Journal of Management Inquiry

http://jmi.sagepub.com/

Published by:

$SAGE

http://www.sagepublications.com

On behalf of:

Western Academy of Management

Additional services and information for *Journal of Management Inquiry* can be found at:

Email Alerts: http://jmi.sagepub.com/cgi/alerts

Subscriptions: http://jmi.sagepub.com/subscriptions

Reprints: http://www.sagepub.com/journalsReprints.nav

Permissions: http://www.sagepub.com/journalsPermissions.nav

Citations: http://jmi.sagepub.com/content/20/3/311.refs.html

>> Version of Record - Aug 17, 2011

OnlineFirst Version of Record - May 11, 2011

What is This?

In Praise of Organizational Forgetting

Mark Easterby-Smith[1] and Marjorie A. Lyles[2]

Abstract

This article reviews and evaluates the concept of organizational forgetting. Drawing on established literature in the field of organizational learning, the authors analyze forgetting from three perspectives—cognitive, behavioral, and social. They argue a counterintuitive line that forgetting, in the right circumstances, can be beneficial for companies and demonstrate how the advantages and disadvantages vary according to the perspective adopted. The authors conclude with some practical suggestions about how companies can increase their ability to forget and also offer suggestions about the academic research agenda.

Keywords

organizational learning, organizational forgetting

Introduction

In 1976, Hedberg, Nystrom, and Starbuck published an article in *Administrative Science Quarterly* titled "Camping on Seesaws: Prescriptions for a Self Designing Organization," which argued that successful organizations should not only be able to cope with instability but also should actually seek it out. A few years later Weick and Westley (1996), following in the same tradition, published an article titled "Organisational Learning: Affirming an Oxymoron." They argued that there was a contradiction between the principles of organization and the principles of learning. "Organizing" is essentially about creating structures and processes that generate stability and predictability; "learning" requires openness to novelty, acceptance of uncertainty, and an acknowledgment that it may not be in our interests to use lessons from the past to control the future.

This latter argument may appear to be essentially counterintuitive, but it contains deep insights, which are often lost from discussions about organizational learning. In this article, we seek to continue the counterintuitive tradition by arguing for the merits of organizational forgetting, even though it is most commonly considered in the literature to be a *bad thing*. We argue that forgetting can lead to new innovations and renewal of organizational routines and decision making.

We start the article by developing a framework that clarifies different forms of forgetting in organizations. We then assess why the different forms of forgetting may be considered to be either an asset or a liability, and we conclude with some thoughts about how organizations might increase their ability to forget and identify some research issues for the future.

Three Perspectives on Forgetting

Organizational forgetting is often intertwined with idea of "unlearning," but there is an important difference. Although both terms refer to the loss of organizational knowledge, the difference is that unlearning refers to deliberate attempts to dispose of unwanted knowledge, whereas forgetting refers to a loss of knowledge that is not necessarily planned or intended. The former is covered well by Zahra, Gawad, and Tsang (in press), where they argue that multinationals expanding into new territories need to unlearn the capabilities and strategies that initially made them successful in their domestic markets. Our interest here is in the latter, and we recognize that it can take place at individual, group, or organizational levels. In other words, individuals may forget things, including technical knowledge, experience, or market intelligence; groups and teams may lose their collective capabilities, forget the reasons for their establishment in the first place, or lose their collective identity; and organizations may forget the strategies that initially made them successful and the reasons for establishing particular systems and routines.

In this section, we draw on established ideas in the field of organizational learning to stretch our understanding of organizational forgetting. We can identify three distinct

[1]Lancaster University, Lancaster, UK
[2]Indiana University Kelley School of Business, Indianapolis, USA

Corresponding Author:
Mark Easterby-Smith, Department of Management Learning, Lancaster University, Lancaster, UK
Email: m.easterby-smith@lancaster.ac.uk

perspectives: a cognitive view, which emphasizes the processing of information and in this sense assumes that an organization is similar to a human brain (Huber, 1991); a behavioral view, which assumes that learning is about developing new habits, routines, and procedures (Argote, Beckman, & Epple, 1990); and a social view, which stresses the interaction between people and groups in organizations, arguing that learning takes place through interaction and that knowledge is therefore a property of the group rather than individuals (Cook & Yanow, 1993).

The Cognitive Perspective

The cognitive perspective covers the recognition, assimilation, and use of new knowledge within the organization (Huber, 1991), and the ability to absorb such knowledge depends very much on the existing cognitive structures and the internal mechanisms that are available for exploiting it (Cohen & Levinthal, 1990; Zahra & George, 2002). Internal knowledge transfer is also important, and here, things are complicated by the fact that some knowledge cannot be fully articulated so is tacit in nature and therefore, sticky (von Hippel, 1994). Also inherent in the cognitive perspective is the recognition that tacit knowledge is often embedded within the explicit knowledge (Dhanaraj, Lyles, Steensma, & Tihanyi, 2004; Nonaka, 1994; Uzzi, 1997) and is difficult to separate out. This cognitive perspective is also developed further by Casey and Olivera (in press), where it is closely linked to organizational memory.

At the individual level, forgetting is easy to grasp: Over the years people forget what they have done and why, and memory tends to deteriorate with age so that it becomes harder to absorb and retain essential information. When teams lose key members, there is often a loss of knowledge and experience, which is similar to collective forgetting (Argote & Epple, 1990). When knowledge is transferred from one group, or organization, to another, it is often necessary for the receivers to reframe knowledge into their own terms so that it fits with their existing experience and they acquire "ownership" of it (Hong, Easterby-Smith, & Snell, 2006). This leads to some loss of the original information. Organizations therefore set up procedures to retain knowledge and experience, through providing minutes of meetings and decisions, and through establishing storage facilities and databases that retain design blueprints and other technical records that underpin company products.

However, in practice, records decay over time. For many companies, the switch from paper-based records to electronic records has created another barrier. Technical records, for example on the design of aircraft that predate 1990, are generally kept in paper form or on microfiche. The problem is that very few people have access to the original filing systems any more, and microfiche readers are becoming

increasingly rare. In Pilkington's glass, old records are kept in boxes in a storage room, and each box has a barcode, which indicates who deposited the box. Unfortunately, no record is kept of the contents of boxes, and therefore, when searching for information, it is impossible to locate anything without knowing the likely interests and expertise of the original depositor of the box who might well have departed the company if not the world (Blackler, Crump, & McDonald, 1999).

From this perspective, forgetting is about the loss of both tacit and explicit knowledge because it is difficult to transfer, or people have moved on, or because technical and physical constraints limit potential access.

The Behavioral Perspective

Behavioral theorists suggest that organizations adapt incrementally based on their past and recent experiences (Levitt & March, 1988). Repeated experiences reinforce certain behaviors, and the firm improves its performance as it becomes more proficient at the task (Argote & Epple, 1990). This duplication of similar situations leads to the establishment of routines and procedures that sense out problems and deviations from the norm and initiate remedial action. Most routines, such as quality assurance or financial monitoring systems, are skewed toward maintaining stability and reducing uncertainty. This is what (Argyris, 1977) refers to as single-loop learning, and it predominates in most companies. However, higher level routines can be established, which have the ability to question and to modify a range of existing operational routines (Fiol & Lyles, 1985). These have the potential, therefore, to enable the organization to learn from experience over time, to improve over time, and ideally to repeat past successes and avoid repeating past failures.

The behavioral perspective also emphasizes the way capabilities are developed from experiential learning and the importance of intuition to the extent that individuals may not be able to articulate exactly why they do things or to explain the basis of the knowledge they have. This parallels the ideas of tacit knowledge (Nonaka, 1994) and knowing-in-practice, which involve knowledge that is expressed only through the actions of individuals and the routines of organizations.

So, forgetting from a behavioral perspective relates either to losing the original rationale for establishing habits and organizational routines or to losing old routines, procedures, and systems themselves. This may or may not be a conscious decision—it may take place in a planned and orderly way, or it may simply be a matter that the individuals who championed particular practices and routines have left the organization or have otherwise lost their influence at the strategic level.

The Social Perspective

The social perspective emphasizes that the practices of organizational decision making, learning, and knowledge creation are collective endeavors that take place within a social context. Thus, strategy is formulated, and operational decisions are made, through conversations between the managers and other individuals who are most centrally involved, either informally through "corridor conversations" or formally through meetings. They are involved in sensemaking (Daft & Weick, 1984; Weick, 2001) about the opportunities and threats in the environment and thus work out collectively on how to focus resources on maximizing potential opportunities.

The social perspective also recognizes diversity and the emergence of ideas. Different subgroups of managers will have different views about policy and strategy. Some may have more political success in imposing their ideas on others, and this will lead, at the organizational level, to the loss of the ideas that are no longer in favor (Easterby-Smith, Graça, Antonacopoulou, & Ferdinand, 2008).

As indicated above, individuals may move away from groups or projects, and they may retire or otherwise leave the organization. This not only means that their individual knowledge and capability will be "lost," it also means that their interconnectedness will be lost. Thus, the relationships within the group or team will be disturbed by the departure of an old member or the arrival of new members. Within the literature, there is a widespread assumption that this kind of organizational turnover is a bad thing because of the loss of individual competencies and knowledge, although attempts to establish direct relationships between labor turnover and organizational productivity/efficiency have led to ambiguous results (Rao & Argote, 2006).

Within the social view, the role of identity is also important. This is not only a matter of the individuals who make up the organization but also the assumptions about the collective capability and purpose of the organization and of the history that brought it to its current position. History, in fact, may be reinvented or rewritten to provide a rationale for current decisions and ambitions. The rewriting of history may be deliberate and conscious (unlearning), or it may be largely accidental and unconscious as a result of the comings and goings of powerful individuals and groups or simply due to people forgetting the past.

Hence, from the social perspective, forgetting is more about the loss of the social networks and shared perspectives, which sustain particular worldviews and strategies. It involves breakdown in the interactions through which identity is maintained and sensemaking is sustained.

The Consequences of Forgetting: Good or Bad?

In this section, we consider the arguments for and against forgetting. We are not suggesting that forgetting is *always* a good thing. Rather that it is not necessarily a bad thing, and indeed, there are many circumstances in which organizations should encourage a degree of forgetting. In doing this, we structure our discussion around the three perspectives on organizational learning/forgetting, which were developed above.

We start with the *cognitive* perspective. One of the strongest arguments for forgetting from this perspective is that it can lead to disruptive innovation because the organization, and perhaps others with which it is associated, decides that they no longer need to rely on old mechanisms and principles. In this way, it can lead to radical departures from previous operating processes and recipes, providing a high level of competitiveness through generating creative destruction (Galunic & Rodan, 1998). A second argument is that acceptance of forgetting can make it easier to transfer knowledge between units and organizations because this will legitimize the adaptation and localization of knowledge so that it fits the needs and interests of the receiver.

The downside of forgetting from a cognitive point of view is that it may lead to the loss of important technical and managerial knowledge, and hence, to the reduction in overall competency for both work groups and the organization as a whole. Most knowledge-based organizations watch the potential leakage of such knowledge and competency very carefully, and usually set up mechanisms to transfer knowledge when people are about to leave (Easterby-Smith, Fahy, Lervik, & Elliott, 2010). But highly valuable knowledge and expertise is often located in only a few individuals and teams/groups, and companies are unwise to become obsessive about knowledge retention and transfer. Furthermore, if undue attention is paid to the retention of knowledge possessed by more senior workers, this may undermine the potential use and exploitation of new ideas and knowledge that are brought in by fresh cognitive linkages with other relevant experience and capabilities.

From the *behavioral* perspective, there are a number of benefits of forgetting. For a start, organizations often sustain systems and practices that are no longer relevant to their current mission or strategy, and an acceptance of forgetting can help companies to loosen the bonds around their outdated practices. Thus, a willingness to forget can help change and renewal. In particular, the willingness to forget old values and principles can clear the decks for double-loop learning, which is generally difficult for organizations to contemplate and implement. As such, we may therefore argue that forgetting is a potential dynamic capability, insofar as it reduces

Table 1. Pros and Cons of Organizational Forgetting

Perspective	Benefits of forgetting	Dangers of forgetting
Cognitive	Enables disruptive innovation Legitimizes adaptation and localization of knowledge transferred from one unit to another	Loss of important technical and managerial knowledge Reduction in overall competency
Behavioral	Reduces grip of outdated practices Helps change and renewal Functions as a potential dynamic capability	Helps people avoid recognition and accountability for mistakes Reduces ability of the organization to learn from past errors
Social	Reduces loss of morale following failure Reduces ties and obligations	Disturbs personal networks Produces loss of identity

path dependency, and prepares the ground for flexibility and radical breaks with the past.

However, forgetting may be used artfully to avoid recognition and accountability for poor results in the past, and therefore, there is some danger that it would damage the ability of the organization to learn from past errors. Most often, this can happen when, as a result of planned internal mobility, senior managers move away from responsibilities that had been associated with problems and mistakes, and major errors, in particular, tend to be "swept under the carpet" because it is not in the interests of senior people for there to be a full recognition of strategic errors.

Finally, we come to the *social* perspective. To some extent, here we are able to turn the previous argument on its head. We follow Martin de Holan and Phillips (2011) in arguing that public recognition of past failures may not actually be helpful to the organization because there is always a tension between the need to acknowledge and learn from failures and the need to build morale and confidence around the capability of succeeding in the future. One famous example from history is the way Winston Churchill managed to divert public opinion from the disastrous defeat of the British Expeditionary Force in France between 9th and 26th May, 1940, into rejoicing at the successful escape of the same 300,000 British and French soldiers from the beaches of Dunkirk over the following 9 days. Likewise, there may be passages in the history of an organization that are better forgotten if people are to be able to build a positive vision for the future. On the downside, from this perspective, forgetting implies the loss of social networks that are normally important for gathering information and forming judgements about strategic issues. This can also result in both personal and organizational identity being destabilized.

We have summarized some of the pros and cons of organizational forgetting in Table 1, which vary according to the perspective adopted. Clearly, there are potential benefits, but there are also dangers, and these are often (but not always) direct complements of each other. No doubt, there is a need for a balanced view, but in this article, we have argued that the balance needs to be redressed somewhat in favor of forgetting.

Learning to Forget

For those in charge of organizations, forgetting is a worrying prospect, particularly because both the process and the consequences are unpredictable and hence difficult to control and manage. Most managers would accept that some experiences and forms of knowledge are better forgotten but find this hard because of the fear of losing knowledge and processes that constitute the core competencies and competitive advantage of the company. Martin de Holan (in press) offers some detailed ideas about the actions that managers may take to help organizations forget, and here, we offer three further ideas.

Perhaps the most common processes are the ideas of transformative training and organization development (OD), which seek to challenge old practices and value systems and stimulate the creation of new values and practices. Some forms of OD have a bad reputation because they are associated with the procedures of brainwashing (Schein, 1996), nevertheless, they are seen as extremely powerful tools to help organizations and their members develop ideas, relationships, and visions that are more attuned to their competitive circumstances. Admittedly, OD reached its apogee in the 1970s (Reynolds, 1980), but it still forms an important role in organizational transformation both in public and private sectors—even if it is not necessarily called by the original name. Ideas like collaborative workshops and strategic conferences are still used extensively, although it is hoped they no longer contain the same manipulative agenda that some of the early OD practitioners promoted.

This leads to the second point, which is that new organizational solutions are often developed and enthusiastically adopted by companies—such as quality circles, business process reengineering, Six Sigma, and strategic conferences. Almost all of these demonstrate the behavior of "fads" in the sense that they are quickly adopted by large numbers of organizations, but within 3 to 4 years, they are again dropped in favor of the new panacea, often enthusiastically promoted by a group of up-and-coming managers (Jackson, 1995). Somewhat perversely, this means that there is a built-in obsolescence in most of these managerial fads, and this therefore

provides a routine way in which forgetting (of the previous fads) can be supported.

Third, there is an idea that is extensively used in many large companies and military organizations: regular rotation of personnel into and out of different positions and postings. It contributes to forgetting because most memory is situational; it depends on awareness of the particular context in which events took place. Hence, the introduction of systematic mobility reduces the connection between individuals and the settings in which their experiences took place. Paradoxically, this may then lead to the strengthening of organizational culture (*esprit de corps*) because everybody is mobile and therefore not dependent on local identities and ways of seeing the world, but it is a culture in which organizational forgetting is both facilitated and legitimized.

Conclusions and Research Implications

In this article, we have tried to make the case for forgetting. At times, this may seem like defending the indefensible, so we have also tried to acknowledge both sides of the argument. Nevertheless, we believe there are aspects of forgetting that have real strategic relevance to the competitiveness of companies, and hence, we have focused on some of the practical consequences of forgetting and provided some guidance on how to facilitate organizational forgetting.

There is also a potential academic research agenda here, both to explore the nature of forgetting itself and to see whether insights into forgetting can strengthen our understanding of organizational learning processes. Our discussion reveals some dimensions of forgetting in general and some effects on practices and impact of forgetting; however, much work still needs to be done to understand forgetting and its benefits and consequences. There is a need for research into the tension between remembering and retrieving knowledge on one hand and forgetting or losing past knowledge on the other. We know firms do utilize some structural mechanisms for remembering, such as meetings to share and discuss issues. But little research has addressed the extent to which firms have practices that allow them to discriminate among valuable past experiences and those that should be forgotten and in what circumstances.

At a more strategic level, our discussion suggests a number of questions for future research:

1. What is the theoretical contribution of "forgetting" to the knowledge-based theory of the firm and to the practice of organizational learning?
2. How can we describe the different methods for forgetting and also different measures?
3. Do managers ignore forgotten past experiences or routines when evaluating strategic issues? Is the past irrelevant? What does this imply about the importance of knowledge retrieval within firms?
4. The strategic management literature demonstrates the importance of organizational learning on firm performance. How does forgetting benefit or hinder organizations?
5. What is the interrelationship between forgetting and leadership? Could these be applied to the wider organization? What is preventing their implementation?

References

Argote, L., Beckman, S. L., & Epple, D. (1990). The persistence and transfer of learning in industrial settings. *Management Science, 36*, 140-154.

Argote, L., & Epple, D. (1990). Learning curves in manufacturing. *Science, 247*, 920-924.

Argyris, C. (1977). Double-loop learning in organizations. *Harvard Business Review, 55*, 115-124.

Blackler, F., Crump, N., & McDonald, S. (1999). Organizational learning and organizational forgetting. In M. Easterby-Smith, L. Araujo, & J. Burgoyne (Eds.), *Organizational learning and the learning organization* (pp. 194-216). London, UK: SAGE.

Brown, A. D., & Starkey, K. (2000). Organizational identity and learning: A psychodynamic perspective. *Academy of Management Review, 25*, 102-120.

Brown, J. S., & Duguid, P. (2000). Balancing act: How to capture knowledge without killing it. *Harvard Business Review, 78*, 73-80.

Brown, J. S., & Duguid, P. (2001). Knowledge and organization: A social-practice perspective. *Organization Science, 12*, 198-213.

Casey, A., & Olivera, F. (in press). Organizational memory and forgetting. *Journal of Management Inquiry*.

Cohen, W. M., & Levinthal, D. A. (1990). Absorptive capacity: A new perspective on learning and innovation. *Administrative Science Quarterly, 35*, 128-152.

Cook, S. D. N., & Yanow, D. (1993). Culture and organizational learning. *Journal of Management Inquiry, 2*, 373-390.

Daft, R. L., & Weick, K. E. (1984). Toward a model of organizations as interpretation systems. *Academy of Management Review, 9*, 284-295.

Dhanaraj, C., Lyles, M., Steensma, K., & Tihanyi, L. (2004). The dynamics of relational embeddedness: Tacit and explicit learning in international joint ventures. *Journal of International Business Studies, 35*, 428-443.

Easterby-Smith, M., Fahy, K., Lervik, J., & Elliott, C. (2010). *Learning from products in service: A socio-political framework, Conference on Organizational Learning, Knowledge and Capabilities*. Boston, MA: North-Eastern University.

Easterby-Smith, M., Graça, M., Antonacopoulou, E. P., & Ferdinand, J. (2008). Absorptive capacity: A process perspective. *Management Learning, 39*, 483-501.

Fiol, C. M., & Lyles, M. A. (1985). Organizational learning. *Academy of Management Review, 10*, 803-813.

Galunic, D. C., & Rodan, S. (1998). Resource recombinations in the firm: Knowledge structures and the potential for Schumpeterian innovation. *Strategic Management Journal, 19*, 1193-1201.

Hedberg, B., Nystrom, P. C., & Starbuck, W. H. (1976). Camping on see-saws: Prescriptions for a self-designing organization. *Administrative Science Quarterly, 21*, 41-65.

Hong, J. F. L., Easterby-Smith, M., & Snell, R. S. (2006). Transferring organizational learning systems to Japanese subsidiaries in China. *Journal of Management Studies, 43*, 1027-1058.

Huber, G. P. (1991). Organizational learning: The contributing processes and the literatures. *Organisation Science, 2*, 88-115.

Jackson, M. C. (1995). Beyond the fads: Systems thinking for managers. *Systems Research, 12*, 25-42.

Levitt, B., & March, J. G. (1988). Organizational learning. *Annual Review of Sociology, 14*, 319-340.

Martin de Holan, P. (in press). Agency in voluntary organizational forgetting. *Journal of Management Inquiry*.

Martin de Holan, P. M., & Phillips, N. (2011). Organizational forgetting. In M. Easterby-Smith & M. Lyles (Eds.), *Handbook of organizational learning and knowledge management*. Chichester, UK: Wiley.

Nonaka, I. (1994). A dynamic theory of organizational knowledge creation. *Organization Science, 5*, 14-37.

Rao, R. D., & Argote, L. (2006). Organizational learning and forgetting: The effects of turnover and structure. *European Management Review, 3*, 77-85.

Reynolds, M. (1980). Experiential learning: A declining force for change. *Management Education and Development, 10*, 89-99.

Schein, E. H. (1996). Three cultures of management: The key to organizational learning. *Sloan Management Review, 38*, 9-20.

Uzzi, B. (1997). Social structure and competition in interfirm networks: The paradox of embeddedness. *Administrative Science Quarterly, 42*, 35-67.

von Hippel, E. (1994). "Sticky information" and the locus of problem-solving: Implications for innovation. *Management Science, 40*, 429-439.

Weick, K. E. (2001). *Making sense of the organization*. Oxford, UK: Blackwell.

Weick, K. E., & Westley, F. (1996). Organizational learning: Affirming an oxymoron. In S. R. Clegg, C. Hardy, & W. Nord (Eds.), *Handbook of organization studies* (pp. 440-458). London, UK: SAGE.

Zahra, S. A., & George, G. (2002). Absorptive capacity: A review, reconcepualisation, and extension. *Academy of Management Review, 27*, 185-203.

Zahra, S., Gawad, S. G. A., & Tsang, E. W. K. (in press). Emerging multinationals venturing into developed economies: Implications for learning, unlearning and entrepreneurial capability. *Journal of Management Inquiry*.

Bios

Mark Easterby-Smith is a professor of management learning at Lancaster University, a former president of the British Academy of Management, and a senior fellow of the U.K. Advanced Institute of Management research initiative. He has written extensively on management research methodology, organizational learning, dynamic capabilities, and management in China. His current research interests are in the links between organizational learning and dynamic capability within large and small organizations, and the problems of learning and knowledge transfer within "extended enterprises."

Marjorie A. Lyles is the oneAmerica chaired professor of business administration and professor of international strategic management at Indiana University Kelley School of Business. She addresses organizational learning, international strategies, management of technology, and alliances, particularly in emerging economies. She has more than 70 articles that have appeared in top academic and practitioner journals. She has received two National Science Foundation grants. She has an undergraduate degree from Carnegie Mellon University and an MLS and PhD from the University of Pittsburgh. She has published work on organizational learning in such journals as *Academy of Management Review*, *Academy of Management Journal*, *Strategic Management Journal*, *Organization Science*, and *Journal of International Business Studies.* She was awarded the *Journal of International Business Studies* decade award in 2006 for the article by Lyles and Salk "Learning From Foreign Parents in International Joint Ventures: An Empirical Examination in the Hungarian Context."