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## KNOWLEDGE SHARING AT THE WORLD BANK

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The World Bank's commitment in 1996 to become a global knowledge bank proposed broad-ranging internal and external changes aimed at expanding the sharing of knowledge among staff, clients, and partners. While the transfer of knowledge and information had always been a dimension of the Bank's role, the knowledge initiative sought to broaden the scope and raise the profile of this function. The purpose was to improve the quality of Bank operations and enhance the capacity of client countries to achieve development goals. Over the period FY97-02, the Bank has spent some \$220 million on corporate, network, and Regional knowledge sharing activities, and over \$60 million on its three main global knowledge initiatives.

Overall, the Bank made good progress in establishing the tools and activities to support knowledge sharing.

- In 1999, the World Bank was benchmarked as one of the world's ten Most Admired Knowledge Enterprises (the so-called MAKE awards given by the KNOW Network<sup>i</sup>).
- Since 1999, the World Bank It has repeatedly been selected as a best practice organization in knowledge management by the American Productivity and Quality Center (APQC).<sup>ii</sup>
- In 2003, an intensive formal evaluation by the Operations Evaluation Department confirmed that in the six years of the initiative, the Bank has substantially upgraded its information management system, initiated a wide variety of new activities for the aggregation and sharing of knowledge, and fostered a more open, knowledge-sharing culture within its staff. These steps, taken together, have provided staff, clients, and partners faster and easier knowledge. (OED 2003)

The World Bank is thus one of many organizations that have recognized that knowledge sharing is a central driver of the 21st century economy. The sharing of knowledge has particular relevance to the nuclear energy sector, where actions taken now may have consequences for the planet for tens of thousands of years. We obviously bear a special responsibility to future generations to use the best knowledge and get things right.

The World Bank experience replicates what has been learned in many organizations that have attempted to implement an organization-wide program over the last eight years. Here are ten main features of that experience.

### 1. Knowledge sharing requires seven basic elements

In the new knowledge economy, *knowledge sharing is sine qua non to survival*. Traditional hierarchical organizations cannot cope with fast changing client demands unless they are able to agilely share knowledge among employees, partners, and clients. Innovations and the creation of new business lines depend on communal rather than individual knowledge. The knowledge of the community is always larger than the individual's. Capturing what is already known by someone else in the group and adding one's own knowledge is faster and more efficient than an individual reinventing a solution. This requires that organizations develop knowledge sharing culture and processes. In this situation, knowledge sharing is not merely an alternative strategic option: knowledge sharing is required for organizational survival.

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<sup>i</sup> <http://www.knowledgebusiness.com>

<sup>ii</sup> [www.apqc.org](http://www.apqc.org)

There are now well-established set of things that need to be put in place if an organization is going to succeed in sharing knowledge. These might be called “the seven basics of knowledge management. They include

- a. strategy of knowledge management<sup>iii</sup>
- b. organizing for knowledge management
- c. budget of knowledge management
- d. incentives for knowledge management
- e. communities of practice
- f. technology of knowledge management
- g. measurement of KM strategy.

These seven basics of KM are spelt out in more detail on my website<sup>iv</sup> and are described in many books on the subject of knowledge management. It is thus now well known *what* needs to be done. What is less well known is *how to put these things in place*. Most of what I say will focus on this latter issue: how to put these basic things in place.

## 2. Communities of practice are the key to knowledge sharing

Knowledge sharing is only taking place on a significant scale where organizations have organized themselves into communities of practice. These communities need to be “integrated” to the company’s strategy and its organizational structure. The phenomenon of communities of practice is known under different names. In the World Bank, they are called thematic groups; in Hewlett Packard they are “learning communities” or “learning networks”; in Chevron they are called “best practice teams”, and in Xerox they are known as “family groups”. Whatever the name, the formation of professional groupings where people come voluntarily together with others to share similar interests and learn from others’ skills has become the common feature of knowledge organizations. Vibrant communities operate in an environment of trust and mutual understanding which encourages learning and candid dialogue. They are safe places where people who do not know can learn from those who do know.

Learning and knowledge transfer is accelerated when community members are electronically linked to each other by email or the World Wide Web. Insufficient by itself to create knowledge, information technology is a catalytic tool which gives global reach to community members across large distances and time zones. This would have been scarcely possible even fifteen years ago. What we have discovered in effect is that building a “learning organization” requires building communities within which that learning can take place. Without communities linked to structure, organizations don't learn very fast at all.

Communities however are a non-hierarchical phenomenon and management hierarchies have generally had considerable difficulty in learning how to nurture them. My book, *Squirrel Inc*, tries to help managers understand these ideas, which are often very counter-intuitive. (Denning 2004)

## 3. Virtual community members also need physical interactions

While technology has dramatically expanded the possibilities for global communities operating in a virtual mode, with members scattered around the world communicating seamlessly by email and the world wide web, many organizations have found it difficult to launch communities without initial face-to-face meetings of at least some of the members. We don't know of any true communities in which a portion of the members do not periodically get together in person, see each other face-to-face, look each other in the eye, sniff each other out, and interact so as to establish the bonds of trust and affinity that are needed in communities. Without such face-to-face meetings, most organizations have found it difficult to get

<sup>iii</sup> [http://www.stevedenning.com/strategy\\_knowledge\\_sharing.html](http://www.stevedenning.com/strategy_knowledge_sharing.html)

<sup>iv</sup> [http://www.stevedenning.com/seven\\_basics\\_knowledge\\_management.html](http://www.stevedenning.com/seven_basics_knowledge_management.html)

communities even started. Once a community has been launched, the absence of periodic face-to-face time leads to entropy, as the community starts to lose energy, and eventually dies.

#### 4. Passion is the driving force behind communities of practice

The success of the industrial revolution and the modern enterprise in building wealth has been built on a rational and mechanistic approach to problem solving. Clearly documented procedures and guidelines left little place, if any, to human emotions. The experience of knowledge sharing is showing, however, that communities of practice only flourish when their members are passionately committed to a common purpose, whether it be the engineering design of water supply systems, the pursuit of better medical remedies, or more efficient economic techniques. Efforts at building communities in a hierarchical or top-down fashion are at best successful on a temporary basis. Soon they come unstuck as members refuse to contribute their time to activities which have no meaningful purpose for them. Instead, they will be looking for professional interest groups which will give them a sense of professional and personal *raison d'être*. This is a hard lesson for companies and executives who have spent their lives trying to keep emotion out of the work place. Nevertheless the lesson repeatedly emerges from case studies and benchmarking of knowledge sharing programs. (APQC 2000) As a result - for reasons of sheer efficiency and effectiveness - the modern workplace is finding it necessary to provide time and space for both the head and the heart. Narrative techniques can be used to catalyze the passion that is necessary for nurturing community: (Denning 2004)

#### 5. Tacit knowledge can be at least partially captured

One of the tricky problems in sharing knowledge in an organization is that much of the high-value knowledge is tacit.<sup>v</sup> It has never been written down and often the person who knows it doesn't know that he knows it, or doesn't realize that it is valuable. It's a curious feature of human knowledge that we only know what we know when we need to know it. This becomes crucial when key technical staff leave an organization, creating the risk that high value knowledge walks out the door, leaving potential risk of disaster behind them, when others try to solve problems, without the requisite background knowledge. The most cost-effective way to cope with this problem that we found in the World Bank is the following. Audiotaped debriefings are with individual interviews with subject matter experts. The tape is then transcribed, edited by the interviewee, and the contents are made available on the intranet and appropriately indexed. Hot links are also placed in the text whenever a report or document is mentioned, which creates a fully searchable document that incorporates context with official records. In this way, a 25-page interview can be linked to thousands of pages of backup material. Most important is the inclusion of the interviewee's phone number, so that there can be follow-up questions.

Where additional resources are available, more elaborate versions of the approach are also possible. Videotaping can supplement audio-taping. Group sessions of interviewers with experienced and naïve interviewers can enrich the material of the interview. Where the relevant knowledge is crucial, e.g. for safety reasons, then obviously the additional resources should be spent in order to go as far as possible in collecting relevant tacit knowledge.

#### 6. Knowledge sharing has an inside-out and outside-in dynamic:

Starting and implementing knowledge sharing in an organization must be done from inside, not outside. This means that using outsiders such as consultants to "kick start" or "do it for us" doesn't work. The successful knowledge sharing programs appear to be driven by insiders. This means that the person charged with starting/implementing knowledge sharing must have credibility among both the line and staff functions, so that when he/she says "here's

<sup>v</sup> [http://www.stevedenning.com/discovering\\_what\\_we\\_know.html](http://www.stevedenning.com/discovering_what_we_know.html)

the direction we're going in", people start moving in that direction. Similarly, when he/she says "this way, not that" or "that's interesting/useful, let's build on it/share it", then they do, and also "that's interesting, but not useful/not appropriate now, not part of the agreed-upon strategy" that person has the clout to stop those "red herrings" (well, almost stop them).

It is vital that the changes be made from inside the organization, not grafted on from the outside (or by outsiders). The insiders must own the process, be involved in all aspects of it, make the changes happen, encourage others to make the changes and to get involved, tell the stories. Only they can do that legitimately, and with organizational (or internal political) savvy.

That said, the inside person must also use the outside world to validate and push the agenda forward within the organization. For example, using the external recognition and knowledge fairs and expos as ways of showing that what is happening internally is valid, good, useful, appropriate, adds value, correct etc. This legitimizes the activities, which consequently makes it o.k. for others to jump on board.

#### 7. Storytelling is needed to ignite knowledge sharing

As organizations start on their knowledge journey, they inevitably find great difficulties in communicating complicated ideas through abstract forms of communication. This is even more true where this knowledge journey also implies large scale changes in behavior and understanding of the mission of the organization. Telling stories that build on real knowledge-sharing situations, enables individuals to gather in some of the tacit understanding of the storyteller as well as recast the story into their own contextual work environment; hence adding their own tacit understanding to the process. Institutions are finding that the marriage of narrative and abstract communications provides a more powerful tool for sharing knowledge, than merely abstract communications. My own experience in using storytelling at the World Bank is captured in my book, *The Springboard: How Storytelling Ignites Action in Knowledge-Era Organizations*. (Denning 2000)

#### 8. Knowledge sharing is at some point confused with IT

We don't know of any organization trying to share knowledge where at some point building the knowledge sharing program has not been confused with building an information management system. Successful knowledge organizations have learned that building web sites and offering knowledge management IT tools neither create nor transfer knowledge by itself. They discovered that employees will stop visiting these web sites or use these IT tools if a community of practice is not bringing credibility and contributing content to these instruments. IT tools are made to facilitate knowledge sharing among users rather than constraining the emergence of a sharing culture by imposing complex technical requirements. Unfortunately, some organizations never learn this. They continue to solely pursue IT-based approaches long after they have been shown to be unproductive, continuing in a dysfunctional mode for years. (Denning, Brown et al. 2004)

#### 8. At some point, middle management always resists.

Knowledge sharing strategies are usually attractive to forward-looking chief executives who are anticipating efficiency gains, quality improvements and innovation. It is equally appealing to front-line employees who feel more valued in carrying out their work. When a knowledge sharing culture takes roots, employees seek solutions among their peers across traditional organizational boundaries. They stop looking solely up to their managers to solve their problems. Middle-managers are usually less enthused. The role of managers changes from control to facilitation and mentoring. It is not therefore surprising that middle-management resists such changes. This is a widespread phenomenon observed when introducing knowledge sharing in an organization. Middle managers have often built their lives and careers on mastering the hierarchical pathways of organizations. They can feel threatened by

the emergence of new non-hierarchical work flows which no longer require command and control management behaviors. Communities of practice are indeed less orderly than hierarchies and it always takes time for middle-managers to understand that maintaining order can advantageously be replaced by facilitating and cheer-leading knowledge sharing initiatives. Storytelling can be used to overcome institutional resistance. (Denning 2004)

#### 9. Vibrant communities of practice attract new talents

The rapidly evolving knowledge economy is creating greater mobility among skilled workers. Companies are competing for these workers like never before. Those organizations that nurture communities of practice and let passion permeates the workplace offer a work environment more attractive to the best talents while retaining the knowledge workers they already have. Conversely, those that resist building communities end up with a work environment devoid of interest to their employees and unattractive to new talents, whatever compensation packages are offered.

#### 10. Organizations are in different stages of knowledge sharing

In organizations sharing knowledge, we see evidence of a *virtuous circle* emerging. Knowledge is shared. Communities are nurtured. The head and heart are integrated in the workplace. The process leads to greater economic productivity. Where this is occurring, organizations are more efficient and effective by offering an environment that builds employees satisfaction and loyalty.

At the same time, we see organizations that are trapped in a *vicious cycle*. Rigid hierarchical organizational structures prevent the sharing of knowledge, and undermines existing “natural” communities. Top-down approaches de-motivate the workforce and lead to the growth of bureaucracy, depleting the social capital of the organization. The organizations find it difficult to innovate, or how to get out of the vicious cycle.

In some organizations, both phenomena -- the virtuous circle and the vicious cycle -- are *simultaneously* happening in different parts of the organization. This evolution is occurring at different speeds in different organizations, but these phenomena are spreading.

The *phenomenon is global*. These transformations are occurring initially in those parts of the global economy where email and the Web have reached the greatest penetration. This enables the formation and rapid growth of global communities. Knowledge sharing principles, however, will continue to make their inexorable way across the entire global economy in the coming years.

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