



Losing It: How HR can prevent knowledge loss





Every Organization Loses People

Retirements.
Voluntary quits.
Firings.
Staff reductions.

Every business has turnover.

But when employees head out the door, they take much more than their personal belongings with them.

They take ideas. Company information. Critical knowledge about products, services, processes and customers.

So here's the question:

Are you doing everything possible to keep essential company information where it belongs?





Reader ROI

HR plays a pivotal role in preserving company knowledge. This guide will help you better understand the concept of knowledge loss and how you can improve your knowledge retention efforts.

You'll learn:

- The causes and impact of knowledge loss
- The organizational benefits of knowledge transfer
- Practical strategies for reversing and preventing knowledge loss, including:
 - Increasing retention
 - Knowledge sharing
 - Documentation
 - Mentoring
- How your staffing partner can help you keep vital knowledge where it belongs -- within your organization



What's Knowledge Transfer -- and Why Do You Need It?

In a business context, knowledge transfer is:
The act of transmitting information (expertise, knowledge, skills, processes, ideas)
from one part of an organization (be it a person, team, division or group)
to another.

Simple to understand; hard to do, right?

But it's essential -- because in many ways, **your company's knowledge is its most vital asset.** Organizations that preserve it are more competitive, more innovative, and higher performing.¹

Effective knowledge transfer:

- Helps employees solve problems quicker
- Expedites onboarding and training
- Strengthens employee bonds
- Supports a culture of idea sharing
- Facilitates the creation of new knowledge
- Fuels innovation
- Deepens client and customer relationships





The Brain Drain is Here

...making knowledge loss an even bigger threat. These numbers tell the story:

- 10,000 baby boomers will reach age 65 every day for the next 15 years.²
- As growth builds and employment opportunities increase, worldwide employee turnover is set to reach new highs, increasing 12.9% from 2012 to 2014.³

Over the next several years, a typical company's staff will change dramatically. And a TalentKeepers study of 240 organizations showed that **lost knowledge was the greatest impact of employee turnover**, affecting a whopping 78% of organizations.

Turnover is inevitable. But whatever drives yours -- retirements, voluntary quits, firings or even staff reductions -- knowledge loss is preventable!

What can HR do to prevent brain drain?



Build a Vessel – Not a Sieve



As an HR professional, you play a pivotal role in preventing knowledge loss. It's your job to:

- Ensure that your organization acquires (and keeps!) the intellectual capital it needs
- Create a culture which supports knowledge sharing
- Develop training, educational and mentoring programs to facilitate knowledge transfer
- Implement strategies to retain knowledge

Your role is to create a "vessel" to capture, store and protect essential company information. Here are five practical strategies to accomplish this goal.



Tame Unnecessary Turnover

With more job opportunities available, you're at greater risk of losing top performers. And when they leave, they take vital knowledge with them. Do what you can to keep key employees in the fold, longer:

- **Conduct "stay interviews."** Who's frustrated? Who's interviewing? Find out how content and loyal your employees are -- before it's too late.
- **Offer perks your team wants.** What's important: job-sharing days? Pet health insurance? Telecommuting options? If you're unsure, survey employees to find out what means the most.
- **Develop your employees.** Career stagnation is one of the primary reasons people leave their employers. Do what you can to take away that reason! Train them. Assign them mentors. Provide opportunities for professional development. Promote from within.
- **Provide the support employees need.** When things get busy, even the best employees can get burned out – a major cause of turnover. Job rotation and adequate staffing can remedy the problem (and having fun at work doesn't hurt, either!).
- **Hire for longevity.** Screen out job hoppers and be honest about what positions entail. Make sure a candidate's goals and personality align with the position (not just his skills and experience).



Teach the Left Hand What the Right Hand Does

Our educational system has a word for knowledge sharing -- it's called "cheating!" No wonder organizations struggle with it.

Knowledge does equal power, but only when it's refreshed, used and freely shared. If knowledge transfer isn't the norm in your organization, go beyond traditional classroom training to break down barriers:

- **Cross-training.** Rotate staff through different jobs to broaden their skills, encourage collaboration, increase knowledge transfer, increase job satisfaction and create more versatile employees.
- **Collaborative work spaces.** Create physical and virtual spaces (project areas, discussion forums, wikis, etc.) where groups of individuals can share and store knowledge (especially unstructured knowledge) over time.
- **In-house learning forums.** Invite company experts to conduct educational seminars or question-and-answer sessions during lunch. Expert interviews and "lunch and learns" allow key employees to share knowledge across departments.
- **Lessons learned.** Tap experiential knowledge of individuals, teams and departments with simple, post-mortem "knowledge gained" statements. "Lessons learned" are not best practices, per se, but key takeaways from both successes and failures. Share information in quarterly meetings, company newsletters or via your company intranet.



Introduce Knowledge Sharing's Less Glamorous Sister

Knowledge sharing is essential. Energizing.
Even a little exciting.

But if all of that freshly shared information resides solely in employees' heads, when people leave, it leaves with them -- creating very unglamorous problems.

Documentation is *not* sexy, but it is one of the most important ways to prevent knowledge loss! Capture and store essential information with:

- **Strategic role inventories.** For each key position, document: a functional overview of the role; specific skill sets needed; problems and solutions for the role; resources needed; required interpersonal skills; and performance expectations. Identify the knowledge needed to perform the role – and the knowledge that must be protected.
- **Self-profiling.** Require employees to record the deliverables, tasks and tools associated with their job. Provide the training, process and technology they need to self-document critical information.
- **Knowledge repositories.** Create a place to house procedures, checklists, complex processes, innovations and best practices. Then, use technology to facilitate central information sharing, updating and retrieval. Work with IT to create wikis, forums or knowledge databases – and train employees to use them!
- **Knowledge-based exit interviews.** Before an employee leaves, collect knowledge that would be helpful to his replacement or to others with similar roles. Ask what, how and why the individual did things, as well as what skills and competencies he considers critical to success. Use this information to refine role inventories and work profiles.



Groom Promising Protégés

Mentoring talent provides a host of knowledge-related benefits:

- **Lower turnover.** Research shows that employees who participate in mentoring have higher job satisfaction and reduced turnover.
- **Growth opportunities.** If you help high performers reach their full potential and achieve their goals, you can keep their talents and knowledge with you, longer.
- **Increased knowledge transfer.** Reduce the risk of losing critical skills and knowledge when senior employees leave.
- **Smoother succession planning.** As boomers retire, mentoring helps you promote qualified, established employees into leadership roles.

Use mentoring to maximize knowledge transfer:

- **Make knowledge retention an explicit goal.** Don't assume it will happen. Require participants to share and document knowledge as part of their mentoring activities.
- **Use the talent you have to train the talent you need.** Pair employees according to their strengths to facilitate knowledge transfer and minimize knowledge loss.
- **Make it a two-way street.** Young employees have valuable knowledge, too! Use a cross-generational approach to encourage the transfer of ideas and information in *both* directions.





Don't Go it Alone

How do you take knowledge retention from a "nice idea" to an ingrained part of your culture? Get everyone -- from the CEO to the receptionist -- involved:

- **Educate your organization.** Teach everyone about the benefits of knowledge retention (and the risks of doing nothing).
- **Show them what knowledge sharing looks like.** Find your organization's "knowledge naturals" -- people who live to learn new things and share ideas. Use them as role models and encourage employees to adopt their behaviors.
- **Prioritize activities.** Meet with senior management to determine which knowledge is most critical -- and which is most at risk.
- **Choose your weapons.** Take a multifaceted approach, using both formal and organic methods, to increase success.
- **Measure results.** Help managers develop ways to quantify and measure knowledge transfer. Make knowledge sharing part of job descriptions. Revamp compensation and recognition systems to reward knowledge retention and transfer goals.
- **Get outside help when you need it.** Use this secret weapon to stop knowledge loss. (*What's that, you ask?*)





It's Your Staffing Partner!

Work with your staffing provider to address the underlying problems that lead to knowledge loss. Your staffing partner can help you:

- **Anticipate hires to head off brain drain.** Use the staffing firm's strategic expertise to identify potential knowledge gaps due to upcoming retirements or talent shortages. They will proactively recruit on your behalf -- well ahead of your needs -- to ensure access to talented people with the knowledge and skills you need.
- **Hire for longevity.** A staffing firm's recruiting experts can help you hire someone whose skills, interests, personality and career goals align with your organization and its culture -- the first time. Better matched candidates will stay working for you longer.
- **Close existing knowledge gaps.** Struggling to recover lost knowledge? Bring in high-level consultants to train employees and document processes. Temporary experts can reintroduce lost knowledge to your organization, teach new skills and drastically reduce learning curves.
- **Alleviate burnout that contributes to turnover.** Overtime can lead to burnout and higher turnover. Use temporary workers to reduce or eliminate the need for overtime, which helps your staff stay fresh, productive and motivated to stay working for you.



Sources:

- 1 **"Linking Human Resource Management to Knowledge Transfer for Organizational Development,"** International Journal of Business and Social Science, vol. 4, no. 12 http://www.ijbssnet.com/journals/Vol_4_No_12_Special_Issue_September_2013/18.pdf
- 2 **"Baby Boomers Retire,"** Pew Research Center <http://www.pewresearch.org/daily-number/baby-boomers-retire/>
- 3 **"Global talent exodus on the horizon as economic growth returns,"** Hay Group <http://www.haygroup.com/ww/press/details.aspx?id=37373>

Additional sources:

<http://www.knowledgetcats.aboutpeople.com/KnowledgeLossFactsandFigures.htm>

<http://blog.thecompetencygroup.com/the-effect-of-corporate-knowledge-loss/>

<http://www.knowledgetcats.aboutpeople.com/documents/CreatingKnowledgeSharingCulture.pdf>

<http://www.thecompetencygroup.com/succession/skillreset%E2%84%A2-knowledge-capture.aspx>

