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## How CKOs articulate the politics of KM during recessions

By Katherine C. Adams

Chief Knowledge Officers (CKOs) build programs that help businesses capture and reuse organizational knowledge. During economically troubled times they play a pivotal role in securing employee buy-in to KM programs. CKOs help organizations overcome an internal flaw in knowledge management (KM) theory — sharing knowledge is often not in an employee's best interest.

Some commentators deny the efficacy of KM because workers subconsciously think, "If I share what I know, my knowledge is commoditized and my value to the business drops like a rock." In many workplaces, information is power. Status and rewards go to the knowledge owners, not the knowledge sharers.

This article presents what CKOs at some of the world's leading knowledge-driven organizations are doing to foster a climate of knowledge sharing and innovation during uncertain times.

### Forging a New Corporate Order

The potential ambiguity about knowledge-sharing incentives for workers is deepened by the current economic climate of layoffs and downsizing. KM projects will fail if managers ask workers to act contrary to their own long-term best interests. While KM is attractive to managers during a recession, the same conditions that make it look good also make it more complicated to apply, if you take into account the cooperation of the keepers of the intellectual capital — the employees. KM asks them to act like a team in an environment in which the company may not return the favor. If it is my skill (knowledge) that makes me valuable to the company, why on earth would I give it away only to be sent packing? If misapplied, KM is merely a tool of worker manipulation.

Successful CKOs are sensitive to the political impact of KM programs. Because KM initiatives cannot be imposed on a company from above, CKOs must persuade workers that knowledge sharing is in the collective best interest of the company and will benefit employees as individuals too. CKOs are agents of cultural transformation who reconcile the strategic needs of an enterprise with the personal needs of workers.

Gordon Larson, CKO of CNA Financial Corp., cites empathy as an important job skill. His work entails "listen[ing] to the needs of the people that deliver CNA's products and services.... We have to address their needs with improved systems and processes that make it to their advantage to collaborate and share knowledge." Most CKOs feel they can accomplish little on their own.

During an economic slowdown, CKOs are important because they clearly articulate the politics and rewards of KM. They develop comprehensive knowledge sharing systems that stretch across an organization. CKOs are required, therefore, to adopt a holistic, enterprise-wide perspective. They establish procedures that integrate diverse communities throughout a corporation and make KM a worthwhile investment for all employees.

### Knowledge Transfer and Business Goals

CKOs argue for the value of KM programs in a number of different ways. Specifically, CKOs ensure that KM is deployed in the interest of business models and overall corporate strategy. These senior executives persuade workers to share what they know by showing how it serves business or strategic goals. Melissie Clemmons Rumizen, Ph.D., author of the *Complete Idiot's Guide to Knowledge Management* (Alpha Books, 2001), knowledge strategist, and assistant to the chairman at Buckman Laboratories, stated, "One way is that you tie the importance of knowledge sharing to business strategy and goals. You show how it is critical for the success of the business."

For example, Buckman Laboratories is initiating an "After Action Review" process in which workers take time after a project to ask: What did we learn? This is one of the most effective ways to link employee learning with business strategy. Rumizen explained, "Initially we added it as part of our teaming process, having explained that teaming is a vital skill for our business success. It's also being used as a follow-on to a planning process we have. We talk about the constant need to improve — to serve our customers better, to improve our operating efficiency, to increase our sales. This is a way for us to get better. We never mention knowledge management at all. We talk about the business reasons and benefits."

Kent Greenes, Science Applications International Corp.'s (SAIC's) CKO and former knowledge manager at BP LLC (previously known as British Petroleum, or BP Amoco LLC), is another example of a CKO who explicitly ties KM to increased corporate profit and market share. According to the SAIC Web site, Greenes gained fame as a CKO because he saved BP \$260 million in 1998. CKOs justify their presence within an organization by pointing to just this kind of cost savings and increased productivity.

## **Pay and Compensation Systems**

KM projects often entail a reexamination of corporate values and this leads to changes in performance measurements. Many CKOs contend that unless a company's pay and merit structures enforce knowledge sharing, the message to employees is that KM really doesn't matter. As CKO for CNA Financial, Larson works to "foster a knowledge sharing culture with recognition and incentives for active participation. As with any change, people want to know WIIFM (What's in it for me?)."

Typically, corporations base merit on individual achievement. A company can spend millions on information retrieval and data integration tools, but if bonuses and other rewards are handed out to individual "top performers" only, nobody is going to share what they learn. Incentive systems that use a team approach and reward a group within the company for their effort are more conducive to KM. If you want people to work together as a team, it makes sense to award bonuses, time off and other benefits to teams and not specific workers.

CKOs advocate breaking down incentives centered on the individual because systems of compensation based on individual merit discourage group work. Some CKOs endorse group rewards in which an entire team gets promoted or receives merit pay. Rumizen said, "One example at Buckman is that with our increased emphasis on collaboration and teaming, we changed a critical award. It used to be that we recognized the associate company that was the best performer for the year. This year that award was changed to the Most Valuable Team of the Year. The team that won for the 2000 had associates primarily from Europe, Canada, and the United States."

## **Recognition and Natural Affinity**

While cash is a potent form of reward, simple recognition is important too. Michael J. Garcia, KM project manager at Northrop Grumman Corp., a defense contractor, noted, "Lasting satisfaction comes more from recognition than rewards. Recognition from your peers, leaving a legacy and being considered an expert in your particular subject seem to be strong incentives." Mike Burk, CKO of the U.S. Department of Transportation's Federal Highway Administration, also observed that "people naturally want to help each other and get personal satisfaction when they add value from contributing their knowledge." Burk asked, "When was the last time you asked a coworker for their advice or input and were refused? I bet that doesn't happen often. It is human nature that people want to help each other, and people feel valuable and receive personal satisfaction when they do so."

David Weinberger, publisher of the *Journal of the Hyperlinked Organization*, or *JOHO* and columnist for *Darwin* magazine, also stresses the importance of employee recognition. He said, "Hoarding knowledge isn't a natural instinct. It can be encouraged or discouraged by the organization through implicit and explicit means. Implicitly, hearing others share their ideas freely gives people the right idea. Explicitly, you can make heroes out of people who have shared the most."

Circulating success stories is an effective way of both recognizing employee achievement and publicizing the strengths of KM. Narratives touch our emotions and they are a time-honored means of communicating complex truths. For instance, a story explaining how a big sales account was secured through collaboration can help change an institution's culture. Corporate narratives identify and reward individuals who participate in collaborative knowledge sharing. The CNA intranet has a special section devoted to success stories called "The Inside Scoop." This is where employees share examples of leveraging expertise from one section of the company to another. Northrop Grumman successfully deploys the same strategy. Garcia commented, "We have found that publicizing instances of sharing in

staff meetings and company newspapers provides the employee(s) involved with an inspiring way to be recognized by their peers and management."

## **Building Group Identity**

CKOs work to create a strong sense of corporate identity and community. To deliver top-notch products employees must care about the collective good of their organization. KM is grounded in employee commitment and esprit de corps. Knowledge transfer and reuse is possible only if workers agree that it is an important priority. People are learning things all the time, and KM harnesses this process to achieve collective goals. Hubert Saint-Onge, the CKO of Clarica Life Insurance Co., an insurance and investment services company, emphasizes the interdependence of corporate teams and units. He stated, "I continually emphasize that we are all in this together. People are better able to weather economically difficult times if they feel a sense of ownership and mutual accountability for their work performance."

Communities of practice are one popular way to encourage collaboration and knowledge reuse among team members. All the CKOs interviewed for this article established electronic workspaces for various projects and work units. At Northrop Grumman, according to Garcia, "communities of practice provide a safe haven for people with like interests to share ideas, tell stories and meet others. In these communities, peers recognize people as experts in a specific subject." (Refer to the January 1, 2002 IntelligentKM feature, "[Intellectual Stimulation](#)," for more information on communities of practice.)

Group identity is built upon shared structures of meaning, and finding ways of gaining employee commitment is an important part of a CKO's job. With the advent of IT systems, corporate leaders are no longer knee-deep in traditional managerial tasks such as communicating factual information to workers or directing them to new resources. According to Saint-Onge "Therefore, leaders play a key role in creating meaning. [They are charged with] looking for patterns and synthesizing isolated events into a meaningful whole."

Leaders are responsible for communicating possibilities and articulating a corporate vision. This occasionally calls for flamboyant showmanship. For example, Saint-Onge made a presentation on e-learning to a group of Clarica's senior managers outfitted as rap artist. Dressed in designer sunglasses, heavy ropes of gold chain and a knit cap, Saint-Onge had the managers on their feet rapping about the glories of KM to a hip-hop beat. The company's distinguished CEO, Robert M. Astley, surprised everyone by calling out "Yo, Yo, Baby!" Companies are built upon just this type of shared experience.

## **Nurturing a Sense of Trust**

Open communication about KM and its benefits can allay worker concerns about job security and the political consequences of collaboration. According to Rumizen, "The way to secure trust is to be trustworthy. Communication is a key to being trustworthy. Tell your employees what is going on and why. For example, every quarter our CEO [Steven Buckman] talks to our associates about our financial performance. We know how things are going." Furthermore, Buckman Laboratories acknowledges the importance of avoiding layoffs. The company's code of ethics reads "We maintain our policy of providing work for all individuals, no matter what the prevailing conditions may be." Steps such as this go a long way in gaining worker good will.

Managers at Northrop Grumman emphasize the importance of earning employee trust even while layoffs are being carried out. Garcia said, "The most critical factor in a knowledge-sharing environment — trust — must be built and nurtured over an extended period throughout the management/employee relationship process. This trust can be enhanced even in an environment where jobs hang in the balance by having open and honest communication. Organizations must ensure that every employee understands why downsizing is happening and why it is more important to share knowledge."

Weinberger also emphasizes the importance of communication and honesty. He argued, "Trust is not a fair weather phenomenon. You cultivate trust the same way in good times as in bad — you earn it over the long term by behaving righteously. Employees aren't stupid. They understand that if a business heads south, it may have to contract. Layoffs won't affect trust except where employees have been lied to." Weinberger argues that KM retains its efficacy in economically lean times. "Sharing what you know in order to build better products and to keep better customers works in *any* environment — exactly the same as honesty, openness and a sense of humor do. Your mood may be worse, but the same values apply."

## Celebrating the Learning Process

Converting businesses into learning organizations requires a tolerance of error and waste. While no one advocates wasting corporate resources or time, making mistakes is a part of any creative activity. Weinberger warned that, "A culture of correctness inevitably creates hoarders. That is, if you want to encourage sharing of ideas, you also have to tolerate ignorance, mistakes, errors, and truly bad ideas. In fact, 'tolerate' is entirely the wrong word. You have to encourage, embrace and truly enjoy being wrong in public." It's important for leaders to openly acknowledge the perils and joys of experimentation.

Weinberger said, "Nothing's better for a company's spirit than having senior managers being whoppingly wrong and laughing when they are find out. (Being wrong or ignorant are the conditions for learning, after all.)" The point here is that if workers fear losing their jobs for making a mistake, they won't explore new possibilities.

## A New World View

CKOs aim for nothing less than corporate transformation and their overarching goal is changing the way people work on a day-to-day basis. A CKO's job, according to Saint-Onge, consists of "changing the gravitational point of a company's central logic." When he came to Clarica, Saint-Onge's goal was to change the company's cultural DNA. Saint-Onge explains that contemporary businesses are customer-focused and act according to a "sense and respond" model. In this framework, employees put themselves in the customer's shoes and strive to meet all their needs, even those desires customers aren't able to articulate. Because it takes the collective wisdom of an organization to deliver superior products and services, sharing information with coworkers is the road to success.

According to the "sense and respond" model of business organization, corporate knowledge is less a source of power and more a strategic means of accomplishing important business goals. According to Burk, "One will not be looked upon favorably if key knowledge is hoarded and not made available to enhance organizational productivity or excellence. Those that hoard will be viewed as "out of step" with the goals of the organization." Hoarding knowledge does not result in an employee enjoying higher status because those who refuse to share what they know become isolated and are eventually irrelevant. Being connected with other workers and freely giving away one's expertise emerges as a politically savvy decision.

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## RESOURCES

**BP:** [www.bp.com](http://www.bp.com)

**Buckman Laboratories:** [www.knowledge-nurture.com](http://www.knowledge-nurture.com)

**Clarica Life Insurance:** [www.clarica.com](http://www.clarica.com)

**CNA Financial:** [www.cna.com](http://www.cna.com)

**Federal Highway Administration:** [www.fhwa.dot.gov](http://www.fhwa.dot.gov)

**JOHO:** [www.hyperorg.com](http://www.hyperorg.com)

**Northrup Grumman:** [www.northgrum.com](http://www.northgrum.com)

**SAIC:** [www.saic.com](http://www.saic.com)