

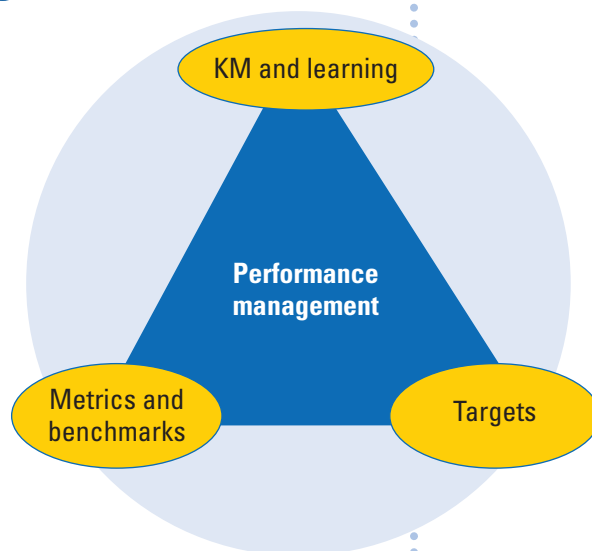
KM and performance management

Anyone who has participated in Knoco's training simulation *Bird Island* will be very aware of the close link between performance and knowledge.

During the simulation, teams see a rapid performance increase as they apply KM, often resulting in a 4-fold or 5-fold improvement. What's more, historical results for the game show continuous performance improvement over a 10-year period!

These results got us thinking about the link between knowledge and performance, and between KM and Performance Management. We came up with the following conclusions.

- Knowledge and performance are totally linked. The more you know, the better you perform. Learn from performance and you increase knowledge. Increase knowledge and you improve performance. *Bird Island* shows this extremely well, and indicates that KM will be the engine that drives continuous performance improvement.
- That means that Knowledge Management and Performance Management (PM) also need to be linked: The KM cycle should fit with the PM cycle.
- Performance Management consists of three elements: measurement (and benchmarking), target setting, and KM (*see figure*).
- Measurement and benchmarking identify where performance - or a team or unit - is weak or strong. They also show which other teams or units can be either sources of knowledge or users of knowledge. Strong performers can help the weaker performers. But if there are no metrics, or no benchmarks, then teams or units don't know if they need to improve nor what knowledge they need. We see this repeatedly in the simulation, where teams are proud of their first performance - even though it only equates to 20-25% of their final result - because at that stage they don't know the benchmark.
- Target setting is the driver for improvement. Without target setting, teams will do what they have always done. Targets need to be achievable, but should be set beyond the knowledge of the team. If a team sets a goal which it knows how to meet, it will use only its own knowledge. If a team sets a goal which they know (through benchmarking) is achievable, but is outside their own performance, then they will seek the knowledge to deliver the goal.
- KM is the enabler. Target setting creates the focus of knowledge sharing, while measurement and benchmarking define where that knowledge should come from. KM closes the gap.
- In organisations which do not



measure and compare their performance, or which do not set stretch targets, KM will struggle. People will not know who the good performers are, and therefore who to learn from. They will not be driven (through target setting) to seek further knowledge. They will not see the results of the improvements that knowledge brings, because there are no metrics. KM can help an organisation like this, but will not deliver the full potential that a close linkage of KM and performance management will bring.

New resources on website

When you next visit our website, www.knoco.co.uk, have a look at the white papers and podcasts we are now making available for you. Also all our newsletter back copies are there for your download.

For best KM results *talk to people on their own turf*



Knoco's
Tom Young

Recently, Knoco's Tom Young was assessing a client's Knowledge Management capability, and being shadowed by a member of the internal KM team as part of skill transfer arrangement.

Tom and his shadow traveled to site to interview someone we had been told 'had seen it, done it, been everywhere with the company and had a wealth of experience.'

Tom reports: "We were warmly welcomed and indeed the interviewee was a mine of experience. In the assessment interviews, some themes that were starting to emerge strengthened, and some world class processes were described. It was a pity that these processes were limited to the interviewee's immediate sphere of influence, but I felt comfortable that – with a little bit of effort – they could be replicated across the wider organization."

Traveling back from site, Tom's companion expressed delight at the quality of the conversation the two of them had just led, noting how it provided an incredible insight into how knowledge flowed and was used in that part of the organisation.

"So what have you learned?" Tom asked. His 'apprentice' took a while to respond, then said: "I've learned that if you make the effort to visit someone in their location and to create an atmosphere which they perceive as being comfortable and safe,

you will get an incredibly high level of engagement and they will willingly and openly share their knowledge with you."

So Tom asked: "Now you have this insight what is it going to allow you to do differently?" After another pause for thought, the 'apprentice' suggested that the success of the site visit perhaps explained the very low response and low quality of content received from a previous Lessons Learned questionnaire.

"Returning to the office, we reviewed some of the responses to the earlier Lessons Learned questionnaire," says Tom. "As I could have predicted, the content was very poor. For example, one Lesson Learned read like a complaint about accommodation. It stated: 'not enough tables to lay out the plans'. It contained nothing that a future reader would find either useful or actionable."

So Tom said to his companion: "Imagine that instead of sending the questionnaire, you had gone to visit this person and their colleagues and they had said this. What would you have done?" Their consequent conversation explored how best to steer discussion to produce future useful and actionable advice.

"Our aim was to find a way to reframe a complaint into advice," Tom reports. In this case, it would be this:

- Six weeks before moving to site, place an order for four 2m or 3m tables. Then put the tables together so drawings and plans can be laid out on

them for review.

- Chairs aren't needed: people move around the tables as the discussion moves around the content of the drawings.
- Allow six electrical outlet sockets per table for laptops and at least 1.5m between the table surface and any overhead light fixtures.
- Provide six (four plus two spare) weights per table to hold down the drawings.

These bullet points provide useful, actionable advice and gives positive value to a bald complaint that a team "didn't have the tables they needed!"

"Through coaching and demonstration, my apprentice from the internal KM team learned the value of 'meeting people where they are at'," says Tom. "We later learned that after our visit, the interviewee had called the KM team leader to say that in over 20 years this was the first time someone from head office had come to site instead of summoning him to the head office and had genuinely listened to what he had to say and the experience behind his comments. Not only had he felt able to contribute, but he'd also become an advocate for the work the KM team were doing."

Tom concludes that if you want to gain insight for an assessment, or if you want to gain lessons learned from someone, 'face to face' is the most effective way, and questionnaires have very limited value. And 'face to face' has the added benefit of recruiting supporters for KM.

KM and Learning & Organisational Development

“We’ve recently completed a piece of work for a client, looking at the overlap, and differences, between Knowledge Management and Learning and Organisational Development,” says Knoco’s Nick Milton. “This has been a fascinating piece of work, and we hope to write a paper on the topic soon, but here are a few conclusions.”

On the face of it, there should be a strong link between KM and L&OD, as both are about learning, and about the development of capability through learning. In the past, L&OD has focused on learning and development of the individual, and KM has focused on learning and development at team, project and community scale. Yet teams and projects and communities are made up of individuals.

Traditional learning was classroom focused, but increasingly L&OD is incorporating learning on the job – online learning, the use of learning blogs and wikis, and remote learning through webcasts and other tools.

Nick notes: “Our first thought is that, at a strategic level, KM and L&OD should be linked, the strategic competencies of the organisation should be addressed by both disciplines. Consistent resources could be created, ensuring that new knowledge is provided consistently through training, through reference materials and through communities.

“KM can provide support and learning solutions outside the classroom, and personal

development through interventions like site visits and learning visits can be linked with team learning as well. We have worked with one organisation where the corporate university is supported by a series of communities of practice, so that L&OD and KM are structurally connected through the university.

“L&OD addresses the ‘Internalisation’ box in the Nonaka and Takeuchi SECI model (Figure 2), which we have always found the hardest box to address through KM. This is the box where the individual or team interacts with the organisational knowledge base, and where structures like simulations, role

playing and games can provide a powerful way of transferring knowledge.

“This message was passed on to us many years ago from Colonel Ed of the US Army, who had a close link between KM and training. He told us that training occupied 70% of the Army’s time, which is a proportion no business will even match. However a proper linkage between training and knowledge sharing, between building the capability of the individual and that of the organisation, and between L&OD and KM, is likely to be the next step forward in consolidating KM as a fully embedded support mechanism for performance.”

Socialisation

- This is the exchange of knowledge from person to person, without reference to stored material. It includes sharing of skills and mental models.
- People learn, and transfer learning, through conversation, through questions and answers, and through demonstration.
- The conversations can be face to face, as in peer assist, mentoring or coaching, or virtual, as in a discussion forum.

Internalisation

- This is the process of internalising knowledge which has been shared by others. Here the learner takes what he or she reads or is presented, and turns it into personal understanding.
- It is closely related to ‘learning by doing’, or perhaps ‘learning by understanding’.
- This is a crucial step in any organisational learning system.

Externalisation

- This is the articulation of tacit knowledge into explicit concepts which can be recorded and shared.
- This stage is where a person’s learning is made concrete and conscious. This is usually done through reflection and through dialogue.
- The Externalisation of new knowledge from the business is a key component of building the organisational memory and knowledge base.

Combination

- Combination involves combining captured knowledge into a new body of reference or educational material.
- Knowledge from a number of sources can be combined, and presented in a way which is tailored to the needs of the learner.
- Combination can be a highly creative process, and also involves ensuring that old, out of date knowledge is removed or updated.

Nick Milton on keynote drill at Buenos Aires oil & gas expro KM meeting



Is this Nick Milton capturing tango KM in Argentina?

Nick was recently in Argentina giving a keynote speech at the 1st conference on Knowledge Management in Exploration and Production of the Instituto Argentino del Petróleo y del Gas. His talk – **Basic principles of KM – seven lessons from 16 years of experience** – offers a useful reprise for our readers, and the main points are:

- 1 Knowledge management is a component discipline of good management practice; the component that drives continuous improvement
- 2 Focus on the business outcome for your company. Be clear on

the drivers for KM. Support the business outcome, and nothing else

- 3 Focus on the critical knowledge, and manage the knowledge of highest value.
- 4 Technology is part (but not all) of the answer
- 5 The KM 'system' needs to be complete, and performance managed. You can't 'half do' knowledge management
- 6 Accountabilities are key: knowledge needs to be looked after by people with defined roles and accountabilities.
- 7 Embed KM in the business process, with clear minimum conditions of satisfaction.

New Pikoli partnership to service public sector

Knoco has recently set up a partnership to cover KM work in the public sector. Together with Gary Colet and Douglas Archibald, we have set up the Pikoli Partnership. 'Pikoli' stands for Performance Improvement, Knowledge,

Organisational Learning and Innovation. Knoco's extensive private sector KM experience, and Douglas and Gary's close links with the public sector, will form a winning team.



Gary Colet



Douglas Archibald

Knoco's new South America partnership



Knoco Ltd has signed a preliminary agreement with Daniel Gorodetzky, of Daassnet, to provide KM services in South America focused on potential opportunities outside the oil and gas sector. This is an area we find hard to service, due to

the great distance and our lack of fluency in Spanish and Portuguese. We hope that working with Daniel and his team, we will be able to provide state of the art KM consultancy in this vibrant and active region. Welcome to the KM family, Daniel!