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# Lost Knowledge: How to Stop the Knowledge Drain in Your Organization

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## Would You Like To:

- Learn how lost knowledge directly impacts organizational performance?
- Discover how knowledge loss effects your *personal* life?
- Identify innovative solutions for improving the retention of critical knowledge
- Learn a framework to help your organization remove major barriers to knowledge retention?

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## My Premise

Every leader can **improve** their firm's **performance** by taking **six steps** to enhance the transfer & **retention of critical knowledge**.

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## Agenda

- **How is lost knowledge related to performance?**
- **6 Critical Success Factors for improving the transfer and retention of critical knowledge**
- *What Will You Do Differently?*

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## How Does Knowledge Loss Hurt Performance?

- TI radar quality inspector retires
- Global construction firm loses negotiating knowledge, projects get locked into unprofitable contracts, costs \$100K+
- Lose system knowledge with turnover of LMS admin...training processes degraded
- BP Loses Sr Corrosion Engineer – Shuts Oilfield
- NASA Loses Mars Space Probe
- Loss of Key Machine Operator Costs \$500K

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## Some Definitions

- **“Knowledge”** – the capacity for effective decision making or action in context of organized activity
- **“Lost knowledge”** – decreased capacity for effective action or decision making in a specific context. Where capacity has been demonstrated *repeatedly*.

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## How is “Lost Knowledge” Different From “Skills Gaps”?

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>▪ <u>LOST KNOWLEDGE</u></li> <li>▪ Very contextual, still missing if employee replaced</li> <li>▪ Reflects <i>real</i> impact of turnover</li> <li>▪ Structural, cognitive social capital</li> <li>▪ Harder to manage risks</li> <li>▪ Costs more hidden</li> </ul> | <ul style="list-style-type: none"> <li>• <u>SKILLS GAPS</u></li> <li>• More “role” centered</li> <li>• Talent-mgt centric</li> <li>• Less nuanced about capabilities needed</li> <li>• Solutions often involve external partnerships, e.g. schools, outsourcing, HR systems</li> <li>• <i>Vs. documentation, interactions with mentors</i></li> </ul> |
|--|---|

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## How Does Knowledge Loss Impact Your Personal Life?

- Can't remember where my car keys are?
- What steps do I need to take to complete my income taxes?
- How can I reconfigure my home wifi network?



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## How Does Knowledge Loss Impact Your Personal Life? (Cont.)

- Where are our wills?  
When were they last updated?
  - Who was that great appliance repair guy we used 3 years ago?
- How do I do X on my iPhone that I haven't done for over a year?



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## When Does Knowledge Loss Effect the Quality of Your Personal Life?

- **Share 3 instances of where you have done something in the past that you couldn't do today because:**
  - You have forgotten what you did,
  - How you did it,
  - Or who to contact
- **What impact did losing access to this capability have on you? How did you feel?**
- **Share your examples. Notice similarities & differences between them.**

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## Discussion

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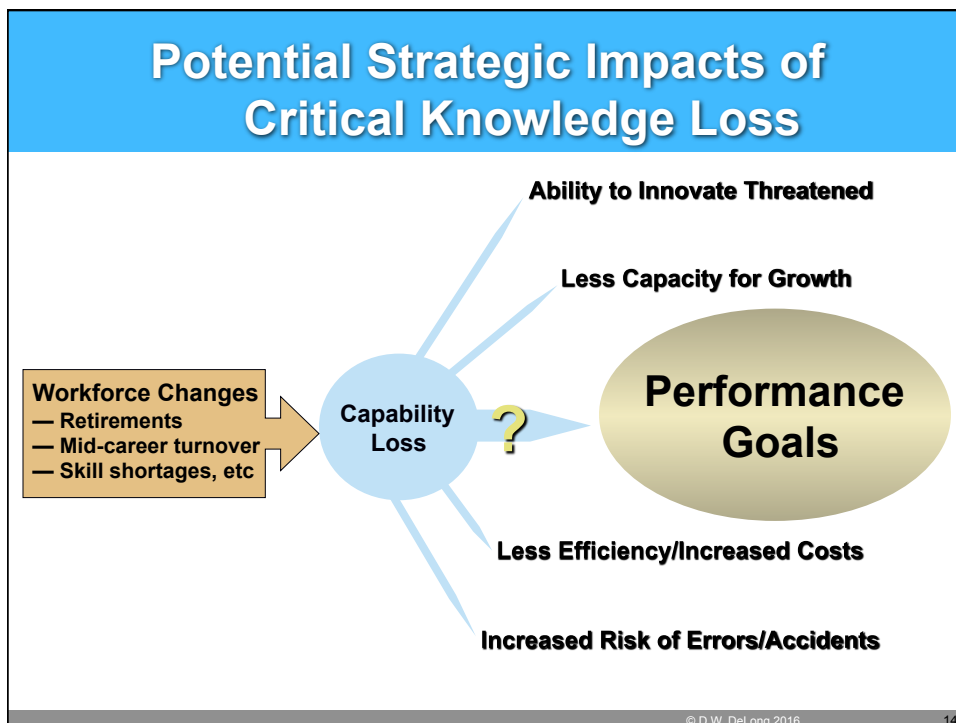
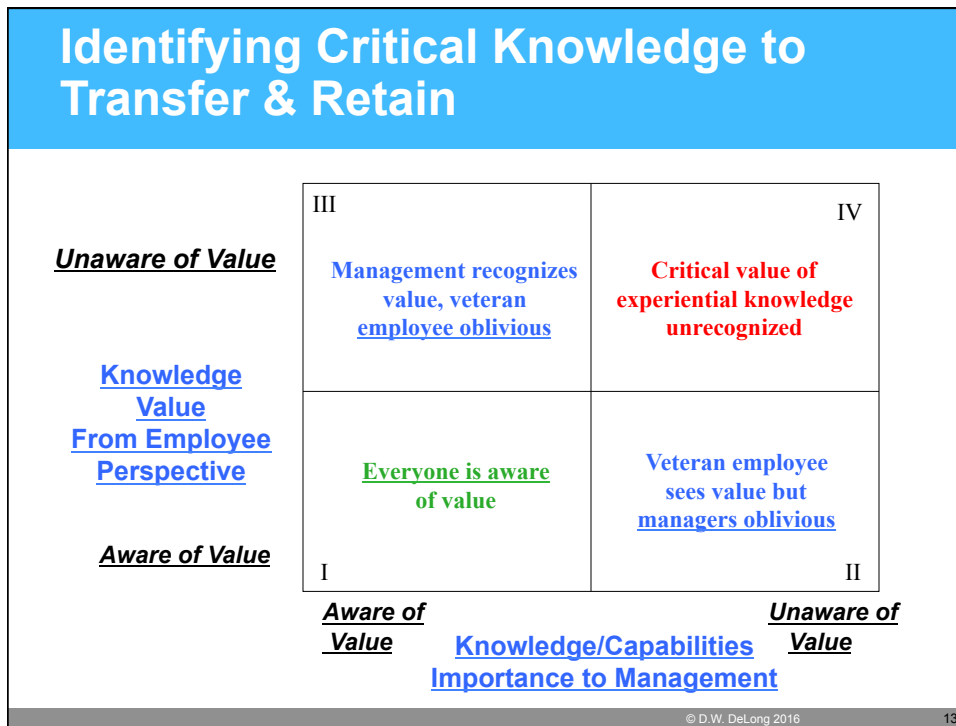
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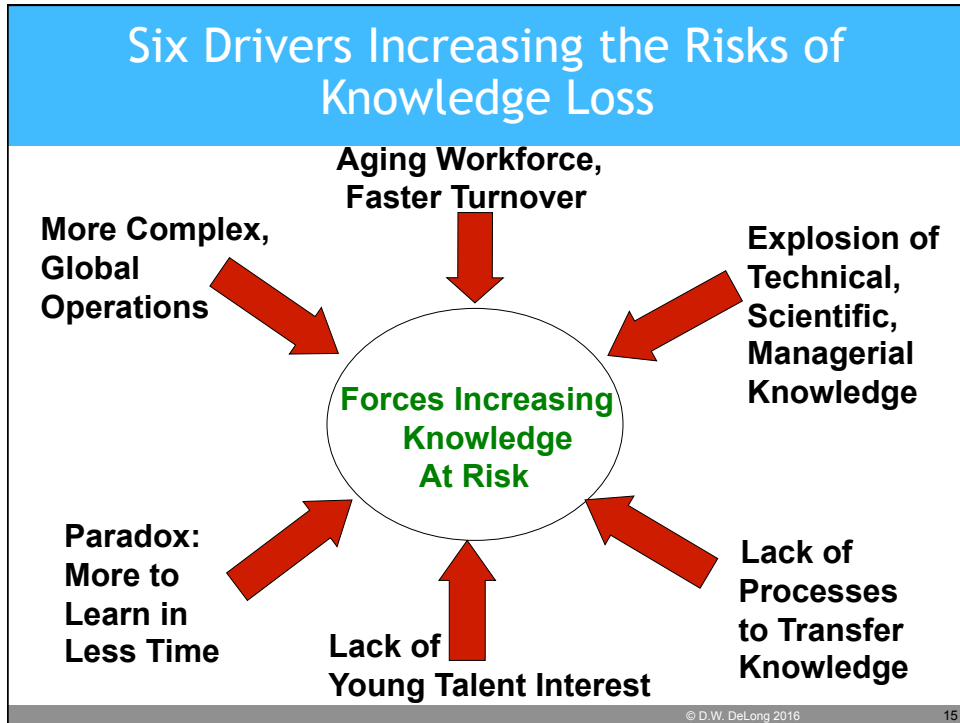
## All Knowledge at Risk is Not Equal: Dimensions of Potential Lost Knowledge

- Broad orgl/functional level (eg nuclear testing) vs work unit/individual level
- 4 different types: Human, social, structured & cultural knowledge
- Anticipated/unanticipated effects
- Tangible or intangible impacts
- Immediate or delayed costs

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## How Will You Move the Needle?

### 6 Keys to Reducing the Costs of Lost Knowledge

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## #1: Diagnose Risks of Critical Knowledge Loss

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## EXERCISE: Clarify Your Retention Risks

- Identify two people in your organization you would be most worried about losing because of their special capabilities or potential.
- How would their departure impact the firm's performance? Be specific!
- Share your example with others. Notice similarities & differences between them.

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## Discussion

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### #1. Diagnose Knowledge at Risk With Knowledge Silo Matrix (KSM)

- Losing certain employees creates more operational and performance risks
- What knowledge is most critical to sustaining future performance?
- KSM: structured capabilities assessment tool to evaluate risks
- Makes current knowledge base explicit, identifies emerging gaps & retention risks

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## Characteristics of Knowledge Silo Matrix (KSM)

- Silos: specific knowledge domains: tools, processes...
- Rows identify each employee's level of knowledge by domain
- *KSM identifies where knowledge transfer & retention initiatives most needed*

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## Knowledge Silo Matrix

**Team 1**

	Team 1							
	Elastic Fracture Mech Seismic Heat Treats Pressure Coatings Optimization System Thermal Hydraulics Cranes and Elevators							
Employee A								
Employee B								
Employee C								
Employee D								
Employee E								
Employee F								
Employee G								
Employee H								

**Key**

- Can do the work
- Chosen to mentor
- Actively Learning
- Not using this skill
- Risk

Silos are areas of expertise such as:

- Tools
- Platforms
- Products
- Customers
- Processes
- Regulations
- History
- Physical Locs.
- Job Functions

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## Benefits of KSM for Knowledge Retention:

- Makes knowledge retention needs more visible to senior management.
- Enables frank discussion of acceptable vs. unacceptable risks of turnover & succession planning
- How many emps needed in each silo in 2-5 yrs & how many do we have now?
- Cost of training in silo X over time vs. in time crunch?
- Email me: [david@DavidDeLongAssociates.com](mailto:david@DavidDeLongAssociates.com) for copy of spreadsheet

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## #2: Define Specific Knowledge Needed in Critical Roles

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## Document Knowledge to Transfer Using Skill Development Plan

- **Customized inventory of skills & knowledge for specific role**
- **Includes added resources available & test questions to confirm knowledge transfer**
- **Creates a measurable approach to reduce knowledge loss**
- **Helps new employees drive their own on boarding & reduces time to productivity**
- **Identifies systems, processes where critical documentation is missing**

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## Skill Development Plan

Skill	Sequence	Test Questions	Date	Resources
Write a ...	1	1, 2, 3, 5	10-May	specific documentation at location...
Design a ...	2	1, 2, 3, 8	17-May	name of a mentor
Analyze...	3	1, 2, 3,	19-May	formal training date and time
Lead ... meeting	4	3, 4, 7, 8, 14	25-May	specific template...
Build a relationship with	5	3, 4, 7, 8, 14	26-May	name of a mentor

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## Frame Knowledge as Answer to Key Test Questions

1. The top 10 vocabulary words
2. What are the # steps in the process and why each is important
3. What are the top 3 things that often go wrong
4. What is the relationship between x and y (how it fits in the Service Cycle)
5. How do you troubleshoot the three most common problems
6. What are the first 4 things to check when troubleshooting anything
7. Who is/should be involved/affected/consulted and why
8. How to identify and define a “problem” vs. a “crisis” in this area
9. How to escalate a problem or crisis in this area
10. 3 best practices for this topic
11. Where to find resources (docs, people, samples, websites, etc)
12. How to choose between x and y
13. How “quality” is measured
14. What standards exist and how rigorously they are applied
15. What is the relevance of this tool or process to your job?

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## #3: Address Emotional Barriers to Sharing Knowledge

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## Emotional Barriers to Knowledge Sharing

- Veteran employees have mixed feelings about leaving an organization, e.g. alienation, pushed out, angry, or anxious to teach
- Nobody gets promoted for investing in knowledge retention. Do they get punished?
- Trust and mutual respect – central to knowledge sharing – take time to develop
- Never tell jokes to Japanese executives.

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## Emotional Barriers to Knowledge Sharing

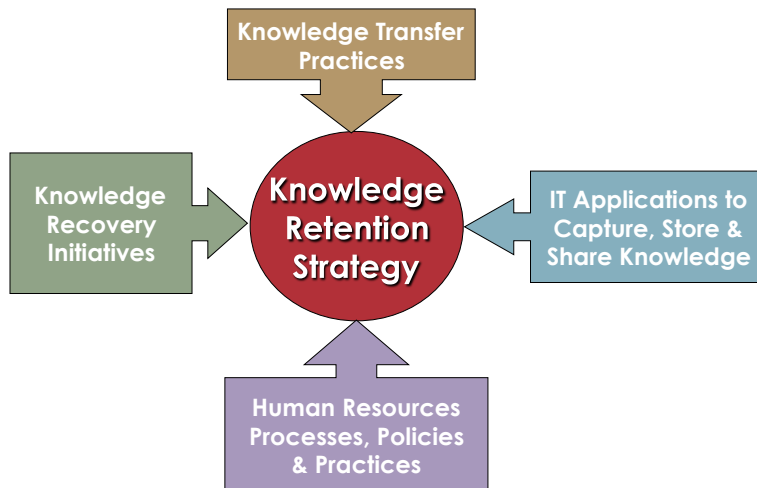
- Is there an absence of shared symbols & jargon?
- Must make time conflicts discussable
- *Challenge of retaining knowledge is happening at same time the context for learning is changing due to rapidly evolving technologies.*

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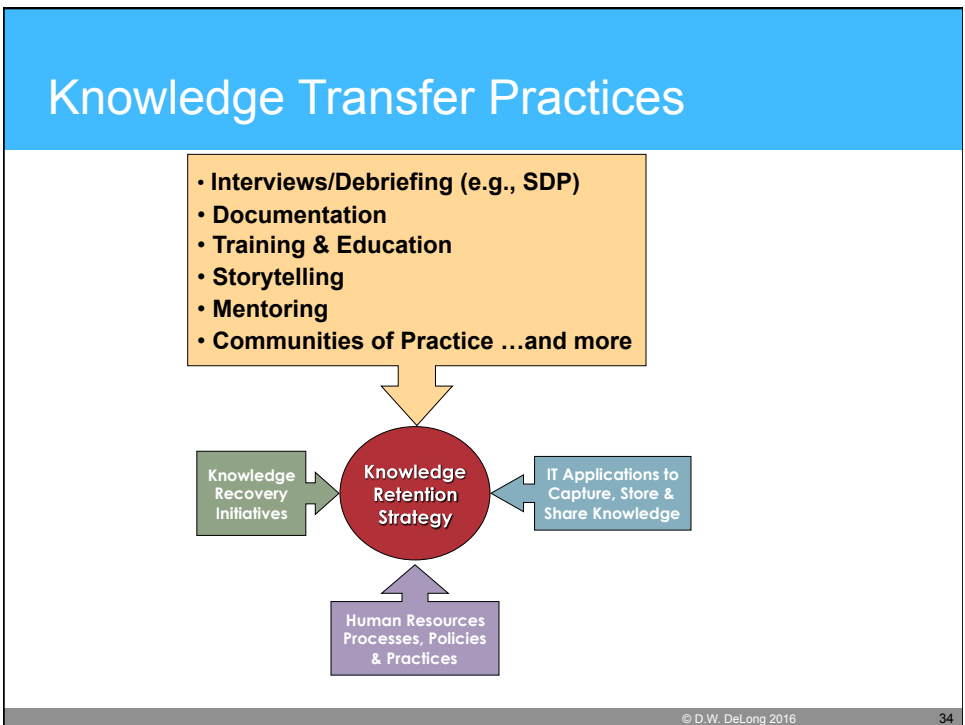
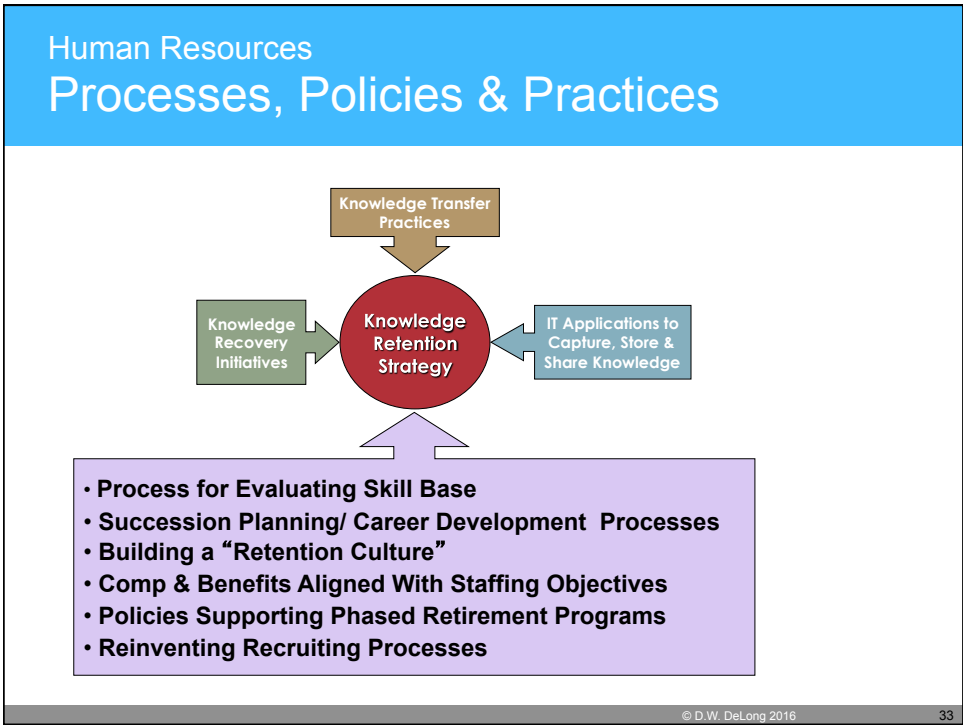
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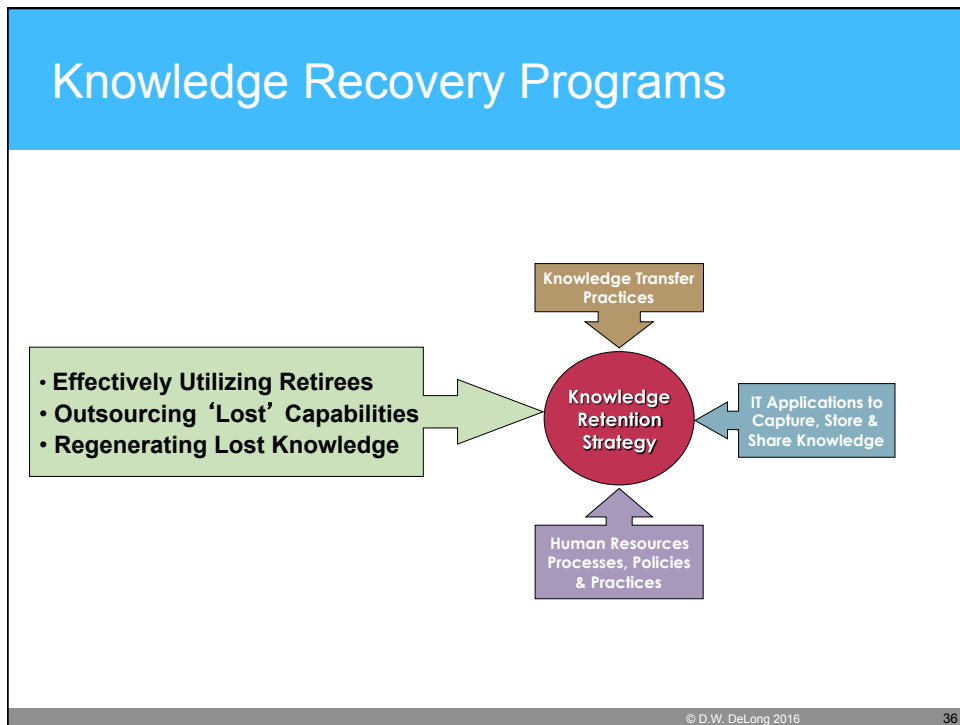
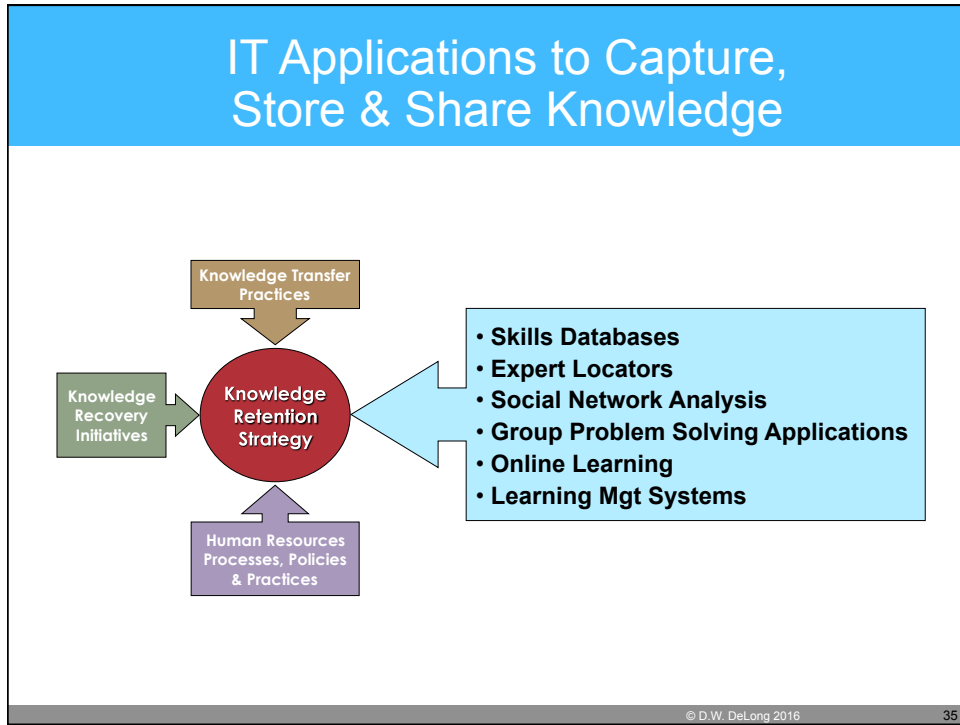
## #4. Identify Organizational Barriers to Knowledge Retention

## Framework for Knowledge Retention









## #5. Invest in Mentoring Capabilities

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## Invest in Mentoring Capabilities to Accelerate Knowledge Transfer

- Always clarify mentor's role with initial meeting.
- Maximize value of older workers: *eg. Retiring 67-year-old focuses on teaching*
- Encourage mentors to coach mentees on communication preferences
- Use 5-minute meeting plan to avoid overload
- Best book on mentoring skills: *Teach What You Know: A Practical Leader's Guide to Knowledge Transfer* by Steve Trautma

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## And One More Thing...

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## You Must Lead Change To Improve Knowledge Retention

- Find the feeling! *What is the emotional reason experienced employees & managers should care about reducing knowledge loss?*
- Create & sustain urgency
- Short term wins

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## Do Your Job in Leading Change: Don't Delegate This!

- Keep testing assumptions about initiatives' impacts
  - Don't be vague about purpose & objectives
  - Clarify roles & responsibilities for implementation

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## 10 Years From Now What Will They Be Saying About Your Company?



They *once* could do  
incredible things....



Or, they developed & retained  
critical knowledge in a complex  
environment...and continued to  
improve performance!

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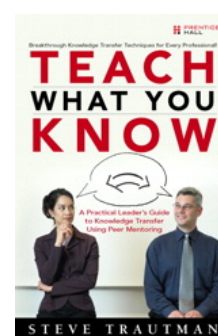
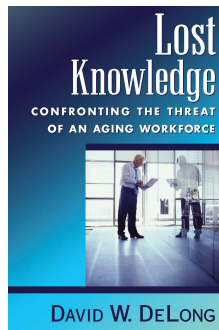
## Your Challenge: Moving the Needle to Improve Knowledge Retention

- Identify **lost knowledge risks** with **knowledge silo matrix**
- Define **specific knowledge** that must be retained
- Anticipate & **address emotional barriers** to knowledge sharing
- Address **organizational barriers** to preventing knowledge loss
- Invest in improved **mentoring capabilities**
- Manage **organizational changes** necessary to retain knowledge effectively

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For More Information See:  
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