# Chapter 61 Knowledge Management and the Non–Profit Sector

**Brook Manville**Brook Manville, LLC

Category: Application-Specific Knowledge Management

### INTRODUCTION

Research and practice over the last twenty some years has increasingly formalized knowledge management (hereafter "KM") as both an accepted business operating protocol and an academic discipline in its own right (Wiig, 2003; Schwartz, 2005; Cohen, 2006). But, except for the occasional enlightened organization, KM inquiry and practice has not been found among non-profit enterprises; as one indicator, several recent tracts on strategic and effective management

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aimed at non-profit audiences lack any mention of knowledge management per se (Collins, 2005; Herman & Associates, 2005; Edwards & Yankey, 2006; Crutchfield & McLeod Grant, 2008). Rather, most of the knowledge management research and practice (like that of information and communications technology, or hereafter "ICT") has been centered in commercial enterprises, fueled by forprofit willingness to pursue new organizational approaches leading to enhanced performance and leverage the ever-more-sophisticated applications of computing and network technology. The historical gulf between KM-savvy commercial enterprises and KM-agnostic non-profits, however, is beginning to shrink, for reasons this essay will discuss. And though some of the interest and adoption of KM practice by non-profit organizations is not necessarily tied to any strictures of the charitable and "do-good" world, some dimensions of its emerging practice in that sector are indeed more particular to its character and form. What follows also discusses this, and looks ahead to some of the emerging practice of KM in non-profit organizations.

We begin our discussion with the predictable qualification about definition and scope. The non-profit sector (also called, variously, the citizen sector, social sector, et al) is an exploding phenomenon in its own right, with 1.5 million now accounting for more than \$1 trillion in revenues in the U.S.; during the past 15 years nonprofits grew faster than the overall economy, with thirty thousand new organizations created each year. Worldwide growth is also increasing, with global expenditures on this sector accounting for nearly 5 percent of combined global gross domestic product (Crutchfield & McLeod Grant, 2008, pp. 2-3). The range of kinds of organizations is dizzying, from rich foundations to just-scraping-by neighborhood associations to educational institutions, to environmental boutiques to global health and human services providers to professional associations to job training to youth leadership to...the list goes on and on. Needless to say, generalization about millions of different organizations in this sector have to be accepted for what they can only be—broad thematic indicators of representative concepts and practices.

On the surface, most non-profits would seem to be obvious candidates for the strategy, processes, and technology of knowledge management. Devoted to a particular purpose, mission or cause, non-profit organizations usually don't manufacture or make anything, or build wealth, but rather strive for some kind of social or economic change—and the main assets that they bring to bear are typically knowledge. Though not normally described as "knowledge-based organizations," that's what most of them are, to the core: consider for example Habitat for Humanity (http://www.habitat.org), whose mission of providing affordable housing depends on acquiring and putting into

practice the knowledge of how to build decent, inexpensive houses; or the Red Cross (http:// www.redcross.org), whose emergency response depends on the knowledge of treating victims and providing supplies and relief services; or the United Way (http://www.liveunited.org) whose knowledge of local communities and needs, as well as fundraising procedures in corporations allowed them to build the largest private charity in America; or Ashoka (http://www.ashoka.org), whose 25 years of experience in researching, selecting, and developing socially entrepreneurial leaders has given them the ability to spread social innovation across 60 countries in multiple pathbreaking programs; or Teach for America (http:// www.teachforamerica.org) whose pioneering approach to reforming education has been based on increasingly refined knowledge of selecting, training, and supporting high achievement young teachers in underperforming urban schools.

One major sub-segment of the non-profit sector might on the surface seem like a major exception to the "knowledge-based organization" premise: private foundations, which are typically known primarily for the financial resources they bring to fostering change by funding a wide variety of social programs through grants (Fleishman, 2007). Though no one should deny the importance of money in what foundations do, a number of these institutions would claim always to have been focused on not just dispensing grants but also on bringing knowledge to bear on to whom and how to make their grants, and indeed many foundations are now beginning to focus explicitly on managing knowledge and increasing their organizational learning on the basis of what has resulted from specific grants (see below).

Non-profit organizations are also obvious candidates for pursuing KM because of another core process on which so many of them depend—taking a particular innovation, or practice, or societal-changing idea "to scale," i.e. bringing best practice to greater impact by replication, transfer to other locations or domains, or otherwise increasing

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