

Knowledge Management And Organizational Effectiveness: Considering Applications For Leadership

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ABSTRACT

This essay will explore the change of the organizational environment from a structured production model, bureaucracy, to an information-based organization that is directed to manage knowledge. Moreover, this essay will discuss how organizations and leaders can all play a part to enhance knowledge transfer and create more efficient organizations.

Keywords: Knowledge management, information-based organizations, systems thinking, learning organizations, knowledge transfer, knowledge-based leadership

INTRODUCTION

*M*ax Weber, the 19th century philosopher and father of sociology, proposed a revolutionary idea of what organizations could become and how, through this structure, they could service humanity. Weber's timely vision was the catalyst which allowed organizations to be the caretakers of society in a time when countless numbers of people needed to raise their standard of living.

His vision of how people could come together in efficient structures created what is commonly understood as bureaucracy. Bureaucracy provided a necessary organizational frame for people to collaborate with each other in their pursuit of common goals (Wren, 2005, p.26). Alfred North Whitehead said "all of philosophy is a footnote to Plato" (Russell, 2005, p.67). It could also be said "all of organizational theory is a footnote to Weber" – until recently. Weber was able to suggest a paradigm for organizations, which has had import to this day; however, today is a new day.

The modern era is commonly understood as the information age. Bennet and Bennet (2001) argue that organizations have always used knowledge, but the new intense focus on knowledge in organizations has risen out of the organizations' need to manage their own growing complexity and yet remain competitive (2001). Organizations have long been creating, storing, integrating, tailoring and making available the right knowledge (10) because it is knowledge that creates a sustainable advantage; but in today's world, the knowledge skill is becoming the skill to master. While Knowledge Management (KM) is still in its embryonic form, two definitions point us in the right direction. What is KM?

KM is "A discipline that promotes an integrated approach to identifying, capturing, evaluating, retrieving, and sharing all of an enterprise's information assets. These assets may include databases, documents, policies, procedures, and previously uncaptured expertise and experience of individual works" (Srikantaiah, 2001, p.3). KM refers to these as "The tools, techniques, and strategies to retain, analyze, organize, and share business expertise"(Groff and Jones, 2003, p.11).

KM may lack some of the structure of other quality improvement programs, but from these aforementioned definitions, one can see both the broad scope of KM within organizations, as well as potential broad applications. Yet, in the end, it is people who will implement KM within organizations. More specifically, KM must start with leaders and managers.

This era will be seen as one where a shift occurred from the Weberian bureaucratic paradigm to the information-based paradigm. What will this new paradigm require of those within organizations? Drucker (2001) believes that organizations, and the managers within them, will need to develop new skills in order to face and meet challenges within this new age. The new challenges will be centered on functioning within an “information-based organization” (p. 31) and managers will have to focus on knowledge growth, transfer and implementation. (p. 45). Drucker picks up on a paradigm change within organizational life, the shift from production based organizations to information based organizations. Managers now need to have the ability to manage knowledge. Managers will need to develop personal leadership strategies and new organizational structures to facilitate knowledge growth and transfer.

PERSONAL MANAGEMENT AND LEADERSHIP STRATEGIES

If KM is to be implemented in existing organizations that have largely been modeled after Weber’s ideal, what type of leadership skills will be required? Leadership’s role today is to “design systems which capture, maintain and gain knowledge” (Senge, 1990, p.443). In other words, leaders must master an understanding of how information travels through organizations and be able to coalesce people around knowledge.

Senge identifies how organizations knowledge moves through organizations by using the Causal Loop Diagram to illustrate how knowledge is built and understood (see Figure 1) (Senge, 1999, p.45).

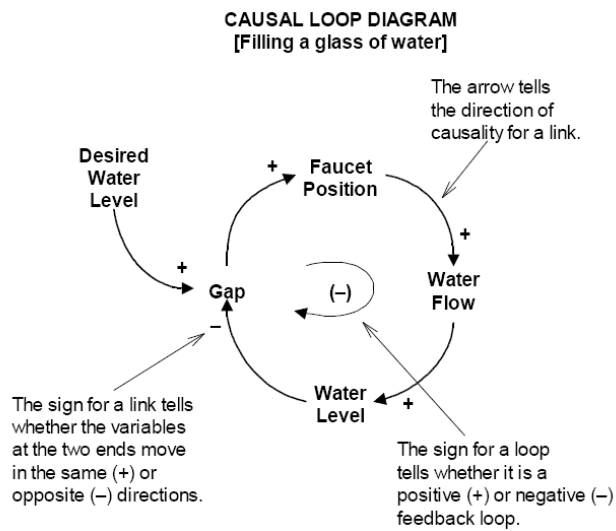


Figure 1

Figure 1 illustrates how the human body, as a system, uses information from many sources to determine when a cup is full. Organizations have the same type of systems in place to help gather knowledge to determine when a task is complete. Leaders must be apt at articulating and disseminating how organizations learn. The need for leaders to develop an understanding of how organizations learn is supported by Monturi, (2000), DiBella Edwin & Gould, (1996) and Levit & March, (1988).

The second skill knowledge that leaders must develop is the ability to coalesce people around a set of values and knowledge that everyone agrees on. Senge (2006) calls this skill “Personal Mastery”. He defines personal mastery as a discipline that “involves formulating a coherent picture of the results people most desire to gain as individuals” (p. 67). This same sentiment is shared by Pouse and Kosner, who refer to this as presence knowledge, so it has an "Appeal to all who have a stake in it. Only shared visions have the magnetic power to sustain commitment to organizational goals” (p. 125).

Successful leaders of these new organizations will be able to master an understanding of how organizations learn, as well as develop the ability to bring people together around the knowledge that the company has cultivated. However, leaders alone do not have sole responsibility; employees must also develop a new and enhanced skill set. New organizational structures

Leadership capacity is only half of the issue; the more pressing issue is if organizations, and the leaders who envision them, can be redesigned to meet the demands of KM. Learning organizations represent the ideal organizational type for KM. A learning organization is best defined as, “An organization skilled at creating, acquiring, and transferring knowledge, and at modifying its behavior to reflect new knowledge and insights” (Gavin, 2000, P.80). One difficulty KM faces is that any organizational structure can incorporate learning into its organizational structure, so there isn’t a pure organizational learning model to follow. Yet, there are ways in which organizations can restructure themselves to become those which focus on and foster learning. The goal is to enable individuals to learn and share and have systems within the organizational structure that capture the information and transmit it.

PERSONAL LEARNING

Within every organization there are two types of knowledge - tacit and explicit. Tacit knowledge is that which individuals learn but that has not been put into any codified means so that it can be communicated and shared with the rest of the organization. Explicit knowledge has been codified and can, in fact, be shared and used widely.

Explicit knowledge takes many organizational forms; i.e., consultants, plans, newspapers, data warehouses, institutional memory, policies, and electronic records; but for organizations to harvest this knowledge, they must “be encouraged to apply constructively what they know . . . where the peripheral nature of participation is appreciated and people value, and look for, diversity in the contributions of their colleagues” (Srikantaih, Koenig,2001 p.154). The goal is to have individuals sharing their knowledge.

ORGANIZATIONAL STRUCTURE

Senge offers on organizational dynamic that largely depends on leadership initiative and not on changing the organizational chart. The internal structure of leadership must be changed to begin asking for new and better types of knowledge. Senge suggests that leaders at every level make changes:

- Local Line Leaders would begin experimenting with new discoveries to gain improved results.
- Executive leaders support line leaders, develop and enhance learning structures, and lead by example.
- Community builders (employees) find those who are predisposed to change and diffuse their learning. (Senge, 1999).

This emphasis on the leader changing the knowledge flow is supported by Davenport (1998) who suggests that “strong support from leadership is critical for knowledge management success” (p. 112). The leader is considered the essential part of the structure that must change. First, the leader must adapt to new types of skills, but they must also engage in the organization to structurally change the organization.

CONCLUSION

Knowledge management is the crest of the wave. One can be sure that the present information age changes the present structure of the organization drastically, but it appears that there is still something missing to complete the transformation of the organization. However, it should be noted that KM is the beginning of this process. Until organizations are remade, we have the opportunity to move forward on the information revolution that KM is trying to capture through assertive leadership and organizational change, as this essay discussed.

The key during this transition is leadership. Scharmer (2007) depicts the importance of leadership for the new organization. He believes that leadership must involve vigilance because “Knowledge cannot be managed . . . because it is a living process, not a dead body. Instead of managing knowledge, we need to create the conditions that will allow all knowledge to emerge” (p.70).

AUTHOR INFORMATION

Dr. Ewest has worked in higher education for the last 11 years teaching entrepreneurship, social entrepreneurship, economic development, nonprofit management, economics and organizational theory. His research interests include: issues surrounding faith and work, leadership and pro-social behavior and leadership in social entrepreneurship. He has published numerous journal articles, conference presentations, and contributed to two leadership books. In addition to his duties at Wartburg, he is currently working as a Visiting Research Collaborator with David Miller at Princeton on the Spirituality at Work Integration/Manifestation instrument

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