The Knowing Doing Gap

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Why do so much education and training, management consulting, and business research and so many books and articles produce so little change in what managers and organizations actually do? The authors call this the knowing-doing problem – the challenge of turning knowledge about how to enhance organizational performance into actions consistent with that knowledge. Improving organizational performance depends largely on implementing what is already known, rather than from adopting new or previously unknown ways of doing things. This book is about how to convert knowledge into action.

Knowing "What" to Do is Not Enough

The authors, Jeffrey Pfeffer and Robert Sutton, who teach at Stanford emphasize that the gap between knowing and doing is more important than the gap between ignorance and knowing. Today there are many organizations involved in acquiring and disseminating knowledge. These knowledge brokers specialize in collecting knowledge about management practices, storing it, and then transferring the information to those who need such information about enhancing performance. So better ways of doing things cannot remain secret for long.

But inspite of all these initiatives, companies still find it difficult to implement new ideas. This is because most knowledge management efforts emphasize technology and the storage and transfer of codified information such as facts, statistics, presentations, and written reports. Formal systems cannot store tacit knowledge that is not easily described or codified. Many view knowledge as something tangible and explicit. Companies overestimate the importance of the tangible, specific, aspects of what competitors, for instance, do, and underestimate the importance of the underlying philosophy that guides what they do and why they do it. Although specific practices are obviously important, such practices evolve and make sense only as part of some system that is often organized according to some philosophy. The knowing-doing gap is partly because firms misconstrue what they should be knowing or seeing to know in the first place.

Talk and Action

One of the main barriers to turning knowledge into action is the tendency to equate talking about something with actually doing something about it. In many organizations, there is an unspoken but powerful belief that once a decision is made to do something, no additional work is needed to make sure it is implemented!

Mission statement is one of the common means that organizations use to substitute talk for action. Firms act as if going through the process of developing a statement, perhaps publishing it on little cards that everyone carries or on plaques or posters on the walls, is enough to help the company perform better.

We should form our impressions of others based on how well they perform, how well they get things accomplished, and what they contribute to the organization through their actions. But often we form our impressions of others based on how smart they seem. Appearing smart is mostly accomplished by sounding smart; being confident, articulate, eloquent, and filled with interesting information and ideas; and having a good vocabulary.

Interestingly enough, for getting anything done in organizations, one of the best ways of sounding smart is to be critical of the ideas of other people. It is always possible to find a reason to say no to some idea or proposal. People in many organizations are remarkably skilled at making excuses about why something cannot be done, why something will not work, and why the present condition is better than trying something new.

Talk is also valued because, the quantity and "quality" of talk can be assessed immediately, but the quality of leadership or management capability, the ability to get things done, can be assessed only with a greater time lag. Suspending evaluation until more tangible outcomes occur, is difficult for several reasons. First, doing so clashes with the natural human tendency to form impressions quickly, to categorize and stereotype people equally swiftly, and to resist information that contradicts such first impressions. Second, it does not fit within the time scale of the performance appraisal and career progression systems of most organizations.

Besides saying smart things and talking a lot, people also try to impress others by using complex language, complex ideas, complex sentence structure, and complex analysis in addressing organizational issues. It is hard enough to explain what a complex idea means when we understand it and others don't. And it is impossible when we use terms we ourselves do not understand.

Sustainable competitive advantage is built by doing things that are difficult to imitate. Ideas like decentralization and delegation of decision-making responsibility, sharing performance information, recruiting for job skills as well as cultural fit, and treating people with respect and dignity are easy to understand. But actually delegating, a process that involves giving up decision-making power, is not easy to accomplish in practice. Similarly, sharing information entails giving up the power and prestige that comes from knowing things that others don't. Actually putting people first and treating them as if they matter to the organization's success, although easy to talk about and to understand, is notoriously difficult to implement.

Organizations that are better at learning and translating knowledge into action understand the virtue of simple language, simple structures, simple concepts, and the power of common sense, which is remarkably uncommon in its application.

Simple talk is valuable because it is more likely to lead to action. It is difficult to dispute simple, direct ideas. One may disagree with a simple idea or a simple philosophy, but it is transparent at the outset. Second guessing and finger pointing are largely precluded. Simple philosophies, practices, and ideas are, ironically, more unlikely to be imitated by outsiders and competitors. Since most organizations have strong love for complexity,

few will believe that a firm's success is based on such simple premises. Consequently, they may not even try to implement what the successful organizations do.

Rhetoric that mobilizes action generally has some combination of the following elements: an imaginative vision of the future, a realistic portrayal of the present, and a selective description of the past which can serve as a contrast to the future, as well as being specific enough to make the action implications of the language clear.

Organizations that successfully turn knowledge into action show a sense of urgency to do so. They don't take problems or obstacles as reasons not to do so. Rather, they frame issues as how to get things accomplished.

Memory and Thinking

Memory often serves as a substitute for thinking. People often do what has always been done without reflecting. Even when they confront a new problem, problem solving means drawing from the organization's past precedents, customs of often unknown origin, stories about how things have always been and used to be, and standard operating procedures.

Most human beings are inclined to avoid evidence that disconfirms what they believe. People are especially likely to freeze on past knowledge when they feel pressure from deadlines; they are fatigued, thus lacking energy to process new information; and they are in any other condition that makes it difficult to process information, like feeling physical discomfort or fear.

Mindless and almost unconscious behavior is also encouraged by assumptions about organizations and people that are implicit and, as a consequence, not directly examined or questioned. By bringing to the surface assumptions that are otherwise unconscious, interventions and decisions become much more mindful and incorporate what people know. Freeing organizations from the tyranny of mindless precedent requires surfacing the frequently implicit, theoretical foundations of that precedent, including the behavioral assumptions on which past decisions rest.

There are three main ways that organizations can avoid relying on the past as a mindless guide to action. First, people can start a new organization or new subunit, free of the constraints and history of the parent corporation. Second, organizations can make people mindful of problems with doing things in old ways, make it difficult to use the old ways, and create and implement new ways of doing things. People can be constantly encouraged to question precedent and resist developing automatic reliance on old ways of doing things.

Overcoming precedent and history is good. Preventing the buildup of unproductive rituals, rules, and practices in the first place is even better but more difficult. One policy that encourages developing and applying knowledge is radical decentralization.

Many argue that the headquarters staff should be really competent. Indeed, in many organizations, the best people ultimately land up in headquarters. But the authors emphasise that the better and more competent central competent central staff functions

are, the worse it is for the organization. When the central staff is skilled and competent, people keep consulting them on issues such as public relations, strategy formulation and implementation, quality, safety, and so forth to the central office.   If the headquarters staff were not too competent, people in the field would not trust them and would want to be involved themselves.   So, ironically, the better the central staff, the more the rest of the organization comes to depend on those people. And the more centralized knowledge and skill becomes, the less responsibility people closest to the action take.

Fear and Knowledge
It is easier to encourage people to question conventional wisdom and to create dramatic breaks with the past, in an atmosphere of trust and safety.   Getting beyond precedent requires having courage. Driving fear out of the organization helps to encourage courageous behavior.

Fear creates knowing-doing gaps because acting on one's knowledge requires that a person believes he or she will not be punished for doing so – that taking risks based on new information and insight will be rewarded, not punished. When people fear for their jobs, their futures, or even for their self-esteem, it is unlikely that they will feel secure enough to do anything but what they have done in the past.   Fear will cause them to repeat past mistakes and avoid trying out better ways of doing the work.

This tendency for gatekeepers to screen out negative information means that leaders often develop remarkably inaccurate images of their organizations. They believe that no action is needed even though most people in the organization realize the need for change and what needs to be done.

People who fear their bosses not only hide bad news but may also lie about how things are going. Fear, created by managers who are too demanding, leads to falsification of information and the inability to learn, let alone apply that knowledge to improving the organization's operations.

Measurement and Judgment
Measures focus attention on what is measured.   Measures affect what people do, as well as what they notice and ignore. What is measured is presumed to be important. What gets measured gets done. What is not measured tends to be ignored.

But this also leads to peculiar behavioral issues and many unintended consequences. Thus, blind adherence to making the budget leads to all kinds of games in setting the budget targets in the first place. Then to obtain short-term results that meet or exceed targeted expectations, people do numerous things, some of which are harmful to the firm and its development of capabilities in the long term.

At the end of the day, effective measurement systems that will drive behavior need to be simple enough to focus attention on key elements and fair enough so that people believe they can affect the measures. Also, the measurement systems must not be so powerful in directing people that important elements of behavior and performance receive too little or no attention because of the unrelenting emphasis just on the quantitative measures

incorporated in the system. No measurement system can capture all the important elements of performance or all the behaviors that people need to do for the organization to be successful. So, measurements should be guides, helping to direct behavior, but not so powerful in their implementation that they substitute for the judgment and wisdom that is so necessary to acquire knowledge and turn it into action.

The authors print out that there are too many end-of-process measures and not enough in-process indicators that help people understand what is going right and what is going wrong. End-of-process measures cause those subjected to them to feel a great deal of pressure, to feel tightly controlled. The problem is that they are not being measured or controlled on the things that really matter and things that they can directly affect – their specific behaviors and actions on the job.

The model of behavior implicit in the measurement systems used by most firms is that individuals are atomistic and economic rather than social, creatures. The atomistic view is captured in having measures for each individual. This procedure presumes that individual results are the consequences of individual decisions and actions. Individual outcomes and individual behaviors are under the control and discretion of these individuals, so that results and decisions can be reasonably and reliably attributed to individuals. But individual performance in an interdependent system is always difficult or impossible to measure. Individual performance and behavior, even if they could be accurately assessed, are the results of many things over which the person has little or no control.

The firms which are good at turning knowledge into action, measure things that are core to their culture and values and intimately tied to their basic business model and strategy, and use these measures to make business processes visible to all employees.

Measurement practices that help organizations to leverage knowledge effectively typically have the following characteristics:

- The measurements are relatively global in their scope. They focus less on trying to assess individual performance and more on factors critical to organizational success.

- The measures are focused more on processes and means to ends, and less on final outcomes. This focus results in measures that facilitate learning and provide data that can better guide action and decision making.

- They are tied to and reflect the business model, culture and philosophy of the firm. As a result, measurement practices vary from one firm to the other as the business imperatives, cultures, and philosophies vary. And, in measuring things such as adherence to values, recruitment and retention, and working cooperatively with others, the measures depart from conventional accounting-based indicators.

- The measures result from a mindful, ongoing process of learning from experience

and experimentation. There is a feeling that the measurement system can always be improved. Because the business environment is likely to change, practices that are effective now, may be ineffective in the future. Measures evolve to serve a fundamental core business and operating philosophy or strategy that is more constant.

❬ The measurement process uses comparatively few metrics. Although these firms may collect a large amount of data, they focus on a small set of measures that are crucial for supporting the company's business model, philosophy, and culture.

Internal Competition

The degree of competition in any company is largely a matter of choice. Companies vary dramatically in how much they use competition to organize what people do. Excessive internal competition can destroy the moral fabric of many organizations.

A manager who copies from a competitor is perceived as being engaged in competitive benchmarking. A manager copying someone outside the firm does not have to worry about the consequences of demonstrating that another person is superior because the two are not in direct competition inside the firm. In contrast, borrowing from someone inside signals to everyone inside the company that there is someone else who is better, at least on some dimensions. Copying others inside the firm is perceived to have negative career consequences. There is little internal learning because competition for status and management attention interferes with the transfer of better ways of doing things.

A strong social identity binds people together and to the unit, creating loyalty, teamwork, and mutual commitment. But a strong social identity also causes people to reject knowledge and practices that are different from how people in their group think and act – even though, they may agree with the ideas and accept the evidence that underlies such knowledge.

Competition causes people to see more distinctions between units than actually exist and to spend time thinking and talking about these minor or even imagined differences. As such, competition makes it more likely that ideas from other units in the firm will be rejected because they are inconsistent with the social identity of some other group or subunit.

The authors point out that dominating others in a zero-sum contest can be avoided. Success can be better achieved without sorting people into groups of winners and losers. There is a large body of research showing the power of the Pygmalion effect. When teachers believe that their students will perform well, they do. Independent of other factors, when leaders believe their subordinates will perform well, these positive expectations lead to better performance.

The overall performance of a group can be increased when leaders expect everyone to do well. There is apparently no need to sort people into subgroups of high-status "winners" and low-status "losers" in order to use the power of the self-fulfilling prophecy to enhance performance.

Once a person, group, or division has lost in a performance contest and is labeled a "loser," subsequent performance will be worse because leaders and others will unwittingly act to fulfill the poor performance expectation. And, the loss of self-worth, and motivation felt by those who are treated as losers leads to further deterioration in performance.

Intellectual tasks that require learning and inventing new ways of doing things are best performed under drastically different conditions than tasks that have been done repeatedly in the past. People are better at learning new things, being creative, and doing intellectual tasks of all kinds when they don't work under close scrutiny, they don't feel as if they are constantly being assessed and evaluated, and they aren't working in the presence of direct competitors.

Competition inhibits learning and creativity. Instead of focusing on the task at hand, people focus too heavily on what competitors are doing, on how well they are performing in comparison, and on the reactions of third parties such as leaders and peers who are the audience for the contest. Moreover, when a task is difficult or complex and requires help and sharing ideas with others, internal competition is especially destructive.

Turning Knowledge into Action
The knowing-doing gap arises due to several factors. According to the authors, this gap can be minimized if we understand and carefully deal with the following factors:

Why before how.
Too many managers want to learn "how" in terms of detailed practices and behaviors and techniques, rather than "why" in terms of philosophy and general guidance for action.

Knowing comes from doing and teaching others how.
Learning is best done by trying a lot things, learning from what works and what does not, thinking about what was learned, and trying again.

Action counts more than elegant plans and concepts
Without taking some action, learning is more difficult and less efficient because it is not grounded in real experience. The idea of "firing" and then "aiming" helps to establish a cultural tone that talk and analysis without action are unacceptable.

There is no doing without mistakes
In building a culture of action, one of the most critical elements is what happens when things go wrong. Even well planned actions can go wrong. All learning involves some 'failure,' something from which one can continue to learn. Reasonable failure should never be received with anger.

Fear fosters knowing-doing gaps, so drive out fear.
Fear in organizations causes all kinds of problems. People will not try something new if the reward is likely to be a career disaster.

Putting people first and driving out fear are not just ideas to be implemented when times are good. Companies can downsize, can even close a facility, but do it in a way that maintains employee dignity and well-being and, as a consequence, productivity and performance.

Fear starts, or stops, at the top. It is unfortunate, but true, that a formal hierarchy gives people at the top the power to fire or harm the careers of people at lower levels. Fear of job loss reflects not only the reality of whether or not one can readily find another job, but also the personal embarrassment that any form of rebuke causes. In organizations that are successful in turning knowledge into action, leaders inspire respect, affection, or admiration, but not fear.

Fight the competition, not each other.
It is a mistaken idea that because competition has apparently triumphed as an economic system, competition within organizations is a superior way of managing. Firms establish various practices that intensify internal rivalry: forced-curve performance rankings, prizes and recognition for relatively few employees, raises given out in a zero-sum fashion, and individual rewards and measurements that set people against each other.

Cooperation has somehow developed a bad reputation in many organizations. Collaborative, cooperative organizations, where people worry about the welfare of each other and the whole instead of just themselves, seem to remind some people of socialism. The authors emphasise that, cooperation must be viewed positively. Cooperation means that the result is the product of common effort, the goal is shared, and each member's success is linked with very other's.

Measure what matters and what can help turn knowledge into action.
The dictum that what is measured is what gets done has led to the apparent belief that if a company measures more things, more will get done. But that is not at all the case. Typical information systems can tell us what has happened – but they seldom provide information that is helpful in determining why results have been as they have or what is going to happen in the near future. So organizations must also measure processes, not just outcomes. A few measures that are directly related to the basic business model are better than a plethora of measures that produce a lack of focus and confusion about what is important and what is not.

What leaders do, how they spend their time and how they allocate resources, matters.
Leaders of companies which have been successful in minimizing the knowing-doing gap understand that their most important task is not necessarily to make strategic decisions, or, for that matter, many decisions at all. Their task is to help build systems that facilitate transformation of knowledge into action in a smooth, reliable way.