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Scaling Up Your Story: An Experiment in Global Knowledge Sharing at the World Bank

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Timely and effective knowledge transfer is increasingly important in today's technologically advanced global market. However, a myopic focus on efficiency has frequently rendered most organizational knowledge ineffective. By coupling technology with a formal system that captures informal stories in an engaging and entertaining way, actors within an organization may be more willing to listen to what geographically dispersed colleagues are doing, and may be more likely to ascribe value to that information. Focusing on the International Finance Corporation of the World Bank Group, we conducted interviews with those sharing and using knowledge, and performed content analyses of 175 knowledge-sharing narratives. Our goal was to understand which aspects of narrative knowledge drive interest and value to users of that knowledge. We found that those seeking knowledge look to others in determining interest, but rely on the internal emotional content of the narrative in determining value. This finding suggests that the usefulness of knowledge is both socially and analytically constructed.

Introduction

Long ago, the people of Phrygia, an ancient kingdom in what is now western Turkey, found themselves without a king. An oracle decreed that the next man who entered the city driving an oxcart should ascend to the throne. This next man happened to be a peasant, Ahmidas, son of Gordias. Ahmidas, who was driving his parents into town on his father's oxcart, was surprised to be immediately declared king. In gratitude, he dedicated his now-sacred oxcart to the Phrygian god Sabazios, tying an intricate knot around the shaft of the cart. It was subsequently prophesied that the individual who untied the knot would become the king of Asia. The oxcart remained in the palace of the former kings of Phrygia at Gordium, until the year 333 B.C., when Alexander the Great arrived to make camp for the winter. While in Phrygia, Alexander made attempts to untie the knot. When he could find no end to the knot, with a quick stroke of his sword he sliced it in half, producing the loose ends that allowed him to untie it. Fulfilling the prophecy, Alexander went on to become the king of Asia (Fox, 1973).

The story of the Gordian Knot has been told and retold for over 2000 years. These retellings have served to transfer knowledge across ages, cultures and geographies—knowledge that has legitimized dynasties by affirming the right of conquest, and taught the value of creative and decisive thinking in solving difficult problems.

Narratives like this one have served as a potent form of knowledge transfer. Passed from one person to another, and down through generations, stories instruct and enlighten their listeners in an entertaining fashion. This history of knowledge transfer comes in sharp contrast to modern modes of knowledge management, which are largely sterile, technology-driven, hyper-efficient and all but devoid of context and human emotion (Fog et al., 2005). This transformation is likely a by-product of an increasing focus on massive codification and the proliferation of a technical architecture that seeks to identify and codify knowledge, locate its potential users, and measure, track and improve the performance effects of that use (Davenport, 2005).

Actors often employ technology-led knowledge management in efforts to solve the complex problems posed by a global environment composed of myriad points of information. Commonly, these actors attempt to apply the concept of economies of scale to knowledge sharing tools. This can be achieved by applying a single knowledge-sharing process to multiple parts of a given organization, and ensuring efficient sharing routines across geographical and other boundaries. Of course, this strategy is unsurprising, given the increased need for companies to better manage their knowledge. According to Stewart: "The companies that master the knowledge agenda are the companies that will triumph in the twenty-first century. Because … knowledge has become the most important factor of production and knowledge assets the most powerful producers of

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wealth, the leaders and organizations that take command of their knowledge will occupy competition's high ground" (Stewart, 2001).

Yet these knowledge processes often prioritize only the codification of knowledge, much to the detriment of the user's *valuation* of the knowledge itself (Schreyögg and Geiger, 2005, 2007). In many cases, this approach results in a myopic organizational focus on knowledge availability efforts, attending only to efficiency-based concerns like codifying information, standardizing reporting, and developing information technologies (Snowden, 2003). Most technology-focused knowledge distribution efforts are similarly limited, in that they include a standard reporting system, are driven by top management, and are implemented—most often grudgingly—by staff.

It is therefore unsurprising that many knowledge management efforts prove largely unsuccessful; companies spend millions of dollars developing elaborate databases and processing manuals that are often greeted with yawns by their users. In fact, organizational employees worldwide complain about an overabundance of information that neither captures their interest nor creates value for them (Frank and Magnone, 2011). As one of our interviewees stated, "There are too many web sites and too much information for anyone to really process anything useful."

In response to such hyper-efficient yet underutilized technologies, some scholars have recently called for a refocus on narrative forms of knowledge transfer (De Geus, 1997; Denning, 2000; Shaw et al., 1998; Swap et al., 2001). But, the media used for effective transfer of narrative knowledge typically require direct and costly person-to-person interactions. These processes are predominantly bottom-up, people-intensive, and typically endorse solutions like communities of practice, informal collaboration, and flexible work environments that allow for both knowledge sharing and interpersonal connection (Brown and Duguid, 2000a,b). These programs create interest and value by connecting the user directly to the knowledge source on a personal, emotional level (Brown and Duguid, 2000a,b).

For example, McKinsey Consulting Company has championed precisely this sort of hyper-effective knowledge transfer system. Employees of the firm are encouraged to pick up the phone and call one another, utilizing direct, interpersonal interaction in transferring the complex knowledge embedded in prior consulting projects. For instance, one manager noted that "at promotion time, nobody reviewed your PD documents (Project Development documents, a type of knowledge codification effort). They looked at how you used your internal networks to have your ideas make an impact on clients" (Bartlett, 1996).

For all the advantages of such an interpersonal system, though, an increased dependency on narrative can create inefficiencies that ultimately stifle the flow of knowledge. Some consider these systems too "time consuming" and "logistically challenging," which are both legitimate concerns. In a firm with thousands of employees dispersed across the globe, achieving broad and direct interpersonal connections can be virtually impossible, even with access to advanced information technologies. As a result, these more personal, interactive knowledge management practices are often incompatible with necessary economies of scale and scope, which can be a damning flaw in today's global business environment (Cohen et al., 2006). In reaction, person-to-person knowledge distribution mechanisms often lose their impact—and may even foster information silos—in firm divisions, regions and countries in which knowledge is well-circulated locally (Morris et al., 2006).

It is little wonder, then, that narrative knowledge management systems so often fail to do what companies want them to do—that is, to distribute relevant and valuable information to individuals as quickly as possible and on a global scale. Ultimately, accomplishing this goal requires an ability to codify narratives without diminishing their usefulness.

In this paper, we explore what drives actors' interest in the knowledge content and what determines how they perceive the value of narratives within a multinational enterprise (MNE). We begin by discussing the importance of knowledge for the MNE, as well as the difficulties inherent in transferring knowledge across geographical borders. We then explore the factors that determine the interest in and the use of narratives within the MNE. Following this discussion, we test our predictions using a unique data set from the International Finance Corporation of the World Bank Group, that details how certain types of codified narratives might be able to capture interest and produce value across geographic divides. Finally, we discuss the results, implications, and future directions for our research.

The value of cross-border knowledge transfer

The typical MNE can leverage its store of geographically dispersed knowledge to gain a competitive advantage. The key to this advantage is the availability of heterogeneous ideas across distant locations (Ambos and Ambos, 2009; Foss and Pedersen, 2004). Because MNEs operate in multiple countries and regions, the knowledge they produce reflects unique contextual circumstances embedded in geographic divides, local requirements, laws, cultures and the like (Doz and Santos, 1997). Indeed, local knowledge lies at the heart of the MNE's ability to produce heterogeneous knowledge. By exchanging and combining this locally diverse knowledge across various boundaries, the MNE can identify solutions from one local context and apply them in another (Bartlett and Ghoshal, 1989). Employees who are able to use nonlocal knowledge effectively for their own work within the MNE, then, will provide particular value to the organization (Cantwell and Mudambi, 2005; Kogut and Zander, 2003).

Highly dispersed knowledge is most efficiently transferred when it is first captured in electronic databases, manuals and procedures (Zaheer and Manrakhan, 2001). Such knowledge can then be more easily transmitted and understood across geographical domains at a relatively low search cost (Makhija and Ganesh, 1997; Nonaka, 1994). The more easily a set of knowledge can be codified, the more easily it can be broken down into specific components to be articulated and transferred within the organization or among individuals without loss of meaning (Grant, 1996; Turner and Makhija, 2006). According to