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# The Eight Pillars of Knowledge Sharing

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## How the World Bank launched a knowledge management program

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Drawing from the lessons of experience for launching a broad knowledge management program in a global organization like the World Bank, eight pillars were instrumental to support the Bank's initiative – defining a clear strategy based on the business needs of the organization; keeping small the central KM unit which oversees overall implementation; making available a budget to allow communities to function; supporting the development of communities of practice; keeping information technology user-friendly and responsive to its users needs; orchestrating systematic communications to explain what knowledge means and to keep every one informed; introducing new incentives to accelerate the shift towards a knowledge culture; and developing a set of metrics to measure progress.

### *Defining a Knowledge Strategy*

Defining a knowledge sharing strategy which will be endorsed by senior management and front-line staff is a difficult but essential first step. The strategy should clearly articulate why the organization should share its know-how, what the organization will share, with whom the organization will share and how the organization will share. One critical element in the World Bank knowledge sharing strategy was the public commitment made by its president to build a “knowledge” Bank. This decision to share, taken by the chief executive officer, sheltered the organization from lengthy discussions that typically surround the development of strategies in large organizations.

- *Deciding why to share*

Given the characteristics of the global economy, and the plummeting costs of communication and computing, the World Bank perceived that sharing knowledge would enhance its organizational performance, and therefore, its global impact on poverty. This was a business decision anchored on the realization that the new opportunities were worth the shock of cultural and technological transformations that the Bank was going to introduce. Knowledge management was not undertaken for its own good. It was motivated by a decision to increase the speed and quality of service delivery, lower the cost of operations by avoiding rework, accelerate

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innovation, and widen the Bank partnerships to fight poverty.

- *Deciding what to share*

The knowledge sharing program of the Bank is designed to share country and sector know-how, and global best practices and research in the field of development. The program would have been designed differently if the knowledge of competitive intelligence, processes or individual clients would have been at the core of the Bank's business. The issues of the quality and authentication of what is being shared is addressed by the thematic group leaders.

- *Deciding with whom to share*

The knowledge-sharing vision of the World Bank is ambitious. It drives the institution to share its development know-how both internally with staff at headquarters and in the field, and externally with clients, partners and stakeholders. Internally, the audience is the members of the thematic groups and the objective is to collect and make accessible the latest and best sector and country development knowledge that exists globally to allow operational staff to bring higher quality advice to their clients while saving time and costs. In itself, collecting, synthesizing and authenticating this knowledge is already an endeavor. External knowledge sharing poses further issues such as the confidentiality of information given to the Bank by its clients and partners, copyright of documents, and for the Bank activities supporting the private sector, the protection of proprietary assets. Instead of developing constraining procedures to address these issues, the Bank is dealing with them as they arise.

- *Deciding how to share*

The Bank uses a multitude of different channels to share various forms of knowledge. For instance, a number of thematic groups are providing a mentor for each new recruit to quickly familiarize them with sector strategies, lending procedures and key professional contacts. Every staff can also call a help desk, where packets of information and refer-

ral services are available. Seasoned professionals will attend and contribute to technical clinics (working lunches of one-to-two hours) or search the knowledge collections on the Intranet. Externally, knowledge sharing takes place virtually on the Web, and face-to-face with clients and partners, either during field missions or during sector weeks organized annually by sector boards and their thematic groups.

### *Organizing knowledge management*

The location of the central knowledge management unit in the World Bank has evolved over time. At the program's inception, it was attached to the information technology group because attention was primarily focused on building a knowledge management "system," *i.e.* a repository of knowledge collections. When thematic groups gained importance, attention shifted to connecting people for accelerating learning and bringing the benefits of knowledge sharing to operations. To reflect this new orientation, the central KM unit was recently moved to the vice-presidency Operation Core Services. Whatever its location, the Bank knowledge management organization and functions is similar to what seems to emerge as a pattern among knowledge organizations, *i.e.*

- a small central unit (three people) has overall coordination and facilitation responsibilities;
- operational managers in the networks and the regions are responsible for implementing the knowledge sharing program;
- thematic groups, supplemented by help desks, are the preferred instrument for sharing know-how; and
- a governance body (knowledge management council) is responsible at the corporate level for the overall knowledge management policy formulation.

### *Providing a budget for knowledge sharing*

As we saw earlier, the decision to provide a budget for knowledge sharing tripled the number of thematic groups between June 1997 and 1998; hence, sending

an unambiguous message to staff that the World Bank was serious in incorporating knowledge management into its operations. The knowledge sharing program receives an annual budget allocation of about 3 percent of the Bank administrative budget. Of this, less than 10 percent is used on technology. Two percent covers the operating cost of the central coordinating unit. The remaining, or nearly 90 percent, entails financing the thematic groups and the sector help desks which support the Bank's operations. These figures are at the low end of what other knowledge organizations seem to spend on knowledge sharing.<sup>1</sup> Without appropriate funding, thematic groups could neither continue sharing knowledge at their current level nor survive since the community leaders and their members are all involved in day-to-day operations.

### *Nurturing communities of practice*

In most organizations, building a repository of knowledge collections is easier than shifting the company's culture towards knowledge sharing. To successfully capture, share and leverage knowledge, an organization needs to facilitate and nurture human interactions between professionals who share a common interest or experience, who share common problems and whose interest is to identify solutions that will improve their work effectiveness. Without the benefit of a shared practice, people will constantly reinvent the wheel, deliver sub-optimal solutions to their clients, and miss potential efficiency gains.

At the outset of the knowledge sharing program of the Bank, only a hand-full of professional communities was in existence. One of these, the roads and highway thematic group, had gathered informally over 15 years. Under the leadership of a visionary and curious-minded engineer, the group had established an email distribution list where technical questions were debated, help was requested and, most importantly, where success stories were shared. It is not surprising, then, that the knowledge story presented earlier in this paper is from that sector. Success stories validate the knowledge sharing concept and boost the enthusiasm and commitment of the practitioners. Nurturing the development of such communities became a Bank priority.

The networks encouraged their staff to organize around common themes such as environment or poverty, and sector priorities such as early childhood development or rural water supply and sanitation. Today, more than 120 thematic groups are supported by the Bank, without smothering their self-organizing drive led by thought leaders. Beside budgetary allocations, various instruments have been developed to nurture the thematic groups.

### *Choosing a technology that help sharing knowledge*

The "connecting power" of information technology often leads companies to believe that, in itself, this technology can leverage the know-how of their professionals and partners. Bank staff throughout the world can connect with their peers through email or the Web. They can also access electronically the knowledge collections of thematic groups to get the collective wisdom of their professional practice. From this, it would be tempting to conclude that implementing a Web-based technical solution to share knowledge is a "no brainer." The reality did not match this perception. First, one has to remember that most of the knowledge of individuals is tacit. It resides deep in their minds and only a fraction of it is indeed explicit. Only the latter can be captured, synthesized and shared through the World Wide Web. Second, to effectively share this explicit knowledge, the information technology tool should be fast to access, user-friendly and easy to operate. It should provide classification and cataloguing capabilities to easily find and quickly retrieve knowledge.

The Bank's experience in that domain is that setting up such a system is not an easy task. It requires a collective visioning effort from the organization on how knowledge will be shared. Many units have to be engaged from the onset in the development of the technology tools. Only this will ensure that the users' requirements are met. Then, the system may have a chance to be used in the future. Besides information technology, other technologies drawing on the tacit knowledge of people are essential to consider. Widely available tools, such as the telephone, electronic mail and video-conferencing, play a central role in the Bank knowl-

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edge sharing activities. The combination of technology tools and human practices is likely to be more successful than programs that focus on one or the other.

### *Communicating the values of knowledge sharing*

In the process of communicating its knowledge management strategy, the Bank was fortunate to have the full commitment of its chief executive. The World Bank president held several “town hall” meetings with the staff to explain his vision. In 1998, the Bank published its annual World Development Report on knowledge and development. That year, it organized two Knowledge Fairs. It was there that thematic groups could display their knowledge sharing activities and could further illustrate with concrete examples the benefits of working together. The first fair took place in the lobby of the headquarters building in March 1998. It had thousands of visitors, including the Bank president and his senior managers. It generated an extremely positive response from the staff who could see and feel what knowledge sharing was all about. This first success led the president to repeat each year the fair during the Bank’s annual meetings where attendance exceeds 10,000 people from around the world.

Storytelling was also used by the KM program director and some network KM staff to sensitize the organization to the kind of problems that knowledge sharing was meant to solve. Presenting real-life, problem-solving situations allowed each individual in the audience to recast the stories into his or her own contextual work environment. Suddenly, the highway knowledge sharing story was becoming relevant to the expert on early childhood education without even pronouncing the word knowledge management or attempting to give an elaborate definition of it. Storytelling turned out to be a much more powerful and effective way of communicating the values of knowledge sharing than using one of the typical complex definitions and diagrams found in every knowledge management book. Story telling is also used during the inception program of new Bank recruits.

### *Introducing new personnel incentives*

Traditional vertical hierarchical models of organization tend to exacerbate the “silo” culture of a company and discourage knowledge sharing behaviors. In 1996, the World Bank decided to adopt a matrix organization to precisely promote the exchange of information and know-how between regional units which had been lacking. Although changing the organizational structure of the Bank was an important decision, it was not in itself sufficient to provoke the intended cultural change. A year later, the Bank made knowledge sharing an integral part of its formal personnel evaluation system by modifying the small number of core behaviors against which people’s performance is assessed. This sent a strong signal to managers and staff that the institution was serious about encouraging and rewarding knowledge sharing behaviors. Did this change produced and instant incentive effect? Not quite; some cynicism and posturing remained. It had to be supplemented by a series of monetary awards.

Annual performance awards reinforcing sharing behaviors were used by the Bank to foster knowledge sharing behaviors. A President Award for Excellence was introduced to recognize outstanding team behaviors. A Development Market Place was organized to promote innovation and ground breaking work with external partners. Seed financing was offered to the winning proposals. Finally, a pilot performance award was introduced in 1999 to reward cross-boundary work and client impact. It is expected that over time these incentives will accelerate the intended behavioral change.

### *Measuring performance*

Measuring the performance of an organization-wide knowledge sharing program is a difficult, and sometimes ambiguous, undertaking. On one hand, the return on the significant knowledge sharing investments needs to be evaluated. On the other hand, the evolution of behavioral changes throughout the organization should be measured. A set of metrics for measuring progress is essential to the sustainability of the knowledge sharing program.

At the outset of its program, the Bank focused mainly on measuring inputs (such as budget deployment and recruitment of knowledge management staff) and activities (such as the number of help desks, communities, and knowledge collections available on-line). As implementation progressed, the focus was expanded to measuring outputs (such as the number of questions satisfactorily answered by help desks, the number of page-equivalent downloaded from the web, the number of knowledge databases and the usage of electronic tools). Outcomes, such as lending cycle times, the quality of services, staff and client perceptions are also measured. Measuring the overall impact of the knowledge sharing program poses a unique challenge. Managerial factors, changes in processes, and the external work environment are simultaneously taking place with knowledge sharing activities. As a result, the causal relationship between inputs and impact remains, at best, unclear.

To overcome the shortcomings of traditional performance measurement, the Bank decided to subject its knowledge sharing program to two independent assessments. In February 1999, Larry Prusak, director of the IBM Institute of Knowledge Management, lead an external panel of knowledge management experts to assess the relevance and impact of the Bank knowledge sharing program. The panel was also asked to make recommendations for improvement. The conclusions of the panel were presented to the Bank senior management in April 1999. The knowledge management strategy of the Bank was found “*far-sighted in conception and sound in its fundamentals. It positions the Bank to play a key role in the world economy of the 21st Century.*”

This reassuring conclusion was supplemented in October/November 1999 by a benchmarking study of knowledge management programs in 80 organizations conducted by the American Productivity and Quality Center.<sup>2</sup> In February 2000, The World Bank was recognized as one of the five top knowledge management organizations in the US. In June 2000, an annual survey of experts of Fortune 500 companies, also selected the Bank as one of the top ten Most Admired Knowledge Enterprises (MAKE) in the world.

## *Integrating Knowledge Sharing and Learning*

Like many other organizations in 1997, the Bank was still organizing its training activities independently from the operational work units. A training department located in Human Resources was responsible for curriculum development and delivery. Training was an individual process with clearly defined starting and end points. These training activities were mostly ineffective. Training was delivered asynchronously with professional skill building requirements. In addition, little cross-fertilization existed between various professional groups. The creation of the networks and the launch of the knowledge sharing program rapidly changed this situation.

Within each network, sector boards became responsible for mapping the skills of their staff and identifying knowledge gaps. Thematic groups started to offer regular study tours and informal learning clinics. As the communities organized, it became clear that professional training had to be completely reorganized. The training department was first absorbed by the World Bank Economic Development Institute (EDI) that had successfully trained Bank clients, mainly by using Bank experts as trainers. Later, the Institute, working in close collaboration with the networks, decided to transfer the training budget and the responsibility for course content development to the sector boards and their thematic groups, while retaining the function of facilitation and providing logistical support. Today, knowledge sharing and learning programs are supervised by the same governance body, the Knowledge and Learning Council.

## *Providing Support to the Communities of Practice*

Thematic groups are not intended to substitute for existing organizational units, but rather to facilitate knowledge sharing and learning across regions and themes. By their very nature, thematic groups did not fit neatly into the Bank’s conventional organizational structures and budgetary processes. Thematic groups did not conform with top-down decision making. Their member-

ship was largely voluntary and based on self selection from a few individuals to several hundreds of practitioners. Some had been defined around very narrow themes. Others were cutting across a wide range of topics and sectors. Only a few had the logistical and administrative mechanisms to deliver products or services in a consistent fashion. Given this extraordinary diversity, it is not surprising that specific arrangements had to be put in place to support their work and overcome early teething problems .

Other organizations had resolved the dilemmas of embryonic communities by injecting a cadre of “facilitators” or “coaches” or “concierges.” Whatever the name adopted, the functions performed included assistance in the processes of knowledge production, codification, synthesis, distribution and diffusion. Thematic groups needed a minimum level of structure and accountability to become the central instrument of knowledge sharing in the Bank. Their numbers also needed to be contained to ensure critical mass and avoid the dilution of budgetary resources. A few network sector boards started to request a mission statement and work program to their thematic group leaders. An attempt was made to put in place a Directory of Expertise to identify in each sector family the expert profile of its members and their professional affiliation. However, more needed to be done to avoid “burning out” thematic group leaders who, in addition to their knowledge sharing and learning activities, continued to provide 70-80 percent of their expert services time to their client countries.

The managing director in charge of the knowledge sharing program called several meetings with the thematic group leaders between 1998 and 1999 to identify means of supporting them and areas of immediate actions.

- In areas, where the Bank was not at the cutting edge, efforts were directed to building up knowledge partnerships with outside partners.
- Repeat activities, such as data base entry, web site development, referral-type services and preparation of information packets were delegated to the help

desks and sector knowledge coordinators who were recruited by the sector boards.

- Knowledge coordinators were also asked to help thematic group leaders in researching and cataloging knowledge materials, and organizing learning events either inside the Bank or in partnership with external professional groups.
- Networks undertook to disseminate quickly to the rest of the Bank information about their thematic group activities.
- The procedures for obtaining funding for thematic groups activities were streamlined. The alignment of thematic group activities with sector strategies and priorities was reviewed by each sector board.
- A self-assessment tool was designed to encourage the candid feedback of members of the thematic groups.
- Regular workshops of thematic group leaders were organized by the central knowledge sharing unit. This group encouraged the consolidation of overlapping thematic groups. It also created synergy and helped communication between thematic groups to help introduce good practices developed in other thematic groups.
- A knowledge intern program was launched with graduate and under-graduate students to increase the research capacity of thematic groups.

<sup>1</sup> According to the Gartner Group, major consulting firms may spend as much as 6 to 12 % of revenues on knowledge sharing programs (Research Note – May 28, 1998)

<sup>2</sup> The American Productivity & Quality Center (APQC) is a world-renowned resource for process and performance improvement for organizations of all sizes across all industries. <http://www.apqc.org>