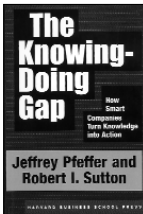




## BRIDGING KNOWLEDGE AND ACTION

BY KARA PETERS



**The Knowing-Doing Gap: How Smart Companies Turn Knowledge into Action**  
by Jeffrey Pfeffer and Robert I. Sutton

In today's knowledge-based economy, few can claim that they suffer from lack of information. Yet despite the vast array of knowledge resources at their disposal, managers consistently fail to implement practices that they *know* to be beneficial—even essential—to the health of their organizations. In an age in which best practices of leading companies are widely documented and important information is often only a database away, competitive advantage resides in the ability to translate knowledge into action. In *The Knowing-Doing Gap: How Smart Companies Turn Knowledge into Action* (Harvard Business School Press, 2000), Jeffrey Pfeffer and Robert I. Sutton examine the reasons for the destructive chasm between what managers know should happen and what actually does.

### Fear and Competition

The authors contend that companies' frequent inability to use what they know stems less from the quality of their workers than from the systems and structures that they put in place—usually in the name of improving performance. They point to business best-sellers like *Only the Paranoid Survive* by Intel CEO Andrew Grove as evidence that many leaders still regard fear, distrust, and meanness as effective management techniques. Conventional wisdom assumes that competition and fear for

one's job stave off complacency. Not only does this approach fail to recognize the multiplicity of factors that motivate people, it promotes a “shoot the messenger” mentality, which discourages the sharing of information. As a result, leaders often develop an inaccurate image of their organization, and may believe that no action is needed.

Fear also hampers action by provoking people's instincts for self-preservation and distracting their attention from the well-being of the organization as a whole. If people are penalized for failing to meet their numbers, they inevitably find ways to blame others instead of working to put their collective knowledge into action. In this way, the authors caution, fear engenders the very behaviors that often delay action indefinitely: “In building a culture of action, one of the most critical elements is what happens when things go wrong. . . . What is the company's response? Does it provide . . . ‘soft landings’? Or does it treat failure and error so harshly that people are encouraged to engage in perpetual analysis, discussion, and meetings but not to do anything because they are afraid of failure?”

Incentive programs that spark internal competition also undermine effective action. By highlighting individual performance at the expense of teamwork, organizations virtually ensure that employees will not share important information. This practice ultimately undermines productivity.

Companies that surmount the knowing-doing gap, like Southwest Airlines, mobilize employee energy around external threats. For example, when competitors to the successful airline emerged, CEO Herb Kelleher

entreated employees to focus their knowledge, resources, and unique corporate culture on defeating “the enemy.”

### Measurement Misfires

Many organizations inspire immobilizing fear in the first place because of a misplaced emphasis on measurement. According to the authors, most types of measurement accurately track what happened in the past, but do not help people use what they know to achieve future results.

Moreover, by focusing exclusively on individual performance, most measurement practices neglect to acknowledge that organizations are complex, interdependent systems. Measurement systems that turn knowledge into action are usually global in scope and focus on factors critical to organizational rather than individual success. They also reflect the culture and guiding philosophy of the firm, by assessing such things as adherence to values and cooperation. “At its best,” contend Pfeffer and Sutton, “measurement closes the loop, auditing and assessing what the organization is doing, thereby ensuring that the firm does what it knows.”

The book's many case studies suggest that the organizations that are able to “do what they know” are guided by a set of core values. Rather than spending countless hours in meetings, honing pie charts, and perfecting presentations, these companies set their employees free, armed with enough support, autonomy, understanding, and inspiration to put their knowledge to work. ■

Kara Peters is a Boston-based editor and writer.