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Poornima Luthra
National University of Singapore

Prashant Palvia
National University of Singapore

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Tug-Of-War in KM Projects:
A Strategic Renewal Perspective

Poornima Luthra
National University of Singapore
poornima@comp.nus.edu.sg

Shan L. Pan
National University of Singapore
pansl@comp.nus.edu.sg

ABSTRACT

Despite the numerous success stories of organizations that have responded to external and internal stimuli to become knowledge-based, a number of organizations are still struggling to achieve the proposed benefits of managing their knowledge assets. By viewing KM as a strategic renewal process and studying the impact and interaction of strategic renewal forces with KM process forces, this paper aims to understand why KM projects fail to obtain organization-wide support. We analyze the qualitative data collected from the Asian Development Bank (ADB). The case revealed that the strength of ADB’s forces that pushed it towards becoming a learning organization were insufficient to overcome the inertial forces exerted by the strategy, culture and structure of the bank. In addition, it was found that structures and processes to integrate the knowledge that was generated were inadequate. The result of these forces has left the ADB moving away from its goal of becoming a learning organization.

Keywords
Knowledge Management (KM) project failure, Strategic Renewal, Institutional Theory.

INTRODUCTION

Knowledge Management (KM) has become a business phenomenon with numerous organizations jumping on the bandwagon eager to capture, manage and leverage their knowledge resources (Ruppel & Harrington, 2001) with the hope of improving productivity, product quality, and cycle times (Sabherwal & Sabherwal, 2005; Daveport & Prusak, 1998; Argot & Ingram, 2000). KM initiatives are often undertaken by organizations in response to external and/or internal stimuli with many organizations finding that successful implementation of KM projects requires significant changes in the organization. Hence, in this paper, we conceptualize KM as a process of strategic renewal, or an evolutionary process of aligning an organization’s strategy with that of the changing environmental conditions (Huff, Huff & Thomas., 1992; Flyod & Lane, 2000) to become a knowledge-based organization.

Despite the more publicized success stories of KM projects in organizations like Xerox, Hewlett Packard and British Petroleum, Lucier & Torsiliera (1997) found that 84% of KM projects exerted no significant impact on the adopting organizations, painting a contradictory grim picture for KM. Given this situation, and with many organizations now seriously considering undertaking KM projects, Lam & Chua (2005) call for a deeper understanding into why KM projects fail. Here we define KM failure as the failure of the organization to obtain organization-wide support for KM projects since widespread support is essential to reaping the complete benefits that the KM project has to offer. In this research, we believe that the action and interaction of a number of forces, exerted by the process of strategic renewal that the organization experiences in becoming a knowledge-based one as well as from the KM project processes themselves, influence the failure of its KM project. Hence, we ask: How does the action of strategic renewal forces and KM process forces, as well as their interaction, influence the failure of a KM project? To answer this research question, we adopt the strategic renewal perspective which looks at KM as a continuous process of evolution with the organization facing forces that push it towards its goal of become a knowledge-based organization (stress) and those that resist these forces to change (inertia). Concurrently, at the KM process level, an organization experiences KM process forces that generate knowledge (centrifugal forces) and those that integrate this knowledge into useful actionable knowledge (centripetal forces). Using these two concepts, we aim to better understand the reasons for KM project failure.

KM began to influence development organizations in the second half of the 1990s with the initiatives of the World Bank and United Nations (Ferreira & Neto, 2005). However, most of the documented best-practices and lessons learnt developed by academics and consultants (e.g. Raub & Von Wittich, 2004; Pan & Leidner, 2003; Holsapple and Joshi, 2000; Brown, 1998; Buckman, 1998; Davenport, 1997) are influenced by KM’s origin in the private sector. According to Ferreira & Neto (2005),...
KM in development organizations have different challenges. Without concepts and tools that are catered to development organizations, many are struggling to obtain organization-wide support for KM projects. We adopt the case study methodology (Myers, 1994; Orlikowski, 1993) and consider the implementation of a KM project at the Asian Development Bank (ADB), a development organization. The case study methodology enables us to obtain rich data to study complex social phenomenon in organizations (Yin, 1994). The paper is organized as follows: In the next section, we review KM and strategic renewal literature which is followed by a brief introduction of the methodology used in the research. Subsequently, we describe the case in which the issues were examined, provide a discussion of the data and then conclude.

A REVIEW OF KNOWLEDGE MANAGEMENT (KM) AND STRATEGIC RENEWAL

At the strategic level, Knowledge Management (KM) is a strategic organizational intervention (Mayasandra N. & Pan, 2004), and is defined by Ruppel & Harrington (2001, p.37) as “strategies and tactics utilized by organizations to capture, manage and leverage their intellectual capital resource.” Organizations that adopt and implement KM strategies do so due to external and/or internal pressures to better manage their knowledge and compete based on the strength of intellectual resources (Davenport, De Long & Beers, 1998; Holsapple & Joshi, 2000). From the experience of many organizations that have implemented their KM strategies, it has been found that organizations need to make significant changes to their culture (e.g. Alavi, Kayworth & Leidner, In Press; DeLong & Fahey, 2000), structure (e.g. Gold, Malhotra & Segars, 2001) and business processes (e.g. Holsapple & Joshi, 2000) Hence, KM can be thought of as a strategic renewal process, which is the evolutionary process of aligning an organization’s strategy with that of the changing environmental conditions (Huff, Huff & Thomas., 1992; Flyod & Lane, 2000). Strategic renewal efforts are characterized as virtually continuous and driven by the tension between inertial pressures that support the current way of doing things, and stress arising from the mismatch between the demands and opportunities facing the organization and the capacity of the current strategy to respond to those conditions (Huff et al., 1992). KM strategies are prompted by the existences of stress forces that push organizations to adopt and implement KM strategies, but are also met with resistance from the inertial forces to maintain the status quo. Successful strategic renewal in a KM project overcomes the inertial forces (Burgelman, 1991, 1994; Huff et al., 1992) and aligns the current strategy with the KM strategy to benefit from better productivity, improved product quality, and reduced cycle times (Sabherwal & Sabherwal, 2005; Daveport & Prusak, 1998; Argot & Ingram, 2000).

At the process level, knowledge processes form the backbone of KM. Many researchers have identified various processes that make up KM, which include codification, collection, integration and dissemination (Alavi & Leidner, 1999). We compare KM processes to the earth orbiting the sun, drawing on a similar comparison for new product development by Sheremata’s (2000). Gravity pulls the earth towards the sun, resulting in a centripetal force acting towards the centre of the circle, while the earth’s velocity exerts a force that acts to pull it away from the sun, known as centrifugal force. Both these forces act in dynamic equilibrium (i.e. equal in magnitude but in opposite direction) to ensure that the earth remains on its circular course around the sun. We define centrifugal forces for KM as structural elements and processes that result in the generation (including storage) of knowledge in an organization, and centripetal forces for KM as structural elements and processes that integrate (including dissemination of) dispersed knowledge into actionable knowledge. This metaphor seems appropriate since organizations that adopt KM strategies require balance and equilibrium between the forces, not to remain stationary but to maintain momentum and move toward their goal (Sheremata, 2000) of becoming knowledge-based or learning organizations. An imbalance between structures and processes that generate knowledge and those that integrate knowledge would result in inefficiencies in the organization’s business processes, while an organization that has structures and processes in place to generate knowledge, store it, then integrate and disseminate this knowledge is fully equipped to achieve its goal of becoming a knowledge-based organization. Taking these two perspectives, KM can be viewed as consisting of processes and structures to generate and integrate knowledge with the aim of taking the organization through an evolutionary process of change to become aligned with the environment.

Using these two concepts, KM can be viewed to consist of processes and structures to generate and integrate knowledge with the aim of engaging the organization in an evolutionary process of change to become aligned with the environment. As we have discussed, the process of an organization moving towards its goal of becoming a knowledge-based one can be conceptualized as an evolutionary process of continuous change, or strategic renewal represented by the spiral as shown in Figure 1. At any point of the spiral, the organization faces stress and inertial forces, and only when the stress forces overcome the inertial forces does the organization move along the path of strategic renewal towards its goal. In addition, the organization experiences centrifugal and centripetal forces of the KM process itself which when in dynamic equilibrium provide balance and support the organization’s movement along the path of strategic renewal.
RESEARCH METHODOLOGY

In this research, we use the in-depth interpretive case study approach to understand the major issues of KM projects in the Asian Development Bank (ADB), as well as to enable us to investigate a contemporary phenomenon within its real-life context (Yin, 1994; Benbasat, Goldstein & Mead, 1987). The primary technique for collecting data was the interview method. Approximately 35 participants were interviewed at the ADB headquarters in Manila using unstructured interviews in order to obtain a breadth of information, opinion and experience. Since KM is an organization-wide phenomenon, the participants were professional staff, KM Centre staff and consultants in ADB, who ranged from various levels of the hierarchy. The interviews, which lasted between 45 minutes to 90 minutes, were recorded with the organization’s and participants’ permission. The taped interviews were transcribed and coded, and were enriched with observations made during the interview. In addition, secondary data collected from the ADB included ADB’s strategy papers, KM-related papers, external consultant reports, informational brochures, transcripts of official speeches and presentation slides.

THE CASE

The Asian Development Bank (ADB)

The Asian Development Bank (ADB) was founded in 1966 and is a Multilateral Development Bank (MDB) whose vision is to eliminate poverty form the Asia and Pacific region by improving the economic and social development of its Developing Member Countries (DMCs). The ADB achieves this by providing financial support through low interest loans and grants, in addition to professional advice to its DMCs.

KM in the ADB

Recognizing that the recent rapid economic growth of the Asia Pacific region was a threat to the sustainability of the bank, the ADB changed its strategic objectives to include becoming a learning organization. ADB’s formal journey in KM began with a reorganization in 2002 in which the Regional and Sustainable Development Department (RSDD) was formed with the mandate to be the knowledge bank of the ADB and promote ADB’s knowledge strategy. In 2002, KMAapps, which was intended to be a suite of online tools with the aim of facilitating knowledge sharing and collaboration, was created. ADB’s core business of producing loans and sound advice to its DMCs is heavily reliant on knowledge while its professional staff, who are knowledge workers, need access to knowledge resources. Hence, given the limited knowledge resources in the bank, the ADB finalized its KM Framework in mid-2004 which comprised of action plans to guide the organization to be...
knowledge-based. The objective of the KM Framework was to enable the ADB to collate and integrate its knowledge resources so as to prevent ADB’s professional staff from “reinventing the wheel”, as well as to improve the quality and efficiency of business process. The KM Centre was formed in 2004 to act as the secretariat for KM activities in the bank.

The ADB has taken steps to increases awareness of the KM Framework and thrust the ADB towards achieving the goals set out by the KM Framework. However, the bank is facing a lack of wide-spread use of KM tools such as the KMApps and Communities of Practice (CoP). The majority of ADB’s professional staff still rely on their own department intranets, the ADB intranet portal and more informal tools like Lotus Notes Teamrooms, Yahoo Messenger and Yahoo Groups.

The Symptoms of KM Failure in the ADB

We have defined KM project failure as the failure of the organization to obtain wide-spread support. Using this definition, the failure of ADB’s KM project is evidenced in the frustration of ADB staff and the reaction of ADB staff was observed to vary among the different sub-groups within the bank as shown in Table 1. It can be seen that even though some groups were in favor of the KM Framework, the support was limited, and the majority of ADB staff who are in operations simply avoided KM activities.

<table>
<thead>
<tr>
<th>ADB’s Sub-Group</th>
<th>Reaction</th>
<th>Evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Management</td>
<td>• Passive acceptance</td>
<td>ADB’s Vice-President explained: “It is more of a passive support [from other VPs and President] than an active support. At any time, they say “yes this is an important and is a priority for my department, my vice-presidency”. But it is passive support.”</td>
</tr>
<tr>
<td>RSDD</td>
<td>• Recognition of role in KM</td>
<td>ADB created RSDD with the mandate to become the knowledge base of the bank. Hence, RSDD’s professional staff recognize their role in KM. One of them comments: “KM is very much a part of the mandate. RSDD is the knowledge centre of the bank”. However, the role of RSDD has been questioned in the bank and has resulted in the recent elimination of certain sector divisions within RSDD.</td>
</tr>
<tr>
<td>Operations Departments</td>
<td>• “Escapism” from the KM Framework</td>
<td>ADB’s operations staff recognize the need for and importance of KM. However, operations staff are usually responsible for about three projects in a year and hence their schedule involves a large portion of travel on missions to the DMCs in which these projects lie. With the emphasis by the bank on processing projects and loans, ADB’s operations staff have little time and monetary resources to devote towards these other initiatives by the bank.</td>
</tr>
<tr>
<td>Operations-Support and Administrative-Support Departments</td>
<td>• Pro-KM</td>
<td>A specialist with OER commented: “Because we [supporting departments] are working with everybody in the bank, we know more about ADB to start with and we are more inclined to want to share with other people. It’s a bit more of a sharing culture.” Despite this, they need to balance between participating in ADB’s KM activities and the demands of the operations departments to implement projects as efficiently as possible, sometimes making knowledge sharing difficult.</td>
</tr>
<tr>
<td>Office of Information and Systems Technology (OIST)</td>
<td>• Tension with the KM Centre</td>
<td>The KM Centre faced considerable disagreements with OIST regarding the sharing of responsibilities for KM activities. Finally, it was decided that OIST would handle the technical aspects while the KM Centre would handle user requirements. However, OIST staff implementing the requirements appeared to not understand the user’s requirements. A KM Centre staff commented: “They [OIST] are clear about their role but they are not clear about what user requirements are. They have a preconceived notion of what we need, what the users require.</td>
</tr>
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Table 1. The Symptoms of KM Project Failure
DISCUSSION

Tug of War 1: Stress vs. Inertia

Stress

ADB’s strategic move towards becoming a learning organization arose due to the combined influence of a number of institutional forces acting on the organization, and an interesting way of categorizing these stress forces is through the institutional theory perspective. This perspective aims to understand how organizations obtain legitimacy (or wide-spread acceptance) (Suchman, 1995) for an organizational change. ADB’s KM strategy was implemented in response to environmental pressures to become a knowledge-based organization, and hence gain legitimacy in the eyes of its stakeholders. These environmental forces can be categorized using DiMaggio & Powell’s (1983) three mechanisms of institutional change namely coercive, normative and mimetic pressures. Coercive pressures are a result of informal and formal pressures exerted by other organizations upon which the organization is dependent and by cultural expectations in the society within which organizations function (DiMaggio & Powell, 1983). Normative pressures are brought about by professionalism, including formal education and professional networks (DiMaggio & Powell, 1983). Uncertainty in the environment can create powerful mimetic forces that makes organizations model themselves after similar organizations that they perceive as more legitimate or successful (DiMaggio & Powell, 1983). The coercive, normative and mimetic forces can not only be exerted from sources external to an organization but from internal sources as well (Zucker, 1987). Kraatz & Moore (2002) address particularly the role of top management in institutionalizing change in an organization. Table 2 summarizes the coercive, normative and mimetic pressures that the ADB faces which spurred the organization towards formalizing KM and becoming a learning organization.

From the above analysis, it can be seen that a number of external and internal stress forces – coercive, mimetic and normative were pushing the ADB towards becoming a learning one. Of these forces, it is evident that the mimetic forces of the World Bank and the business trend of KM provided the starting thrust towards formalizing KM. However, it was the strength of the external and internal coercive forces acting from various sources that resulted in the ADB taking visible action towards formalizing its KM.

Inertia

The above stress forces pushing the ADB towards implementing their KM strategy were met by significant resistive forces that acted to maintain the organization’s status quo, shown in Table 3.

Tug of War 2: Centrifugal vs. Centripetal Forces

ADB, being a development organization, relies on knowledge to enable the organization to carry out their business processes effectively. The ADB has structural elements and processes in place to capture, share, integrate and disseminate their knowledge more effectively for the benefit of ADB staff, their customers (DMCs) and their partners in development like the World Bank.

Centrifugal Forces

The bulk of ADB’s knowledge is generated through its main business of processing loans and providing technical assistance. In every step of the project cycle of the ADB, various documents and information are generated. These include project profiles, Technical Assistance (TA) reports, environmental and social assessments, draft loan agreements, monitoring reports and completion reports. The documents and information generated as a result of ADB’s business processes in addition to country studies, sector and thematic assessments, case studies, learning materials, as well as trainings and seminars fall under the rubric of formal Knowledge Products and Services (KPS). These KPS are transferred to DMCs through ADB’s lending and non-lending operations, and find their way to archives, databases and ADB intranet/ internet websites (including KMAapps) for both internal and external use. In addition to KPS, ADB generates KPS by-products which is a less formal form of knowledge but which represents a significant part of the knowledge that ADB generates and accumulates. From every interaction with its DMCs, an immense amount of valuable knowledge and experience are developed. Unfortunately, this knowledge often remains in its tacit form and is rarely documented resulting in a loss of knowledge value for the ADB and its customers.
Stress Forces Evidence from ADB

Coercive Forces

- Pressure from DMCs
  - With many DMCs becoming more knowledge-focused, they demanded development-related knowledge such as designing and implementing policies, and establishing strong governance systems.

- Pressure from donor countries
  - Donor countries required the ADB to become more accountable of the funds they were receiving, and improve the efficiency of its business processes. This pressure resulted in the formation of the Reform Agenda in 2004, in which becoming a learning organization was a key objective.

- Top Management
  - To be sustainable in the future, ADB’s top management realized that the bank needed to move away from its focus on generating loans to providing knowledge-related services.

  - With the ADB conducting approximately US$120 million worth of studies and analytical work, top management recognized the need to prevent duplication of studies and make this knowledge easily available.

- Resident Missions (RMs)
  - The location of RMs away from the headquarters gave them limited access to the knowledge-base of the bank. An economist pointed out: “A complaint from time to time from the RMs is that ”You know, we’re not in the loop. We don’t know what is happening there at headquarters”.”

Mimetic Forces

- To benefit from the business-phenomenon of KM
  - In June 2000, the World Bank was selected as one of the top ten Most Admired Knowledge Enterprises (MAKE) in the world. Given the extensive similarity in the business of the ADB and the World Bank, ADB found its inspiration to mimic the World Bank and move towards KM. As one of ADB’s consultants explained: “ADB always looks up to the World Bank and when World Bank does something, ADB considers ”Why did they do that?”.”

- To emulate the successful implementation of KM activities in the World Bank

- The success of NGOLink by the NGO (Non-Government Organization) Centre.
  - ADB’s technology-related KM initiatives began with the development of the website NGOLink. NGOLink was created to manage the growing complaints made by NGOs regarding the impact that ADB projects were having on indigenous people or the ecology. The usefulness of the website created a desire for similar websites in other ADB departments. This initiative was one of the key drivers of the formation of KMApps.

Normative Forces

- Disappointing MAKE (Most-Admired Knowledge Enterprises) survey results
  - In May 2005, ADB staff fared significantly lower than World Bank staff in the MAKE survey prompting many ADB staff to realize the need to manage their knowledge better.

Table 2. The Stress Forces Acting on the ADB

Centripetal Forces

The ADB implemented the Reform Agenda in 2004 to reorient the organization towards better development results, to improve its operations and to adapt to rapid changes in the global development field and economies of Asia and the Pacific. One of the five initiatives of the Reform Agenda is to enhance knowledge sharing within the bank and to its DMCs, and to become a learning organization. With this in mind, the ADB’s KM Centre created KMApps to act as a consolidated database of documents within the bank with additional functionality. However, the usability of KMApps is still in question and many departments in the bank have their independent intranet sites to manage and integrate information.

Prior to the Reform Agenda, in 2002, the ADB underwent a reorganization to strengthen its capacity to deliver the poverty reduction strategy, meet the new expectations of DMCs and donor countries, and to improve the efficiency of business processes within the bank. The reorganization resulted in the ADB taking a more country-focus, with countries with similar characteristics being within the same sub-regional group. The reorganization saw the formation of the RSDD whose mandate was to enable cross-cutting flows of information, ensure coherence and technical excellence, and to act as the knowledge bank of the ADB. As part of the reorganization, ADB reviewed its business processes and created new ones. The new
<table>
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<tr>
<th>Inertial Forces</th>
<th>Evidence from ADB</th>
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| Lack of a clear strategy               | • The lack of clarity was observed through the contradictions of strategies such as the Reform Agenda, Human Resources Strategy, ISTS-II and the KM Framework.  
• The 50% budget cuts of the library and the 10% cap on the number of ADB staff that are allowed to be exceptional are contradiction to the KM Strategy.  
• Without top management’s active support, ADB staff do not receive a clear message from leadership that KM is important and critical for the sustainability of ADB. |
| Lack of communication                   | • ADB lacks an internal communication’s department to manage communicating new strategies such as the KM Framework across the entire organization.  
• The KM Framework was communicated in a limited way primarily via the web-based corporate newsletter, ADB Today, and more recently via the KM Newsletter. |
| Lack of resources                       | • Without clear priorities, insufficient resources (financial and human) were allocated towards new initiatives like the KM Framework making it difficult for ADB staff to participate it KM activities in addition to their work load.  
• The large number of strategies and policy changes in the past few years have resulted in ADB staff adopting a “wait and see” attitude with respect to KM. With a lack of resources being allocated towards these new initiatives, many ADB employees feel that the KM Framework is just a fad that will pass, and not something that top management is serious about. |
| Culture                                 | • Despite ADB’s high turnover and the fact that 70% of ADB’s staff have been hired in the past 5 years, the culture of risk-aversion is evident even among the younger staff in ADB. An ADB staff in a resident mission notes: “A lot of young people come in with wonderful ideas, lots of energy and after 3 or 4 years, you see them changed. They become risk-averse and they are against change.” |
| Lack of trust and openness              | • A large proportion of ADB’s professional staff, especially those in the operations departments feel that they have been chosen to perform their job due to the expertise that they possess. By being possessive about this knowledge in their particular area of expertise, many ADB staff feel that they are in control and able to retain their job. |
| A melting pot of 50 nationalities       | • Without a clear strategy in place that communicates the organization’s values to ADB staff, ADB staff hold on to the values of their home country that they are comfortable with and understand. This has created informal silos between the various cultural groups. |
| Structure                               | • The intent of the reorganization of 2002 was to provide ADB with a more country-focus so that it could serve its DMCs more efficiently. The ADB is divided according to sectors with each sector division eager to conduct its own projects in its designated DMCs regardless of whether the DMC needs a project in that sector. The organization rewards individuals and departments who are able to undertake a greater number of projects resulting in internal competition among the departments and creating departmental silos. |
| Lack of incentives and rewards          | • The lack of incentives and rewards for KM have prevented KM activities from becoming an integral part of the business processes with many of ADB’s professional staff thinking of KM activities as additional work.  
• Staff who take unpaid leave to document their experiences often face discouragement, are given negative feedback on their work, and the attitude towards such staff members is that they have too much free time on their hands. |

Table 3. The Inertial Forces Acting on the ADB

business processes were more focused on adopting a team approach, with the creation of country and project teams, to ensure that knowledge gets shared across the organization. Also, communities of practice (CoP) and informal networks were formed to link experts in the various departments of the bank and to enable them to share and debate information.
The Resultant Force – The Final Tug

From the discussion, it can be seen that the stress forces acting on the ADB were met with fewer but far greater opposing forces of inertia brought about by various aspects of the internal environment of the bank that were not conducive to knowledge sharing. Also, the ADB lacks processes to capture the tacit knowledge generated by the bank, and the integration and dissemination of the information into useful and easily accessible knowledge is still limited. The action of these forces has been summarized in Figure 2 in which the magnitude of each of the forces is represented by the length of the respective arrows. A basic reduction of the forces gives rise to the resultant direction of the bank (shown by the dotted arrow) acting against the strategic renewal path indicating the failure of ADB’s KM project.

![Figure 2. The Resultant Force for ADB (Arial View)](image)

The Interaction of Forces

As we have seen, the ADB and its KM project experienced stress, inertial, centrifugal and centripetal forces which influenced the extent of success of the project. In addition to the individual impact of these forces, the results with respect to KM of the interaction between the four forces are shown in Figure 3.

<table>
<thead>
<tr>
<th>ADB’s KM Results</th>
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<tbody>
<tr>
<td>Stress</td>
<td></td>
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<tr>
<td>- KMApps</td>
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<tr>
<td>- ADB Intranet Portal</td>
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<tr>
<td>- Creation of a common document repository</td>
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<tr>
<td>Inertia</td>
<td></td>
</tr>
<tr>
<td>- Department Intranets &amp; document repositories</td>
<td></td>
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<tr>
<td>- Lack of budget, staff resources and hardware to maintain KMApps</td>
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<tr>
<td>- Loss of tacit knowledge from ADB staff who leave/retire</td>
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<tr>
<td>- Present reliance on paper for its activities</td>
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<tr>
<td>Centrifugal Forces</td>
<td>Centripetal Forces</td>
</tr>
<tr>
<td>- Lack of resources and incentives for CoPs</td>
<td></td>
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<tr>
<td>- Failure of KMApps with only 3 of 11 modules functioning</td>
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<tr>
<td>RSDD</td>
<td>CoPs</td>
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<tr>
<td>KMaterials &amp; CoP Newsletters</td>
<td></td>
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<tr>
<td>Re-launch of KMApps</td>
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<tr>
<td>Lotus Teamrooms, Yahoo Messenger, Yahoo Groups</td>
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CONCLUSION, CONTRIBUTIONS AND FUTURE RESEARCH

This paper has attempted to address the major issues surrounding KM project failure at the Asian Development Bank (ADB). From the case, it was observed that the ADB faced a number of stress and inertial forces that acted on the organization in its quest to move along the strategic renewal path towards reaching its goal of becoming a learning organization. It was found that in the ADB, the strength of the mimetic, normative and coercive stress forces paled in comparison to the strategic, cultural and structural inertial forces. Furthermore, the centrifugal forces of knowledge generation which were a result of the steps of ADB’s project cycle were unbalanced with the centripetal forces of knowledge integration. The action and interaction of these four forces provided the reasons for ADB’s KM project failure.

While past research focused on studying the success factors of KM projects, there is little research that examines the reasons for KM project failure. In this paper, we conceptualized KM as a strategic renewal process comprising stress and inertial forces in interaction with the process and structures that generate and integrate the knowledge itself. We believe that the action and interaction of these forces enables us to obtain a deeper understand of reasons behind KM project failure. In addition, KM literature has been largely influenced by private sector deployment of KM activities. Here, we have obtained an understanding of the forces at play in development organizations that cause KM projects to fail.

From a managerial viewpoint, this study provides an understanding of the possible forces that act to hinder an organization’s movement along the path of strategic renewal towards its ultimate goal in a KM project. KM project managers need to take conscious steps towards overcoming inertial forces and emphasizing the stress forces, as well as creating adequate and appropriate structures and processes to generate, and more importantly to integrate knowledge. Further research needs to be conducted to explore other factors that contribute to the failure of strategic renewal projects like KM, as well as how these factors differ between private and development (or more generally, public) organizations.

Since the time when the interviews were conducted, the ADB has taken a number of steps towards resolving some of the inertial forces. The new Medium Term Strategy for 2006-2010 recognizes the value of being focused in operations and as a result has identified a limited number of sector and thematic areas in which ADB needs to excel. The Knowledge Product and Services (KPS) 3 year pipeline has been implemented and will result in a better balance between ADB’s research program and lending portfolio. In addition, the new KM objectives in ADB’s HR work programs, the revised Personal Development Plans, and Guidelines on Training and Development has made it clear to staff of the importance of KM, what is to be expected of them as well as what will be provided to them.

REFERENCES