

Additional case studies

Relevant to: Chapter 9 (The Objectivist Perspective on ICTs and Knowledge)

Case study 1:

The objectification of knowledge and integrating objects into a shared platform

Knowledge objectification provides a number of advantages such as capitalizing owned knowledge, facilitating the location of knowledge, the ability to retrieve and reuse knowledge and providing a common cognitive base. Despite all these advantages, the management of knowledge objects is not easy, particularly in a large organization where multiple knowledge objects are created in the span of a single day. Padova and Scarso (2012) discussed, in their paper, the case of Ernst & Young, a global leader in assurance, transaction, and advisory services, that started a project in 2009 aimed at developing a global knowledge management platform. At the time of conducting the case study, E&Y had 152,000 professionals dispersed over the world, comprising 695 offices and 140 countries. The knowledge and ideas were organized in 4 different areas and 29 subareas. The knowledge strategy of E&Y is to enhance its capacity to globally create and share its intellectual capacity in its service lines or in its 25 sectors or its individual client accounts.

Considering the scale and nature of E&Y's operations, KM is critical and challenging since the company needs to:

- operate in a variety of sectors and diverse business units, each having a particular knowledge base,
- reuse knowledge to add more value to more clients,
- share knowledge among all hundreds of global offices,
- retain tacit knowledge that is difficult to extract from human minds and
- take into consideration compliance to local privacy laws.

E&Y's knowledge sharing initiatives started in 1993 in the form of an integrated global knowledge into a single capability that globalizes their KM advisory platform. In 2007 E&Y launched the Future State of Knowledge initiative aiming to define the new knowledge vision for the organization. The aim was to consolidate all the knowledge advisor platforms around the world into a single platform to provide all advisory employees with a single consistent approach to selling and delivering their services.

E&Y was conscious of the advantages that the new platform would bring:

- a single shared taxonomy providing a single naming convention that everybody could use,
- a standard and consistent approach to sales and delivery services,
- a one-stop shop to find everything which saves time and effort,
- an opportunity to be always updated on the organizational strategies and services offered,
- a centralised maintenance process which saves time and money at the local level, and
- a quick way to sustain growth both from a people perspective and a market perspective.

The project proceeded through a period of almost 2-3 years to get all the different objectified knowledge artefacts populated in the shared platform while putting mechanisms in place to facilitate the access and reuse of the multiple knowledge objects. Aspects that had to be considered in the design of the new application comprised: a consistent and standard naming taxonomy, powerful search and navigation capabilities so that users can easily find relevant content when needed, a context that facilitate knowledge access and reuse, and new processes to manage the ongoing population of the new platform.

Question:

- 1) What do you think about this initiative from a functional viewpoint? Do you think it is a good idea to move objectified objects to a shared platform?
- 2) What do you think would be disadvantages of having a shared platform such as this one of E&Y?

Source: Padova, A and Scarso E. (2012). Managing large amounts of knowledge objects: cognitive and organizational problems, *Knowledge Management Research and Practice*, 10, 287-295.

Case study 2:

Advancing the Knowledge-based View of the Firm: How Firms Develop Competitive Advantage via the Development of Knowledge

One of the fundamental assumptions of the knowledge-based view of the firm is that organizations can achieve competitive advantage through the development of firm-specific specialized knowledge. However, understanding of exactly how firms develop such knowledge is relatively limited. Nag & Gioia (2012) make a significant empirical and conceptual contribution to knowledge in this area through the development of an inductive model of how firms develop their own specific and specialized knowledge via a study of managers working in firms in the metal casting industry in the USA. The paper in which they develop this model and present their empirical data is almost 60 pages long, so all that can be done here is provide the briefest of outline sketches of this model, and the assumptions it is built on.

Nag & Gioia begin from the assumption that senior managers in organizations play a key role in the transformation of industry or sector level, common knowledge into firm-specific knowledge. The model they develop is fundamentally concerned with how they do this and is focussed on the cognitive processes they engage in to achieve this. They argue that the metal casting industry is a good industry in which to examine this process because it is a relatively mature industry with a high level of institutionalized and formalized industry level knowledge. Knowledge-based competitive advantage is argued to derive from how individual managers utilize this common knowledge and adapt, customize and transform it into firm specific knowledge.

Three of the fundamental components in Nag & Gioia's model of the managerial process concerned with the development of firm-specific knowledge are 'executive knowledge schemes', 'executive scanning processes', and 'knowledge use practices'. Executive knowledge schemes refer to the belief structures and assumptions managers make regarding the nature of valuable knowledge. Executive

scanning processes refers to the specific mechanisms and processes managers undertake in attempting to identify useful knowledge. Finally, knowledge use practices refer to how they utilize and adapt any knowledge which they regard as potentially valuable.

Nag & Gioia found differences between managers in all three processes. They also distinguished between distinctive aspects of each process. For example, in relation to executive scanning processes they distinguished between scanning intensity (the extent to which people engaging in knowledge scanning processes) and scanning pro-activeness (the extent to which experiment by looking for new and distinctive sources of knowledge). For example, the scanning pro-activeness of one interviewee was articulated as follows, *'I have been very active in finding unusual information. I am the type of person that if I want some information, I will pick up the phone and call whoever I need to get it'*, (p. 443)

In broad terms the starting point in Nag & Gioia's model is executive knowledge schemes, which shape the nature of their scanning processes, which in turn leads to specific knowledge use practices. However they distinguish between two specific and distinctive types of knowledge use practice, and suggest different processes are involved in achieving them. One type of knowledge use practice is knowledge adaptation, where knowledge is adapted to solve specific and particular problems or issues. For example, one interviewee, talking about process adaptation argued that, *'we are good at developing little advances by tweaking of the equipment and process'*, (p. 432). In contrast, knowledge augmentation is concerned with the development of new generic knowledge and insights which have potentially diverse applications. The following illustration of knowledge augmentation was provided by one manager, *'we analyse problems to figure out how solutions apply to other problems'*, (p. 429).

Overall Nag & Gioia's analysis highlights in detail the crucial role that managers play in the development of specialized knowledge that can lead to competitive advantage and argue that, *'managers can help to create better knowledge when they influence commonly held knowledge to be used in uncommon ways'*, (p. 448). Finally, they argue that of all the variables they examined, scanning pro-activeness was found to play a crucially important role in the development of specialized knowledge through the way in which it facilitated the identification, sharing, and *'amplification'* (p. 449) of potentially important knowledge.

Question:

- 1) Assuming, as Nag and Gioia suggest, that scanning pro-activeness has a potentially fundamentally important role to play in the development of firm specific knowledge, what, if anything can organizations do to develop the capability of their managers to proactively scan the business environment for potentially relevant knowledge?

Source: Nag, R., Gioia, D. (2012). 'From Common to Uncommon Knowledge: Foundations of Firms Specific Use of Knowledge as a Resource'. *Academy of Management Journal*, 55/2: 421-457.