

# Structured Knowledge Transfer for a Continuous Organisational Development: Methodology in Theory and Praxis

**Benno Ackermann**

(Credit Suisse, IT Private Banking Methodologies, Lessingstrasse 3, 8070 Zurich, Switzerland  
benno.ackermann@credit-suisse.com)

**Abstract:** An internally developed knowledge transfer methodology ensures at Credit Suisse that irreplaceable know-how (implicit and explicit) remains within the firm – even when keypersons leave, e.g. retirement, internal job mobility, extended absence or general leaving.

The methodology tested in theory and in praxis was developed by supporting over 70 keypersons and became part of the organisation in 2008. By covering general aspects of knowledge transfer as well as enhancing the human capital development in the business, the methodology provides a basis for organisational development: Due to transparent tasks and functions efficient and sustainable changes are possible.

**Keywords:** knowledge transfer, organizational development, succession management, personal development, transfer coaching, learning organization, knowledge management

**Categories:** M.0, M.2, M.5, M.8, M.9

## 1 Optimize internal knowledge transfer

Someone with key knowledge (expert or manager) leaves the firm in three months time. When asked how important projects will run afterwards and if contacts will be kept within the organisation, the answer is: "Yes, we are currently preparing a transition list with all the relevant tasks. We will check it one month before the expiration of the contract."

The keyperson has left. The successor has taken over two months ago. During a coffee break with the successor reality speaks for itself: The successor's induction hasn't been prepared at all, the task overview was incomplete and out-of-date. He finished works that his predecessor should have done. The work motivation lowers if there is no project overview and one has to listen to comments from the project stakeholders such as "your predecessor struggled as well".

The successor's induction could have been more efficient and gainful for all participants with the following:

1. Identify the predecessor's tacit knowledge and analyze the strategic transformation: Which activities will continue or cease?

2. Appreciation for the predecessor's work: overview and transparency of his projects, activities, biggest achievements ...
3. Create an overview for the successor: from an overview to detailed functions and activities.
4. Due to a more efficient induction the successor will be motivated and able to participate and decide at an earlier stage.

What ever the reason for a key person's leave may be, there is a huge loss of knowledge for the company. That's bad but it gets even worse: how do you know which employee owns key knowledge and what are the entrepreneurial risks if there is no transparency?

Not only is the implicit knowledge lost but the explicit, documented one cannot be used or applied efficiently, because it's not found or the relevant contacts and the context are missing.

### 1.1 Introduction

During the induction of a new employee documented knowledge (such as instructions or descriptions) and tacit, experience based knowledge (e.g. personal network in a crisis) will increase.

The value of documented knowledge (dark blue) increases rapidly in the first phase due to the new employee's need for explicit knowledge during daily work. Tacit knowledge will be built (light blue). The new employee will know his way around the company, build up a network and become an expert in his own field.



Figure 1: Induction of a new employee

With an advanced induction the employee's valuable tacit knowledge increases, he knows important contacts and acquires knowledge and correlations of specific situations.

On the other hand, explicit, documented knowledge isn't required as much as before, the employee gains more experience every day:

1. The value of the employee's experience based knowledge increases by time
2. The value of the documented knowledge decreases (information in systems or data carriers)

If a key person is absent for a longer period (e.g. illness, vacation) or leaves the company (e.g. retirement, internal mobility, resignation) the manager faces the challenge to recruit new staff. Luckily there is still a job description from the predecessor available. Is it up to date? On what projects and details worked the departed employee? Who were his stakeholders? Who knows his daily challenges?

## 1.2 Knowledge gap due to employee turnover

An employee turnover brings the frail dealings with knowledge to light: Who owns the expert knowledge of the missing manager or expert? The deputy who managed two out of ten projects when the expert was absent and therefore only has a limited view of the predecessor's overall responsibility?

Valuable experience based knowledge (implicit knowledge) is lost once an employee leaves the company. Documented (explicit) knowledge is useless because nobody knows where it is, how it can be applied or who the relevant contacts are. The successor starts his job with documented information that is partially up to date, if available at all. Colleagues support as good as they can to close the knowledge gaps. That is not only time consuming but expensive.

During his induction, the successor – as his predecessor before him – runs through a learning process including many repetitions and inefficient workflows: The wheel seems to be reinvented.

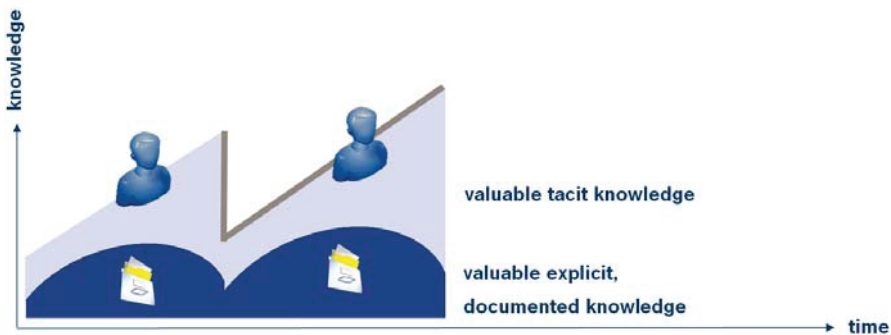


Figure 2: Successor's knowledge gap and knowledge increase

### **1.3 Optimized knowledge transfer: minimize the knowledge gap**

The optimized knowledge transfer enables a successor to identify and get access to the valuable part of the predecessor's knowledge. Before looking at the methodology in the details, what is the return on investment, seen from three different perspectives?

There are a number of advantages from the company's perspective

- Keep the predecessor's expert knowledge
- No inefficient or unnecessary induction
- Efficient transfer of a number of projects or a business area
- Increase motivation of employees: less inefficient work (do not repeat the predecessor's mistakes or time consuming learning's; acquire more and quicker decision competences
- Transparent functions and workflows
- Recognize and tap potential for process improvements and customer orientation
- Human capital and organisational development based on facts and transparency
- Close the gap between entrepreneurial vision and day to day work

Advantages from the successors's perspective

- Shorter, more efficient and motivating induction
- Motivation due to faster and sustainable decision making
- Benefit from the personal network of the predecessor
- Be on the same business level as colleagues are, but in a shorter time

Advantages from the predecessor's perspective

- Job reference with substantial projects, skills and competences
- Appreciation and motivation due to interest in one's work
- The visible transparency in expert knowledge and the creation of a detailed reference, supports the future career planning

This results in a win-win situation for all participants.

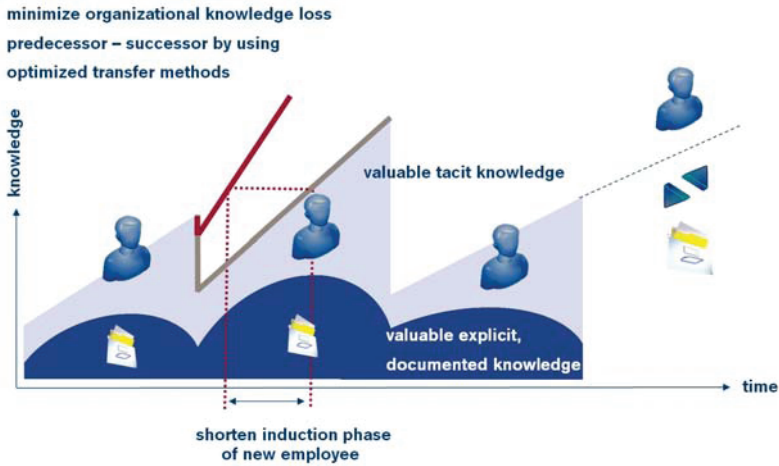


Figure 3: Potential of an optimized induction through knowledge transfer

#### 1.4 Optimized knowledge transfer – knowledge transfer at Credit Suisse in detail

The knowledge transfer methodology used at Credit Suisse is based on the analysis of internal business processes and consists of:

- A. Initialisation of knowledge transfer with line manager, predecessor and (if available) follower
- B. Three phases:
  1. Identify valuable knowledge
  2. Moderated / not moderated transfer
  3. Transformation of implicit to explicit



Figure 4: Methodology with Initialisation and three phases

### Initialisation

Line manager, predecessor and moderator discuss and agree on, which activities and functions are relevant for the successor:

- Strategy of the organisation
- Purpose of the knowledge transfer from the line manager's perspective
- Initial status
- Resources
- Adaption of methods to circumstances and persons involved

All participants commit to the agreed approach and resource estimate. The successor will then invite to further transfer sessions. As he benefits most from the sessions, he will strive towards a correct organisational setting. The line manager can be invited optionally as this raises more visibility and ensures the realisation of the sessions even under hectic daily work circumstances.

### Phase 1

Identify and map valuable knowledge, define appropriate methods for knowledge transfer in a first phase.

The knowledge map offers an overview of the relevant knowledge and lists the priorities for the transfer. The map shows internal and external stakeholders, processes, contacts, best practice, crisis scenarios, systems, available information (e.g. intranet, SharePoint repositories, documents on file drives or Wikis).

Ideally predecessor and successor are present when the valuable knowledge is identified. The successor gets first hand information. The creation of the knowledge map will give him a better understanding of his new working area and his predecessor's tasks.

Moderation in this phase is crucial: The moderator is responsible for the development of a significant knowledge map. This sets the base for all further steps, such as setting priorities and defining an appropriate structure. The external view of a

neutral moderator has been rated as very valuable: important questions are asked and answered openly. The moderator is in a perfect position to ask these important pain point questions.

Identify valuable knowledge is key for any further activity and is therefore done carefully and detailed. One to two half days are required for this task.

After completing the knowledge map including a prioritization, all participants agree on the next steps and define the necessary resources in detail.

### **Phase 2 – Knowledge Transfer**

In the second phase the important knowledge (classified as valuable for knowledge transfer) is transferred to the successor – either to a single person or a team – by using the agreed methodology in phase 1. The knowledge map will be itemized in the transfer document. This document is part of the entire knowledge transfer. The successor updates continuously, even after induction time.

Moderated and non-moderated knowledge transfer methods can be distinguished in this phase:

1. Moderated methods for complex knowledge, such as processes, crisis scenarios, personal network...  
This knowledge will be transferred with known methods from knowledge management, coaching and moderation. The choice of methods depend on the content, involved persons and the general conditions: story telling, SWOT visualisation, best practice, worst practice, visualisation of the personal network, survival guide, balanced score card and other methods.
2. Non moderated methods: Suitable for fact based knowledge with simpler context, e.g. application handling.

### **Phase 3 – Transform Knowledge**

In the third phase the predecessor's knowledge will be transformed to written and explicit knowledge, provided that the effort is reasonable and justifiable. This transfer document guides the successor through the whole knowledge transfer. It might be prepared before phase two, right after the creation of a knowledge map and the prioritization. The transfer document paves the way for the successor by giving an overview of the new field: transfer status, information, context, contact persons, scenarios, etc.

The transfer document can be reused at a later stage, when a deputy or a new successor joins the team or department: the knowledge transfer comes full circle, phase 1 restarts with new participants, but with an easier beginning for the newcomer.

## **2 Current Experiences**

The methodology supports human capital development as well as organisational development: the organisation's tasks and functions will be more transparent and therefore can be changed with more sustainability.

More than 70 knowledge transfers have shown, that employees basically pass on their knowledge gladly, provided that all the involved persons get a profit in following the methodology.

To focus on the predecessor's activities and tasks was considered by most persons as an appreciation of the achievements during daily work. This roundup can be integrated in the job reference.

In any case it is essential to evaluate the potential of a knowledge transfer during the initialization phase. If the basic conditions are negative, e.g. the predecessor is not willing to participate, it is recommended to refrain from a knowledge transfer and to suggest other not moderated methods outside of the framework. This situation didn't occur in daily work, except for a few exceptions (2 out of 70 knowledge transfers).

Only if predecessor and successor take a personal interest in passing on or making use of the expert knowledge, the methodology can unfold its full potential.

Customers mentioned, that the realized transparency allows a qualified performance appraisal, based on personal skills and project work: An employee develops his skills and abilities and is supported accordingly. The Linemanager recognises the benefits of supporting the employee because of the transparent functions and activities. Therefore most concerns about unknown or dangerous risks are resolved.

Last but not least the line manager's interest in his employee's functions and achievements showed a highly positive impact on the employee's motivation and working attitude.

## References

[Aigner, 01] Aigner: Professionelles Wissensmanagement: Erfahrungen und Visionen, Aachen, 2001, [www.digitaltv.at](http://www.digitaltv.at)

[Bachmann, 03] Bachmann, Th.: Bildungscontrolling am Beispiel von Grossunternehmen des Informationstechnologie- und Telekommunikationssektors der Schweiz, Lizentiantarbeit, Universität Bern, 2003

[Back, 01] Back, A., Bendel, O., Stoller-Schai, D.: E-Learning im Unternehmen. Grundlagen – Strategien – Methoden – Technologien. Orell-Füssli, Zürich, 2001.

[Back, 01] Back, A.: E-Learning im Unternehmen. E-Learning und Wissensmanagement zusammenführen. Orell-Füssli, Zürich, 2001.

[Back, 02] Back, A.: E-Learning durch Wissensmanagement bereichern, St.Gallen, 2002, [www.medienpaed.com/02-2/back1.pdf](http://www.medienpaed.com/02-2/back1.pdf)

[Glas, 04] Glas, P., Pieler, D., von Rosenstiel, L.: Strategisches Kompetenzmanagement, Gabler Verlag, 2004

[Daum, 02] Daum, J.: Intangible Assets, Galileo Press, 2002

[Bullinger, 98] Bullinger, H., Wörner, J., Prieto, J.: Wissensmanagement – Modelle und Strategien für die Praxis, Erschienen bei Bürgel: Wissensmanagement – Schritte zum intelligenten Unternehmen, Berlin, 1998

[Droschl, 04] Droschl, G.: E-Learning und Wissensmanagement Synergien und Barrieren, Hyperwave AG, 2004, <http://www.i-know.at/previous/i-know04/program.htm>

[Eppler, 05] Eppler, M.: Technologien des Wissenstransfers, Universität Lugano, 2005, [www.knowledge-communication.org](http://www.knowledge-communication.org)

- [Heimer, 01] Heimer, Th., Rossbach, P.: Management der Ressource Wissen in Banken, Bankakademie-Verlag, 2001
- [Meier-Beer, 03] Meier-Beer, R.: Evolution gestalten: Wissensmanagement im E-Learning, UBS Zürich, 2003, <http://www.scil.ch/congress-2003/program-08-10/docs/08-track-5-4-txt-meier-beer.pdf>
- [Reinmann-Rothmeier, 02] Reinmann-Rothmeier, G.: Mediendidaktik und Wissensmanagement, 2002, <http://www.medienpaed.com/02-2/reinmann1.pdf> [www.medienpaed.com](http://www.medienpaed.com)
- [Rohleder, 04] Rohleder, N.E.: Die Bausteine des Wissensmanagements in der Praxis, ETH Zürich, 2004, [www.wissensmanagement.net/online/archiv/2004/08\\_2004/wm-bausteine.shtml](http://www.wissensmanagement.net/online/archiv/2004/08_2004/wm-bausteine.shtml)
- [Schneider, 01] Schneider, U.: Die 7 Todsünden im Wissensmanagement. Kardinaltugenden für die Wissensökonomie, Allgemeine Buch im F.A.Z.-Institut, 2001
- [Servatius, 01] Servatius, H-G., Palass, B.: WissensWert, Schäffer-Poeschel Verlag, 2001
- [Specht, 05] Specht, R.: Soft Factors im Knowledge-Management, Vorlesung, Universität Luzern IKK, 2005, [www.specht-consulting.ch](http://www.specht-consulting.ch)
- [Tochtermann, 01] Tochtermann, K., Ley, T., Rollett, H.: Wissensmanagement, Management intellektuellen Kapitals und E-Learning: Alleinstellungsmerkmale und Zusammenhänge, Know-how Center Graz, 2001
- [Von Krogh, 00] Von Krogh, G, Kazuo, I., Nonaka, I.: Enabling Knowledge Creation, Oxford Universtiy Press, 2000
- [Wilbers, 07] Stoller-Schai, D.: Meet peers and experts: Erfahrungen mit der ersten Virtuellen Konferenz der Phonak AG, In: Handbuch E-Learning (Hrsg.) K. Wilbers, A. Hohenstein, Oktober 2001