Knowledge and Leadership

Summary based on discussions at a Knowledge Café held
in Basel, Switzerland, 25 April 2007 by

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Introduction

On the top of the corporate leadership agenda is the responsibility for building the corporate community consisting of clients, shareholders, board directors, employees, partners, suppliers, authorities, research organisations and other stakeholders. We ask the question: how do we research, develop and apply new better practices to be taken in the knowledge management (KM) of an organisation involved in activities where leadership and innovation success could have significant performance impact?

Knowledge gaps, bottlenecks, absence or under-utilisation of knowledge, lack of communication or collaboration, lack of access to or re-use of existing knowledge, difficulty in storing or retrieving knowledge, organisational or cultural issues may all contribute significant barriers to knowledge sharing and innovation, and leaders need to be able to identify and act on such areas to improve the organisational performance.

Relevant questions related to Knowledge and Leadership include: How should we lead knowledge-driven organisations in the 21st century? What skills and qualities are needed by today's "knowledge leaders"? What knowledge strategies should an organisation adopt for the next five years? What should organisations be doing today to ensure they have the right leaders, workers, processes, and projects in place by the turn of this decade? What changes can we forecast in terms of information and communications technology (ICT), knowledge management, creativity, learning and collaboration? And how do we prepare as individuals and organisations to confront these challenges?

A Knowledge Café was held on the terrace of the Merian Hotel in Basel on 25 April 2007 to discuss these questions through peer-to-peer conversations between managers and practitioners. The Knowledge Café lasted ca. 2.5 hours and involved 31 participants.
The six facilitators at the Café were Richard Zbinden (CEO, Software for Corporate Leaders), Barry Hardy (Founder, InnovationWell), Douglas Weidner (President, International Knowledge Management Institute), Chris Pallaris (ETH, Zurich), Pavel Kraus (President, SKMF) and Beat Knechtli (CKO, PwC)

The following Ingredients for Leadership and Knowledge were discussed:

1. Transparency and Trust

Trust was accepted as a key ingredient for organisations to evolve beyond the industrial type of organisation by enabling the knowledge driven organisation. All participants in our discussions agreed on the statement "transparency is needed for creating trust". But what kind of transparency in leadership activities do we need? A one hundred percent Transparency seems to be impractical; in some cases it may not be needed and in a certain context it may even be prohibited or dangerous.

Leaders have to deal with the dilemma of protecting information vs. sharing information (e.g. minutes of a board meeting cannot be shared internally or globally due to rules and regulations as well as impacts on financial markets). The concept of transparent transparency was defined as meaning a well defined context while knowing what is transparent within this context. Having access to everything (full transparency) does not guarantee creating trust for all. It is more about the intelligent distribution of information. It seems that other attributes are needed (e.g. integrity, consistency, coherence, behaviour). Incoherence between available information and behaviour can destroy trust very fast.

2. Innovation

Creating an environment supportive of imaginative thinking and reflection on problems, causes and future solutions is a strong requirement for innovation to flourish. Smaller and medium size enterprises (SMEs) are often significant sources of innovation because of their culture, flexibility and aggressive and fast decision making. However larger partners may provide vital resources, marketing and capital for exploiting the full commercial potential of such SME-originating innovations.

In the knowledge economy of increased use of collaborations and virtual organisational business models and structures, an increasingly complex set of choices are presented to leaders for the selection of options (e.g., acquisition, partnering, licensing, alliances, etc.) and their successful management. Successful linking between research and business development remains a challenging area where progress could be beneficial; there are significant cultural differences and unshared meanings to overcome with community-based constructs. KM can advance the success of collaborative work efforts or integration situations through accelerating knowledge flows, improving decision making in development, and significantly increase research and development (R&D) effectiveness and commercial success. In connecting KM productively with innovation, the creation of new knowledge alone is insufficient for innovation success; knowledge must be leveraged to reach new objectives and done so quickly enough for success against competition. In an increasingly virtual world of business activities and communities, trust is even more difficult to build at a distance, and new approaches to trusted services for innovation networks is a promising area of R&D.

3. Change Management

Change Management (CM) is needed for KM which requires a strong focus on knowledge and people rather than just information and machines. KM-related CM approaches were discussed,

including the concepts of "No-budget KM", Personal KM, Storytelling, KM Vision and Metrics. Social networks can also act as a CM tool, through creating contexts of trust and connectors which can be leveraged in performing successful KM. "No-budget KM" involves carrying out hundreds of KM-oriented CM initiatives rather than one large, highly visible KM initiative. Multiple, simultaneous small successes and "quick wins" may be the best prescription for eventual organisational buy-in and support.

Some argued that existing organisational KM visions were seldom as clear and compelling as they needed to be. They were often the result of a executive retreat, rather than developed and tested in the kiln of the real world. In this regard, the KM vision, even if developed by top management, was seldom communicated enough or embedded in the culture as it must be.

4. Collaboration

In the 20th century workplace, authority was based on what an individual knew ("my knowledge is power"). In the 21st century workplace, authority is conferred to those who share what they know, and in doing so, elevate the value of their co-workers and network contacts ("our knowledge sharing is power"). Recognizing the right people for a particular project, enabling different motivations to fuse into a single goal, and cultivating the exchange of ideas between different teams are essential skills that enable a knowledge leader to synthesize the best thinking from across the organisation. Finally, participants noted that while "leadership" is traditionally seen through the prism of authority and strength, "knowledge leadership" demands humility and a willingness to have one's own ideas challenged, improved and, if necessary, discarded.

Having the courage to do so is essential to the long-term prosperity of knowledge-driven organisations. This leads to the issue of credibility. A knowledge leader's credibility cannot be driven top down; it has to be conferred bottom up. Thus, knowledge leaders have to lead from the rear as well as from the front. Engaging the ideas and opinions of staff at all levels of the organisation is essential to establishing credibility and building trust.

5. Technology

Large organisations today have vast amounts of ICT, infrastructure, applications and mountains of data. However current applications and architectures do not filter, integrate and effectively select information that is tailored to the specific decision making that leaders need to make. The current desktop design is application-based, rather than driven by the needs and interests of managers and their need to perform based on having all relevant knowledge available to them at the right time when they are making their decisions. Moreover data, projects and planning across the organisation are often fragmented and untransparent, and it is difficult for executives to maintain an accurate picture of relevant initiatives, operations and strategic changes in the organisation. New knowledge-model based solutions are required to better support the knowledge needs of leadership.

6. Organisational Development

It is said that organisations should take more risks, be more innovative, experiment more and focus less on improving the financial statements year after year. They should behave more

holistically, be more lead using systemic thinking and deploy approaches and techniques such as open communities, surveys, work flow mappings, interviews, feedback, action planning and change management.

Because we know that changing the behaviour – and thus changing the culture from a less knowledge flow friendly to a more knowledge flow friendly environment – takes some time (and effort), organisations should start sooner rather than later. The problem is that many organisations are successful today, and hence leaders may perceive that that they have no real need to change anything yet. Short term success is therefore more of a blinder than an enabler today – it seems to be much easier to change something under pressure than if organisations are currently performing strongly with regards to classical financial indicators based on past history.

Discussion and Conclusions

Leadership-related knowledge has to be created, distributed and shared with all stakeholders and partners in distinguished, trusted and context-related collaboration environments, so as to enable organisations to transform into more flexible learning organisations with the ability to leverage their intellectual assets and enhance their innovation approaches to their business. Today many businesses try to drive innovation through methods and standardized processes, whereas successful innovation often needs to include unstructured approaches without the disadvantages of ad hoc initiatives. Today's organisational management is often limited in its ability to align successfully the personal agendas of co-workers with the organisational agenda. Leaders need to improve the emotional engagement level and collaborative productivity of their co-workers. To compete at a global scale, organisations will have to improve collaborative working productivity and innovation management both within their own organisation and with an increasingly complex web of partners. They need to be faster in conflict resolution, lifelong learning and enabling the leveraged organisation.

Current organisational cultures, in particular those geared towards intellectual property protection, regulatory submissions, local markets and traditional R&D and manufacturing appear to be poor organisational models for the multi-group, multidisciplinary, cross-life-cycle, cross-sector global knowledge networks and markets required for enhanced knowledge flow to the decision points of organisations increasingly working in a global economy and distributed environments. We recognise therefore that the successful deployment of new support solutions and methodologies to leadership will need to be accompanied by a process of organisational culture change as guided by OD and KM principles. We not only need to better use ICT approaches in business situations to reduce subsequent project failure rates, but we also require the application of best KM practice, knowledge assessment and translation, and communication approaches to ensure the availability of all relevant explicit and tacit knowledge resources at the right place and right time that decisions are made.

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