Leveraging and maintaining knowledge assets to enrich organizational effectiveness | by Casey Bedgood
Knowledge, or human capital, is essential to organizational success and long-term relevance. High-performing organizations must ensure knowledge is acquired, grown and maintained.

In doing so, they must create a future view of organizational knowledge. As part of the push to secure information, a phased approach to implementing a knowledge-transfer plan that focuses on various levels of the organization should be created.

Future view knowledge plans then can be crafted around organizational gaps, resource availability, strategic imperatives and future market demands.
Often, thought leaders and executives are so consumed with important organizational drivers, such as revenues, costs, innovative technologies, growth strategies and concepts to achieve higher performance that, unfortunately, they overlook the forest for the trees. Particularly, in service industries, such as healthcare, all organizational processes begin and end with people.

The most valuable resource to any organization is the people who provide the services to its customers. The driving force of people is culture (that is, the way business is done) and subsequent knowledge. Irrespectively, knowledge—also referred to as human capital—is the most valuable investment all organizations must consider.

Per Merriam Webster, "knowledge" is defined as “facts or ideas acquired by study, investigation, observation or experience.” Just as important to possessing knowledge is the ability to transfer knowledge from one person to another and from one area of the organization to another. Most knowledge has an expiration date because technologies, customer expectations and market forces constantly change. Thus, the way business is done changes constantly. Knowledge alone is great for a time, but if there is not a plan to grow organizational knowledge and transfer it from one person to another, the organization will lose viability and eventually become insolvent.

I experienced this firsthand with a large organization that was being surveyed by an accrediting body for annual healthcare accreditation. During one session, a surveyor asked a tenured leader in the room how long he had worked for the organization and several other operational questions. Without hesitation, the leader’s response included exciting news as to how he would be retiring in a few weeks in addition to post-retirement plans. The surveyor asked one simple question that brought the room to a deafening silence: “Who will take your place?” The leader in question was retiring after more than 30 years of service to the

Tenured frontline staff in critical roles are as or more important than leaders in some organizations because they are closest to the process and understand the work best.
organization, and he had extremely high levels of organizational knowledge and excellent performance. However, there was no succession plan or knowledge transfer process in place to ensure this knowledge and experience remained with the organization.

The other organizational leaders quickly realized no replacement was readily available, and the 30-plus years of experience would soon leave the organization with the leader. If this was the case with one leader, how many other areas were in the same situation? This experience spawned a system-wide discovery phase to define knowledge transfer, identify knowledge gaps in the organization and create a strategic plan to ensure the organization would be on solid footing for years to come.

The discovery phase yielded astounding results. Some areas in the organization experienced annual turnover of dozens of employees, while other critical areas lost hundreds of employees per year. The dollar impact ranged from tens of thousands to many millions of dollars per year leaving the organization. Also, consistent levels of turnover produced a culture wash, which in turn resulted in significant issues with cost, quality and service. A culture wash occurs when the organization’s culture is radically transformed (either to the good or bad) as norms and business practices change due to knowledge leaving the organization.

There was a definitive correlation between high turnover areas with little knowledge transfer and poor outcomes tied to service, cost and quality. The higher the turnover coupled with low knowledge transfer, the worse the operational outcomes.

Without knowledge transfer, organizations will experience a continuous cycle of culture wash and subsequent cost, service and quality issues equaling millions of dollars in certain instances. The impact of knowledge on customer experience and organizational effectiveness often is grossly underestimated.

**Organizational assessment**

When conducting a knowledge assessment of any organization, it is imperative to focus on three levels of the organization (see Figure 1).

The three levels consist of top executives, divisional leaders, and frontline leaders and
staff. Many times, tenured frontline staff possess a tremendous amount of organizational knowledge that often is overlooked until it is too late. After the employee leaves the organization, the knowledge is lost.

For top executives and divisional leaders, particularly in healthcare, the focus should be on knowledge related to operations, clinical environments and performance improvement. In the new healthcare environment, market changes are dictating that senior leaders possess high levels of proficiency in all three core areas. Moreover, cross-functional knowledge is becoming even more important because traditional leadership roles are fading away and being replaced by hybrid roles requiring multifaceted knowledge crossing over various work areas.

For frontline leaders and staff, the knowledge assessment should be tailored to their specific roles and duties.

Overall, several questions should be answered during a gap analysis for all three levels of organizational knowledge:

- What are the critical roles in the organization?
- What are the critical functions in the organization?
- Is there a current succession plan established for all leaders and staff in critical roles and critical functions?
- What areas produce the highest turnover levels?
- Who will replace key individuals if they leave the organization?
- Does the organization have a formal plan to transfer knowledge?
- What percentage of the critical roles have a primary and backup person?
- What is the dollar impact of organization-wide turnover?
- Is organizational knowledge captured in a common location that relevant leaders and staff can access if needed?
- Do current leaders and their successors possess the required knowledge to ensure future organizational relevancy based on market demands?
- What attributes does the organization need in each critical role?
- Does the current promotion or succession plan reward and ensure the desired attributes will be available?

If any of these questions cannot be answered with a definitive “yes,” or a plan is not in place, organizational knowledge gaps exist. The next step is to construct a knowledge transfer plan for the organization based on the gap analysis and projected future organizational needs.

Crafting a strategic knowledge plan

After completing the organizational knowledge assessment, the next step is to create a dynamic knowledge transfer planning cycle (see Figure 2).

The dynamic planning cycle begins with the knowledge gap analysis system-wide organizational knowledge transfer opportunities. One of the common pitfalls most organizations experience is focusing solely on turnover. Turnover or retention is only one of several focus areas for consideration, and a single focus on this area will limit organizational success.

Also, the gap analysis should include an assessment of the organization’s succession plan. Is there a current plan in place? Is there a primary person in each critical role with a successor identified? If not, who will fill current and future vacant critical roles?

More importantly is to view succession planning from a high-performance lens. This perspective pivots from simply filling critical roles with “someone” to focusing on what attributes currently fill these roles. The organization must determine whether the identified successors possess the ideal attributes required to meet market requirements for years to come. As the market continues to evolve, so will organizational knowledge requirements.

A third and important gap analysis focus area is the cross-pollination of roles. Does the organization have a process to share knowledge and cross-train leaders and staff across departmental or business unit lines? Many organizations, particularly in healthcare, are taking an aggressive stance on cross-training and requiring critical roles to learn and possess cross-functional knowledge.

The next phase in the dynamic planning cycle is action planning and implementing the knowledge transfer plan. Many organizations push these initiatives through their HR function. Each organization, however, is different, and leaders must identify the most appropriate conduit for their organization.

The strategic plan should include, at a minimum, a dynamic process for identifying organizational gaps, communication cascade, best practice solutions, goals with associated data and a continuous improvement format to improve the program each year. A few best practice components may include leadership coaching, work shadowing, quick reference guides (that is, job aides), e-learning, turnover and succession planning.

Some organizations also enhance knowledge transfer by investing in a knowledge management system. This system can provide and capture
FIGURE 2
Dynamic knowledge transfer planning cycle

Formal knowledge transfer global process

Knowledge transfer dynamic planning cycle

- Strategic plan development
- Knowledge gap analysis
- Brainstorming action planning
- Resource allocation
- Plan implementation
- Measure results
- Yearly program reassessment
- Program improvements

Andy Roberts via Getty Images
e-training sessions for staff and leaders, and store the organization’s policies, work instructions and forms. It is important to note that all staff and leaders should have access to organizational policies and procedures, which are a tremendous source of knowledge.

One factor crucial to knowledge transfer success is a measurement tool to track progress to goals. A common catchphrase used in many leadership circles is, “You don’t know what you don’t measure.” The organization should set annual goals tied to strategic imperatives for each best practice component. Figure 3 outlines sample annual goals and a basic reporting showcase for periodic cascade to leaders and staff. It is always important to include at a minimum: the best practice, key performance indicator, goal and year-to-date performance of each goal. Never forget to close the loop at the end of each year or operating cycle. This can be accomplished by refreshing the gap analysis to identify new knowledge transfer gaps and compare goals to annual knowledge goals performance for deficiencies.

The main focus is to improve the plan and program continually so the organization remains viable, competitive and retains required knowledge for long-term success.

Look forward
As organizations create their multiyear vision and strategic plans for the organization, knowledge transfer should be a part of the conversations. One option is to implement knowledge transfer best practices for all three levels of the organization at once based on realized gaps.

A more measured and feasible approach—particularly for large organizations—is to create a multiyear phased approach for knowledge transfer, as shown in Figure 4. A phased approach may start the initial implementation year with a focus on frontline leadership as a pilot. Then the organization can transition to implementing knowledge best practices down the organizational chart to divisional leadership and eventually front lines.

It is always important to note that any significant change needs top leadership support. If top leaders are not engaged, supportive and champions of change, improvement efforts have a higher chance of failure.

Key points
Knowledge, or human capital, is essential to organizational success and long-term relevance. It is

---

**Figure 3**

Sample knowledge transfer plan KPI showcase

<table>
<thead>
<tr>
<th>Best practice</th>
<th>Unit of measurement (KPI)</th>
<th>Goal</th>
<th>YTD performance to goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-learning</td>
<td>Number of staff that complete the module annually</td>
<td>100%</td>
<td>95%</td>
</tr>
<tr>
<td>Total turnover</td>
<td>Total turnover percentage</td>
<td>75th percentile</td>
<td>95th percentile</td>
</tr>
<tr>
<td>Succession planning</td>
<td>Percentage of identified high-risk positions with successor identified</td>
<td>100%</td>
<td>90%</td>
</tr>
</tbody>
</table>

*KPI = key performance indicator
YTD = year to date
imperative for leaders to conduct an annual knowledge assessment to identify knowledge loss and gaps, and their overall cost to the organization. In many instances, knowledge loss can cost an organization millions of dollars, depending on the size and scope. Retaining good staff and leaders in critical roles will improve service, cost and quality provided to customers.

Remember that consistent and high-level turnover will result in a culture wash. Culture wash degrades organizational knowledge, resulting in excessive costs, lesser quality and poor service. High-performing organizations must ensure knowledge is acquired, grown and maintained. Knowledge is a required investment that top organizational leaders must value and not overlook.

Organizational knowledge is not exclusive to leadership. Avoid the pitfall of only focusing on leadership. Tenured frontline staff in critical roles are as or more important than leaders in some organizations because they are closest to the process and understand the work best. Organizational assessments should focus on three levels of knowledge: top leaders, divisional leaders, and frontline leaders and staff.

High-performing organizations must create a future view of organizational knowledge. It may be helpful to create a phased approach to implementing a knowledge transfer plan focusing on various levels of the organization. As previously noted in Figure 4, some organizations implement knowledge transfer best practices in frontline leadership circles first, then focus on frontline leaders and staff. Future-view knowledge plans should be crafted around organizational gaps, resource availability, strategic imperatives and future market demands.

REFERENCE


Figure 4

Knowledge transfer ‘future view’ showcase

<table>
<thead>
<tr>
<th>Focus area</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enterprise-level leaders</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(top executives)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Divisional-level leaders</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(vice presidents/assistant vice</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>presidents)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frontline-level leaders</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(directors/managers)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frontline-level tenured staff</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

x = Initial focus year
x = Refinement focus year