Chapter XVII
Understanding Organizational Memory

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INTRODUCTION

It is generally recognized that Walsh and Ungson (1991) “provided the first integrative framework for thinking about organizational memory” (Oli-vera, 2000, p. 813). Within the field of knowledge management (KM), there has been interest in a variety of issues surrounding organizational memory (OM), which is understood to involve processes of storage and retrieval of organizational knowledge of the past for use in both the present and the future. The recognition of the importance of OM has implications for practice. For example, Argote, Beckman, and Epple (1990) suggest that the effective use of OM can protect an organization from some of the negative effects of staff loss, while Stein (1995, p. 19) asserts that an appreciation of OM can facilitate the solution of problems associated with the retention and utilization of knowledge within organizations.

Although the need to preserve knowledge in organizations is now recognized, organizational theorists still disagree on a number of issues relating to OM. Existing literature exhibits contradictory arguments regarding OM which can make the relevance and application of OM concepts to KM difficult to understand. This chapter describes some of the disagreements surrounding OM in order to provide a deeper understanding of how OM might help to manage knowledge.

BACKGROUND

The topic of OM has received a great deal of attention from researchers across a wide range of disciplines, most notably organization theory,
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psychology, sociology, communication theory, and information systems. In a detailed exploration of OM, Stein (1995, p. 17) suggests that “there are three major reasons to explore this concept in more detail: (1) memory is a rich metaphor that provides insight into organizational life; (2) OM is embedded in other management theories; (3) OM is relevant to management practice.”

Most of the literature on OM tends to focus on definitions of the term, the content and types of OM, its location, and the processes associated with the acquisition, storage, retrieval, and maintenance of memory (Walsh & Ungson, 1991; Stein & Zwass, 1995; Casey, 1997). Walsh and Ungson (1991, p. 61) provide an overall definition of OM as “stored information from an organization’s history that can be brought to bear on present decisions.” This corresponds closely with the definition given by Stein (1995), who regards OM as the way in which organizational knowledge from the past is brought to bear on present activities.

Some studies have addressed the role of information technology in developing OM systems (OMS) which support OM processes (Sherif, 2002). Several researchers have highlighted the barriers to the implementation of OMS, the ways in which they might be overcome (Sherif, 2002), and the influence of OM on organizational effectiveness (Olivera, 2000).

OM occupies a significant place within management literature. However, Walsh and Ungson (1991, p. 57) argue that “the extant representations of the concept of OM are fragmented and underdeveloped.” Examination of the existing literature reveals frequent divergence of understanding of the notion of OM (Corbett, 1997). Indeed, earlier researchers (most notably Ungson, Braunstein, & Hall, 1981; Argyris & Schon, 1978) denied the existence of OM. Generally, organizational theorists disagree about a variety of issues surrounding OM. Ackerman and Halverson (1998, cited by Schwartz, Divitini, & Brasethvik, 2000, p. 3) are concerned that a clear and universally accepted definition of what an OM should do appears to be lacking:

*After nearly 10 years of research, the term organizational memory has become overworked and confused. It is time for a re-examination. The term is burdened with the practical wish to reuse organizational experience, leading researchers to ignore critical functions of an organization’s memory and consider only some forms of augmenting memory.*

**CONTROVERSIES IN OM**

The field of OM exhibits many controversies in which researchers seem unable to agree about fairly fundamental features. The literature regarding these issues tends to be somewhat sparse and inconclusive. Some of the most notable of these issues, on which we focus in subsequent sections, are:

- Can organizations be said to have memories, or is OM essentially anthropomorphism?
- What is the relationship between the research fields of OM and KM?
- Does OM reside in the minds of individual organizational members, or elsewhere?
- Is OM appropriately modeled in terms of static storage bins, or should it be treated as a dynamic socially constructed process?
- How are OM systems operationalized?
- Is OM functional or dysfunctional in terms of organizational performance and effectiveness?

**IS OM ANTHROPOMORPHISM?**

Some researchers question whether OM can truly exist at all. They argue that, unlike an individual human being, an organization cannot be said to
have a memory. Walsh and Ungson (1991) suggest that the idea of OM raises possible problems of anthropomorphism: Attributing characteristics that may be uniquely human to organizations may be an everyday convenience, but may obscure rather than clarify research issues. Argyris and Schon (1978), for example, contend that organizations cannot memorize knowledge of the past. Others, however, argue the contrary. Weick (1979, p. 206), for instance, asserts that organizational memory is implicated in the production of organizational personality, and that organizations must accept and live with their memories.

WHAT IS THE RELATIONSHIP BETWEEN OM AND KM?

The relationship between OM and KM is another issue of contention. Knowledge management encompasses the management of organizational knowledge to enhance competitive advantage and implies an integrated approach to identifying, capturing, preserving, and retrieving the knowledge associated with the activities of an organization. Davenport and Prusak (1998), for example, define KM as the process of capturing, preserving, and distributing organizational knowledge. But are OM and KM fundamentally distinct fields of enquiry, or do they possess substantial commonality? This question is unresolved. Recent KM literature has either identified OM as an element of KM or appears to have used the terms, whether by accident or design, interchangeably. Unfortunately, however, there has been little attempt to systematically address the nature of the differences and similarities between them. There is little agreement as to what, if indeed anything, distinguishes OM from KM.

OM and KM seem to have evolved, at least, into close partners (Schwartz et al., 2000). Most researchers, including Kuhn and Abecker (1998), view OM as an important component of the KM perspective. The argument is that OM, being concerned with the preservation of knowledge for present and future use, must be integrated with KM. Similarly, Randall, Hughes, O’Brien, Rounefield, and Tomie (2001) consider OM to be a sister concept to KM, and the two are in practice used interchangeably. Hoog and Spek (1997, p. v) acknowledge the close relationship between OM and KM when they state that an important problem in KM is “insufficient use of knowledge possibly stored in badly organised corporate memories.”

However, some researchers hold the view that OM and KM are not the same and should not be confused. Marsh and Morris (2001), for example, draw attention to temporality, arguing that KM is of the present, while OM is of the past. They regard KM as relating to the management of knowledge that is currently in use, while OM is concerned with the storage of past knowledge for future use.

Given that a central aspect of KM is the preservation and retrieval of organizational knowledge and that OM is the mechanism by which knowledge from the past is brought to bear on the present and future, it seems legitimate to regard OM as a constituent of KM. The two terms are not synonymous: KM, which addresses the entire issue of managing organizational knowledge, is a far broader area than OM. The storage and retrieval of organizational knowledge is just a part, albeit a crucial part, of the whole job.

WHERE DOES MEMORY RESIDE?

The memories held by an organization constitute a record of its past that may contain a vast amount of knowledge. The literature recognizes a variety of types of devices that may store knowledge (Table 1).

Where organizational memory resides, however, is controversial. The traditional view is that
organizational knowledge is brought into being by people within the organization, and that it is located within the human mind (El Sawy, Gomes, & Gonzalez, 1986; Olivera, 2000). Others place it in the organization itself (Galbraith, 1977). Walsh and Ungson (1991) suggest that memory resides in many different organizational locations, and adopt a “storage bin” analogy, in which OM is structured in six bins which underpin processes of knowledge acquisition and retention (Table 2).

**SHOULD OM BE VIEWED AS A SOCIALLY CONSTRUCTED PROCESS?**

The storage bin model of OM is typical of a perspective that regards OM as centered around “sets of knowledge retention devices, such as people and documents, that collect, store, and provide access to the organization’s experience” (Olivera, 2000, p. 815). However, this is not a universal perspective. The typology of OM constructed by Nissley and Casey (2002) contrasts the storage bin view with that of OM as a socially constructed process, and this is an approach adopted by many researchers (Conklin & Star, 1991; Randall, O’Brien, Rounefield, & Hughes, 1996; Casey, 1997; Randall et al., 2001; Nissley & Casey, 2002; Ackermann & Halveson, 1998). For example, Nissley and Casey (2001) regard collective memory as a socially constructed shared interpretation of the past, and Randall et al. (1996) suggest that considerations of memory should acknowledge “social context,” which is relevant not only to retention and transfer of knowledge but also to how it becomes useful to people in the course of their work.

Similarly, Conklin and Star (1991) regard OM as a facilitator of organizational learning. OM is more than the aggregate of the memories of the members of the organization—it is a social phenomenon. Randall et al. (1996, p. 29) emphasize that:

*OM should be seen as a collection of socially organized activities done by persons in organizations; that is, remembering as a feasible achievement verb. To put it another way, the ‘organizational memory’ metaphor fails to distinguish the kinds of social remembering that might take place in organizational life, and provides few examples of*
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Table 2. A storage bin model of organizational memory (Walsh & Ungson, 1991)

<table>
<thead>
<tr>
<th>Internal retention bins:</th>
<th>Storage bins</th>
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<tbody>
<tr>
<td>1. Individuals (and their own memory aids, such as files);</td>
<td>1. Individuals (and their own memory aids, such as files);</td>
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<tr>
<td>2. Culture;</td>
<td>2. Culture;</td>
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<tr>
<td>3. Transformations (procedures, rules, and systems that guide</td>
<td>3. Transformations (procedures, rules, and systems that guide</td>
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<td>the transformations of inputs into outputs);</td>
<td>the transformations of inputs into outputs);</td>
</tr>
<tr>
<td>4. Structures (in particular, organizational roles);</td>
<td>4. Structures (in particular, organizational roles);</td>
</tr>
<tr>
<td>5. Ecology (the physical structure of the workplace); and</td>
<td>5. Ecology (the physical structure of the workplace);</td>
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</table>

the ‘remembering how,’ ‘remembering who,’ and ‘remembering what’ that we are interested in.

HOW ARE OM SYSTEMS OPERATIONALIZED?

Existing literature tends to either neglect the operationalization of OM systems, taking them for granted, or describe it in the context of a technology-based or a people-focused approach. Technologies do indeed play an important role in how organizations preserve their knowledge. Anand, Manz, and Glick (1998) considered technology-based OM systems to fully acknowledge technologies as forms of OM, and several researchers (e.g., El Sawy et al., 1986; Te’eni & Weinberger, 2003) conceptualize IT-supported OM.

Computer-mediated IT, such as Lotus Notes, databases, and Intranets, provide mechanisms for retaining and accessing electronic archives. Stein and Zwass (1995) stress the role of technology in actualizing OM and provide a model for an OM system, of which information systems are a vital component. Meanwhile, some researchers recognize the importance of non-IT-based processes in operationalization of OMS (Walsh & Ungson, 1991). Organizational members may be the most effective means to operationalize storage and retrieval of knowledge.

IS OM FUNCTIONAL OR DYSFUNCTIONAL?

It is perhaps surprising that there are arguments not only for, but also against, the desirability of making the knowledge of the past available in knowledge storage repositories (Paper & Johnson, 1996). Some do indeed argue that OM is functional (Walsh & Ungson, 1991; Stein 1995). Walsh and Ungson (1991, pp. 73-74), for instance, identify three important organizational roles occupied by OM: (1) an informational role; (2) a control function; and (3) a political role. Other benefits that have been identified include increased organizational learning (Te’eni & Weinberger, 2003), improved coordination (Yates, 1989), rapid product development (Moorman & Miner, 1997), and the facilitation of knowledge sharing (Te’eni & Weinberger, 2003). Stein (1995, pp. 31-32) contends that OM can benefit organizations in several ways, including strengthening its identity and providing new personnel with access to the expertise of their predecessors.

However, some authorities (e.g., Walsh & Ungson, 1991; Stein & Zwass, 1995) have pointed to dysfunctionalities. In their view, organizations should discard old practices and develop new ones. Argote (1999) provides evidence which indicates the significance of such policies. Stein (1995) argues that organizational memory is not necessarily a good thing for individuals or orga-
nizations, and that, at the other extreme, it can become a constraint that threatens organizational viability.

**FUTURE TRENDS**

This discussion of OM has focused on a number of key controversies in the field. The contention of the authors of this chapter is that exploration of these controversies will be valuable to the development of OM theory and practice, and that resolving and accommodating the disagreements will lead to substantial advance. Some research has been directed at such resolution and accommodation, and it is in this direction, the authors consider, that the future lies.

OM, as currently depicted, describes the ways in which organizations can learn and memorize knowledge of their past, through their members, by means of both mental and structural artefacts. As such, OM may be seen as a significant element of KM (Schwartz et al., 2000): KM addresses organizational knowledge holistically, while OM focuses on the storage of past or current knowledge for present and future use. The chapter presents divergent perspectives—static storage bin or dynamic socially constructed process—on an appropriate model of OM, with the bulk of the literature apparently favoring the former. In the future, we may expect to see some integration of these perspectives, perhaps moving toward a “dynamic socially-constructed storage bin” model which captures valuable aspects of both.

In parallel to this, the technological view of OM that many adopt has been challenged by some researchers. Anand et al. (1998) argue that in order to implement KM initiatives and to manage OM in particular, it will be crucial to understand the nature of the relationships between technology and other organizational features and, in particular, people. We can expect to see more even-handed approaches to human and technical elements in future OM developments.

Although the arguments pointing to the dysfunctionality of OM, potential or otherwise, should not be ignored, we would suggest that the Markovian organization—the organization with no memory—is a foolhardy goal. Indeed, we suggest it might be an impossible one and that organizations need to address the issue of OM, if for no other reason than managed memory is likely to be more functional (or, to put it more pessimistically, less dysfunctional) than unmanaged memory. The functionality of OM lies in the contribution it can make to the effective management of the future of the organization—to organizational decision-making. However, it is essential to ensure that the knowledge available in the repositories of OM is relevant to that activity.

**CONCLUSION**

Organizational memory is the function of the organization in which organizational knowledge is stored and retrieved for present and future use, and thus contributes importantly to the processes of designing and creating the future of the organization. Although it has interested researchers for several years, many aspects remain unclear and contradictory. The authors hope that this chapter has provided insight into these aspects and recommend a pluralistic stance to them.

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**KEY TERMS**

**Anthropomorphism:** To ascribe human characteristics to things not human. Some authors argue that, unlike a human being, an organization can have no memory. Walsh and Ungson (1991) argue that the idea of organizational memory raises problems of anthropomorphism.

**Computer-Mediated Information Technology:** An effective means of storing and retrieving knowledge. IT tools such as Lotus Notes and Intranets are designed to provide a means for retaining and accessing electronic archives.

**Knowledge Management (KM):** Efforts made by an organization to manage knowledge. Knowledge management is a discipline that promotes an integrated approach to identifying, capturing, storing, retrieving, and transferring an organization’s knowledge so as to enhance its competitive advantage.

**Organizational Memory (OM):** The processes of storing and retrieving knowledge of the past for present and future use. OM draws from a wide variety of disciplines including organization theory and information systems. A better understanding of OM can assist managers in solving problems regarding the retention of knowledge within their organizations.

**Socially Constructed Process:** Socially organized activities undertaken by people in organizations. Socially constructed processes may be examined to achieve a greater understanding of social phenomena by exploring the situated experiences of the persons involved in the social situations. OM can be viewed as a socially constructed process.

**Socio-Technical Approach:** A paradigm in which both social and technical elements are integrated to give a holistic view of a phenomenon. There is a strong argument for an integrated socio-technical approach to KM (particularly
OM) which recognizes the active participation of each organizational member in line with the use of technology.

**Storage Bin:** A generic knowledge retention device in which memory is stored. The storage bin concept as generally presented implies a static conceptualization of OM. The memory’s retention facility can be structured in terms of five internal retention “bins” (individuals, culture, transformations, structures, ecology) and one external “bin” (external archives).

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