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School of Economics and Management

Knowledge Management within a Consultancy Firm

A case study of

accenture

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Donoghue, Harris & Weitzman (1999), p.2



Abstract

- Title:** Knowledge Management Within a Consultancy Firm
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- Authors:** Ellinor Sjöström and Elin Svedberg
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- Five Key words:** Knowledge Management, Knowledge Sharing,
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- Purpose:** The purpose of the research is to investigate the management of internal knowledge within an organization, more specifically a consulting organization, operating in a knowledge intensive industry. This purpose is reached through an analysis of how the company's employees work with knowledge exchange and how they experience the existing system in place, what the theories bring to the table within the field and finally recommendations on how the findings can be altered and improved.
- Methodology:** The thesis is conducted with a qualitative and inductive approach with both primary and secondary data.
- Theoretical perspectives:** The Theoretical framework is divided in two parts. The first presenting the Nonaka and Takeuchi Knowledge Creating Spiral and SECI model, and the artifact- and process-oriented views. The second part presents Boisot's Organizational Learning Cycle, initiatives of knowledge management, information technology and knowledge management, ending with management challenges for implementing a knowledge management strategy.
- Empirical foundation:** Interviews with five consultants from the case company.



Conclusions:

It is identified how the case company works with sharing knowledge and the recommendations on how the findings can be altered and improved. A model was constructed of how knowledge management tools could strategically be structured to continue to improve and integrate knowledge in the organization, securing that new knowledge is created and innovation occurs.



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1. Introduction

The aim of the introduction is to present the challenges of the subject and through a problem discussion guide the reader. We hereby intend to give the reader the necessary background information needed to follow our arguments as well as the purpose and structure of the thesis.

1.1 Background

Every individual has a personalized value measured in knowledge. Today's business environment is constantly evolving and growing, the companies of today constantly have to be on the lookout for new knowledge, it has to be a never ending strive. They have to realize that no company can by themselves create knowledge, it is possible only through interaction with their human capital. Because we live in a knowledge economy, the way companies handle their knowledge resources is exceedingly important. To be able to survive a fierce competitive environment and preserve a sustainable competitive advantage, knowledge management has to be implemented to develop competitiveness. Heading towards a global economy, the competition is becoming more challenging every day. This forces companies to continuously create their own competitive advantage and knowledge management is a way for companies to get a head start.¹

Knowledge Management (KM) is today seen as a key factor for success. Managing knowledge has in many ways become a way of staying alive for organizations.² The evolution of the organization itself may depend on how well it sustains the value in form of knowledge which is individually owned by the human capital. This thesis will try to identify how knowledge is managed and how a company can make good use of KM tools that appear to be a good fit with the organization. These tools are depending on the results the company wishes to achieve and what type of industry it belongs to. Knowledge management tools already exist but there are many more to be developed, matching them perfectly with the organization is essential to be able to achieve a positive result.

¹ Grant 1996

² Ackerman *et al* 2008



To begin it is important to understand the processes of transferring knowledge and how these processes are best managed in a specific industry and organization. Well managed and well performed KM enhances the competency within the formed networks in an organization and the organizational value can then be gradually secured.³

Management of a company's knowledge-possessing human capital is not only important for retaining knowledge within the company. It is actually essential to facilitate the interaction between all levels of the organisation and cross-divisional communication, for innovativeness to occur. Sustainable knowledge transfer is a critical success factor for companies wanting to stay in the forefront, building a competitive advantage wanting to profit from the competence value that can otherwise be lost.⁴ As human capital is a finite resource, there is always a risk of losing knowledge that is not yet made organizationally available, knowledge that the organization depends on. How to accomplish this is something that will be taken in consideration in this thesis. Although human capital is continuously replaced, it may be by individuals with as good value as the last one or it may not be, with the consequence of possibly losing very valuable knowledge.

In the late 1800's the first management engineering firm (as it was called before World War II⁵) was started under the name of Arthur D. Little. It first specialized in technical research but later focused in general management consulting. In the beginning of the 1900s management consulting firms, resembling somewhat today's appearance of management consulting organizations, arose. It grew more and more popular for companies to see the management as human, not always being able to solve all problems within the organization, making it more common to bring in external advisors and technical experts in the management research field.⁶

The Association of Management Consultants (ACME) defines management consulting as a service provided for a fee by objective outsiders who help executives improve the management, operations and economic performance of institutions.⁷

³ Grant 1996

⁴ Ackerman *et al* 2008

⁵ McKenna 1995

⁶ <http://www.careers-in-business.com/consulting/hist.htm>

⁷ <http://amcf.org/amcf/>



There are different approaches to consulting and different specializations within management consulting but the one and most valuable asset they all have in common is knowledge. Therefore how to manage this asset is of utter importance. Managing this knowledge means how to be able to convert it from individual to organizational knowledge and how to make the different parts of the consulting organization interact in a way so that new knowledge is created, maintained and possible to reapply. Today there are many large and successful consulting firms that possess well developed ways of how to manage their assets in effective systems. Why this study was chosen however is that times are continuously changing and no approach is waterproof without challenges. The consultancy firms all have to confront the same numerous challenges, a few being how to better their KM tools and how to facilitate for their human capital to create and retain knowledge

1.2 Problem Area

“We can know more than we can tell”

M. Polanyi (1966) p.4

The employees are among the most valuable assets of an organization. All of them do not however possess the same skills and abilities. The challenges for companies today are how to maintain knowledge within the company so that if an employee is lost the knowledge would not be lost with him or her. KM is about the approach used to create, collect, store and spread knowledge. It aims to maintain existing knowledge, spread it further to other individuals and parts in the organization.

As mentioned the success for knowledge intensive organizations depend on how well the knowledge is actually managed. To what extent the organisation facilitates the availability and transparency of knowledge and to what degree the organisation encourages for interaction between individuals. Hence making the conversion between different types of knowledge, transforming the, often individual, knowledge into a part of the organizational knowledge base and into a more sustainable value for the organization as a whole. Being aware of that there is a value in knowledge has existed for a long time but today we are more aware of the seriousness of managing this value in a good way. The consultancy industry is a very knowledge intensive



business where the sole product being sold is knowledge and pure “know-how”, or in other words the consultants transmit their knowledge as an “aid-service”.

This thesis is of interest because of the need to understand how knowledge is shared within the consulting organization and how to increase the effectiveness for knowledge to be shared in the industry for the company to continue to be desirable for clients. It is today a common and growing activity for companies to hire consultants in the hope of acquiring external advice and another angle of attacking an arisen obstacle. Another way of formulating this is that there is a higher demand for buying knowledge, thus increasing the importance of managing it right to retain the knowledge and leverage new.

As the interest in knowledge management is growing, demand for knowledge management research is increasing and the consulting industry is an exceptionally interesting one when studying creation and retention of knowledge. As mentioned the only actual product that consulting companies offer is one of knowledge, more specifically know-how, problem solutions and maybe help in implementation of an accepted solution proposal. How the management of knowledge approach is designed can be a deal breaker for success in such a knowledge intensive industry as consulting.

The challenges seen in this area as reoccurring are:

- How is knowledge effectively transferred within the company?
- How can knowledge be managed and converted in such a way that new is easily created?
- How can existing KM tools be altered in order to improve how the company works with KM?

To be able to analyze and improve organizational knowledge transfer, an organization must be able to, in a systematic way, analyze the process. The organization needs to identify the existing roles that are involved and what actions that take place in the process. Identify and classify factors that leverage knowledge transfer.⁸

⁸ Hoffman 2008



Since the times are constantly changing there is a continuous need for looking over the KM strategy. KM is a term every organization independent of industry is aware of today, therefore also amongst researchers making it a hot subject to investigate. There exists research concerning KM in a general sense and also specified relating to only a few certain industries. Additionally earlier research has often tried to illustrate how to identify the processes of knowledge transfer and creation, how knowledge can be shared across borders and also general advice on how to confront the challenges organizations may face when managing their human capital. One of the researches chosen to get an understanding of what had earlier been done in the KM field was Anna Jonsson's PhD dissertation *Knowledge sharing across borders – a study in the IKEA world*. This dissertation gave a good insight of how a company study could be executed and worked as a reference for how knowledge can be shared across borders. A gap was seen on how to improve existing KM tools leading to the interest to study this further. A book used as a reference for understanding the concept of knowledge was Nonaka and Takeuchi's *The Knowledge-Creating Company*. The authors' knowledge spiral model showed a consciousness for how the processes evolved, being more aware of what could make one company more successful than another. This research was very comprehensive and could be applied in our study. Notwithstanding, we have identified a gap concerning how to apply the chosen theories on the specific industry of consultancies, how to investigate the effectiveness of their KM tools and if these can be improved. The contribution of this thesis will be to sharply identify existing ways of transferring and sharing knowledge in a consulting firm, and furthermore investigate what can be improved and how. This information is crucial for consultancy companies as they constantly need to revise, reiterate and reinvent in order to stay ahead of the game.

1.3 Research Purpose

The purpose of the research is to investigate the management of internal knowledge within an organization, more specifically a consulting organization, operating in a knowledge intensive industry. This purpose will be reached through an analysis of how the company's employees work with knowledge exchange and how they experience the existing system in place, what the theories bring to the table within the field and finally recommendations on how the findings can be altered and improved.



1.4 Definition of Knowledge

“In addition, knowledge is a problematic concept and, depending on how knowledge is defined, a study on knowledge sharing may take different directions.”

H. Deresky (2008), p.7

Nobody can manage knowledge that is not defined and no one can manage knowledge well that is inadequately defined.⁹ One of the first steps in understanding the process of managing knowledge in an organization is to identify the different forms of knowledge. The term knowledge can be quite blurry and hard to define. It is very possible that knowledge can be defined in many ways depending on the context.¹⁰

1.4.1 The Different Forms of Knowledge

Knowledge is discussed as either tacit or explicit. One of the most mentioned frameworks in knowledge management research is the framework by Nonaka and Takeuchi. *Tacit knowledge* is defined as something that cannot be put in words or stated. *Explicit knowledge* on the other hand is clearly stated, tangible, and therefore collected and stored. Knowledge is communicated in a person’s capacity to turn it into action or collect new ideas. Tacit knowledge, explicit knowledge and the interaction of the two make up what is called *the epistemological dimension*. In *the ontological dimension* knowledge is created by individuals, organizations cannot create knowledge internally without human.

Knowledge can also either be individual or organizational. Nonaka and Takeuchi built their theories on knowledge being personal but made accessible and shared with others in an organization through a knowledge creation process.

Another view on knowledge is the *artifact-* and *process oriented view*. The artifact-oriented view puts focus on information technology and how technology can be applied for the codification of knowledge. In the artifact-oriented view the artifacts are more available to the rest of the organization and knowledge is created by collecting and manipulating information.

⁹ Sanchez 2001

¹⁰ *Ibid*



1.4.2 The Definition of Knowledge used in this Thesis

As mentioned there are many definitions of knowledge. Even though a universal knowledge definition does not exist it is important to identify the central frameworks that serve as foundation for how knowledge is applied and discussed in our thesis. We will not try to explain the knowledge concept but will, as many researchers, adopt Nonaka's (1994) definition of knowledge as a "dynamic human process of justifying personal beliefs as a part of an aspiration for the truth"¹¹ We will refer to knowledge as valued in different frameworks such as knowledge being tacit and explicit and that knowledge is individual but can be inserted in an organizational environment.

1.5 Definition of Knowledge management

In our opinion knowledge management means to identify, capture and share internal knowledge. When this is successfully done it also facilitates for new knowledge to be created.

Bose (2004) gives a definition of the KM process with the following stages that will be used in the thesis:

- Creating knowledge: knowledge appears through experiences and employee's abilities
- Capturing knowledge: techniques and definitions for how to gain knowledge that can be stored in its raw form in a storage- or data base
- Refining knowledge: adding frameworks to the knowledge in a way that the knowledge easily can be used again. In this stage, the tacit knowledge is collected, transformed and developed together with the explicit knowledge
- Storing knowledge: includes the codification of tacit and explicit knowledge to facilitate the reuse
- Managing knowledge: keep the knowledge updated
- Spreading the knowledge: guarantee that the knowledge will be available for the organization at any time and when it is necessary.¹²

¹¹ Nonaka 1994, p.15

¹² Bose 2004



Knowledge management aims to encourage innovation and collective creativity within the company to gain a competitive advantage. Knowledge is regarded as an asset and the employees of the company are the carriers of this asset.

1.6 Disposition

The thesis is divided into six chapters. The introduction above states the questions found at the initiation of the research. Further, the design of the data collected and the method used when exploring this subject will be explained. The selection of industry and company, how the study was executed and a discussion around the reliability will also be discussed here. The third chapter will contain the theories chosen for the study. Following will be the fourth chapter containing the empirical framework introducing findings and insights of the interview. The fifth chapter will show an analysis of the study where chosen relevant theories and empirical findings are braided together. The thesis will be concluded in chapter six with a discussion summing up what conclusions have been drawn, followed by reflections and suggestions of further research.



2. Methodology

This chapter aims to give the reader an overview of our workflow and the methods used in our study. The section also provides an explanation for why these choices have been made and a picture of how the work has been organized.

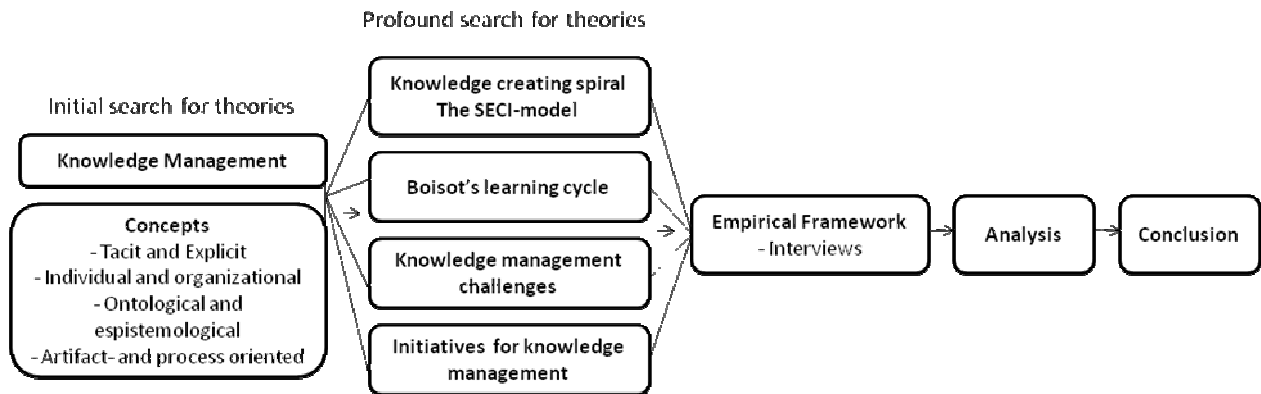


Figure 1. Research approach model ¹³

2.1 Research Approach

The study began with a comprehensive literature study to gain an understanding of Knowledge Management (KM) and the concepts of knowledge. After the initial search for understanding the concept, a continued search was made for theories relevant to the study. The approach for the study was chosen in accordance with administrative regulations and getting an approval for the interview guide from the HR department at Accenture. Finding theories for our study before the actual interviews was a way to prepare for good and relevant questions to ask during the interviews. Then the empirical framework was put in action. The aim of the empirical framework was to conduct a number of personal interviews that began with getting an understanding of the circumstances within the company and selecting respondents suitable for the study. The insights collected during the interviews together with the selected theories are in the analysis weaved together leading up to the conclusion of the study.

¹³ Figure by own creation



2.1.1 Qualitative Approach

The first decision when structuring the study was to choose between a qualitative or quantitative research methodology. The two methodologies share common ideas but differ in how information is collected and analyzed.¹⁴ A focus on a qualitative method was chosen with detailed interviews to acquire a deeper insight of the consultants work with knowledge transfer. With a qualitative method a deeper understanding of potential differences in perception of the KM strategy and actual ways of working with knowledge transfer between individuals, offices and/or countries could be possible to make. A quantitative approach would possibly not have given the same understanding and nuance to the study as the qualitative approach. To focus on one company and carry out a case study was preferred to get the deeper understanding of the way they work at Accenture rather than to study many companies and not being able to get a depth in the research. Aspects to bear in mind when using a qualitative research is that fewer generalizations can be made and another is that it is often more time consuming. Quantitative methodology gives the chance of comparing a large number of answers but not the possibility to look in to details and a get the deeper understanding of how they actually work in the organization.¹⁵

2.1.2 Inductive Approach

A choice between an inductive or deductive approach also had to be made. The deductive method is often associated with the quantitative methodology approach and draws conclusions from existing knowledge. The approach most suitable in this study is the inductive approach, often used in the qualitative research and generally when building a theory from observations or empirical data. A limitation with this approach and collecting all data in advance is that more theories specifically related to the study would then not be gathered.¹⁶ This approach will however give the opportunity to collect empirical information that can be revised, altered or strengthened with appropriate theories collected in order to test the validity of the theories.¹⁷

¹⁴ Bryman 2005

¹⁵ *Ibid*

¹⁶ Ghauri and Gronhaug 2005

¹⁷ Bryman 2005



2.1.3 Case Study Approach

With the qualitative methodology approach, the choice to conduct a case study was selected as the best approach for this study. The approach is characterized by a deeper investigation focused on a few units. Case studies are well suited when the aim is to create a deep understanding of a specific process.¹⁸ The purpose was to get as complete a picture and understanding as possible of how knowledge is identified and transferred within Accenture. The aim was to get a good insight of how the employees manage their knowledge, how they exchange experiences and if this is done in a way that facilitates the creation of new knowledge internally.

2.2 Collection of data

There are two methods of collecting information; primary and secondary data. Primary data is collected through research directly and has a higher assurance of relevant data being collected. Secondary data is information collected from research made by others and the validity and reliability of this of data should therefore be critically examined and valued.¹⁹ Both primary and secondary data has been used in this thesis to secure a high quality of the study and increase the opportunity of being able to choose what is valid and applicable.

2.2.1 Primary data

Interviews were chosen as primary data collection expected to give a broader and deeper answer to the question marks in the study. Interviews facilitate a good interaction between the interviewers and the respondents, making the responses more personal.²⁰ The aim was to have personal, face to face interviews but because of the geographic distance with some respondents, phone conference interviews were also carried out. Interviews were chosen because of this way of meeting and talking to the respondents, the flexibility of discussion style and therefore chance to expound information and develop questions during the interview.

When preparing for the interviews an interview guide was developed that served as a template for the interviews. The interview guide was divided into three areas: a)

¹⁸ Patel and Davidson 2003

¹⁹ Ghauri and Gronhaug 2005

²⁰ *Ibid*



background of the respondent, *b*) how they perceive that knowledge is managed at Accenture and *c*) how the respondent works and exchanges knowledge at their office. (the Interview Guide can be found in the annex). The information was gathered in one interview occasion for each respondent and the interviews lasted approximately 40 minutes. At each interview occasion, both face to face and telephone interviews, there were two people collecting the information. One by asking the selected questions and the other serving as note taker. The interviews were also recorded in case there would later arise a need to return to the interview occasion for information collection. After each interview the collected information was reviewed by the two interviewers together.

When conducting interviews one should always be aware of the risk of misinterpretation. Both when the respondent interprets the question and when the interviewers analyze the answer given. Although an interview guide was prepared the interviews were conducted in a way so that this guide would only facilitate as a framework but would not be a strict list of questions. The risk was minimized by asking the respondent the same type of question but formulated in different ways and keeping the interview as a rather open discussion identifying reoccurring discussion topics.

To be able to generalize the results and apply the recommendations of the thesis on other consultancy companies, calls were made to the HR department at four well known consultancy firms: McKinsey & CO, Arthur D. Little, BearingPoint and Booz Allen & Hamilton. The questions asked were intended to verify if other firms within the same industry used the same or similar KM tools as Accenture.

2.2.2 Selection of respondents

To get a good overview of how knowledge is managed within the company interviews were chosen as a tool for collecting primary data. Initial goal for the selection of respondents was that respondents preferably worked at different levels in the organization and naturally differed in how long the respondents had been employees at the company. It was expected to increase the probability of identifying possible differences in individual perception of the organization's KM strategy, in ways of exchanging knowledge and give a better understanding of the organization as a whole.



This would hopefully give a larger span of different perceptions and therefore answers given by the respondents. These two factors, on which level the respondent worked and for how long, could influence the subjective appreciation of how knowledge is managed in the organization, how the KM tools were perceived as relevant or effective and frequency of usage, and how these could possibly be altered.

Taking in to consideration that consultants have a heavy work load and normally charge clients by the hour the selection of respondents relied on contacts and who was kind enough to spare free time to participate in our study.

Since there is of no relevance to the study who of the respondents gave a certain answer and information, it has been decided to not specify what each respondent said. The empirical collection of data in the form of interviews was made out of 5 respondents. A higher number of interviews performed would have contributed to an even more diversified representation but 5 was considered well enough to deliver a fair representation of how the organization handles the transfer of knowledge.

The chosen respondents have the following titles within the company:

Senior Manager

Manager

Consultant

Business Analyst

Business Analyst

2.2.3 Secondary data

When selecting secondary data it is important to critically examine and value the information. The secondary data should be as up to date as possible and preferably to be known in the selected research field mentioned in books or articles by fellow researchers. The secondary data in form of academic literature has been conducted in different ways. Academic articles were found when searching a Lund University search engine, ELIN. The books that have been used in the study have mainly been by authors relatively known in this field of study, often quoted in other research articles thus found during our own literature research. Other literature has also been found through the Lund University search engine LOVISA by searching on related titles. By



searching a University search engine, this increased the credibility of the information source since these articles and books are used by other researchers and selected by the University. Although keeping in mind that a critical approach is needed in all secondary data used.

2.3 Choice of Industry

Much of the literature on the economic importance of knowledge management emphasize the role of bringing new knowledge into organizations as form of knowledge transfer from the outside or as a part of the process of helping companies create knowledge themselves. Management consultants are often placed at the forefront of these activities as “economies of knowledge”.²¹ What distinguishes management consulting is to sell knowledge-related services and the only actual product that consulting companies offer is the one of knowledge. The consultancy industry was chosen because knowledge management and knowledge transfer has to be a central part of the organization in these companies, the internal knowledge of the company is extremely important and valuable. The consultancy organization is highly dependent on the experience and knowledge of their employees, their customers and that project-information is stored and accessible for future projects. Due to the above factors it was interesting to see how a company in this industry approaches these challenges.

2.4 Choice of Company

Accenture is a global company combining unparalleled experience and comprehensive capabilities across all industries and business functions.²² During a presentation by Accenture at Lund University a senior manager presented the company and how they exchanged knowledge within the organization. This initiated the interest of studying Accenture’s organization and how the knowledge management in this consulting firm could be analysed and improved. With the presentation at the university contacts were made with employees that were helpful on how to proceed with our thesis.

²¹ Sturdy, Handley, Clark and Fincham 2009

²² www.accenture.com



2.5 Choice of Theoretical Framework

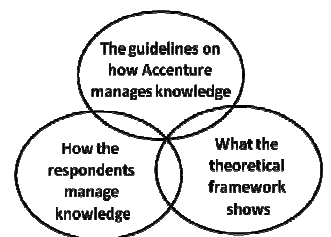
At first glance a best practise comparison can be the best way of actually improving a company's effectiveness in knowledge conversion and creation, and knowledge transfer. However a best practise can take years to follow through and do not secure the best strategy for Accenture. For this study it has been decided to turn to explicit knowledge to not get caught in a solution that has worked for another company in a different industry, time and situation than the one we are studying. Theories have therefore been chosen as a reference. The knowledge creating spiral is important for understanding how to manage resources within the organization and to get an overview of the different types of knowledge and how they are formulated. The model illustrates the transformation between tacit and explicit knowledge and the process of how knowledge is converted from being individual to integrated in the organizational knowledge base. Boisot's organizational learning cycle is chosen for being able to look at companies ways of learning, identifying the problems and opportunities for knowledge sharing. The key components consisting of what companies have to do to be able to collect, handle and leverage knowledge and how it can be spread in the organization. The initiatives show ways on how KM can be implemented and the IT selection is brought out because of the importance of Accenture's database "Knowledge Exchange" and what analysis that needs to be made to identify the generation, distribution, integration and exploitation of knowledge. The chapter on management challenges is important because of the need to identify the obstacles companies face when implementing a KM strategy and how to steer clear of these.

The theoretical framework is divided into two chapters. The first chapter entails the theories within KM, including Nonaka's Knowledge spiral and SECI model. The second chapter consists of what to consider when building a KM strategy; how organizations learn, how to handle the challenges that organizations may have to confront when managing knowledge and the different ways in which companies can encourage knowledge sharing.



2.6 Method of Analysis

The empirical framework and the analysis are presented separately in the thesis. This was chosen because it seemed to give a more structured view of the final part of the study. It was considered to give the reader a better overview of each step rather than presenting both chapters together. In the empirical framework the way the respondents work with sharing knowledge and how Accenture manages knowledge transfer is presented, together with the insights collected and interpretations made by the interviewers. In the following analysis the collected insights and interpretations are molded together with the theories from earlier research in the knowledge management field presented in the theoretical framework. Comparing and analyzing the way the different respondents work with managing knowledge, the guidelines on how Accenture works with KM together side by side with theories of how this can be altered for improved result.



2.7 Validity and Reliability

As previously mentioned direct interviews have been conducted with employees but secondary data has also been an important source of information for this study and all theories have been collected in advance in order to test the validity. Initially studying earlier research opened up for relevant theories that could be of interest to apply to our investigation.

To not let own personal values reflect the study or its design is very important for the content to be reliable. Working towards being as neutral as possible and not affect the study on a conscious level or letting it be influenced on a subconscious level has been the aim. Trying to present data as valid as possible, checking and verifying answers from the respondents to guarantee that nothing has been misinterpreted or misunderstood.

To get a reliable picture of KM within the company, people with different positions and ages in the organization were interviewed. The hope for the interviews were that the contact with Accenture employees would give a good overview of how they work, what is important to them and their perception of how Accenture work with exchanging knowledge. It is however important to stress that no observation of the



employees has been performed to see the way they work, which may give a one-sided picture. They might not be aware of all the ways in which they exchange knowledge and might want to give a certain appearance of themselves and the company that might not always be hundred percent accurate. While examining the collected material, this has been taken into consideration. While gathering the necessary information for the study it has been done with a critical review, making the paper as accurate and credible as possible.

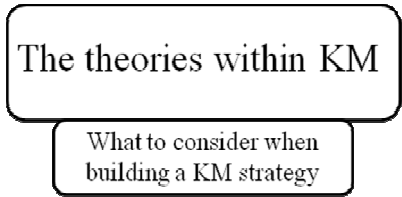


3. Theoretical Approach

The intention with this section is to provide the needed research background thought to be essential for the study, for later to be applied on the empirical findings and the specific case. The theoretical framework is as mentioned earlier divided into two parts presented below.

First part

The first part entails the theories within KM, including Nonaka and Takeuchi's Knowledge spiral and the SECI model. This model is essential for understanding how to manage resources within the organization. The different types of knowledge and how they are formulated are also presented.



3.1 The Knowledge Creating Spiral

The Nonaka and Takeuchi's *Knowledge creating spiral* is a process brought out in the research of why some companies are more successful than others based on how they handle knowledge within the organization. In this spiral process there are different aspects that need to be explained and sections within this same process to be separately identified before resulting in a final clarification of the interaction between these separate although intertwined parts.

3.1.1 Tacit and Explicit Knowledge

According to Nonaka and Takeuchi (1995) there are two kinds of human knowledge. The first kind is referred to as explicit knowledge, which can be formulated into for example mathematical expressions, grammatical statements or manuals. This type of knowledge is easy to transmit between individuals in a formal and easy way. Nonaka and Takeuchi want to point out that more attention should be put in the other kind of knowledge that they see as more important, referred to as implicit knowledge. The latter type of knowledge is more difficult to transform into formal language. Tacit knowledge is the personal knowledge an individual possesses; it is the individual's experiences intertwined with intangible factors such as personal belief, perspective and the value system. Explicit and tacit knowledge are in a complementary



relationship and these two are the key dynamics of knowledge creation in business organizations. The research in “organizational knowledge creation” mentions this interaction as a spiral process where the interaction is repeated over and over again. The study made by Nonaka and Takeuchi shows that the individual interacts with the company through knowledge. The creation of knowledge is made on three levels: the individual, the group and the organizational level. Organizational knowledge creation is made up by two major components: the *forms* of knowledge interaction and the *levels* of knowledge creation. The two forms of interaction between earlier mentioned explicit knowledge and tacit knowledge and between the individual and the organization, form the processes of knowledge conversion and together sum up for knowledge creation to be possible. Simplifying the concept of knowledge creation would be saying that when it comes down to the actual knowledge creation it is all about the translation of tacit knowledge into explicit knowledge. This is why companies today understand that having individuals sitting on personal knowledge is of little value to them if the individual does not convert it to explicit knowledge so that others in the company can absorb the knowledge. The success of knowledge creation is in the mobilization and exchange of tacit knowledge. The creation takes place in a knowledge creating spiral which comes forth when there is an interaction between tacit and explicit knowledge. When this occurs there are four modes of knowledge conversion referred to as socialization, externalization, combination and internationalization. These modes compose the whole engine of the knowledge creation process and are collected from individual experiences.²³

Before getting to Nonaka and Takeuchi’s spiral of knowledge creation, the relationship between knowledge and information should be explained. Knowledge is a construction of beliefs and commitment and, different from information, about action. As earlier stated the definition of knowledge here used is “justified true beliefs” where Nonaka and Takeuchi emphasize the part of “justified beliefs” as a human process trying to justify personal beliefs towards the “truth”. The processing of information is a flow of messages given meaning. Knowledge is built up by this very flow of information, which the individual interprets differently based on personal beliefs and the commitment of the “creator”. Both knowledge and information are

²³ Nonaka and Takeuchi 1995



context-specific and this relationship between the two is constructed depending on the situation and in a social interaction between people.²⁴

Knowledge is perceived as both tacit and explicit and knowledge management is about creating interactions between the two types and about justifying personal beliefs as a part of an aspiration for “the truth”. It is therefore important that management ensures an on-going adaption of what is perceived as “the truth”.²⁵ This search should be a continuous process in relation to knowledge management where both tacit and explicit knowledge plays an important part.²⁶

3.1.2 The Ontological and Epistemological dimensions

We all understand the importance of knowledge in today’s innovation-focused business society but what has maybe been misplaced is the importance of how knowledge is created and how to manage the process of creating knowledge within the organization. With this said we also have to understand the two dimensions of knowledge creation, the epistemological and the ontological. Within the ontological dimension knowledge is created solely by individuals. Organizations cannot create knowledge internally without human capital thus the organization provides means for individuals to be creative and to create knowledge. Organizational knowledge creation is best seen as a process where knowledge, created by individuals, is enlarged and spread in to the organizations knowledge network. This is an expanding “community of interaction” within the organisation.²⁷

The epistemological dimension is created by tacit knowledge and explicit knowledge and the interaction of the two. Tacit knowledge is individual and specific to the context it is created in, referred to as the “here and now”. This type of knowledge is therefore difficult to formalize and communicate to others. Explicit knowledge is a codified type, easier to transmit to others in a formalized systematic language. Explicit knowledge is more towards being context-free, based on past events, the “here and then”. Explicit knowledge that can be expressed in formal language such as words and numbers may be seen as the tip of the iceberg, together with tacit

²⁴ Nonaka and Takeuchi 1995

²⁵ Nonaka 1994, p.15

²⁶ Bukh, Skovvang Christensen and Mouritsen 2005

²⁷ Nonaka and Takeuchi 1995



knowledge they make up the entire body of the iceberg/knowledge. These two types of knowledge are as mentioned not seen as separate but complementary to each other changing in to each other all within the creativeness of an individual. The actual interaction between tacit and explicit knowledge is seen as a social process between individuals with an emphasis on between and not within an individual. The transformation and interactive state being called the “knowledge conversion”, which takes place in the form of a spiral.²⁸

Tacit Knowledge (Subjective)	Explicit Knowledge (Objective)
Knowledge of experience (body)	Knowledge of rationality (mind)
Simultaneous knowledge (here and now)	Sequential knowledge (there and then)
Analog knowledge (practice)	Digital knowledge (theory)

Figure 2. Table of differences between tacit and explicit knowledge²⁹

3.1.3 The SECI model: The Four Modes of Knowledge Transformation

When assuming that the interaction between tacit and explicit knowledge is the base of knowledge creation there are four different modes of interaction, knowledge exchange. The aim of the SECI model is to improve and add value to knowledge that exists in the organization. The SECI process shows that knowledge is created as it runs through different levels in the company and between groups and individuals. Knowledge value is hence created through synergies between the owners of knowledge, both individual and group, within the organizational framework. It is based on the image that knowledge is built in a constant process where unspoken tacit knowledge is transformed into spoken explicit knowledge and internalized by individuals in the company.³⁰ This model consists of four modes; first is from tacit to tacit knowledge, called socialization; the second is from tacit to explicit knowledge,

²⁸ Nonaka and Takeuchi 1995

²⁹ *Ibid*

³⁰ Rice and Rice 2005



also referred to as externalization; the third is from explicit to explicit knowledge, named combination and the fourth is from explicit to tacit knowledge, mentioned as internalization.

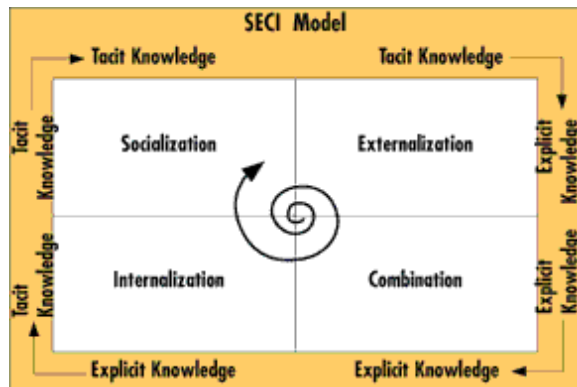


Figure 3. The SECI model³¹

The Socialization mode

The first mode, socialization, is a process where experiences are shared and the knowledge one individual has can be transmitted to another, thereby creating tacit knowledge from tacit knowledge. This can be mental models and technical skills. Tacit knowledge can be created by one individual, directly learned from another individual without being transmitted using language but by observation, imitation and practice. In any work field experience is the key to obtaining tacit knowledge. Some form of shared experience is crucial for a person to successfully be able to transfer personal knowledge and for this to be applied in another person's thinking process. Pure information taken out of its context and stripped of associated emotions will not create a shared experience and rarely make much sense to the receiver.

The Externalization mode

Formulating tacit knowledge into explicit notions is what is referred to as externalization. When tacit knowledge becomes explicit in the form of for example metaphors, concepts or models this is what represents the perfect knowledge-creation process. Trying to formalize an experience or an image most often expressed in

³¹ Picture adapted from Nonaka & Takeuchi 1995, page 57, 62 and 71, http://www.12manage.com/methods_nonaka_seci.html



language, articulated in writing trying to capture the core of this very personal experience this gives a very flat and insufficient message. It is although mentioned that these discrepancies make people reflect, thus increasing interaction.

Externalization is the process referred to as the process of concept creation, which is generated by interaction and collective reflection. Because it is within this mode of knowledge conversion that tacit knowledge becomes new explicit concept, externalization is said to hold the key to knowledge creation and presented as the most important of the four modes. Externalization is also one of the most difficult ones to perform in an effective and efficient way. It is important to have a good mixture of the different types of formalization tools such as metaphors, analogy and models. Explicit concepts are first created and thereafter they are modeled. There should be no contradictions in a logical model and the concepts have to be formulated in a systematic language. Despite of these models many times only give a rough description, rarely being specific enough.

The Combination mode

The combination mode of knowledge conversion turns explicit knowledge into new explicit knowledge. It is a process in which different concepts are combined and systemized into a knowledge system. The combination knowledge conversion is done by individuals exchanging and combining knowledge through different media such as documents, meetings or computerized communication networks. New knowledge can be formed by reshaping or categorizing existing information, many times done by computer databases, within explicit knowledge. Good examples of this kind of knowledge creation can be seen in formal education in schools, an MBA education being the best example. Having large-scale databases and computerized communication networks facilitates creative networking of codified information and knowledge and enhances this type of knowledge conversion.

The Internalization mode

Turning explicit knowledge into tacit knowledge is the process of internalization. “Learning by doing” is a very simplified but good way of explaining this process. Individuals become valuable assets when experiences are internalized into each individual’s tacit knowledge base. This is done through socialization, externalization and combination for example in the form of shared mental models or technical know-



how. Internalization is a way of experiencing what others have experienced indirectly, trying to internalize it in your own mental knowledge base. Documentation helps the individual to deepen the understanding of their experience while facilitating the transfer of explicit knowledge to others.³²

3.1.4 The Spiral of knowledge and the interaction within

Only focusing on one of these above mentioned modes separately will not create knowledge in an optimized and sustainable way. Through socialization tacit knowledge is shared, transmitted from one individual to another within the organisation. But if tacit knowledge is not converted into explicit it cannot be leveraged by the entire organisation. All the modes of knowledge conversion are involved in organizational knowledge creation. It is a continuous and dynamic interaction between the two types of knowledge. The interaction is formed by shifts between the different modes, which in their turn are initiated by a number of triggers. There are different triggers for each one of the modes and the content of the knowledge created differs depending on which of the modes it has been created within.

In the socialization mode a “field” of interaction is built that makes it easier for individuals to share experiences, mental models and for example technical skills. The content of the knowledge created is often what can be referred to as “sympathized knowledge”. In the externalization mode “dialogue or collective reflection” is the trigger, it helps individuals put tacit knowledge into words, normally among the most difficult to communicate, through metaphors or analogy. The output is a form of “conceptual knowledge”. “Networking” is the trigger in the combination mode. Networking newly produced knowledge and existing knowledge from other sections of the organization, making them come together forming a new “product” or a managerial system. This is mentioned as “systemic knowledge” and can be seen in a prototype and new technologies. Internalization is triggered by “learning by doing” and produces “operational knowledge” projected in production process, new-product usage and policy implementation.³³

³² Nonaka and Takeuchi 1995

³³ *Ibid*



As mentioned earlier the different modes of knowledge conversion are part of the epistemological dimension of organizational knowledge creation. The organization can however not create knowledge on its own. The accumulated and created tacit knowledge on the individual level is mobilized organizationally through the four modes of knowledge conversion and spread into the organization at a higher ontological level. While the interaction between the two types of knowledge move up the ontological levels they become larger in scale. This process can be illustrated through an image of the spiral process.



Figure 4. The spiral process³⁴

The “knowledge spiral” is a process that starts at an individual level moving up through communities of interaction that expand, going through the entire organization. Tacit knowledge is seen as the basis for organizational knowledge creation thus making an organisation’s human capital their most valuable asset. Managing the human capital in the right way facilitating creation of knowledge and optimizing the conversion of tacit knowledge, making it a part of the organizational system, is therefore essential. In best-case scenario, not only is knowledge shared and transformed from the human capital into organisationally managed explicit knowledge, when well managed, the final product is innovation.

³⁴ Adopted picture from Nonaka and Takeuchi 1995, page73.
<http://jeremyfain.wordpress.com/2009/05/29/the-knowledge-creating-company-%E2%80%94-does-it-work-in-practice/>



3.2 Artifact- and process-oriented view on knowledge

When describing knowledge there are also two other perspectives to bear in mind; the “artifact-oriented” and the “process-oriented”. The artifact-oriented view puts focus on information technology and how technology can be applied for the codification of knowledge. This view assumes that everything can be described and that a company gets more knowledge the more data that it collects. Many authors have however indicated that this approach has become inadequate because of a limitation in the quality, content and organization of the material. This gave birth to the other view: the process oriented view. In this view knowledge is perceived as a “dynamic human process of justifying personal beliefs as a part of an aspiration for the ‘truth’”.³⁵ The focus in this view is on the process in which knowledge is created and not on the rules it is based on, which gives a more “real life” adaption. This is also why this approach changes gradually as the individual framework and understanding is developed, it is a continuous process.³⁶

In the artifact-oriented view the artifacts are more available to the rest of the organization. Implementation of systems to improve and support the distribution of knowledge is essential. The technological approach is making it possible by means of expert systems, databases, intranets and so on, which organize and manage knowledge in the organization. In the artifact-oriented view, knowledge is created by collecting and handling information. A company’s uncertainty can be minimized the more data that can be identified, collected and managed. Lack of information available for decision-makers creates uncertainty and this can be reduced through collecting more data and information. Besides knowledge-creation, the artifact-oriented view encourages the sharing of knowledge created in the organization, and one way to improve the sharing is communication. Malone *et al.* (1993) suggests handbooks or manuals for organizational processes, both ways that try to collect and store organizational knowledge. Systems like these are meant to handle knowledge in the form of data, which leads to management information systems or so-called business intelligence. This view also focuses on document new rules so that knowledge can be shared by as many as possible. To be able to use this at the best means possible it is important that the information can be stored so that it is relevant

³⁵ Nonaka 1994, p.15

³⁶ Bukh, Skovvang Christensen and Mouritsen 2005



and clear, the information has to be easy to recover. Because knowledge in the artifact-oriented view perceive knowledge as something that can be identified and collected, detailed procedures of codifying, storing and reusing knowledge is developed, both in forms of documents and as “question-answer-dialogue”. Intranet and other IT-solutions are often the channels of distribution because the individual person is not considered to be the “owner” of knowledge but rather the company. In this view it is management’s task to establish a culture that supports and encourages employees to share knowledge to their colleagues.³⁷

The process-oriented view should not be seen as an alternative but rather as a supplement to the artifact-oriented view. In the process-oriented view knowledge-sharing processes should be seen as a combination of people and technology, both via social interactions and technological transfers between individuals and organizations.

Second part

The second chapter of the theoretical framework consists of what to consider when building a KM strategy. This chapter consists of how organizations learn, how to handle the challenges that organizations may have to confront when managing knowledge and the different ways in which companies can encourage knowledge sharing.

The theories within KM

What to consider when building a KM strategy

3.3 Boisot’s organizational learning cycle

Boisot’s organizational learning cycle is a good tool for looking at a company’s ways of learning. This model links the content of KM in an effective way and is different from other KM models since it maps the organizational knowledge assets to social learning that other models do not directly handle. The model describes how organizations can collect knowledge and how the most efficient growth is accomplished if organizational and personal development is integrated and blended together.³⁸

³⁷ Bukh, Skovvang Christensen and Mouritsen 2005

³⁸ Sanchez 2001



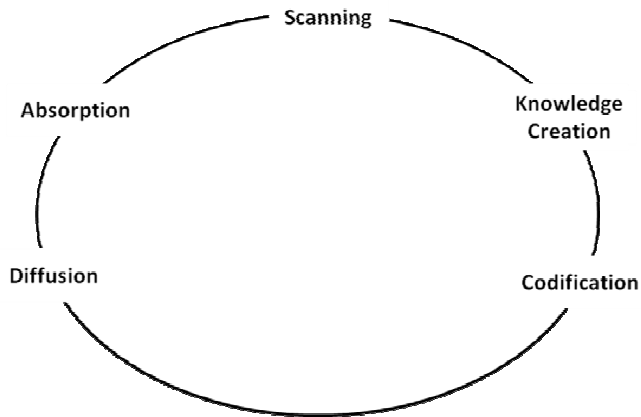


Figure 5. The model for organizational learning³⁹

Scanning describes how to obtain information to develop a map of the organizational and external environment. Companies must develop a map of “what is” within the environment and identify the problems and opportunities that are presented in the environment.

Knowledge creation is about “know how” and insights collected from dealing with or solving a perceived problem or opportunity. The knowledge gained here is new knowledge for the organization and will be integrated to the knowledge base of the problem solver(s), and is likely to be in the form of tacit knowledge.

Codification describes how to codify new knowledge so that it can be communicated to those in the organization beyond the original problem solver(s). It may consist of verbal articulation of what is known by the problem solver or may be made shown through the demonstration of a procedure or action by the problem solver(s). Knowledge at this stage becomes explicit.

Diffusion is about communicating and spreading codified new knowledge through the organization. Successful diffusion results in the incorporation of new knowledge into the regular patterns of task performance beyond the problem solver(s).

Absorption happens when the new knowledge has become so entered in the organization’s routines and way of working that it is a part of “how things are done

³⁹ Sanchez 2001, page 45



around here”. What started out as “new knowledge” has been transformed from *individual* knowledge to an integral part of the *organizational* knowledge base.

Implications of this model for creation and leveraging of knowledge and capabilities are illustrated in figure below.⁴⁰

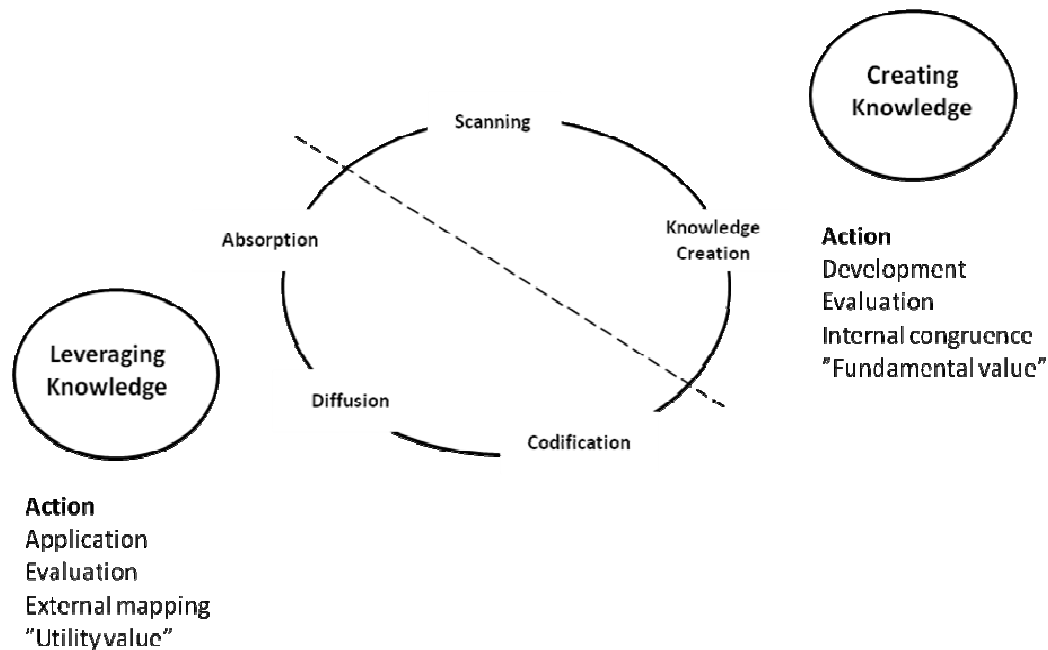


Figure 6. The creation and leveraging of knowledge and capabilities⁴¹

The “knowledge creation” and “codification” stages shown in the figure above are important when building new organizational capabilities. The management perspective in these stages are often quite introverted and concerned with issues related to internal processes of knowledge creation and the inner “quality” of the knowledge being created. The codification, spreading and absorption stages are directly concerned with leveraging knowledge. They are concerned with transforming individual knowledge into organizational knowledge and with incorporating the knowledge to the organization. This can be established through 2 steps: the first is through the application of the knowledge to develop a new capability or to exploit

⁴⁰ Sanchez 2001

⁴¹ *Ibid*, page 46



existing capabilities in an innovative way. The second is to use the knowledge as a basis for developing more knowledge.⁴²

Knowledge transformation happens through social interaction in which individuals communicate, share activities and exchange ideas. The mechanisms for these transformations are rooted in the introverted sense-making process. Two aspects of this process are similar to Argyris and Schon's (1978) process of organizational double loop learning. One aspect supports the development of new organizational capabilities and generates ideas about the innovative development of existing capabilities. A second aspect legitimizes and communicates notions of the relevance (in terms of purpose and value) of new knowledge and their domains of useful application. This last mentioned aspect supports the organizational approval of actions to influence new capabilities.⁴³

Organizational self-concept is a fundamental aspect to the development, realization and leveraging of distinctive capabilities. Self-concept operates at a fundamental cognitive level and is a perception of what we call our identity.⁴⁴ The importance of the company's identity is at focus for the sense making and as a basis for matching action in organizations. The establishment and understanding the organization's own identity is specifically important for an organization that is operating in a competitive environment and for an organization that considers knowledge acquisition and evaluation as significant activities. Relationships between individuals determine the content and structure of intra- and inter-organizational knowledge networks. Relationship networks are important for the sharing and diffusion of ideas and the resulting comprehension of the organizational self-concept.⁴⁵

There is a big importance of "learning by doing" concerned with the organizational cognitive process of creating manuals and acting out relationships that support and shape learning by doing. Only by achieving similarity in the cognitive infrastructure of an organization can new knowledge be created and applied to create new competence. By introducing and analyzing structures and processes in the study of

⁴² Sanchez 2001

⁴³ *Ibid*

⁴⁴ Weick 1995

⁴⁵ Sanchez 2001



competence building, this framework enables the integration of theory from multiple disciplines that can contribute to the development of insights into the creation, management and leveraging of organizational knowledge.⁴⁶

3.4 Initiatives

There are many different choices which contribute to knowledge creation and sharing. Initiatives deal with four types of resources: employees, customers, processes and technology. Some of the different possibilities are:

Employee development: Education activities, on the-job training, recruiting and learning from mentors and/or colleagues.

IT: Electronic library or virtual competence database.

Organization: Project groups, knowledge centers, activities and seminars

Planning systems: Supervision and quality management systems

Incentives: Financial and symbolic encouragement⁴⁷

3.5 Information Technology

Vendelø (2005) describes that one of the best things with information technology is that it provides access to knowledge and ties us together no matter where we are in the world. It is necessary to define an organizational knowledge project when the organization plans to implement information technology for KM. In defining the organizational knowledge project and clarifying the KM tasks it is important to see that knowledge tasks can be divided into four types; knowledge generation, knowledge distribution, knowledge integration and knowledge exploitation. There are no guidelines for explaining the organization's knowledge tasks however so Vendelø (2005) explains that companies should ask themselves what kind of knowledge can create value for them and why. To be able to do this companies have to face what kind of knowledge is interesting, how its employees should work with the knowledge and how to locate cost. The purpose is to get a focused knowledge project that enables

⁴⁶ Sanchez 2001

⁴⁷ Bukh, Skovvang Christensen and Mouritsen 2005



the company to see what kind of knowledge that has to be generated for the project to be a success. After a knowledge analysis is made, it is compulsory to make a stakeholder analysis, a follow-up analysis and a knowledge culture analysis. The stakeholder analysis is important because it can tell if knowledge projects have changed the relations and power balance between people in the organization. To be able to manage people it is important to clarify their interests. The follow-up help to see how initiatives are related and what can be learned from them. The knowledge culture analysis is for clarifying how the knowledge is handled in the organization and how it is understood. This analysis is a good base for understanding which forms of information technology that could be successful. Motivation is a key ingredient for knowledge sharing and does not come automatically. In the knowledge sharing culture an exchange of experiences is essential. Being able to identify and cooperate with colleagues, complement each other's competencies etc.⁴⁸

3.6 Management challenges in developing a strategy for KM

There are companies that hire people with the right skill- and mindset for their company culture, others use systematic projects and quality management to develop value. The management challenges are to stress *lasting* crucial links, a company can not only see to where they have a problem but look at the organization as a whole. Challenges for developing a strategy for KM can concern individual's competencies, for example the ability to manage projects or the company's way of working, its routines and methods.⁴⁹

Recruit and retain employees

Knowledge is attached to the individual. All employees contribute with experiences, skills and attitudes which have to be combined with the company's existing knowledge. New employees bring new skills and competence to the table and to attract and retain employees is an important activity for many companies, a high employee turnover not only connected with a large financial cost but also a loss of knowledge.

⁴⁸ Bukh, Skovvang Christensen and Mouritsen 2005

⁴⁹ *Ibid*



Individual competence development

An employee's skills and personal development are often linked with internal and external education programs but also on the competence development on the job. It is important to continuously develop employees' competencies for relevant knowledge to be created and for the employees to feel valuable.

Creating market visibility

Conditions for the company to become bigger, attract competent employees, keep a good relation with customers and good relations in general is the company's visibility, identity and reputation in the market. The market's perception and knowledge of the company is difficult to control and therefore another challenge.

Developing a customer partnership

Building a partnership with the customers creates trust and care between the two parties, an important precondition for knowledge creation and sharing.

Improvement of processes

It is the cooperation of the insights, skills and technologies in the company that comprise its core competencies. Processes are a part of the company's knowledge resources that concern many activities and involve a lot of employees and technologies.

Sharing knowledge through information technology as well

A central point in knowledge management is that the company's productivity and competitiveness depend on the ability to transport knowledge within the organization. Sharing knowledge is about circulating employee's individual knowledge in the company so that the knowledge becomes accessible where it is needed. A management challenge is what the company should choose to implement and follow up on what kind of knowledge management it should use.⁵⁰

⁵⁰ Bukh, Skovvang Christensen and Mouritsen 2005



4. Empirical framework

The following chapter describes the discovered aspects found to be relevant and reappearing during our interviews and research for this study.

4.1 The Selected Company

Accenture is a global management consulting, technology services and outsourcing company. It has offices and operations in more than 200 cities in 53 countries and approximately 211,000 employees.

According to Accenture the key to their success is to collaborate with clients to help them become high-performance businesses and governments. One of the six core values of Accenture is to be one global network: leveraging the power of global insight, relationships, collaboration and learning to deliver exceptional service to clients wherever they do business, made up from a strong local presence with a large international network of expertise.⁵¹ This gives the company the facility to take on international projects from clients where consultants from several countries can be connected to the same project. Knowledge management between fields of business and countries can therefore be an important part of its success.

4.2 Project groups

A key component of knowledge transfer within Accenture is the formation of project groups. These groups often consist of a mixture of senior and junior consultants that make out a good “learning by doing” process where the junior consultants learn from the senior. The junior consultants learn from the seniors although both contribute to the project in different ways. In each project group a person titled “Knowledge Champion” is chosen as responsible for collecting and assembling data to ensure that the knowledge is extracted from the project and stored so that it can be shared with others in the organization. A difficulty with these project teams is how they should be formed. This is done either by HR or a manager. Managers often choose the individuals that will be part of the project team. It is relatively normal that this is done by choosing individuals that are known to be good in a certain field, have worked with the same types of projects before and are competent, and/or individuals that they

⁵¹ www.accenture.com



have earlier worked with and know are easy to collaborate with. The managers are likely to do this to ensure a short term profitable result at the cost of increasing the value of the knowledge resource.

During times with less projects, an employee can, through Accenture, search for projects where consultants are needed abroad. The situation can also be that a project team is in need of a consultant with expertise knowledge and can therefore contact an office known to have employees with required competence to see if they are available. This can result in project teams with mixed nationalities working together. Interacting with the respondents it was noted that this has not been taken advantage of. The knowledge gained from an experience in a project abroad can be even more valuable, taking in consideration the learning from cultural differences, than a project at home.

4.3 Meetings and Communities

Accenture has regularly various formal gatherings where the employees have meetings to share knowledge and experiences. These meetings, if by working field, often take place about once a month and on a higher level within the country about 1-2 times a year. There are meetings by office, by field of work, by level of position etc and they all gather at different occasions during the year, some several times regularly others only a few per year. Within the network of Accenture employees there are also different sub networks/communities divided into different work fields of the consultants. The meetings between these communities/networks and how employees within these cooperate were high-lightened during the interviews and considered to be very positive. Communities of employees working within the same field were considered to give a good picture of what had happened within a specific field, projects that had taken place and could be interesting to hear about and an opportunity to make contacts with others working with the same kind of information and projects. Within every field there are also “Knowledge Sharing Officers” whose role is to make sure that knowledge is shared and spread.



4.4 Seminars and education

When an individual is taken on by Accenture and at every promotion to a new level the employee is requested to participate in a course where new methods and new contacts can be established. All new employees get a 2 week long education in general consultancy methods at the training centre located in Chicago, USA. The younger respondents argued that this was a great opportunity to get to know their colleagues, make contacts and get a face to the name they could later on call for information and/or advice. These weeks are therefore not only for the purpose of learning about the job but also on the culture of sharing and using the global network within Accenture.

Many seminars and educational courses also take place online. There are lots of education seminars to choose from and every Accenture employee get about 1 week of education per year, a personal education budget. To mention is that some of the respondents stated that they in general did not feel that they participated at many seminars, the lack of time being one of the main reasons why. One participant stated that he did not feel that the courses and seminars were for knowledge exchange but more for practical issues such as how to proceed when searching for relevant information, how to work as a consultant and what to put on and how to structure the presentation slides for the customer. It was noticed that this was not among the preferred forms of learning by the respondents mainly because there is little interaction during a web course which makes it a little more difficult to really take in the information and learn.

4.5 Using the Database

Accenture has a database called “Knowledge Exchange” (KX) where all their information is stored. The search engine is web based and works as a source of information for company employees. Here the “Knowledge Champions” register their gathered information from projects so that consultants can search for old projects and material, and financial records etc. When a new project is launched, the database is a good starting tool for searching general information concerning the project, looking at previous similar projects that can save weeks of work. As one of the respondents said:



“There is no need for reinventing the wheel, looking at what has been done before helps so that you do not have to start from zero”.

When asking about a perceived difference between seniors and juniors using KX the answer was contradictory. The junior consultants believed that the database would be used more the higher in hierarchy you moved, which stands in contrast to the senior consultants, who said that they believed that the database was used more by the junior consultants.

Almost all respondents however said that they felt that the database was hard to use to find good and relevant information because of the quantity, that they had a hard time finding what they were looking for and that it took a lot of time to search. For this reason, some preferred to call somebody that could answer their question/give them relevant information (rather than to start searching for it in the database) or direct them towards somebody who could. Even though the database seems to be difficult to use, that it is hard to find relevant information and very time consuming, the respondents seem to find the documents very useful. Important to mention however is that some thought that the database would lose its value without the people behind it, i.e. to be able to call someone and get a certain project described for example.

4.6 Calling for Information

All of the respondents said that they prefer to talk to someone to get information rather than to start by searching the time consuming KX. As one respondent stated: “Nothing beats the human contact”. Another respondent argued that because of the consultancy industry being a complex industry it is almost necessary to call and talk to someone to get more detailed information and a deeper understanding. Many times you are even obliged to do so since there can be juridical restrictions of what can be used officially between one project (one client) and another. This can also be the reason why detailed information has to be procured by contacting a former project team member.

Some of the respondents start to look at KX to find information and then call seniors or experts about specific questions and some stated that they first of all turn to their



network of contacts to see who they could call to get information. All the respondents argued that the hierarchy within the company feels flat and that they have no problem with calling somebody, no matter position or location, their own country or abroad, even though they start with their own country because they feel that it is much easier because of the language barrier and time differences. In general all respondents believed that the company culture was very open and that this is one of the core strengths of Accenture and that you always got answers within 48h. However one respondent said that although they always got an answer there was a difference depending on how helpful some persons were. A difference between countries that could be stated was that if the respondent belonged to another country than Sweden the person wanting to ask something had to have a more clear purpose for calling, the question had to be more precise and well founded.

4.7 Newsletters

All the respondents and employees at Accenture receive several newsletters. These newsletters consist of a general newsletter and newsletter depending on field of work and interest. Most of the respondent argued that they receive too many newsletters but that it is possible to change what kind of newsletter you want to receive. Many respondents stated that the newsletters are interesting but that they often do not prioritize to read them and that they often are left unread in the inbox, saved for later when specific information is required and thought to possibly be found in a newsletter.



5. Analysis

In this chapter the empirical framework will be presented, integrated with the relevant theories and together analyzed. Furthermore it will be discussed how Accenture's several KM tools for transferring knowledge, presented in the empirical framework, can be altered, improved and implemented. To follow the purpose of the study the empirical framework will serve as a foundation for how the analysis is structured.

Accenture is a company with well worked out routines for knowledge transfer. Throughout the empirical framework indications were identified that Accenture has not, or not in an optimal way, communicated the guidelines of their KM strategy to their employees. When a consultant is hired and also later in the hierarchy, it is important that the strategy is clearly stated and communicated. It is also important that the existing tools are demonstrated and shown how to use effectively. One of the respondents had not gotten a proper guidance of how to use KX in an effective way, which reflected negatively on how KX was used and the time it took to use it. The KM strategy needs to be clearly stated and followed up on all levels and all employees need to get the basic education on how to use the KM tools when entering Accenture. Additionally it is advised to inform the mid-management of how the processes of knowledge conversion interact. It would increase the awareness of how the whole process is connected and why the different steps within, when managed well, can end with great results both in spreading and internalizing the knowledge and hopefully even contributing to new knowledge being created.

The knowledge spiral is used to identify how knowledge is managed within a company and Boisot's organizational learning cycle is a good tool to concretize an action plan, an indication on how to proceed with collecting and retaining knowledge organizationally. The first step, scanning, can be used together with the knowledge spiral, identifying the processes when and where what happens. This is presented in the empirical framework. Knowledge creating, the second step, takes place when a consultant takes on a new project. The knowledge the consultant gains will be individually owned and a part of the knowledge base of the problem solver in the form of tacit knowledge. It is therefore a part of the organization as human capital but not yet integrated in the organization. The next step is how to codify this new



knowledge so that it is integrated in the organization and no longer only owned by the original problem solver but the organization as a whole where all employees can gain from the knowledge. This can be made in many ways. One of the most important KM tools Accenture has is the KX database that works with turning individual knowledge into organizational knowledge, formalized and explicit knowledge. The diffusion step is about making the employees use the tools in their daily work, for the consultants to get used to utilize the available tools for every new project in their working process. The last step in the organizational learning cycle is when these routines have become a natural step in the working process. Where knowledge is transformed from individual knowledge value into organizational knowledge value. Advice on how to improve the existing tools and to make this possible will gradually be presented below.

In the consultants' working process all the different knowledge conversion modes, mentioned in Nonaka and Takeuchi's knowledge spiral model, are represented. When working as a consultant, both when preparing for and during a project, many different available KM tools are used: searching information in the KX database, calling colleagues for information, etc. The key tools identified in the empirical framework are presented and analyzed together with the theories below.

5.1 Project teams

In the project teams individuals learn from each other. This type of knowledge transfer mode is, in the SECI model, called socialization. Knowledge is here transferred from one individual to another individual's tacit knowledge base, exchanged back and forth. This form of knowledge transfer is brought up as one of the most positive forms of knowledge sharing. Consultants at Accenture all have differing levels of experience and have different backgrounds. When working together in project teams, this ensures a steady knowledge transmission through a learning process independent of the team member's age or experience. It is an optimum learning situation for less experienced consultants to learn from more experienced consultants and for the more experienced to stay "fresh". Most of the transferred and newly created knowledge after each project is expected to be articulated and put in to explicit form such as documents and reports in KX. A risk with this socialization way of working is that the individual knowledge can be



transferred only to other individuals. The knowledge is shared but not necessarily securely integrated in the organisational knowledge base in explicit form, making it an asset for the organisation.

During the interviews the subject of how team members are chosen for the different project teams came up. It was mentioned that team members were sometimes chosen by managers and that these managers recurringly chose individuals that they had earlier worked with and knew possessed the needed knowledge. If the consultants that make up the project groups are often the same people, the result would be that the tacit knowledge would only be created and transferred between these few individuals. Since the socialization type of knowledge sharing is among the preferred and appointed as one of the most effective, it is very important that as many individuals as possible get to interact during different projects in a collective working process. If team members are often chosen in this manner there is a higher risk of reducing the exchange of tacit knowledge and impeding the socialization conversion mode to run its course. It will also minimize new knowledge to be brought into the project group, resulting in that tacit knowledge will not be as shared and spread between individuals in the organization as it could be. If HR is in charge of forming the project teams there can be a risk of individuals trying to persuade HR to be put in a certain type of projects that they think are interesting, that can result in recognition among peers, the projects that everyone wants to be put in. There will furthermore not be enough diversification of participants in the project teams and fewer consultants will then be able to take advantage of the knowledge gained from a certain type of projects, thus putting the company at higher risk of losing competence and knowledge if these individuals would leave the company.

To spread knowledge and encourage learning from each other, the formation of the project groups is important. The project groups should be formed in a mix so that junior and senior consultants can learn from each other. It is important to shape the teams in a rotation system so that the teams rarely consist of the same people. This will make more individuals share tacit knowledge at every new project, the number of employees to whom knowledge is spread will be more and competence within the organization will increase. To not lose the quality of the service being delivered at



every new project it is important to form the project teams in a rotating system. Someone in charge of this task should be appointed, presumably selected individuals in the HR department. HR already has this task, as understood through the interviews, but it not regularly implemented. HR should be responsible for handling this system that should be put in place seeing to it that competent and expert consultants should be mixed with less experienced ones in a specific field. There should always be at least one consultant that has previously worked with similar projects so that the quality of service delivered is not affected although the knowledge is spread in a more effective way throughout the entire organization, securing competence within Accenture.

In every team a Knowledge Champion (KC) is to be appointed. The KC's role is to secure that knowledge collected during a project is made explicit and stored in the KX database after each finalized project. For the experiences and knowledge not only to be stored in each individual's tacit knowledge base this is now made organizationally available and valuable. By accumulating knowledge from other team members the KC compiles the information then stores it in an explicit form in KX. The KC uses "old" tacit knowledge converting it into explicit knowledge easily transmitted to others. This is what in the SECI model is called externalization making tacit knowledge explicit. This is the most important conversion mode, since it is here the knowledge is made valuable for the organization, but also the most difficult to perform well. To formulate an experience, trying to capture the core of what has been learnt, is very difficult and time consuming. The KC is, in other words, appointed to continue in the externalization mode making tacit knowledge explicit continuing in the knowledge spiral towards making it a part of the organization. Knowledge that will hopefully be useful in other projects, where new knowledge can be created.

Working under pressure, many times against the clock, can lead to reduced motivation and lack of incentives for turning tacit knowledge explicit. During the interview the question about documenting a project on KX was answered and described as being a slow administrative task that they preferred to leave to somebody else. It also came to our knowledge that the KC sometimes was not appointed due to administrative difficulties, especially in teams consisting of less junior consultants. In



most cases the KC role is performed by junior consultants. The time limit and/or lack of motivation are risks that can lead to knowledge not being documented and spread. The clear guidelines for documentation can then be pushed aside and the experience earned from these projects then rests only within the individuals who have worked on the project, resulting in a situation where is no documentation in the database for others to use.

When looking at the initiatives that companies can make to implement a KM strategy, Accenture is on the forefront. They work with employee development, the database KX is widely used, activities and seminars take place and they have planning systems. Incentives, financial and symbolic encouragement, is however not used and could be a reason to why many seem to lack the motivation for contributing to KX. During the interviews we heard about a competition that takes place once a year where a project should be presented and later stored in KX, but other forms of incentives were not found.

The KC's role needs to be fixed so that all employees recognize the KC's tasks. It is suggested that an incentive is communicated to motivate consultants on all levels for making this role more attractive. "KC of the month" to get recognition among peers or a system where the KC can earn a bigger educational budget, a win-win situation for the employee and the organization. This incentive should be applied on all levels, the mid-management level too. The manager who is most encouraging could also take part of a larger educational budget or maybe even a symbolical bonus each year. It is important that the incentive is something that is attractive for the employees otherwise it will not work, leveraging the desired results. The role of the KC has to be shared by individuals and not feel as a burden. If KX is structured in a way so that relevant projects are easy to find it could enhance the role of the KC. To visualize this, seeing a result of produced explicit documents, a personal log on to KX can be used. Every time this individual logs on to KX, the personal contributions will be shown and how many "hits" this document may have from other peers reviewing it. The person taking on this role would then see the clear connection between the work of documenting the projects and storing them in KX. Since the KC role is inevitably perceived as a time consuming burden, also here it can be advised to use some form of rotation system so



that it is not always the same juniors that take on this role.

The strength of externalization could be made more powerful if this is generated by interaction and collective reflection, not only one individual alone responsible as KC. It is within this mode where tacit knowledge is said to be conceptualized in to explicit and organizational knowledge. Externalization is therefore said to hold the key to knowledge creation and presented as the most important of the four modes. It can therefore be suggested that after each finalized well performed project a wrap up meeting can be held. Discussing the core points learned collectively, which the KC effectively can sum up, bringing out a stronger concluding picture of what has been learned. Not missing any of the team member's points of view.

As mentioned during times of project drought or in search of expertise, employees can be lent out on a transfer period to an office abroad. This can be seen as a type of cultural exchange across borders where consultants can get the opportunity to participate in project team with different nationalities. This way of working ensures that tacit knowledge can be transferred to other individuals, through socialization, even across country borders. However it is understood that it is a question of demand and supply and that when expertise is demanded abroad these employees have to be available for transfer. What has to be put in focus is that when an exchange has taken place, lessons learned should be shared with the "home" office. As the situation is today the transfer is not asked to share any experience gained from an exchange, it is advised to find a way in which this can be done. We suggest holding a presentation for near colleagues and posting personal reflections on the community platform.⁵²

⁵² For community platform suggestion see below in section 5.2



5.2 Meetings and Communities

The challenge of individual competence development is an important aspect to consider when implementing a KM strategy. Professional meetings are important for several things. Giving the employees good background information about the market, in developing certain skills, to continuously develop employees' competencies, for relevant knowledge to be created and for the employees to feel valuable. Accenture arranges meetings in various parts of the world where employees can exchange experiences and also serve as an important networking tool for employees to make acquaintances. Employees gather nationally either every month or every six months depending on which level or field of work the meeting is intended for. New recruits are sent on a two-week course where they acquire the basic knowledge needed to work as a consultant and learn to use the global network within Accenture. At every new promotion level within the company the employee is sent on additional courses to learn, among other things, the performance of their newly gained tasks and to keep expanding their contact network. These meetings and the interaction within the communities can be seen as a combination of the socialization and internalization mode. Employees interact with each other during meetings and in their community, exchanging tacit knowledge, which is identified as part of the socialization process. At the same time, explicit knowledge can be used to transmit knowledge to employees in the form of presentations or workshops during meetings, which therefore is identified as the internalization process.

Sharing knowledge within a community was stated to be a very positive by the respondents. It is however important to bear in mind that if a community consists of thirty individuals sharing knowledge it would not be a great loss if two people would leave the organization. The knowledge these people possess would not be lost but still be held within the community and the organization. The risk is minimized by spreading the knowledge to the entire community. It is therefore proposed to encourage employees to be more engaged in their community. Communities seem to be a good way of making individual knowledge organizational knowledge in the way that it is shared and spread to all participants of the community. Colleagues working in the same field are often the closest circle of reference therefore a community is the best and most natural group formation. Sharing within the community needs to be



motivated. Regular meetings for professional sharing and presentations of successful projects, a special database for the community are some suggestions on what could be developed. The communities in the different countries also have to be linked to the communities within the same field abroad, so that the sharing also takes place between countries. A proposal is to form a social platform for each network where experiences can be shared. Connecting not only the employees in this certain network nationally but forming a global platform that connects the same networks across countries. This can facilitate for knowledge to be shared, enhance communication and create solidarity within the network.

5.3 Seminars and education

Much of the education sessions are online and pre-set. This reduces the interaction between people and the possibilities to ask questions. Internet based sessions should work as turning explicit knowledge into tacit. This knowledge sharing could be seen as categorized in the internalization mode because no interaction takes place that enables the individuals to take in the experience and process the explicit knowledge. It is at the interaction and the “learning by doing” where an individual can use explicit knowledge formulated and stored in the organization to convert it into personal tacit knowledge. When the sessions are online excluding interaction with other people it is more difficult to learn, something that was confirmed during the interviews. These education sessions might therefore be more effective in a combination of the internalization mode and socialization mode.

Taking the time for the seminars and web courses can be difficult and in some periods too little time will be available. Nonetheless, time has to be set aside for education; it should not only be addressed when there is a hole in the work schedule. It could even be better to limit the number of courses, to focus on a few important ones. The courses would furthermore be more effective not online but in an interactive way, stimulating learning and offering a break from the work in a knowledge creating atmosphere. It is proposed that the management formulates a goal for maximum a handful of selected courses for each level in the organization to be taken every year, to ensure that the employees continue to educate themselves through standardized



teaching courses formulated by Accenture. It is also identified as important to alternate the different learning forms. What there can be lack of in a web course has to be compensated for in a work shop, seminar or maybe even during a case exercise at one of the yearly meetings.

5.4 Using the Database

Accenture was established as an information technology consulting company and IT is today still considered to be a fundamental part of the company's way of working. Accenture seem to have an artifact-oriented view on knowledge because of the importance of the KX database. This is a big channel of knowledge sharing and information distribution. Through the database the organization is considered to become the "owner" of the knowledge rather than only through their exchangeable human capital. KX is the main tool of documenting and spreading knowledge and it stores all the explicit information of the projects made. A challenge is how to document explicit knowledge in the database, making it easily spread in the organization.

IT is according to Vendelø a good example of how explicit knowledge can be communicated and used by an entire organization. Accenture handles its database in a very good way to fulfil this purpose. Consultants reuse knowledge and experiences by referring to old completed projects, which saves time and money. It builds up a valuable competence and expertise in many fields of work increasing the quality of the organization's service. Converting old explicit knowledge to new useful explicit knowledge is in the SECI model referred to as the combination mode.

This database is however considered to be hard to use because of an overload of information and it takes a long time to find the right or relevant information. One big challenge for knowledge transfer within Accenture is the amount of knowledge. The employees have a hard time finding what they are looking for and searching KX is very time consuming. The consultants often handle this problem by turning to other forms of knowledge sharing channels, often calling somebody in their personal network instead of using KX. It may not be possible for new employees who lack an extensive network of contacts, something that takes time to work up. Another risk is



hereby identified, if the KX tool is losing power and the consultant's network plays a bigger role in information search this also makes the company vulnerable if an employee is lost. Precious time can be lost when the consultant calls for information and also for the consultant taking the call, trying to answer the questions. A challenge for developing a KM strategy is the improvement of processes and the sharing of knowledge through IT. The company's productivity and competitiveness depend on the ability to transport knowledge within the organization as independent of its human capital as possible. Using and being able to find relevant information in KX is of great importance.

If KX is not altered, the search engine not continuously rendered more effective, the database could as stated lose importance. If the search engine continues to be too time consuming the consultants will more and more often prefer to turn to their network. Making "calling for information" eat up the power of the database. The explicit knowledge stored in the organization will be taken over by the socialization process of the company where only individuals exchange tacit knowledge. Therefore the knowledge will stay with the human capital. KX needs to be continuously looked over and improved. Because of the amount of information, it is advised that the information in the database is divided into more categories. The way projects are documented also needs to be looked over. The search words for finding relevant information from different projects could perhaps be cleared in a better way. This being the alteration switch for both saving time and increasing the probability of finding the desired information. It is hard to suggest improvements when not even having tried the search engine, but what is a challenge and what needs to be done is the constant drive for improvement. Financial or motivational incentives for employees who contribute to a lead on an improvement of KX could be a way to also encourage employees to help and make them feel a part of this process.

5.5 Calling for Information

To be able to call for information and use the global network within Accenture is dependent on that the employees are willing to help out and to spread knowledge. The challenge is to integrate a good knowledge sharing identity and a culture. The company culture has to be very open and the employees have to be motivated to take



the time to help. This leads to another challenge, how to recruit and retain employees who reflect this searched for profile and matches the company culture.

Consultants cannot always meet face to face on a daily basis because of geographical distance and time differences. As mentioned building up a network that a consultant can take advantage of when searching for earlier experiences and relevant information, takes time. As understood from the interviews a person to call can be found through KX by finding a relevant documented project, by asking colleagues or superiors, or the consultant just happens to know an expert in the field. The way of manoeuvring through the jungle of information tools and information providers is also a competence learned through time, which is of value to the company but only individually possessed. A database where you can search for different employees based on their specialties is suggested, divided into their field of work, country and city. Within the employee's community it should also be easy to see who to contact by formalizing a type of phone book where consultants can easily find who has taken part in what kind of projects, who is an expert in what field etc. It can help minimize the time consumption of simply finding who to contact.

Calling for information is a natural part of a consultants working process within Accenture and can be identified as the socialization mode of knowledge conversion. As stated, nothing beats the human contact and the projects stored in KX could be useless if it is not possible to call and get a better understanding of what has been done in a certain project. Although the goal is that the documents in KX should cover a project as much as possible making it entirely organizationally owned, this is rarely the case. As mentioned in the SECI model when documenting experiences, turning tacit knowledge explicit, it can leave out important facts, making it necessary to call. Therefore keeping a culture of openness and sharing is crucial, taking the time to answer questions from colleagues has to be further encouraged. The sharing culture at Accenture today was described by the respondents as working well, but we would like to stress that this is not something to be taken for granted. When communicating a clear KM strategy, this way of working and sharing knowledge also has to be highlighted. The teamwork feeling is a basic attitude for the consultancy industry and helping others has to continue to be a condition for progress.



5.6 Newsletters

The newsletters that are sent to the employees are more for keeping them updated within their field of work rather than serving a specific purpose for a certain project. This information can however be helpful for different individuals later on. It can then be seen as part of the combination mode because of explicit knowledge being turned into new explicit knowledge when used.

This is a big quantity of information sent out in newsletters but probably not something that can be changed. The individual has to be selective about what newsletters they want to receive so that these will not just block the e-mail account. Due to lack of time some newsletters will not be read right away, but on KX in the section dedicated to the chosen field of study the newsletters could be stored. When having spare time, a good overview of what's new in the field could be easily found, also being able to give a historical overview if needed.



6. Conclusion

This chapter will present the conclusions drawn from the study. To end the chapter suggestions for further research within the subject will be presented.

The purpose of this thesis has been to investigate the management of internal knowledge within an organization, more specifically a consulting organization, operating in a knowledge intensive industry. The aim of the study has been to identify KM strategies being used, closely investigate them and analyze them in depth, all against a solid theoretical background. Finally, theory based improvements have been suggested for progressing further in the industry.

To be able to apply the result on other companies within the same industry, it was important to investigate if other top consultancy firms used the same type of KM tools. We contacted the HR department at four other top international consultancy firms (McKinsey & CO, Arthur D. Little, BearingPoint and Booz Allen & Hamilton) and asked if they use the same kind of KM tools as our case company: a database, regular meetings and education, newsletters, calling for information and project groups, and they confirmed that they use similar KM tools. Given the same KM approach, the similarities in basic company structure and same external factors affecting the top consulting companies, the analysis and especially the suggestions are deemed generic enough to be applicable across the top consultancy board.

When implementing a KM strategy within this industry many challenges have been observed. First of all it has been noticed that the KM strategy has to be clearly stated and communicated to all levels of the organization together with an encouraging knowledge sharing culture. The tools also have to be demonstrated and shown how to use efficiently. With a follow up on how the employees perceive them, the tools can and should be continuously improved.



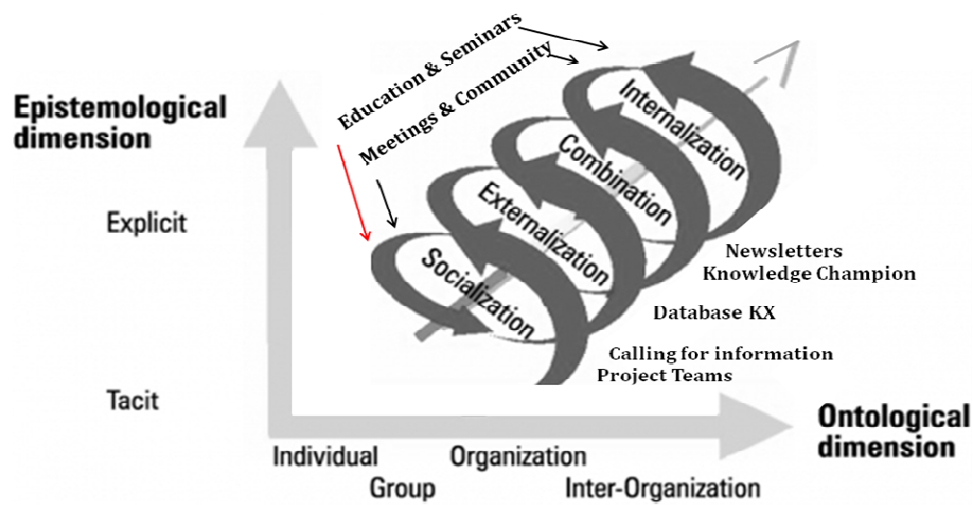


Figure 7. Empirical findings integrated with Nonaka and Takeuchi's knowledge spiral⁵³

While integrating the empirical findings with the chosen theories, suggested improvements on Accenture's KM tools emerged in the analysis by using Nonaka and Takeuchi's knowledge spiral model, mapping to which knowledge conversion mode each found KM tool belonged to. This formed the depicted model above. This mapping should be done as a procedure in the follow up on a yearly basis. The figure above is an example of how the mapping of the KM tools can be elaborated. It can then be found whether or not the KM tools are delivering the expected result in the most effective way. In the study it was e.g. shown that the education sessions and seminars could be altered towards a more effective solution in a combination of the internalization and socialization mode instead of only working within the internalization mode.

The theories defining knowledge were useful for getting a good base of the subject. The knowledge spiral and SECI model are relevant in the sense that they give a good understanding for how knowledge can be categorized. However the theories do not

⁵³ Adopted picture from Nonaka and Takeuchi 1995, page73.
<http://jeremyfain.wordpress.com/2009/05/29/the-knowledge-creating-company-%E2%80%94-does-it-work-in-practice/>. Modified by the authors



feel up to date and do not in any way indicate how knowledge can be created practically. Boisot's organizational learning cycle tries to answer this by showing steps on what companies should act upon. However this theory does not express relevant concrete actions and was considered to be able to be developed in a better way for the consultancy industry. Incentives for implementing a KM strategy gives ideas of what could be done, but only in a cursory way. These examples do not give a profound understanding of the KM tools. Vendelø's information technology approach is hard to apply because of its general character. If the IT in the specific industry has not been studied when developing this approach it is difficult to take in suggestions on how the database should be altered within a consultancy company. This limits the profoundness of the theory. The KM challenges however accurate and believed to be relevant for the study even though also these could be more specifically developed depending on industry to make them more pertinent.

The knowledge creating spiral could be adopted towards being more practically applicable for implementing a KM strategy and the Boisot learning cycle needs to be reshaped for the consultancy industry, presenting concrete actions on how to implement and improve a KM strategy. The considerations on incentives and how to shape a good IT tool could be improved by relating it to the selected industry. With our model we have tried to fill this gap that we have identified, our model being more practically applicable and better suitable for the consultancy industry.

When applying the theories on the case company, inspiration for another mode of improving knowledge sharing emerged. The key insights of the KM tools that were identified and the proposed improvements will serve as a model for how other companies can create or improve an existing KM strategy. This model is divided into two major sections; one being the "harder" IT related tools and the other being the "softer" human capital related tools. Noting that these are two sides continuously interacting, both sides ensuring constant sharing of knowledge back and forth between the individual and the organization.



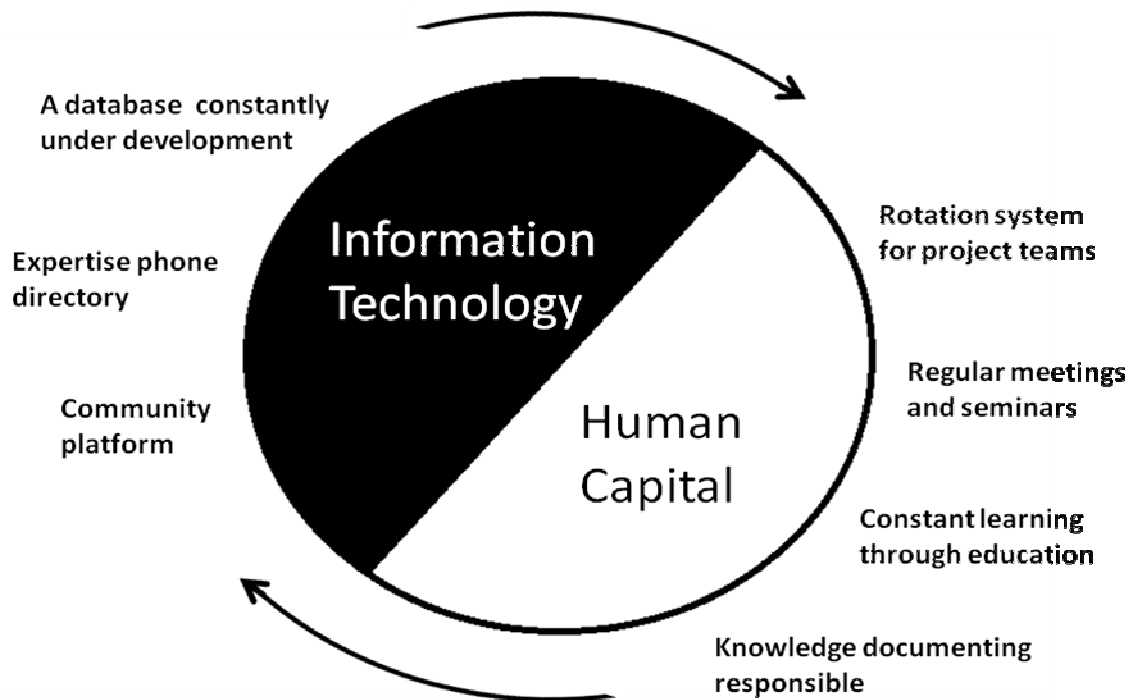


Figure 8. Constuction model for a KM strategy in the consultancy industry.⁵⁴

Consultants work in project teams of consultants from different levels of experience. It is suggested to select the team members in a rotation system so that the teams rarely consist of the same people. Further employees are encouraged to be more engaged in their community and a social platform for each community is proposed were experiences can be shared. It is extra important in the consultancy industry to always stay ahead. Education is one way of securing constant learning. It is suggested to rather than having education sessions online, focus on a selected few and form them in an interactive way. The combination of internalization and socialization form of converting knowledge is believed to enhance the learning. One big challenge for knowledge transfer in this industry is the amount of knowledge. It is of utter importance that the database is constructed to enhance that tacit knowledge is stored explicitly in the organization. The database needs to continuously be looked over and improved. For the employees to turn to their network and call for information is a big part of how knowledge is shared within consultancy companies today. To make an employee's contact network available to the entire company. Then enhancing the

⁵⁴ Formed by the authors



possibility for employees to contact the right person, a company expertise phone directory is a good solution to render the search for information more effective.

When implementing a KM strategy it is important to integrate all the knowledge values in the organization. It is important to understand that every company and situation is unique, enhancing the importance of mapping how knowledge is shared. The model presented above shows what could be improved and how this could strategically be structured to continue to improve and integrate knowledge in the organization, seeing to it that new knowledge is created and innovation is secured.

During the course of the study we have successfully managed to get an extensive idea of KM, why this is important and how it should work in theory. We have also achieved to grasp and understand how KM is applied in practice on one of the most knowledge intensive companies in the world. Furthermore we feel that we have succeeded in applying the theories used, to the degree of identifying improvements in the KM processes, from a theory based view. Hereby we have reached our aim and thus carried out the purpose (se Research Purpose section 1.5) of the study.

6.1 Suggestions for Further Research

Suggestion for further studies is a more profound research of a company's ways of working with KM and how the KM tools can be improved. It is suggested to observe employees to see how they work, getting a better understanding of the process. It is also of great interest to in detail understand how the tools work, for example KX, to be able to present an even more comprehensive picture of how these can be improved.

A suggestion for further research is also to comparing different consulting firms. Understanding a smaller firm as well as the difference between a younger and an older firm and possible differences between national and global companies will further improve the accuracy of the generic conclusions.

It would also be of interest to investigate how knowledge is managed when it comes to the interaction with clients.



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8. Appendix: Interview Guide

Here the questions asked during the interviews are presented. These questions were not strictly followed but worked as guidelines to encourage the possibility for the respondents to talk freely.

The Respondent's Background

Gender?

Age?

Position?

Home country?

What country do you work in?

What is your education?

Have you worked in any other industry in the past?

How long have you been working for Accenture?

What positions have you had?

Do you have any experience working in another country?

If so, have you in any way shared or presented the knowledge you gained during this time?

Questions Concerning How the Respondent Work and Exchange Knowledge at the Office

Do you think there is a need to share knowledge and experience within your job?

Why is it important? More important than in other industries? Why?

How do you share your knowledge and experiences today?

What is the climate at work, it is easy to ask questions to others, including senior / junior consultants?

How often do you use KX?

Does KX help? Do you think it is well designed and useful?

Does it feel relevant? How important do you feel that it is?

Have you even contributed to KX?

Have you noticed any difference in the use of the KX?

Have you noticed any difference in the use of the KX depending on your position?

How often do you personally make contact with the person who wrote an article or has been involved in a case that could be especially interesting for you?

Does Accenture us some kind of quarterly or newsletter to pass on knowledge?

Have you ever contributed to this?

Does this "quarterly" help and feel relevant?

How many of your office colleagues come from other Accenture offices from the beginning?

What is the main idea why people change offices? On the professional scale or personal?

Are replacement mandatory within Accenture?



Questions Concerning How the Respondent Perceive How Knowledge is Managed at Accenture

Have you received a clear guidance on how Accenture deal with knowledge management within the group?

Do you have any training on the subject? In your home country or abroad? How long was it? When?

What do you do when you go to the headquarters in Chicago? What did it give you on a private and professional scale?

Do you have contact with other offices in your country and/or abroad? How often and in what way?

Who is in charge of knowledge transfer at your office? Within the group?

Do you think that employees exchanged knowledge in a good way within the organization?

What do you think could be improved?

