



TenStep Supplemental Paper

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Time Out!

A recent AARP study disclosed the trend that “more than 60 percent of U.S. companies are bringing back retirees as contractors or consultants.” Why?

The business ‘know-how’ is concentrated with these employees. The baby-boomers characteristically stay with the organization until their retirement. They grow with the company understanding the ins and outs of business processes. Organizations which fail to capture this knowledge find it difficult to manage the processes once the baby boomers leave the organization. Knowledge management and most importantly facilitating effective knowledge transfer are essential for the smooth running of the organization.

New recruits indisputably carry the weight of innovative education programs but the age-old basics cannot be expunged to set-up new processes. Innovations add vitality to the existing processes and in turn, strengthen the foundation. But, shaking the foundation can be disastrous. Baby boomers by default know everything. They know the phone is a communication device (not radio stations), and age-old HR practices like mentoring can never be replaced by e-learning.

So what does the organization do when valuable knowledge walks out of the door after decades in the retirement format?

Time Bomb

Northrop Grumman learned its lessons in knowledge management pretty late. In 1997, 12,000 engineers walked out of the company and only 1200 of the employees remained with the group. The employees who quit were the engineers who designed and sustained the B-2 bomber with profound knowledge about complex aircraft systems. Exit interviews captured very little knowledge. Moreover, most experiences and knowledge was just flowing out.

Today, the company is wiser. The tough lesson has prompted the company to use various methods of retaining and transferring valuable knowledge way before an employee retires. ‘Document management systems’ and ‘common workspaces’ document the information of the processes for future use. Another significant initiative is enabling a platform of interaction for the senior skilled workers and their junior counterparts. Technical concerns, troubleshooting tactics and best practices are often discussed here. The management uses advanced software that traces out the experienced and skilled workers for continuous mentoring and knowledge sharing programs.

Like Northrop Grumman, other sectors like energy and utilities will be challenged by the retirement of their knowledge workers. Any organization or business that counts on its longstanding ageless technology will be hard hit.

Group.

When skilled workers leave an organization, knowledge is lost, and this brings us to the loss of resources. In particular, a specialized unit stands to lose much more when



TenStep Supplemental Paper

compared to common areas of work. Chief Information officers (CIOs) are power houses of information. Employee records belong to the databases of the CIO profile. The HR systems that work closely with the CIO's to trace data and promote succession planning encourage knowledge retention with ease.

Knowledge retention strategy is a comprehensive one. It includes

- Knowledge sharing initiatives
- IT to support the recording, storage and sharing of information
- Human resource practices that encourage sharing healthy rapport with the seniors

Technical knowledge can be easily documented in database or in manuals. For instance, coding activities follow a route that can be stored in the shared systems. This is explicit knowledge. Complexity arises in documenting implicit knowledge like creative responses and real-life experiences, which are hard to articulate. Mentoring or practical coaching can facilitate implicit knowledge sharing. For instance, an experienced sales person handles situations differently. He seldom follows a rule book. One cannot record these experiences and surely recreating them is more practical than recording them. A newly recruited sales man can accompany his experienced counterpart on the field for a month or so and observe the methods applied in different situations. This shadow learning is more helpful than the manual that specifies the course and gives definitions.

The essence is to

- Share
- Demonstrate
- Enlighten
- Do

This makes a perfect combination for effective knowledge sharing and learning.

Vroom! Vroom! Knowledge boom

At the manufacturing unit of Rolls Royce, managers tackle knowledge issues exceptionally. For instance, when there is an impending retirement of an engineer the costs of the retirement on the company is calculated. The time and productivity cost when a system is down (in the engineer's absence) is also calculated. Later, training the younger engineers in the complex system management is done much before the engineer retires.

Most training and succession planning is done way before the actual retirement. This cannot be a last minute inclusion, as that would mean a haphazard, incomplete learning process. Another initiative at Rolls Royce has been the interview programs. Younger workers interview their experienced seniors and learn more about technology and trouble-shooting. The initiative positioned the organization successfully in the top gear. The younger workers were enthusiastic about upgrading their skills and the ones all



TenStep Supplemental Paper

excited about displaying their accomplishments and proficiency. The fact that the organization valued their knowledge made them feel special and prized.

Despite all this, it is essential that organizations carefully trace the technology and knowledge that is essential for future business.

Software serves

A few organizations look at talent management software that helps in foreseeing imminent departures of top performers and identifies critical knowledge in critical processes. At Pep Boys, an automotive chain company succession planning software from Success Factors is used effectively in identifying critical skills and employees. This helps in preparing the organization for forthcoming the job-openings, retirement planning and productivity issues.

Social network analysis software

This software aids in interviewing employees and their interactions with other key personnel. To illustrate, when an employee or a buyer who has worked closely with external vendors leaves the organization, it is essential to document the prices, negotiation tactics, and the trade-off techniques. Or else, the new buyer will be stranded in the middle of nowhere.

At Bruce Power, a private nuclear power operator, technical and HR system data are stored to enable learning. Employees keep referring to these repositories to operate better. The investments made in installing the software have been worthwhile. Information relating to maintenance of machines, safety concerns and technical details make up the repository. The constant reference has reaffirmed that learning is an ongoing process at the organization.

Unbelievable, but true!

NASA didn't comprehend the need to record their knowledge when it sent its men on the moon 35 years ago. After over a decade and \$24 billion spent, it even lost its blueprint. So much for the only rocket ever created! With the technological advances today, storing important knowledge is not an issue but storing the information effectively sure is. The simplest practice, like striking a meaningful relationship with the seniors, helps in the long run. The next time we get to the moon, we won't forget the directions!