

# ***The Knowledge Organization of the Future: survival and performance***



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# Questions to Reflect Upon

- Why is the environment so hard to understand?
- What can we do to keep our organizations performing well?
- What are complex adaptive organizations and how do they work?
- What kind of strategy works best in today's world?
- What structure and culture best support adaptation?
- Do we need a new type of leadership to be successful?
- What new competencies do our workers need?
- How can our organizations better handle rapid change, uncertainty and increasing complexity?
- How can we maximize profit? Or wealth? Or whatever?

# KM World Tutorial

- The new reality
- Knowledge and the knowledge worker
- Complexity
- ICAS
- Strategy, structure and culture
- Collaborative leaders
- Integrative competencies
- Creating emergence and managing change
- Actions and Q&A

# The Future is Now!!

- Rate of **C**hange doubling every two years
- Escalating **U**ncertainty
- Exploding **C**omplexity
- Spreading **A**nxiety

***Organizations are our source of growth and wealth ...  
How will we survive and grow?***

***ICAS and ICATs?***

# Questions that matter!

**What determines your organizations performance, every day, all of the time?**

**What determines the effectiveness of actions?**

**What determines the knowledge people have?**

**What determines whether they use their knowledge?**

**Who is responsible for employee's actions?**

**What is the purpose of structure, culture & leadership?**

**What actions should you take as a manager/leader?**

**What is the difference between a cost & and asset?**

**What is the greatest asset in your company?**

**how do you grow assets?**

**Which is better, profit or wealth?**

**How can your company increase profit? Wealth?**

**What happens when the market becomes CUCA like?**

**Which of your assets becomes most important then?**

# What should we do?

- Change our view of reality.
- Expand our way of thinking.
- Reconsider the way we work and interact together.
- Create organizations that can deal with complexity and the CUCA world.
- Strive for sustainable high performance.
- Recognize and support our most valuable asset: the knowledge worker.
- Make all actions effective actions.
- If you are not getting what you want, the first thing to change is \_\_\_\_\_?

# A New Reality

## fact or fiction?

Trust, respect, fairness and collaboration are needed to create, leverage and apply knowledge

Knowledge can be leveraged through strategy, structure, culture and leadership

No one is smart enough to understand complex situations: knowledge may be king

Individuals make the difference

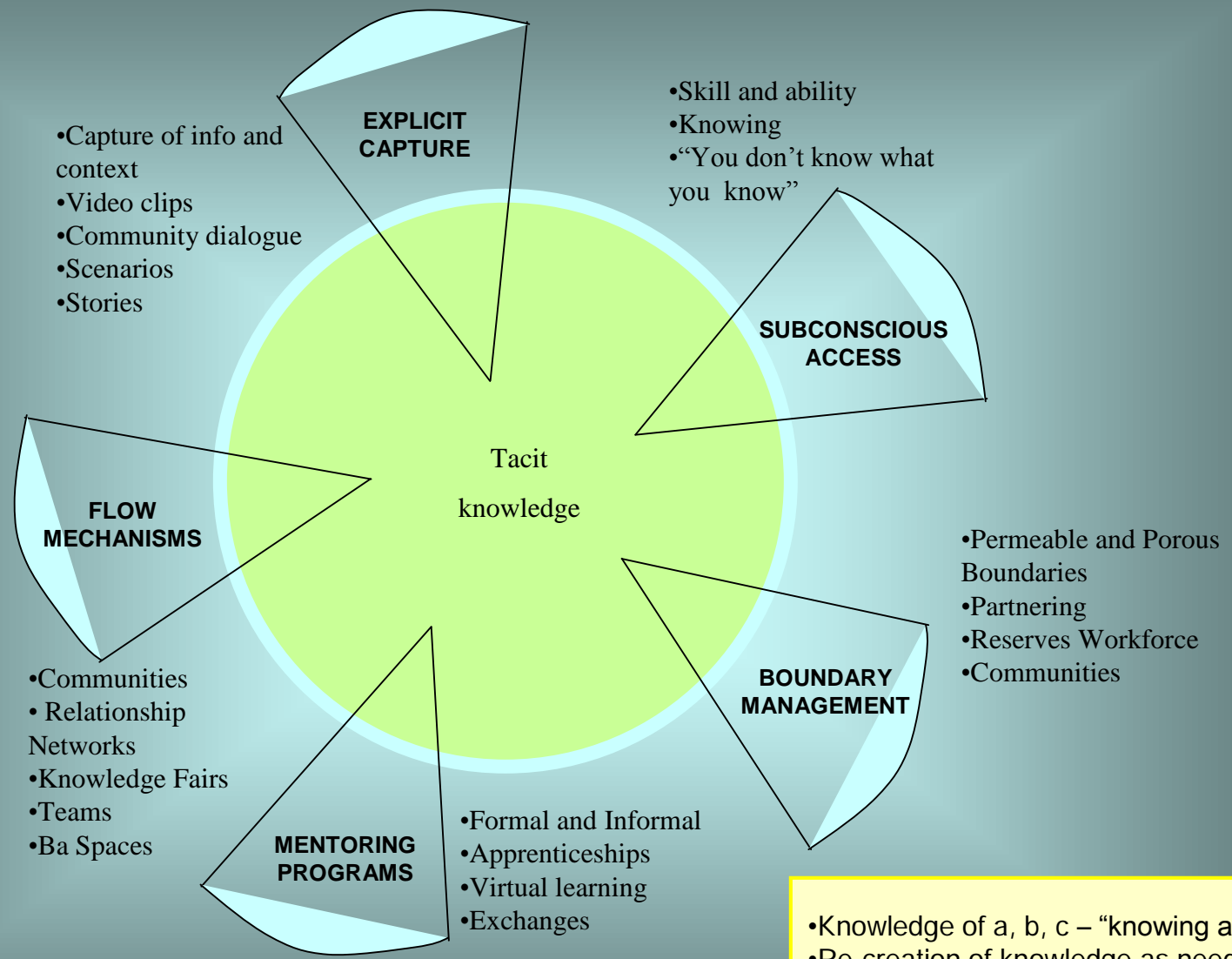
The future is unknowable

Learning, making mistakes and changing behavior are survival and success necessities

Control is a myth, influence is possible and dialogue is essential

# Definitions

- Knowledge is the *human capacity* (potential & actual ability) *to take effective action* in varied and uncertain situations.
- Knowledge management is the systemic process for optimizing the effective application of intellectual capital to achieve organizational objectives.



- Knowledge of a, b, c – “knowing about”
- Re-creation of knowledge as needed
- Knowledge a, b, c, -- “knowing”

# The New Knowledge Worker

- Strong sense of self
- Well educated
- Wants to contribute
- Mobile
- Learner
- Has knowledge about knowledge
- Team player
- Clear line of sight
- Comfortable with technology
- Shares knowledge

## Things that you cannot direct

- Creativity
- Thinking
- Feeling
- Attitude
- Values
- Responsibility
- sharing

## Things that make people perform well

- Being creative
- Using their minds
- Feeling good about their organization & themselves
- Having a positive attitude
- Strong basic values
- Taking ownership & responsibility
- Learning, teaching & sharing with others

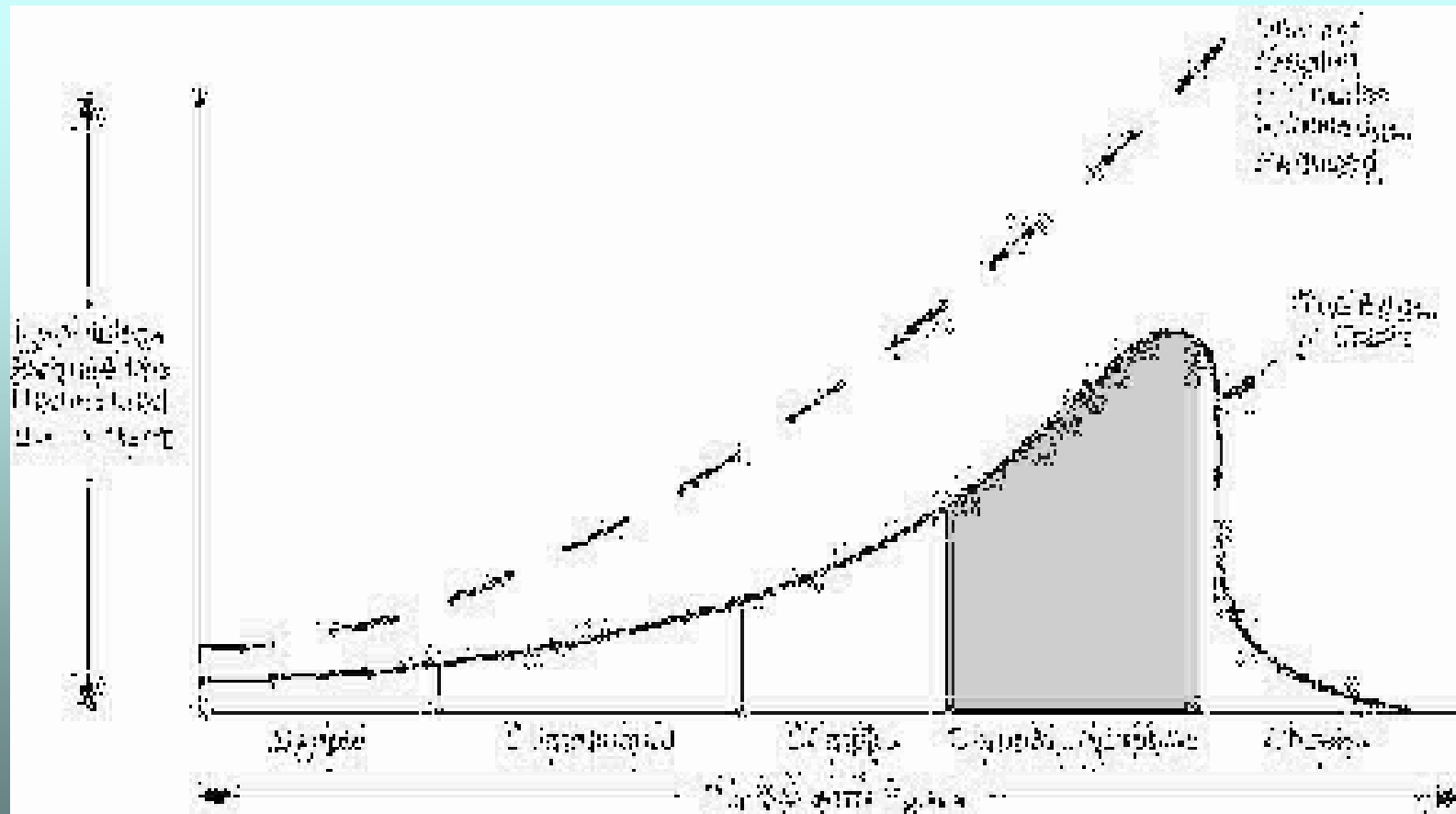
# Organizational messes

- **Poor communication**
- **Unchangeable cultures**
- **Constant reorganization**
- **Continuously overworked workforce**
- **Stovepipes**
- **Poor performance of worker**
- **Low quality work**
- **Teams not meeting expectations**
- **Distrust of management**
- **Decisions take too long**
- **Workers not sharing their knowledge**
- **Closed, filtered and stifled communication**
- **Knowledge/information held close**

# Complexity

- A system or situation that has some degree of order but has too many elements and relationships to understand in simple cause and effect relationships.
- The amount of variety or diversity in a system.
- There are degrees of complexity!

# The Complex Systems Space



# Emergence

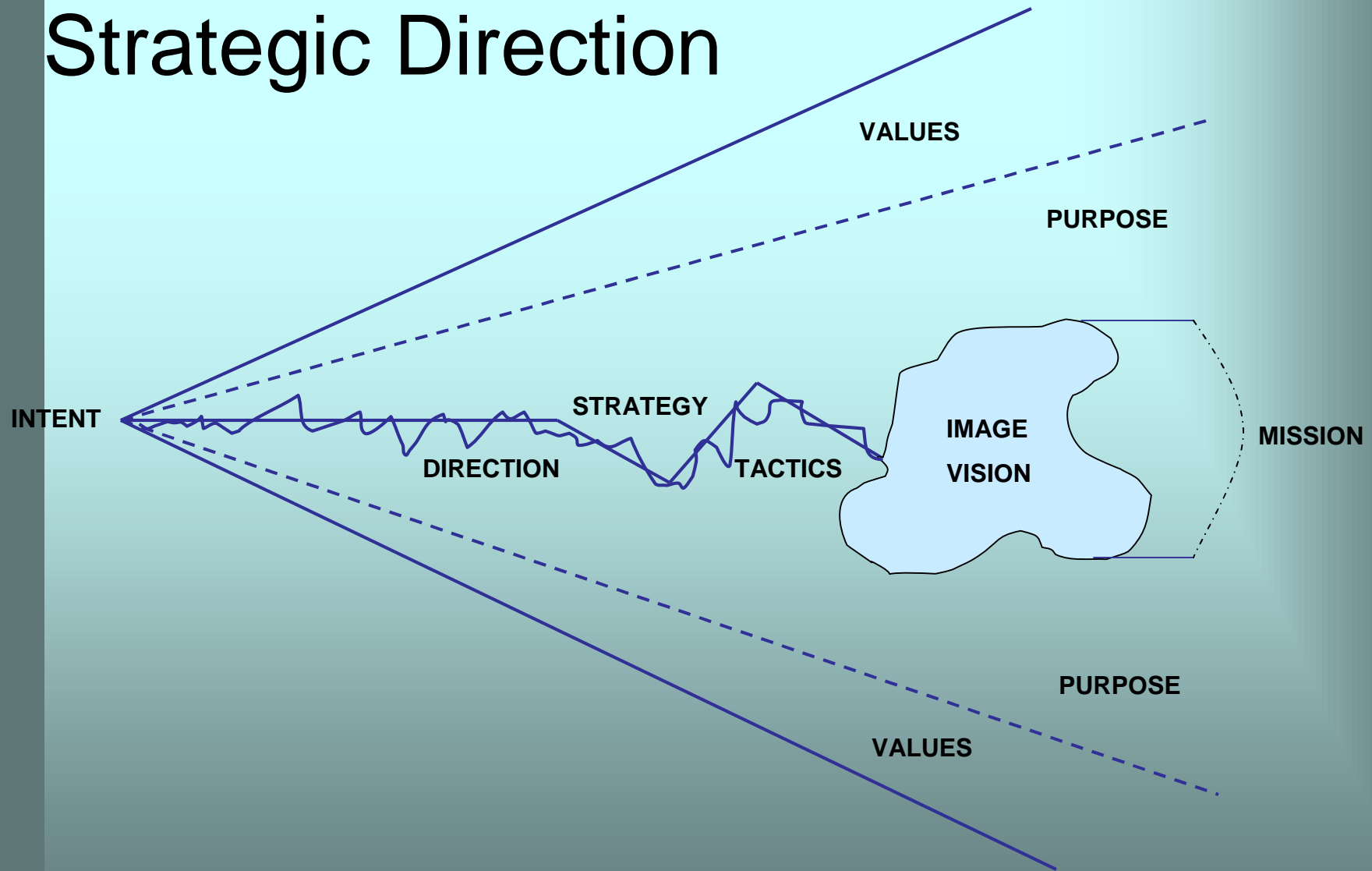
Global property of complex adaptive systems that is created through the multiple interactions and reactions of the agents or elements within the system.

***Survival of the firm depends upon the sum of all of the daily actions of employees.***

# Key Concepts of the Intelligent Complex Adaptive System

- Open boundaries
- Semi-autonomous workforce
- Self organization
- Internal cohesion
- Edge of chaos
- Continuous learning
- Darwinian adaptation
- Healthy “body”

# Strategic Direction



## *The Four Fundamental Forces of the ICAS*

THE FORCE OF DIRECTION serves as the compass for the organization as it moves into an uncharted and uncharitable future.

THE FORCE OF INTENT is an act or instance of determining mentally upon some action or result, thereby focusing the energy and knowledge of the organization.

THE FORCE OF KNOWLEDGE consists of the creation, sharing, dissemination, leveraging, and application of knowledge.

THE FORCE OF KNOWING is a blending of the cognitive capabilities of observing and perceiving a situation, the cognitive processing that must occur to understand the external world and make maximum use of our intuition and experiences, and the faculty for creating deep knowledge and acting on that knowledge.

The forces are aligned when:

- Direction is set and understood
- Intent moves the organization in the desired direction
- Knowledge ensures actions follow intent and direction.
- Knowing improves knowledge, bolsters intent, and signals the ICAS whether the actions and directions are on track.

# Supporting the Knowledge Worker: Culture and Structure

## ACTION CULTURE

- Atmosphere of trust, integrity, respect and fairness
- Open communication and sharing of understanding
- Strong mentoring and career development
- Emphasis on organizational values and purpose
- Flexibility and mobility encouraged

## LEARNING STRUCTURE

- Designed for continuous learning and rapid response
- Teams within teams
- Centers: Operations, Knowledge, Learning and Career Management
- Communities and networks
- Meshes
- Local empowerment and decision-making

***How can we create an organization that does not need to be able to second-guess the future?***

# “Healthy Body”

- Continuous learning
- Quick response
- Flexibility
- Resilience
- Robustness
- Adaptivity

You cannot order people to:

***Think***  
***Create new ideas***  
***Have the "right" attitude***  
***Be motivated***  
***Ignore fear***  
***Have good values***  
***Believe something***  
***Learn***  
***Trust others***

So???

# Collaborative Leaders

- Manage themselves, leverage information and knowledge, and nurture others
- Earn their ***right of influence***
- Are exemplars, collaborators and colleagues
- Live values, relationships, compassion and learning
- Inspire and energize the workforce
- Build other leaders through mentoring, role modeling and setting high standards
- Serve as connecting links

# *Leadership*

**C**ompass

**C**onnect

**C**ommunicate

**C**ollaborate

**C**are

**C**o-create

**C**haracter

**7 C's**

# Messes

- Poor communication
- Stove pipes
- Cultures that will not change
- Constant reorganization
- Continuously overworked
- Keeping up with the changes in policies, technology, funding, etc.
- Difficulty of changing an organization
- ?

# Relationship Network Management

- Recognize the value of relationship networks
- Identify your personal network of relationships
- Consciously choose to develop, expand and actively sustain these relationships through continuing interactions
- Stay open to sharing and learning through your relationship network.

*Good relationships emerge from a history of interactions. They are built on the concepts of interdependency, trust, a common framework, openness, flow and equitability.*

# Thinking about Thinking: Complexity Guiding Principles

- The future is unknowable
- Complexity increases with time
- Complex systems generate emergent properties
- Complex systems cannot be controlled
- Ashby's law of requisite variety
- Self-organization encourages diversity

# The Age of Complexity

- Learning capacity > experience
- Leadership > knowledge
- Effectiveness > efficiency
- Nurturing > controlling
- Intuition > logic
- Context > facts
- Patterns > events
- Structure > patterns

# Change for Large Organizations

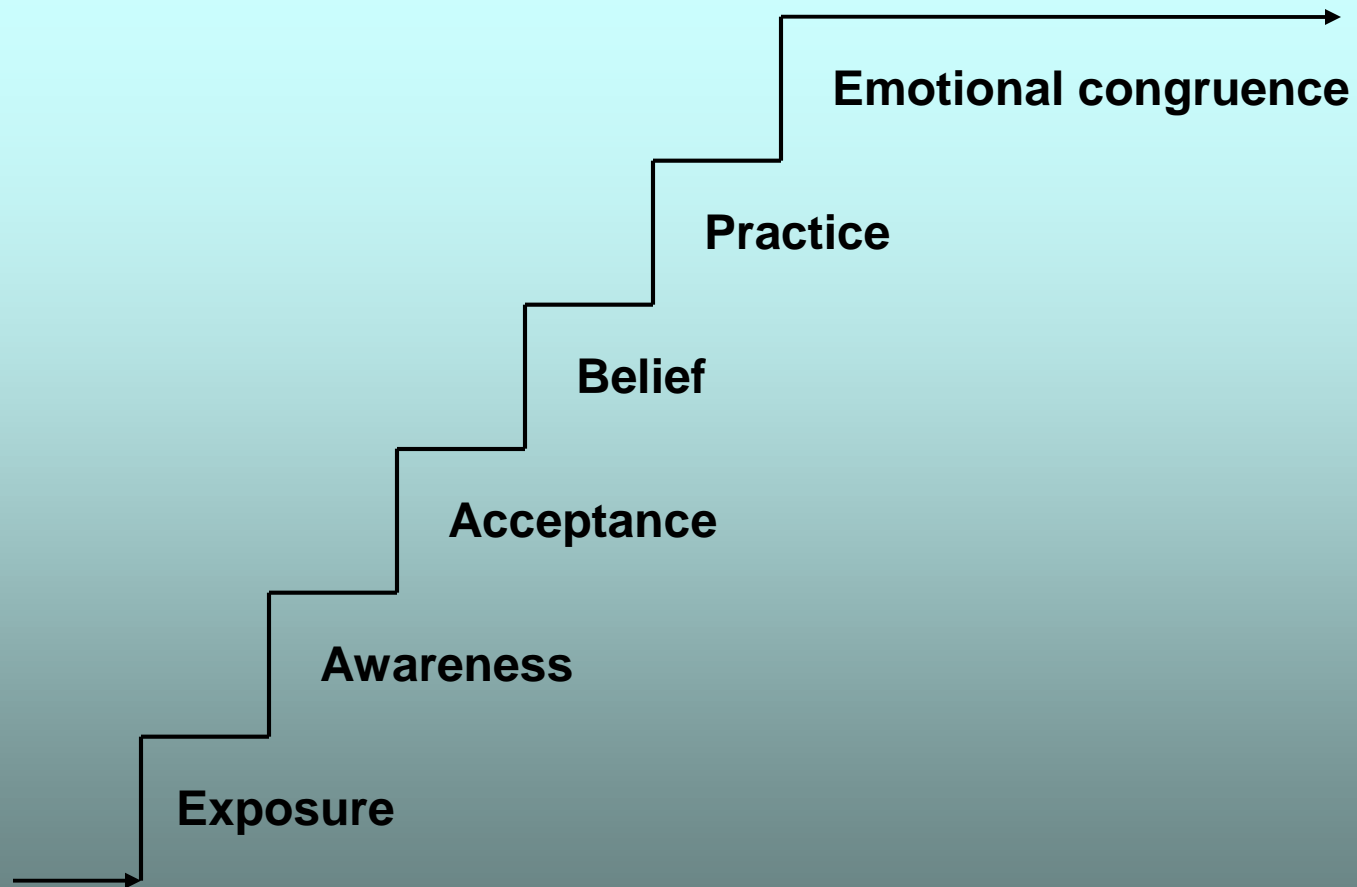
- Create a shared direction
- Build the business case
- Demonstrate leadership commitment
- Facilitate a common understanding
- Set limits
- Share new ideas, words and behaviors
- Identify the strategic approach
- Develop the structure
- Measure and provide incentives
- Provide tools
- Promote learning
- Envision an even greater future

*Implementing change at every level of the organization.*

# Small Organization Change

- Charter teams for action
- Subjects related to new vision
- Specific results
- All levels and departments represented
- Provide resources and organizational backing
- Develop ½ day workshop
- Entire team participates in facilitation

# Individual Change



# **Critical Success Factors to Remember in a Team Environment**

- Charter
- Facilitation
- Organizational support
- Team size
- Team member diversity
- Working spaces
- Leadership

# A Peek at the Leading Edge: The Intelligent Complex Adaptive **Team**

- **Create ideas and innovate**
- **Solve problems**
- **Sense and respond**
- **Leverage knowledge**
- **Quality decisions**
- **Double loop learning**
- **Cohesion in variety**
- **The ICAS silver bullet**
- **Multi-networking resources**
- **Qualified members only**
- **Floating leadership**
- **Genetic algorithm mobility**
- **All-season performance**
- **Shape shifter morphing**
- **Entanglement**

Organizational Intelligence

Leadership

Structure

Culture

Strategy

IDENTITY

- VISION
- PURPOSE
- STRATEGY
- NETWORKS
- COLLABORATION
- VALUES

HIGH PERFORMANCE CoPs

- PERMEABILITY
- SELECTIVITY
- FLOW
- KNOWLEDGE CENTRICITY
- OPTIMUM COMPLEXITY
- INTEGRATIVE COMPETENCIES
- TEAMS
- NETWORKS
- EMPOWERMENT

INSTITUTIONAL SUSTAINABILITY

- LEARNING
- QUICK RESPONSE
- FLEXIBLE
- RESILIENT
- ROBUST
- ADAPTABLE

ICAS

Processes

A  
C  
T  
I  
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N  
S

C  
U  
C  
A

Environment  
Situations  
Threats  
Opportunities

ORGANIZATIONAL INTELLIGENCE = The capacity of an organization to survive, grow and meet its goals in a CUCA environment while maintaining its identity, performance and institutional sustainability.

## **Dealing with complexity and complex environments**

**build effective neighborhoods**

**evaluate strategies via how the results can spread**

**build reciprocal interaction networks**

**powers of ten networks**

**meshes**

**relationship network management**

**maintain a permanent level of disorder**

**leverage knowledge everywhere**

**maintain strong identity and direction**

**provide self-organization wherever possible**

**do not create large failures from small efficiencies**

**do not expect to predict the future, or understand the past**

**produce coherent variety**

## **Dealing with complexity and complex environments**

**filter incoming information**

**ignore non-relevant information**

**overwhelm complexity with your own optimum complexity**

**sense and respond**

**accept & embrace external complexity**

**develop an ICAS capability**

**ensure organizational strength**

**continuous learning**

**cognitive superiority**

**strong values**

**knowledge centricity**