

# Chapter XII

## Organizational Memory Challenges Faced by Non-Profit Organizations

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### ABSTRACT

*Research on how organizational memories can be created, preserved and made available for future reuse in NPOs is presented. An initial review of the existing literature on organizational memory research is summarized. Particular emphasis is placed on the technologies used to support organizational memories and cultural considerations, particularly with respect to incentives. Three case studies are then described to illustrate the particular challenges faced by the NPO sector: the Second Start school for students with behavioral problems, La Centrale, an artist-run centre, and Oxfam Quebec, an international aid organization. The chapter concludes with a proposed typology that can be used to characterize organizational memory models and systems that are best suited to different types of NPOs, which will vary with respect to main features such as organizational maturity, size and complexity.*

### INTRODUCTION

Traditionally, knowledge management (KM) and organizational memory (OM) research has focused on the private sector, likely owing to the field's roots in business management (Beazley, Boenisch & Harden, 2003). However, non-profit organizations (NPOs) have many of the same concerns and management issues as do profit-making

firms, such as high turnover and the need for sound OM practices to ensure knowledge continuity and transfer to future knowledge workers. Nonprofits are also involved in knowledge work and have a clear need for a comprehensive strategy to manage the creation, storage, and dissemination of knowledge. Knowledge management practitioners have realized that one cannot easily adopt a "one size fits all" approach to complex and varied or-

ganizational settings. Previous research (Dalkir and Lemieux, 2005) has shown that while KM and OM remedies can be simply scaled down for smaller for-profit organizations, the same was not true of non-profit organizations. While the matter of resources plays a major role, this was not the only parameter that differed. One of the major differences lies with the culture of the organization and this variable is certainly very different in non-profit settings (Lettieri et al, 2004). In addition, the non-profit sector faces more barriers in terms of obtaining sustainable sources of funding for the implementation of OM initiatives, particularly in terms of technology and dedicated OM team members.

Both theory and research emphasize the important role non-profit organizations play by connecting and networking people and mobilizing them for collective action (Backman and Smith 2000; Putnam 2000). NPOs thus generate a great deal of “social capital” which is defined as the value produced from the trust, norms and social networks that enable a group of participants to act together more effectively to pursue shared objectives (Coleman, 1988; Putnam, 1993). Central to this concept of social capital is the interdependence of nonprofits with other institutions and their communities. Nonprofits’ value to society is not based solely on their products and services but also their ability to engage people—board members, volunteers, staff, members, and residents—in activities that are vital to the common good.

This chapter characterizes how organizational memories can be created, preserved and made available for future reuse in NPOs. It begins with a review of the existing literature on organizational memory research with a particular emphasis on the technologies used to support organizational memories and cultural considerations, particularly with respect to incentives. The major challenges facing NPOs in the creation, maintenance and active leveraging of organizational memory systems are then addressed and illustrated using case studies from the NPO sector: the Second Start

school for students with behavioral problems, La Centrale, an artist-run centre and Oxfam Quebec, an international aid organization. A typology is then proposed to characterize organizational memory models and systems that are best suited to different types of NPOs, which will vary with respect to main features such as organizational maturity, size and complexity. The chapter concludes with a discussion of future trends and outlines key future research needs.

## **A REVIEW OF ORGANIZATIONAL MEMORY SYSTEMS**

Krandsdorff (1998) coined the term “corporate amnesia” to refer to the loss of accumulated expertise and know-how due to employee turnover since people take what they know with them when they leave. The costs of employee turnover to the organization have been well documented (e.g. separation costs, recruitment and selection costs, training of replacements, initial lack of productivity of new hire, and the loss of productivity of co-workers during the transition). A well-designed and well-managed organizational memory will not only combat corporate amnesia, but it will ensure knowledge continuity – the effective transfer of know-how amongst peers and to future generations of knowledge workers. A better understanding of what organizational memory (OM) should address (content), how it can be best retained (technological containers) and how newcomers to the organization can best benefit from the accumulated lessons learned and best practices (connections) will help mitigate the costs of lost, forgotten or un-transferred knowledge and know-how.

The inability of an organization to learn – i.e. for new members to benefit from the accumulated wealth of knowledge of that organization is a major reason why employees engage in rework: why they repeat mistakes made by others earlier or when they reinvent existing work – because they

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