

Management Today article

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Storing Knowledge

*Good knowledge management ensures continued access to employees' know-how, even when they move on. **Mark Story** investigates how one organisation's systems mean they no longer rely solely on what's in the heads of individual staff.*

Providing the information and tools to staff to do the best possible job – successful knowledge transfer – would be a breeze if nobody ever changed jobs. The trouble, in a period of high staff churn, is that the holding and transferring of all-important knowledge remains a dark art.

Many companies are finding that no sooner have they trained employees than they leave, taking valuable company knowledge with them.

The Australian Bureau of Statistics estimates that in the year 2006 it cost between 70–150 per cent of payroll to replace the average 11.6 per cent of staff who changed jobs. Not surprisingly, how companies store, access and transfer information remains an ongoing headache.

Nowhere was the knowledge transfer conundrum more acutely confronted than at Victoria's major revenue agency, the State Revenue Office (SRO), during its metamorphosis five years ago.

Responsible for collecting around \$A9 billion annually in stamp duties, payroll tax and land tax, the SRO is also charged with providing accurate and timely advice. Recognising that it was overly reliant on the know-how of key individuals to offer that advice, the organisation set about implementing business processes that would minimise the knowledge gap, regardless of staff turnover.

Adding a real kicker to the SRO's knowledge-transfer project was the landmark decision to up stumps and relocate to regional Victoria. In support of regional development, Victoria's State Government decided in 2001 to send 40 per cent of the SRO's functions to Ballarat by March 2002.

The decision to embark on the state's largest ever relocation of a government service followed a feasibility study that identified Ballarat as the ideal regional centre to host a world-class revenue collection and IT facility.

While 35 staff decided to relocate from Melbourne, the SRO was to rely on locals to fill the remaining 85 per cent of jobs at its new premises. Given that the relocation created

200 new, skilled positions that would need filling by a new workforce, there was an acute need to quickly create an environment where knowledge could be stored and shared with ease.

This requirement spurred a series of knowledge-transfer and management initiatives that over the ensuing four years would see the SRO not only win numerous national business awards but have its programs considered for adoption by much larger organisations (including the Australian Tax Office). The sum of these initiatives also contributed to a 64 per cent increase in operational productivity while reducing staff turnover by 30 per cent to just 7 per cent in five years.

Retaining knowledge

What laid the foundation stone for a raft of successful knowledge-transfer initiatives, explains SRO Commissioner Paul Broderick, was the decision to seek ISO 9001 accreditation prior to the Ballarat move.

In addition to being one of only 34 organisations worldwide to receive ITIL (Information Technology Infrastructure Library) certification, the SRO was also the first major Australian organisation (and the world's first public sector organisation) to receive this IT best-practice certification.

"Ensuring that 600-odd policies and procedures were documented and recorded gave us a greater guarantee of outcomes," recalls Broderick, SRO's former chief information officer. "Being ITIL and ISO certified meant we could create a good working environment for our staff. It also provided a robust system that we knew we could trust."

While award-winning technology underscores many learning initiatives within the SRO, Broderick saw IT as a facilitator rather than a magic bullet. With staff having different learning styles he quickly recognised that any successful knowledge-transfer program would require a multi-layered approach. Following a comprehensive training-needs analysis for the entire organisation, the SRO committed to providing an average 7.5 days annual training to each staff member. It then proceeded to roll out a number of specific training initiatives.

One of these initiatives was a Senior Staff in Transition Program designed to retain the knowledge of those nearing retirement. In addition to being offered free medical and financial advice, long-serving staff about to retire are also invited to become part of a Legends Lecture Series. Over the past two years, six senior staff have presented lectures to fellow staff. While also available on video, lectures have been turned into training material both as paper-based notes and on DVD.

"We find that people want to leave a legacy to the organisation," says Broderick. "We also find young staff are keen to learn from them in a formal way."

Online options

Other training mechanisms developed to back up face-to-face learning were several online initiatives, including an intranet facility, My SRO. Acting as an important communication tool, My SRO provides all staff with a single point of access to technical and business information.

Then there's the SRO's recently-launched Wikipedia-style knowledge base, TaxNet, developed in conjunction with the University of Ballarat. Broderick estimates that staff will have posted over 4000 pages of information by the time the project is complete in June 2008.

Last July, the SRO also launched its own online learning system. Developed in conjunction with an external provider, Broderick says learning and development has also become embedded into the performance process. For example, all half-yearly reviews are recorded online and staff are automatically reminded via email of any training that matches their stated needs.

Opportunity ready

To enhance their reputation, the SRO decided to seek public recognition via certifications and by competing in numerous business awards. To Broderick, the certifications and awards – while allowing the organisation to measure its progress – were also an attempt to boost a period of low organisational self-esteem that accompanied the relocation to Ballarat.

Morale had taken a hit after the move as many staff did not want it to go ahead, were concerned about job losses in Melbourne, and didn't believe they were getting many career-development opportunities.

When Broderick investigated he concluded that this was more perception than reality. He says staff didn't realise what opportunities were available. "But once we started publishing that there were opportunities, they realised they had to be 'opportunity ready' and that meant having the knowledge base," says Broderick. "Even though our role as a tax collection agency can be viewed negatively, we really wanted people to feel good about working here."

The lessons

To win the fight for talent, Broderick says it's vital to have a top-down strategy. That means getting the organisation's commitment – the executive team and CEO – fully behind a knowledge management system that is measurable, he adds. In addition to good strategy, Broderick believes it's also important to identify the gaps in knowledge. "This can't be done overnight, you've got to be tenacious about seeing it through. Perseverance is one of the keys to good knowledge management."

For those organisations that aren't sufficiently self-aware to recognise the gaps in their knowledge-information management, Broderick suggests seeking outside help. A good starting point is to review a company's policies and procedures and how they're maintained to identify deficiencies. That's why, every month, the SRO executive meeting includes a staff report on how current the procedures are. There's even a system that produces a report on how often they are accessed to ensure they're not wasting their time on procedures that are never used.

But Broderick warns against making knowledge management the responsibility of one individual. He says it's more effective when knowledge management is everyone's responsibility and there's a moral obligation embedded in the company's culture. "If you centralise knowledge management too much then managers don't feel the same commitment to it."