



## The field of organizational memory

### *Will you know what you knew?*

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Fasten your BlackBerry, adjust your Bluetooth earpiece, monitor your Tweets, and recharge your iPod! Today's business world is taking off faster than you can say "information bombardment". The ever-pounding forces of technological innovation and integrated globalization will place unrelenting pressure on our organizations and ourselves. Can your firm adapt fast enough? Can you yourself adapt smart enough?

The field of organizational memory and its closely related cousins (knowledge management, intellectual capital, human capital, and organizational learning) has grown at an exponential rate. Over the past 15 years we have seen a remarkable increase in articles, books, conferences and job titles all related to the primary issue of harvesting organizational memory. In fact, it was Thomas Stewart, former editor at *FORTUNE Magazine* (and subsequent editor at *Harvard Business Review*) who provided the initial impetus when in a June 2001 cover story he exclaimed: "Brainpower, how intellectual capital is becoming America's most valuable asset".

Organizational memory quickly became part of a new lexicon describing novel forms of economic value. It belonged to a paradigm where sustainable competitive advantage was tied to individual and organizational knowledge. Reliance on traditional productive tangible assets such as raw materials, fixed capital, and land no longer accounted for investments made and wealth created by new and prospering companies. Instead, leveraging knowledge assets became the key reason attributed to corporate success stories during the dawn of the Internet age.

The overall field of research in the early 1990s was supported primarily by practitioners. These so-called Chief Knowledge Officers were entrusted with an important – albeit invisible – corporate asset. The task of exploring the development of organizational memory and later, understanding how to better exploit it for competitive gain was not easy at all. At the time, there were no degrees, university programs or training seminars that targeted this field. However, several pioneering CKOs gravitated towards each other and created global networks of expertise. Many consider Leif Edvinsson of Sweden as one of the Godfather's of this group. He spearheaded the development of the world's first intellectual capital statement at Skandia which provided the foundation for a new language, framework and operationalization of organizational memory.

This initial momentum was supported by a string of popular books several years later. Endorsements by highly respected scholars such as Dr. Baruch Lev (New York University) and Dr. Tom Davenport (Babson College) coupled with practitioner icons such as Hubert Saint-Onge (formerly of CIBC) helped to round out the love affair with this phenomenon. The convergence of a new management discipline with the advent of the Internet age provided the perfect ingredients for a new discipline with a promising future.

It was at that perfect juncture in time that I decided to make a move away from my position as an analyst at CIBC. I did the unthinkable. I embarked on a doctoral program to study a nascent field with very little extant literature, barely any case studies, absent tools for measurement, and no academic journals to speak of. I would not recommend this strategy for any aspiring academics!

In retrospect, it was the best decision I could have ever made. The field of organizational memory accelerated into the consciousness of the corporate world faster than anything it had seen before. Moreover, it was not just an Anglophonic phenomenon. Research and practice were taking place all over the globe mostly led by the Scandinavians but with accelerated support from continental Europe, and Asia, in addition to most Anglophonic nations. Notwithstanding, the single most important driver in support of this academic field was that it was truly cross-functional and multi-levelled. There are very few fields of management endeavour that can make this claim. Organizational memory attracts researchers from strategy, human resources, information systems, accounting, finance, marketing, and library science just to name a few. This bolsters the support for new models of conceptualization as well as new methods for measurement.

Furthermore, the multi-level aspect of organizational memory provides even more novel perspectives:

- individuals possess personal competence and experience but how does one build this over time when the stresses of information bombardment and work-life balance take-over?
- groups and teams work synergistically in collaborative networks to accomplish tasks that one single individual can not, but how do we overcome the bottlenecks that provide friction for tapping into this higher-order memory?
- organizations invest heavily in technology so that tacit knowledge is converted into codified formats that are more readily classified and searched, but how can human's interact more readily with non-human systems?
- multi-national corporations establish joint ventures in developing countries to tap into local expertise, how is that organizational memory then harvested back at headquarters?

The aforementioned scenarios are simple examples of at least four levels of analysis that the field of organizational memory taps into: individual, group, organization and cross-organization. By joining multi-functional perspectives with multi-levels of analysis, the field of organizational memory has been able to not only grow at an accelerated pace, but also maintain its momentum beyond the normal levelling-off of any new discipline. It is for this reason, that no one can argue that this is simply a management fad. On the contrary, this domain has supported the launch of new degrees, new programs, new corporate departments and new ways of thinking about management. Perhaps the most impressive evidence suggesting a transition in thinking about a new structure and process supporting a company's organizational memory is in the inclusion of intellectual capital as a strategic performance measure.

Since 1994 as a PhD student, I have been transfixed on studying this phenomenon. There are several things that I have uncovered. First, the majority of senior managers I have interviewed in both business and government clearly support the notion that the effective management of organizational memory is critical to future success. No wonder that with the fast pace of change in most global markets, firms that can adapt and learn quickly survive, and those that do not, die.

Second, individual productivity is significantly hampered by information bombardment. For most knowledge workers, email is the "killer app" that is on 24/7 on most desktops. Even if you turn your computer off at night, your BlackBerry will have no problem at all buzzing through all hours while you sleep warning you of the pending doom of an overfilled inbox the following morning. How do you know what to filter out versus what to concentrate on?

Third, knowledge sharing and the multiplicative network properties of communication are clearly understood by organizational behaviourists who all support teamwork in organizations. Unfortunately, the simple act of sharing knowledge in a team is not that easy. In fact, it is not that natural. Most knowledge workers pride themselves on what they know, in fact for many of them it's how they get compensated. Because of this, the hoarding of information becomes the competitive weapon of

choice. It then becomes extremely difficult to exploit organizational memory, when most organizational members are not talking to one another for fear of losing their own intangible value.

Fourth, technology can definitely support the process of building organizational memory. But, it can also kill it. The advent of intranets, repositories, collaborative workspaces, wikis, blogs and voice recognition software can all aid in the development of organizational memory. However, these all come at a price, both financially and culturally. When all is said and done, intellectual capital development ultimately is a people process. As such, senior leadership plays a critical role in establishing the appropriate culture and values for supporting collaborative behaviours and codification processes so we benefit from everyone's memory and not just the chosen few.

Finally, a large challenge for this field resides in the communication gap between researchers and practitioners. Although we have come a long way since the early 1990s. The opportunities to bridge the gap between theory and practice continue. The majority of scientific work published in top tier peer-reviewed journals is targeted to other academics. Journal articles are written in a specific scientific language, contain jargon, words, phrases, and are structured in a way that non-academics cannot quickly comprehend. Many of the problems that practitioners have with scientific papers are not with the ideas that are expressed, but are with the way that they are presented. Most academics offer a set of practical insights at the end of their manuscripts. However, this is not sufficient to allow industry professionals to directly consume the body of academic knowledge. As such, the direct knowledge distribution model, in which practitioners are supposed to read academic articles and utilize their practical insights, has partially failed.

Clearly, the influential models developed by various authors such as Polanyi, Nonaka, and Prusak coupled with the editorial prowess of Stewart provide much of the intellectual foundation for the organizational memory field. However, what is evident from my experience thus far is that the future of this field will surely benefit from the wide and diverse publication base that covers both academic institutions and corporate organizations. Furthermore, the global coverage of countries represented as well as the sheer number of authors that have influenced the field's rise, bodes well for its future health as a body of literature that is both influential and meaningful to managers in the knowledge era.

**Back by popular demand, Dr. Nick Bontis is once again a keynote presenter at the 2009 LOMA Canada Annual Conference in Toronto. Dr. Bontis is award-winning Associate Professor of Strategy at McMaster University, and Director of the Institute for Intellectual Capital Research. He is a well-known consultant and professional keynote speaker and has worked with hundreds of leading organizations for several years. For further information go to [www.NickBontis.com](http://www.NickBontis.com) or contact him directly at [nick@bontis.com](mailto:nick@bontis.com).**