

# Musings on Corporate Myths - CKO and Knowledge-Sharing in the World of Real Business

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## 1. Myth No. 1: Corporations Need a CKO

When I read the Great Wise Ones of Knowledge Management discuss the Chief Knowledge Officer in the context of a corporate world, it always reminds me of that paltry TV SciFi series of the 1980s called "The Six Million Dollar Man". Every episode started with a space shuttle crash, and a badly injured and comatose astronaut lying prone on a hospital bed. A male voice intones in the background: "Steve Austin, an astronaut. A man barely alive. Gentlemen, we can rebuild him. We have the technology. We have the technology to create the world's first bionic man."

Almost 20 years later, the text of this series can be re-applied (with a bit of literary analysis) to our businesses. The crashing shuttle is a business no longer having the momentum to compete. The dying astronaut is the management that lost its ability to create useful knowledge. The bio-scientists are the IT specialists who "have the technology". So who is the "bionic man", the end product of the millions spent on creating him? Oh, well - half-human and half android - can't be anything else but the Chief Knowledge Officer.

In 1988 Peter Drucker coined the term, "knowledge worker," that individual - actually team of individuals - who would be at the core of the "new" organization, the knowledge driven company. These employees would collect data, analyze the information, and communicate the knowledge. Drucker had said that business has only two basic functions, marketing and innovation. But there is also innovation elsewhere in this new corporate world. We don't have hierarchies; we have "comfortable structuring." We don't have departments; we have "functionally creative units." We don't have grades; we have "flexible ranges within a statistical spectrum." Surprising, however, not only do we still have titles, we have new and better ones!

We have had "chiefs" all through our history. No matter how much we pontificate about democracy, about freedom of information flow, about the culture of sharing information resources and empowering employees, we still seem to subscribe to our primeval instinct for chiefdom. But why does an environment where access to information is supposedly equal for all the insiders need not only an "officer" to "officiate" but also a "chief" one at that. A Knowledge Czar, or Knowledge Baron, as the Federal Government in the USA so aptly wants to call its CKOs. Czars and Barons are known for hoarding, not sharing. And since knowledge is power, hoarding it is an instinctive human act. So if we are to encourage knowledge sharing, why not have a "Knowledge Facilitator" or "Information Sharing Promoter"?

I do not plan devoting the remaining pages of this paper to nomenclature, however. The above introduction is meant to put the reader into a critical frame of mind. My intention is to show, in the next few pages, that KM is often the ideal to which organisations pay lip-service, but which fails mostly because of barriers erected by organizational culture. The notion of the CKO is one of the "protective" measures the corporate decision-makers often take in order to feel more secure on the new - and often alien to them - "information turf".

Let us have a closer look at the various "visions" of the CKO. In 1999, the Sloan Management Review - one of the most respectable journals on management in the world - noticed the emergence of a new executive species (Earl & Scott, 1999). The species is supposedly created to initiate, drive, and coordinate knowledge management programs. Members of the species were very open about where they saw themselves in the corporate hierarchy. One even said that he had "the honor of having the most pretentious title in the corporation." Pretentious is derived from the word "pretense", and "pretend". All studied members of the

species agreed that:

a. Knowledge today is a necessary and sustainable source of competitive advantage. Successful companies are those that consistently create new knowledge, disseminate it through the organization, and embody it in technologies, products, and services (but that is an information jungle)

b. Companies are not good at managing knowledge (we need the witch-doctors)

c. There are explicit attempts to manage knowledge as a resource among companies recognizing the potential of knowledge in value creation (and the witch-doctors will be paid good money pretending they know how to make rain)

The study went on to make some great discoveries:

◆ The role of the CKO is so immature that **there is no job specification**. Almost invariably, CKOs are appointed by the CEO. CEOs have appointed CKOs more **through intuition and instinct than through analysis or strategic logic**.

◆ CKOs spend a lot of time **"walking around the organization,"** looking for "champions" "partners" and "sponsors"

◆ Several CKOs also spent time identifying executives who are hostile to knowledge management and/or **the appointment of a CKO**, in an attempt to convert them.

◆ CKOs are skeptical about how management consultants can help, feeling they are **lower down the learning curve than themselves**

◆ CKOs have soon concluded there is **little to be learned from conferences and external contact**

◆ CKOs are designers. Mostly, their designs are conceptual.

◆ CKOs promote and contract-manage the construction of **meeting, eating, and resting places** to encourage informal social interaction, reflection, and **chance conversations**.

◆ corporate-wide knowledge management investments often need a high-level **nonfunctional sponsor** like the CKO (or was it "dysfunctional")

◆ CKOs seek to encourage and facilitate conversations and unplanned or chance encounters.

It is amazing how far one can go on a "pretentious" job title. But let us look at other descriptions of what a CKO is and what he/she does.

The man described by Thomas A. Stewart in the June 1999 issue of Fortune Magazine as the world's leading moneymaker in knowledge management, Kent Greenes, Science Applications International Corporation (SAIC) Chief Knowledge Officer, simply describes himself as a "scientist with a strong belief in the importance of people." Apparently, as Head of Knowledge Management at BP, he created an internationally recognized KM practice that delivered \$260 million to BP Amoco's bottom line in 1998 (SAIC, 2000). The Word Spy website defines the CKO as "a corporate executive in charge of structuring a company's store of technical and business knowledge, and ensuring that employees have access to that knowledge (Word Spy, 1998)". David Skyrme – himself a self-styled Knowledge Management Guru – defines the CKO thus:

*"A Chief Knowledge Officer is a senior executive who is responsible for ensuring that an organization maximises the value it achieves through one of its most important assets - knowledge. Although only a few companies have people with this explicit title, those with similar responsibilities include Director of Intellectual Capital, Director of Innovation. Note - a CKO is not simply a re-labeling of the CIO (Chief Information Officer) or MIS Directors. The role of a CKO is broader and different." (Skyrme, 1997)*

Well, I am sure that no harassed and over-worked IS Director has the time to "walk around the corporation and engage in dreaming", unless it is to dream of non-crashing servers. Skyrme then engages in a bid for

scare mongering, warning the reader against the dire consequences of not having acquired the newest model of the CKO species. Skyrme admits that the species is a “hybrid” - and that a good CKO must excel at conceptual thinking, advocacy, project and people management and communications. It is worth noting that the same could be said about any business manager, since these are so called “core” skills without which no one would have any chances of promoting his wares in the corporate world. Saying that a CKO is someone good in communicating is like saying “James Smith is good at being male.”

The Brint Biz Newsletter issue of September 2000 describes the CKO as a recent phenomenon created to help manage a unique organizational asset – intellectual capital (Herschel & Nemati, 2000). Considering that every time a major business gets “restructured” the first people to be shown the exit are those who have gained tens of years of expertise, I cannot say that many of the businesses actually understand what their “intellectual capital” is about. If the CKO was really in the business of managing “intellectual capital”, he/she would be called the HR Manager, because this is where most of the capital resides: in people’s heads.

In an article from the McKinsey Quarterly, there is an open admission that CKOs are not failure-proof. The most interesting thing about this admission is that it mentions “cultural” reasons for this failure. Although in organizations where cross-business and cross-functional interventions aren't likely to happen unless someone from the top team takes express responsibility for them, appointing a CKO would seem to be a good idea, “some CKOs have been tempted to launch numbers of interventions, which then failed to show clear results. Others have tried to give their role solidity by building a departmental empire, but the innate amorphousness of the position makes it an obvious budget target as soon as it fails to deliver. And if senior managers disagree on the purpose of managing knowledge, they may urge the CKO to focus on conflicting or low-value activities.” (Foote, matson & Rudd, 2001) The question is: failed to deliver what? Return on investment? Of the many so-called successful KM projects that managed to yield results measurable in terms of currency, most were not KM as much as “logistics automation” attempts – better software, more interconnectivity, enhanced communication tools. In my opinion these are tools, and KM is there to implement them in management of intellectual capital. It can't be right to simply state that the implementation of tools IS equivalent to achieving a successful KM project. Buying a new tap is one thing; getting the old one to stop dripping, quite another. When asked for their views about the make-or-break factors of a KM project all CKOs interviewed by McKinsey concurred that success depends on the ability of senior management to agree about what it hopes to gain from managing knowledge explicitly and from creating a performance culture.

## **2. Myth No. 2: Managers believe KM is “good” for business**

So far, the first part of this paper aimed at showing that CKOs are not all that meets the eye, and that their success seems to depend on two important facets: the first being their personality, and the second being the ability of senior decision-makers to commit themselves to something completely alien to any healthy, competitive businessperson. What I mean is the act of relinquishing power, by empowering the underling.

Sharing and caring goes well in social services, even though here too one sees lots of power-games and politics. But nothing compares to the amount of revulsion a top executive of a large corporation can have for sharing what he knows with other (competing) executives. Oh, yes, by all means create a new database, as long as I have the say of who is allowed to use it, when, and to what goal.

The dominant rational discourse of corporate strategy views organisations as engaged in periodic realignments of organisational activities with environmental requirements via a process of positivistic analysis and rational choice by strategists. Developed in the second half of the twentieth century this model owes much to the military traditions of the economically dominant nations. Relations are competitive, battles are fought, resources deployed, positions established, organisations are machines and control means hierarchy (Morgan, 1997). Central to this adversarial model of corporate strategy is the notion of competitive advantage (Meehan, 1999). Competitive advantage is often defined as the ability to outperform rivals, in the same market, in terms of profitability. Witness the implicit reiteration of the primacy of senior managers as controllers of the organisation’s prosperity.

Due to discontinuous changes in the social infrastructure which themselves are mediated by radical changes in the commercial world, *tangible* bases of competitive advantage dissolve in the face of near instantaneous catchup by existing and emerging competitors. These changes (global competition, deregulation, structural changes, technological discontinuities, mergers and acquisitions, changing consumer expectations, emerging

trading blocks, less protectionism and environmental concerns) "were changing the sources of advantage of firms and the economics of industries in new and unpredictable ways." (Hamel & Prahalad, 1994) For managers schooled in the rationalist discourse of strategy, predicated as it is on neoclassical economic models of competition, the time-compression associated with hyper-competition poses a major intellectual challenge. For managers, hyper-competition negates the relative stability required to develop the strategies and structures by which *they feel* they exert a comforting level of control over the fit between organisation and environment. To them their grip on power is loosened.

In such an environment, finding the right CKO is very difficult. Because KM involves people, culture and behavior as well as business processes and supportive technology, it's necessary to ask what skills they need, where to find candidates and what makes hiring a CKO worth the investment. A CKO also must be a cheerleader and a teacher, who not only has a vision of knowledge sharing but has the authority and savvy to make corporate culture and processes serve this end. The most important qualification for such a knowledge leader is the ability to be an agent of change. "At the bottom, it's all about culture," Saint-Onge says. "If the culture isn't well put in place, all of what we're talking about is for naught." (Flash, 2001)

Again, culture. While the CKO is an agent of change, corporate cultures are notoriously resistant to changing. Sure, a huge percentage of interviewed top managers will pay lip-services to the value of knowledge for their business. But what they do not admit in these interviews is the fact that KM is not only about Knowledge Acquisition, but also about Knowledge Sharing. In my opinion, a good CKO should also be able to manage change-related obstacles. In a survey undertaken by Gartner Research Group in 1999, survey respondents were provided with six possible barriers to KM and asked to rank them. The highest-rated barrier is "other priorities are more pressing" (year 2000 for many enterprises). The conclusion of the major remediation efforts for year 2000 will free up people and funds which will be applied to competitive and business transformation efforts including KM (this view is shared by many KM product vendors and ESPs). The next-highest-rated barriers are "lack of vision or leadership" and "**cultural resistance to change**," which are only one percentage point apart (Harris, 1999). A typical job description for a CKO, posted on the web in late 2000 states that "The incumbent's work will be complicated by many institutional **barriers to change which impede knowledge sharing**. For example, **vested interests and resistance to change are often encountered in seeking solutions to identified problems**. Insight is required for eliminating barriers to fostering a collaborative organizational culture that shares knowledge. (HCFA, 1999)" Seems like the best CKO should also be a psychologist, anthropologist and sociologist all in one. Maybe the term Chief Knowledge Shaman would be more appropriate?

I would not want to put the blame squarely on the shoulders of top managers. Office politics starts with the mailroom boy. Many rank-and-file workers, already putting more than 10 hours of labour daily, see KM as a new 'managerial fad' of economic rationalization - a way of removing them from the job and replacing them with a PC. The current interest in KM as an attempt to reconstitute an ailing *rationalist* discourse of strategic management. The employee often feels that having to put up with too many changes is extending his/her attention span beyond endurance. KM ventures have not as yet helped in diminishing the information glut, and having to learn how to use one more application can seem too much to fit into an already busy schedule.

On top of this, the same management executive who at the annual general meeting exhorted everybody to "continue personal development" and "become a knowledge worker", can - and often does - get quite upset if the employee takes off time to upgrade his skills. When business slows down, the first budget cuts are in the training area.

In no way is this paper suggesting that KM is doomed to failure, and that corporations will not in the future be actually implementing the CKO's "dreams". What I am trying to say is that this will not happen now, not with the current set of mental predispositions among the top management in corporations. Education is needed to change people's perceptions of such notions as "value", "power", "success" and other related matters. "Collaboration" must take precedent over "competition"; and a new work ethic must emerge before knowledge will be shared to any significant extent within and across organisations, countries and nations.

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