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Chapter 23

A Study of Knowledge Benefits Gained From Projects: The Electric Utility Industry Y2K Project Experience

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Projects can cause organizations to perform in new ways resulting in the generation of knowledge. It is postulated that organizational learning occurs when new knowledge is captured and disseminated to the organization. It is expected that knowledge management facilitates organizational learning. Members of utility Y2K projects were surveyed with respect to knowledge benefits gained from their projects. Strong agreement for the existence of knowledge benefits was found and a listing of benefits generated. However, there was much less agreement on how to capture the benefits with many organizations taking little, if any, action. The conclusion is that while organizations recognize knowledge benefits, many do not have the tools or processes in place to take advantage of them.

INTRODUCTION

Organizational activities such as projects can result in knowledge generation. Organizational learning occurs from the acquisition, distribution, and interpretation

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of this knowledge by the organization. It was propositioned that organizations would use knowledge management to facilitate organizational learning by providing methods/tools for capturing and disseminating the generated knowledge. To test this proposition, members of utility Y2K projects were surveyed on knowledge generation, perceived knowledge benefits, and methods used to capture knowledge benefits. Utility Y2K projects were selected due to their large scope, high cost, high risk, and high stress suggesting that if any project would result in knowledge generation, then these would be it. However, the results of the survey were mixed. While project personnel were strong in their belief that there were knowledge benefits and could identify several, they were much less positive in their identification of methods for capturing knowledge benefits. This lends doubt as to the amount of organizational learning that actually occurred.

BACKGROUND

Organizational Learning

Organizational Learning has been defined as a quantifiable improvement in activities, increased available knowledge for decision making, or sustainable competitive advantage (Easterby-Smith, 1997; Miller, 1996; Cavaleri, 1994; Dodgson, 1993). Malhotra (1996) defines organizational learning as the process of "detection and correction of errors." In this view organizations learn through individuals acting as agents with individual learning activities facilitated or inhibited by an ecological system of factors that may be called an organizational learning system. Huber (1991) considers four constructs as integrally linked to organizational learning: knowledge acquisition, information distribution, information interpretation, and organizational memory.

Y2K Knowledge Benefits

The result of utility Y2K projects was a quiet rollover into 2000. What began as a high pressure, high visibility project ended suddenly and quietly. The aftermath saw many experts and critics questioning the validity and resources spent on Y2K. Several organizations published responses to these questions. All agreed that Y2K was a real issue and cited knowledge generated from the projects as one of the major gains from Y2K expenditures. Findings from these reports include:

- Success for those who did not spend heavily on Y2K was a result of knowledge sharing by those companies who took the lead in resolving Y2K issues, Cauley and Roth.
- The cost of contingency planning is worth it if organizations take the knowledge gained from Y2K and roll it into improved business continuity planning, Gartner Group.