



# When best becomes worst

How can organisations prevent best practices from impeding their progress during 'interesting times'? Dr Yogesh Malhotra shares his views.

**T**he current thrust of organisational business and performance management initiatives focus on archiving 'best practices' so other employees can access them later.

Archival and the subsequent referral of information are believed to facilitate efficient problem solving and prevent unnecessary allocation of resources to inefficient search processes. Incidentally, in due course, the archived 'best practices' tend to define the 'company way'.

Business solutions characterised by memorisation of best practices might define the assumptions that are embedded not only in information databases, but also in the organisation's strategy, reward systems and resource allocation systems.

Within a changing business environment, such organisations may be doing 'more of the same' better, but with diminishing marginal returns. Just like the boiling frog who is unable to sense the gradual change in temperature and ultimately boils to death, the cycle of doing more of the same tends to result in locked-in behaviour patterns causing an organisational death spiral.

Yesterday's core capabilities embedded

in best practices, could become tomorrow's core rigidities. Institutionalisation of best practices by embedding them in information repositories might facilitate efficient handling of routine, linear or predictable

situations during stable or incrementally changing environments. However, when change is radical and discontinuous, there is a persistent need for continual renewal of the basic premises underlying best practices. Organisations in such environments need imaginative suggestions more than they do best practices.

One possible option for getting out of the status quo often implied by best practices might be to view the following processes as necessary and relevant and occurring in a parallel state. (Most current thinking – based on theory and practice – suggests an oversimplification of what is necessary for sustained competence.)

Consider these as parallel processes:

- reinforcement and exploration
  - learning and unlearning
  - efficiency and effectiveness
  - construction and deconstruction.
- The basic intent is to set up a 'real-time' feedback-and-feed forward loop of

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actively scanning the unstructured reality (or what Ackoff called 'messes') for emerging patterns that suggest the emergence of something new. Meanwhile, you must ensure there is a mechanism for testing perceived patterns and implementing the resultant lessons learned into the extant logic of the processes.

The greatest challenge is being able to do the former in the above list, while striving for the latter. In other words, it is challenging to implement efficiency while unravelling the underlying logic to strive for effectiveness. Similarly, it is challenging to implement learning while unravelling the underlying assumptions to strive for unlearning, and so forth.



There are various arguments that could be made to support the above logic. For instance, one might consider that any competitive advantage is transitory – given the changing dynamics of the environment, the industry and the competition. What is ‘best’ today may be ‘worst’ tomorrow, depending on the shift in the references that determined its ‘best-ness’, hence the need for ongoing re-assessment.

Now, the question of how it can be implemented must be asked. What is evident from my discussions at some of the big knowledge management conferences is that most experts still adhere to the linear logic of alternating former and latter.

Due to the very nature of programmed machinery of information technologies, they would demonstrate superior

performance (in the foreseeable future) for an efficiency-seeking, optimisation-oriented, convergent model. However, human minds, being endowed naturally by sense-making capability, could impose structures of patterns on the changing shape of ‘messes’ and provide the necessary correction. Importantly, this correction needs to be scanned, tested and implemented in ‘real time’ to keep in tune with the changing dynamics (discontinuities) of the external environment. ■

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#### **About the author**

Dr Yogesh Malhotra is regarded as one of the world’s most influential contributors to advancement of research and practice in knowledge management and its applications in strategic innovation and e-business. He has more than 18 years professional experience as a chief

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He has taught on the faculty of Executive MBA programmes at the Kellogg School of Management at Northwestern University and the Graduate School of Industrial Administration at the Carnegie Mellon University and holds a faculty appointment at the Syracuse University. His keynote speeches and advisory engagements address the concerns of corporate and technology executives between Silicon Valley and Seoul and technology and policy heads of prominent world governments. He is a member of the board of directors of Knowledge Management Consortium International, a founding member and contributing editor of the Ziff Davis Standard for Internet Commerce.

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