Chapter III
Effective Stakeholder Knowledge Sharing for Effective Organizational Memory

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ABSTRACT

This chapter argues that a trusting corporate culture predicated on values that emphasize sharing and encourage interactions amongst stakeholders at all levels spawns knowledge sharing activities and leads to the development of robust organizational memory reserves. The authors argue that the importance of knowledge management in the information age will make it essential that competitive companies inculcate stakeholders with the values necessary to encourage the production, sharing, and storage of knowledge for the benefit of the organization and its stakeholders. The authors demonstrate that having the proper systems and processes in place and fostering a culture that values sharing should help organizations to develop and use latent knowledge reserves. An experiential learning model is used to illustrate how mere data can be transformed into commercially viable knowledge.

INTRODUCTION

According to Hewlett-Packard CEO Lew Platt “if HP knew what HP knows, we would be three times as profitable” (Yang, 2007, p.83). This statement has been echoed and reiterated by CEOs throughout the world that wish to optimize the use of their organization’s knowledge bases in order to better serve internal and external stakeholders. This means managing knowledge, information, and data in a manner that meets business objectives efficiently and effectively, despite the dilemmas
posed by the electronic age. IBM CEO Louis Gerstner states that “one of the great conundrums of e-business is that it gives enterprises a powerful new capability to capture and analyze massive amounts of customer information so they can serve individuals more effectively” (Privacy Guru, 2001, p.1). Thus, organizations are faced with a bifurcated problem: On one hand investments in organizational memory systems offer businesses the opportunity to grow exponentially while, on the other hand, information overload challenges the modern manager.

The electronic communications revolution has produced a situation that demands that companies employ better systems and practices to manage this information in order to cope with issues such as information overload while better accommodating customer and stakeholder concerns, such as privacy issues and improved corporate profitability. It is therefore imperative that all organizations aim to develop a culture that is conducive to long-term learning and supports the institutionalization of successful strategies. A static approach to managing external and internal relationships with stakeholders can lead to a business’ obsolescence, whereas an approach that emphasizes continual learning and adaptability to meet the ever changing needs of the organization and its external stakeholders can help support the organization’s endurance. It is essential that an organization’s leaders develop the institutions and culture necessary to ensure that future generations of leaders are better equipped to adapt and respond to external stakeholder needs. This means inculcating employees with values that emphasize the sharing of valuable knowledge and the implementation of systems that enable the creation of various types of organizational memory, and processes to acquire and store this memory. By developing healthy and trusting social networks, designing effective information communications systems such as electronic bulletins and intranets, and having a plan in place to capitalize on these organizational memory systems a company can position itself to succeed in the information race.

This being said, making learning and memory an important part of an organization’s relations with external stakeholders cannot be defined in static terms. Acquiring, building, and applying organizational memory in a way that strengthens the organization’s relations with external stakeholders and achieves organizational objectives should be treated as an ongoing process that will enable the organization to weather changes in stakeholder relationships—whether the change involves employee turnover or winning a new client. Irrespective, having the proper systems in place and a culture that is open and trusting should help the organization to effectively develop and use innate experiential knowledge for the benefit of the corporation and all its stakeholders.

This chapter argues that all stakeholders can benefit from organizational memory systems that are predicated on a culture that values sharing and learning. It will define both the types of organizational memory that exist and provide an example of one system design that can be used to capture these memories. Additionally, research demonstrating the importance of fostering a trusting and open office environment will be provided to substantiate that trust is the cornerstone of growing healthy social networks, not to mention a prerequisite for knowledge sharing at a more basic level, and thus plays an important role in ensuring effective organizational memory systems. Finally, the chapter will discuss the benefits of these systems to all stakeholders and apply Kransdorff’s six-stage experience-based management cycle to demonstrate how experiential learning occurs and organizational memory is amassed (Kransdorff, 2006, pp.124-125). More generally, the complications faced by those who wish to successfully implement an integrated organizational memory plan will be discussed and the nuances involved when designing systems to satisfy the needs of particular stakeholders will be highlighted.
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