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Knowledge Management: development strategy or business strategy?

Knowledge management is taking the development establishment by storm because it facilitates the effective use of an organization's knowledge and its ability to learn from past experiences.

Karl Kalseth and Sarah Cummings

International institutions, country donors and the broader development community are rapidly coming to the conclusion that knowledge is central to development – that knowledge is development. (World Bank 1998)

The agencies have not started with the dramatic knowledge deficits of the South, nor with the key question of how knowledge management could assist knowledge development in the South. A continuation along their present trajectory will arguably be counter-productive; it will make agencies more certain of what they themselves have learnt, and more enthusiastic that others should share these insights, once they have been systematised. (King 2000)

INTRODUCTION

Global competition and new challenges facing business and industry are creating substantial pressures on all organizations. To establish long-term competitive advantage from an information and knowledge management point of view, it is no longer sufficient solely to have efficient access to internal and external information resources. Today it is a business requirement to efficiently exploit what the business actually knows – not only what it owns. This approach, known as knowledge management, originated in management science and has been applied successfully in commercial organizations. It is now taking the development establishment, particularly the large multilateral and bilateral agencies, by storm. In its most simple sense, it refers to the effective use of an organization's knowledge and its ability to learn from past experiences. Knowledge management has been facilitated by the new information and communications technologies (ICTs) which allow an inventory to be made of information, knowledge sharing and dialogue on a much broader scale than was previously possible.

This paper first provides an introduction to knowledge management as a business strategy. It deals with the main components of the approach: continuous improvements; the building of a new business culture; its approach to information and

to people; and its emphasis on organizational learning. The second part will look briefly at the role played by new technology in knowledge management. The third part will then review the application of the concept in development agencies, using the example of the World Bank which has pioneered the application of this approach in the development arena. Given this growing adoption of knowledge management, much of its vocabulary has entered the development discourse. Terms such as 'community of practice' and 'best practices' can now be found in development-related discussions although their etymology is not always clear. To introduce the knowledge management terminology, a glossary is also provided.

After fifty years of development cooperation, knowledge management offers an explicit approach which emphasizes the learning from successes and failures. Only if we are able to learn from these experiences will it be possible to elaborate informed development strategies for the future. Some commentators argue that the knowledge management strategy developed by the World Bank and other like organizations has been primarily aimed at improving agency performance and not at looking at ways of addressing the considerable knowledge deficits in the South. Indeed, the knowledge management focus has coincided with a parallel emphasis on new forms of more equal partnership with the South, such as capacity building.

PART I: KNOWLEDGE MANAGEMENT AS A BUSINESS STRATEGY

In all organizations, managers have numerous mechanisms at their disposal for improving internal efficiency and for facing the challenges of stronger competition. In principle, there are only two mechanisms that separate one business from another: its customers and its employees. It is the quality of an organization's employees, how they perform their work, how they cooperate and collaborate, and on what common grounds their decisions are taken, that distinguishes the successful organizations from the failures.

Many commercial organizations are now implementing knowledge management strategies as a solid basis for building competitive strength and a sustainable growth pattern as part of their overall business strategies. However, knowledge management as a business strategy will only succeed when certain fundamental requirements are met. These requirements will depend from case to case but in general terms comprise:

- the foundation needs to be laid for a new organization, including restructuring and decentralization, to improve organizational flexibility
- there needs to be an improved ability to react to market needs, fight stronger competition, and to respond to new demands
- the organization requires active steering in order to become less dependent on mere passive adaptation to changed business conditions set by others: the markets, competitors, and authorities

- mechanisms should be put in place which facilitate and improve the exchange of information and knowledge within the organization so that it becomes less vulnerable to people leaving the business and changes in staff positions, helping to preserve the intellectual capital
- inefficient work processes and procedures need to be eliminated to improve the exploitation of information, human resources and capabilities at critical stages in the business process
- the organization should be able to learn from past experience and not 'reinvent the wheel' over and over again
- employees should receive incentives for information and knowledge sharing
- investments in ICTs and the information infrastructure need to be fully exploited
- relevant information and knowledge should be accessible when needed.

The human resources elements, ICTs, information technology and information incorporated into the strategic business processes should become part of the management culture and work ethic of the organization. It is only this synthesis of the knowledge management components that creates the organizational ability to exploit the total information and knowledge potential of the organization.

Knowledge Management Is About Continuous Improvements

Knowledge management as a business strategy operates on multiple frontiers simultaneously. It is a vehicle for a holistic improvement programme for the organization. Strength will be built from inside the organization in order to meet external challenges. This is done by exploiting the available knowledge resources: the employees, the information resources, ICTs and applications, and their relationships with customers or clients, and the market actors.

The concept of knowledge management is about identifying means for business performance and business improvements, comprising both work performance, deliveries, and products and services. Knowledge management is a strategic tool for continuous improvement of all business critical work processes and deliveries. This underscores the fact that knowledge management is not a synonym for information management, and must be operated from a much higher level in the organization than traditionally has been the case with information management. 'Real' knowledge management requires a direct 'champion' in top management.

Building a New Culture

Business culture comprises an organization's human relations behaviour, common levels of standards and procedures, and the common values and all the initiatives (either conscious or unconscious initiatives in a cultural context) which make the organization function well both professionally and socially. The business culture becomes vital to success or failure because it plays an important role in how people cooperate and take decisions. As a consequence, the cultural component of a knowledge management strategy must be given substantial

attention. Not surprisingly, success in knowledge management usually requires the building of a radically new business culture. In extreme cases, top management needs to be replaced to allow this change in the culture to take place.

Knowledge management thus builds the foundation for creating a knowledge-based business culture. In the present fast changing environment, a tactic of evolutionary change will probably be too slow for most businesses, and most uncertain when it comes to expectations and results. Business culture must be founded on the strategies and goals of the business. The culture must stimulate continuous improvements, continuous organizational learning, knowledge sharing, a high degree of openness, productive cooperation between employees and external parties, and the creation of synergies across traditional borders, both internally and with other organizations.

The Role of Information

The right amount of information at the right time has long since been an important factor for performance in all kinds of organizations. However, the amount of information now available, both internally and externally, is enormous. Many managers talk about drowning in the information glut or the information overload. Trying to control the information overload is by definition impossible or at least very expensive. Other means of control must be found. The key question is how to learn to execute business procedures on the edge of a condition of information chaos. In such a context, it is critical to understand which information is essential to the business strategy and to the different value creating processes, and to be able to distinguish this from less important information.

The information aspect of knowledge management must encompass both internal and external information from its creation, through the stages of use, storage, flow through the organization, and to and from the external world (partners, customers and clients, vendors and others) until information is fully exploited and obsolete. Many information professionals are engaged in the storing and systematization of information for later retrieval and re-use. From a knowledge management perspective, the focus on this flow is insufficient. Information must receive quality control based on actual business needs, and should be incorporated into the relevant business processes. It is during the interaction between information, business work processes and people that new knowledge and wisdom are created. It is during this creative interaction that new knowledge and new ideas will be formulated to benefit the business in its future development and organizational change.

The Importance of People

Knowledge management practices and processes have the ability to focus the interconnections of explicit information (stored as data, text, pictures, sound etc.) and tacit information (stored in the human brain and expressed by human behaviour and actions). In such a context, the relations between the explicit information resources and the people that use them become extremely important. This is particularly so given that the human resources, the people, are an organization's

main resource and what most distinguishes it from its competitors. An organization's competitors have access to the same mechanisms and tools, and to the same external information resources. It is how this external information is used or interpreted by people that may be the most important element for creating competitive advantage for a company. As Michel Menou states in another context, here too 'smart people make a difference' (Menou 2001).

A prerequisite for success for implementing knowledge management is that management is engaged and motivated. Management must lead the process. This is because knowledge management must penetrate the 'soul' of the organization. The fundamentals of knowledge management conquer all working processes, behaviour, culture and values. They encompass all employees, at all levels and in all parts of the organization. Therefore, top management involvement and commitment is a prerequisite.

Application of knowledge management will inexorably uncover and expose weaknesses and breaches in the organization. Some employees will resist changes by their actions and attitudes. Flexible employees should be rewarded. The potential of employees needs to be exploited because they will be called on take responsibility for the further development of the business and to take decisions. As a result, formal positions as we know them today will lose power and status because the incentive and reward systems will be altered. These changes may well lead to the need for a fundamentally different management philosophy and new kind of management style.

Learning to Learn

Organizational learning means that new knowledge is transferred back to the organization in such a way that its business work processes are improved and renewed. Feedback for improvements must be continuous and performed so that it is adopted by the organization as its own. For instance, placing a final report from a project in an archive or writing up some ideas for improvements to a database become meaningless for a learning organization which requires this information to inform its business strategy. Organizational learning must be steered and controlled. Strategic knowledge management is a management vehicle that puts emphasis on all critical elements and actions in order to gain competitive advantage.

There is frequently an antagonism between individual learning and organizational learning. Most individuals learn from their participation and engagement in the business processes. This kind of participation and engagement can be motivated and improved. In contrast to this, there is often no automatic interrelation between individual learning and organizational learning. The organization is not automatically more competent than others because its members are highly educated and good learners. In fact, the opposite is often the case. Highly competent individuals may be less likely to share knowledge with others. Organizational learning can be facilitated by the exchange of 'best practices' which exploit past experiences to improve how things are done, recommend means of cooperation and interrelations, often use ICTs, and provide continuous evaluation and improvement. The learning organization

is putting knowledge management into operation and action. Its most prominent characteristics are human relations, human interactions and human actions.

Building Strength from Within an Organization

Learning is not solely a reactive process, purely based on reuse of knowledge and experiences from the past. Learning organizations are facing the future through networks of highly competent employees that are preparing, predicting, influencing, and actively shaping future business opportunities. While the traditional business organization is solving today's challenges, the learning organization is positioned to solve the present and future business challenges.

Knowledge-based organizations are characterized by meeting places, arenas for knowledge exchange and creativity, and networking across all kinds of borders. An organization which builds on such structures will potentially be more capable of solving more complex challenges. The concept of knowledge management actively contributes to building a strategic basis for a team or network-oriented organizational structure.

Mastering Change

Implementing a knowledge management strategy leads to questioning and changing working procedures and processes. This will have an effect on established opinions about the company culture, accepted behaviour among employees, and value systems. It is therefore important to focus on expectations regarding business benefits, how to evaluate the potential results of the implementation, and how to implement knowledge management.

A mature organization will master the new demands for improvements and change much more easily than other, less mature organizations. Implementing knowledge management requires that you:

- understand and accept the value of information and knowledge as a strategic vehicle
- have a management team that is devoted to implementing knowledge management
- are capable of and willing to change
- have a driving passion to become better or best
- are willing to engage your employees in the process
- believe that your employees have potential that is not fully exploited; and
- accept openness for sharing information and knowledge.

PART II: KNOWLEDGE MANAGEMENT AND TECHNOLOGY

Organisations have far more information and knowledge than they can make use of with existing practices and old technology. New technology – including computers and the Internet – make it possible and practical to share our valuable knowledge much more widely. We are able to do much more with the resources we have. That is the knowledge management revolution. (Natural Resources Canada 1998)

GLOSSARY OF KNOWLEDGE MANAGEMENT

Balanced scorecard system is a method of measuring performance of a firm beyond the typical financial measures. It links corporate goals and direct performance measures in a framework specific to a firm, and is one method of measuring the impact of knowledge management.

Best practice is a way of doing something which has produced good results and that could be adapted to another situation.

Calculated intangible value is an elegant way of putting a monetary value on intangible assets.

Case-based reasoning is a branch of artificial intelligence that attempts to combine the power of narrative with the codification of knowledge on computers.

Collaborative tools include tools such as groupware that facilitate both structured and free-flow sharing of **knowledge** and **best practices**.

Communities of circumstance are online communities which share the same position, circumstance or life experiences, rather than profession.

Communities of interest are online communities of people who share a common personal interest or hobby.

Communities of practice are online communities of people who share the same profession, situation, or vocation. These communities facilitate professional exchange, allow members to establish a bond of common experience or challenges.

Communities of purpose are online communities of people who are going through the same experience or who are trying to achieve a similar objective. Such communities serve a functional purpose, smoothing the path of the user for the period surrounding a given activity.

Competency management is the ability to use knowledge management to consistently facilitate the formation of new ideas, products and services that support the core competency of an organization.

Content mapping is the process of identifying and organizing a high level description of the meaning contained in a collection of electronic documents. Content maps are usually rendered as hierarchical outlines.

Context sensitivity is the ability of a knowledge management system to provide insight that takes into the consideration the contextual nature of a user's request, based on history, associations, and subject experience.

Core capabilities constitute a competitive advantage of a firm and can not be easily imitated.

Core rigidities refers to the idea that an organization's strengths are also, simultaneously, its weaknesses.

Corporate amnesia is the loss of collective experience, embedded **tacit knowledge** and accumulated skills, usually through excessive down-sizing and layoffs.

Corporate memory is an unquestioned tacit or explicit understanding of an organization's people, process or products.

Customer capital is the value of an organization's relationship with the people with whom it does business.

Data is a set of discrete objective facts about events. Data are transformed into **information** by adding value through context, categorization, calculations, corrections and condensation. Data are facts and figures without context or interpretation.

Discontinuity of knowledge is the phenomenon which occurs when experienced knowledge workers move from one position to another without having adequate time or knowledge management facilities to transfer their tacit knowledge to colleagues.

Enablers of knowledge management are systems and infrastructures which ensure that knowledge is created, captured, shared, and leveraged. These include culture, technology, infrastructure and measurement.

Experience refers to what people have done and what has happened to them in the past.

Explicit knowledge is the knowledge that is there for all to find and use in, for example, databases and publications. It can be found in **structured repositories** and **unstructured repositories of knowledge**. See also **tacit knowledge**.

Human capital comprises the capabilities of the individuals required to provide solutions to the people with whom the organization does business.

Information comprises facts/statistics with context and perspective.

Intellectual capital refers to the commercial value of trademarks, licenses, brand names, formulations and patents.

Knowledge is information which provides guidance for action. It comprises a fluid mix of experiences, values, contextual information, and expert insight that provides a framework for evaluating and incorporating new experience and information. It originates and is applied in the mind of 'knowers'. In organizations, it often becomes embedded not only in documents or repositories but also in organizational routines, processes, practices and norms. Key related concepts are **experience**, **truth**, **judgement**, and **rules of thumb**.

Knowledge chain has four stages: internal awareness, internal responsiveness, external awareness, and external responsiveness.

Knowledge leadership represents a broad category of positions and responsibilities in organizations, including knowledge managers and chief knowledge officers.

Knowledge management is approached in three different ways. Firstly and most simply, it is seen as an approach to making an organization's knowledge stores more successful and useful. It is also a business activity with two primary aspects: treating the knowledge component of business activities as an explicit concern of business reflected in strategy, policy and practice at all levels of the organization and making a direct connection between an organization's intellectual assets, both explicit and tacit, and positive business results. In addition, it is also seen as a conscious strategy of getting the right knowledge to the right people at the right time, and helping people share and put information into action in ways that strive to improve organizational performance.

Knowledge mapping comprises a process which provides an organization with a picture of the specific knowledge it needs in order to support its business processes.

Learning organizations are where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning how to learn together. The concept originated from Peter Senge's 1990 book *The fifth discipline: the art and practice of the learning organization*. See also the related terms **mental models**, **team learning**, **systems thinking** and **personal mastery**.

Management is dealing with groups and priorities within an organization at the tactical level.

Mental models are deeply ingrained assumptions, generalizations, or even pictures or images that influence how individuals understand the world and take action.

Peer assist is a meeting or workshop where people are invited from other teams within an organization to share their experience.

Personal mastery is the discipline of continually clarifying and deepening an individual's personal vision, focusing energies, developing patience, and trying to see reality objectively in order to live life in the service of the individual's highest aspirations.

Rules of thumb are shortcuts to solutions to new problems that resemble problems previously solved by experienced workers.

Signature skill is an ability by which a person prefers to identify himself or herself professionally.

Structured repositories of knowledge comprise databases, expert systems, and the like. They are characterized by their ease of searchability. See also **unstructured repositories of knowledge**.

Systems thinking is a conceptual framework, a body of knowledge and tools that have been developed over the past 50 years, to make the full patterns clearer, and to make it possible to bring about effective change with the least amount of effort by finding the leverage points in a system. See also **learning organizations**.

Tacit knowledge resides in people's heads. See also **explicit knowledge**.

Team learning starts with 'dialogue', the capacity of members of a team to suspend assumptions and enter into a genuine 'thinking together'. Team learning is vital because teams, not individuals, are the fundamental learning unit in modern organizations. Unless teams can learn, the organization cannot learn.

Unstructured repositories of knowledge include project reports and other non-indexed sources of information. See also **structured repositories of knowledge**.

Wisdom is understanding which **knowledge** to use for what purpose.

The quite extraordinary technical capacities for knowledge and information mapping, synthesising, sorting and disseminating are what explain the timing of the emergence of knowledge management during the 1990s. (King 2000)

Many factors have transformed the way organizations view knowledge but perhaps the most pivotal is the dramatically extended reach of knowledge through new information and communication technologies (ICTs). For development organizations, this new technology has facilitated dialogue with partners and counterparts both within and between organizations. As Peter Ballantyne and others have commented:

For many people, new ICTs are the right tools at the right time. If wisely used, investments in information, knowledge, and ICTs can help generate wealth and jobs, build bridges between governments and citizens, forge relations among organizations and communities, and improve the delivery of essential services to poor people. While some people are sceptical about their direct contribution to poverty alleviation, there are signs that ICTs can contribute to development goals (Ballantyne et al. 2000).

Despite the fact that ICTs have facilitated knowledge management, fundamentally knowledge management is not about implementing an ICT solution. New ICTs do not automatically structure document files or facilitate their retrieval, improve efficiency or solve problems. ICT-led knowledge management is a poor knowledge management strategy.

On the other hand, knowledge management does have a very strong technology component. The new opportunities provided by ICTs need to be exploited. This requires that ICTs are totally integrated as a central component into the business processes. Sydanmaanlakka, Director of Human Resources for the Broadband Systems Division at Nokia, believes change and people management make up 80 percent of knowledge management, while ICTs constitutes only 20 percent. This is probably the same for both commercial and development organizations.

With this recognition that ICTs facilitate knowledge management, both ICTs and knowledge management have been widely adapted by development agencies. In Part III, the adopting of the knowledge management approach by the World Bank will be examined as a microcosm (and, at the same time in some senses, a macrocosm given the Bank's size and influence) for the development community.

PART III: KNOWLEDGE MANAGEMENT AS A DEVELOPMENT STRATEGY

While the business community was adapting knowledge management from the beginning of the 1990s, it was not until 1996 that development organizations began to see its relevance to their activities. Based on the assumption that knowledge is the foundation for equitable and sustainable development, the World Bank was the pioneer in the application of knowledge management in the development community. Two key tracks

in the Bank's knowledge management approach can be identified: an internal focus on improving business processes; and an external knowledge sharing approach, aiming to encourage the exchange of knowledge and interaction between the Bank and the wider development community. This distinction may be slightly artificial but will help divide the business and development components of knowledge management.

The World Bank

In 1996, the World Bank management asked Stephen Denning to look into the area of information and knowledge and what this growing trend meant for the organization. At this time, the Bank had no commitment to look at this area, regarding itself as a money-lending organization. There was no budget, no incentive to developing a knowledge component to the business and certainly no strategy to achieve this. Today, most of this has changed with various elements in place to promote knowledge management within the World Bank (Denning 1999).

Launched in October 1996, the World Bank knowledge management system seeks to make the Bank a clearinghouse for knowledge about development – not just a corporate memory bank of best practices but also a collector and disseminator of the best development practice from outside organizations. The following activities have been initiated by the Bank's sectoral networks:

- building communities of practice
- developing an online knowledge base
- establishing help desks and advisory services
- building a directory of expertise
- making key statistics available
- providing access to transaction information
- providing a space for professional conversation; and
- establishing external access and outreach to clients, partners and stakeholders.

Knowledge management has become a central thrust of the organization. According to Stephen Denning, Programme Director of Knowledge Management, what enables knowledge sharing to work for the World Bank is not only the global communication network but also the community itself. Within the World Bank, some 130 communities of practice have sprung up.

Lessons learned by the World Bank comprise:

- use stories, not charts, to explain knowledge management concepts to the organization
- talking to people in person, do not expect them to read about such a complex subject
- fund communities of practice because having money behind the initiative makes people understand the organization is serious about it
- use common tools and technology throughout the organization
- make sure the communities are tightly coordinated with the help desks; and
- recognize the contribution of knowledge sharing and celebrate successes.

In the 1998 World Development Report, 'Knowledge For Development', the development issue was examined from a knowledge perspective.

The Bank's two main knowledge-sharing initiatives are the Global Development Network (GDNNet) and the Global Development Gateway.

The Global Development Network (GDNNet)

The GDNNet aims to enhance the quality and availability of policy-oriented research and strengthen the institutions which undertake this work. It offers tools, services and networking opportunities to help these institutions and their members join together to fight poverty. An electronic discussion sought broad feedback and inputs to develop a web strategy. The main idea is to develop a strategy to use the web most effectively for collaboration, research and dissemination of research findings for development purposes.

The goal of the GDNNet is to support and link research and policy institutes involved in the field of development, and whose work is predicated on the notion that ideas matter. The initiative, still in its early phase, has proceeded on two fronts: knowledge generation and knowledge sharing. First, since early 1998, the regional networks have used World Bank funding to create or strengthen competitive peer-review grant mechanisms for generating research. Second, starting with an initial consultative meeting in June 1998, the regional networks and the World Bank have initiated several knowledge-sharing programmes, including training for researchers, a series of regional workshops focusing on building the capacity of research and policy institutes, and planning for future activities.

The GDNNet will aim to support the generation and sharing of knowledge for development and to help bridge the gap between the development of ideas and their practical implementation. Achieving these goals involves strengthening the capacity of research and policy institutes to undertake high-quality, policy-relevant research and to move research results into the policy debates, at both national and global levels.

A recent book on the GDNNet (Stone 2000) looks at the way in which the World Bank is reinventing itself as the 'Knowledge Bank'. The book addresses how international organizations and governments are developing partnerships with think tanks, research institutes and other knowledge institutions in the hope of informing and improving policies for reform and development around the world. It examines:

- the changing policy emphasis within the World Bank as it develops alliances with non-governmental actors and promotes civil society
- first-hand accounts of the making of this new global network amidst the plethora of existing political, commercial and non-governmental networks
- detailed case studies of the problems faced by think tanks and other knowledge institutions across the world; and
- whether knowledge, information and data is used by experts successfully to influence policy.

The Global Development Gateway

The Gateway is being formally established external to the Bank in order to guarantee its independence,

flexibility and sustainability but remains an important vehicle for the Bank's evolving knowledge strategy. (World Bank 2000)

The World Bank's Global Development Gateway is envisioned as a web portal website on development issues, from which users will be able to access information, resources and tools, and into which they will be able to contribute their own knowledge and experience. It will receive funding of USD 60 million over three years.

This initiative has been subject to much current criticism from civil society organizations in North and South. These criticisms, noted in a letter to the World Bank's President, initiated by the Bretton Woods Project and signed by 300 individuals from a wide variety of organizations (Wilks 2000), are substantial:

- insufficient independence of Gateway governance
- the rejection of alternative design options
- insufficient consultation and communication; and
- it is over ambitious and represents unfair competition to other initiatives.

The letter argues that the Gateway aims to be a 'supersite' on all development issues, covering a range of material drawn from diverse organizations and attracting millions of site visitors per month (Wilks 2000). Unlike the Bank's own website, the Gateway will appear to be independent and neutral, but this independence is only being granted once the Bank has taken most of the key decisions.

In a more detailed paper, Wilks further argues that the Gateway has worthy goals but looks likely to impose editorial policies and structures which will further privilege the perspectives of global development professionals and institutions (Wilks 2001). He considers that it will do little or nothing to enable poorer people in marginalized communities to assert their views on the Internet or find material tailored to their needs. Many of these effects may result not from bad intentions but from naive assumptions and a failure to engage with critical points of view.

The failure of the Bank's Gateway team to act on many of the key suggestions and recommendations made by outsiders has caused a number of NGOs to become extremely sceptical about major elements of the Gateway plans. Leading South African civil society groups recently announced a formal position of non-cooperation, while Latin American NGOs decided to establish a regional portal independently of the Gateway (Wilks 2001).

In a recent letter, John Garrison of the World Bank repudiates the criticisms of the Bretton Woods Project and its partners (Wilks 2001). He argues that the Gateway does not necessarily see itself as the one supersite on development issues but rather as an additional platform among the numerous existing portals geared to sustainable development. What makes the Gateway unique is its commitment to bringing diverse sectors (government, civil society, private sector) together, and its network of country-based portals, which will allow for more fluid interaction between local, regional, and global levels. Garrison argues that the notion that the Gateway could in some way dominate or control development information on

the Internet, even if this were its intention which it is not, simply does not stand up to the origins and decentralized nature of the medium. Further, the Gateway will not compete with existing development portals or siphon off funds now being destined for civil society Internet efforts. The Development Gateway Foundation, when established in the later half of 2001, will leverage new funding for the ICT field, including providing small-grant funding to civil society in collaboration with infoDev. In short, the Development Gateway will only be deemed successful if it can enhance inter-connectivity among existing Internet portals/networks and leverage greater resources for government, civil society, and donor agency ICT initiatives.

The Agency Focus

King criticises the focus of the World Bank and other agencies' knowledge management approach. He argues that:

The emphasis seems to be, at least in the first instance, on a knowledge revolution in the North that will make agencies more effective learning organizations, more able to capture and synthesise what they already, in some sense, know, and more capable of using all their staff to the full. Doubtless, the ultimate beneficiary of this transformation is intended to be the developing world, but the initial pre-occupation is with the potential of change in the North itself. (King 2000)

Although it is probable that the general objective of the knowledge management approach in the World Bank has been to increase efficiency and the use of human resources, related initiatives, informed by the knowledge sharing perspective, such as the Gateway initiative and the GDNNet, have been motivated by a desire to share information with other development actors. The criticisms of the Gateway by a wide variety of civil society organizations may well be justified because, despite the willing dialogue, the World Bank appears to be unwilling to react to some of the suggestions of these organizations, particularly as they relate to independence of the initiative and unfair competition. However, there is no doubt that the Bank is aware of these perceived short-comings in both the Gateway and its knowledge management approach:

Knowledge work at the Bank must be more firmly rooted in client demand. While shifts have occurred, the approach remains too internally focused and supply oriented. This undermines impact, client ownership and capacity-building, learning from the outside world, and skews priorities. (World Bank 2000)

CONCLUSIONS

By far the largest intellectual hurdle we have noted as the agencies scramble to become learning organizations is what we have termed the agency-centricity of their knowledge safaris. With just a few exceptions, we would argue that this initiative is being carried on for the immediate advantage of the agencies, and only down the line might it incorporate the natural partners of aid organizations in the developing world. . . . Instead of

wondering how to ensure that Northern research and policy directories, data-bases, training systems could be placed more conspicuously on agency webs, or even on the Gateway, agencies, with their special mandate to develop the South, could ask many more conditioning questions about how Northern expertise could be obliged much more symmetrically to partner the South. (King 2000)

Knowledge management is a business strategy for building competitive strength through improved exploitation of what the business already knows; mastering change through continuously improving the way of working (best practices) and the quality of goods and services; better serving customers and the market by involving all the human and structural resources available; and for continuous learning at all levels: individual, group and organizational levels.

Taking the example of the World Bank, the knowledge management strategy has provided similar advantages to those provided to business by improved exploitation of what the organization knows so that it learns to improve its development strategy. One key difference between the knowledge management trend in development organizations as compared to the corporate world is that these strategies are also frequently explicitly aimed at external knowledge sharing. Although the World Bank's two main knowledge sharing activities (the GDNNet and the Gateway) have received criticism, particularly the latter, there is no doubt that they represent a serious attempt at facilitating knowledge sharing in the wider development community with a variety of actors. It is difficult to assess how representative the World Bank's approach has been to that applied in other organizations although probably some of the same difficulties have been encountered. Diverse knowledge sharing efforts around the world are being pursued under various labels: knowledge management, knowledge sharing, intellectual capital management and intellectual asset management. In answer to the question in the title of this paper, it can be concluded that the knowledge management is an effective business strategy for development organizations but that it is also being used as an effective development strategy for knowledge sharing.

The challenge of adapting the knowledge management approach to the knowledge deficits in the South and the development of genuine knowledge with partners in the South, identified by Kenneth King, still remains. If this could be taken on board, the knowledge management revolution could really become a gateway to new ways of working for the Bank and other development actors, and not just one more 'passing fashion' (King 2001) or, as Svend Erik Lindberg-Hansen put it, 'old wine in new bottles.'

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Abstract

An earlier version of this paper was presented at the annual meeting of the Information Management Working Group of the European Association of Development Research and Training Institutes (EADI) which took place 6–9 September 2000 in Bergen, Norway. The paper first provides an introduction to knowledge management as a business strategy. It deals with the main components of the approach: continuous improvements; the building a new business culture; its approach to information and to people; and its emphasis on organizational learning. The second part briefly considers the role played by new technology in knowledge management. The third part then reviews the application of the strategy in development agencies, using the example of the World Bank which has pioneered the application of this approach in the development arena. Finally, it argues that knowledge management is both a business and a development strategy. Given the growing adoption of knowledge management, much of its vocabulary has entered the development discourse. Terms such as community of practice and best practices can now be found in development-related discussions although their etymology is not always clear. To introduce the knowledge management terminology, a glossary is also provided.

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Note: This paper represents the personal view of these individuals and is not official policy of their organizations.

MORE ON KNOWLEDGE MANAGEMENT

Evolution of knowledge management.

M.A. Sangeetha, I.K.R. Rao. *SRELS Journal of Information Management*, 37 (1) Mar 2000, pp. 17–32. il. refs.

Attempts to trace the evolution of the concept of knowledge management (KM) and the information society, identifying the significant and developing role of librarians in managing knowledge, within both information management and records management functions. Compares library science laws and the management principles of Fayol with Thomas Davenport's KM principles. Concludes KM is not really a new concept for librarians: they simply need to acquire more IT and management skills to transform themselves into knowledge managers.

From information management to knowledge management. [In Chinese]

W. Ding. *Journal of the China Society for Scientific and Technical Information*, 19 (2) Apr 2000, pp. 124–129. il. refs.

With the advent of the knowledge economy, the trend of information science from information management to knowledge management has become obvious and necessary. Discusses the differences between the concepts of information and knowledge and the concepts of information management and knowledge management. After comparing knowledge management and information management, concludes that knowledge management takes a broader view of the objectives, methods, technologies and aims of management. Also points out that knowledge management has developed from information management to be suitable for the present knowledge economy and will be the most active topic in information science.

Knowledge management and the future of libraries. [In Chinese]

N.-C. Yeh. *Journal of Information, Communication, and Library Science*, 6 (3) Spring 2000, pp. 81–94. il. tbls. refs.

Sets out to give a 'complete picture' of knowledge management. Presents and elucidates various definitions of knowledge, distinguishing between codified knowledge and tacit knowledge, and then explores the essence of knowledge management. Finally offers a personal view of the future role of libraries in the knowledge management age.

Using a knowledge network as an instrument to underpin and stimulate innovation in the health system: with reference to the South African National Health Knowledge Network (SA HealthNet).

J.A. Louw, C.J. Seebregts, M.W. Makgoba, *ICSTI Forum*, (32) Dec 1999, <<http://www.icsti.org/icsti/forum/fo9911.html#Louw>> il. refs.

Discusses the planning and development of a South African national health knowledge network, incorporating the principles of knowledge management and the drivers of a system of innovation. The knowledge network aims to provide a one stop interactive forum/resource, for quality controlled and evidence based health research information to a wide spectrum of users at various levels of aggregation with the necessary security arrangements and facilities for interaction among users to promote explicit (codified) and tacit knowledge flow and therefore to stimulate the process of innovation within the South African health system.

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