

## How to Improve Knowledge Organisation Performance

In knowledge-based organisations, strategic potential is *defined* by knowledge capabilities and *realised* by intellectual capital deployment. Accordingly, those organisations that manage their knowledge and information resources as strategic assets are advantaged.

There are five key performance levers for knowledge-based organisations.

### 1. Support knowledge worker performance

Knowledge workers are your organisation's most expensive resource, so even small performance improvements could have a huge impact. Management thinker, Peter Drucker, notes that by any measure, knowledge worker performance is 'grotesquely unproductive'. This is because traditional ways of managing *don't work* with knowledge workers. To what extent do these statements describe your organisation and its ability to get the best from knowledge workers?

- ❑ Characteristics of *knowledge workers* are understood and supported
- ❑ Different types of *knowledge work* are differentiated and enabled
- ❑ People are valued for their ability to work across disciplines and domains, as well as particular technical expertise
- ❑ The organisation looks beyond today's requirements to build capacity and capability for emerging priorities and innovation opportunities
- ❑ Managers are skilled in knowledge worker management

### 2. Identify and mitigate *knowledge risk*

*Knowledge risk* is the risk associated with the under-utilisation or loss of knowledge that is critical to the organisation's performance. Long-term employees have been the safety net for poor knowledge retention practices – the ageing workforce demographic removes the safety net.

- ❑ **Identifying knowledge risk**  
Knowledge risk is not evenly distributed. Where does organisationally important, difficult to replace expertise lie? This is the 'head contents' issue. And what is the footprint of this critical knowledge (is it in many heads, or one or two? Is it captured in methodologies and procedures?)

- ❑ **Mitigating knowledge risk**

Focus your efforts on critical knowledge. Beware the *one-minute to midnight* syndrome. The longer you leave it, the less mitigation options you have and the more it will cost you. In addition, disaffected and disengaged staff are very poor knowledge donors and recipients! Culture does matter.

### **3. Facilitate an innovation culture**

Innovation is a key platform of organisational strategy for sustainable business outcomes. 86% of Australia's fastest growing private firms (BRW Fast 100 – 2006) describe themselves as 'high-innovation' companies.

Innovative organisations share these characteristics:

- ❑ Innovation and Organisational Strategy. Management and staff know how innovation contributes to organisational potential and performance
- ❑ Engagement. Staff know the organisation, its strategic intent and its business. They also know what you mean by *innovation*, and that it's everyone's job.
- ❑ Connections. Your people interact with each other, customers, suppliers, stakeholders, and what's happening in the marketplace.
- ❑ Innovation conversations. Ideas are thrown around, nurtured, built on, developed and explored. They don't have to be perfect on their first outing.
- ❑ Processes. Defined innovation processes, purpose built to match your risk-reward requirements, encourage ideas to thrive to maturity.

### **4. Knowledge asset performance**

You may have formally identified your knowledge-based assets on an IP Register. The opportunity now exists to actively manage these assets to extend your organisation's strategic impact and contribution.

- ❑ Processes are in place to transform knowledge and know-how into formal IP assets
- ❑ Opportunities to re-purpose, combine, leverage and commercialise knowledge assets are exploited for social, organisational and or commercial advantage

### **5. Understanding organisational experience**

What insights do you generate when you aggregate, consolidate and interpret organisation-wide experience? Developing insights is true knowledge creation. Draw together a group of people who in combination can identify, analyse and draw inferences from the mishmash of ambiguous, contradictory and partial evidence. The task is neither straightforward nor trivial. It consolidates what you have learned, providing a springboard for what you do next