

Transforming an Organization into a Knowledge Bank

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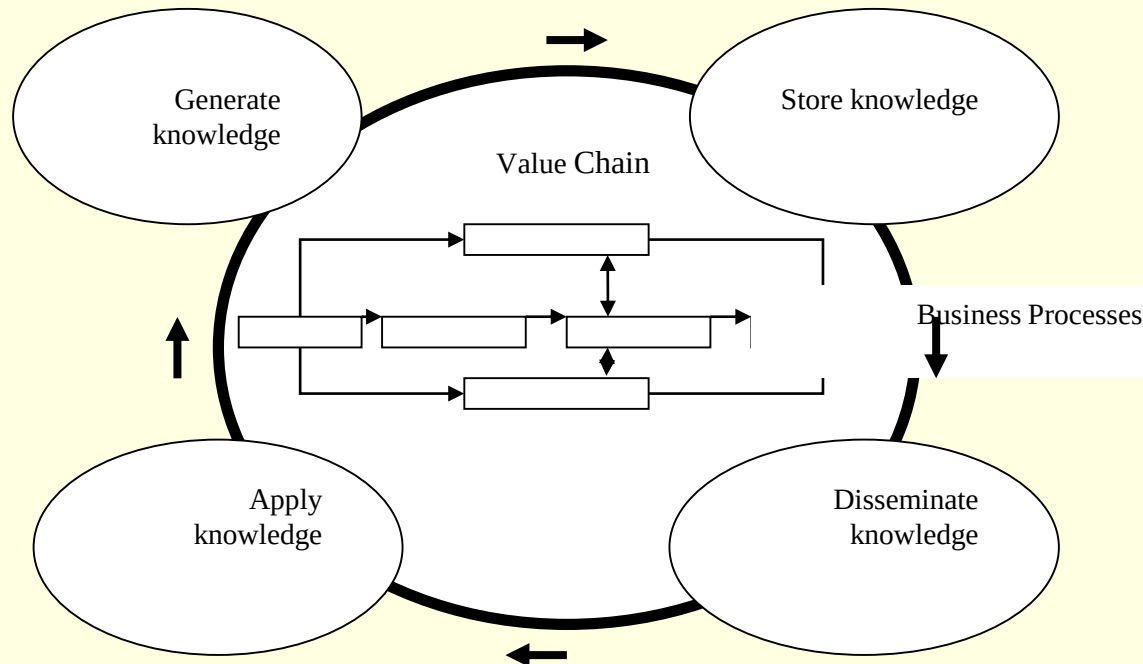
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Introduction

- Recognizing that knowledge has become a key asset and a source of comparative advantage for the 21st Century organizations, it is needed to look into how an organization could be transformed into a Knowledge Bank or a K-based institution.
- Applying effective knowledge management processes is very critical to the efficiency and success of any organization such as developmental or international commercial banks.
- **The 1st objective** is to capture and organize systematically the wealth of knowledge and experiences of the organization and its partners, and make this knowledge readily accessible to a wide audience inside and outside.
- **The 2nd objective** is to provide a stimulating learning environment for staff to identify and explore new development approaches and how to share and disseminate their findings.

Concept of Knowledge Creation



Tacit and Explicit Knowledge

- **Tacit Knowledge:** Difficult to formalize or codify and capture in databases, repositories or in written reports
- Can be shared through discussion, storytelling, workshops and personal interaction.
- Tacit knowledge exchange should begin through face-to face meetings to gain trusts between the participants

There are two dimensions to tacit knowledge:

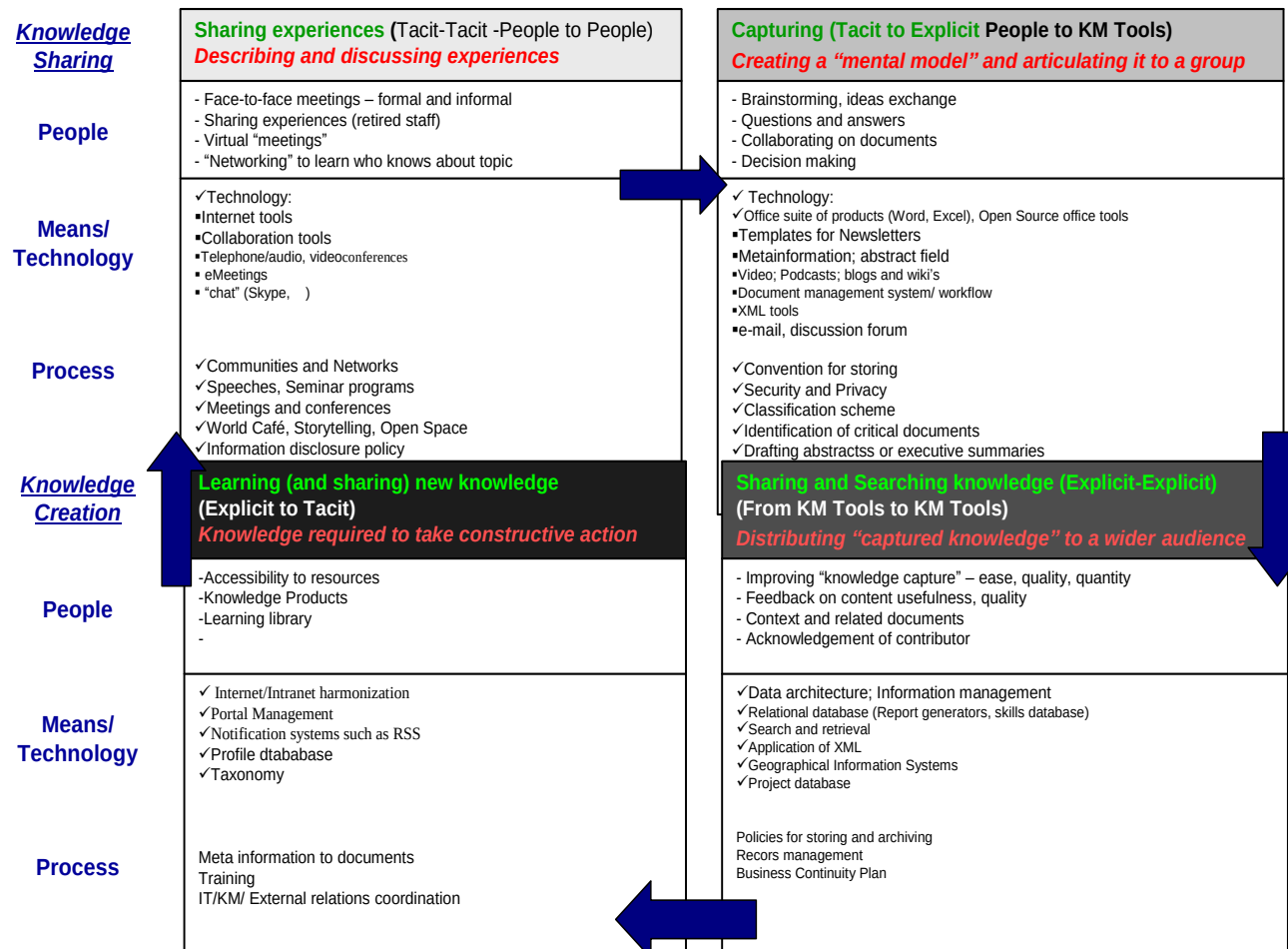
- **Technical:** encompasses the kind of informal personal skills of crafts often referred to as know-how
- **Cognitive:** consists of beliefs, ideals, schemata, and mental models that are ingrained in individuals and often taken for granted.

Tacit and Explicit Knowledge

- **Explicit knowledge** on the other hand can be codified and expressed in symbols and can be communicated through these symbols to other people.
- Examples of explicit knowledge include a written project report, a power point presentation, a speech, a geographical map.
- This process of knowledge exchange involve the four major pillars of knowledge management: **People, Process, Technology and Content.**

Flow of Tacit and Explicit Knowledge

Flow of tacit and explicit



People and Knowledge

- **Organizational culture** is the most frequently cited barrier in the path of Knowledge Management.
- **Mental barriers** on the part of the employees as well as hindering factors in their work surroundings make it difficult for them to accept innovation or change. **This implies change management.**
- **Learning** is an integral part of KM. Organizational learning must be addressed with approaches to increase internal communication, promoting cross-functional teams, rewards and incentives.
- **Leadership** must recognize that knowledge resides in people and that knowledge creation occurs through social interaction.
- **Two key factors** in the implementation of knowledge management are: **willingness** on the part of the staff, and a **methodological approach** to the activities planned for KM.
- **Trust** is an essential component of KM. It can exist at individual level through close working relationships between colleagues, or at group and organization levels by creation of a cultural context that encourages and rewards knowledge sharing, and discourages and penalizes knowledge hoarding.

Processes and Knowledge

- **Operational processes** must align with the creation, flow, storage and dissemination of knowledge including knowledge performance metrics and objectives.
- **A knowledge management system** must be designed to facilitate KM and sharing throughout the organization.
- Introducing KM requires **organizational change**, and KM inevitably acts as a catalyst to transform the organization's culture.
- Highly capable people, rising job complexity, and the universal availability of information on the internet are fundamental changes contributing to leverage **knowledge management solutions**.
- Another critical knowledge process within organization is to **learn and to disseminate** effective lessons learned.
- **Operational information** shall be stored and captured for business continuity purposes.
- **Strategic information** shall be developed through a business process which underscores the need for this kind of information as well as allocates resources to create it.

Technology and Knowledge

- The impact of globalization and the rapid advances in technology have resulted in a globally connected world for individuals, public and private organizations.
- The rapid development of ICT is empowering countries and organizations in this rapidly reshaping world.
- In an increasingly ICT based world, being able to leverage information more effectively is very important to improve productivity.
- Economic competitiveness depends on the ability to transform vast quantities of information into usable knowledge and to deploy it effectively across organizations, market ecosystems and economies.
- Transformation of Societies from labour-based, to information and knowledge-based societies.
- Many organizations are now using collaborative technologies to communicate externally with their networking partners to engage them in policy and strategy decision making.
- Another area which holds promise is the application and usage of mobile technology in KM.

Content and Knowledge

- **Invention of book printing machines** led to an increase in printed publications.
- **The Internet**, however, has spurred the number of publications available to society to enormous amounts.
- **The Internet** has made almost everybody a publisher.
- **Publishing through the Internet is free**, which made a cost reduction in publications
- **Digital developments**, the form and presentation of information products (books, journals) have changed drastically. Users expect to read more through the click of the mouse.
- Some organizations, stopped their printed publication in favor of an e-publications thus **minimizing printing and postal costs**.

Knowledge Center Objectives



What can Knowledge Centre Do?

- Renew the purpose, vigour and dreams of the founders in new generations who will take the organization forward
- Help foster inventive approaches : drawing on those tried internally and elsewhere and support individual effort and risk-taking in effecting knowledge transfer among affiliate organizations
- Contribute to shifting the pattern towards one of responsiveness, judgements, transparency and openness within and between the affiliates, and beyond;
- Cut through tired processes and activities and nurture activities and approaches which give people time and energy to dedicate to the mission of the organization.

Guiding Principles [1]

- To act by starting from a **position of strength**, reflecting the unique culture of an organization and how it operates
- To consider the degree to which knowledge is explicitly linked with **Islamic values and principles**, the organization shall provide knowledge
- To bridge the culture of trader (merchant) and guardian (developer) internally and externally and consciously weave the **best qualities** of each culture into a holistic approach;
- To mainstream and widely disseminate **lessons learnt** from evaluation reports/activities so as to increase the ability in projects work/cycle
- To process development and up dating **risk management** and to keep the improvements with the speed of internal and external ongoing changes;

Guiding Principles [2]

- To use knowledge management so as to give more structure, time and space to reflection, and speed up reporting and the exchange of news;
- To reduce both the gap within the current knowledge between what is known and not known and between the knowledge necessary to support the strategic vision of the organization and the current knowledge;
- To collect interconnecting cultural patterns and to reflect on the knowledge challenges following these patterns;
- To review, the proposals of a governing knowledge framework and of actions intended to meet the governance framework tests, and shift the patterns while taking account of the challenges.

Priority Actions of the KM Center



To elaborate and propose a work programme which will include the following priority items:

- Carry out an institutional audit of KM activities and knowledge products and services (objectives and results, strength and weaknesses, lessons learnt);
- Launch the process of looking for and organising existing internal KM documentation following
- Review the content and modus operandi of the current Intranet and draft recommendations to have it friendly, up-to-date and useful for the staff
- Collect cultural patterns and to reflect on the knowledge challenges that ensue from these patterns;
- Review the proposals of a governing knowledge framework and of actions within a portfolio;
- Programme and organise study tour to other institutions to learn from their experiences.

Knowledge Exchange

- To develop a broad range of skill sets and instruments which will broaden and deepen evaluation and reflection; and capture lessons learned and assessment of impact
- To raise awareness and improve understanding of the links between project evaluation and implementation to align overall processes
- To create a link to the project cycle to improve operational performance and mitigate risks across project portfolio
- To explore a range of participative evaluation techniques to find the rich stories, insights and experiences which will unlock learning from a project and make it widely available,
- To improve communication, skills and implementation processes.

Dissemination of Knowledge on Innovation



K Center to work with affiliate members to create better conditions to diffuse knowledge and innovations:

- Technological innovations,
- Performing education systems,
- Support to research and development,
- Promotion of development capital,
- Investment in support infrastructures.

Knowledge Space

- Develop a series of knowledge spaces, exhibits and objects which will foster more effective reporting, reflection, connection and learning moments and help emerge Communities of practice,
- Redefine the role of library as active collectors and enhance the book collection and archive,
- Create bridges between formal and informal oral and documented materials through the improvement of for example, interaction between and among people within and across the groups,
- Transform work places and offices into venues for unlocking and sharing tacit knowledge.

Networking

Modern economies will improve networking and collaboration in the following areas:

- Acquisition and dissemination of new and emerging technologies and concepts.
- Generation and adoption of scientific knowledge and new technologies,
- Pursuit of innovation,
- Development of the necessary human resources.
- Extensive collaboration and networking with relevant parties across the region and the world,
- Building networks, whether ICT enabled or knowledge exchange enabled can only be sustained by a foundation of social trust built through traditional cooperative work,
- Cooperate as much as possible with external networks
- Identify research environments and think tanks in the region and globally to cooperate with.

Conclusions and Way Forward

- Establishment of a K Center that will coordinate knowledge activities within the organization,
- Implement organizational alignments for effective knowledge sharing,
- Adoption of tools and processes for identifying, creating, capturing, storing, retrieving and disseminating of knowledge, its affiliates and other stakeholders,
- Establishment of an Internal Executive or Steering Committee overseeing and guiding the K Center and an External Advisory Board and Committee to advise and prepare.

Conclusions and Way Forward

- Train staff on knowledge sharing and coordination tools, principles and technologies,
- Sensitize affiliate member in terms of technical assistance in the KM capabilities and direct assistance in meeting their needs,
- Impart experience of other institutions in light of the recommendation of the final report,
- Launch a marketing campaign of this initiative inside, outside and internationally.

Thank you