found that they could effectively influence others on the strength of their experience, their willingness to make the time for responding to others grew.

A Checklist for Shifting Paradigms

As Bob Buckman is quick to point out, it’s important to look at knowledge sharing as a journey and not a project. Senior management must be actively involved and supportive for culture change of this magnitude to take place. Those organizations who would like to follow the Buckman model should begin by taking a hard look at the teeter-totter balance in their existing structure. The following questions form a basic checklist for focusing on what needs attention if knowledge sharing practices are to take hold.

Trust – To what extent:

- ▲ Are employees trusted to take independent action?
- ▲ Are people willing to stake their personal, professional reputation on the input of peers and colleagues?
- ▲ Do people assume “we are all in this together?”

Rewards – To what extent:

- ▲ Are people rewarded for independent achievement?
- ▲ Are people rewarded for interdependent or collaborative achievement?
- ▲ Are people rewarded for actively sharing their knowledge with others?
- ▲ Are people encouraged to network – to find out and apply what others know?
- ▲ Are managers rewarded for developing others?

Roles

- ▲ What are the key roles in the organization now?
- ▲ How will those roles change with knowledge sharing?
- ▲ What new roles are apt to emerge?
- ▲ How will you train people for those new roles?

As the Buckman experience made clear, new communication and collaboration tools invariably call into question long-term roles and responsibilities. Supervisors may know how to supervise, but do they know how to coach? Managers may be adept at filtering the right information to the right person, but do they know how to make sure the right people are in the loop when it seems as if the whole world is talking to each other? The Buckman experience highlights the importance of looking at the power dynamic in attempting major communications change through technology.

References

1. Jan Carlson, former chairperson of Scandinavian Airlines.
2. Robert H. Buckman, “Knowledge Sharing at Buckman Labs,” *Journal of Business Strategy*, January-February 1998.
3. Robert H. Buckman, “Arthur Andersen 1996 Enterprise Awards for Knowledge Sharing,” *Fortune*, February 1997.
4. Kenneth Schatz and Linda Schatz, “Managing by Influence,” (Englewood Cliffs, NJ: Prentice-Hall, 1986).
5. Glenn Rifkin, “Buckman Labs is Nothing but Net,” *Fast Company*, June-July 1996.

For further information, contact Carol Willett, 703-860-1145 ext 34 or E-mail: cwillett@akgroup.com.