

## The role of the chief knowledge officer

Qualities include enthusiasm and the ability to pass it on

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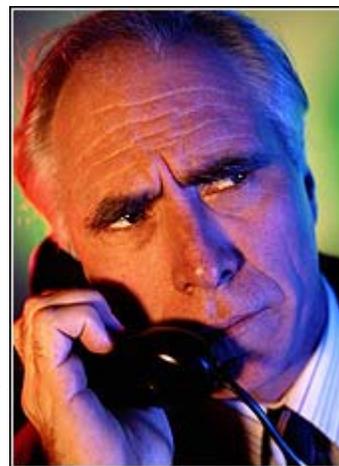
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**SUMMARY**

The growing popularity of knowledge management is reflected in the fact that more companies are employing chief knowledge officers (CKOs). Unlike the chief information officer, whose task is to oversee the deployment of IT, the CKO's job is to maximize the creation, discovery and dissemination of knowledge in the organization. Recent research by Michael Earl and Ian Scott indicates that the broadness of this remit is echoed in the personality of the typical CKO: he or she tends to be lively, infectiously enthusiastic, flexible, willing to work with anyone anywhere, and interested not only in the latest IT but in "soft" organizational mechanisms for promoting knowledge. The best CKOs fulfill four roles: entrepreneur (willing to champion risky new initiatives); consultant (able to match new ideas with business needs); technologist (fully IT-literate); and environmentalist (able to design settings and processes to maximize knowledge). While most hope that once knowledge management becomes ingrained in the company their role will be finished, the transitional period is taking longer than expected. <



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In several large organizations, and some small ones, a new corporate executive is emerging -- the chief knowledge officer, or CKO. This is quite a different role, so far, from the chief information officer (CIO), who oversees the IT function. CKOs are being appointed to initiate, drive and co-ordinate knowledge management programs. We studied 20 CKOs in North America and Europe, both to understand their roles and to gain insight into evolving knowledge management practice.

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**THE RISE OF KNOWLEDGE MANAGEMENT**

What is knowledge management and why are corporations investing in it? Most of our chief knowledge officers would agree on three points:

1. Today, knowledge is a sustainable source of competitive advantage, and one that it is essential for companies to tap. In an era of rapid change and uncertainty, companies need to create new knowledge, nurture it and disseminate it throughout the organization, and embody it in technologies, products and services. Indeed, several sectors -- for example, financial services, consulting and software industries -- depend on knowledge as their principal means of value creation.
2. Most companies are not good at managing knowledge. They may undervalue the creation and capture of knowledge, they may lose or give away what they possess, they may inhibit or deter the sharing of knowledge, and they may underinvest in both using and reusing the knowledge they have. Above all, they may not know what knowledge they have.
3. Knowledge management programs may be a means of galvanizing companies to develop knowledge as a source of value creation, redirecting their attention away from capital, natural resources and labour as the only economic resources that matter.

Knowledge management programs, therefore, are explicit attempts at:

\* Designing and installing techniques and processes to create, protect and use explicit knowledge (that is, knowledge that the company knows it has);

\* Designing and creating environments and activities to discover and release tacit knowledge (that is, knowledge that the company does not know it has);

\* Articulating the purpose and nature of managing knowledge as a resource, and embodying it in other initiatives and programs.

Knowledge management programs are being developed in a variety of industries, from financial services and consultancy, through IT- and science-based companies, to fast-moving consumer goods manufacturers and food and drink companies.

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## THE RISE OF THE CKO

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The people who drive and co-ordinate knowledge management programs are not necessarily called CKOs ("the most pretentious title in the company," as one of the CKOs we interviewed put it); they may enjoy kindred titles, such as "director of intellectual capital," "vice-president, intellectual assets" or "director, organizational learning." But for the purposes of our study, our subjects had to be corporate executives with "knowledge" in their title. Those we studied came from the financial services, IT, consultancy, utility, petrochemical, media services and FMCG sectors.

None of the people we looked at had been in the job more than two or three years. They had small staffs and budgets and did not expect their role to be permanent.

In some ways, they were like the executives who led "total quality management" (TQM) initiatives, appointed to achieve change, but with few direct resources.

However, most had considerable influence and status -- initially at least -- because they had been appointed by the chief executive, to whom they reported. They were normally appointed from within the organization and so were familiar with its culture and character. But no obvious route to becoming a CKO was apparent. Our CKOs came from a variety of backgrounds, often with a mixed career profile. For example, one had experience of consultancy, IT and organizational learning. Typically, our CKOs were in their 40s, with a track record of achievement, particularly in change, behind them, and apparently an excellent career ahead of them. Forty per cent of those we studied were women.

In most of the cases we looked at, the chief executive appeared to have made an intuitive decision to appoint a CKO. These decisions were bold but not worked out in detail, with the result that most CKOs had to work out their own job specification. However, given what the CKOs were seeking to do and the way they were going about it, the chief executives seem to have had an eye for appointing the right people.

What struck us early in our research were the CKOs' distinctive personalities. They were lively, enthusiastic and able to transmit their enthusiasm to others. They were curious and reflective, seeking to learn as they evolved in their role. They had great belief in knowledge management and were ambitious for the success of their company. They were flexible, looking to work with anyone on anything that could advance the cause of knowledge management. They were content to sponsor projects or to let others take the lead and the praise.

A striking quality was the breadth of their interest. They were not obsessed solely with the ideas and products of the IT industry for knowledge management, but they did not dismiss them.

Indeed, they saw themselves as designers of social environments and events, new business processes and organizational development initiatives. This is why we suspect that a rich and wide previous career helps. However, to judge what will work in a company and at what pace, deep experience of that organization is also likely to help. So striking were these personalities -- and the high proportion of female incumbents -- that we applied a psychometric test to those CKOs who would respond. The resulting profiles tend to reinforce our descriptions. However, we were particularly keen to derive a picture of the CKO in terms of role.

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## THE MODEL CKO

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From the interviews and subsequent workshops with our CKOs, we derived a model which seems to capture the four critical capabilities of the CKO (Figure 1). There are two leading and two managing qualities.

**Leading qualities** The CKO needs to be an entrepreneur, a self-starter who is excited by business development and by creating something. All our CKOs saw themselves as builders, starting a new activity or function. They recognized the personal risks involved in taking on a newly created position, especially one with a title that invites ridicule (although most valued having the word "knowledge" in their titles). However, all seemed stimulated by the risks.

A critical attribute of such entrepreneurship is being a strategist who can understand the implications of using knowledge management to transform the organization. To a degree, the CKO is a visionary, able to see the big picture that the chief executive has in mind, but also able to translate it into action. He or she can think of new ways of doing things and yet focus on deliverable results. In short, the CKOs we have met are driven by building something and seeing it through.

However, vision and determination are not enough. The CKO is also a consultant. He or she has to listen to other people's ideas and bring them in and nurture them if they make sense and fit the knowledge vision. Without practical ideas and projects, knowledge management is likely to be little more than rhetoric. So, as in classical management consulting, a valuable skill is matching new ideas with managers' own business needs.

Managing relationships is therefore an important capability. The CKO can operate only through influence, persuasion and demonstration. At the same time he or she must be willing to let others take centre stage and receive the credit.

It is also important to be able to read the company's appetite for change and appreciate how to connect to, and work along with, other change initiatives. One CKO said she was "driven to make a difference to performance" but added that such goals are to no avail unless the CKO "understands the organization's business model and is clear on the kinds of knowledge that are relevant and will create value". This reads like the central competence of a good strategy consultant.

Managing qualities CKOs also need two principal design competencies as they encourage, initiate and manage investments in IT and the social environment. First, as a technologist the CKO has to understand which technologies can contribute to capturing, storing, exploring and, in particular, sharing knowledge.

Some of these technologies are just emerging. The CKO has to be sufficiently informed to evaluate what technologies work, what opportunities they open, whether and when to adopt them, and how easy implementation is likely to be.

On some occasions, the CKO is the sponsor of the IT project and nearly always has to work with the CIO or a senior IS executive. Thus the CKO needs to be able to have credible discussions with these colleagues. Among the CKOs we studied this was more likely to come from past involvement with IT projects than from formal IT training.

Such technical understanding is not optional: the CKOs we studied recognized that they could not operate in the domain of knowledge management alone. Indeed, their first initiatives were often based on IT, such as creating knowledge directories, developing knowledge-sharing groupware or building an intranet.

And re-engineering knowledge-intensive management and business processes, such as new product development or sales planning, often requires development of a knowledge-sharing IT application (such as groupware to record experiences and ideas).

The second design competence is "softer" in character and relates more to the management of tacit knowledge. Here our CKOs stressed their role in creating social environments that stimulate both arranged and chance conversations, or in developing events and processes that encourage more deliberate knowledge creation and exchange. The CKO is therefore also an environmentalist, which implies several things.

It includes the design of space, such as offices and relaxation areas, and sometimes even the acquisition and furnishing of retreats and learning centres. It also involves bringing together communities with common interests that rarely interact with each other. For example, people in different functions who serve or have information on important customers may be brought together to exchange knowledge (especially experience and gossip).

Being an environmentalist also means redesigning performance measurement and executive appraisal systems to break down incentives centred on the individual. It means encouraging people to develop knowledge collectively, to share knowledge with one another, to be prepared to take risks and to learn through experimentation. Basically, being an environmentalist means advocating management education and organizational development initiatives that increase the company's capacity to create knowledge. Examples include experience-sharing events for fast-track managers and career development programs that allow participants to acquire broad and deep knowledge.

CEO, CIO and CKO The model CKO needs multiple competencies. More particularly, the model in <> suggests how the CKO's responsibilities differ from those of other executives. The "leading" entrepreneur/consultant axis combines the strategic, integrating, enterprise-wide qualities of the chief executive with the catalyzing, selling and implementing qualities expected of the change agent.

The "managing" environmentalist/technologist axis covers the softer, organizational, process-orientated perspective of the human resources specialist as well as the technological, information systems perspective of the CIO. In these respects, the CKO is perhaps deeper than the chief executive often is expected to be and broader than the CIO wants or has time to be.

When we add our personality data to this descriptive analysis of what CKOs actually do, we conclude that they are a different breed from the typical CIO. CKOs are more extroverted, more tolerant and probably more relaxed than CIOs, and have a broader range of skills and interests. This is not a value comparison of the two roles. The CIO's role is very demanding, as described earlier in this series ("Change no option for today's CIO," Part 3), and in particular, demands more functional leadership, technological know-how and obsession with daily operational performance. The qualities required of the CKO are an unusual and perhaps rare mix, in which coping with ambiguity and helping others to change are key attributes.

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## **A TRANSITIONAL ROLE?**

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The CKOs we studied saw their role coming to an end when knowledge management was accepted by their company and embedded in its daily life. Again, this recalls the TQM movement, which was needed to focus companies' attention on quality as a competitive necessity. Success was achieved when quality was no longer a special issue, at which point some of the TQM change processes could be taken away.

Likewise, our CKOs saw their goal as working themselves out of a job. However, they were generally finding that the changes required in organizational and managerial behaviour to manage knowledge as a normal, daily activity -- and the environmental and technological investments required -- were going to take longer than they or their chief executives expected. So we do not believe that CKOs will be "here today and gone tomorrow" -- they may be required until at least the day after.

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