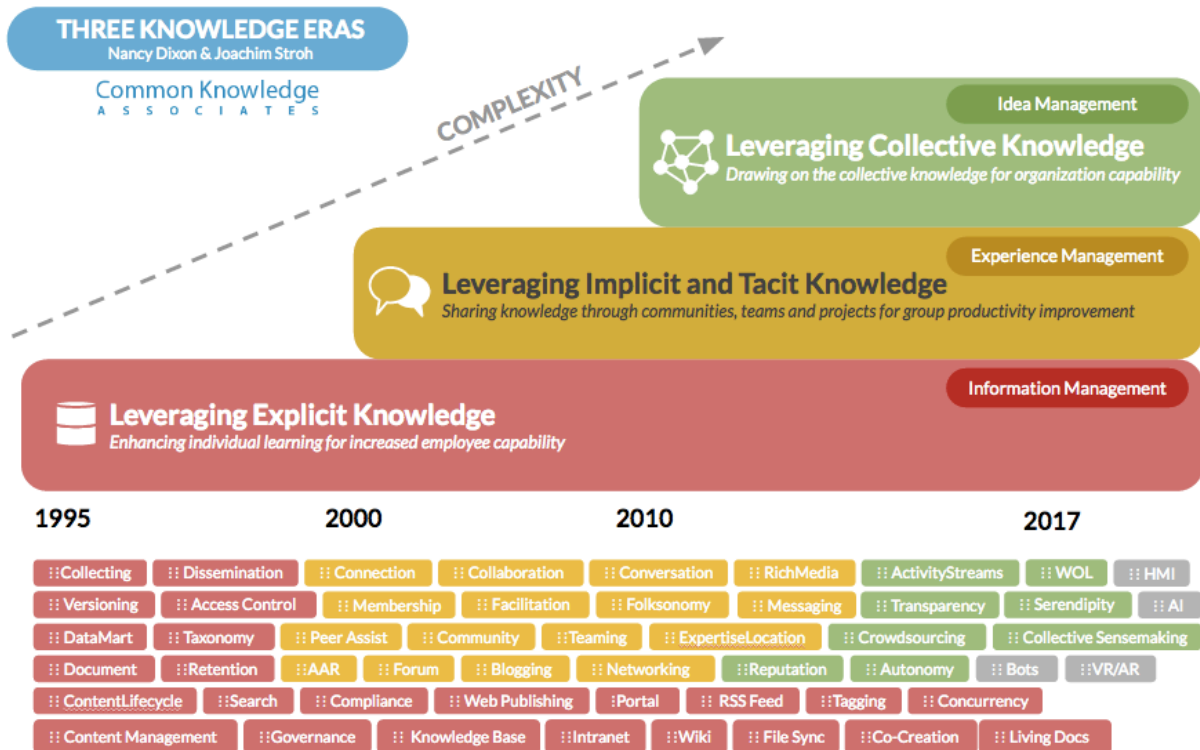


# The Three Eras of Knowledge Management - Summary

Nancy M. Dixon  
Common Knowledge Associates

Since the term “knowledge management” came into popular usage, there have been three significant changes in how organizations have thought about their knowledge. Each successive era has expanded the type of knowledge that organizations considered important without eliminating the need for and use of the previous type of knowledge.

Knowledge management began in the mid 1990’s. Before that time knowledge was typically considered the province of training and was thought of as an individual capability. However, in the mid-90s Peter Drucker began to write about “knowledge workers” and the “knowledge economy” and proposed the idea that knowledge was a critical organizational asset that was as important for organizations as capital or property.



## Leveraging Explicit Knowledge - ERA 1

The initial idea of knowledge management was that an organization's knowledge needed to be documented and then placed in a database where everyone could access it whenever they needed it - no longer would employees only be able to learn when attending a training class. Efforts were made to capture an organization's best practices and lessons learned. Organizations spent large sums of money creating **repositories** and **databases** and employees were encouraged, sometimes even badgered, into contributing to them. The prevailing way of thinking about knowledge management was as a library or a warehouse with inputs and outputs, the more inputs the better. The intended beneficiaries were individuals with the organization who needed to know how to do their jobs more effectively

By 2000 the limitations of information management were becoming evident:

1. Organizations found it difficult to get people to document their knowledge, and even more difficult to get others to make use of what had been documented and stored. Users found tools, for example, checklists or steps in a process useful. They also found reusable documents such as PowerPoint presentations and proposals helpful, but lessons learned and best practices were largely ignored.
2. Organizations began to recognize that they had only been supporting explicit knowledge, knowledge that could be written down - they had disregarded much of the knowledge that was critical to organizational success, implicit and tacit knowledge.

## Leveraging Experiential Knowledge - Era 2

Given the limitations of information management, by 2000 there began to be a new and fuller understanding of knowledge that brought a new perspective on knowledge within organizations and new practices. This new perspective held that:

1. Much of an organization's knowledge is in the heads of employees, with only a small percentage residing in documents, still recognizing that some **explicit** knowledge is needed and should be maintained. **Implicit** knowledge is "know how" that is learned through experience. If asked a question, an experienced person can make the know how that is in their head explicit enough that others can use it, for example, the rules of thumb the person uses, insights about a difficult client, short cuts to use in fixing a troublesome machine, etc. **Tacit** knowledge is that deep understanding born of that a person uses to make judgment calls but often cannot articulate. It is the knowledge that makes one speaker engaging while another on the same topic uninteresting, the insight of a

sales person who knows the right moment to ask for the sale, or the doctor who is an exceptional diagnostician.

2. An organization's knowledge is dynamic and rapidly changing so that what is "captured" is soon out-of-date. Knowledge needs to be continually exchanged because workers are continually learning from doing their work, from customers, and from their intentional efforts to stay up to date in their field.
3. Knowledge is essentially social and is developed and held by groups of people who engage in a specific practice, like writing code or deep water drilling. Etienne Wenger's book **Communities of Practice**, that named and explained this phenomena, came out in 2000. My book **Common Knowledge** also came out in 2000 and talked about the knowledge management processes through which teams and projects could share their knowledge.

Given this new and broader new understanding of knowledge, organizations began to build **Communities of Practice** (COPs) to providing a way for workers to ask for and receive knowledge on a just-in-time basis and thus keeping fast changing knowledge up-to-date. The Q&A that is ubiquitous in communities provided a way for employees to share their implicit knowledge in response to specific situations. By 2005 nearly every Fortune 500 Company had established Communities of Practice, acknowledging the growing understanding that knowledge is largely a property of groups of people.

Organizations also put **After Action Reviews** (AARs) into place to promote continuous learning in teams and projects so that what was being learned in the field could be continually updated. **Expertise Locator** systems helped employees draw on the implicit and tacit knowledge of experts across an organization. **Peer Assist** and **Knowledge Harvesting** helped to move knowledge from one team/project to another.

**Blogging** became ubiquitous as a way to gain a broader understanding of what was happening across a discipline. The value of **networking** became apparent in that it provided wider view from different silos in an organization.

However, by 2010 the limitations, of even this expanded perspective of leveraging experiential knowledge, began to be recognized:

1. It became obvious that knowledge was flowing primarily among peers and was largely limited to frontline employees. Senior and even middle management were supporters of knowledge management but not users of knowledge management processes, for example, there were few if any CoPs for managers, nor were managers taking advantage of KM tools like **AARs**, and **Knowledge Harvests** to reflect on their own actions and decisions.

2. Knowledge management was primarily dealing with existing knowledge, attempting to bring all units up to the best in class of the organization. But those efforts were not helping organizations create new knowledge or spur innovation.

3. The focus of knowledge management was on tactical issues to the exclusion of strategic issues. For example, although GM had an outstanding knowledge management program, that program did not address the difficult strategic issues that put GM into bankruptcy.

4. None of the practices of the first and second eras dealt with changes in the overarching issues that were preventing the organization, as a whole, from learning, a) power and decision making concentrated at the top of the organization, b) lack of transparency, and c) little autonomy for workers to make use of what they were learning.

### **Leveraging Collective Knowledge- \_Era 3**

The first thinking about the Third Era began to appear around 2010, with a few leading-edge organizations, initially in the high-tech sector, developing new practices for making use of their organization's collective knowledge. Organizations began taking advantage of Web 2.0 social media, building user controlled platforms such as Wiki's and **social networking** that bring with them greater organizational transparency and give rise to more diverse perspectives in the organizational conversation. The use of **crowd sourcing, idea jams, predictive markets** and **Working Out Loud** draws on a wider base of thinking, both internally and externally, to increase organizational innovation.

In the last few years, in response to the growing complexity in products and services, the use of teams has become an important organizational structure. Teams are becoming the foremost source of learning and innovation in organizations, as reflected by leading thinkers like McCrystal's *Team of Teams*, Edmondson's *Teaming*, and Hackman's *Collaborative Intelligence*. Also seen in Google's in-depth study of what has made its own teams effective (Hyperlink). Teams are the source of learning because they have greater autonomy to respond to customer requirements and to invent new solutions.

With the rise of **virtual teams**, leadership is necessarily becoming less centralized, depending more on distributed leadership among team members. Tools like **Slack, Yammer, Google Docs, and Dropbox**, make team collaboration easier. Visual tools such as **Google Hangout, Skype, Zoom, and Facetime**, create greater trust and therefore transparency among team members. Teams have become the unit of learning in

organizations, thus are the focus of many knowledge management initiatives and tools.

The Third Era is about two trends that at first seems contradictory, distributed work and bringing people together in conversation to use their collective knowledge to address problems. Leading-edge organizations have come to understand that in an age of increasingly complex organizational issues, leaders cannot be expected to have all the answers; the task of leaders becomes **convening the conversations** that can come up with new answers. Even long established organizations have begun taking advantage of ways to bring the whole organization to bear on strategic issues, using processes that had been around for a number of years, but have only recently gained credence. Processes like the **World Café**, **Appreciative Inquiry**, and **Search Conferences** bring together all levels of the organization – the whole system in the room.

### Summary

As organization's move into the Third Era the knowledge management practices of the first two eras are still needed - we have not left behind the need for good information management, nor for better ways to connect individuals to learn from each other. As the diagram illustrates we continue to see improved practices for the earlier two eras. For example, improved **taxonomies**, better **search engines**, and **tagging** have made locating documents much easier, as has the understanding of how to organize explicit information for usability. Media tools have become richer with the use of video that has greatly increased the quality of collaboration efforts.

Over the three eras, each new set of knowledge management practices has been created in response to an ever-expanding understanding of 1) where knowledge lives within organizations and 2) what knowledge is important to organizational success. We can anticipate yet greater understanding as more organizations move further into the third era.